光大綠色環保
Everbright Greentech

Stock Code: 1257

(Incorporated in the Cayman Islands with limited liability)

2022
SUSTAINABILITY REPORT

Content

FEEDBACK
The Group holds the views of stakeholders in high regard. You are welcome to contact the Group via info@ebgreentech.com if you have any queries or suggestions relating to the contents or reporting format of this Report.

COMPANY PROFILE

China Everbright Greentech Limited ("Everbright Greentech" or the "Company" or together with its subsidiaries, the "Group") is a professional environmental protection service provider in China, with its businesses focusing on integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. It was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 8 May 2017 (stock code: 1257). Upholding its philosophy of leading the way through business innovations, Everbright Greentech took a pioneer role to introduce integrated urban and rural waste treatment project in Mainland China. Currently, the Company has its business coverage spanning across 15 provinces, autonomous region and Hong Kong Special Administrative Region ("Hong Kong") in China, and spreads far to Germany.

With strong support from China Everbright Group Limited ("China Everbright Group") and the controlling shareholder, China Everbright Environment Group Limited ("Everbright Environment" or "CEEGL", a company listed on the Stock Exchange, stock code: 0257), and leveraging on its own extensive experience in the development and operation of diversified project portfolio as well as robust market expansion capability, the Group will continue to follow the instruction to be "Prudent, Proactive and Practical", bearing in mind its initial commitment and mission as it strives incessantly to become a leader in China's environmental business sector.

Since its listing in May 2017, Everbright Greentech has been actively responding to global environmental, social and governance ("ESG") development trends and its performance has been well recognised and has captured the attention of institutional investors who value sustainability.

ABOUT THE REPORT

REPORTING YEAR AND SCOPE

This Sustainability Report (the "Report") relates to the Group's sustainability strategy, major performance and future development directions for the period from 1 January 2022 to 31 December 2022 (the "Reporting Year"). During the Reporting Year, the Report continued to focus on the operations of the Group's integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. The environmental and social key performance indicators ("KPIs") will cover the Group's headquarters in Hong Kong and Shenzhen, and projects over which the Group exercised operational control. Compared to the 2021 Sustainability Report, this Report covers 14 more projects. Details of the business segments are set out in the section headed "About Everbright Greentech" on pages 20 to 27 of this Report. For further information on the Group, such as its performance in corporate governance and financial performance for the year, please refer to the Company's annual report 2022 (the "Annual Report").

REPORTING STANDARDS AND PRINCIPLES

This Report for the Reporting Year was prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standard ("GRI Standards") and the "Environmental, Social and Governance Reporting Guide" (Appendix 27 to Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules")). In preparing this Report, the Group has also adhered to the following reporting principles: stakeholder inclusivity, sustainability context, materiality, completeness, accuracy, balance, clarity, comparability and consistency, reliability, timeliness and quantitative measurement.

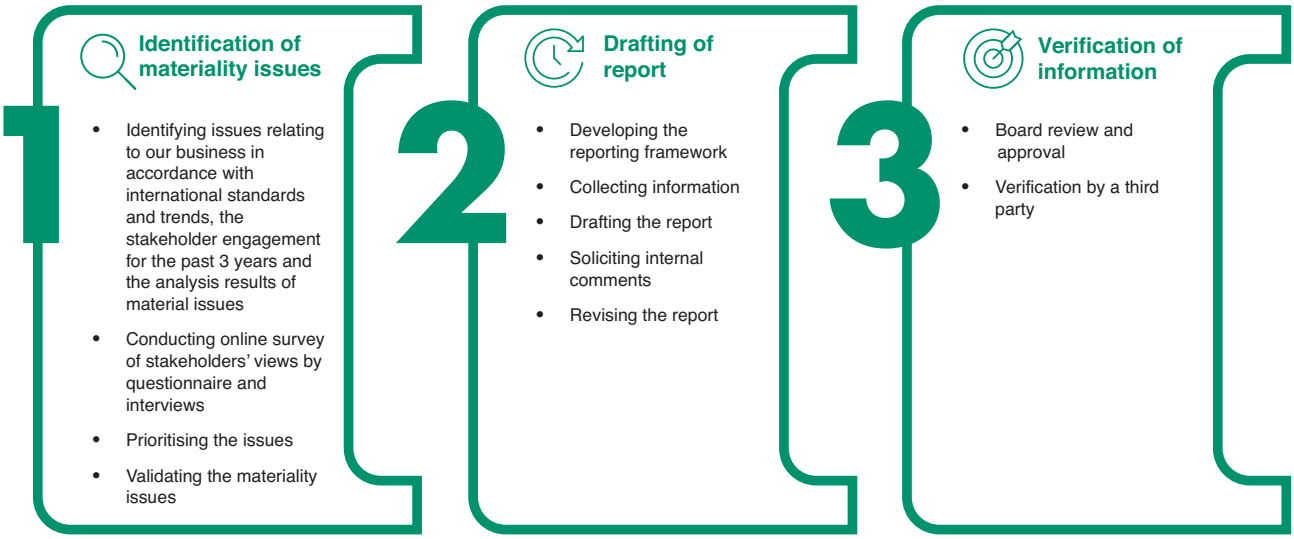
Principle	Description	Response of the Group
Stakeholder inclusivity 	The report should explain how stakeholders have been identified and how their views and expectations have been addressed.	The Group understood stakeholders' views and suggestions through events of communication with stakeholders during the Reporting Year and its reporting is primarily based on such input. The Group has screened its major stakeholders in a responsible manner according to the principles of responsibility, influence, proximity, dependence and representativeness. For details of stakeholder engagement, please refer to pages 33 to 41 of this Report.
Sustainability context 	The report should illustrate the entity's performance in a broader sustainability context.	In reporting various sustainability issues, the context of the industry, region and the world have been taken into consideration, taking into account the Group's own sustainability strategies, risks, opportunities and goals.

Principle	Description	Response of the Group
Materiality 	The report should reflect the notable economic, environmental and social impact of the entity, or areas which have a substantial impact on stakeholders' evaluation of and decisions regarding the entity.	Sustainability issues that are highly material to the stakeholders and that have a material impact on the Group have been identified based on the nature, mode of operation and location of the Group's business as well as the outcome of communication with stakeholders.
Completeness 	The report should explain in reasonable detail the scope and timing of the impact of material issues identified.	The impact of all material sustainability issues for the Reporting Year has been evaluated and reported on.
Accuracy 	The report should provide sufficiently accurate and detailed information to facilitate stakeholders' evaluation of the performance of the entity.	The Group's internal control and vetting procedures have ensured the accuracy and reliability of all information.
Balance 	The entity should prepare the report in an impartial manner and ensure clear explanation of both positive and negative impacts, so that stakeholders may reasonably evaluate its overall performance.	In the preparation of this Report, while the discussion of the achievements in ESG has been emphasised, the Group has also provided descriptions of difficulties encountered and their solutions.
Clarity 	The report should present information clearly for ease of stakeholders' understanding and access.	This Report has been presented in a manner easily comprehensible and accessible by stakeholders who have a certain degree of knowledge of the Group and its businesses.
Comparability and consistency 	The report should disclose information in a consistent format, so that stakeholders can analyse and evaluate the performance of the entity during different periods. The entity should provide explanations in respect of any change in the methods of disclosure.	Past KPIs and information have been presented to enable stakeholders to compare performances on a year-on-year basis.

Principle	Description	Response of the Group
Reliability 	The report should explain the manner in which the information has been collected, recorded, edited, analysed and reported, so that stakeholders can confidently review its quality and truthfulness.	This Report has presented information with clarity without any intention to mislead or deceive, and has been endorsed and approved by the Board on 24 March 2023. This Report has also been validated by a third-party institution.
Timeliness 	Regular reporting should be conducted to furnish stakeholders with timely information, so that they can make informed decisions.	This Report has presented general information on the Group's economic, environmental and social impacts during the Reporting Year with clarity.
Quantitative measurement 	The report should disclose KPIs in measurable terms.	Quantitative information has been furnished wherever practicable.

PROCESS OF REPORT PREPARATION AND DESCRIPTION OF DATA

The preparation process for this Report for the Reporting Year did not differ from that of the Sustainability Report 2021, follows the process from the identification of materiality issues and report drafting to the verification of reported information. The details are as follows:



The Group undertakes that all information and data[1] collected has been extracted from the Group's internal documents and statistical reports, and has been approved by internal control and vetting procedures. Data analysis has been conducted in accordance with relevant local or international guidelines and standards, such as the estimation of greenhouse gas ("GHG") emissions of projects according to computational methods approved under the Clean Development Mechanism[2] ("CDM"). All data set out in this Report have been rounded except for integers.

VERIFICATION OF REPORT

The Board considers sustainability an important part of its corporate development strategy, and the Report has been approved by the Board on 24 March 2023. In addition, to ensure compliance with relevant reporting standards, the Report has been independently audited and verified by the Hong Kong Quality Assurance Agency. The verification statement is set out on page 136 of the Report.

1 The key performance indicators in this Report have been computed and reported on an operating basis.

2 A flexible mechanism for GHG reduction defined in the "Kyoto Protocol" under the "United Nations Framework Convention on Climate Change". Its methodology provides the basis for the determination of baselines and project boundaries as well as the computation of GHG emission data such as the volume of emission reduction and cost efficiency of emission reduction.

MESSAGE FROM THE CHAIRMAN

Chairman
Huang Haiqing

On behalf of the board of directors (the "Board") of Everbright Greentech, I am pleased to present the 2022 Sustainability Report of the Group to our shareholders and stakeholders.

Adhering to the principle of sustainability, the Board has consistently regarded ESG performance as a matter of strategic importance for the Company's long-term development. To fulfil the regulatory duties relating to ESG, climate change and responsible investment, the Board is responsible for (i) formulating the Group's ESG goals, strategies and structure, determining sustainability-related risks and opportunities; (ii) supervising ESG-related actions taken by the Group and status of completion and making recommendations in respect of measures and performances requiring improvement; (iii) identifying and prioritising critical ESG agendas which have material impact on the Group's business and/or other important stakeholders' interests and optimising the Group's ESG strategies and actions. The Board is also responsible for reviewing the Group's annual ESG reports and the progress of its target fulfilment.

In 2022, the Board vigorously advanced its ESG work as it formulated ESG strategies and goals and prioritised material ESG agendas on the basis of findings gathered from close liaison with stakeholders and monitoring of global trends, which are subject to regular reviews. The Board oversees the progress of material ESG agendas, while assessing and ascertaining relevant risks and opportunities for incorporation into key governance processes. To fully incorporate ESG into the Company's business operations, the Board has established the Sustainability Committee, which is headed by the Chief Executive Officer as Chairman of the Committee. Three working groups have been established under the Sustainability Committee, comprising employees from different departments at different grades, to serve business operations through sound ESG management.

In the process of the Group's regulation over ESG, climate change and responsible investment, the diversity in its Board composition has played a pivotal role in effectively facilitating ESG policy-making and enhancing identification of ESG risks and opportunities. Our Board members came from different professional and cultural backgrounds with a reasonable proportion of executive Directors, non-executive Directors and independent non-executive Directors in terms of Board composition, which is highly beneficial to the Group's formulation of a balanced and highly practicable ESG framework and action plan. The Group has also appointed a female Director. Independent Non-executive Directors' recommendations regarding critical ESG agendas and sustainability risks have played a crucial role in safeguarding the Group's relationship with its stakeholders and protecting the Group's reputation. For details of the backgrounds and qualifications of Board members, please refer to the Group's Annual Report 2022.

Ecological civilisation refers to the state of society governed by the basic principle of humans living in harmony with nature, the community and one another in positive cycles, comprehensive development and sustained prosperity. The report of the 18th National Congress points out in no uncertain terms that the building of an ecological civilisation is a matter of long-term planning instrumental to the well-being of the people and the future of the nation. In support of the nation's measures to develop ecological civilisation and actively address climate change, the Board has adopted "Safe Production", "Green Recycling", "Stable Supply", "Technological Development" and "Employee Development" as its 5 principal strategic pillars for sustainability in 2022, benchmarking against 10 United Nation's sustainability development goals ("SDGs") and formulating specific goals and action plans in 14 aspects based on its outlook on sustainability trends in the environmental industry and the outcomes of stakeholder engagement and materiality analyses for the past 3 years. Such goals and action plans represent not only an ongoing implementation of the Group's mission of being "Devoted to Ecology and Environment for a Beautiful China", but also a driving force behind the Group's effort to contribute long-term value to stakeholders with higher ESG management standards.

With the further in-depth implementation of measures under the nation's "14th Five-Year Plan", transformation towards green production models and daily lifestyles and improvement of the environmental quality have remained the key aspects of the nation's development in ecological civilisation. Moreover, the renewable energy industry is welcoming a period of strategic opportunities holding out enormous potential, underpinned by the new characteristic of large-scale, high-proportion, market-oriented and qualitative development. In 2022, Everbright Greentech remained committed to the operational guiding principle of "Reinforcing Principal Business and Driving Transformation", as it continued to forge a regime for the safety and environmental management and improve the supply-chain regime, while encouraging employees' initiative for business venture within the Group. On the external front, we closely tracked developments in the circular economy and endeavoured to enhance the quality and efficiency of the Group's principal businesses through technological innovation, while making strong efforts to plan for the new energy business in active response to stakeholders' demands and expectations for the Group, in a vigorous bid to serve the nation's strategy for ecological civilisation and plans for renewable energy development.

Facing the challenge of global climate change against the backdrop of the national strategy of "carbon peak and carbon neutrality" ("Dual Carbon") strategy, the further enhancement of the ability to identify and address the risk of climate change becomes increasingly important. In 2022, the Group continued to launch initiatives under the Task Force on Climate-related Financial Disclosures ("TCFD") strategic framework of its parent company, Everbright Environment as it assessed the impact of climate change on its business through the analysis of climate change scenarios and procured its integrated biomass utilisation, wind power and solar energy projects to offset GHG emissions, while exploring new technologies conducive to increase reductions in carbon emissions. Moreover, the Group has been incorporating climate-related physical and transition risks into its operational management, in a bid to identify and assess the potential risks of various projects, formulate and implement risk control measures and enhance its ability in swift response to emergencies such as torrential rain, flood and typhoon, etc.. The Group has also conducted regular reviews of the effectiveness of risk control relating to climate change to optimise its response strategy on an ongoing basis. For details of CEEGL's TCFD strategy, please refer to CEEGL's Sustainability Report 2022.

As an enterprise specialised in environmental protection and new energy, against the backdrop of the nation's initiative to drive synergistic efficiency enhancement through "pollution and carbon reduction" and vigorously develop the renewable energy industry, the Group will continue to uphold the corporate pursuit of "Create Better Investment Value and Undertake More Social Responsibility" and play to the strengths of its business expertise while giving full heed to the views of stakeholders, as it continues to enhance the operational quality and efficiency of its projects and expand the scope of its businesses and services on an ongoing basis, in a bid to deliver value to the Company's shareholders and stakeholders, as well as to contribute to the protection of the ecological environment and social sustainability.

MESSAGE FROM THE CEO

Year 2022 has been a year full of challenges, as economic developments around the world have been subject to considerable impact with escalating uncertainties owing to recurring outbreaks of the COVID-19 pandemic. In the face of difficulties created by the pandemic and cyclical corrections of the industry, the Group embraced the challenge head-on against all odds. On the one hand, we implemented the new development philosophy of the nation and served the national "Dual Carbon" strategy with resolute efforts to strive for the Group's qualitative development. On the other hand, we continued to fight the battle against pollution with persistent strength while lending vigorous support to rural vitalisation in ongoing improvement of our performance in environmental and social matters, corporate governance and risk management, in a bid to make contributions to the effort to counter global climate change and foster a better living environment.

Corporate Governance Structure

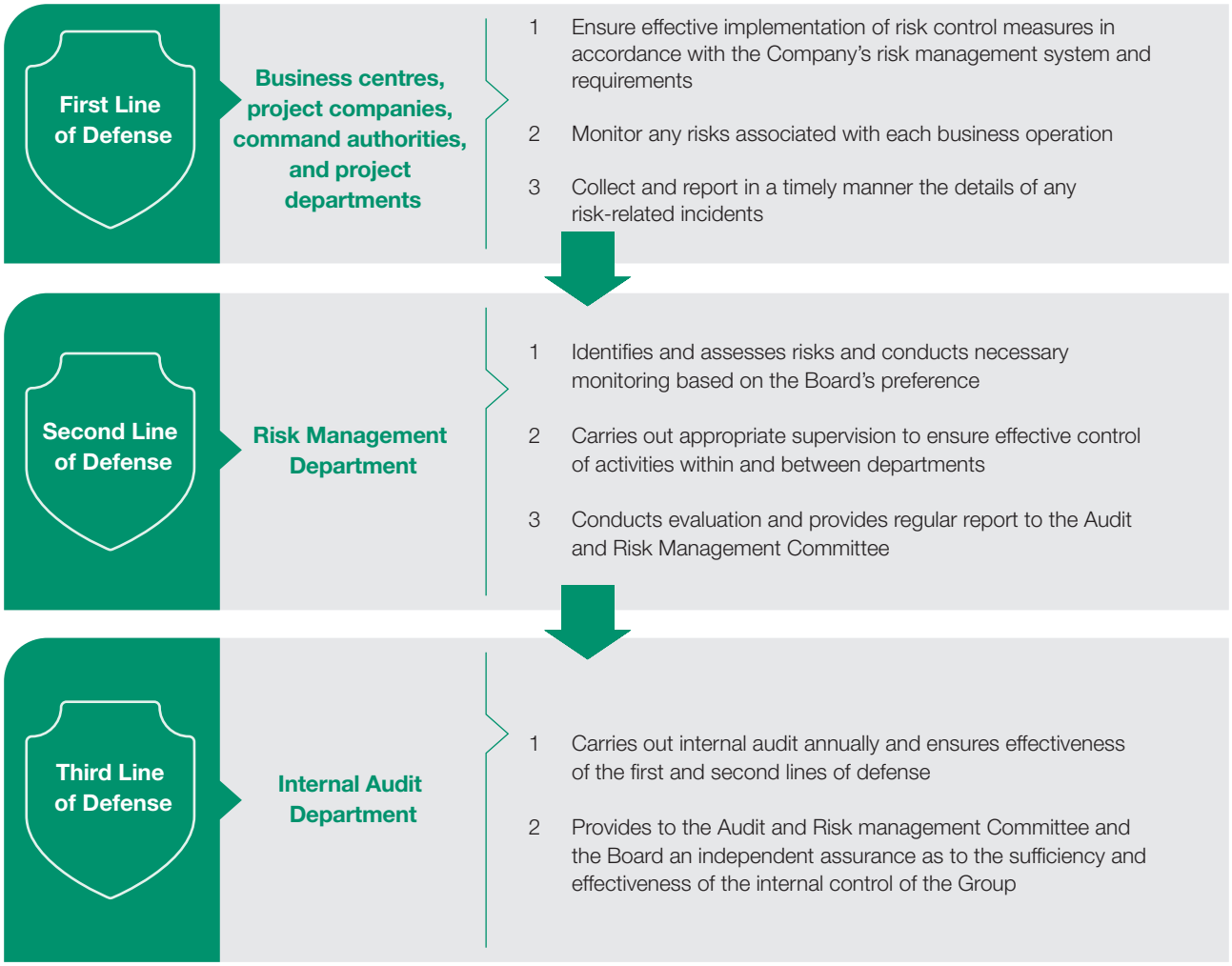
The Group believes that stable and high-standard corporate governance is not only a key factor in the protection of the interests of shareholders of the Company ("Shareholders"), but would also enhance the Group's accountability and transparency and foster long-term value for all stakeholders. In connection with various ESG agenda, the Board is responsible for formulating business policies and strategies and supervising policy execution to improve the Company's financial as well as non-financial performance.

Currently, the Board has established 3 Board committees, namely, the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee. In addition, the Board has also established the Management Committee to be in charge of day-to-day business operation and management, deliberate and review corporate development strategies, planning, operating principles, annual plans and implementation. As the Group's decision-making centre for daily business activities, the Management Committee supervises the daily operation, safety and environmental management of the business units and report to the Board all significant decisions, personnel change and other matters that might affect the Group's business.

The Board is well aware that climate change has brought about risks and opportunities in varying degrees for business development and operational management. In this regard, we have made active efforts to improve the Group's climate change governance structure. To enhance the Board's and the management's understanding of the formulation of sustainability goals and risk management, the Group has actively arranged different types of ESG training during the Reporting Year. Meanwhile, the Board committees appreciate the profound impact of such development trend. Hence, the Nomination Committee has included financial skills and experience, experience in risk management and knowledge in sustainability as criteria in its assessment of the qualifications and experience of current Board members to make sure that the Board understands that climate change risks will directly lead to financial risks, so as to bring their policy in line with corporate strategies and goals. As the potential impact of climate change risks on business development has become increasingly apparent, the Audit and Risk Management Committee has confirmed it is responsible for the proactive management of ESG-related risks and shall work with the Sustainability Committee in issues pertaining to climate change to supervise the Company's financial management and corporate risk management in a more comprehensive manner.

Sustainability Risk Management Regime

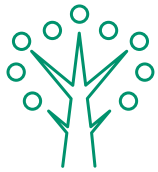
Everbright Greentech has adopted a model of three-tier defense for risk management. The Board and the Audit and Risk Management Committee own full responsibility for tasks relating to risk management, while the risk management principals at the business centres, project companies and engineering command department, Risk Management Department and Internal Audit Department form the three lines of defense, each being responsible for different tasks.



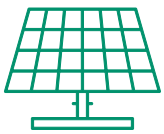
The Everbright Greentech risk management regime has set the management objective of "Ensuring the Realisation of the Company's Strategic and Operational Goals" and the management vision of "Overall Compliance, Minimise Weaknesses, Manage Uncertainties and Optimise Performance-based Management". In addition, we have reasonably customised our risk appetite in the 6 dimensions of "Investment, Finance, Engineering Construction, Operation, Reputation and Human Resources" through prudent market expansion and operational management guided by the Group's medium- to long-term strategic goals and established quantitative early warning values and limit values through financial indicators and non-financial indicators, in an ongoing effort to optimise the effectiveness of internal control and enhance our ability to counter and control risks.

Assuring fulfilment of the Company's strategic goals

The Company has pursued strategic upgrade and transformation to address the risk of policy change:



Freeing itself from dependence on additional renewable energy tariff subsidy of the state (the "State Subsidies") with vigorous development of projects with a market-oriented business model, cutting back the development of biomass treatment and household waste incineration treatment projects that rely solely on on-grid power generation, and instructing project companies to actively liaise with relevant government authorities and collect outstanding State Subsidies as soon as practicable where conditions permit, in order to reduce trade receivables. Meanwhile, new business types, such as soil remediation, resource recycling (tyre, waste metal solution and oil sludge, etc.), and solar energy, among others, will be actively explored, in a bid offset the adverse impact of the decline in State Subsidies and explore new growth niches for the Company.



The major direction of development for novel businesses has been determined, as soil remediation will focus mainly on environmental remediation of existing landfills, while solar energy will focus mainly on rooftop distributed facilities, and resource recycling will feature primarily tyre recycling complemented by the recycling of existing waste metal solutions.

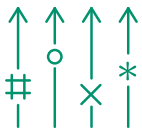
Actively seeking cooperation with colleges, universities and hi-tech enterprises to strive for the development of technology-guided new business segments, such as biomass ash-based construction materials.

Developing businesses that could achieve "Carbon Reduction" and businesses in the carbon trading market leveraging our existing environmental projects in close tandem with the national "Dual Carbon" policy. Actively participating in the development of technical and business models for carbon capture and carbon monitoring.

Assuring accomplishment of the Company's financial indicators

To address the overall downside of the economy and the normalised epidemic prevention and control measures, the Company's projects in operation are required to do the following:

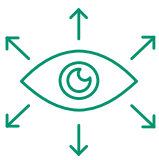
To strive to ensure the stable operation of existing projects, whereby integrated biomass utilisation projects should aim at long-term stable operation, while broadening their business types to increase businesses with better prospects of cash receipts, as well as to develop the general solid waste treatment business.



In connection with solid waste treatment projects, we will broaden business types and engage in proactive market development, seeking collection of waste with higher unit price for treatment wherever possible and developing intermediary service providers for the treatment business as appropriate to increase the volume of treatment while assuring that treatment fees are maintained at a certain level.

Assuring accomplishment of the Company's non-financial operational targets

Assuring the accomplishment of compliance targets:



Risk management is aimed at comprehensive compliance, whereby inspection of compliance of the project companies is conducted by way of internal audit and comprehensive risk inspection. Immediate rectification is required if any problem is identified. Training and propaganda are also carried out alongside inspection to draw conclusions from project experience and prevent cases of non-compliance from occurring.

Business compliance is ensured through the compliance approval process implemented at all levels. Self-inspection and rectification is conducted by combining external audit and compliance inspection, correcting and improving the Company's rules, regulations and processes regimes in a timely manner to ensure comprehensive compliance.

Assuring the accomplishment of operational targets:

The Company enhances operational management standards through measures to control risks associated with raw material procurement, measures to address risks associated with fuel supply and measures to address risks associated with capacity management to assure the accomplishment of operational goals.

Through technological innovation and research and development ("R&D") as well as technical training, the application of advanced technologies in operations and management is enhanced to improve operational management standard.

Response to the "Dual Carbon" policy

The Group has persisted in the green development strategy and enhanced policy research relating to Dual Carbon with a special emphasis on the development and innovation of zero-carbon and low-carbon technologies, with a view to driving steady development of the Group's environmental business and contributing to the nation's attainment of its "Dual Carbon" goals.

The Group has responded to nation's "Dual Carbon" policy with solid actions as it has actively adopted a range of measures to reduce carbon emission in its operations, while correspondingly increasing the volume of carbon reduction. We have facilitated quality and efficiency enhancement and carried out ultra-low emission conversion work at the projects to enhance their operating efficiency while reducing energy consumption and the discharge of pollutants. The construction of distributed solar facilities in plant areas has been promoted to facilitate in-house power generation which would not only meet internal power requirements, but also supply any excess to power grids, thereby lowering the electricity cost of projects while increasing their green power ratio. We have also sought to expand the carbon sink by enlarging the green area at projects, as well as planned to develop "low-carbon city" and "zero-carbon industry park" in collaboration with selected cities. For more details of the Group's achievements in increasing the integrated resource utilisation rate and advancing business transformation, please refer to the section of "Green Recycling" of this report.

In the meantime, we have been actively reviewing and making improvements to our carbon emission data collection scheme in ongoing expansion of the scope of data disclosure to cover all operating projects, while increasing and adjusting quantitative categories and optimising energy computation methods. To enhance data accuracy, we have actively optimised our data records and computation methods. The Company will closely monitor the nation's latest requirements for the calculation of GHG emission to ensure consistency of our calculations with the goals and design. The Group has optimised the calculation and reporting methods for environmental key performance indicators to conduct its reporting in closer tandem with international standards such as GRI.

During the Reporting Year, the Group has processed

3,457,231 tonnes of household waste

8,185,800 tonnes of agricultural and forestry waste

431,136 tonnes of hazardous and solid waste

Green power generation of projects in aggregate

6,291,582 kWh

and steam supply of 2,341,990 tonnes

CO_2 equivalent emissions offset

3,050,914 tonnes

Volume of sewage and leachate processed approximately

1,855,662 tonnes and **721,602** tonnes, respectively

Reduction of approximately 26,227 tonnes of chemical oxygen demand ("COD") emissions in aggregate

Sustainability strategy and its implementation

In 2022, the Group was vigorously engaged in the development of its sustainability strategy, as 5 principal strategic pillars for sustainability: "Safe Production", "Green Recycling", "Stable Supply", "Technological Development" and "Employee Development" were formulated based on its understanding of the sustainability trends in the environmental industry, as well as the outcomes of communication with stakeholders and materiality analysis in the past 3 years. Specific targets and action plans have been formulated to implement work pertaining to the 5 pillars in the Company's daily business management and operation.

During the Reporting Year, the Group continued to improve its safety management system and regime with a major effort in work relating to safe production standardisation and the development of a dual preventive mechanism. Safety inspection and training have been enhanced, as the projects were required to conduct hazard inspection on a regular basis and identify probable deficiencies, loopholes and risk control dysfunction in the risk control process in a timely manner. In accordance with relevant rules and regulations, stringent appraisals of safety management at functional departments and project companies have been conducted, as closed-loop rectification must be performed immediately in respect of any issues identified. To address any probable disaster associated with extreme weather, the Group has developed a complete emergency management regime, under which the projects and generator units are required to organise various types of emergency drills to facilitate swift response in the event of disasters.

"Green recycling" represents the direction for the reform of the industry mix providing guidance for the Group's development. On top of ongoing improvements to the environmental management regime, the Group advanced initiatives in pollution and carbon reduction while driving business development. By increasing the added value of by-products (such as biomass ash for manufacturing water stabilising materials), increasing waste recycling and reuse rate (such as recycling of landfill site and decay garbage) and increasing sales of recycled products year by year, among others, the Group has increased the integrated resource utilisation rate. The Group has also been actively advancing business transformation, expanding the scope of the hazardous and solid waste disposal business to general industrial solid waste, production of regenerated materials and recycling of metal hazardous waste, among others, while enhancing waste management to effectively reduce wasteful consumption of resources and discharge of pollutants and increasing the rate of application of waste resources. Moreover, we have also been making consistent efforts in green procurement and green finance in a multi-dimensional approach to sustainability.

During the Reporting Year, the Group tackled the problem of power and energy shortage as it ensured safe and stable operation of its power plants with stable and reliable power supply to local grids on the back of its top-notch capability in project operation and management, making due contribution to the economic and social stability of various regions. To ensure stable operation of its own projects, the Group has made improvements to its raw materials collection mechanism to improve the quality of fuel purchases, while enhancing the climatic resilience of the Group's relevant businesses. To ensure the service quality of projects, each business segment has actively conducted customer satisfaction polls and maintenance based on their own business characteristics. This has proved to be very useful in helping to enhance the quantity and quality of fuel purchases for the biomass projects, as well as improve the service standard and operating revenue of the hazardous and solid waste disposal business and environmental remediation business. The Group has also continued to optimise its supplier management system, as a fair and transparent system for the selection, inclusion and appraisal of suppliers has currently been formulated and published to provide further safeguards for stable supply.

Technological R&D is an important pathway leading to the development of an enterprise. On the back of its comprehensive technological R&D management system, the Group's strong efforts to drive technological R&D with a dual emphasis on the research of new technologies as well as the enhancement of existing project technologies have yielded notable achievements. In 2022, the Group successfully obtained 2 government research listings and received government grants with a total amount of RMB1,334,500. Moreover, the Group has filed applications for 27 patents, including 16 invention patents and 11 utility model patents, and has been granted 17 patents including 5 invention patents and 12 utility model patents. In the meantime, the Group has also placed a strong emphasis on the protection of intellectual property rights and strengthened IT-based security management to prevent the leakage of the Company's core technological information.

The Group values its employees as the most precious assets of an enterprise with a strong emphasis on providing opportunities for employees' growth and development. We have offered to employees training for a variety of vocational skills, such as safety and environmental management, operational skills through live drills and general administration and management, among others. In terms of protecting employees interests, we have been consistently making improvements to employees benefits and provided comprehensive health protection plans, on top of remuneration packages commensurate with median market levels. The Group is committed to the recruitment of different talents with diverse skills, and has endeavoured to foster an amicable and inclusive workplace for employees from different gender, racial, cultural or professional backgrounds. We have also launched a lot of meaningful initiatives to listen to the voice of employees and care for their emotional as well as physical well-being, the details of which can be found in the section headed "Employee Development".

Thanks to the Group's dedication and hard work in ESG, it was once again included as a constituent stock of the Hang Seng Corporate Sustainability Benchmark Index during the Reporting Year, while also garnered the "2020/2021 ESG Award" of Yazhou Zhoukan, "ESG Report of the Year Awards — Main Board — Small Market Capitalisation", "Best in ESG Awards — Main Board — Small Market Capitalisation" and "Best in Reporting Awards — Main Board — Small Market Capitalisation" in the BDO ESG Awards 2022 organised by BDO Limited; "Corporate Governance Special Mention" under the H-share Companies and other Mainland Enterprises category in the Best Corporate Governance and ESG Awards 2022 presented by the Hong Kong Institute of Certified Public Accountants, Caring Corporate Award from Plan International and "EcoChallenger" certificate and "3 Years + EcoPioneer" logo in the "BOCHK Corporate Environmental Leadership Awards 2021" jointly organised by the Federation of Hong Kong Industries and Bank of China (Hong Kong). Such honours have eloquently underlined broad recognition of the Group's performance in sustainability.

Anti-corruption and anti-bribery management

The Group appreciates the importance of fostering a culture emphasising probity and self-discipline. Our "Staff Handbook" and "Code of Corporate Conduct (Trial)" prohibit bribery, extortion, fraud or money laundering on the part of employees taking advantage of their position. During the Reporting Year, the Group arranged a seminar on integrity management of company directors hosted by the Independent Commission Against Corruption for all members of the Board, while issuing the "Anti-corruption, Anti-bribery and Anti-money laundering" policy to the subsidiaries with a view to further improving its corporate governance standards.

The Group is committed to maintaining a high standard of integrity and driving anti-corruption initiatives with strong determination. We adopt a zero-tolerance stance against corruption and embezzlement and prohibit corruption and bribery in any form, whether in Hong Kong or elsewhere. Executive Directors and employees are forbidden to demand, accept or offer any bribes in the conduct of the Company's business, and employees should turn in any gifts or souvenirs offered by individuals or enterprises engaged in business transactions with the Group and refuse any unreasonable hospitality to avoid compromising their business judgement. In the conduct of any of the Company's business, executive Directors and employees must comply with pertinent laws and regulations, including the Prevention of Bribery Ordinance of Hong Kong.

The Group has also adopted regulations requiring the avoidance of family affiliations and interests, namely, all executive Directors and employees (including direct family members and their employers) should avoid conflict of interests between individuals and the Company, and should abstain themselves from activities involving individuals and their associated parties, such as procurements and tenders, investments, business transactions and personnel appointments, and should strictly comply with regulations pertaining to avoidance of family members in employees appointment. Employees should report to the Company in accordance with the Everbright Greentech Whistleblowing Policy if they become aware of existing or suspected possible illegal activities or inappropriate conduct or practices.

Legal compliance

The Group conducts itself in strict accordance with pertinent laws and regulations of the locations where it operates to ensure legal compliance. To this end, the Group has formulated the "Regulations for the Administration of Legal Affairs" and developed a system for the management of legal affairs centrally administered by the Risk Management Department and consistently implemented by the subsidiaries. During the Reporting Year, there was no litigation case relating to anti-corruption which had a material impact on the Group.

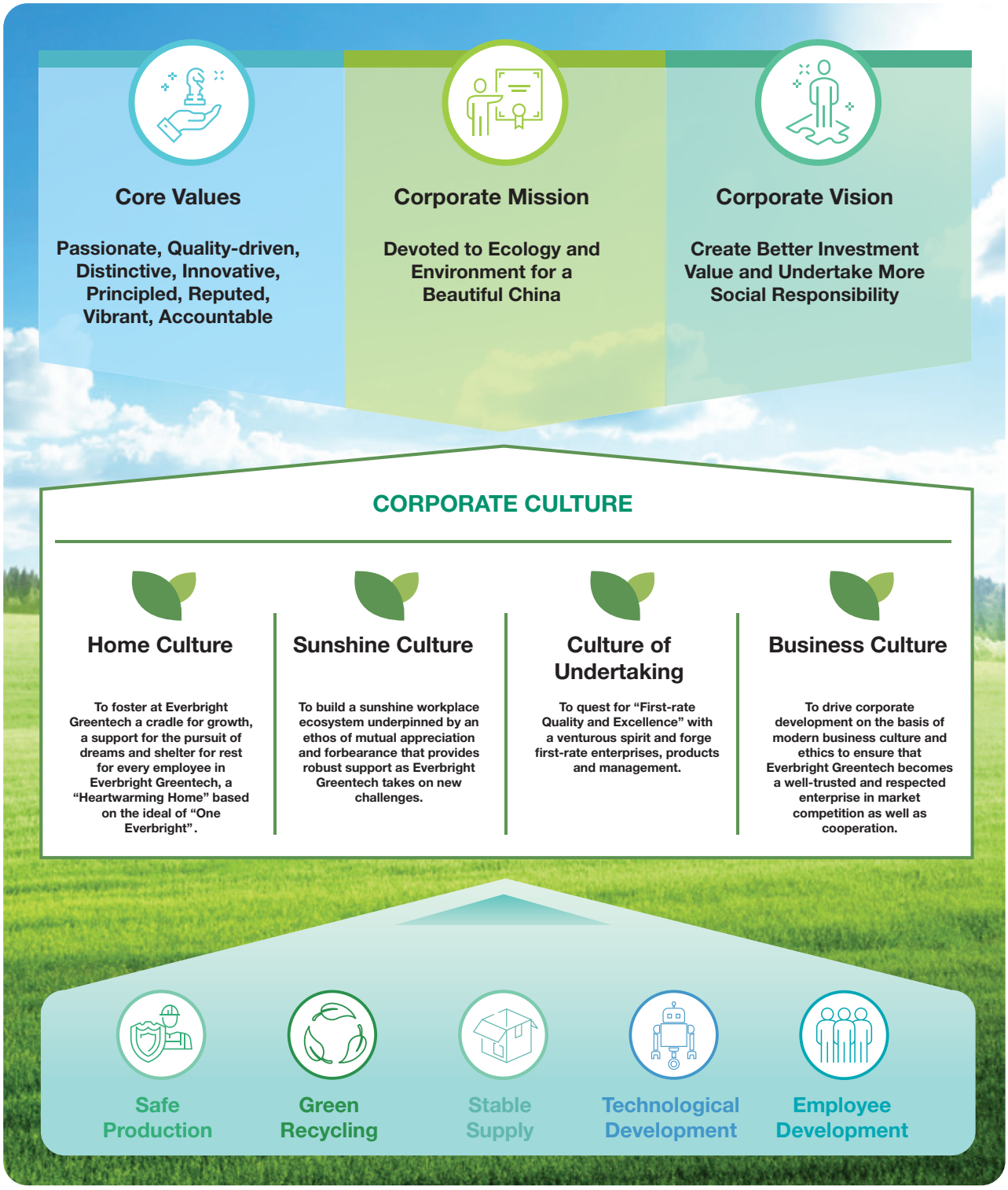
Laws and regulations governing the Group, their impact on the Group and relevant control measures are set out in the following table:

Scope	Laws and regulations	Potential impact	Control measures of the Group
Environmental	Environmental Protection Law of the People's Republic of China	More stringent and specific requirements for environmental management and more rigorous punishment against violations.	Ensuring compliance with legal regulations and effective cost control through technical upgrades and management enhancement.
	Law of the People's Republic of China on Environmental Impact Assessment Water Pollution Prevention and Control Law of the People's Republic of China Atmospheric Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes	More stringent requirements and longer approval periods.	Drawing on the experience of existing projects to standardise the related procedures.
	Criminal Law of the People's Republic of China	As the business of the Group involves the disposal of waste, the Group may be subject to criminal liability for the offence of environmental pollution, in addition to relevant civil liability, if it causes environmental pollution as a result of non-compliant disposals and emissions in the course of its operation.	Enhancing concern for criminal liabilities resulting from environmental pollution and exercising stringent control over all sections of the production process to ensure compliance in emissions.
	"Certain Opinions on Promoting Healthy Development of Power Generation Using Non-water Renewable Energy", "Supplemental Notice on Matters Pertaining to Certain Opinions on Promoting Healthy Development of Power Generation Using Non-water Renewable Energy", "Administrative Measures for the Additional Funds for Renewable Energy Tariffs"	Specifying conditions for grant, method of computation and limit of national subsidies for non-water renewable energy, under which the Group's household waste-to-energy and biomass waste-to-energy projects must comply with relevant requirements in order to receive the grant. Inability to receive the grant in full will affect project revenue and reduce project income.	We should apply as soon as practicable for projects fulfilling the required conditions to be included as current projects, while endeavouring to include our new projects in the "new project" category. In view of increasing hurdles for the approval of "new projects", exhaustive measures will be adopted to reduce dependence on national tariff subsidies for income. Through technological innovation, the Group has been actively advancing market-oriented commercial environmental projects.

Scope	Laws and regulations	Potential impact	Control measures of the Group
Social	Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Regulation on the Management of Housing Provident Fund	Higher labour costs and more exacting management requirements.	Improvement of management standards and strict compliance with the law in operations.
	Patent Law of the People's Republic of China	More exacting requirements for technological development and protection.	Operation in accordance with the law and emphasis on the protection of intellectual property rights.
	Production Safety Law of the People's Republic of China	More specific and stringent requirements for production safety, highlighting the importance of preventing accidents involving liability for safety.	Stringent implementation of relevant regulations and proper management of standard processes with increased investment in safety matters.

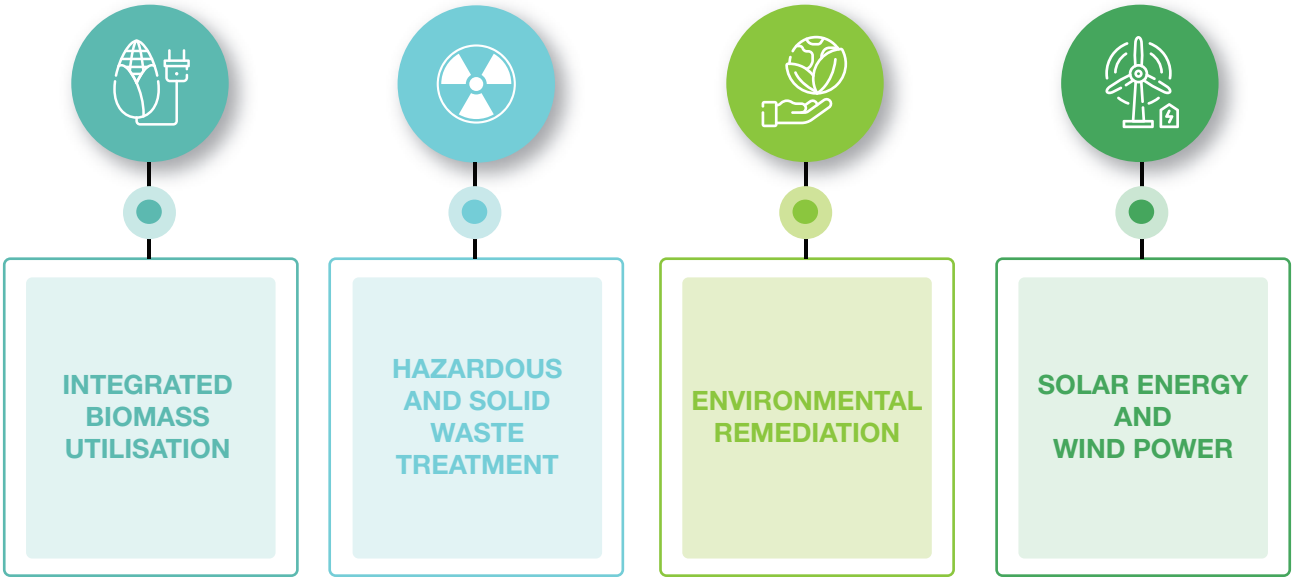
Looking to the future, ESG governance and regulation in China and elsewhere is bound to become more stringent given the grave challenge of global climate change and our nation's strategic plan for the achievement of the "Dual Carbon" goal, which represents opportunities as well as challenges for the Group. We will closely monitor developments and seize any opportunities to ride with the trend. In line with our corporate pursuit to "Create Better Investment Value and Undertake More Social Responsibility", we will further incorporate and reinforce ESG initiatives in our daily management and enhance disclosure of climate-related information, as we resolutely advance strategic transformation and quest for qualitative development, in order to make due contributions to the endeavour to improve the ecological environment and alleviate climate change.

ABOUT EVERBRIGHT GREENTECH



Business Overview

The Group is principally engaged in the businesses of integrated biomass utilisation, hazardous and solid waste treatment, environmental remediation, solar energy and wind power. As of the end of 2022, the Group had 139 environmental protection projects with a total investment of approximately RMB32.828 billion and had undertaken 50 environmental remediation projects (of which 33 projects had been completed) with a total contract amount of approximately RMB1.409 billion. During the Reporting Year, we secured 12 new projects and entered into a supplemental agreement for biomass heat supply and committed additional investment to 1 project, involving an additional total investments of approximately RMB350 million and environmental remediation projects with a total contract amount of approximately RMB244 million. New projects included 1 integrated biomass utilisation project, 1 hazardous and solid waste treatment project, 2 solar energy projects and 8 environmental remediation projects. Our capacity for power generation was increased by 15.704 MW, daily household waste processing capacity was increased by 400 tonnes, while our designed capacity for steam supply and hazardous and solid waste treatment were increased by approximately 166,400 tonnes and 1,500 tonnes per annum, respectively.



INTEGRATED BIOMASS UTILISATION

The Group's integrated biomass utilisation business mainly utilises biomass raw materials to generate both electricity and heat. This includes the construction and operation of biomass direct combustion power generation projects, biomass heat supply project, biomass electricity and heat cogeneration projects, waste-to-energy projects and integrated biomass and waste-to-energy projects. Biomass raw materials are categorised into yellow culms and grey culms. Yellow culms consist of agricultural residues, such as wheat straw, rice straw, corn straw, rice husks, peanut husks, etc.; while grey culms consist of forestry residues such as branches, barks and other manufacturing wood wastes, etc. In addition, the Group has developed a unique business model of urban-rural integration combining the construction of integrated biomass utilisation projects and waste-to-energy projects for integrated treatment of agricultural and forestry residues and rural household wastes in a pioneering attempt at treatment of the ecological environment in county areas.

As of 31 December 2022, the Group had a total of 54 integrated biomass utilisation projects, distributed variously in 10 provinces in China, which were mainly located in Anhui Province, Jiangsu Province, Shandong Province, Hubei Province and Henan Province, etc, including 50 projects in operation, 2 projects under construction and 2 projects under preparation. Such projects provided an aggregate power generation designed capacity of 1,069 MW, an aggregate annual biomass processing designed capacity of 8,089,800 tonnes, and a daily aggregate household waste processing designed capacity of approximately 11,610 tonnes. The Group continued to enhance project management at the preparatory stage and drive steady progress of project construction. We have also been making consistent improvements to our biomass raw material supply regime to ensure sufficient and stable supply of raw materials and control fuel cost.

Supply of on-grid electricity generation

6,009,489 MWh
(broadly unchanged compared to the same period last year)

Biomass raw materials processed

8,185,800 tonnes
(**3%** year-on-year increase)

Household waste processed

3,457,231 tonnes
(**18%** year-on-year increase)

Steam supplied

2,411,215 tonnes
(**12%** year-on-year increase)

HAZARDOUS AND SOLID WASTE TREATMENT

As one of the core businesses of the Group, the hazardous and solid waste treatment business is principally engaged in the safe treatment and integrated utilisation of wastes including general industrial solid wastes, hazardous wastes and infectious animal carcasses. The Group is capable of safely disposing of 44 out of 46 categories of hazardous wastes listed in the National Catalog of Hazardous Wastes. Currently, the Group conducts the disposal by way of incineration, landfill, physicochemical treatment and integrated utilisation. We have been exploring different operating models to enhance the effectiveness of waste treatment in a steady transition towards an industrial environmental service provider. Zibo Hazardous Waste Incineration Project, for example, is the first project invested and constructed by the Group which has adopted a market-based operating model and applied incineration processes in integrated hazardous waste treatment projects.

As of 31 December 2022, the Group had a total of 61 hazardous and solid waste treatment projects, including 40 projects in operation, 6 projects under construction and 15 projects under preparation, involving a total investment of approximately RMB14.284 billion. Such projects were distributed variously in 9 provinces and autonomous region in China, which were mainly located in Jiangsu Province, Shandong Province, Anhui Province, Hubei Province, Zhejiang Province, etc., providing an aggregate annual processing designed capacity of approximately 2,873,400 tonnes. Moreover, the Group continued to increase the volume of treatment by expanding the varieties of products processed.

Detoxification treatment of hazardous and solid waste approx.

399,047 tonnes

(**62%** year-on-year increase)

Integrated resource utilisation of hazardous and solid waste approx.

32,089 tonnes

(**40%** year-on-year increase)

Sales of recycled products approx.

12,058 tonnes

(**27%** year-on-year increase)

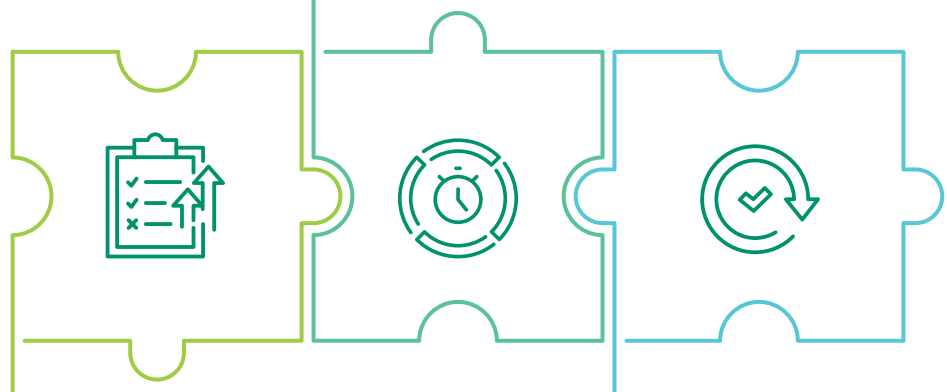
ENVIRONMENTAL REMEDIATION

The Group's environmental remediation business covers mainly the restoration of industrial contaminated sites, restoration of contaminated farmland, ecological restoration for mines and landfills, treatment of industrial gas emission, integrated treatment of oil sludge, treatment of river and lake sediments and industrial sludge, construction and operation of wetland parks, environmental stewardship services and anti-seepage at landfill sites. The business is vigorously fostering cooperative alliances with business ecology platforms to achieve innovation and breakthrough in the environmental remediation business model.

As of 31 December 2022, the Group had 14 environmental remediation projects under implementation, which were mainly located in Jiangsu Province, Anhui Province, Tianjin and Beijing respectively, with a total contract amount of approximately RMB733 million. There were also 3 projects in the preparatory stage, with a total contract amount of approximately RMB117 million.

14

Environmental remediation projects under implementation



50

Accumulated environmental remediation projects undertaken

7

New completed environmental remediation projects

The Group is deeply aware that remediation of the ecological environment represents an important direction in protecting the ecological system and facilitating sustainability. Hence, we have continued to increase our investment in the environmental remediation business. During the Reporting Year, Suntime Environmental Remediation Co. Limited, a subsidiary of the Group, completed the construction of a R&D facility in Zhonglou District, Changzhou with a gross floor area of 18,524m^2 on the back of an aggregate investment of approximately RMB100 million. Poised to serve as the headquarters of the Group's environmental remediation business, the headquarter building has been constructed in strict accordance with requirements under the Group's safety and quality management regimes, reflecting persistent adherence to high construction standards and delicacy management. As a result, the construction project was awarded the title of "Changzhou Structural Construction Work with Premium Quality 2021" on the back of merits such as scientifically sound building structure design, highly regulated construction management and rigorous and effective construction process control, among others, following the title of "Changzhou Standardised Exemplary Work Site for Work Safety Standardization in Building Construction 2021" garnered earlier.

In future, the Group will continue to focus on the investment, construction and operation of projects relating to the area of eco-environmental remediation, offering one-stop eco-environmental remediation technologies and services to the government and enterprises as it endeavours to become a leader in the eco-environmental remediation sector and make contributions to green development and the harmonious co-existence of humanity and nature.

FENG COUNTY HOUSEHOLD WASTE EMERGENCY LANDFILL SITE AND LEACHATE REGULATION POOL CONSTRUCTION PROJECT

Depot areas A and B at Feng County Household Waste Landfill Site occupy an area of approximately 54,853 m^2 with a designed capacity of 600,000 m^3. The construction comprised mainly: ecological remediation at two landfill areas of Feng County Garbage Landfill Site, including principally vertical anti-leakage, site formation, leachate collection and drainage, landfill gas collection and directed emission, sealed coverage, surface water drainage, embankment road, enclosure walls and ecological green landscape, among others, as well as ancillary work for electricity supply, water supply and drainage, among others.

Before remediation

After remediation

SOLAR ENERGY AND WIND POWER

The Group is responsible for building, managing and operating solar energy and wind power projects and selling electricity generated by such projects to local power grid companies/power companies.

Apart from the Feng County County-wide Advancement Solar Project, as at 31 December 2022, the Group has 19 solar energy projects in operation and 2 wind power projects in operation located in Jiangsu Province, Anhui Province, Shanxi Province, Hong Kong and Germany respectively, involving a total investment of approximately RMB1.45 billion and providing an aggregate power generation designed capacity of 132.63 MW. During the Reporting Year, the Group acquired 2 new solar energy projects.

As at 31 December 2022, the Group's Feng County County-wide Advancement Solar Project included 14 subsidiary projects involving total investment of approximately RMB27.038 million with an aggregate power generation designed capacity of 6.014 MW, of which 6 projects had commenced operation with an aggregate power generation designed capacity of 2.384 MW, 1 project under construction with an aggregate power generation designed capacity of 100 kW, and 7 projects under preparation with an aggregate power generation designed capacity of 3.53 MW.

19

Solar Energy Projects in operation

2

Wind Power Projects in operation

138.651 MW

Aggregate power generation designed capacity

OVERVIEW OF SUSTAINABILITY PERFORMANCE

Awardee	Logo/Award
China Everbright Greentech Limited	• "ESG Annual Awards — Main Board — Small Market Capitalisation", "Best in ESG Awards — Main Board -Small Market Capitalisation" and "Best in Reporting Awards — Main Board — Small Market Capitalisation" in the BDO ESG Awards 2022 • ESG Award 2020–2021 of Yazhou Zhoukan • "EcoChallenger" certificate and logo and "3 Years + EcoPioneer" logo in the "BOCHK Corporate Environmental Leadership Awards 2021 • Constituent Stock of Hang Seng Corporate Sustainability Benchmark Index • Caring Corporate Award from Plan International • "Corporate Governance Special Mention" under the H-share Companies and Other Mainland Enterprises Category in the Best Corporate Governance and ESG Awards 2022 by The Hong Kong Institute of Certified Public Accountants
Everbright Biomass Energy (Xuyi) Limited	Winner in Jiangsu Provincial "Safety and Health Cup" Contest 2020–2021
EB Urban and Rural Renewable Energy (Zhongxiang) Limited	Exemplary Unit in Water Conservation
Everbright Biomass Energy (Rugao) Company Limited	• Advanced Unit in Safe Production 2021 • Jiangsu Provincial Water Conservation Enterprise • Environmental Credit Rated Green Enterprise 2021
EB Urban and Rural Renewable Energy (Guanyun) Company Limited	Lianyungang List of Individual Vanguards in Water Conservation 2021
EB Greentech Urban and Rural Renewable Energy (Feng County) Company Limited	Chuzhou City "Gupeng Cup" Premium Engineering Work Award 2021
Everbright Biomass Energy (Huaiyuan) Limited	Anhui Provincial Water Conservation-Friendly Enterprise
Everbright Biomass Energy (Dingyuan) Limited	Municipal Healthy Enterprise 2022
Everbright Environmental Energy (Lingbi) Company Limited	Advanced Unit in COVID-19 Prevention and Control
EB Greentech Environmental Solid Waste Treatment (Linshu) Limited	Advanced Enterprise in Environmental Protection
EB Greentech Solid Waste Treatment (Zhangjiagang) Company Limited	Zhangjiagang Enterprise for Harmonious Labour Relations

Awardee	Logo/Award
Everbright Environmental Solid Waste Treatment (Xinyi) Limited	Advanced Enterprise in Green Development
Suntime Environmental Remediation Co., Limited	Award for Innovation in Qualitative Development 2021
EB Environmental Remediation (Jiangsu) Company Limited	• Jiangsu Provincial Corporate Technology Centre • Hi-tech Enterprise

SUSTAINABILITY STRATEGY

Everbright Greentech endorses the SDGs of the United Nations and is committed to eliminating poverty and alleviating inequality, and the building of a more peaceful and prosperous society by 2030. We are of the view that 10 SDGs are most relevant to Everbright Greentech's sustainability strategy. The Company's progress in implementing the 10 SDGs during 2022 is set out in relevant sections of this report. For details please refer to the section headed "Material Issues" on pages 39–41 in this Report.

Safe Production

Sound health and well-being
To ensure healthy lifestyles and promote the well-being of all age groups.

Green Recycling

Economically viable clean energy
To ensure affordable, reliable and sustainable modern energy for all.

Sustainable cities and communities
To build inclusive, safe, disaster-proof and sustainable cities and human habitats.

Responsible consumption and production
To adopt sustainable consumption and production models.

Climate action
To take urgent actions to address climate change and its impact.

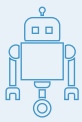
Stable Supply

Decent work and economic growth
To procure lasting, inclusive and sustainable economic growth, sufficient productive employment and decent work for all.

Responsible consumption and production
To adopt sustainable consumption and production models.

Partnerships conducive to the attainment of goals
To enhance execution and revive sustainable global partnerships.

Technological Development



Industry, innovation and infrastructure
To build disaster-proof infrastructure, promote inclusive and sustainable industrialisation and drive innovation.

Employees Development

Quality education
To ensure inclusive and fair quality education that allows lifelong learning for all.

Gender equality
To achieve gender equality and empower all women and girls.

Decent work and economic growth
To procure lasting, inclusive and sustainable economic growth, sufficient productive employment and decent work for all.

Sustainability governance structure

As the highest governing body, the Board is responsible for developing and maintaining the governance practices of the Group, including matters relating to sustainability. The Company has established a Sustainability Committee and formulated its terms of reference, specifying that the Committee should assist the Board in the discharge of its duty to supervise the management and effectiveness of the Group's sustainability work.

To ensure smooth execution of various sustainability policies and measures across all business segments and units, 3 working groups have been established under the Sustainability Committee: Operation Management Working Group, Employment and Community Investment Working Group, and Compliance and Risk Working Group. The groups, comprising the Company's employees from different positions, are responsible for the Company's environment and safety, social and human resources, governance and risk management issues, respectively. The members of the 3 working groups will report to the committee members at the Sustainability Committee meeting on the implementation of strategies and goals in different areas. The Sustainability Committee held 1 meeting during the Reporting Year.

The Board

Assessing and determining risks and opportunities relating to the Group's sustainability, formulating relevant management directives and supervising the effectiveness of work done, assuming overall responsibility for the Group's ESG strategies and reporting.

Sustainability Committee

Comprising the Chief Executive Officer and 3 independent non-executive Directors to assist the Board in the implementation and supervision of the Group's sustainability work and report to the Board on the Group's sustainability matters on a regular basis.

Sustainability Working Groups

Comprising principals of relevant departments and employees members appointed by the principals:

Operation Management Working Group	Employment and Community Investment Working Group	Compliance and Risk Working Group
• Technology Research Department • Environmental Management Department • Operation Management Department	• Administration and Human Resources ("HR") Department (Hong Kong and Shenzhen Headquarters) • Finance Management Department	• Company Secretarial Department • Risk Management Department • Integrity Management Department • ESG Specialist

With the assistance of various Board committees, the Board discusses and/or considers ESG-related matters from time to time. During the Reporting Year, the following tasks have been completed:

Review of the Company's resources relating to ESG performance and reporting, including the qualifications and experiences of employees and training programmes undertaken by employees and related budgets, so as to ensure that the Company is committing sufficient resources to support related management work.

Review of ESG-related risks and opportunities and ensuring effectiveness of our risk management and internal control system. Understanding any change in the frequency at which ESG-related risks occur and its impact on the Company.

Formulation of sustainability strategies and objectives complemented by practical goals and action plan proposals to alleviate corresponding risks.

Review of the Company's corporate culture to ensure consistency with its objectives, values and strategies (including its sustainability strategy and business development strategy).

Review and revise "Whistleblowing Policy".

Review the Board's competence and diversity to ensure diversity and inclusion.

STAKEHOLDER ENGAGEMENT

The Group places a strong emphasis on stakeholder engagement and regards it as the groundwork for realising the Group's sustainability planning and social responsibility fulfilment. We seek understanding of their concerns and expectations in connection with the Group's sustainability through regular communication, which is followed by the formulation of operating strategies that address their needs. We have established effective channels for communication with internal and external stakeholders in our daily operation to ensure that their views and voices could be heard by all business units of the Group and timely responses could be provided.

Stakeholder	Key concerns	Mode of communication	Description	Frequency of communication
Employees	1. Safe production 2. Sustainable investment 3. Corporate governance 4. Anti-corruption/ anti-bribery 5. Stable supply	Suggestions	To encourage employees suggestions for the Group's development, the Everbright e-Message APP has been set up where all employees could tell the Group how they feel and what they need and furnish suggestions at any time.	As required
Investors and shareholders	1. Safe production 2. Corporate governance 3. Business ethics 4. Technological innovation 5. Supply chain management	Group website and WeChat public account	Regular updates of results presentation materials prepared for investors and shareholders and publication of such materials on the official website for regular inspection by investors and shareholders.	Regular
		Non-deal roadshow	Regular hosting of interim and annual results presentations as well as domestic and overseas telephone conferences to share the Group's latest business developments, strategic developments and impact on industrial policies with investors and shareholders.	Regular

Stakeholder	Key concerns	Mode of communication	Description	Frequency of communication
Government and regulatory authorities	1. Corporate governance 2. Net zero emission 3. Technological innovation 4. Business ethics 5. Anti-corruption/ anti-bribery	Progress report	Close cooperation with local governments with timely reports to competent authorities governing relevant sectors on the progress of project preparation and construction, as well as updating the status of completion of project investment budget as required.	Weekly/monthly/ quarterly/as required
		On-site inspection	Receiving government authorities at various levels for on-site inspection, understanding their views and suggestions for project planning and the process of construction and operation, while advocating the environmental benefits for people's livelihood and positive lessons of the project.	From time to time/as required
Customers	1. Stable supply 2. Business ethics 3. Technological innovation	Telephone or email	Close liaison with local governments to assist in the improvement of local living conditions and creation of jobs.	As required by customers
		Meeting	Maintaining effective communication with customers through meetings to maximise the potential effect of customer services, ensuring customer satisfaction for the effectiveness of hazardous waste disposal.	Regular

Stakeholder	Key concerns	Mode of communication	Description	Frequency of communication
Business partners and suppliers	1. Safe production 2. Corporate governance 3. Business ethics 4. Technological innovation 5. Supply chain management	Procurement tender	Organisation of procurement tenders to determine the suppliers' list by adopting different procurement methods for different counterparties in procurement, and regular assessment of suppliers' servicing ability to implement supplier management by classification to provide reference for future cooperation.	From time to time
		Poll questionnaire	Arranging poll questionnaire for business partners and suppliers to understand their degree of satisfaction for the process of cooperation, and to ensure that their views and suggestions for improving the effectiveness of cooperation is sufficiently heard.	As required
Local communities	1. Corporate governance 2. Net zero emission 3. Business ethics 4. Anti-corruption/ anti-bribery	Project investigation	Accepting investigation of projects by local communities and distributing questionnaires as a means to promote the opening of the Group's environmental facilities to the public, spread environmental knowledge to broader audience and publicise the concept of environmental protection.	Prior to construction/ from time to time
		Public hearing	Invitation of residents of the community to hearing sessions prior to project construction to generate views on project construction of representatives of the public living in the neighbouring areas of the project, while extensively soliciting suggestions of other public parties on the project.	Prior to construction/as required

Stakeholder	Key concerns	Mode of communication	Description	Frequency of communication
Media	1. Corporate governance 2. Technological innovation	Site visit	Receiving media visits to promote the function of our projects in fulfilling social responsibility and providing active response to media concerns for project construction and operation to facilitate effective communication with the public via media.	From time to time
		Management interview	Arranging management interviews with the media at suitable timing, such as during results announcement or after the commencement of an important business, to express views on the industry in which the Group operates and the Group's own management direction.	Regular/as requested by media
Investment analysts and shareholders	1. Safe production 2. Corporate governance 3. Business ethics 4. Technological innovation 5. Supply chain management	1-on-1 meeting	Instantaneous response to questions raised and requests for visits by investors and analysts.	From time to time
		Email or Wechat	Assisting analysts of securities companies to develop a financial model of the Group and furnish coverage reports on the Group.	Regular/from time to time
NGOs	1. Corporate governance 2. Employee development 3. Business ethics 4. Anti-corruption/ anti-bribery	Forum/salon	Regular participation in industry forums organized by industry associations to understand the industry's latest developments in policy, technology and business model.	From time to time
		Industry research/ development report	Cooperation with industry organisations and publication of industry research reports in association with peers to study the current status and prospects of industry development.	Regular/as requested by the group

VOICE OF STAKEHOLDERS

Voice of external stakeholders:

Engineering management service supplier

Everbright Greentech is a forerunner in the industry that other parties could learn from in terms of business operation, corporate governance and other aspects. In connection with ESG strategy, we believe that it should be achieved through technological transformation for all businesses in a synchronous manner. Solar energy, wind power and biomass are businesses of different sectors applicable at different development stages and economic cycles and are not directly comparable at the technical level. Nevertheless, the enhancement of energy conservation and carbon reduction technologies is always relevant insofar as sustainability is concerned, regardless of market demands and external feedback.

Technology R&D partners

Everbright Greentech has adopted a comprehensive ESG strategy. On top of that, we suggest the Company to track national policies and market trends on a continuous basis to bring its leadership role in the industry into play. In addition, as the domestic energy sector is currently undergoing a transformation phase, many enterprises are endeavouring to explore new pathways for development. Hence, increasing the technical sophistication of projects and achieving energy transformation is crucial to the long-term stable development of Everbright Greentech. For example, Everbright Greentech is suggested to monitor developments and consider participation in the power market and carbon trade market, which are expected to play an important role in the future, such that the Company could find ways to maximise profitability in an eco-friendly manner. Meanwhile, we believe business stable supply and employees' occupational health and safety are matters that should always be soundly handled with persistent efforts, with a view to ongoing development and reinforcement.

Investment institution partners

We deal with the Investor Relations Department of Everbright Greentech and have been engaged in exchange and cooperation with the Company in areas such as biomass industry policy and product supply. The biomass sector has been receiving greater attention in China and elsewhere in recent years, both in terms of government policy and market focus, and an increasing number of enterprises are joining the sector. As a specialised provider of environmental protection services, Everbright Greentech will be closely scrutinised as an industry benchmark, while competition and challenges will be inevitable. We hope the Company will continue to seek improvements and lead in the ongoing development of the industry. For example, in connection with business channels, a product strategy affording further cost reductions is suggested, among others.

Voice of internal stakeholders:

Safe production

Safe production is the cornerstone of stable business development. It is suggested that Everbright Greentech should assure safe production, on the basis of which the Company should continue to expand its biomass, wind power and solar energy businesses and attain compliance in various emission indicators on the back of its strength. Meanwhile, the importance of safe production should be emphasised in internal training to enhance the development of corporate culture in safety.

Employee development

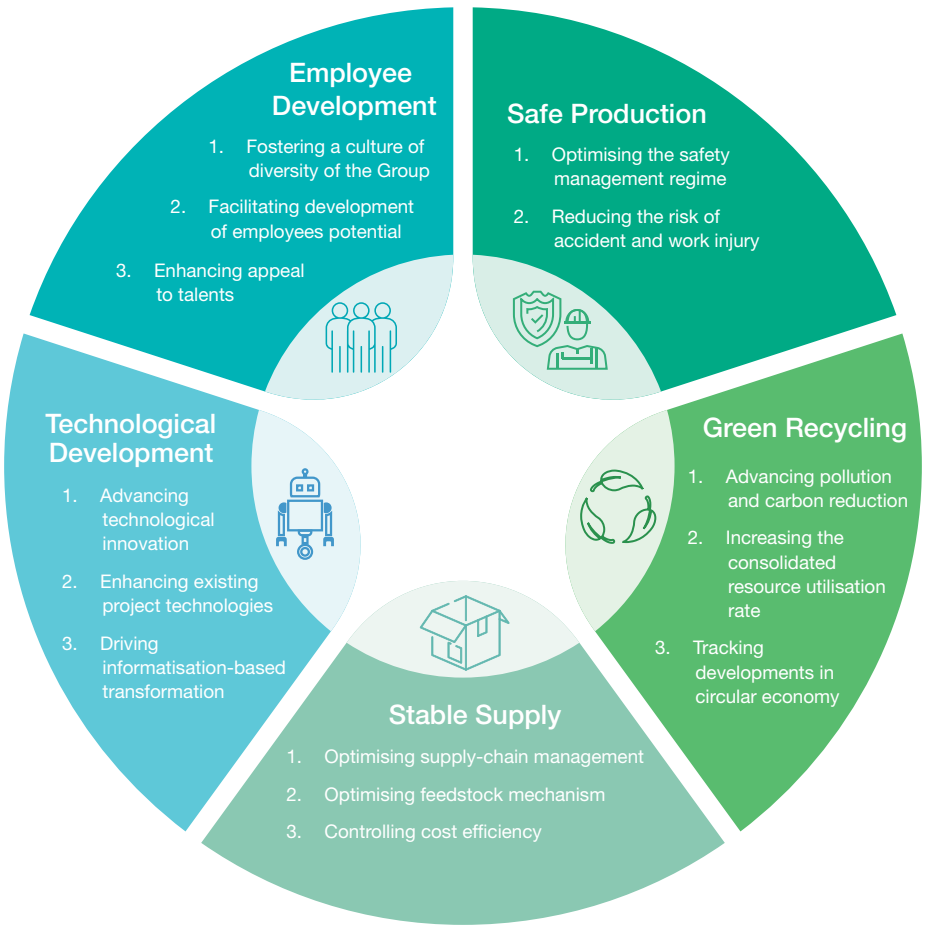
Talent represents the primary resource of Everbright Greentech and a strong emphasis should be placed on employees' growth and development. For example, improvements should be made to the training regime and mechanism. The Company is suggested to enhance its effort in employees' training and fostering a sense of belonging and accountability among employees by introducing employees to sustainability issues. Moreover, employees' remuneration and benefits should be increased to attract external talents and enhance the expertise of existing talents. Meanwhile, the channels for external and internal communication of employees should be optimized, with an emphasis on solving problems and achieving efficiency in development.

MATERIAL ISSUES

The Board of Everbright Greentech resolved to commence the Group's strategic development work in August 2020. The initiative was completed during the Reporting Year. The formulation of our sustainability strategy has been based on the following: the outcomes of the Company's stakeholders' engagement and materiality analysis for 3 consecutive years; the sustainability trend of the environmental industry as endorsed by the Board; the Company's material risk factors and global development trends; peer benchmarks; and SDGs compatible with the actual operating conditions of the environmental sector and the Group.

To further understand our existing and planned sustainability measures such that we could formulate sustainability roadmaps related to business development and operation, the sustainability advisor held 6 focus group interviews with 3 business management centres and 3 functional departments with over 50 intermediary management personnel participating. The external advisory team and the participants were engaged in a joint review of the Group's sustainability measures described in the 2021 Sustainability Report to discuss crucial elements contributing to the successful implementation of such measures, make assessments on performances in specific areas, lay out expected performance levels for the Group in 5 years and suggest means to drive active employee participation in sustainability plans, among others. Suggestions and information collected by the external advisory team from the 6 sessions of focus group interviews complemented by guiding opinions provided by senior management representatives were reviewed by the Company's Management Committee and then submitted to the Sustainability Committee and the Board for approval. The formulation of quantitative goals is also in progress to improve the contents of the sustainability strategy.

The Pillars of the Sustainability Strategy



Safe Production

The health and safety of workers are crucial to the sustainability of an enterprise, which should prevent, control and eliminate the occupational hazards, protect employees' health, ensure safety of the production process, maximise risk control and eliminate management deficiencies to become a reliable service supplier for local users and build a sound brand reputation.

Objectives

- Optimising the safety management regime
- Reducing the risk of accident and work injury

Green Recycling

To achieve net zero emission, fundamental changes must be introduced to the pattern of production and consumption of products. The circular economy offers a new model of economic operation to promote the development of renewable energy and consumes resources on the basis of "manufacture — consume — recycle" to reduce carbon emission and the exploitation of raw biological materials and increase the added value of products.

Objectives

- Advancing pollution and carbon reduction
- Increasing the consolidated resource utilisation rate
- Tracking developments in circular economy

Stable Supply

Owing to the impact of the COVID-19 pandemic and regional economic developments, there were significant fluctuations in the prices of raw materials and environmental consumables. Insufficient supply of raw materials presented difficulties for the projects in meeting capacity requirements, and operational stability of the enterprise was affected as a result. In order to achieve cost reduction and optimisation of production processes and management, it is imperative that the stability of the supply chain be enhanced.

Objectives

- Optimising supply-chain management
- Optimising feedstock mechanism
- Controlling cost efficiency

Technological Development

The rapid development of renewable energy has compelled environmental enterprises to enhance its technologies and management competence in relevant areas.

Objectives

- Advancing technological innovation
- Enhancing existing project technologies
- Driving informatisation-based transformation

Employee Development

People of different genders, nationalities, cultural backgrounds, educational backgrounds and disability conditions will provide the enterprise with ideas and insights from different perspectives that enable the enterprise to develop strategies for addressing risks and opportunities arising from various operations. To cope with the fast-changing business environment and enhance employees expertise and competence, an strong emphasis should be placed on employees training and development in order to build a talent base and succession teams.

Objectives

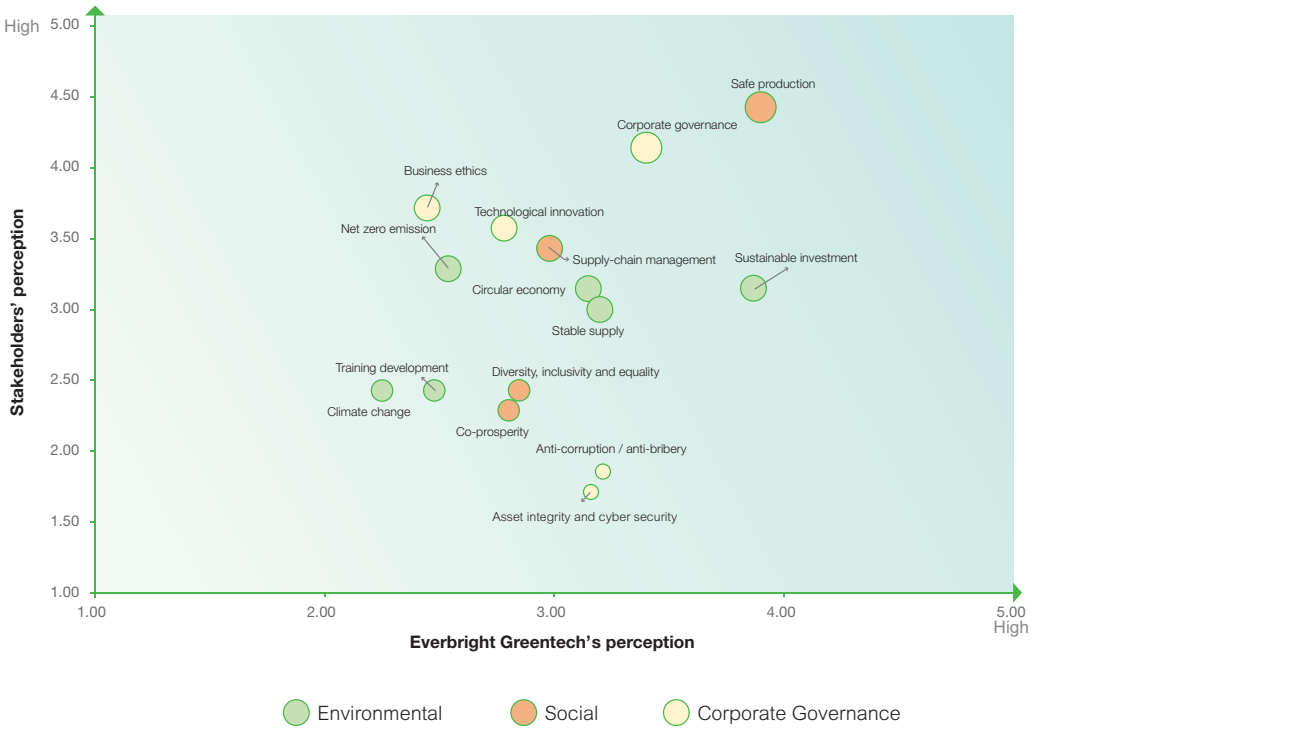
- Fostering a culture of diversity of the Group
- Facilitating development of employees potential
- Enhancing appeal to talents

Materiality Assessment

Each year, Everbright Greentech appoints an independent sustainability advisor to conduct a materiality assessment to prioritise the Group's sustainability agenda, in order to effectively plan for the application of resources. In 2022, the independent sustainability advisor conducted a number of interviews with the Group's investors, suppliers and other business partners, while collecting the opinions of the Company's employees through a questionnaire, to which 581 replies were received. These initiatives were carried out to gain an insight into stakeholders' perception of the Company's sustainability strategy and their expectations and key concerns for the future. The independent sustainability advisor then developed a materiality matrix on the basis of the views and suggestions of different internal and external stakeholders on various sustainability issues collected and compiled in quantitative terms to help the Company identify the most significant ESG impacts, risks and opportunities in 2022.

The Group has established a sound governance structure and endeavoured to incorporate the sustainability agenda into its business development strategy. The supervisory role of the Board is emphasised to ensure sufficient discussion with the management and risk evaluation on the part of the Board in the process of materiality assessment, thereby ascertaining material sustainability issues.

1	Preparation	Sustainability issues relevant to the Group's business are identified based on the sustainability strategy.
2	Identification	Feedback of internal and external stakeholders is collected.
3	Evaluation	Based on internal and external stakeholders' assessments of two dimensions (namely, the stakeholders' perception and Everbright Greentech's perception), a materiality matrix is analysed and developed to identify material issues.
4	Validation	The evaluation outcomes are reviewed and confirmed by the Board and the Sustainability Committee.



SAFE PRODUCTION

The Group places a strong emphasis on the protection of employees' health and safety and prioritises employees' safety conditions and welfare. As such, the Group has endeavoured to create a safe and healthy workplace by formulating and implementing effective safety protection measures under the principle of "Priority of Safety and Life".

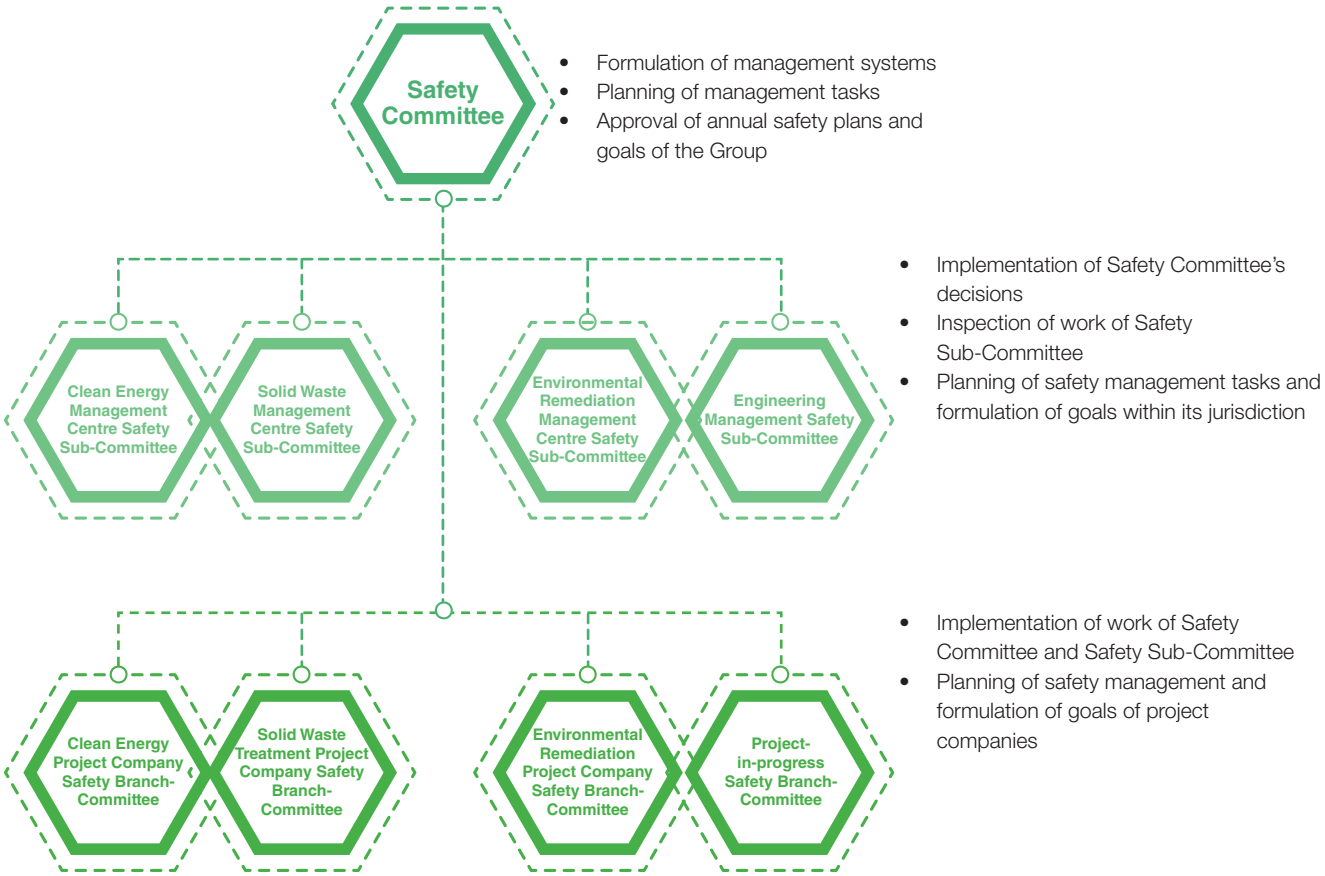
Management approach and assessment

The Group persists in making ongoing improvements to its safety management systems and regimes. Currently, a series of systems have been formulated in accordance with pertinent national laws and regulations, laws and regulations of the location of operation and higher industry standards, including the "Safety Management Manual", "Occupational Health Management Standards", "Occupational Health Supervision Management Standard", "Safety and Environmental Accident Accountability System" and "Measures for the Management of Safe Production, Employees' Health and Accidental Injury Protection Fund". Moreover, management standards addressing key areas of different businesses (such as safety management for biomass materials depot, temporary storage for hazardous waste and garbage intake) and different types of operational scenarios (such as safety management for operation at height, hot-work operation and operation in confined space, among others), such that safe production management is further refined and health and safety risks at workplace is lowered in further implementation of the Group's commitment to employees' health and safety. During the Reporting Year, the Group formulated and published the "Administrative Regulations on Fire-fighting" to effectively control and lower fire risks; published an updated "Compilation of Typical Accident Cases for Caution and Education Purposes" to conduct employees education on safety caution by drawing on actual cases to prevent the occurrence of safety incidents. Moreover, the Group undertakes to update relevant policies and management regimes from time to time based on actual conditions to cater to requirements under latest developments. All employees and contractors' employees are required to comply with the Group's safety management systems and regimes.

Occupational health and safety ("OHS") management regime

"Of paramount importance is the life of people." Employees' health and safety has always been a prime concern for Everbright Greentech. The Group has been consistently optimising its environment, safety, health and social responsibility ("ESHS") management regime to advance systematic, regulated, standardised and refined management, exercise maximum control over relevant risks and eliminate management deficiencies. Management standards such as guidance procedures relating to the identification and examination of material ESHS issues, audits, investigation and reporting of incidents, handling of work injuries and ESHS management of contractors have been formulated under the regime in accordance with ISO45001: 2018. We ensure safe production through multi-dimensional measures and enhance protection of operational safety in strict accordance with all laws and regulations pertaining to occupational health and safe production.

To facilitate systematic management of safety and health affairs, the Group has established a Safe Production Management Committee (the "Safety Committee") headed by the Chief Executive Officer and a Safety Committee Office at the Environmental Management Department responsible for the review, planning, coordination and supervision of all tasks relating to safe production. Meanwhile, branches of the Safety Committee, including the Clean Energy Management Centre, Solid Waste Management Centre, Environmental Remediation Management Centre and Engineering Management Department (the "Safety Sub-Committees") have been set up to be charge of safety management in the respective segments. In accordance with the "Safety Management Manual", the Safety Committee holds a plenary meeting at least quarterly to receive reports of the Safety Sub-Committees and deal with material safety issues identified in the production processes. The Safety Committee consists of an employee representative who can directly participate in the formulation of systems, planning of tasks and approval of goals in relation to safety management, in order to ensure that the Safety Committee could genuinely solve practical health and safety issues encountered by employees in daily operations.



As a complement to the existing management system, the Group has established an Integrity Management Department with supervisory, investigatory and disciplinary functions. In the event of a safety and environmental incident, the Environmental Management Department will organise investigation by professional parties and furnish an investigation report, on the basis of which the segregation of responsibilities and responsible parties will be ascertained. Thereafter the case is referred to the Integrity Management Department which will furnish and submit a preliminary proposal for handling the matter after deliberation at the special meeting of the accountability committee organised by the Integrity Management Department. Upon approval, the department will supervise the implementation of such proposal. The establishment of this department has provided additional protection for the implementation of the Group's safety and environmental management systems and regimes.

In 2021, the new "Safe Production Law" underwent its third amendment, adding specific requirements for the advancement of safe production standardisation and dual prevention mechanism by enterprises. The "Management Standards for the Dual Prevention Mechanism of Tiered Safety Risk Control and Hazard Inspection and Treatment" formulated and published by the Group in late 2021 have further specified the duties of relevant departments and positions, providing guidance to project companies for systematic risk identification, assessment and control on the basis of safety risk identification and tiered control by means of hazard inspection and treatment through the provision of detailed operating procedures, as well as enabling the timely identification of deficiencies, loopholes and ineffective control points in the course of risk control, so as to eliminate hazards at root before they turn into accidents.

The Group has also included the development of safe production standardisation and a dual prevention mechanism among the Company's key safety and environmental management tasks for 2022 and procured advancement with full force. As at 31 December 2022, safe production standardisation had been completed at 42 projects, including 26 level-two standardisation units and 16 level-three standardisation units. For other projects, safe production standardisation was under the stage of external assessment or filing. All projects in operation have completed the development of the dual prevention regime with a 100% target attainment ratio in the gradual building and ongoing improvement of a working dual prevention mechanism for self-identification and control of risks, self-inspection and treatment of hazards and end-to-end control.

Moreover, to effectively ascertain safety and environmental management responsibilities for all employees, the Group has implemented specific appraisal for safety and environmental management and formulated specific appraisal plans with a special focus on appraisal of the process of safety and environmental management at units of all levels and details of accidents. The appraisal of the management process covers aspects such as the development of sound safety and environmental management systems and regimes, system of safe production responsibilities for all employees, safety and environmental education, training and emergency drill, safety and environmental management grade rating, special safe production rectification and dual prevention regime, control over dangerous operations, stakeholder management and special safety and environmental cost management, with a view to providing stronger protection for the occupational health and safety of the Group's employees through stringent and meticulous appraisal systems and regimes.

CEEGL Safe Production Work Meeting

In October 2022, Everbright Greentech organised its employees to participate in a work meeting on safe production convened by CEEGL to review the Company's current status in relation to safe production and commence planning for safe production initiatives, in an effort to complete the Company's annual tasks in safe production. It was stated at the meeting that safety and environmental management at CEEGL should be firmly guided by 4 principles: the proper implementation of safe production represents the prime achievement, primary responsibility, core competence and fundamental bottom-line. The ability to prevent and mitigate safety risks should be genuinely enhanced to achieve stability in safety status with full effort. The meeting also proposed the general requirements for the next step in safety and environmental management: first, the political positioning should be elevated, as safety should underline all segments and the entire process of production operations and the pattern of safety risk prevention and control should be well understood in order to build a solid foundation for safe production and safeguard the qualitative development of the Company; second, we should persist in an issue-oriented approach and accurately identify the situations and tasks in safe production, emphasising practical actions rather than conceptual instructions and requiring the genuine implementation of safe production accountability and the safety and environmental management system; third, safe production accountability should be enhanced and key tasks should be implemented in a resolute attempt to fortify the bottom-line for safe production; fourth, pandemic control and prevention should be comprehensively implemented in strict accordance with the requirements of local governments.

In stringent implementation of CEEGL's plans and requirements on safe production initiatives and in adherence to the 4 principles, the Group continued to improve its safety and environmental management system during the Reporting Year as it enhanced the implementation of safe production accountability and rectified illicit operations with strong efforts, rolled out major safe production inspection exercises and hazard inspection and treatment and strengthened supervision of key areas. Conditions on the safety and environmental front have been stable in general.

Safety inspection and training

The Group have consistently required units at all levels to conduct safety inspection on a regular basis. In connection with the Environmental Management Department, we have specified in the annual task statement that it should organise safety and environmental inspection on a quarterly basis and specific inspection activities, including 4 quarterly inspections, not less than 12 special inspections and not less than 4 sessions of training and exchange activities at the headquarters level. The "Safety Management Manual" stipulates that all business management centres shall organise one safety supervision and inspection exercise over the projects each quarter and the Engineering Management Department shall organise safety supervision and inspection on projects under construction according to the work sections.

During the Reporting Year, the Group enhanced its effort in safety inspection and procured project companies to eliminate safety hazards in a timely manner. Throughout the year, 4 quarterly cross-inspections and more than 20 specific inspections were conducted. A total of 15 standby assistance sessions were provided at newly commissioned projects and projects with B or C safe production ratings, resulting in effective improvements in the safety level of the on-site operations of the projects.

In connection with training, the "Safety Management Manual" stipulates that, in addition to induction training and the possession of relevant certificates as a condition to starting in a position, the principal officer and safe production management personnel of an enterprise must attend safe production training on a regular basis and register no less than 12 training hours of refresher training each year. The principal officer and safe production management personnel of an enterprise engaged in dangerous chemical products must register no less than 16 training hours of refresher training each year.

During the Reporting Year, the Group organised 2 accreditation examinations for newly appointed safety and environmental branch management officers and newly recruited dedicated safety and environmental management personnel. A total of 43 persons took part in the examination and passed the appraisal, as those with a passing grade were issued a certificate of qualification for assuming duties at their position. As at 31 December 2022, all of the Group's 163 safety and environmental branch management officers and dedicated safety and environmental management personnel had passed the appraisal and obtained a certificate to start their duties as qualified personnel, representing a 100% certificate holding and coverage ratio. The appraisal of qualifications for appointment has effectively procured relevant employees to gain a comprehensive understanding of current developments in safe production and environmental protection and clarified for them the key tasks in safety and environmental work at present and in the future, driving continuous improvement in the standard of safety and environmental management.

The Group has achieved 100% coverage of employees of project companies and workers under contractors in terms of safety and health training. During the Reporting Year, in accordance with the "State Council Safety Committee Office Emergency Management Department Notice on the National 'Safe Production Month' Activity 2022" and CEEGL's requirement for organising "Safe Production Month" activities, the Group launched propaganda and education in a variety of forms under the theme of "compliance with the safe production law and fulfilment of duties as the primary responsible party".

The Group's subsidiary units at all levels organised learning of the "15 Safe Production Measures" and new "Safe Production Law" in the forms of seminar, lecture and special training with a special focus on viewing the films entitled "Of Paramount Importance is the Life of People" and "Red Line" for an enrolment of 1,440. The units at all levels conducted a total of 179 sessions of safety education and training during the activity period based on individual characteristics of the projects and actual on-site conditions with a total enrolment of 5,320. Under the major safe production inspection initiative, units at all levels combined regular inspection and special inspection and conducted 164 accident and hazard inspection and treatment activities during the month, identifying 2,889 general hazards and no hazards for material incidents. All general hazards have been rectified on a close-loop basis in accordance with the requirement for "immediate action and immediate rectification", representing 100% rectification progress. A total of 66 emergency drill sessions have been organised with 1,366 participants, while 8 knowledge quizzes and skills contests have been held with 211 participants taking part.

The 31st National Fire Prevention Day was held on 9 November 2022. To propagate fire safety knowledge and skills, and enhance fire safety aptitude of all employees, the Group organised its subsidiary units to carry out activities of the fire prevention promotion month. Based on the actual conditions, the project companies organised promotional and educational activities in multiple forms such as education and training, emergency drill and special inspection, among others.

Emergency Fire Drill at the Feedstock Depot

During the Reporting Year, Rugao Biomass Direct Combustion Project has conducted emergency fire drill for the feedstock depot under the theme of "Emphasising fire safety to safeguard qualitative development", conducting live drills in fire safety knowledge, emergency reporting and firefighting with more than 40 employees members participating. Simulated scenario one of the drill: the forklift on the west side of the dry feedstock shed for stacking biomass fuel suddenly went into self-combustion causing fire. Personnel at the site immediately tried to extinguish the fire using fire-fighting equipment and reported the accident. Simulated scenario two: as fire had not been effectively controlled after initial response action, the Company's fire emergency plan was swiftly activated: the emergency teams, including the evacuation team, emergency rescue team, warning team and first-aid team, immediately assembled and rolled out in order according to the process of the emergency plan and restore the fire spot to its original state. To further consolidate the effect of drilling, the Safety and Environment Management Department demonstrated the firefighter suit and the operating procedure of the positive airway pressure at the end of fire drill and arrange trial operation by members of the study team so that they could correctly master the use of these equipments.

During the Reporting Year, the Group continued to enhance its effort in hazard inspection and procured the project companies to eliminate safety hazards in a timely manner. Through multiple safety inspection sessions, the safety level of on-site operation has been effectively improved. Meanwhile, in accordance with the "Administrative Regulations on Safety Incidents and Environmental Incidents" published in 2022, the Group has further specified the classification and categorisation of safety incidents and environmental incidents, so that the projects have clearer definitions of various types of incidents. We have also specified the procedures for accident reporting, emergency handling and inspection and detailed rules on accountability, in a further improvement of the management standards for safety incidents and environmental incidents.

Inspection and Treatment of Fire Safety Hazards

In November 2022, Guoyang Biomass Electricity and Heat Cogeneration Project conducted a special initiative on the inspection and treatment of fire safety hazards to ascertain accountability for fire safety and prevent the occurrence of any fire accident.

Taking into account the characteristics of fire prevention in winter and the need to guard against the cold weather, the project company has conducted major inspection exercises with extensive outreach and a ground search approach on fire safety hazards in the cafeteria, entrance security post, relay control, feedstock area, as well as the electrical wires, electrical equipment and fire-fighting facilities and equipment in the office and equipment areas. In particular, third parties were stringently included in the Company's supervisory regime and inspection was conducted over fire safety training for the employees of contractors, who were required to familiarise themselves with the use of gas masks and fire equipment and conduct inspection over fire hazards in the work areas. The biomass feedstock depot is a key zone in the power plant in terms of fire hazards. Inspection personnel carried out detailed inspections over the fire facilities, fire-fighting access, management of operating vehicles and equipment, pre-startup inspection records of forklifts, post-operational clearance records and daily maintenance and repair records. On-site random inspection of the use of water cannons by package removal employees at the depot and the fire shields and extinguishers of feedstock trucks was conducted. Fire safety hazards identified in the inspection were rectified immediately where practicable. Where immediate correction was not feasible, a timeframe for rectification was set and ongoing tracking and supervision was carried out to ensure solid outcomes for fire hazard inspection.

Addressing the COVID-19 pandemic

During the Reporting Year, the fluctuating development of the COVID-19 pandemic continued to pose an immense challenge to the economy and society. To address the impact of the pandemic, the Group has continued to implement effective prevention and control. In connection with employees, we have stepped up with workplace anti-epidemic measures, distributed anti-epidemic supplies and implemented home office and flexible working hours to facilitate split operations for the protection of employees' health. In connection with operations, efforts have been made to drive technological innovation and enhance resource management, while broadening supplier channels on an ongoing basis to actively address volatility in the prices and supply of raw materials and consumables, so as to ensure stable operation across all projects. The Group has also actively collaborated with the actions of local governments and rendered strong support in the battle against the pandemic by leveraging its business strengths in dedicated fulfilment of its corporate social responsibility.

Workplace protection

- Disinfection at offices and employees quarters on a regular basis to foster a hygienic workplace and living space.
- Personnel entering work venues were required to wear face masks and test body temperature and management of visitors was enhanced to prevent infection from outside.
- Home office arrangement was activated in response to the pandemic to reduce social encounter.
- Meetings were held via online means wherever practicable to avoid the gathering of people.
- Hygiene control and health inspection for staffers of cafeterias and suppliers was strengthened, while daily disinfection of cafeteria venues and cutlery was also enhanced.
- Focused effort to enhance venue disinfection at household waste and medical waste projects, as well as health protection and regular polymerase chain reaction (PCR) test for relevant staffers.

Healthcare

- Regular distribution of face masks and disinfection kit to employees.
- Encouraging employees and their families to actively participate in community PCR test programmes so as to identify hidden virus carriers and cut off infection chains in the community in a timely manner.
- Encouraging employees to receive vaccination with the offering of vaccination leaves.
- Providing anti-epidemic know-how and tips to employees from time to time.

Stock-up of supplies

- Increasing stock of consumables, such as ammonia solution, activated carbon, lime and chelating agents, to ensure that project operation is in ongoing compliance with emission standards.
- Timely monitoring of the inventory level and consumption of production and construction materials, such as fuel and consumables, and formulation of effective measures to safeguard supply.

Social responsibility during the pandemic

During the Reporting Year, Lintao Waste-To-Energy Project is responsible for the clearance, transportation and disposal of household waste in Lintao County, Kangle County and Guanghe County. The normal operation of the project is of paramount importance to the normal life of the residents of these 3 counties. During the pandemic, in particular, failure to transit and dispose of household garbage in a timely manner would make it easier for the virus to spread. To protect the healthy living environment of local residents from any impact, the project has worked diligently to coordinate with the governments and pandemic control authorities of the 3 counties to ensure the smooth operation of garbage clearance and transport. To ensure the operation of the garbage truck on a contactless basis throughout the process, epidemic prevention and control measures have been stringently implemented on the basis of close-loop management. Project employees assumed duty rosters at the epidemic control checkpoints at the junction of Guanghe, Kangle and Lintao on a round-the-clock basis to conduct point-to-point control over garbage transit trucks that passed through, as they stringently implemented information check and registration relating to health code, travel code and PCR report and carried out disinfection of the garbage trucks to ensure that no blind spots in hygiene were left unattended.

Ensuring availability of stock materials during the pandemic to safeguard project operation

Following the Chinese New Year holidays in 2022, restrictive control measures were introduced in many areas in Jiangsu Province because of the pandemic. Nantong Integrated Solid Waste Treatment Project, which was located in Haimen District adjacent to Shanghai, was facing even greater pressure in the prevention of the pandemic and subject to more rigid control measures, as it faced extremely testing situations in production and safety management. During the period when anti-pandemic controls were in force, the customer service department reached out proactively and facilitated its servicing tasks ahead of schedule to reinforce reserves for the project, ensuring that supplies in stock were consistently maintained at a level of over 2,000 tonnes to offer maximum assurance for supply. The production operation department actively organised its employees to perform systematic ash cleaning for the quench tower, secondary combustion chamber and residual heat boiler and enhance inspection of the equipment systems, so as to solve any issues identified in a timely manner and ensure the safe and stable operation of the units. The Administration and HR Department also overcame various difficulties to safeguard logistics for all members of the project company, allowing technical personnel to tackle the challenges of frontline tasks without worries.

Undaunted by the task, the manager of the production technology department simply remarked: "The pandemic has created enormous difficulties for the company as well as the individual. As members of the production department, we must press forward without hesitation with a unanimous goal: to steer through the hurdle with the company by ensuring safe production and stable operation."

Disaster response management

Global warming has resulted in rising sea level and the threats of extreme weather has become more frequent and serious. According to estimates arrived at by digital geographic information model, under high volumes of carbon emission, an estimated 340 million of the world population will be threatened by the rising sea level by 2050. The Group has planned ahead for disasters caused by extreme weather (including torrential rain, flood, typhoon and thunderstorm, among others) and developed a complete emergency management regime that enables swift response when disasters occur.

The Group takes into consideration the impact of extreme weather and natural disasters from the stage of project design and conducts rigorous analysis of local geological and climatic conditions. The safety standards of critical regions and equipment has been raised to ensure safety of the projects. To address flood risks, green zones have been added to our projects as far as possible in the design. While designed to alleviate flooding, such green zones have also contributed considerably to the landscape of the projects.

In connection with natural disasters and extreme weather incidents, the Group has procured proper preemptive warning and planning. During the Reporting Year, the "Notice on Procuring Safety and Environmental Management Work during the May 1st Holiday and Activities of the Disaster Prevention Week" and "Notice on Procuring Protective Measures Against Cold Weather" were issued, requiring project companies to procure proper measures against typhoons and floods, peak power usage in summer and cold weather, among others, by conducting special safety inspection, adopting measures for the protection of facilities and enhancing patrolling inspection in advance.

The Group has developed a complete emergency management module. We require project companies to formulate locally adapted project emergency plans in accordance with the requirements of pertinent national laws and regulations, as well as their own business types and characteristics, local geological and climatic conditions and characteristics, and the requirements of local governments for safe production management. The project companies should conduct regular review of such emergency plans in light of actual conditions, enhance dynamic management of emergency plans, develop planning and filing and assessment systems, and make amendments and improvements according to assessment outcomes and actual conditions. Emergency supplies ledgers have been set up to enhance the maintenance and management emergency supplies and equipment and improvements have been made to the storage, replenishment, urgent reallocation and distribution of important emergency supplies. Drilling plans have been formulated and emergency drills have been organised according to plans to improve employees' ability to prevent and deal with accidents and records have been duly made. In connection with the aforesaid work requirements, we have also formulated relevant appraisal standards and assessment rules and carried out regular inspection.

Moreover, in order to maintain the operability of the infrastructure under the impact of climate change, the Group has implemented a comprehensive preventive maintenance plan to carry out regular and frequent maintenance activities tailored to critical systems, in order to reduce the occurrence of breakdowns and extend the period of normal operation.

The Group has taken out insurance policies for natural disaster risks relating to climate, including lightning, torrential rain, flood, storm, tornado, hail, typhoon, hurricane, sandstorm, snowstorm, landslide, collapse, mudflow, road collapse and other natural calamities. Insurance covers indemnities for project loss, operational disruption and workers' health, among others.

Emergency drill for flood control

To further enhance the implementation of protective measures under the inclement weather emergency plan and improve the project companies' ability to deal with natural disasters contingencies such as torrential rain and floods, Lianshui Biomass Electricity and Heat Cogeneration Project organised the 2022 anti-flood emergency drill. The project company simulated a flood situation of large area of undrained water in multiple spots in the plant and backflow of rainwater into the dry shed after consecutive days of torrential rain amidst strong wind. On receiving the warning report on the flood situation from the patrolling employees, the Environmental Management Department made further enquiries on the exact location, scope of the affected area, time of occurrence, whether the equipment remained intact and to what extent, and whether any staffer was in danger, and kept detailed records thereof. Thereafter, reports were made to the command personnel at the site and assistance was provided amidst various unexpected situations in the course of emergency rescue. Requests for support were sent to relevant authorities and units in a timely manner based on the situation. The drill was underpinned by clear division of duties, orderly organisation in an effective enhancement of employees' ability to swiftly and accurately deal with emergencies and their awareness to prevent and avoid disasters.

Emergency drill contest simulating fire at feedstock depot and intoxication in confined space

Fengyang Integrated Urban and Rural Project has organised an emergency drill contest simulating fire at the biomass feedstock depot and intoxication in confined space. At the emergency rescue drill contest, the 6 participating teams completed 12 rounds of drills and showcased reasonable emergency treatment processes and proper disposals underpinned by sound performance of the rescue personnel. After the occurrence of the accident, the rescue action was launched in an efficient and orderly manner, highlighting extremely strong abilities to deal with emergencies on the part of the employees of the Group's project companies.

The enterprise is the "primary responsible party" for safe production. The project has set up an emergency command team headed by the corporate legal representative and developed a comprehensive emergency rescue regime. Emergency plans are revised based on actual conditions and emergency teams and supplies always stand ready. A strong emphasis is placed on the daily drill of emergency employees, while large-scale, comprehensive and integrated emergency drills are organised annually. At the same time, normalised first-aid training is organised and the effectiveness of emergency rescue is tested with application of a variety of drill models, striving to train up emergency rescue teams that are "ready for action, up to the task and making a difference", with a view to offering genuine protection of safe production at the projects.

Reducing occupational health and safety risks

The Group is committed to controlling OHS risks and the risk of accidents and work injuries, with a view to fostering a safe and healthy workplace. As such, the Group signed the "Mission Statement on Safety and Environmental Management Goals", stating its goal to record zero safety incidents. The Group has also been making consistent improvements to its safety and environmental management systems and regimes and has rigorously implemented requirements under the safety and environmental management system. For details, please refer to the sections headed "Management approach and assessment" and "OHS management regime". In addition to the aforesaid systems, to assure genuine protection of employees' health, the Group has formulated the "Occupational Health Management Standards" and the "Occupational Health Management Standards for the Supervision and Protection of Occupational Health", with the aim of enhancing occupational health management at workplace, as well as preventing, controlling and eliminating occupational disease hazards.

In accordance with the "Occupational Health Management Standards", an occupational disease hazard test and inspection exercise is conducted once a year and an assessment of the current conditions in occupational disease hazards is conducted once every 3 years by a qualified occupational hygiene technology and service institution appointed by the Environmental Management Department. If the noise level, dust concentration level and chemical irritants in workplaces are found to be non-compliant with national occupational health standards and requirements during the test and inspection, the Production Technology Department shall formulate and implement treatment plans and make an assessment on the effectiveness of treatment, which assessment shall form one of the bases on which the OHS management regime will be updated.

In the event of an OHS incident, the Environmental Management Department shall forthwith conduct occupational disease hazards analysis on the work venue and perform monitoring, the results of which should be recorded in the "Record Log for Inspection and Test of Dust at Venues of Operation" or "Record Log for Inspection and Test of Noise at Venues of Operation". All monitoring results should be publicly displayed and recorded in the occupational health files. Meanwhile, the Group has adopted various measures, such as the posting of safety warning slogans, installation of safety warning signs and protective facilities, distribution of labour protection supplies and regular maintenance of protective and monitoring equipment, to further reduce the risk of occupational health hazards at workplace. During the Reporting Year, the Group did not report any work-related injury and fatal accident.

The Group welcome reports of occupational health and safety hazards at workplace from all employees to the relevant departments of the Group via official channels and undertakes to deal with views raised by employees in a proper manner.

Forging a healthy enterprise

Weihai Biomass Electricity and Heat Cogeneration Project has made intensive effort to implement occupational health protection initiatives, with a view to fostering the development of healthy "cells". The project company has ascertained the goals of "caring for employees' health, fostering a sound environment and building a healthy enterprise", as it implements the action plan of building a healthy enterprise in design, construction, management and operations, as well as in systems, culture, investment and care for the individual. The project has not only organised the amendment and improvement of 25 policies, including the occupational health management accountability system, by dedicated personnel and enhanced their implementation, but has also placed a strong emphasis on personal care. Through initiatives in dining, culture and sports, mental health and smoking cessation, among others, it has further endeavoured to foster a healthy environment for employees. As a result, the project has been awarded, through a rigorous selection process, the honorary titles of "Healthy Enterprise of Weihai City" and "Healthy Enterprise of Shandong Province" in recognition of the superior standards in occupational health management showcased by the Group's projects.

Occupational health service and training

In addition to the adoption of various measures to alleviate occupational risks at work venues, the Group also provides different forms of occupational health inspection for employees in accordance with provisions under the "Management Standards for Occupational Health Monitoring and Protection". These include occupational health inspection prior to taking up a job position, in-service occupational health inspection, occupational health inspection on leaving a job position, emergency health inspection and special employee health protection, among others. The Group undertakes to keep the personal occupational health monitoring and protection files of employees in a proper manner and keep strictly confidential the personal health information of employees.

Moreover, the Groups also provides annual health inspection and medical insurance for all employees to help them understand their own health conditions in a timely manner, alleviate the burden of illness and keep personal health in good conditions.

Employees' health and safety training has always been one of the most important means to enhance the health and safety awareness and first-aid competence of employees. The "Occupational Health Management Standards" stipulates that the General Management Department should formulate an annual occupational health education and training programme to be included in the Group's annual safety education and training programme. In addition, all newly recruited employees, reassigned employees and contract workers should receive occupational health education and training in areas such as laws and regulations on the prevention of occupational diseases and occupational disease hazards at work venues and emergency measures, among others. They shall further be subject to appraisal after such training and may only formally assume their job positions with a passing result from the appraisal. Moreover, in-service employees and long-term contract worker shall receive occupational health education and training at least once a year.

During the Reporting Year, the Group's project companies have organised employees to participate in OHS training in areas such as occupational health, cardiopulmonary resuscitation ("CPR") first-aid, fire safety, heatstroke prevention and electrical safety, among others.

First-aid training to address high temperature

High temperature persisted during the summer of 2022. To enable employees to familiarise themselves with basic first-aid knowledge and means to prevent heatstroke in summer, Lianyungang Solid Waste Treatment Project engaged the First Aid Department of Lianyungang No. 1 People's Hospital to host training in first aid and heatstroke prevention in summer according to the requirements of individual job positions and seasonal characteristics. The major contents of the training session included health protection measures under high temperatures, first aid for parties suffering from heatstroke, as well as indications and operating procedures of CPR. Through the training, our employees have learned the correct way to respond when they themselves or people around them are suffering from heatstroke. They have also learned that when the stricken person suddenly falls into unconsciousness, lack of breath or heartbeat, they should first of all make sure of their own safety and assess the surrounding conditions before carrying out correct first-aid procedures for the injured. The Group requires all subsidiary project companies to conduct such training on a regular basis, such that any personnel would be able to instantly perform effective relief actions under the extreme weather condition of high temperature to save lives without delay, thereby reducing occupational health risks and providing strong protection for the life and health of employees.

Informatisation of safety production management

Over the years, the Group has persisted in advancing and strengthening the development of information-based management and systems and has completed the establishment of a sophisticated production management system incorporating safety production management. The system covers aspects such as investments for safety cost, education and training, emergency rescue, fire safety management, accident management, safety inspection and contractor management, among others. On the one hand, the operation of this management system has facilitated more regulated management of working schedule and switching sequence to enhance the standardisation of maintenance and important operations of equipment, while also contributing to the close-loop management of hazard rectification to increase its efficiency. On the other hand, it is also conducive to the sharing, exchange and learning among projects of experiences in safety and environmental management, such that the safety and environment ledger becomes more complete and management becomes more standardised in a notable enhancement of the informatisation level of the Group's safety production management.

Safety management for contractors and external partners

In addition to improving its occupational health safety management standards and protecting the lives, health and safety of its employees through ongoing improvements to its occupational health safety management regime, enhanced safety inspection and training, enhanced OHS service and training and advancements in the informatisation of safety management, the Group has also stringently included associates in the Company's safety and environmental regulatory regime. For example, the "Safety Management Manual" published by the Group has set out specific provisions regarding safety management for contractors, and has designated the Project Management Department to be in charge of qualification vetting and safety supervision relating to construction work contractors:

Vetting of contractors' credentials and professional qualifications in safety matters should be conducted and only qualified contractors should be appointed by signing service contracts and safety agreements.

Contractors should be required to establish a safety management organisation or equip themselves with safety management personnel. Contractors should establish their own safety management organisation if they have a workforce of over 100 people at the operation; or appoint a dedicated safety officer if they have a workforce of less than 30.

Safety supervision over contractors

(1) All contractors entering the project sites should be given safety training and be issued an entry pass only upon the passing of due examination.

(2) The special operation permits of special operation personnel and special equipment operators under contractors and the test certificates of their operating instruments and equipment should be vetted.

Contractors should be procured to take out work injury insurance policies and organise occupational health check for operating personnel.

Moreover, the Group has also formulated and published the "Safety Management Standards for External Partners" for the further regulation of safety management at servicing units such as those engaged in equipment maintenance, repair, monitoring and properties, among others, in order to regulate the conduct of the employees of external partners. The Group manages employees of external partners in accordance with standards applicable to its officially employed employees and requires the project companies to cover external partners in their safety production accountability system with specific provisions on their safety duties and to conduct monthly appraisal on the external partners' performance. External partners are required to organise or participate in roster-based safety promotion activities according to requirements and organise OHS learning and emergency drills on a regular basis to ensure the safety of people, operations and assets for all parties.

The on-site management personnel of the Group's project are responsible for supervision and inspection at the site of the contractor's operation. Safety appraisal standards for contractors and a contractor blacklist mechanism have also been formulated for the quantitative appraisal of contractors. Contractors who have failed in the appraisal will be included in the blacklist and banned from future assignment. In accordance with the "Supplier Management Measures", the Group's Procurement Management Departments at all levels shall conduct a general assessment on suppliers at the end of each year, where ESHS management would account for 25 points in the assessment of contractors in charge of installation and civil engineering equivalent to a 25% weighting, indicating the importance of ESHS management in the supplier assessment regime.

Safety management for associates is the responsibility of branch functional departments, business management centres and project companies. The Group has also formulated special appraisal plans for safety and environmental management to perform stringent appraisal on the competence of functional departments, business management centres and project companies in safety and environmental management and its implementation. Associates' management would account for 30 points in the appraisal of safety and environmental process management.

Through the establishment of the aforesaid comprehensive management regime, the safety and environmental performance of associates has been subject to stringent management to further reduce the health and safety risk of on-site operation at the projects.

GREEN RECYCLING

Chinese President Xi Jinping has called for the "practice of the new green development idea, advocating a green, low-carbon, recycling and sustainable form of production and living, enhancing cooperation in ecological protection to build an ecological civilisation and realise in a collaborative effort the goal of attaining sustainable development by 2030." The Group is of the view that "Green Recycling" is the direction going forward as the industrial structure evolves, providing a guide for the development of industries and corporations as well as a generally adopted way of living and production.

Enhancing environmental management

The enhancement of environmental management represents an important aspect of the corporate effort in driving green recycling low-carbon development. As an environmental protection enterprise, the Group upholds its mission of being "Devoted to Ecology and Environment for a Beautiful China" and its corporate pursuit of "Create Better Investment Value and Undertake More Social Responsibility" as it prioritises the task of addressing the environmental impact of corporate operation. During the Reporting Year, the Group continued to implement its ESHS management regime in a comprehensive and in-depth manner, consistently improving its environmental management regimes and systems and enhancing the environmental management standards of its projects.

Improving the environmental management regime

During the Reporting Year, CEEGL amended and published a number of important rules and regulations, including the "General Rules on Safety and Environmental Management", "Administrative Regulations for Environmental Emergencies (Trial)", "Administrative Regulations for Stakeholders' Safety, Health and Environmental Protection", "Administrative Regulations for Safe Production and Environmental Protection at Construction Work (Trial)" and "Administrative Regulations for Information Transmission, Submission and Disclosure in Safety and Environmental Management". As a subsidiary of CEEGL, the Group will strictly comply with and implement the aforesaid regulations. The Group also conducts itself in accordance with a series of procedural documents previously formulated by CEEGL, including the "Notice on Further Strengthening Environmental Management, Mitigating Operational Risks and Improving Operational Quality", "Notice on Improving Information on Online Environmental Protection Monitoring Platforms of Projects in Operation", "Administrative Regulations on Safety and Environmental Incidents" and "Internal Reporting System for Environmental and Safety Incidents", among others, to further standardise its performance in environmental management at the operational level.

The Group published the "ESG Policy" in 2020 to ascertain its core principles and objectives in the environmental and social aspects and provide guidance to the Group's day-to-day operation. Meanwhile, to further enhance the standard of its environmental management initiatives, the Group revised and published the "Management System of Ecological Protection" in 2021 to set out specific regulations on the organisational setup for environmental management and its duties, environmental protection management for new construction project, project conversion and project extension, environmental protection management for operating projects, waste water and rain water management, exhaust gas management, solid waste management, noise management, environmental information management, environmental risk management, environmental protection ledger management and corresponding investigation and appraisal. The policy is a comprehensive set of highly systematic and operable regulations and plays an important role in improving the environmental management regime and enhancing the Group's environmental management standards.

According to the Group's Statement of Safety and Environmental Management Goals and Tasks signed at the start of the year, the objective of environmental management is to achieve "zero excessive emission and zero violation". The Group has set up a Safety and Environmental Management Committee to coordinate the environmental management, and has required project companies to establish safety and environmental management departments with dedicated safety and environmental management officers and develop environmental protection systems and regimes at the project companies. We have appointed the general managers of project companies as the primary officers in-charge for environmental protection to be responsible for advancing the development of sound accountability systems for environmental protection, and have set out the responsibilities of all departments and employees of all grades and positions in environmental protection.

Enhancing day-to-day management

In day-to-day management, the Group places a strong emphasis on permissions for pollution discharge, management of environmental facilities and eco-friendly consumables. Project companies are required to handle pollution discharge in accordance with the discharge permits issued by the State, conduct self-tests and develop an accurate and complete environmental protection ledger, sound operational conventions for environmental facilities and ledger for the operation of environmental facilities. Inspection of environmental equipment and facilities should be carried out and stringent control exercised in respect of the quality of consumables for environmental facilities.

In the meantime, the Group has also laid down specific requirements for environmental education and training and emergency management. Project companies should formulate environmental education and training programmes and conduct training sessions which shall be documented by training records; emergency plans for environmental contingencies should be formulated in accordance with regulations and submitted to competent environmental authorities and pertinent departments for filing purposes. Emergency drills should be conducted in accordance with relevant plans, with general and specialised emergency drills held at least annually and emergency drills on on-site handling at least 2 times per year.

Environmental emergency drill

In August 2022, Chuzhou Solid Waste Disposal Project conducted an environmental emergency drill at the foreground of its Category B temporary warehouse. The drill simulated the massive collapse of ton-size barrels containing liquid hazardous waste causing leakage liquid hazardous waste over an extensive area.

The Dingyuan County Government also participated in the drill to inspect the project company's "emergency plans for environmental contingencies", "emergency plans for safe production incidents", "Dingyuan County emergency plans for environmental contingencies" and "Dingyuan Salinisation Industry Park emergency plans for environmental contingencies" as to whether they were scientific and comprehensive, examine the effectiveness of the competent authorities and the project company in their performance of duties and mutual collaboration in response plans for hazardous waste leakage incidents, inspect the preparations of the departments and enterprises in emergency teams, supplies, equipment and technologies, hone the rescue mechanism and test the effectiveness and scientific standards of the emergency plans for environmental contingencies such that losses will be reduced to a minimum. The drill was immensely successful and issues exposed have been rectified with improvements. Employees awareness for environmental risk control has been enhanced and the competence of emergency rescue personnel in real situations has also been effectively bolstered.

General emergency drill: treatment of spilt hazardous waste

To test and enhance the project company's ability to execute response plans in the event of environmental contingencies, Suzhou Solid Waste Disposal Project organised the 2022 general emergency drill for the leakage of hazardous waste. The drill simulated a dump truck loaded with hazardous waste and manned by a driver going into collision at the roundabout of the east operational driveway in the pre-processing workshop, whereby hazardous waste fell from the truck and leaked through broken packs. At the same time, the hydraulic oil pipe of the vehicle cracked with fuel leakage to the ground catching fire. The auxiliary personnel operating on the roadside was injured and down. Details of the training included: training in the application of theories in hazardous waste leakage emergency, emergency handling of hazardous waste leakage, emergency firefighting on the spot of a hazardous waste leakage and first-aid care for injured parties, among others.

Task allocation during the drill:

- **Emergency rescue team**: to execute the orders and decisions of the leadership team, coordinate the implementation of emergency rescue work in accordance with the emergency plans based on the actual conditions, and collaborate with the information officer in the latter's on-site investigation and furnish an incident analysis report after the emergency response.
- **Medical care team**: to set up ad hoc medical care station in safe zones nearby the spot, perform first-aid care for injured personnel and retrieve medical supplies after conclusion of the drill.
- **Supplies team**: to handle the supply, distribution and retrieval of emergency equipment and necessary supplies and to safeguard supplies for emergency rescue on the spot.
- **Safe evacuation and safety alert team**: to ensure the safe evacuation of people when the accident occurs and to isolate the area by erecting warning signs and restricting unwarranted access.
- **Information team**: to prepare an emergency drill notice prior to the drill and post the same on conspicuous spots, outside the main entrance of the plant, to make videos and take photos on the spot for record, to handle the transmission of information to both internal and external parties, to conduct on-site inspection of the accident, organize analysis and report of the incident and complete a report in the aftermath.
- **Environmental surveillance team**: to formulate an on-site monitoring plan based on the actual conditions of the environmental contingency and as required by the on-site emergency command post, to deploy monitoring points at the site, collect samples and conduct analyses and tests, to report the outcomes of monitoring in a timely manner and take part in on-site investigation and collection of evidence.

Moreover, in accordance with the "Standards for the Administration of ESHS Incident Reporting and Investigation" and "Notice on Regulating the Internal Reporting System for Environmental and Safety Incidents", project companies should conduct investigation and properly handle communications relating to environmental matters, public response to environmental matters, excessive emissions, violations of environmental laws and regulations and environmental contingencies in a timely manner in accordance with relevant requirements.

Environmental risk and information management

Environmental risks include air pollution, solid waste pollution, water pollution, fugitive pollution and other environmental risks. The Group has set out detailed and practicable management requirements in respect of the aforesaid risks to ensure comprehensive performance of its environmental duties on top of the stable operation of projects.

In terms of environmental information management, the Group formulates and publishes annual environmental self-monitoring plans in strict accordance with the requirements under national standards and regulations as well as environmental assessment and pollution permits for project construction. Qualified third-party professional monitoring institutions are appointed to conduct on-site monitoring in accordance with the annual environmental monitoring plan. The automated monitoring equipment for air pollution or sewage discharge is connected to the monitoring equipment of competent ecological and environmental authorities to ensure the normal operation of such monitoring equipment and disclosure of emission data in accordance with the law.

In the meantime, the Group has diligently implemented the disclosure of corporate environmental information and advanced the opening of environmental facilities to the public. Projects in operation for 3 months or longer are required to open its environmental facilities to the public once every 2 months in a manner that complies with relevant standards. During the Reporting Year, the Group conducted 140 open-to-the-public activities in Mainland China and hosted 4,200 visitors from all sectors.

Promotion of scientific knowledge in environmental protection: future scientists in the making

In November 2022, Zhongxiang Integrated Urban and Rural Project organised an open day under the theme of "Dream big with innovation and herald the future with technology" in association with Zhongxiang Youth Centre and Changtan Jinxing Primary School. Guided by the plant's demonstrator, 40 students and teachers from Jinxing Primary School visited the plant to get a close-up experience of how waste was transformed into valuables through technology.

The students gathered around the model sand table as our demonstrator explained how biomass raw material/household waste was shipped into the plant and unloaded in the stack, before it was incinerated in the furnace to generate electricity. They were briefed through all the steps by which biomass and waste-to-energy power generation was facilitated, while the demonstrator also showed them how leachate generated from the process of waste treatment became clean or even drinkable water with the aid of science and technology. The visit, which included a few experimental sessions, has provided the students with a more genuine understanding of the waste-to-energy power generation process, encouraging their aspirations for scientific pursuits as they were left fascinated and inspired by the wonders of science and technology.

Inspection of environmental management

The Group carries out supervision and inspection of environmental management at its projects through multiple means and has developed a complete environmental management module covering assessment details for environmental management, bases for assessment, assessment rules and relevant information requirements, on the basis of which we carry out inspection, appraisal and assessment of environmental management at the projects.

Through the Group's online environmental monitoring platform, the Environmental Management Department is able to monitor emissions at the projects on a real-time basis. The platform records environmental monitoring data of the projects, warning information and marking information with real-time updates, while keeping in files the monthly environmental reports of projects available for inspection and supervision by management departments at any time.

The Environmental Management Department carries out major safety and environmental inspection exercises on a quarterly basis with a special focus on inspecting the development of systems and regimes, organisational setups and performance of related duties for environmental management, day-to-day management, environmental risk and information management and hazard inspection at project companies. This is followed by the award of scores and assessment according to the assessment rules under the management module, while points will be deducted and rectification measures will be proposed if issues are identified during the inspection. After the completion of inspection, an inspection report will be generated and the inspection conclusion will play a decisive role in the appraisal and evaluation of the annual work tasks. Project companies with outstanding performance in this aspect will be strongly recommended for inclusion in CEEGL's list of showcase projects for safety and environmental management and outstanding cases, and their practices of excellence will be shared and promoted as an incentive to encourage project companies to commit further time and energy to safety and environmental initiatives, so as to ensure continuous improvements in the overall standard of the Company's safety and environmental work.

Advancing pollution control and carbon reduction

Setting the carbon neutrality timetable

The Group is well aware that the road to net zero emission will be full of challenges. We will take on this path in close cooperation with our stakeholders and strive to attain our goals sooner rather than later.

Over the years, we have actively adopted measures to reduce the volume of carbon emission in our operations, such as driving quality and efficiency enhancement at projects and carrying out conversions for ultra-low emission, among others. At the same time, we have been actively reviewing and improving carbon emission data collection schemes, as we have continued to extend the scope of data disclosure to cover all operating projects by making additions and adjustments to the quantitative categories (such as adding quantitative sulphur dioxide and nitrogen oxides emissions and the computation of emission intensity based on electricity generated and thermal energy produced for integrated biomass utilisation projects) and improve our energy computation methods (such as the inclusion of biocarbon and fossil carbon). we have continued to commit resources to data collection with the standardisation of data collection methods for all operating projects and the gradual development of concrete goals that are measurable, feasible, relevant and time-specific through multiple data audit and compilation.

To increase data accuracy, we have made active effort to improve data recording and computation, including the estimation of GHG emissions of projects in operation in accordance with the "Interim Measures for the Administration of Greenhouse Gas Voluntary Emission Reduction Transactions" currently applicable to domestic carbon trading with reference to the GHG emission computation method stipulated in the Clean Development Mechanism ("CDM") under United Nations Framework Convention on Climate Change to prepare for participation in the domestic carbon trading market; and the statement of computation bases for various key performance data in the report. The Company will closely monitor the nation's latest requirement for GHG computation to ensure that the computations are consistent with the goals and designed methods. Improvements have been made to the computational and reporting methods for environmental key performance indicators to align more closely with international reporting standards such as GRI. For example, according to international standard energy consumption formula plans, electricity generated by power generation projects for internal consumption are excluded from aggregate energy consumption to avoid double-counting.

In line with its strong emphasis on the development of carbon assets, the Carbon Asset Development Work Group headed by the Vice President was formed during the year to be in charge of specific tasks relating to the development process, including the formulation of the "Summary of Carbon Asset Development Policies", which will provide an important guideline to its next steps in the development of carbon assets. We have been actively researching the potential of carbon asset development in our existing business and generated the "Research Report on Carbon Asset Development", and have completed stocktaking and assessment of emission reduction volumes of projects under Everbright Greentech. The report has proposed a model for the Group's carbon asset development and highlighted the key points in carbon asset development. When the conditions are ready, the Group will forthwith commence its operation in carbon asset development.

Advancing ultra-low emission at biomass and waste-to-energy projects

The Group has been vigorously seeking reductions in GHG emission and is committed to gradually reducing emission volumes in accordance with international carbon reduction goals. We have invited professional parties to conduct research on quality and efficiency enhancement at our existing projects, with a view to further reducing energy consumption and corresponding GHG emission.

The Group has commenced ultra-low emission conversion at its biomass and waste-to-energy projects in Jiangsu Province and Henan Province. During the Reporting Year, conversion work commenced at Jiangsu Province Feng County Integrated Biomass and Waste-to-energy Project and Huai'an Integrated Biomass and Waste-to-energy Project, while Guanyun Integrated Biomass and Waste-to-energy Project was in the process of technology scheme formulation. Henan Province Xiayi Integrated Biomass and Waste-to-energy Project, Zhecheng Integrated Biomass and Waste-to-energy Project and Sheqi Integrated Biomass and Waste-to-energy Project conducted ultra-low emission conversion in 2021 in accordance with local government regulations of the districts where they were operated. More than RMB25 million has been invested in the aforesaid projects.

Name of project	Original emission standard	Ultra-low emission standard
Zhecheng Integrated Biomass and Waste-to-energy Project	Dust, sulphur dioxide, nitrogen oxides not higher than 30, 100, 100 mg/m³	Dust, sulphur dioxide, nitrogen oxides not higher than 10, 35, 50 mg/m³
Xiayi Integrated Biomass and Waste-to-energy Project		
Sheqi Integrated Biomass and Waste-to-energy Project		
Huai'an Integrated Biomass and Waste-to-energy Project	Dust, sulphur dioxide, nitrogen oxides not higher than 20, 50, 100 mg/m³	
Feng County Integrated Biomass and Waste-to-energy Project	Dust, hydrogen chloride, sulphur dioxide, nitrogen oxides, carbon monoxide not higher than 20, 50, 80, 250, 80 mg/m³	Dust, hydrogen chloride, sulphur dioxide, nitrogen oxides, carbon monoxide not higher than 8, 8, 20, 120, 30 mg/m³
Guanyun Integrated Biomass and Waste-to-energy Project	Dust, hydrogen chloride, sulphur dioxide, nitrogen oxides not higher than 20, 50, 80, 250 mg/m³	Dust, sulphur dioxide, nitrogen oxides not higher than 8, 20, 120 mg/m³

Creation of "zero-carbon industry parks"

The Group has not only made ongoing effort in quality and efficiency enhancement for existing projects, but is also committed to the application of its specialisation to build "Low-carbon Cities" and "Zero-carbon Industry Parks" in various cities. In December 2022 the Group signed a framework agreement for cooperation in "Low-carbon City" and "Zero-carbon Industry Park" with the Lianshui County Government and Huaiyin District Government in Huai'an, Jiangsu Province to further enhance the environment and sustainability levels of the urban and rural areas in the district in support of policies under the nation's "Dual Carbon" strategy. Consensus for cooperation in key areas has been reached for deployment in the smart energy industry on the back of Everbright Greentech's local projects in the development of a "Zero-carbon Industry Park" model and a "Low-carbon City" demonstration zone.

In accordance with the framework agreement, the two parties will take into account the implementation status and relevant requirements of national and local industrial strategies and embark on full-scale and in-depth cooperation in solar energy, energy storage, smart battery charging and replacement facilities, cold and heat storage facilities, monitoring of energy consumption, reduction in carbon emission, virtual urban power plants and digital cloud platforms, among others. Leveraging its operational experience and advantages in industrial integration in the new energy and environmental protection sectors developed over the years and guided by specialised technologies, the Group will provide fully-fledged integrated energy service in various cities and regions from the multiple dimensions of "solar energy, storage, charging, cooling heat, electricity, cloud and carbon", among others.

Construction of distributed solar energy facilities within plant premises for internal use

Solar energy is a form of zero-carbon energy. The construction of distributed solar energy facilities is one of the ways by which the Group contributes to the realisation of the nation's "carbon neutrality" goals and driving reduction of carbon emission. Electricity generated by the distributed solar energy power stations in the plant is for internal consumption, while any excess will be supplied to the power grid, such that some of the unused roofs are transformed into green production lines of project companies which could lower the electricity costs of the projects while enhancing the green power ratio for such projects and the regions where they are located. During the Reporting Year, the Group started to build distributed solar energy power stations at 3 project plants and construction is currently underway.

Wenling Solid Waste Treatment Project has constructed solar energy facilities at locations such as rooftops of the plant buildings, accident pools, preliminary rainwater captures with an installed area of approximately 12,000 m^2, and an aggregate installed capacity of approximately 1.6MW.

Xinyi Solid Waste Treatment Project has constructed solar energy facilities at locations such as building rooftops at the landfill and pool surfaces with a total installed area of approximately 2,162 m^2, and an aggregate installed capacity of approximately 0.2MW. Xinyi hazardous Waste Treatment Project has also constructed solar energy facilities at locations such as building rooftops in the plant areal and pool surfaces with a total installed area of approximately 9,218 m^2 and an aggregate installed capacity of approximately 0.91MW.

Apart from the distributed solar energy facilities in the plant, the Group has also adopted other means to reduce carbon dioxide emission, including lowering the consumption of fuel and electricity during the processes of machine start-ups and shut-downs by shortening the shut-down periods of the biomass and waste-to-energy projects to reduce the external purchase of electricity; optimising the management of waste storage at waste-to-energy projects through improving waste stack planning, procuring proper leachate water discharge and increasing the calorific value of fuel input of furnaces, among others, to increase the volume of waste-to-energy conversion per tonne and reduce the consumption of combustible fossil energy; as well as optimising the economic radius for the collection and storage of biomass fuel to increase the ratio of fuel localisation and reduce the consumption of fossil energy resulting from fuel transportation.

Increasing the greening ratio of projects

According to the United Nations Environment Programme, the best way to control carbon emission is through "carbon sink". The absorption of carbon dioxide by plants through photosynthesis is an important part of biotic carbon sequestration. Hence, the Group has sought to enhance carbon sink by increasing the green area at projects on top of reducing GHG emissions.

The plants of the Group's environmental projects have a green area of 954,115 m^2 in aggregate. Upon the completion of environmental remediation projects undertaken, we are expected to provide close to 237,000 m^2 of green land to the community. Moreover, the project companies organise their employees to take part in tree-planting activities every year to further increase the green area at projects and enhance the greenness of the local ecological environment. We are also going to gradually place more green plants in staff quarters and offices and encourage employees to decorate their own workspace or residential environment with green plants, which will not only brighten up their moods, but would also contribute to the Group's initiative in carbon reduction.

Decorating Lintao with green plantation

In March 2022, the Lintao Integrated Waste-to-Energy Project organised a voluntary tree-planting activity for employees, planting for more than 200 treelets of fir and other species to add to the greenness of the project plant area and advocate a green ecology, defending the lucid waters and lush mountains. The activity is a fine testimony to the positive energy and unity of the employees at the plant, and will foster the ecological awareness of "planting, protecting and caring for the green" among employees, educating and guiding employees and their families in active participation in the protection of the ecological environment.

Biodiversity Policy

Biodiversity is the cornerstone to the survival and development of human society. Our lives are closely associated with biodiversity in many aspects, such as our clothes, food, accommodation, means of travel and materialistic culture. For a long time, bio-diversity has enabled humankind to enjoy the diverse values and outcomes brought about by biodiversity. Meanwhile, biodiversity and carbon reduction are complementary to each other, and the protection of biodiversity is an important measure in support of the nation's goals in carbon reduction. A thriving ecology will contribute to a prospering civilisation. Everbright Greentech believes that we will only be able to build a prosperous, clean and beautiful world if we respect, protect and live in concord with nature in our exploration of pathways to harmony and co-existence between humans and nature and seek coordination and concertedness in economic development and ecological protection.

We commenced the formulation of the "Biodiversity Policy" to ensure all projects in which we held controlling interests would conduct biodiversity evaluation relating to their business operations. We will provide training for employees which requires them to be familiar with endangered and rare species in the local areas where they operate to ensure that they act to protect local ecology and biological life forms, especially endangered species. Moreover, in connection with projects under preparation, we will require project companies to include in their environmental assessment an evaluation on the direct and indirect impact of the biological species and groups in the proposed project location to avoid operating in areas with high natural values, while adopting optimal solutions to curb the negative impact on the biodiversity of the project locations. In respect of projects under construction, employees should assess the impact of construction on the surrounding areas and the habitat of biological life forms on a regular basis during the construction period and minimise any disturbance to local ecology.

Increasing the ratio of integrated utilisation of resources

Increasing the ratio of integrated utilisation of resources represents a major business direction of the Group. Our integrated biomass utilisation projects facilitate heat supply and electricity generation through the burning of agricultural and forestry waste to fully utilise misplaced resources such as wheat straw, rice straw, branches and moulding plates, while enabling farmers in the surrounding areas to earn extra income by acquiring biomass fuel from them, thereby achieving accurately targeted poverty aid. In the meantime, the Group has continued to drive the transformation of its business towards a high value-added model by putting ashes generated from combustion to integrated use, while development of the heat supply market has continued to make progress. During the Reporting Year, notable progress was made in the research on the integrated use of ashes, while a number of projects successfully expanded their heat supply areas and extended their pipe networks for heat supply, resulting a substantial improvement in their capacity for heat supply.

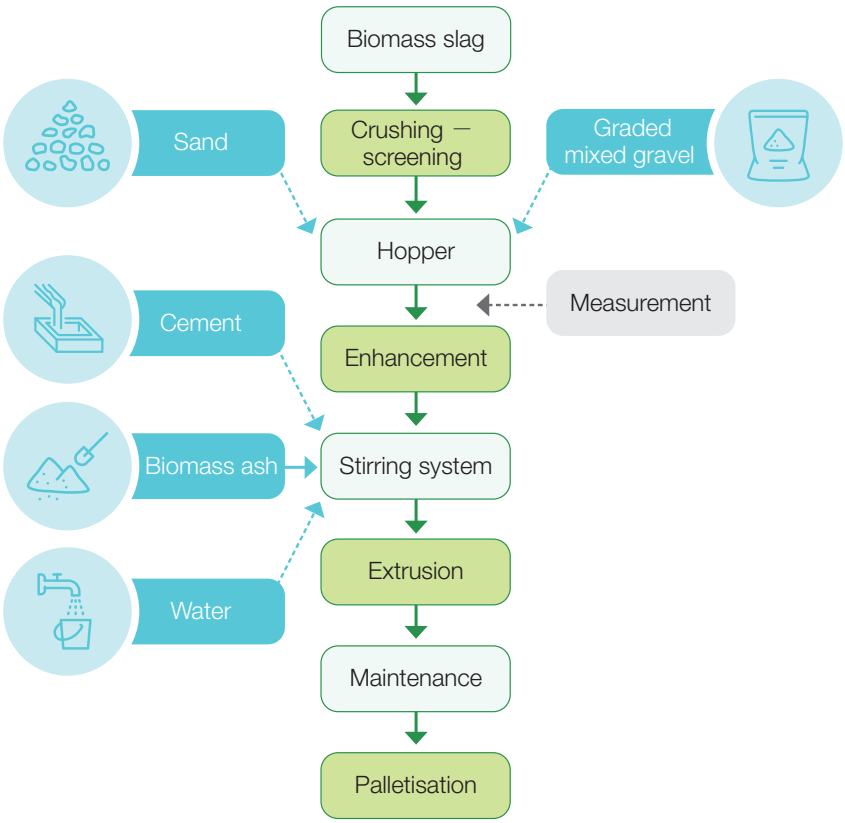
Increasing the added value of project by-products

To expedite progress in the recycling of biomass ash and further increase the added-value of by-products of projects, the Group has appointed Wuhan University of Technology to conduct analysis on the materialised elements of biomass ash and commenced feasibility study on the preparation of active micro-powder, aerated concrete, plates, pervious concrete and steam-cured bricks. The research indicates that the biomass ash from most projects can be used in the manufacturing of numerous construction materials by adjusting the proportion of ash mixing.

Manufacturing baking-free bricks with biomass ash

Baking-free brick is a novel wall material that complies with China's general directive for the development of construction materials, which is "protecting farmland, conserving energy, customising according to locations and acquiring materials on the spot". Cleaner and more eco-friendly compared to ordinary wall materials with extensive applications, baking-free brick has been in greater market demand since recent years and holds out broad prospect for development. Research indicates that the baking-free bricks manufactured by the Group's projects could reach construction industry standards and claim the advantage of a high ratio of solid waste utilisation and conservation of land resources.

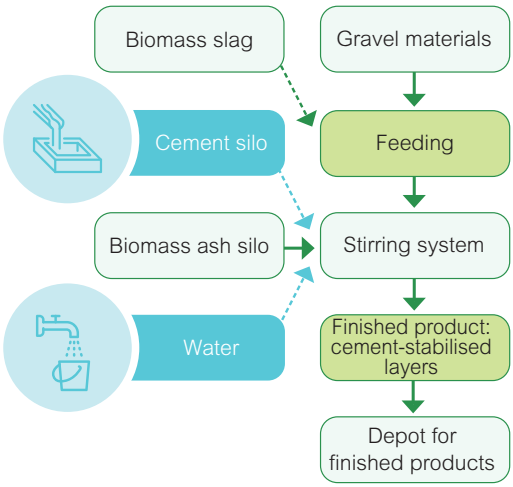
Process flow



Cement stabilisation materials made with biomass ash

The cement-stabilised gravel layer is a major component of higher-grade driveways. Cement consolidation agent is made with gravel in a designated proportion to give more solidity to the base layers by exerting pressure. The research, test and deliberation conducted by the Group's technology research institute indicates that biomass ash could be used to manufacture cement stabilisation materials that meet the requirements for the base course and sub-base course of roads at heavy-traffic grade or below. In tandem with the practical requirement at present for converting ashes into construction materials, it could solve the current risk of stacking ash and environmental hazards for the biomass projects to a considerable extent, while turning waste into value-added products to maximise the utilisation of biomass ash.

Process flow



Increasing the rate of waste recycling and reuse

The Group seeks business development under the guiding principle of sustainability and actively investigates the integrated treatment of garbage landfill and transformation of garbage landfill into mining resources, with a view to creating a model of "sustainable landfill" by closely combining the detoxification, reduction and value-added processing of garbage.

Sustainable landfill will facilitate the recycling of landfill sites and decayed garbage. We will develop means to utilise decayed garbage during the process of exploiting and screening decayed garbage. Screened combustible materials will be used for producing Refuse Derived Fuel ("RDF"); crushed bricks and tiles could be used as road building materials in landfills; the ashes could be used to cover landfills, while part of it could be sintered into artificial gravel for use as road building materials. Sites made available by exploiting decayed garbage can be used as landfill for new garbage, such that landfills can be used repeatedly. Decayed garbage exploitation would not only increase our income, expand our storage capacity and prolong the lifespan of existing sites, it could also help to convert the anti-seepage layer, remove hazardous wastes and reduce maintenance and supervision cost after the site is sealed. This is extremely significant for conserving land resources and saving the costs for constructing landfills.

During the Reporting Year, the Group actively tracked a number of integrated garbage landfill treatment project to provide technical support for these projects. Currently, we have won the tender for one project.

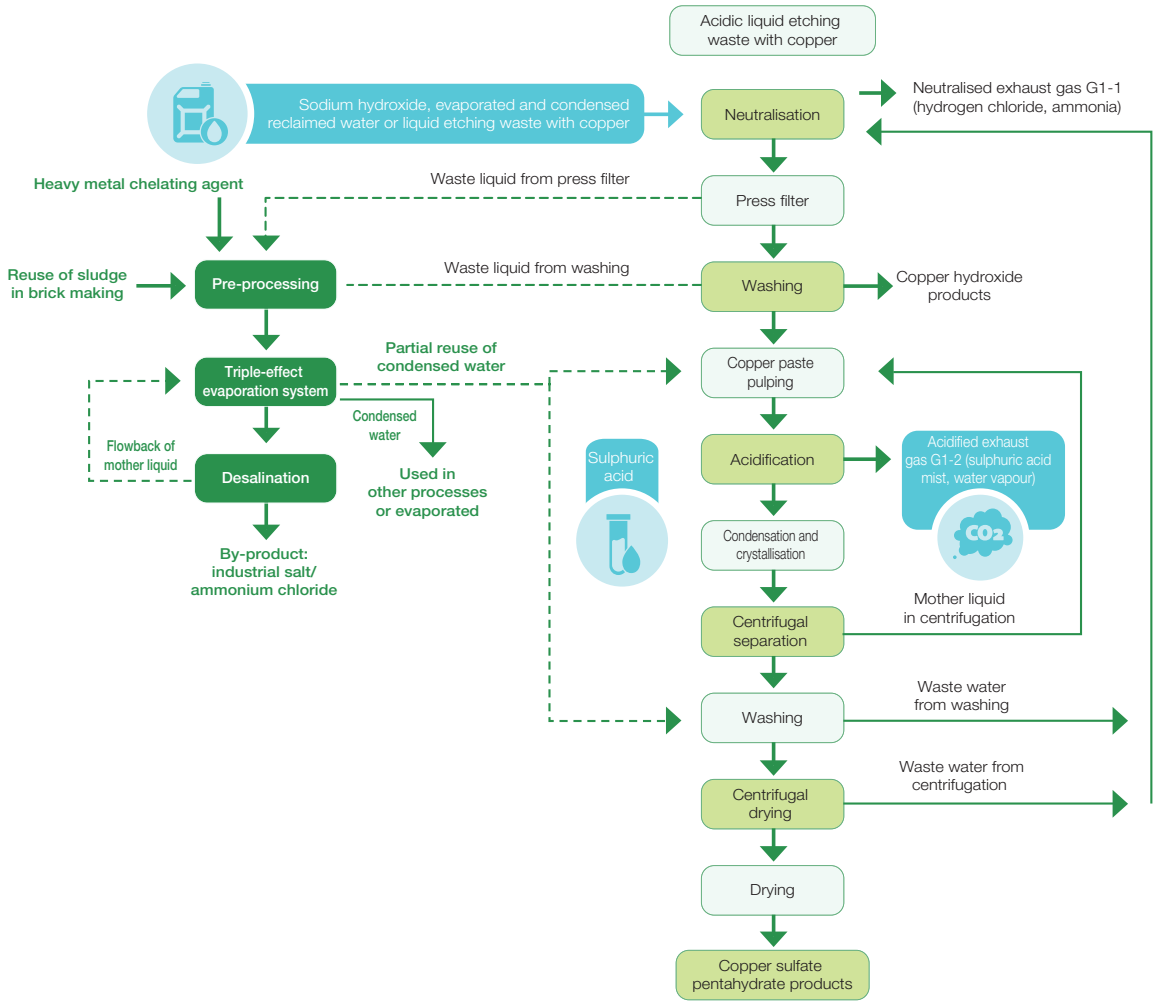
Sales of recycled products increasing by the year

Our hazardous and solid waste treatment business has facilitated not only waste reduction and detoxification, but also the value-added conversion of hazardous and solid waste by recycling metal and other substances in such hazardous and solid waste.

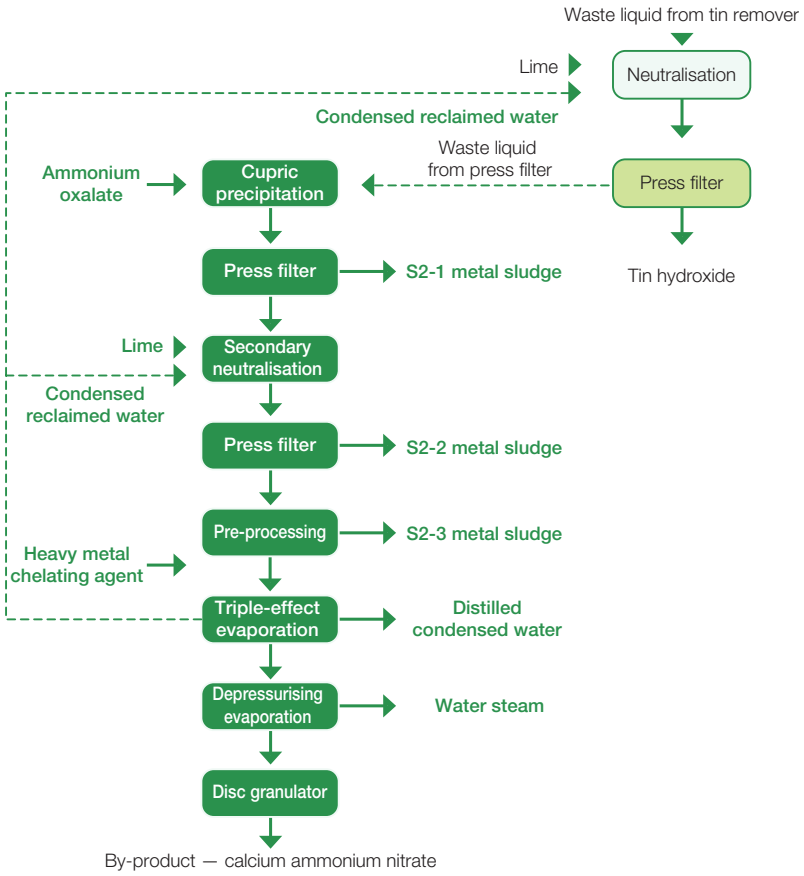
EB Greentech Technology (Wuxi) Limited ("Wuxi Technology") is an environmental enterprise under the Group engaged in the regeneration and reuse of resources in Wuxi, Jiangsu Province and its surrounding areas. Occupying a site of 25,300 square metres, it has a long-term commitment to the integrated regeneration disposal and hazard-free treatment of PCB solid waste in the Yangtze River Delta region.

Wuxi Technology also has two subsidiaries, Jiangyin Zhongxin Resource Recycling Company Limited ("Jiangyin Zhongxin") and Kunshan Zhonghuan Industrial Company Limited ("Kunshan Zhonghuan"). Wuxi Technology has an annual processing capacity of 30,000 tonnes of etching waste liquid with copper contents, 10,000 tonnes of waste liquid from tin removal and 53,000 tonnes of sludge with heavy metal contents (under application). Jiangyin Zhongxin has an annual capacity for the disposal of 10,000 tonnes of etching waste liquid with copper contents. Kunshan Zhonghuan has an annual capacity for the disposal of 18,100 tonnes of etching waste liquid containing copper contents and 3,000 tonnes of waste liquid from tin removal. Recycled products generated from these projects include copper sulphate, copper hydroxide, new etching liquid, tin hydroxide, regenerated tin stripping liquid and mud brick, among others.

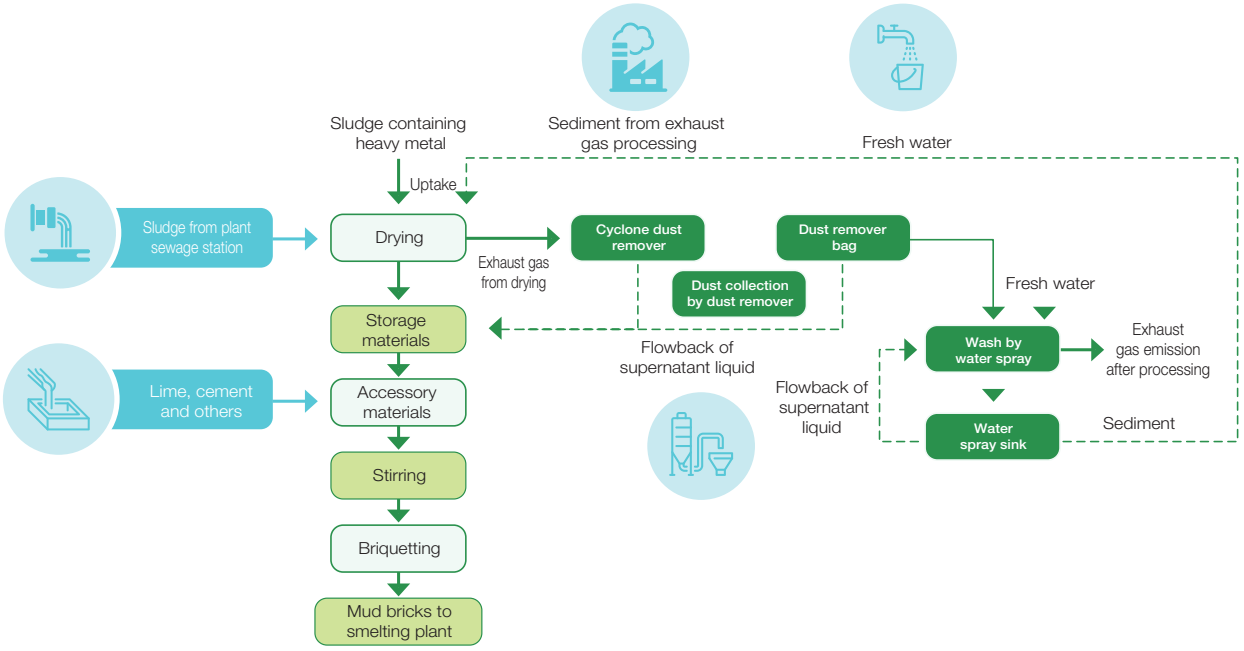
Flowchart for the processing of acidic and alkaline liquid etching waste



Processing waste liquid from tin stripping



Processing sludge containing heavy metal



Moreover, Songyang Integrated Hazardous Waste Treatment Project, which has an industrial hazardous waste processing capacity of 100,000 tonnes per annum, adopts the "steam drying — revolving kiln drying and baking — alloy furnace smelting process" and generates products such as Ni-Fe alloy and water-granulated slag in a successful attempt to transform hazardous waste into resources through hazard-free processing.

Annual sales of recycled products from the aforesaid projects in aggregate are set out as follows:

Apart from the aforesaid project for value-added regeneration of hazardous and solid waste, the Group has also been actively expanding its business types to cover the end-of-life tyre disposal business, as it has currently secured 2 projects with an estimated annual processing volume of 200,000 tonnes of end-of-life tyre, producing regenerated products such as fuel, carbon black and steel wire, of which further details can be found in the section headed "Driving business transformation" on pages 76 to 80 in this report. The Group has also been advancing its general industrial solid waste heat and electricity cogeneration business on an ongoing basis, which is conducive to the reduced disposal of industrial solid waste while generating energy in the form of heat and electricity to maximise the ratio of resource utilization.

Tracking developments in circular economy

According to the "Planning for the Development of Circular Economy under the 14th Five Year Plan" published by the National Development and Reform Commission ("NDRC") in 2021, by 2025, the circular approach to production should have been fully implemented, the ability in the integrated utilisation of resources notably enhanced, an industrial regime based on resource recycling industry basically established, efficiency in resource utilisation substantially enhanced, the proportion of regenerated resources replacing original resources further increased, and resource security further supported and protected. Similar views have been raised in the "Guiding Opinion on the Accelerating Construction of a Recycling System for Waste Materials" published by 7 departments, led by NDRC, in January 2022, which called for the further improvement of the policy and regime for recycled use of waste and obsolete materials and further enhancement of the level of recycled use of resources by 2025.

Driving business transformation

The Group's principal businesses include integrated biomass utilisation, hazardous and solid waste treatment and integrated utilisation, environmental remediation, solar energy and wind power, which are distinctively characterised by the conservation and recycled use of resources and environmental harmony in tandem with the core concept of circular economy. To further align with the nation's direction of developing a circular economy, the Group has expanded the scope of its hazardous and solid waste treatment business to cover general industrial solid waste, production of regenerative materials and value-added recycling of hazardous metal waste, in a bid to transform itself into an industrial environmental service provider.

General industrial solid waste	Development of general industrial solid waste incineration and treatment process compatible with the conditions in China to supply green energy and steam to places where the projects were located and their neighbouring areas.
Recycled materials (carbon black)	Production of recycled carbon black after processing end-of-life tyres with pyrolysis technologies. Out of one tonne of tyre recycled, 12% could be made into premium steel, 12% into combustible gas, 40% into petroleum and 36% into carbon black.
Metal hazardous waste recycling	Hazardous waste underwent detoxification treatment after melting under high temperature, while thermal metallurgical technology was applied to extract valuable metals, such as nickel and copper, in hazardous waste to produce copper sulphate and nickel alloy for sale.

According to the "Catalogue for Guiding Industry Restructuring (2019 Version)", the development and application of technologies and equipment for the resource recycling of waste and obsolete materials such as waste rubber falls within the "Encouraged Category". The end-of-life tyre integrated utilisation business is in line with the principles and requirements of circular economy and relevant national industrial support policy. We have been actively identifying the value of integrated utilisation of end-of-life tyres:

Production of renewable rubber from end-of-life tyre of load-bearing vehicles

End-of-life tyre of load-bearing vehicles can be used in the production of renewable rubber to make up for insufficient rubber resources

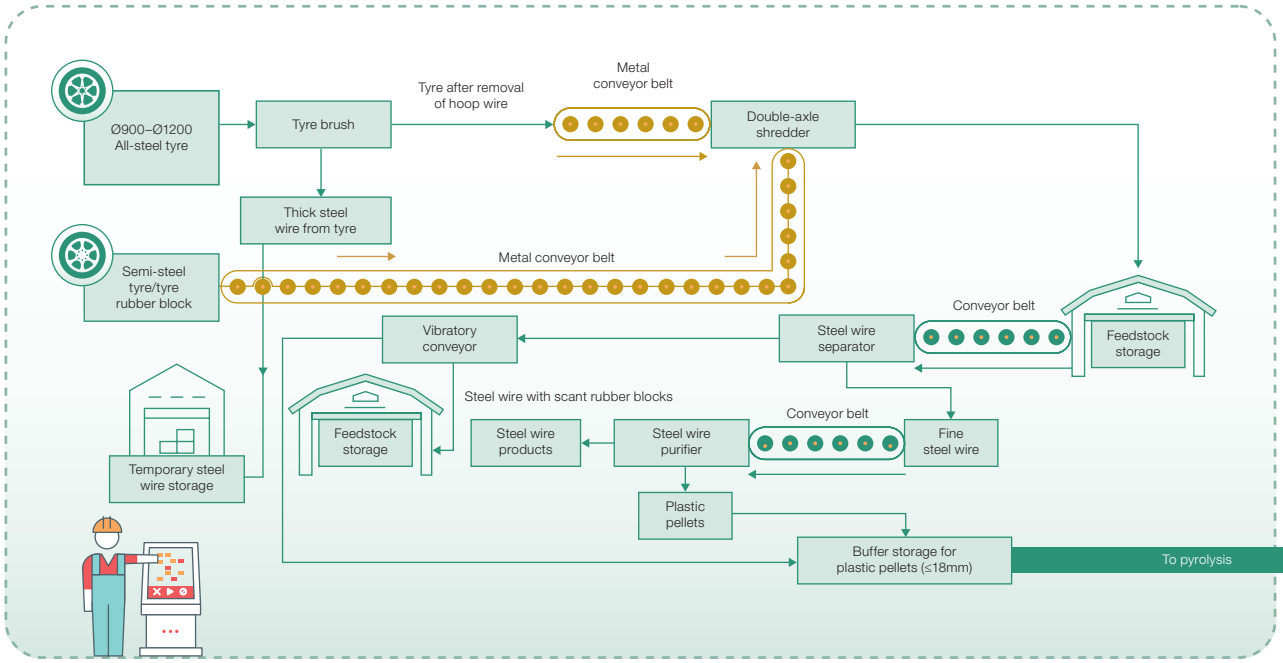
Production of fuel oil, carbon black and steel wire from sedan cars and small tyres through pyrolysis

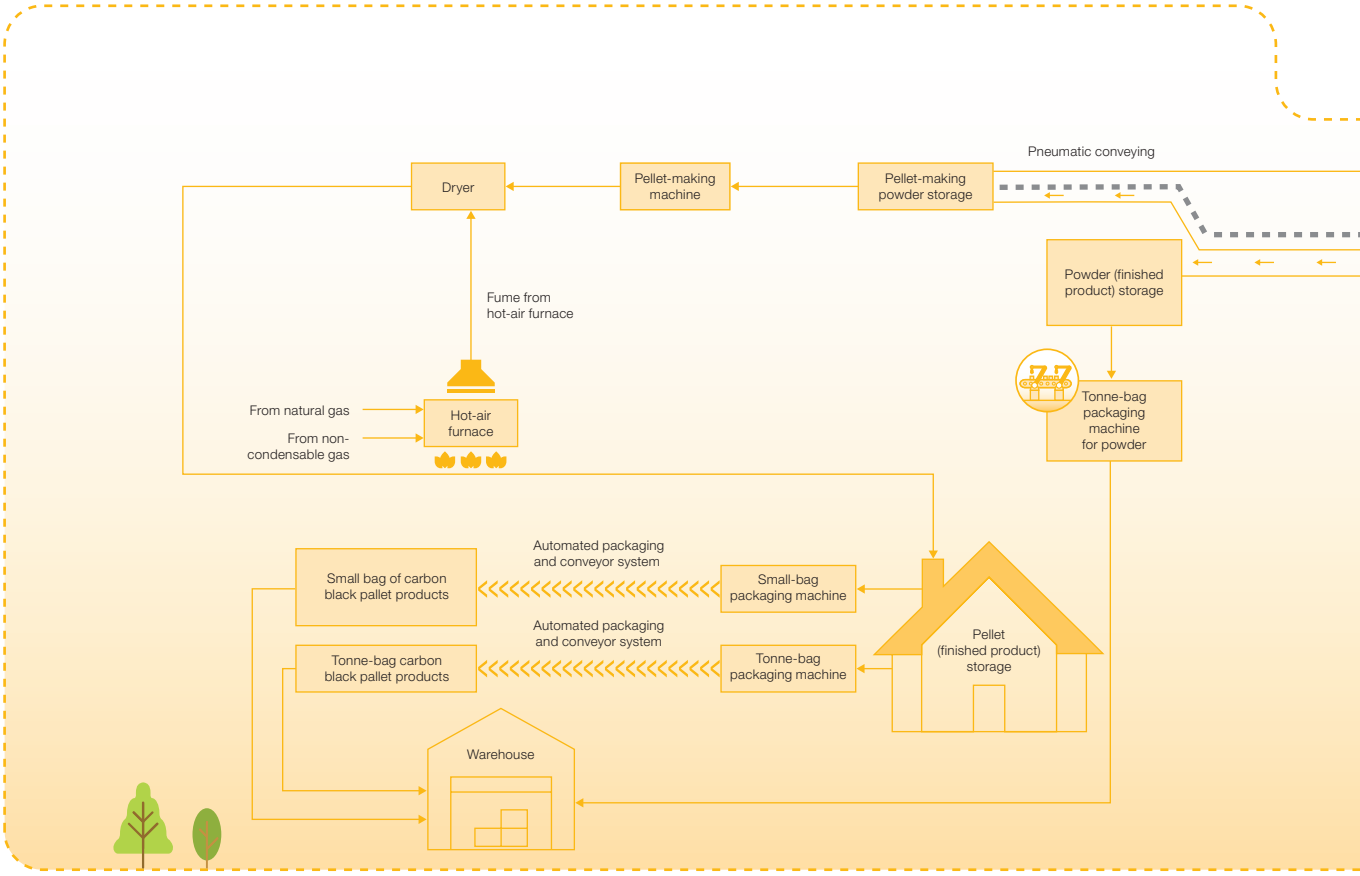
Major products derived from pyrolysis processed end-of-life tyre of sedan cars and small tyres include fuel oil, carbon black and steel wire

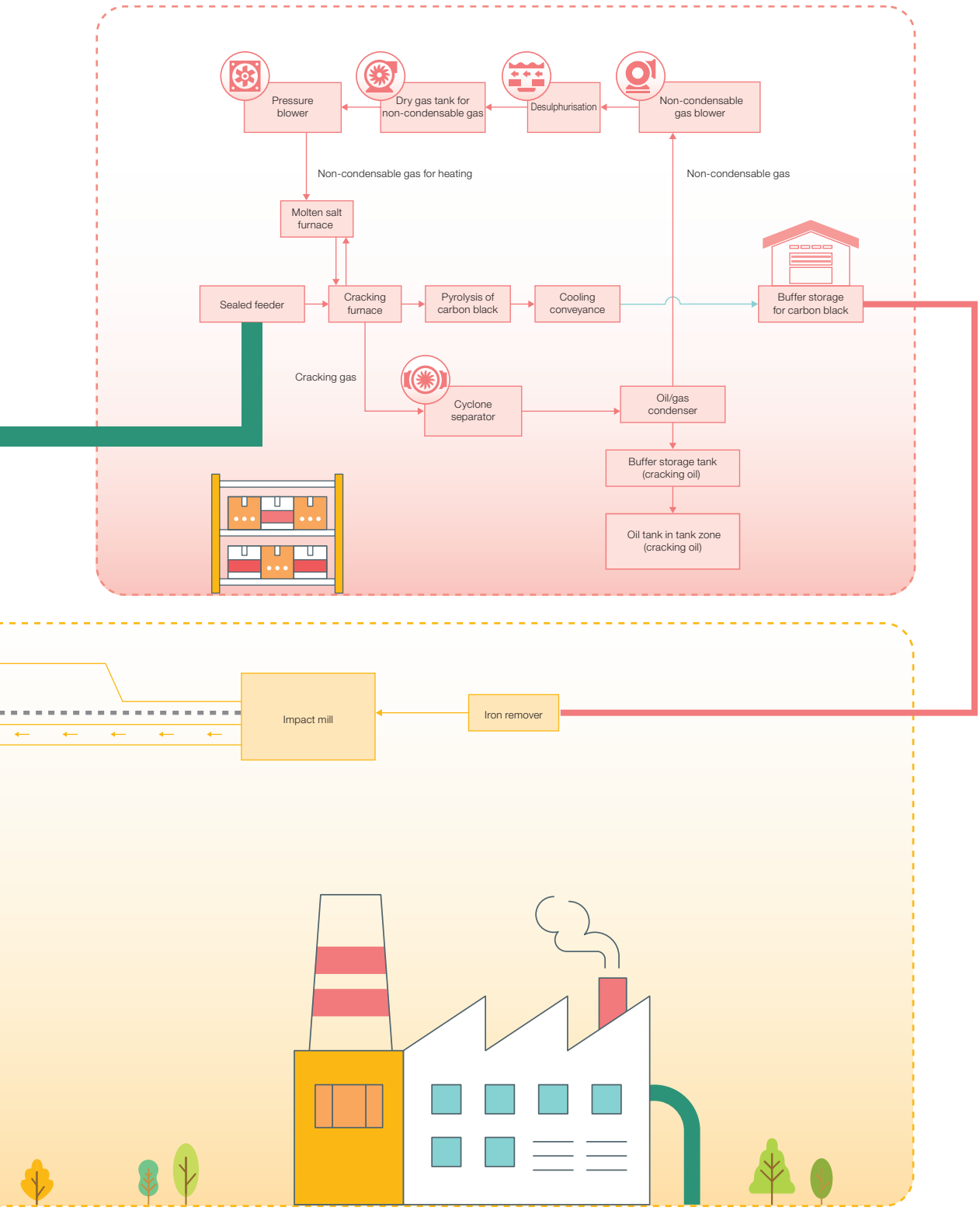
High value-added products manufactured from renewable rubber

Manufacturing of high value-added products such as crashproof barrels placed on highways

Diagram of Tyre Pyrolysis Process






Pressure blower
Dry gas tank for non-condensable gas
Desulphurisation
Non-condensable gas blower
Non-condensable gas for heating
Non-condensable gas
Molten salt furnace
Sealed feeder
Cracking furnace
Pyrolysis of carbon black
Cooling conveyance
Buffer storage for carbon black
Cracking gas
Cyclone separator
Oil/gas condenser
Buffer storage tank (cracking oil)
Oil tank in tank zone (cracking oil)
Impact mill
Iron remover

Huangshi Integrated End-of-life Tyre Disposal Project

The volume of end-of-life tyre generated in China has been increasing by each year, but the recycling rate has been very low. The harm done to the environment by the growing volume of end-of-life tyre over the years is alarming, as "black pollution" has become a growing environmental concern in China as well as the rest of the world. The reduction and upcycling of end-of-life tyre without causing pollution will present important strategic significance for the improvement of the natural environment and alleviation of the energy crisis.

EB Greentech Renewable Material (Huangshi) Limited, a subsidiary of the Group, has proposed to construct an integrated end-of-life tyre utilisation project in the Changleshan Circular Economy Industrial Park in Xialu District, Huangshi. Occupying a site of 195 mu with an investment amount of approximately RMB350 million, the project has a designed processing capacity of 100,000 tonnes of end-of-life tyre per annum. The project applies the process techniques of "pre-processing, revolving pyrolysis, recycled tyre pyrolysis oil, non-condensing gas and carbon black" with the adoption of micro negative pressure low-temperature pyrolysis technology which controls the pyrolysis temperature in the pyrolytic boiler at below 430ºC. Micro negative pressure can effectively prevent the spilling of pyrolytic gas and carbon black. The steel wire, pyrolytic oil and carbon black generated will be by-product sold to market.



Enhancing resources and waste management

Everbright Greentech has implemented a range of target-specific management standards, including the "Energy Management Policy" and "Water Resource Management Policy" to require the formulation of energy utilisation strategies by management employees of project companies, in order to achieve maximum energy utilisation and explore innovative pathways for multiple energy uses. For example, in our "Energy Management Policy", we pledge to drive the standardisation of energy management and diversification of integrated utilisation.

- Full compliance with local laws and regulations applicable to energy utilisation
- Ensuring control and management of integrated energy utilisation in a responsible manner
- Consistently enhancing our energy management standard
- Providing business training required by energy management
- Sharing experience and knowledge in energy management with peers and the public
- Encouraging our suppliers to attain the same level of energy management standardisation

In addition, our "Water Resource Management Policy" requires project companies to adopt sufficient measures for ensuring control over total water consumption and efficiency. To implement national and provincial directives for prioritising water conservation, our local businesses have been actively advancing urban water conservation initiatives to increase the efficiency of water usage. The Group's employees have been making major efforts to promote conservation in the consumption of electricity, water, petroleum and gas, healthy dietary habits, reduction of garbage and support for garbage sorting. Meanwhile, we have consistently enhanced our effort in promotion, making the concept of low-carbon energy saving deeply rooted in the hearts of the people, and putting such concepts into genuine practice in their lives.

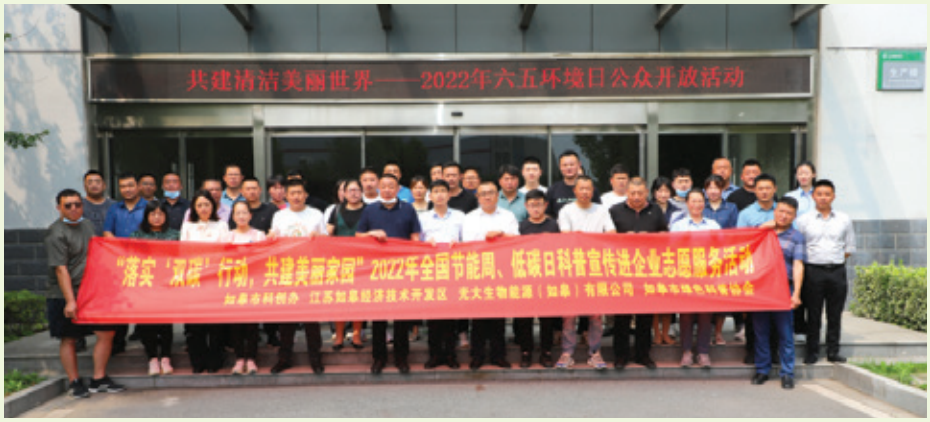
Highly commended efforts in water conservation

Zhongxiang Integrated Biomass and Waste-to-Energy Project has taken into full account the recycled use of water resources at the stages of project design and construction by building a domestic sewage, production waste water and rainwater collection and treatment system based on separation, such that the domestic sewage, waste water from production processes and garbage leachate of the plant areas could be reclaimed for production and green plant irrigation after processing. In recognition of its excellent performance in the water conservation facilities construction and water conservation management, as well as the notable results of its water conservation work, the project was named an exemplary water conservation unit of Zhongxiang City in 2022.

The project has a designed annual water production capacity of 1.46 million cubic metres, while the actual volume of annual water production is only 950,000 cubic metres. The leachate treatment system could process and reclaim approximately 35,000 cubic metres of leachate each year, while the domestic sewage treatment system could process and reclaim approximately 10,000 cubic metres of domestic sewage each year. The waste water reclamation system could process and reclaim approximately 25,000 cubic metres of waste water each year. The volume of pollution discharge can be reduced with the installation of online water quality monitoring system for recycled water and the volume of water acquisition could be reduced by approximately 400,000 cubic metres each year.

Promoting low-carbon environmental protection and spreading green concepts

Rugao Biomass Direct Combustion Project has organised activities such as the Nationwide Low Carbon Day (5 June) and the Energy Conservation Week featuring science and technology promotion and the opening of its environmental facilities to the public during the Reporting Year. Some of the CPC Party members and base-level environmental grid representatives of Chengbei Street were invited to visit the project companies for learning purposes. The visitors learned about the relevant knowledge regarding the production process for biomass power generation, fume emission processing facilities, exhaust gas and slag treatment and utilisation and online data monitoring, among others, and have gained a more direct understanding of the end-to-end process of biomass power generation and daily operational work such as online data monitoring by paying a close-up visit to the relay control room and viewing real-time images and data. They all agreed that the visit was immensely beneficial, having further enhanced their environmental awareness in resources conservation and environmental protection and strengthened the foundation for implementing "dual carbon and dual reduction" initiatives and propagating the concept of a green ecological environment.



During the Reporting Year, the Group formulated and published "Management Standards for the Disposal of Obsolete, Waste and Old Materials", covering specifically materials that had been accumulated over a long period, that could not be utilised for the time being or that could only be utilised after due conversion, such as equipment, spare parts and accessories, as well as various types of waste and obsolete materials arising during the course of production and consumption that could serve as regenerated resources for recycled use, mainly includes waste and obsolete metal, waste engine oil and phased out second-hand equipment replaced during overhauls. Procedures for disposal have been formulated and reuse and disposal initiatives by project companies were organised to effectively reduce the waste of resources and enhance the utilisation rate for materials as well as obsolete resources.

In respect of substance discharged in project operations, we communicate our management requirements in relation to waste water and solid waste to all project companies through our environmental management module and carry out inspection and appraisal, such as the separation of waste in waste water (waste water from production, domestic sewage, preliminary rainwater, posterior clean rainwater, cooled water, among others) and flow into corresponding discharge system for treatment after sorting, followed by discharge within limits in accordance with stipulated modes and directions. For some projects, sewage generated by the plant area could be 100% reclaimed to achieve zero discharge of sewage. Meanwhile, we have enhanced our standards in the waste treatment and recycling by consistently increasing our manpower and financial resources to embark on technological research. For example, in relation to sewage treatment, we continued to be engaged in the disposal and value-added regeneration of waste water with high salt contents, physical and chemical treatment of highly active waste liquid and research on

technologies for the efficient utilisation of desalinated water. In connection with solid waste disposal, we have commenced in-depth research on technologies for the pre-processing and regenerated use of ash and formulated feasible implementation plans for the recycled use of ash.

Promoting green procurement

The Group has been implementing the green procurement concept in multiple dimensions. Through the publication of the "Suppliers' Code of Conduct", the Group has elucidated its requirements for suppliers in connection with environment, health and safety. The Group hopes that this would oblige potential suppliers to consistently enhance their own performance in sustainability to comply with the Group's procurement conditions. According to the Group's "Suppliers Management Measures", we carry out assessment on suppliers' ESHS performance and assign a more significant weighting to it. Suppliers with higher scores in ESHS performance will receive a higher rating and be advantaged in the Group's next invitation for tenders with a greater chance to be included in the list of invitation. We also conduct assessment on the operating efficiency of products provided by equipment suppliers, with a special focus on how much water, energy and other consumables such equipment are consuming. The energy efficiency of equipment is considered in the procurement process, whereby equipment and spare parts with low energy consumption are purchased wherever practicable.

Moreover, all of the Group's procurement activities are conducted via the electronic tender and procurement platform established by CEEGL. Paper-based tender documents are no longer used, paper consumption has been reduced with paperless procurement. Moreover, tender submission and assessment are both conducted on an online basis without requiring the physical presence of parties concerned. As a result, fuel consumption associated with business travels has been significantly reduced to afford a greener procurement process for the Group.

In the selection of suppliers, we are inclined to giving priority to suppliers located in the area where the project is operated. By localising the supply chain, we could enhance the service efficiency of the suppliers, while shortening the distance of transit to reduce carbon emission caused by transportation. Moreover, the Group requires trucks driving in and out of plant areas to be in compliance with the requirements of local environmental laws and regulations and to adopt to the best of their ability to measures to reduce emission.

The Group endeavours to reduce the use of toxic and hazardous products in the course of project operation, in order to provide a safe and healthy workplace for employees. Priority is also given to the use of eco-friendly office facilities and consumables with outstanding energy-saving performance. The purchase of excessively packaged products is avoided and garbage sorting has been introduced in the office area to promote reuse and recycling of resources such as paper and plastics.

The Group has implemented the principle of green operation both internally and externally, as it requires all projects to reduce to the best of their ability the impact of their procurement and daily operation on the natural environment, and to comply with pertinent environmental laws and regulations and requirements in their procurement of products and services. Meanwhile, green procurement education has been actively launched to facilitate vigorous promotion of the concept of green procurement. The Group undertakes to advance green procurement continuously and further formulate its green procurement policy and related guidance documents to guide the implementation of green procurement.

Green finance

Firmly seizing green opportunities, Everbright Greentech has continued to drive environmental projects that are in line with green standards, leveraging various financing instruments. The Group obtained its first green loan in February 2019 in the amount of HK$1 billion for a loan term of 5 years. In 2022, we made further advancement in green finance by obtaining green loans with an aggregate amount of HK$1.2 billion for terms ranging from 3 to 5 years in March and November, respectively. Such loans have been certified by the Hong Kong Quality Assurance Agency.

In April 2022, Everbright Greentech issued the 2022 Green Medium-term Notes (Series 1) (Bond Connect) (the "Green Medium-term Notes (Bond Connect)" for an amount of RMB1.2 billion in the national inter-bank bond market with a maturity period of three plus two years at a coupon rate of 3.27% per annum for the first three years. The proceeds from the issuance will be used for repayment of the Group's mergers and acquisitions loan incurred for the acquisition of a green service company and special debt for the construction and operation of green projects, as well as working capital replenishments for the Group's green projects. The medium-term notes have been given an AAA credit rating. As assessed by the certifying agent, the projects invested with proceeds from the Green Medium-term Notes (Bond Connect) are projects in the green industry with sound efficiency in carbon reduction. Proceeds from the current tranche of green medium-term notes have been invested in 34 projects, including 15 biomass electricity and heat cogeneration projects, 7 waste incineration heat and electricity cogeneration projects, 7 integrated hazardous waste treatment projects and 5 environmental remediation projects. According to the estimates of Lianhe Equator Environmental Impact Assessment Co., Ltd., the environmental benefits to be generated by such projects include: estimated reduction of CO_2 emission by 1,436,100 tonnes, standard coal consumption by 991,800 tonnes, SO_2 emission by 579.03 tonnes, NO_x emission by 533.69 tonnes, emission of particulates by 107.01 tonnes and solid waste by 1,292,100 tonnes (including hazardous waste by 91,600 tonnes) per annum.

In May 2022, the Group issued the 2022 Green Medium-term Notes (Series 2) (Rural Vitalization) with an amount of RMB700 million. The proceeds from the issue will be applied as working capital for the Group's green projects and repayment of bank loans for green projects in operation. As endorsed by an accreditation agency, the current tranche of green medium-term notes were given a G1 green rating with superb performance on the part of proposed investees in terms of green rating, use and management of proceeds, project assessment and selection, information disclosure and reporting and industry policy. Proceeds from the current tranche of green medium-term notes will primarily be invested towards the 7 integrated biomass utilisation projects of Everbright Greentech, the potential environmental benefits of which are as follows: reduction in CO_2 emission by 300,300 tonnes, standard coal consumption by 153,800 tonnes, SO_2 emission by 90.84 tonnes, NO_x emission by 81.59 tonnes and particulate emission by 16.62 tonnes per annum.

STABLE SUPPLY

During the Reporting Year, Everbright Greentech made coordinating efforts to facilitate safety and development amidst challenges posed by the COVID-19 pandemic. On the back of our formidable ability to organise, coordinate and execute with an emphasis on quality management, we overcame adverse factors such as road blockades, obstructed transportation and rigid control, enhancing emergency management to safeguard safe production and stable supply as we established ourselves as a reliable service supplier to local users with an excellent brand reputation.

Product quality and safety

Safeguarding stable and reliable supply of electricity

The secure and assured supply of electricity is a key aspect of the nation's current economic endeavours with important significance for ensuring stable operation of the economy and the society. In 2022, energy supply in many provinces was subject to enormous challenge under the weather conditions of consistently high temperature. This represented a priority task for the Group, which actively implemented the nation's plans for "assuring energy supply during the summer peak season", putting in substantial manpower and resources to ensure safe and stable production at the power plants and reliable power supply.

The production personnel of the Group's power generation projects have conducted real-time monitoring of the generator units, while the professional personnel for the boiler, turbine and electrical facilities closely tracked the monitoring data and facilitated adjustments according to the actual operation of the units to ensure safe and stable operation of the generator units. Frontline production patrollers have enhanced on-site monitoring of the parameters of major auxiliary equipment, such as temperature, electric current and voltage, to ensure the normal operation of each equipment in a full effort to ensure security in power generation and supply. Equipment monitoring and patrolling has been enhanced with the launch of comprehensive hazard inspection and treatment in respect of key areas and equipment to ensure all-encompassing, impeccable safe production. Inspection and repair employees have enhanced duty rosters and made preparations for emergency repairs to strengthen deficiency management and

improve the quality and timeliness of deficiency elimination. Meanwhile, major efforts have been made to attain technical breakthroughs that would solve persistent issues affecting the output of generator units in an attempt to continuously improve the "health coefficient" of equipment. During the Reporting Year, the projects endeavoured with full force to meet the modulation requirements of local power grids in a solid effort to safeguard the supply of electricity during the peak season of power consumption.

Moreover, to avoid the adverse impact of extreme cold weather on production, the Group's projects have launched special inspection, completed insulating protection for equipment and facilities and increased the stock-up of production supplies, consumables and emergency supplies in accordance with "Notice on the Adoption of Measures for Protection Against Cold Weather", in order to avoid any forced suspension of operation or operation at reduced loading, ensuring that our projects would operate as stable and safe environmental service suppliers.

Timely maintenance to ensure electricity supply

To secure electricity supply during the peak season of power consumption, Zhongxiang Integrated Biomass and Waste-to-Energy Project has persisted in the operation of its two generator units at full loading. The operational personnel increased the frequency of their patrol to ensure safe and stable operation of the units by identifying and eliminating hazards and deficiencies in equipment in a timely manner. In the photo, the patrolling employees is overseeing urgent repair by maintenance workers under high temperature conditions to clear up blockage in the biomass fuel conveyor bridge identified during the inspection patrol, so as to restore normal operation of the conveyor belt as soon as possible.

Information security and protection of privacy

Given the ongoing development of the information-based society, cyber security and data privacy have become one of the issues that no enterprise could afford to ignore in the course of operation. As environmental enterprises are required to deal with a massive volume of customer information and environmental data in daily operation, they are bound to be facing cyber security and data protection issues of an enormous scale. The Group has formulated the "Confidentiality Regulations" to specify administrative measures for the protection of data security and privacy.

In addition to the protection of customer information, the Group is equally concerned with employee privacy. To better protect the personal information of employees and safeguard sound relations with employees while reducing the risk of violation on the part of the Company, the Group has launched the "Personal Information Collection Statement" and "Consent Letter for the Handling of Employees Personal Information" at the Hong Kong and Mainland headquarters in accordance with the "Civil Code of the People's Republic of China", "Personal Information Protection Law of the People's Republic of China", Personal Data (Privacy) Ordinance and other pertinent laws and regulations to specify the purpose of collecting information and the period for which such information will be kept. The Group is committed to protecting the personal information and privacy of relevant third parties.

In strict implementation of CEEGL's "Privacy Policy", the Group has set out clearly the scope of privacy for relevant third parties subject to compliance with legal provisions, and has stringently stipulated a series of procedures and standards for the handling of relevant information by employees and suppliers, requiring employees to collect, possess, handle, disclose and use personal information of third parties in accordance with the law. Moreover, the "Privacy Policy" also contains terms relating to the prevention of copyright infringement, underpinning our commitment to the protection of intellectual property rights in a bid to ensure respect for knowledge and talents by all parties.

To effectively lower the risk of privacy and leakage of sensitive information, CEEGL has established the Information Management Department to coordinate and manage information security matters across different business segments. During the Reporting Year, all units under the Group participated in a 15-day simulated cyber security drill centrally organised by China Everbright Group to further familiarise themselves with cyber security emergency plans and enhance their skills in cyber security defense. Meanwhile, in accordance with the "Cyber Security Risk Self-inspection Guide", cyber security risk self-inspection was stringently launched and a rectification checklist was compiled. The rectification items were systematically implemented to fortify the defense line of cyber security. During the drill, all employees signed the "Cyber and Information Security Undertaking" and "Confidentiality Agreement" to make a solemn pledge to their responsibility to keep confidential relevant corporate information. We will also comply with guidance laid down in the "Employees Manual for Cyber and Information Security" and "Information Security Management Policy" published by CEEGL to carry out the Group's cyber security management with stringent standards.

Customer satisfaction

In persistent adherence to its customer-centric philosophy, the Group is committed to the incorporation of excellent customer services into its day-to-day operation and management and solving critical problems for customers and even in relation to industry development in tandem with latest advancements, so as to contribute to the fostering of a cleaner environment and more effective models for the use of resources, thereby achieving customer satisfaction, promoting industry development and bringing benefits to the community. During the Reporting Year, the Group did not receive any material complaint regarding products and services.

Integrated biomass utilisation business

All integration biomass utilisation projects have issued the "Proposal to Customers". Email address and telephone number for whistleblowing and complaints are provided in the proposal and posted at conspicuous spots in the power plant to encourage whistleblowing of improprieties of fuel procurement employees and promote "sunshine procurement" to attract and retain fuel customers. Some projects have formulated the "Service Guide for Fuel Customers" to provide detailed operational guide to fuel customers for account opening, delivery and sales and quality inspection. Premium and efficient services have significantly enhanced fuel customers' experience and satisfaction in cooperation with project companies. Other projects have issued customer satisfaction questionnaires to fuel customers for their rating of the performance of the projects in fuel procurement services, customer management, feedstock depot management and probity and self-discipline, on the basis of which ongoing improvements would be made to fuel procurement.

To ensure the quality standard of fuel purchased, the Group requires the project companies to conduct stringent inspection on the quality of incoming fuel. The project companies have laid down their own detailed requirements for sampling and laboratory tests based on their individual operating conditions. Mianzhu Integrated Biomass and Waste-to-Energy Project, for example, has stipulated the following requirements in relation to the inspection of fuel quality which must be resolutely complied with:

- Unloading of incoming materials must not commence without the presence of quality inspection personnel as a matter of basic principle.
- Incoming materials must be flipped over after unloading for the inspection of fuel quality inside.
- Quality inspection conducted on a fair and impartial basis and resolute rejection of any manually mixed fake materials with serious flaws as a punitive warning.
- Omissions in sampling must not be allowed and samples must be delivered in a timely manner with proper delivery records.
- Quality inspection must be conducted with video recording; "questionable" vehicles and rejected fuel must also be video-recorded and reported to supervisors in a timely manner.

Hazardous and solid waste treatment business

A customer service department has been set up at each of the Group's hazardous and solid waste treatment projects with a comprehensive customer service system and regime, with a view to maintaining positive interaction and enhancing mutual trust with customers:

"Customer Service Department Management Systems": defining the overall responsibilities of the department and duties of individual positions, comprising multiple systems such as the objectives of customer service, servicing process, waste sampling process, quotation management, transfer note management.

"Customer Service Standards": defining service standards, service details and plans, employees aptitude standards and sampling standards, among others. In particular, it is stipulated that customer review must be conducted on a regular basis and customers satisfaction questionnaires must be issued to listen to the voice of customers.

"Customer Review System": detailing the operational requirements of reviews, allocation of duties, handling of complaints and arrangements for reward/punishment.

Environmental remediation business

The environmental remediation segment is principally a service business. Satisfaction poll questionnaires are typically sent to customers after the completion of a service project inviting customers' ratings on the project department in terms of communication and servicing initiative, construction quality, progress and efficiency, construction site safety, environmental and occupational health conditions, inspection, acceptance and services upon work completion and delivery and service, among others, so as to consistently improve and enhance its business competence and service standard with a view to winning more environmental remediation service projects.

Supplier management

The Group has implemented a stringent supplier selection and management system and has been engaged in close cooperation and liaison with suppliers to reduce procurement risks and drive responsible procurement. Meanwhile, the tender and procurement e-trading platform of CEEGL has been fully utilised in the development of a new online tender model to enhance tender supervision and management and prevent any violations to the best of our ability.

"ESG Policy"

The Group undertakes to perform with its best endeavour due diligence on relevant materials in the supply chain with the formulation and implementation of a specific due diligence policy and management system, in order to identify related risks and adopt appropriate measures to alleviate the same. Child labour, forced labour and human trafficking, serious health and safety risks and adverse environmental impact from the suppliers will not be tolerated. Under no circumstances should suppliers be engaged in corruption, blackmailing, misappropriation of funds or bribery to gain advantage in an unfair or wrongful manner.

"Measures for Suppliers' Management"

Setting out detailed regulations on the responsibilities and allocation of job duties for the procurement management departments at various levels, the process of new supplier development, the dynamic supplier assessment regime, annual supplier assessment, management of suppliers' contract fulfilment, handling of disqualified suppliers and punishment for other violations, among others.

Suppliers are classified into 4 grades, namely, A, B, C and D, according to their annual assessment ratings. Grade D or disqualified suppliers will be subject to restrictions in tender participation or even moved onto the suppliers' blacklist, and may only request removal from the list of "Disqualified Suppliers" if they are vigorously dealing with issues identified and proactively undertaking due responsibilities and have completed rectifications in quality and safety matters.

"ESHS Management Standards for Contractors"

- Aiming to identify and control environmental, social and safety-related risks arising from the course of outsourcing by examining the contractors' backgrounds, credentials, construction operations and performance in environmental protection.

- Contractors are required to complete the "Contractor ESHS Questionnaire" to provide relevant ESHS information that would facilitate the Group's compilation of a list of compliant contractors and ensure compliance of suppliers and contractors with laws and regulations governing environmental and social responsibilities, as well as applicable regulations of national and local governments.

- Information required includes whether contractors are qualified with international environmental management standard accreditation such as ISO 14001, undertake ESHS training and appraisal and provide appropriate protective gear to employees, among others.

The Group has formulated fair and transparent rules for the selection and management of suppliers and contractors in a bid to select properly managed, fully qualified enterprises with similar corporate culture or values as its partners. We identify and select new suppliers in a standardised manner in accordance with the provisions and guidelines under the "Measures for Suppliers' Management". Suppliers who have expressed the intention to be partners will be investigated and assessed by procurement management departments at various levels to determine the possibility of their inclusion in the suppliers' list. After initial investigation, prospective suppliers should arrange on-site or off-site inspection for assessment of the quality standards, delivery capacity, price level, technical competence, service quality, current users and environmental and social performance of such suppliers. Following a process of stringent selection, suppliers will be included in the list and sustainable partnerships will be established.

In connection with suppliers with which partnerships have been established, the Group will closely track and inspect their performance after the award of tenders and conduct dynamic assessment and annual assessment of such suppliers. The timing and rating regime for dynamic assessments are determined in accordance with the "Measures for Suppliers' Management", while annual assessments are conducted during the period from the end of the current year to early next year, during which a general rating will be awarded on the basis of dynamic assessments. During the Reporting Year, the Group rated 10 suppliers with a score lower than 65 as Grade D suppliers and put them on the list of disqualified suppliers for 1 year. These suppliers may only apply for admission again after the expiry of the penalty period and the implementation of relevant rectification measures.

During the Reporting Year, the Group moved certain suppliers out of the supplier database or onto the blacklist based on the outcomes of dynamic assessment and annual assessment in adherence to the principle of fairness and impartiality. Statistics indicate that, at the headquarters and project levels, a total of 191 suppliers have been dealt with as a result of their violations, such as bid rigging, bidding in the name of other parties, commercial bribery, use of improper channels for the purchase of spare parts resulting in safety and environmental hazards, non-compliance quality of consumables, delays in work or delivery schedules, among others. The Group undertakes to continue to exercise stringent management of suppliers and tackle any problems at their origin, so as to safeguard the safe, stable and sustainable development of the Group's business from all dimensions.

In ongoing improvement of its procurement tender system, the Group has successively formulated and published the "Procurement Management System", "Procurement Tender Management Measures" and "Measures for the management of Non-tender-based Procurement" to facilitate standardisation and compliance of the procurement tender process as well as stringent regulation and management of all procurement activities, in order to promote responsible procurement and direct the Group's further business development with sound management systems and regimes.

Moreover, the Group will opt for cooperation with suppliers located in the same province in its business development across the nation, so as to create local job opportunities as part of the fulfilment of its corporate social responsibility.

Improving the fuel collection mechanism

As a result of delays in the export trade for plate materials owing to the pandemic, the supply of processing residues such as bark and scrap among raw materials required in the integrated biomass utilisation business decreased and biomass fuel prices were on the rise. To address these impacts, the Group has been actively introducing improvements to the fuel collection mechanism with the ongoing adoption of measures to control fuel cost and ensure stable fuel supply.

The stable implementation of the development and use of straw fuel represented a key task of the Group for the year. We conducted analysis on the experience of development, collection and storage in various regional markets and the difficulties and deficiencies encountered, while making plans for the task of straw collection and storage in autumn. Based on the zones for fuel sharing among the projects, 5 fuel procurement zones (Suzhou Zone, Chuzhou Zone, Lu'an Zone, Jiangsu Zone and Sichuan Zone) were distinguished for management purposes such as coordination, modulation and pricing to enhance the fuel procurement of project companies and leverage more effectively the synergies among projects, such that the goal of "maintaining volumes, improving quality, controlling prices and enhancing efficiency" could be achieved. Other projects that had fewer access to shared fuel zones were put under decentralised management. To address issues such as variation in quantity, quality and prices of fuel as a result of seasonal changes, these projects stocked up fuel with lower prices and premium quality during seasons of ample supply that would meet part of their fuel requirements to enhance their risk aversion ability.

The Group has been consistently enhancing its biomass fuel management to improve fuel quality. In order to understand the current operating conditions of biomass projects and the implementation status of fuel purchase, storage, incoming and outgoing of storage management systems, the Fuel Supply Department of the Clean Energy Centre launched a fuel management inspection and work research exercise during the Reporting Year. Through inspection, research and analysis and conclusion, 5 documents at the level of the centre, including "Biomass Fuel Collection and Storage Inspection Standards and Scope of Application" and others, were produced, effectively enhancing the standard of refined fuel management. To procure proper end-to-end management of fuel collection and storage and consistently enhance the concept of quality control at source regarding fuel procurement, the Clean Energy Centre organised a series of sessions sharing experiences in quality control as well as forums discussing reforms in fuel collection and storage. At the end, the "0 moisture" quality inspection model for fuel purchases was confirmed. As a guidance for the quality of fuel purchased, "0 moisture" means that the settlement price for a certain type of fuel will be raised if its moisture level is lower than its natural moisture content rate at plant intake (for example, the natural moisture content rate of wheat straw is usually about 20%). In other words, the lower the fuel moisture rate, the higher the price. Since October 2022, the "0 moisture" inspection model has been implemented across all of our projects covering all categories, realising the motive of "premium quality matches with premium in price, and price being determined by quality". This model has encouraged suppliers to exercise control over fuel quality in a more proactive manner, thereby substantially improving the quality of fuel intake at furnace.

The Group is committed to enhancing control over procurement, with a special emphasis on probity and self-discipline in fuel procurement. The subsidiary projects have organised themed meetings in this regard to enhance awareness for clean procurement and prevent the occurrence of any improprieties during the course of procurement.

Enhancing fuel quality to ensure operational efficiency

To purify the environment for fuel procurement, promote the awareness for probity, self-discipline and proactive avoidance of any enticement, establish principles for resolute performance of job duties and improve work skills, Lianshui Biomass Electricity and Heat Cogeneration Project held a mobilisation assembly under the theme of "rigorous emphasis on probity, procuring enhancement of fuel quality, and maintaining operational efficiency" in August 2022. Attendees included management members, CPC branch discipline committee members, fuel procurement personnel, personnel involved in quality inspection, laboratory test and depot management and operation and security personnel of the project companies, as well as representatives of fuel suppliers.

Upholding probity and self-discipline through stringent procurement practices

To regulate fuel procurement practices of the projects, secure better procurement quality and more reasonable market prices, ensure probity, efficiency, accuracy, timeliness, service quality and compliant practices in fuel procurement, and facilitate healthy and orderly operation of fuel procurement, Fengyang Integrated Biomass and Waste-To-Energy Project held a meeting on probity and self-discipline in various steps of fuel procurement in August 2022. At the meeting, the following was emphasized: first of all, all personnel must hold firm to the basic principles and practice rigorous personal virtues and self-discipline to uphold a "righteous demeanour" at all times, secondly, employees are strictly prohibited from accepting gifts or kickbacks and any banquet invitation, as they should be mindful not to "bypass a good deed because it appears trivial, or engage in an improper act because it appears harmless". Any improprieties, once discovered, would be gravely dealt with by the project companies.

Climate resilience

Climate change has given rise to frequent occurrences of natural disasters such as torrential rain and floods in recent years, resulting in considerable impact on the quality and mix of fuel and posing no small challenge to the fuel collection and storage operations of the projects. For example, the summer harvest of wheat straw in 2021 in certain areas in Henan was delayed by around 20 days owing to the weather. As a result, the leased bundling equipment could not be put to normal operation, resulting in substantial loss for local farmers engaged in the collection and storage of yellow straw. The frequent occurrence of extreme climate has also prevented the normal operation of the processing sites of fuel customers, resulting in the decrease in the volume of fuel collection and storage and rising fuel prices, while fuel quality has also become difficult to control. To address the situation, the Group's projects actively persuaded financially strong customers to buy their own large bundling equipment, in order to lessen their reliance on leased equipment and enable them to take proactive measures against any issues caused by weather. At the same time, the planning, construction and management of piling depots was enhanced to alleviate the negative impact of climate at source, while also reducing fuel loss and saving fuel cost.

To address the impact of adverse factors such as market competition and weather change, the project companies strived to maximise collection of local fuel during the Reporting Year by adopting a diverse range of cooperation models, such as voluntary collection and storage, contract signing and deposit payment, varying from region to region depending on local conditions, in order to firmly lock up target resources. Moreover, projects located in resource-sharing zones worked in mutual support by reallocating suppliers according to locations.

In addition to the adoption of the "0 moisture" inspection model to enhance fuel quality and lower the unit price of heat value, the Group has also vigorously adopted the following measures with a view to reducing fuel cost, safeguarding fuel supply and increasing its risk-countering ability:

- Any adjustments to fuel prices at the projects are subject to "approval for price hikes and reporting for price cuts" in a bid to enhance control over the increase or decrease in fuel cost.
- Adjusting the fuel mix by consistently reducing high-price fuel and increasing the intake percentage of straw-based fuel at plant and at furnace, such that straw would become the primary fuel type for the projects.
- Projects drawing mainly on local resources through "exhaustive development of sources covering all peripheral areas", so as to gradually lessen reliance on external markets.
- Establishment of a mechanism for regional joint actions calling for liaison with peers regarding fuel prices and the formation of a mutual price adjustment mechanism in a collaborative effort to stabilise the purchase price for biomass fuel at source.

Exemplary Case Study 01

Huaiyuan Integrated Biomass and Waste-to-Energy Project (Biomass), Guoyang Biomass Electricity and Heat Cogeneration Project and Fengyang Integrated Biomass and Waste-to-Energy Project (Biomass) reported straw utilisation rates of over **80**% with notable growth in profit and income.

Exemplary Case Study 02

Dangshan Integrated Biomass and Waste-to-Energy Project (Biomass) made the most out of resources afforded by locally available fruit tree branches, as the fuel localisation rate rose from **50**% at the earlier period to approximately **95**%.

Exemplary Case Study 03

Huaiyuan Integrated Biomass and Waste-to-Energy Project (Biomass) reported ongoing growth in the percentage share of straw fuel, as the proportion of straw intake at furnace rose from less than **30**% in 2016 to **86**%.

Exemplary Case Study 04

Xiayi Integrated Biomass and Waste-to-Energy Project (Biomass) adopted a mechanism for the "advanced control over quality inspection for fuel procurement" and the general quality of incoming fuel improved from **28.25**% moisture and **13.38**% ash to **22.55**% moisture and **13.03**% ash.

TECHNOLOGICAL DEVELOPMENT

Technological innovation is an important driving force behind corporate development and social progress. As an environmental enterprise, the Group has always been aspiring to achieve the core objective of contributing to the sustainability of the ecological environment by raising its standard in technology R&D and further improving the quality of our living environment.

Driving technological innovation

The Group has established the Technology Research Department to be in charge of technology R&D and management, complemented by a range of systems to regulate relevant management duties, including the "Measures for the Management of Technology R&D Projects (Trial)", "Measures for the Management of R&D Equipment (Trial)", "Measures for the Reward of Technological Innovation (Trial)", "Measures for the Management of Intellectual Property Rights (Trial)" and "Measures for R&D Project Appraisal (Trial)", among others, in order to safeguard the steady development of technological innovation.

To encourage innovation on the part of its technical personnel, the Group seeks to incentivize teams producing outstanding technological achievements with both honorary awards and rewards in kind. Currently, 4 major awards have been established, including the "Excellence in Technological Achievement Award", "Intellectual Property Rights Award", "New Technology Award" and "Five Minors Innovative Award". In the meantime, we work actively with industry organisations to draft and publish industry standards, conduct research as well as study the current status and future prospects of industry development.

Excellence in Technological Achievement Award

Units or teams which have acquired outstanding technological achievements in technology R&D and units or teams whose technological achievements have been recognised by government technology authorities or industry associations.

Intellectual Property Rights Award

Units or teams which have acquired intellectual property rights for their technology R&D.

New Technology Award

Units or teams which have achieved outstanding results in the introduction of new technologies.

Five Minors Innovative Award

Units or teams which have achieved excellent results in the innovation of project operation and management.

Promoting R&D on novel technologies

In an active bid to explore new technologies, the Group advanced research on a number of new technologies during the Reporting Year, such as lithium-ion power battery recycling and perovskite photovoltaics, among others, to explore new direction for the Group's development in the next stage:

- In connection with lithium-ion power battery recycling, comprehensive research was conducted on the technologies and market for lithium-ion power battery recycling as we participated in the 2022 power battery recycling technology forum and furnished a lithium-ion power battery recycling technology scheme for Changzhou Hazardous Waste Project, while completing the "Analysis report on the development and competitiveness of lithium-ion battery" to provide reference for the Company's business development.
- In connection with perovskite photovoltaics, research was conducted on the development and applications of perovskite photovoltaics technology in China and elsewhere, while exchange sessions with leading domestic solar energy companies were also held to learn from the sophisticated experiences of outstanding enterprises.
- In connection with carbon monitoring, research was conducted on domestic and foreign technologies for remote carbon sensor monitor such as carbon monitoring and carbon satellite, underpinned by the hosting of the "External Expert Forum on Carbon Satellite Projects".
- In connection with carbon capture and solid oxide fuel battery, the carbon capture showcase project based on critical technological issues set out by the Shenzhen Government was implemented at Huaiyuan Integrated Biomass and Waste-to-Energy Project (Biomass). Meanwhile, comprehensive research on domestic solid oxide fuel battery enterprises was conducted and exchange sessions with numerous enterprises engaged in the solid oxide fuel battery business were held, concluding with the completion of the "Solid Oxide Fuel Battery Investigation Report".
- In connection with virtual power plants, technological exchanges with Ali Cloud, Huawei Digital Power and Huagong Energy, among others, were held based on requirements for the Company's transformation and upgrade.

In other developments, researches on power market spot trading, biomass-based LNG and bio-methanol and urban gardening waste disposal, among others, were conducted, underpinned by the completion of research reports and technology plans such as "Everbright Greentech Carbon Assets Development Research Report", "Analysis Report on the Development and Competitiveness of Lithium-ion Battery", "Business Technology Research and Commercial Report relating to Solid Oxide Fuel Battery", "Bio-natural Gas Investment and Construction Plan", "Research Report on Spot Trade in the Power Market" and "Implementation Plan for Gardening Waste Recycling".

Technology research project development programmes

The Group drives technological development on an ongoing basis through a number of scientific research project development programmes. Aiming for the improvement, upgrade and transformation of its existing businesses, the Group has actively developed R&D topics for listing to solve any practical issues faced by the businesses by conducting research on such topics. Some of the internally conducted researches currently underway are listed below:

No.	R&D Subject
1	R&D and verification of a formula series for agricultural soil conditioner based on ashes generated from Everbright biomass power plants
2	Technological and economic feasibility research on synergised energy and heat storage for biomass power plants on a non-subsidised basis
3	Research on technologies for the utilisation of bulk solid waste construction materials
4	Research on carbon asset development plans
5	Research and application of fixed new materials from metal pollutants
6	Optimisation research and engineering demo for end-of-life tyre cracking process at molten salt furnace
7	Research on the application of in-situ thermal desorption reparation technology at DNAPL polluted sites
8	Research and engineer demo on complicated hazardous waste treatment in relation to ion gasification and synergised disposal of medical and other wastes
9	Portfolio optimisation and application demo for key technologies in relation to full-scale recycling of decay household waste

With the future development of the environmental industry in mind, the Group follows closely concerns of the nation as it rolls out application for government-designated topics. In 2022, we have applied for government grants for 4 items and have been granted 2 listings with government grants amounting to RMB1,534,500 in aggregate. The details are as follows:

No.	Project title	Category	Progress	Amount of grant
1	Technology and equipment for the low-consumption and high-efficiency synergised treatment of multiple flue pollutants from industrial boilers	National Key Research and Development Programme – Atmospheric projects	Listed	RMB1.30 million
2	R&D and engineering demo on technology for the low-carbon synergised integrated utilisation of iron and steel mud dust and organic solid waste	National Key Research and Development Programme – Iron and steel mud dust projects	Submitted	–
3	Ancillary grant under National Key Research and Development Programme	Shenzhen Synergistic and Innovative Technology Programme	Listed	RMB34,500
4	Nanshan District Corporate R&D grant	Nanshan District Technological Innovation Projects	Listed	–

In addition to recently submitted R&D topics listed with the government, the Group has currently undertaken 4 government-assigned topics and reported smooth overall progress with all assigned tasks for 2022 basically completed. The details are as follows:

No.	Project title	Category	Progress
1	Development and application of safe, clean and efficient incineration technology for general combustible industrial solid waste	National Key Research and Development Programme – International cooperation projects for technological innovation	All research tasks are being implemented according to schedules and the construction of demo projects is under smooth progress.
2	Development and integrated demo of technologies for zone-based synergised solid waste disposal in Zhangjiagang	National Key Research and Development Programme – Solid waste project	Implementation work for the topic has been completed in full and specific financial audit and concluding work are currently underway.
3	Research on mechanism for synergised purification and ultra-low emission of pollutants from hazardous waste incineration disposal	Key fundamental research project 2020 of Shenzhen Municipal Technological Innovation Committee	Topics implemented according to schedule and annual tasks completed.
4	R&D of key technologies for synthesis and application equipment for CO_2 capture from high-stability solid-state amine	Key Technical Breakthrough Project of Shenzhen	Research on carbon capture materials has currently been completed and the design and manufacturing of carbon capture units has basically been completed. Demo work will next be started at Huaiyuan Biomass Project.

As a leading enterprise in the environmental industry, the Group performs its corporate responsibility with vigorous effort to direct the industry towards higher standards and higher-level development. During the Reporting Period, we participated in the compilation of 6 relevant standards including 1 industry standard and 5 group standards. Details are as follows:

No.	Title of standard	Type	Standards compiled and organised by
1	Technical standards for flue purification engineering at biomass power plants	Industry standards	National Energy Administration
2	Technical specification at the project level for assessment of greenhouse gas emissions reductions – Agriculture and forestry biomass power generation	Group standards	China Industrial Development Association
3	Definition and classification of solid recovered fuels	Group standards	Chinese Industrial Cooperation Association
4	Technical specifications for the production of solid recovered fuels	Group standards	Chinese Industrial Cooperation Association
5	Solid recovered fuels for cement kiln	Group standards	Chinese Industrial Cooperation Association
6	Solid recovered fuels for thermal power generation	Group standards	Chinese Industrial Cooperation Association

Enhancing technologies for the existing projects

To enhance the core competitiveness of the enterprise, Everbright Greentech has been consistently driving scientific research and innovation and committed major resources to the development of scientific research. In connection with intellectual property rights, as at 31 December 2022, the Group held 228 authorised patents, including 32 invention patents and 191 utility model patents, and 5 software copyrights. In 2022, the Group filed applications for 27 patents, including 16 invention patents and 11 utility model patents. We were granted 17 patents, including 5 invention patents and 12 utility model patents, and published 11 papers on technology-related topics in external journals. We participated in the compilation of 6 industry standards and group standards.

To enhance the technical levels of existing projects, solve issues encountered in day-to-day project operations and improve the quality of project operation, the Group emphasises the practical requirements of projects in technological R&D with major efforts to drive the optimisation and innovative R&D of technologies and products. Based on internally listed topics and government-assigned topics, a number of technical engineering researches have been launched, some of which have reported technical achievements claiming advanced standards among peers.

Upgrading performance of facilities with the aid of technology R&D

Suqian General Industrial Solid Waste Project Phase I has a disposal capacity of 400t/d and an ancillary facility of 1×90t/h mid-temperature intermediate pressure circulating fluidised bed boiler +1×7.5MW back pressure turbine, while a site has been reserved for Phase II expansion. According to the project design, general industrial solid waste fuel consists mainly of paper-making slag, textile waste, leather waste, packaging waste, construction module plates, furniture boards and municipal sludge, among others, with a lower heating value of 3,500–4,000kcal/kg.

The Group has created designs specifically tailored to the residual heat boiler: ① the feedstock bunker at the furnace front is uniquely designed to provide the functions of slow storage and even feeding to ensure consecutive, stable and even feeding of materials into the boiler; ② the secondary flue pipe of the residual heat boiler of the project is designed as an empty flue pipe to ensure adequate combustion of carbon monoxide ("CO") in the flue to meet the CO emission standard; ③ the high-temperature and mid-temperature superheaters of the residual heat boiler are made of corrosion-proof materials and the flue temperature at the intake of the high-temperature superheater has been stringently controlled to enhance the anti-corrosion ability of the heated surface; ④ the superheater has been optimised with a coal economiser to reduce the volume of ash on the heated area and the risk of blockade; ⑤ secondary vents have been added to the front and back walls of the hearth to ensure the adequate combustion of volatile components; ⑥ to address the high heat value of fuel, cooling air is used as primary air and air preheater is omitted to increase the volume of external heat supply; ⑦ the steam cooled cyclone separator technology is adopted and membrane water cooling wall is used as the shell of the cyclone separator to offer higher efficiency in separation and enhance combustion. The above photo shows the laboratory of Suqian Project Company.

Upgrading hypersaline waste water treatment techniques to advanced industry standards

Salt crystallisation and blockade of the spray nozzle at the hypersaline water reverse spray quench tower has been a persistent problem for the hazardous waste disposal industry. On the back of relentless effort, the Group's Xinyi Hazardous Waste Incineration Project succeeded in the complete reverse spraying of hypersaline water into the quench tower during the Reporting Year without adding salt resistance agents and completed long cycles of stable operation, becoming the first operator in the industry to achieve the same. In connection with the disposal of hypersaline water in the moisturising tower in the process of hazardous waste incineration, the technology has reached an advanced level by industry standards and has proven to be reliable in operation while requiring relatively low investment and operating costs. The efficient disposal of hypersaline waste water enables the operation of hypersaline water at the moisturising tower at low electrical conductivity, resulting in notable improvements in the flue emission indicators which are far lower than the limits set out under national standards, as indicated in the table below. Meanwhile, the technology also ensures the stable operation of hazardous waste incineration system, effectively avoiding phenomena such as fugitive emissions caused by breakdown in quenching.

Emission indicator

Smog dust	Hydrogen chloride	Sulphur dioxide	Hydrogen fluoride
2.6	**0.2**	**2.1**	**0.3**
Actual control value (mg/m^3)	Actual control value (mg/m^3)	Actual control value (mg/m^3)	Actual control value (mg/m^3)
30	**60**	**100**	**4**
National standard (mg/m^3)	National standard (mg/m^3)	National standard (mg/m^3)	National standard (mg/m^3)

Enhancing intelligentisation through third-party collaboration

In September 2022, the Group entered into a cooperation agreement with Alibaba Cloud Computing Co. Ltd. ("Ali Cloud") with a view to collaborative efforts in areas such as new energy development and operation, integrated energy management and digitalised transformation, among others.

Pursuant to the agreement, Everbright Greentech will "integrate" Ali Cloud's cloud computing, data centre, AI technology and digitalised operation in the former's general intelligent solution for solar energy and other new energy and clean energy operations. The two parties will team up in the development of smart energy storage solutions, storage equipment control optimisation, research on technologies for joint coordination and control, decision-making and algorithm optimisation in connection with energy storage and virtual power plants, as well as development, construction and operation of virtual power plants. Meanwhile, efforts will also be made to enhance the intelligentisation level of biomass power generation and solid waste disposal to achieve large-scale application, alongside investigations in rural revitalisation models based on energy development.

Protection of intellectual property rights

The Group has formulated the "Measures for Intellectual Property Rights Management (Trial)" to regulate the management of intellectual property rights and encourage innovation on the part of the employees while facilitating protection of intellectual property rights. According to the Measures, the Technology Research Department should be in charge of the management of intellectual property rights, while the Risk Management Department is responsible for all legal affairs pertaining to the protection of intellectual property rights. The Measures have also set out important provisions such as the process of applying for intellectual property rights, title and ownership and penalties, among others. Some of the important provisions and guidelines are set out as follows:

- All units should enhance awareness for the protection of intellectual property rights in the course of technological development and cooperation, actively adopt measures to protect the Company's confidential technological information, develop and improve the employee confidentiality agreement and confidentiality reward and punishment agreement, develop a system governing the browsing of documentation containing technological data and relating to intellectual property rights, filing management provisions and pertinent administrative systems to prevent the unauthorised disclosure of core technologies.

- In technical, economic and trade contracts and documents entered into with third parties, the two parties' respective entitlements to the outcomes of invention, in particular entitlements to patent application, patent rights and patent technologies, should be clearly stipulated.

- All units or project teams should fully utilise the technological database and announcements on intellectual property rights to conduct research on intellectual property rights, analysis of technological levels and appropriate response strategies in connection with the relevant technological sectors prior to making any decisions in project investment, technology R&D, introduction of new technologies, equity or cooperative joint venture, product marketing, patent application and protection of rights involving significant interests, so as to avoid disputes in intellectual property rights and ensure that the protection of intellectual property rights covers the whole process from project listing, process management, legal protection of research outcomes through the commercialisation and industrialisation of the outcomes.

Moreover, the Group stringently implements the "Employees Handbook on Cyber and Information Security" and "Information Security Management Policy" published by CEEGL and requires, where necessary, its own employees and relevant employees of its business partners to sign personal confidentiality agreements for the protection of information assets. We also require and support the use of officially licensed software by employees.

Enhancing management of informatisation security

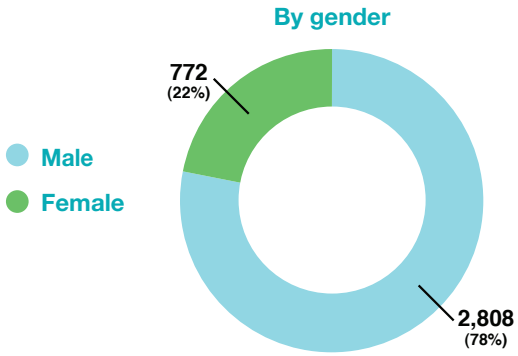
With the rapid development and extensive application of the Internet, cyber security has become an increasingly complicated issue around the world, such that institutions or individuals are subject to growing cyber security risks. Employees privy to confidential information are required to receive pre-job confidentiality training in relation to key aspects of cyber security such as management and prevention mechanism and protection of intellectual property rights.

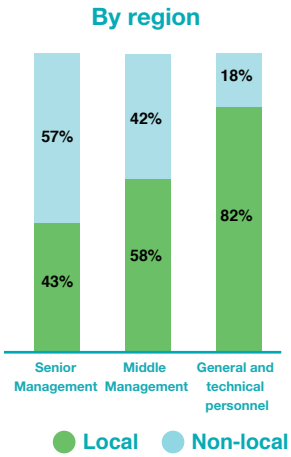
The Group manages informatisation security through rigorous implementation of national laws and regulations as well as rules and regulations promulgated by CEEGL, the details of which have been set out the section headed "Stable Supply" in this report. Moreover, in 2022, the Group arranged "Cyber and Information Security Training" for employees to further enhance employee awareness for cyber information security through training and improve the ability of dedicated information management personnel to prevent and handle cyber security incidents, thereby comprehensively enhancing the Company's overall standard in informatisation security management.

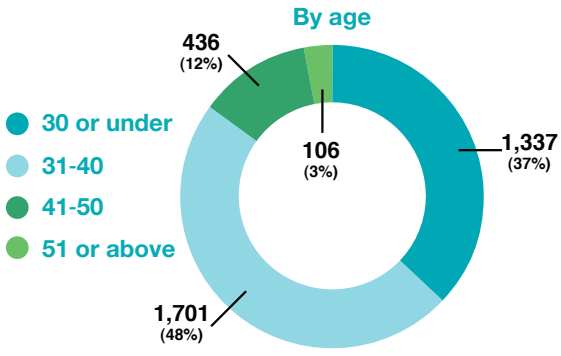
During the Reporting Year, the Group further enhanced the management of information transmission by requiring employees to send the Company's important internal documents via designated channels, while strengthening management of corporate WeChat groups by promptly clearing up relevant chat groups after the completion of liaison tasks to avoid information leakage resulting from mismanagement, in a bid to afford multi-dimensional protection of the Group's intellectual property rights and information security.

In persistent adherence to the "People-oriented" principle, Everbright Greentech is committed to making employees proud of their jobs and nurturing in them dedication and professionalism by providing more specialised training and opportunities for development to identify employees potential. The Group stands against discrimination of any form or type as it strives to foster a fair, friendly and harmonious workplace and build a diversified and inclusive employees team.

As at 31 December 2022, the Group had 3,580 employees. A breakdown of the total employees headcount by gender, ethnicity, age group and male/female ratio at different ranks is illustrated in the diagram below.







Talent development and training

To enhance its efficiency in human resources management and meet the demand for talents in the Company's sustainable development, the Group has formulated the "Measures for the Management of Employees Recruitment and Appointment" and "Human Resources Management Policy" in accordance with the Labour Law of the People's Republic of China, Law of the People's Republic of China on Employment Promotion, labour legislation of Hong Kong and other pertinent laws and regulations to make merit-based employees appointment through external recruitment, internal selection and competitive public recruitment. We undertake to provide fair career development opportunities and commensurate benefits for employees, and that no employees will be discriminated by reason of age, gender, marital status, family conditions, disability, religion or ethnicity. To foster fairness, equity and openness in employees selection and appointment, forge a stronger sense of competition and promote positive contest, the Group identified talents meeting the requirements of the Company's transformation through competitive recruitment, fostered an ambience underpinned by passion and dedication for work and learning and built a versatile, diversified and multi-dimensional career development path during the Reporting Year to create a broad career development platform for employees.

With the belief that employees represent the most valuable assets of the Group, we place a strong emphasis on providing employees with opportunities to grow and develop as endeavours to foster a workplace at which all employees could bring their own strengths into full play. To build a pool of high-calibre talents, maintain stability in the employees' team and strengthen the training of backup officers, the Group has formulated the "Everbright Greentech Measures for the Management of Backup Officers" to provide employees with more choices for development, implement the principle of "demotion as well as promotion", and enhance the identification of talents, selection and appointment of officers and development of talent pools. The Group will continue to optimise the mechanism for talent selection and appointment, strengthen internal referrals and training, enhance efforts to retain core backbone personnel and broaden the channels for selecting and appointing employees in the development of a sound and diversified human resources management regime.

Total number of new employees in 2022: 599

By gender		By age	
Male	494 (13.80%)	30 or under	326 (9.11%)
		31-40	235 (6.56%)
Female	105 (2.93%)	41-50	37 (1.03%)
		51 or above	1 (0.03%)

Total number of employee turnover in 2022: 673

By gender		By age	
Male	544 (15.20%)	30 or under	300 (8.38%)
		31-40	300 (8.38%)
Female	129 (3.60%)	41-50	61 (1.70%)
		51 or above	12 (0.34%)

17.34 hours	24.05 hours	14.21 hours	17.68 hours	1,974 Sessions	100 %
Average training hours per employee	Average training hours for senior management	Average training hours for middle management	Average training hours for general and technical personnel	Number of training sessions held during the year	Employee training rate

Listening to the voice of employees is crucial to stabilising employees teams and uniting forces for development. In view of the above, the Group nominated a number of different position employees representatives to participate in the forum organised by CEEGL, the parent company, in Shenzhen to earnestly listen to their views and suggestions and exchange ideas with them.

At the forum, the employees representatives were engaged in intensive reflections and active sharing of ideas based on the work of their departments, their individual job positions and their quest for personal growth with a strong focus on the Company's transformation and development, production operations, cost reduction and efficiency enhancement initiatives, technological innovation, talent grooming and corporate culture. The management of various business segments listened to the views and suggestions of employees representatives and provided instant response. Senior management of CEEGL gave their regards to the employees, making clear that, the hard work and dedication of employees was instrumental in CEEGL's onward charge in 2022 amidst difficulties and challenges. CEEGL and its subsidiary units will diligently look into all the reasonable suggestions of attending representatives and come up with relevant solutions. The units were asked to proactively take up responsibility as principals in the spirit of mutual assistance to address difficulties in the control of gross salary expenses.

The Group attaches great importance to the voice and demands of employees and will strive to adopt practical measures to offer benefits to and solve problems for employees in these difficult times. The forum has provided a platform facilitating close-up engagement between the management and the employees, further boosting employees confidence in the Company's future development prospects, enhancing their sense of responsibility and belonging and motivating them to work in better shape and with greater passion, so as to achieve stable and sustainable co-development with the Group.

The Group is also well aware that training is an importance means to improve the work competence of employees. In this connection, we have formulated policies such as "Training allowance", "Management Measures for Assessments and Appointments in relation to Specialised Technical Positions" and "Measures for the Administration of Professional Qualifications and Specialised Technical Titles" to encourage employees to engage in continuous learning, obtain professional qualifications or professional memberships or attend external training courses relevant to their work to add value for themselves. The implementation of such policies has provided a notable driving force in terms of motivating employees to learn and creating a learning-based enterprise. In connection with safety and environment, the Group had 65 registered safety engineers, 1 registered environmental assessment engineer, 2 registered environmental protection engineers and 2 registered fire prevention engineers as at 31 December 2022, The acquisition of such certifications has not only enhanced the skills of employees and increased their income, but has also significantly upgraded the Group's safety and environmental management standards. Encouraged and safeguarded by such systems and institutions, more employees are expected to engage in self-improvement initiatives in the future, and the Group will continue to provide support for those who seek learning and further studies.

The Group undertakes to provide employees with training programmes relevant to their job positions backed by sufficient resources and is committed to regulating the employees training process and enhancing the effectiveness of employees training. During the Reporting Year, the Group has provided employees with training in a variety of specialisation, including sustainable development, safety and environmental management, risk management, financial analysis, administrative management, emergency skills and emergency first aid, to name but a few, to enhance employees skills and identify employees potential, and has set an interim target of providing an average of 23 training hours to each employee each year.

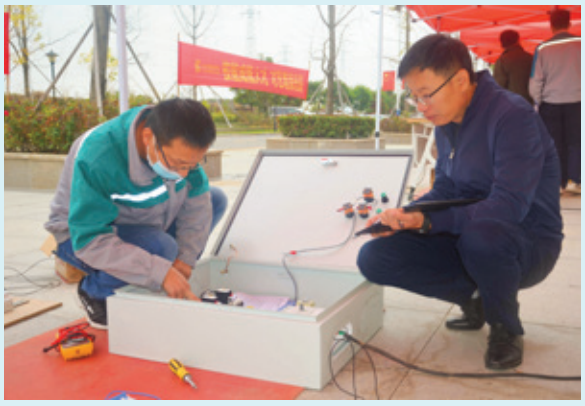
The Group has established a comprehensive and measurable employees appraisal system to enhance employees aptitude, competitiveness and initiative. Through annual performance appraisals, day-to-day consultations and other arrangements, management officers are able to give objective assessment of employees performance and offer constructive feedback and suggestions for career planning, pointing out to employees how they could improve while laying a solid foundation for the building of a talent pool and sustainable development.

First live-drill skills appraisal held to review effectiveness in staff training

In October 2022, the first live-drill skills appraisal was unveiled at Huaiyuan Integrated Biomass and Waste-to-Energy Project. The live-drill appraisal, comprising 3 specialised areas — machinery, electrical and thermal control, was successfully completed credit to the meticulous organisation of the Operations Management Department and Clean Energy Management Centre.

During the course of appraisal, all appraisal topics and operational details were diligently addressed by professional engineers and the branch management and the quality of the projects was showcased in the competition. At the conclusion of the live drill, the adjudicators pointed out deficiencies identified in the course of appraisal and gave detailed explanations. Through thorough learning and exchange of ideas and information, the technical standards of the technical employees and branch management of the project were enhanced, thereby assuring improvements in equipment management and stability in production operations.

The live-drill appraisal has been a parade of technical skills where the project's achievement in nurturing technical personnel was scrutinised and the technical personnel were given a major opportunity to distinguish themselves. The competition has been aimed at providing exemplary cases in business technology and inspiring employees to voluntarily learn and hone technical prowess. Through competition, employees can identify shortcomings, learn from one another and achieve mutual improvements. Through competition, the ability to groom technical employees has been enhanced and the operational standards of the project companies have been improved. The headquarters and the business management centres will also further develop and improve incentive mechanisms conducive to the training, growth and use of skilled personnel, in an active bid to promote learning and drive improvements in business skills of all employees in general, so as to bring benefit to the development of the Group's various businesses.



Training employees to support the initiative of "Reinforcing Principal Businesses"

To drive the attainment of the Company's business goals and enhance the management competence of the principals of the project companies, the Company organised a training session in connection with the "Principal Business Stabilisation" initiative in December. A total of 30 employees participated in the session which was focused on 5 aspects: target performance management, financial analysis, long-cycle economic and stable operation of generator units, safety and environmental management and risk control, with the aim of further developing the leadership skills of participants by getting them to be involved in practical operations or solve actual issues, thereby assisting them to adopt more effective measures to improve business results at their projects. The "Principal Business Stabilisation" initiative was based on an interactive process of reflection and action and teaching through practice, namely, it is a circular learning process comprising planning, implementation, conclusion, reflection and then action planning again for the next stage. The training session will last for one year with regular review and assessment of effectiveness.

Training in administrative general management

Administrative management is an indispensably important function in corporate management. It is crucial that management is performed in a standardised, procedure-based and efficient manner. To further enhance the building of a general management team and enhance the quality and effectiveness of general management, the Group conducted a 6-day training programme in administrative integrated management during the Reporting Year. Owing to the pandemic, the training programme was conducted by way of simultaneous online and offline sessions. A total of 71 employees of the general management departments of project companies participated in the training, the topics of which included upgrades in administrative management, standardisation of reception work, corporate promotion, meeting management, essentials of business writing, upgrades in communicative abilities and employees care, among others. The training sessions were followed by effectiveness tests on participants conducted in multiple forms. The training has not only helped employees of the general department to comprehensively enhance their knowledge in administrative management, but has also swiftly improved their abilities, methods and skills in this aspect. Many participants agreed that the training sessions had been highly specific and practical, providing new ideas and methods for solving issues in practical work.

To ensure that employees conduct themselves in a manner compliant with the Company's values and to enhance their sense of unity and belonging, the Group is engaged in active promotion of its corporate culture to inspire employee devotion to the Company. Everbright Group boasts an extreme rich corporate culture, comprising subsets such as the home culture, sunshine culture, business culture and culture of undertaking. The home culture and sunshine culture, for example, advocate mutual tolerance and appreciation such that the Company would become a cradle for growth for every employee who would be willing to work hard to build Everbright into a heartwarming home. The business culture and culture of undertaking would call for a venturing spirit in quest of first-rate quality and excellence, with a view to procuring sustainable development through comprehensive quality management.

The Group is actively fulfilling the tenets of Everbright Group's corporate culture in adherence to the core values to be "passionate, quality-driven, distinctive, innovative, principled, reputed, vibrant, accountable", driving transformation in development pattern, business mix optimisation and improvements in quality and efficiency with enhanced innovative strategic support. We will further prioritise the prevention and control of environmental and safety risks while driving qualitative and sustainable business development. The Group has imparted its core business philosophy in the hearts of its employees through the propagation of corporate culture, such that the aspirations and goals of employees are aligned with those of the Group in the creation of an accountable, committed and energetic team.

Employment and rights

In compliance with local labour laws and regulations, the Group has set out a range of policies relating to recruitment, promotion, termination, working hours, days off and holidays and remuneration and other benefits in the "Staff Handbook" and "Human Resources Management Policy" to reinforce management of employees interests while emphasising anti-discrimination.

The Group has been making diligent efforts to develop a competitive remuneration regime which comprises two elements: fixed remuneration and performance-based bonus. The "Remuneration Package Management System" has set out detailed provisions for the Group's remuneration regime. The Company offers salaries at the median level for similar positions by reference to market practices and also takes into consideration qualifications, experience and performance when determining starting salaries. To facilitate effective link-up with the human resources market, the Company also seek the opinions of independent professional consultants on a regular basis or request an independent human resources consultant to prepare a market salary level research report to review, analyse and adjust its existing remuneration structure according to changes in the market salary level. This criterion applies to all employees alike, including the directors and the independent non-executive directors.

Fixed remuneration

Fixed remuneration is the amount specified in the labour contract and is determined according to the rank and salary range of the employee.

Reward

The Group provides employees with different types of rewards, such as performance-based bonus and year-end gratuity, among others.

Performance-based bonus: this includes reward for outstanding contributions for completion of annual tasks and technology R&D, among others; and

Year-end gratuity: determined as a fixed or variable percentage of an employee's salary and also linked to the performance of the Company, department and the individual.

Commendation:

"Happy Company 5+" logos awarded by The Chinese Manufacturers' Association of Hong Kong and Promoting Happiness Index Foundation for five consecutive years

"Good Employer Charter" certificate and "Family-friendly Good Employer" logo awarded by the Labour Department in 2020

"Good MPF Employer Award" for five consecutive years

Employee protection schemes

To enhance the sense of belonging and fulfilment among employees and to assure comprehensive development of our employees in work and life, the Group places a special emphasis on improving employees benefits. Our employees are entitled to benefits such as life insurance, critical illness insurance, medical and health insurance, disability and illness protection, maternity leave and paternity leave, among others, as well as cash allowances such as hot weather allowance, cold weather allowance, job-specific allowance and construction allowance, among others.

Medical protection 	Medical expenses in China have been increasing in tandem with rising living standards in the country. To improve its employees medical protection regime and alleviate the burden of medical expenses for employees, the Group has established a healthcare protection entrusted management scheme and long-term supplemental medical insurance protection scheme, covering not only its employees, but also their spouses, children, parents and parents in-law. Moreover, the long-term supplemental medical insurance provides domestic employees with supplementary medical insurance funds for mild illness, supplementary medical insurance funds for critical illness and supplementary medical insurance funds for hospitalisation expenses.
	During the Reporting Year, the Group also established a supplementary medical protection scheme for its employees in Hong Kong to provide additional subsidies in eye care and other aspects of personal healthcare aspects for employees, with a view to alleviating the financial pressure of employees caused by rising medical costs.
Retirement protection 	With persistent emphasis on retirement protection for employees, the Group computes each year the number of employees eligible for retirement and provides for them retirement schemes and arrangements in compliance with pertinent laws. Moreover, the Group also provides employees with additional retirement protection, such as corporate annuity and voluntary contributions at a percentage higher than the statutorily required level, in order to provide support for the retirement life of its employees in Mainland China and Hong Kong.
	In addition, to alleviate the burden of post-retirement medical expenses, the Group offers a life-term medical insurance plan to employees, such that they could enjoy long-term medical insurance cover after their retirement to support their post-retirement medical expenses.

Statistics on Parental Leave

Total number of employees applying for parental leaves during the year

Male	Female
112	43

Total number of employees returning to work after parental leave and return to work rate during the year

Male	Female
109 (97.32%)	39 (90.70%)

Human rights and inclusivity

Our parent company CEEGL has formulated a "Human Rights Policy" in support of all convention and standards pertaining to human rights, including pertinent provisions under the UN Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, UN Global Compact and International Labour Organization. As a core segment of CEEGL, the Group conducts itself in accordance with the said policy. Meanwhile, the Group adopts a zero-tolerance stance against the practice of child labour, forced labour and human trafficking and employs worker in strict accordance with labour laws and regulations to prevent any breach of laws. The "Suppliers' Code of Conduct" formulated and published by the Group has set out the primary standards for suppliers' conduct as well as minimum standards that suppliers should comply with when engaged in business cooperation with Everbright Greentech, including a pledge to defend the human rights of workers and the respect for labours in accordance with international human rights standards, among others. Suppliers should also observe the Group's requirements in connection with free choice of occupation, prohibition of child labour, work hours, salary and benefits, compassionate treatment and non-discrimination, among others.

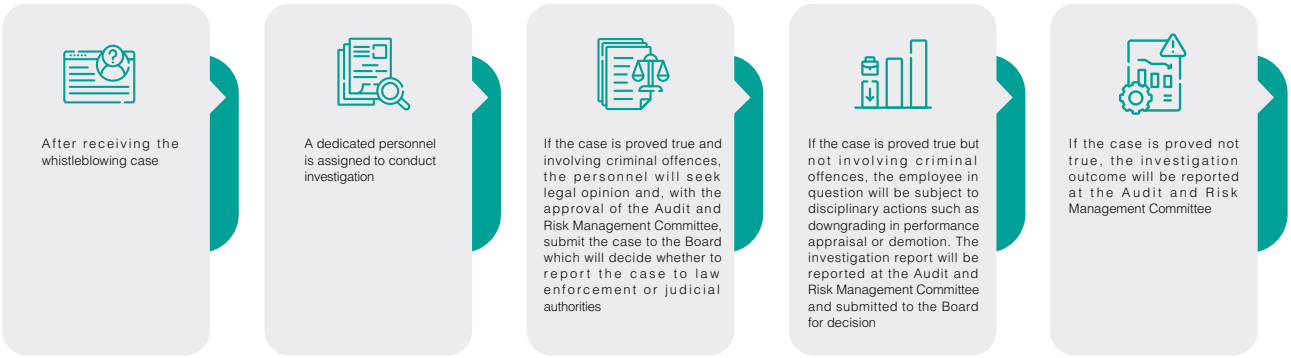
There were no incidents in violation of labour standards, such as discrimination, forced or mandatory labour or child labour, occurring during the Reporting Year which had a material adverse impact on the Group.

The Group appreciates the importance of a corporate culture emphasising honesty and integrity and is committed to building a brand characterised by business integrity while procuring anti-corruption initiatives. In accordance with our "Staff Handbook" and "Code of Corporate Conduct (Trial)", bribery, extortion, fraud or money laundering on the part of employees taking advantage of their position are prohibited. Employees should turn in any gifts or souvenirs offered by individuals or enterprises engaged in business transactions with the Group and refuse any unreasonable hospitality to avoid compromising their business judgement. During the Reporting Year, the Group arranged a seminar on integrity management of company directors hosted by the Independent Commission Against Corruption of Hong Kong for the board of directors, while the chairman of the Board, executive Directors, senior management and management officers also participated in another seminar on integrity education organised by CEEGL. During the Reporting Year, the Group issued the "Anti-corruption, Anti-bribery and Anti-money laundering Policy" to its subsidiaries to further enhance the governance standards of the Company.

To ensure orderly business operation, promote health development of the enterprise and enhance internal control, the Group revised its "Whistleblowing Policy" during the Reporting Year to help internal and external stakeholders (including employees, investors and suppliers) to report existing or suspected possible illegal or improper conduct. Whistleblowing reports can be sent to report@ebgreentech.com via email or 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or West Wing, 27/F, Oriental Xintiandi Plaza, No. 1003 Shennan Avenue, Futian District, Shenzhen, China by mail. The information of these channels are also available from the corporate website, "Staff Handbook", ESG report and annual report. The Group also explains the whistleblowing methods in detail to new employees to protect their rights and obligations. The Group undertakes to protect the personal privacy of whistleblowers and provides a reporting mechanism for whistleblowers and personnel involved in the investigation of whistleblowing cases to protect them from jeopardising behaviours such as harassment, threats or bullying or unreasonable negative performance reviews. In addition to the "Whistleblowing Policy", the Group has also established a Integrity Management Department to supervise and investigate illicit acts of management officers and employees to ensure fairness in the exercise of authority and prevent any behaviour that violates ethical codes.

During the Reporting Year, the Group received reports on 3 cases through the aforesaid whistleblowing channels. According to the investigation findings, such cases arose mainly from internal mismanagement and miscommunication and did not involve any improper conduct, fraud or malpractice on the part of the Group. The management has forthwith taken necessary measures and actions to avoid similar cases from occurring again.

Whistleblowing procedure



Defending probity and self-discipline: say "no" to corruption and "yes" to clean practices

To further enhance key personnel's awareness of probity and self-discipline and their ability to refuse corruption during festive seasons, the Yongqiao Biomass Heat and Electricity Co-generation Project held an education and mobilisation conference in August 2022 aiming to "Emphasise Probity, Enforce Discipline, Maintain Efficiency and Procure Growth."

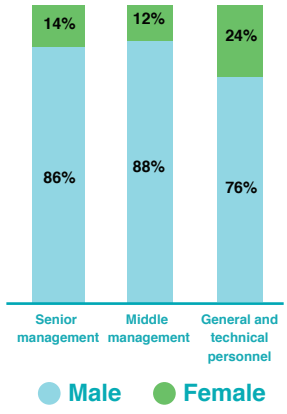
At the meeting, attendees were briefed on Everbright Group's recent disciplinary actions against violations of laws and rules and were asked to cautious and mindful not to commit similar offences. Instead, they should persist in fulfilling their duties with just and honest practices, upholding the bottom-line of probity and self-discipline and actively completing their tasks with the projects in a novel spirit underpinned by solid work and rigorous discipline. The general manager of the project company called upon the attendees to: firstly, stand united in the compliance with rules and stringent performance of job duties, prioritising the Company's interest in general and refraining from undermining the Company's interest and bringing about grave loss for the Company because of one's own greed for trivial benefits; secondly, to protect the Company's information security and strengthen their own awareness for protection to prevent any information leak that would result in loss for the Company; thirdly, employees at all positions should focus on their job duties and improve their own work skills and standards in order to contribute towards the Company's overall benefits.

Everbright Greentech is committed to fostering an inclusive and mutually respectful workplace for all employees, irrespective of age, gender, family status, disability, race, ethnicity, nationality, religion or political views. under no circumstances will the Company tolerate discrimination, harassment, bullying or other illicit behaviour in any physical or verbal manner against any person by employees because of the aforesaid factors. The Group opts for protection through systems and mechanisms and affords equal opportunity to all in relation to job positions. The Company also believes that the diversity in talents is an essential condition to corporate development, as it endeavours to recruit talents with diverse backgrounds and foster a harmonious and inclusive workplace for employees of different genders, races, cultures or professional backgrounds.

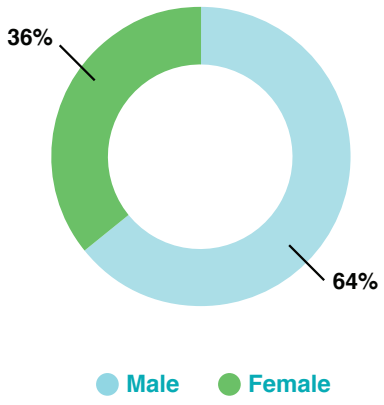
The Group actively applies the principle underlying President Xi Jinping's speech at the UN General Assembly high-level meeting to commemorate the 25th anniversary of the landmark Fourth World Conference on Women held in Beijing: "Gender equality must be put into genuine practice and efforts must be made to drive the role of women at the forefront of our times to create a society of inclusive development." The Group is determined to maintain gender diversity and male/female equality. In the next 3 to 5 years, the Group will gradually attain the goal of increasing the appointment of female employees to account for 14% of middle level and senior personnel and 25% of its total employee headcount, in a bid to further broaden the role of female employees. Meanwhile, the Group will also actively consider and promote the goal of having at least 20% female members on the Board in the next 3 to 5 years to facilitate the leadership role of senior female employees in the Group, subject to Directors' satisfaction with the qualifications and experience of the candidates concerned after a reasonable review process based on the relevant criteria; and discharge their fiduciary duties, so as to act for the interest of the Company and the Shareholders as a whole, prior to such appointment.

Limitations in the job nature of female employees is a challenge currently faced by most enterprises. For example, departments such as strategy, engineering and scientific research typically feature fewer female employees, while maternity obviously has a significant impact on the career development of a woman. In view of the above, the Group insists that a female employee and a male employee doing the same job should have the same pay, eliminating the gender gap in remuneration and providing equal opportunities for employees of different genders and races, while actively researching and promoting a diversity policy that comprises gender diversity, including but not limited to the provision of tailor-made training and clear career path planning for female employees to enhance their specialisation and help them realise their inherent potential as women, as well as the building of a complementary support system to help female employees cope with challenges at work associated with maternity. For example, the Group headquarters and the project companies have arranged breastfeeding rooms to provide convenience for breastfeeding female employees, while fully supporting domestic female employees to take breastfeeding leave such that they could take better care of their children during the first year of their birth.

Male to female ratio at different employee ranks



Male to female ratio for functional department at the Headquarters



Showcasing the demeanor of female workers in daily duties

The financial department of Yancheng Solid Waste Treatment Project was honoured with the title of "2022 Binhai County Workforce with Exemplary Labour Day Frontline Female Employees" in recognition of the performance of the female employees at the financial department of the project, who had showcased that women are by no means inferior with the demeanour of working ladies in the new age. The honorary title has given an enormous boost to employees morale at the financial department. There is little doubt that they will serve as a fine example to other departments in their future work as they build a positive image for the department and procure more detailed and solid financial operations.

Blossoming charm of the female workers

To mark the 112th "March 8th International Women's Day", Yongqiao Biomass Heat and Electricity Co-generation Project organised a flower arrangement workshop titled "Showcasing the Lady's Charm through Flower Arranging", aiming to further enrich the cultural life of and enhance interaction among its female employees. Over 10 female employees attended the activity and had a splendid festive time. The instructor gave an interesting and lively presentation that allowed the participants to immerse themselves in a sea of flowers, thereby relaxing and relieving pressure from work and life. The workers' union of the project has been caring for the work and life of female workers over the years as it fully acknowledges the important role of female workers shouldering half of the duties in the Company's operations and development, while guiding them to work in unity in their respective positions in the spirit of "dignity, confidence, independence and drive" in order to contribute their unique strengths to the Company's qualitative development.

Employee Wellness

With a strong emphasis on the emotional as well as physical health of employees, the Group is committed to providing a safe workplace and comprehensive protection for the work and life of employees, as well as enriching their spiritual life. To facilitate the in-depth implementation of the "People-oriented" philosophy. the Group has formulated the "Measures for the Administration of Safe Production, Employees' Health, Accidental Injury Protection Fund" to further improve the Company's protection regime in safe production, employees' health and accidental injury.

The Group has actively implemented a range of caring measures. In addition to providing employees with free health check and inspection for the prevention of occupational diseases, such as eye inspection, body check, blood test, kidney test and liver test, among others, we are also concerned with the mental health of employees. Apart from its economic and social impact, the prolonged ravaging of the pandemic has also resulted in growing anxiety and pressure among people and gravely affected our daily life. To help employees learn about emotional adjustment and protect their own emotional well-being, the Group arranged a workshop on "Emotional Management under the Pandemic" for employees during the Reporting Year to discuss ways of responding to acute pressure situations and its impact on personal physical and emotional health, with the hope that employees could also share knowledge in pressure management with their families and friends. The Group also advocates work-life balance and encourages employees to actively participate in various health-friendly activities organised by the Company or otherwise, such as athletic meet, hill-climbing, reading club, speech contest, friendly basketball games and birthday celebrations, to name but a few, with a view to safeguarding and boosting the psychological health of employees. Such activities have not only benefited the emotional well-being of employees and allowed them to relax and be relieved of pressure from work as appropriate, but have also facilitated amicable relations among colleagues and enhanced employees participation for the mutual benefit of the enterprise and employees.

Feedback and communication

The Group respects its employees and maintains close engagement with them. To extend and improve the channel for two-way communication and enhance employees motivation, the Group organises regular interview sessions with employees apart from day-to-day work meetings. Activities are conducted to find out the causes of any issues and difficulties encountered at work are discussed. We help employees to determine their career path and build through the process a positive ambiance of mutual trust, ultimately achieving the aim of enhancing communication, unity and drive for work. In addition, employees are also welcome to express their views via the intra-Group "Suggestions" e-platform, where other employees can browse and leave comments any time. With the aid of an open and transparent platform, the Group can take the suggestions of employees into full consideration when reviewing its policies and systems, thereby striking a better balance between the interests of the Company and its employees. If employees are being subjected to unfair or unreasonable treatment which cannot be solved through the means of communication listed above, they may also report the matter for handling in accordance with the whistleblowing means and procedures set out on pages 116 to 117 of this Report.

Preventive measures against COVID-19 at office premises

The Group has formulated a contingency mechanism and anti-pandemic measures in a timely manner to ensure employees' health as well as protect the normal operation of the Company.

- Identifying at an early stage any hidden COVID-19 cases in the community so as to cut off infection in the community, the Group encourages employees and their families to actively participate in community COVID-19 test programmes;
- Providing timely anti-pandemic information to employees;
- Arranging so far as practicable home office or rotational rosters for employees during pandemic outbreaks to reduce the possibility of infection in the community;
- Providing vaccination holidays to employees to encourage employees or their families to receive vaccination for better self-protection;
- Arranging regular disinfection fogging in offices to ensure a sanitised workplace and enhance anti-pandemic measures;
- Offering paid leaves to employees during quarantine or isolation periods;
- Ensuring sufficient supply of face masks and handwash to maintain sound hygiene at workplace;
- Arranging in-home COVID-19 antibody test for employees;
- Restricting access to the Company by employees and other necessary personnel (such as cleaners and couriers) only;
- Check and record the body temperature for employees on daily basis;
- Requiring all employees to wear face masks and take heed of personal hygiene in workplace;
- Supplying anti-pandemic items such as COVID-19 rapid antigen test, medicines and protective masks; and
- Refraining from face-to-face meetings to maintain social distance and encouraging meetings via teleconference or video conference.

Sharing the festive spirit with Christmas wreath workshop

During the year, Hong Kong headquarter organised a Christmas wreath workshop to enable employees to thoroughly relax and let off pressure from work amidst busy work schedules and emotional stress caused by the pandemic. It has also promoted communication and interaction among employees and, more importantly, fostered a positive ambience of employees unity and united effort.

Passion and drive at the staff basketball tournament

To enrich the cultural life of employees and foster a positive, sportive ambience, the general management department of Lintao Integrated Biomass and Waste-to-Energy Project organised a 3-day staff basketball tournament. The departments formed themselves into 3 teams with over 20 players. The referees officiating at the tournament duly honoured their duty and fostered an ambience of fairness and discipline by making fair calls, while all basketballers played with vigour and dedication in the sporting spirit of always trying to get "faster, higher and stronger". Underpinned by friendship, style, high standards and moral integrity, these games have showcased the spirit of unity, vigour and aspiration.

Walk for Fitness; Walk for Health

To arouse patriotism among employees on the occasion of the National Day, as well as to get them emotionally as well as physically fit for commitments in project work, enhance team unity and inspire work motivation, Dangshan Integrated Biomass and Waste-to-Energy Project organised a "Walk for fitness" and employees birthday celebration activity. The walkathon allowed employees to adjust and relax after work by boosting their physical fitness and mental strength, while enhancing mutual understanding and friendship among employees through team interaction. As participants toured the park, they also helped to clear the rubbish along the way to manifest the new ethos of our times and enhance employees awareness of environmental protection, while propagating the low-carbon and eco-friendly philosophy to the public. The activity has fostered a strong ambience of fitness for all and guided the employees towards active participation in sporting and fitness activities, such that they would consistently enhance their health awareness and attain healthier lives. Moreover, it has also helped the employees to cultivate optimism in a positive outlook on life, such that all would strive for progress in work.

"My Suggestion for the Company"

To motivate all employees to speak the truth, suggest good ideas and make contributions for the Company's development, bring further together the strengths of employees, enrich their cultural life and drive the Company's qualitative development, Everbright Greentech Linshu Project organised a speech contest under the theme of "My Suggestion for the Company", which has been highly regarded by the Company management and enjoyed active participation by the employees. Each competing with a shrewd strategy, the 15 speakers entered through recommendation by their departments or voluntary enrolment put on a spectacular show. In close tandem with the theme, they associated the Company's development with their personal aspirations or cited actual work or inter-departmental coordination as examples, proposing fair-minded suggestions for the Company's day-to-day management, team building and energy conservation in most passionate and eloquent speeches. The contest went on in a frenzied atmosphere as the brilliant speeches won over the audience and adjudicators in rounds of cheers and applause. The speech contest has further enhanced employees's dedication and commitment to work and the ambience of positive interaction, promoting employees communication and team and the building of team culture to lay a solid foundation for the smooth advancement of our operations.

Co-development with the community

The Group not only cares about the career development of its employees, but is also committed to improving the community environment in which the employees live, in order to foster a safe, people-friendly and green environment for living. During the Reporting Year, we organised our employees to participate in community building with active involvement in anti-epidemic efforts, community care, environmental education and poverty aid, such that the Group's employees could offer genuine contributions to the community. On the one hand, this is an important task of the Group rewarding the community and the public by delivering more value to the community. On the other hand, such involvement has set a higher standard for enhancing employees' sense of pride as a Greentech personnel, sense of belonging for the enterprise and sense of responsibility for their homes, such that employees can genuinely assume their role as an undertaker of environmental responsibilities as they actively undertake social responsibility and build the homeland in joint efforts to foster co-development, progress and prosperity for the enterprise, community and employees in a "triple win".

Fortifying defense against the pandemic

The global pandemic continued to prevail in 2022 as ongoing mutations of the COVID-19 pandemic was reported. While endeavouring to overcome the adverse impact of the pandemic and procure the due delivery of project construction and services, the Group also devoted strong efforts to anti-epidemic measures to build a robust defense against the pandemic in a responsible manner. During the Reporting Year, the Group donated HK$450,000 to Hong Kong Community Anti-Coronavirus Link in response to the call of Everbright Group for the support of anti-epidemic initiatives in the Hong Kong community.

Anti-epidemic operation as a mandatory responsibility

Following the sudden outbreak of COVID-19 in Lianyungang in March 2022, Lianyungang Hazardous Waste Treatment Project consolidated its resources and resolutely fortified the line of defense against the pandemic in accordance with the government's requirements and the plans of the Group, in a solid manifestation of its commitment to corporate social responsibility.

Lianyungang Hazardous Waste Treatment Project was providing services to 247 medical institutions. Since the outbreak of the pandemic, there had been a blowout increase in medical waste generated daily at PCR test stations, medium risk control zones and quarantine points. Since epidemic-related medical waste must be cleared on a daily basis, the drastic increase in the volume of medical waste had posed an enormous challenge for Lianyungang Hazardous Waste Treatment Project in terms of transportation, allocation and production process. In March, Lianyungang Hazardous Waste Treatment Project urgently reassigned 6 employees to oversee coordination and allocation at the medical waste transit stations in the county districts.

To ensure smooth transit of medical waste during the pandemic, the project swiftly liaised with pertinent authorities, including the municipal anti-epidemic office, bureau of ecology and environment and industry park management committee, to apply in a timely manner for traffic passes for the medical waste transport trucks, so as to ensure the timely clearance and transition of medical waste. Mindful of "Rigour" and "Preventiveness" as the guiding principles, Lianyungang Hazardous Waste Treatment Project was committed in full force to the critical battle against the pandemic. Ultimately, the safe, stringent and timely disposal of highly hazardous medical waste was ensured and any possible secondary contagion of the COVID-19 pandemic was effectively contained. It was a successful block against the pandemic while all production tasks were unaffected, in a diligent fulfilment of our responsibility as a state-owned enterprise.

Commendation for revitalisation after the pandemic

At Shayang Integrated Biomass and Waste-to-Energy Project, all employees have been engaged in stringent execution and implementation of anti-epidemic measures. Against the adverse conditions, they have persisted in assuring safe production at the generator units while exhausting all opportunities for cost reduction and efficiency enhancement in resolute adherence to the central principles of safety and efficiency in a bid to reduce economic losses caused by the pandemic to the best of their ability. As a consequence, zero infection was reported amidst the pandemic and all tasks in production operations were satisfactorily completed, as the project was commended by Shayang People's Government with the title of "Shayang County Vanguard Entity in Post-pandemic Revitalisation" in 2022.

Promoting poverty aid and employment to drive rural vitalisation

In accordance with the working requirements set out in "China Everbright Group Implementation Opinion on Assisting Counties Designated for Aid to Reinforce Achievements in Eliminating Poverty and Ongoing Advancement of Rural Vitalisation", the Group has been actively fulfilling co-development of the villages and the enterprise in an effort to implement defined assistance programmes and measures through business development, giving priority to the creation of job opportunities for local residents, in order to drive environmental improvements and industrial upgrades in neighbouring areas. In addition to solving pollution issues caused by the incineration of local agricultural straw, our biomass operation has also established an agricultural waste collection, storage and transportation regime to create job opportunities for local farmers and broaden their source of income in active response to the nation's principle of defined poverty aid. With the commissioning of the project and the establishment, improvement and expansion of the biomass collection, storage and transportation regime, we have effectively formulated a strategy underpinned by "extra income for farmers, development for the enterprise and benefit for all", directly or indirectly driving economic growth for the villages and helping local residents to lift themselves from poverty. In 2022, our integrated biomass utilisation projects:

Directly or/or indirectly provided over **60,186** job positions	Contributing to approximately RMB **2,632** million of additional income	For the benefit of more than **5,450,000** farmers

Empowering rural vitalisation through integrated utilisation of straws

"Straws have become the "hot buns" of the green industry. 1 tonne of straw growing from a paddy field sized 2 to 3 mus and about 250 tonnes can be supplied to the Everbright power plant each day," thus said the officer in-charge of Jiangsu Province Lianshui County Gaogou Township Straw Cooperative Society. The process of collecting, storing and transporting straw has substantially increased the income of and job opportunities for local residents, enabling them to grow in wealth while improving the rural environment. To ensure stable supply of straws in autumn such that the generator units may be fully fuelled, Lianshui Biomass Heat and Electricity Cogeneration Project entered into contracts with the straw collection and storage entities to stipulate the quoted prices, quality standards and storage fees for straw purchase. Measures were adopted to coordinate the resources of various parties to facilitate straw bundling and the setting up of depots, so as to ensure sufficient volumes of collection and storage and timely allocation and transportation. Biomass power generation and heat supply has not only provided a solution to the detoxification and reduction of straw waste, but has also actively contributed to the construction of beautiful villages and rural vitalisation, in order to assist in defined poverty aid as well as promote local industrial development.

Promote environmental protection culture

As an environmental enterprise, the promotion of environmental protection represents an indisputable responsibility for the Group. On top of vigorous promotion of environmental education and intensive effort in the propagation of environmental protection, the Group has continued to fulfil the responsibility of opening its environmental facilities to the public with more intensive actions, exploring an online approach based mainly on livestream to enhance its influence and outreach. Meanwhile, in close tandem with the National Technology Week and June 5th Environment Day event, we have conducted in-depth promotional activities based on the actual operation of our projects with a particular focus on "Dual Carbon" to give a good account of Everbright Greentech's ecological initiative and publicise the Company's performance in environmental pollution treatment and ecological protection, in a bid to drive public participation in the building of a beautiful China.

During the Reporting Year, the Group sponsored the Hong Kong Green Day event organised by the Green Council for the third consecutive year. Commencing on 5 June 2022 to coincide with the "UN World Environment Day", a variety of online and offline green activities were launched for people of different sectors and age groups to support environmental protection, encompassing corporations, retail businesses, schools and the general public in Hong Kong.

Opening **47** environmental projects

offline open-to-the-public activities **140**

Receiving **4,200** visitors

First lesson for the school year

To promote understanding of ecological protection work on the part of primary and secondary school students, encourage youngsters' participation in the practice of ecological protection and enhance their environmental awareness, Xiayi Integrated Biomass and Waste-to-Energy Project organised an open day of its environmental facilities for the public in September 2022. About 40 students and teachers from Hulou Primary School were invited for a study visit and given the opportunity for a close encounter with the environmental facilities to understand the process of waste-to-energy conversion as the first lesson of the school year for the "Red Scarf Juniors".

Guided by the professional conductor, the "Red Scarf Juniors" arrived first at the main hall to look at the project sand table and watched a video entitled "Junior Environmental Guardians VI". They were briefed on the basic processes of the company and how garbage was turned from "waste" to "valuables". Shifting from practical daily examples, they were then introduced to the main subject: the environmental impact of waste and related safety issues that concerned everyone. Environmental knowledge was made more comprehensible when explained through examples underpinned by lively images, as the "Red Scarf Juniors" expressed appreciation for the Company's environmental work. At the end of the visit, they reflected upon what they had learned during the visit: garbage is not the "waste" as they usually understand, but a "treasure" for humanity. They pledged to share that idea with their families, starting from the practice of waste sorting at home. In his address after the visit, the headmaster of Hulou Primary remarked that this "first lesson for the school year" had been a wonderful experience for all, who had acquired more in-depth understanding and knowledge of ecological protection. He pointed out that environmental awareness must be cultivated at an early age, and environmental protection would surely become a part of the teaching curriculum to enhance students' awareness for cherishing and protecting the environment, guiding them towards a joint effort to procure a blue sky, green earth and clear waters.

Zhejiang Ecology Day — opening environmental facilities to the public

To genuinely enhance public awareness and aptitude for ecological and environmental protection and increase their scientific knowledge in hazardous waste treatment, as well as to further broaden new horizons in the market for hazardous waste treatment, Lishui Industrial Solid Waste Landfill Project hosted an open day of its environmental facilities for the public during the "National Technology Week" and "June 5th Environment Day" during the Reporting Year. Waste-generating entities units were invited to visit our facilities for a close encounter with the process of solid waste treatment.

In the conference room, visitors watched the promotional video on environmental protection and listened to presentation by the project officers on the company's general information, the process of solid waste landfill treatment and methods of safe hazardous waste management, among others. Thereafter, they visited the company laboratory, standardised temporary storage for hazardous waste, pre-processing workshop and treatment facilities such as the safe landfill. Through live explanations and detailed response to questions, the visiting public have gained a thorough understanding of the process of detoxified hazardous waste treatment. The public open day has great significance as it could educate the public with environmental knowledge and propagate the principles of environmental protection, while increasing public knowledge of the solid waste landfill, as well as their understanding and support of ecological protection, which is conducive to the general enhancement of the social image of the enterprise, development of the corporate market and contributions to the Green Belt and Road.

2 new municipal or county-level scientific education bases, bringing the total number of scientific education bases to 11

Zhecheng Integrated Biomass and Waste-to-Energy Project awarded the title of "Shangqiu City Scientific Education Base"

Zhecheng Integrated Urban-Rural Project promotes relevant environmental policies and scientific knowledge in environmental protection by fully integrating the eco-friendly concept of "recycling, detoxification and reduction" in waste incineration. Through the building of ecological green landscape in the plant area, public announcement of environmental information as well as people-friendly display in pictures and words, a positive image of the waste-to-energy power plant has been comprehensively displayed. The large 3D model installed in the science exhibition hall provides a direct display of the operating model of the project.

Fengyang Integrated Biomass and Waste-to-Energy Project awarded the title of "Chuzhou City Scientific Education Base"

Fengyang Integrated Urban-Rural Project has set up a science exhibition hall which directly displays how the project operates with the guide of volunteer conductors. The waste-to-energy power generation system, waste collection and transportation system and production processes are showcased via the use of multimedia including graphics, videos and animations. Scientific exhibits and knowledge relating to waste sorting, biomass energy classification and other topics are also displayed to the public. Visitors viewing from the corridor through a glass wall will ensure safety and sound insulation while affording a clear view of the operation and process flow of the production facilities.

Charity and community welfare

In the spirit of "giving back to the community what we have earned from the community", the Group is actively involved in community welfare. During the Reporting Year, Everbright Greentech teamed up with the Salvation Army again to participate in the "Operation Mid-Autumn Charity 2022" organised by the latter, which called for the public to cherish food resources and donate the mooncakes they had in excess to the needy in the community such as street dwellers, seniors and low-income families, such that these people could also enjoy the festive season in spite of the pandemic. Moreover, the Group continued to support the Donate a Pencil Campaign initiative of Plan International for the fourth year in a row to support education for girls as a life-changing initiative and fight for their rights and interests in general. During the Reporting Year, the Group also participated in the "Pandemic Fighters" campaign organised by the Hong Kong Community Anti-Coronavirus Link and the "Compassion Through Dragon Boat Dumplings" initiative of Everbright, a charitable activity for seniors in the Central and Western districts, in a bid to honour our social responsibility through solid actions.

"Caring Company" logo awarded by The Hong Kong Council of Social Service for the third consecutive year

商界展關懷 caringcompany 2019-22
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

Caring Corporate Award from Plan International

Driving green development to win the critical battle against pollution

The report of the 20th National Congress of the Communist Party of China has called for progress in the building of a beautiful China by persisting in the integrated protection and systematic treatment of all landscape features in nature, coordinated initiatives in industry mix adjustment, pollution treatment, ecological protection and measures to address climate change, coordinated advancement of carbon reduction, pollution reduction, green enhancement and growth, and promotion of the ecological priority, conservation and consolidation and low-carbon green development. Intensive efforts should be made to drive the treatment of environmental pollution. The battle to protect the blue sky, green waters and clean earth should persist. The coordinated control of pollutants should be strengthened to basically eliminate heavily polluted weather conditions. As a pioneering enterprise in environmental protection, Everbright Greentech actively fulfils its social responsibility and undertaking as a central enterprise in its effort to drive green development and introduce improvements to environmental pollution, in a bid to win the critical battle against pollution. In line with its corporate pursuit of "Create Better Investment Value and Undertake More Social Responsibility", the Group endeavours to benefit the society with green technologies and deliver value to stakeholders through stable development.

Rugao Biomass Direct Combustion Project honoured with the title of "2021 Environmental Credit Rating — Green Enterprise".

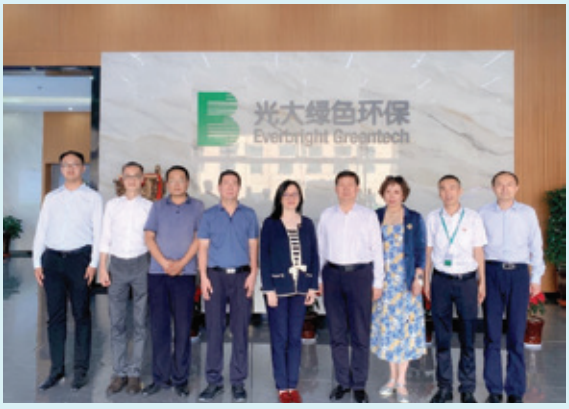
In recognition of its comprehensive environmental facilities, rigorous on-site management and wide array of spectacular activities for the promotion of environmental protection, Rugao Biomass Direct Combustion Project was awarded the title of "2021 Environmental Credit Rating — Green Enterprise" by Nantong City Rugao Bureau of Ecology and Environment in 2022. The selection of environmental credit rating — green enterprise was conducted through a full-scale assessment exercise comprising self-assessment, assessment by the governing authorities, on-site inspection by experts on aspects such as integrated precision management, standard upgrade and conversion, improvements in regional environmental quality and future development planning, among others. The project has adopted the domestically advanced circulatory fluidized bed boiler technique, while the flue gas purification system has adopted the "integrated cyclone dust removal + dust removal bag + active molecule oxidised desulphurisation and wet desulphurisation" technique, resulting in full compliance in all emission parameters after treatment: emissions of sulphur dioxide and nitrogen oxides were far lower than the national emission standards (special limits) for thermal power plants, while the boiler slag was manufactured into eco-friendly bricks compliant with requirements for construction materials, thereby effectively achieving the recycling of industrial solid waste. In the meantime, an online monitoring system for pollution source has been installed in the plant area to closely monitor flue gas emissions and household sewage discharge on a 24-hour basis, ensuring end-to-end precise control of the eco-friendly production process.

Visit to Lintao Waste-to-Energy Project by Acting Director of the Office of the Hong Kong SAR Government in Beijing

The roadshow exhibition entitled "Celebrating the 25th Anniversary of Hong Kong's Return to China — Hard-earned Progress in the Past 25 Years and United Effort for New Journey Ahead" featured in the 28th China Lanzhou Investment and Trade Fair in Lanzhou, Gansu Province. Lam Nga Man, Acting Director of the Office of the Hong Kong SAR Government in Beijing officiated the opening ceremony for the Hong Kong Pavilion alongside Chen Qing, Deputy Secretary of the CPC Organisation and Vice Chairman of Gansu Provincial CPPCC. Led by Miss Lam, staffers of the Office of the Hong Kong SAR Government in Beijing took this opportunity to visit Lintao County Household Waste-to-Energy Project in Gansu Lintao Economic Development Zone.

During the visit, Ms. Lam and her colleagues listened to the live presentations of the conductor to gain understanding of process techniques employed by the project such as flue gas purification, leachate treatment and ash treatment. Apart from watching the demonstrative video and observing live operation of the waste treatment workshop, they also had detailed discussions with the personnel in charge regarding the full process of waste-to-energy power generation, waste treatment volumes, power generation volumes, environmentally-compliant emissions. Amazed that the visit had completely revamped their impression of household waste-to-energy power generation, Ms. Lam and her colleagues remarked that "with trees growing into a shade in the compound, the plant doesn't look like a waste treatment facility at all," as they deeply appreciated the pressure imposed by garbage treatment in urban life and the urgency of starting work in waste reduction and waste sorting.

Lintao Household Waste-to-Energy Project is a key project for community living in Dingxi City and Lintao County located in the Gansu Lintao Economic Development Zone with a site area of 265.94 mus and a designed total household waste processing capacity of 1,000 tonnes daily. Implemented in two phases with the first phase officially commissioned in May 2021, the project adopts the domestically advanced grate furnace processing technique and applies stringent environmental emission standards. With a waste processing capacity of 500 tonnes per day, it is capable of taking in all household waste from Lintao County of Dingxi City, Huichuan Township of Weiyuan County, Guanghe County and Kangle County of Linxia Autonomous Prefecture, while supplying approximately 65 million kWh of green electricity annually. It has provided a thorough solution to environmental pollution caused by waste landfill in Lintao County and its neighbouring areas and genuinely achieved "waste recycling, reduction and detoxification".



VERIFICATION STATEMENT

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

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by China Everbright Greentech Limited ("Everbright Greentech") to undertake an independent verification for the 2022 Sustainability Report (hereinafter called the "Report"). The Report stated the sustainability performance of Everbright Greentech in the period of 1st January 2022 to 31st December 2022.

The aim of this verification is to provide a reasonable assurance on the reliability of the report contents. The Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards"), as well as Rule 13.91 and Appendix 27 "Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide")" of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK Listing Rules").

Level of Assurance and Methodology

The process applied in this verification was based on the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. Our evidence gathering process was designed to obtain a reasonable level of assurance as set out in the standard for the purpose of devising the verification conclusion. The extent of this verification process undertaken covered the criteria set out in the GRI Standards and the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide).

HKQAA's verification process included verifying the mechanisms for collecting, calculating and reporting the sustainability performance information, reviewing relevant documented information, interviewing responsible personnel with accountability for preparing the Report and verifying selected representative samples of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

Everbright Greentech is responsible for the collection and preparation of the information presented. HKQAA did not involve in the collection and calculation of data or the compilation of the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Everbright Greentech that would affect the impartiality of the verification.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the GRI Standards, as well as the SEHK Listing Rules (Rule 13.91 and Appendix 27 the ESG Reporting Guide);
- The Report illustrates the sustainability performance of Everbright Greentech, covering all material aspects, in a balanced, clear, comparable and timely manner; and
- The data and information disclosed in the Report are reliable and complete.

Nothing has come to HKQAA's attention that the selected sustainability performance information and data contained in the Report has not been prepared and presented fairly and honestly, in all material aspects, in accordance with the verification criteria. In conclusion, the Report reflects truthfully of Everbright Greentech's sustainability performance that is commensurate with the sustainability context and materiality of the company.

Signed on behalf of Hong Kong Quality Assurance Agency

Meico Cheong
Assistant Director, Innovation Business
9 March 2023

KPI OVERVIEW

OPERATIONAL PERFORMANCE

Indicator	Unit	2022	2021	2020
Operating capacity				
Biomass[1] raw materials processing volume	tonnes	6,300,668	5,721,407	5,297,959
Household waste processing volume	tonnes	3,468,490	3,367,177	2,308,896
Hazardous and solid waste processing volume	tonnes	452,121	299,433	209,042
Green on-grid electricity[2]	MWh	6,291,582	6,285,708	5,630,945
Green on-grid electricity per tonne of biomass[3]	kWh/tonnes of biomass fuel	681	661.13	706.50
Supply of sold steam	tonnes	2,341,990	2,126,943	871,569
Total length of aboveground transmission lines	km	163	175.40	165.21
Total length of underground transmission lines	km	37	35.29	32.88
Number of institutional and commercial clients				
Population of cities served	million persons	214	48	45
Number of industrial/commercial clients	unit	4,310	2,727	2,431
Number of government agencies	unit	175	47	40

[1] Comprising biomass fuel only.

[2] Comprising total on-grid power generation volume of wind power, solar power and biomass (including household waste) combustion.

[3] Covering biomass power generation and biomass treatment volumes only. Biomass treatment volumes are measured by dry weight.

ENVIRONMENTAL PERFORMANCE

Indicator	Unit	2022	2021	2020
Emission of air pollutants[4]				
NO_x	tonnes	3,735	4,587	3,809
SO_x	tonnes	1,111	1,437	975
Respirable suspended particulates	tonnes	330	185	274
GHG emissions and intensity[5]				
Scope 1 — direct GHG emissions	tonnes CO_2 equivalent	2,302,732	1,415,497	1,232,231
Scope 2 — energy indirect GHG emissions	tonnes CO_2 equivalent	67,289	56,563	75,638
Total GHG emissions (Scopes 1 and 2)	tonnes CO_2 equivalent	2,370,022	1,472,060	1,307,869
Scope 3 — Other indirect GHG emissions	tonnes CO_2 equivalent	184,623	201,028	170,429
Total GHG emissions (Scopes 1, 2 and 3)	tonnes CO_2 equivalent	2,554,645	1,673,088	1,478,298
GHG intensity (based on operating revenue)	tonnes CO_2 equivalent/ HK$ million	400.14	263.44	298.94
GHG emission reduction[6]	tonnes CO_2 equivalent	3,781,557	3,657,597	3,285,092
Volume of hazardous waste generated and intensity				
Volume of hazardous waste generated	tonnes	166,717	453,655	817,990
Hazardous waste intensity (based on operating revenue)	tonnes/HK$ million	26.11	71.43	160.43
Volume of non-hazardous waste generated and intensity				
Volume of non-hazardous waste generated	tonnes	2,801,769	2,095,126	1,769,169
Non-hazardous waste intensity (based on operating revenue)	tonnes/HK$ million	438.85	329.89	346.99

[4] The data was derived from computations by the automated online monitoring systems of the combustion systems of the projects and was estimated based on site-specific data. Air pollutants generated from the combustion of fossil fuel with stationary sources other than the combustion systems are measured in accordance with the "Technical Guide for Compilation of Primary Emission Source Inventory of Atmospheric Respirable Particulates (Trial)" and the "Compilation of Air Pollutant Emissions Factors" promulgated by the United States Environmental Protection Agency; air pollutants generated from the combustion of fossil fuel with mobile sources are measured in accordance with the "Technical Guide for Compilation of Atmospheric Pollutants Emission Inventory for Road Vehicles" and "Technical Guide for Compilation of Atmospheric Pollutants Emission Inventory for Non-road Vehicles".

[5] GHG emissions and set-offs are computed by reference to CDM methods "ACM0018: Electricity Generation from Biomass Residual in Power-only Plants (Version 4.0)", "ACM0006: Electricity and Heat Generation from Biomass (Version 14.0)" and "ACM0022: Alternative Waste Treatment Processes (Version 2.0)" for integrated biomass utilisation projects; by reference to the "Requirement of the Greenhouse Gas Emission Accounting and Reporting — Part 1: Power Generation Enterprise" promulgated by NDRC for solar energy and wind power projects; by reference to "Guidelines for Accounting and Reporting Greenhouse Gas Emissions — Other Industrial Enterprises (Trial)" promulgated by NDRC for hazardous and solid waste treatment projects; by reference to "Guidelines for Accounting and Reporting Greenhouse Gas Emissions — China Public Building Operating Units (Enterprises) (Trial)" promulgated by NDRC for the Shenzhen office and "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong" jointly issued by the Environmental Protection Department and Electrical and Mechanical Services Department of Hong Kong and the GHG Protocol for the Hong Kong office. The assessment covers the 6 GHG types regulated under the "Kyoto Protocol", including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), perfluorocarbons (PFC_s), hydrofluorocarbons (HFC_s) and sulphur hexafluoride (SF_6); calculation of global warming potential (GWP) is based on data over 100 years set out in the Fifth Assessment Report (AR5) published by IPCC.

[6] Including data from biomass projects only.

Indicator	Unit	2022	2021	2020
Energy consumption and intensity[7]				
Direct energy	**MWh**	**29,182,977**	**9,402,344**	**11,705,465**[8]
Gasoline	MWh	1,855	4,375	4,297
Diesel	MWh	56,610	109,291	81,706
LNG	MWh	145	21	4,007
LPG	MWh	0	791	2
Natural gas	MWh	62,311	44,277	32,173
Methane	MWh	0	0	0
Ethyne	MWh	0	8	4
Heavy oil	MWh	7,527	12,693	3,841
Fuel	MWh	0	2,764	0
Household waste (fossil carbon)	MWh	7,577,050	799,031	705,428
Household waste (biocarbon)[8]	MWh	8,789,379	1,346,635	1,038,740
Biomass (biocarbon)[8]	MWh	15,304,958	15,011,756	14,596,903
Renewable electricity[9]	MWh	262,789	276,985	256,715
Self-generated electricity consumption	MWh	722,996	697,256	570,969
Self-generated steam (heat) consumption	MWh	4,827,565	114,083	7,068,556
Unconsumed self-generated electricity	MWh	0	0	0
Unconsumed self-generated steam (heat)	MWh	0	0	1,484,230
Sold electricity	MWh	(6,291,582)	(6,285,708)	(5,630,945)
Sold steam (heat)	MWh	(2,138,625)	(1,920,575)	(871,636)
Indirect energy	**MWh**	**101,201**	**98,907**	**158,562**
Purchased electricity	MWh	101,201	92,580	60,001
Purchased steam (heat)	MWh	0	6,327	98,561
Total energy consumption	**MWh**	**29,284,178**	**9,501,251**	**11,864,027**
Energy intensity (based on operating revenue)	MWh/HK$'000	4.59	1.50	2.33
Water consumption and intensity				
Total water consumption	m^3	24,557,582	23,521,151	21,444,907
Water consumption intensity (based on operating revenue)	m^3/HK$'000	3.85	3.70	4.21
Total volume of packaging material used for finished products and intensity				
Total volume of packaging materials	tonnes	0	0	1.53
Intensity of packaging materials (based on operating revenue)	kg/HK$ million	0	0	0.30

[7] Conversion of fuel energy is based on low calorific value; conversion of steam energy is based on temperature and pressure. Total energy consumption is equivalent to non-renewable fuel consumed, renewable fuel consumed and purchased energy (electricity, heating, cooling and steam) and unconsumed self-generated energy (electricity, heating, cooling and steam) minus sold energy (electricity, heating, cooling and steam).

[8] Biomass fuel is defined as renewable fuel in accordance with GRI definitions.

[9] The Group has optimised the relevant definition, namely, the on-grid power generation volume of solar energy and wind power projects, and supplementary disclosures have been made in respect of data for 2020 and 2021.

GHG emission (tonnes CO_2 equivalent)	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Solar energy and wind power projects	Office operation
Scope 1	**1,457,574**	**1,039,840**	**48**	**7**
Fossil fuel combustion — stationary source	10,953	19,820	0	0
Fossil fuel combustion — mobile source	9,770	866	48	7
Fugitive emission	939	18	0	0
GHG released from waste incineration (fossil carbon)	1,360,122	629,665	0	0
GHG released from waste incineration (CH_4, N_2O)	55,609	194,736	0	0
GHG released from methane combustion generated by the system for anaerobic processing of waste leachate	742	0	0	0
Direct atmospheric GHG emission released from methane combustion generated by the system for anaerobic processing of waste leachate	19,437	0	0	0
GHG released from solid and hazardous waste landfill (CH_4)	0	194,736	0	0
Scope 2	**8,422**	**57,992**	**806**	**70**
Purchased electricity	8,422	57,992	806	70
Purchased steam (heat)	0	0	0	0
Scope 3	**183,177**	**1,262**	**0**	**183**
Transportation of biomass, solid and hazardous waste	183,172	1,258	0	0
Off-site power consumption	0	0	0	0
Paper waste disposal	0	0	0	150
Business flights	5	4	0	33
Total GHG emissions (Scopes 1 and 2)	**1,465,995**	**898,482**	**854**	**77**
GHG emission intensity (Scopes 1 and 2)	**0.12**	**1.99**	**0.003**	**0.36**
Total GHG emissions (Scopes 1, 2 and 3)	**1,649,173**	**899,744**	**854**	**260**
GHG emission intensity (Scopes 1, 2 and 3)	**0.14**	**1.99**	**0.003**	**1.23**

GHG emission intensity unit	**Based on volume of biomass processed (tonnes CO_2 equivalent/ tonnes)**	**Based on volume of hazardous and solid waste processed (tonnes CO_2 equivalent/ tonnes)**	**Based on volume of electricity generation (tonnes CO_2 equivalent/ MWh)**	**Based on employees headcount (tonnes CO_2 equivalent/ employees)**
Biogenic GHG emission	987,099	69,963	0	0

Destination of water discharge/total volume of sewage discharge (cubic metre)[10]	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Solar energy and wind power projects	Office operation
Sewer	1,526,048	247,512	3,190	279
Surface water	78,633	0	0	0

[10] Sewage treatment facilities vary from project to project. The main body needs to go through pre-processing (reduction and neutralisation, flocculation and precipitation), secondary biochemical processing (such as anaerobic treatment, anaerobic/aerobic treatment, membrane bioreactor (MBR) and disk tube reverse osmosis (DTRO), among others), filtration (nanofiltration and reverse osmosis) and sterilisation before reuse or discharge. Discharge quality requirements vary from project to project. Chemical Oxygen Demand ("COD") of all processed sewage must not exceed 500 mg/L and Suspended Solids ("SS") must not exceed 400 mg/L in compliance with Class 3 standard under the "Integrated Wastewater Discharge Standard" (GB8978–1996), while certain COD of processed sewage must not exceed 60 mg/L and SS must not exceed 1 mg/L in order to be discharged or reused in compliance with the cooling water standard "The Reuse of Urban Recycling Water — Water Quality Standard for Industrial Uses" (GB/T19923–2005).

Water source and total volume of water acquisition (cubic metre)	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Solar energy and wind power projects	Office operation
Surface water	13,238,494	9,005	0	0
Underground water	1,234,350	82,705	0	0
Municipal and other water supply facilities	2,992,691	643,630	3,249	279
Direct collection and storage of rainwater	3,313	21,356	0	0
Waste water from other entities	6,108,825	4,399	0	0
Hazardous waste (tonnes)				
Preparation for reuse (enabling items that would otherwise become waste to be put to their original use again through inspection, cleaning or repair)	0.006	0	0	0
Regeneration (regeneration of waste into new materials through reprocessing and manufacturing)	0	6,486	0	0
Incineration (including energy recycling)	1	212	0	0
Incineration (without energy recycling)	2	289	0.008	0
Landfill after solidification	59,437	16,762	0	0
Landfill	38,012	42,971	0	0
On-site storage	5	1,476	0	0
Handling by qualified agents entrusted	665	400	0	0
Types of hazardous waste (tonnes)				
Ash	97,449	13,570	0	0
Bottom ash	0	47,222	0	0
Waste activated carbon	6	221	0	0
Waste motor oil	602	3	0	0
Waste fabric bags	50	128	0	0
Toner cartridges	0.55	0.05	0.008	0
Ink boxes	0.46	0.007	0	0
Fluorescent lamps (fluorescent tubes)	0.02	0	0	0
Sludge (originated from sewage treatment facilities)	0	529	0	0
Others	14	6,922	0	0

Non-hazardous waste (tonnes)	Integrated biomass utilisation projects	Hazardous and solid waste treatment projects	Solar energy and wind power projects	Office operation
Preparation for reuse (enabling items that would otherwise become waste to be put to their original use again through inspection, cleaning or repair)	740,871	0	0	0
Regeneration (regeneration of waste into new materials through reprocessing and manufacturing)	2,052,001	0	0	0
Incineration (including energy recycling)	424	177	0	1
Incineration (without energy recycling)	8,457	33	0	0
Composting	0	0	0	0
Landfill	0	0	7	0
Handling by qualified agents entrusted	15	3	0	0
Types of non-hazardous waste (tonnes)				
Bottom ash	2,792,593	0	0	0
Kitchen waste	169	145	6	0
Household waste	591	67	1	1
Sludge (originated from sewage treatment facilities)	8,415	0	0	0
Ash	0	0	0	0
Grease	0	0	0	0
Meat and bone powder	0	0	0	0

SOCIAL PERFORMANCE

Indicator		Unit	2022	2021	2020
Total employees headcount		**person**	**3,580**[11]	**3,889**	**3,719**
By gender	Male	person	2,808	3,033	2,913
	Female	person	772	856	806
By age	30 or below	person	1,337	1,531	1,660
	31–40	person	1,701	1,779	1,568
	41–50	person	436	465	400
	51 or above	person	106	114	91
By employment contract	Permanent	person	402	330	264
	Term	person	3,178	3,559	3,455
By employment category	Full-time	person	3,580	3,889	3,719
	Part-time	person	0	0	0
By geographical region	Hong Kong	person	16	18	18
	Mainland China	person	3,564	3,871	3,701
New employees headcount and ratio		**person (%)**	**599 (16.73%)**	**1,030 (26.48%)**	**945 (25.41%)**
By gender	Male	person (%)	494 (13.80%)	815 (26.87%)	750 (25.75%)
	Female	person (%)	105 (2.93%)	215 (25.12%)	195 (24.19%)
By age	30 or below	person (%)	326 (9.11%)	539 (35.21%)	542 (32.65%)
	31–40	person (%)	235 (6.56%)	393 (22.09%)	324 (20.66%)
	41–50	person (%)	37 (1.03%)	85 (18.28%)	65 (16.25%)
	51 or above	person (%)	1 (0.03%)	13 (11.40%)	14 (15.38%)
By geographical region	Hong Kong	person (%)	1 (0.03%)	3 (16.67%)	3 (16.67%)
	Mainland China	person (%)	598 (16.70%)	1,027 (26.53%)	942 (25.45%)
Employees turnover headcount and ratio		**person (%)**	**673 (18.80%)**	**755 (19.41%)**	**541 (14.55%)**
By gender	Male	person (%)	544 (15.20%)	618 (20.38%)	434 (14.90%)
	Female	person (%)	129 (3.60%)	137 (16.00%)	107 (13.28%)
By age	30 or below	person (%)	300 (8.38%)	374 (24.43%)	302 (18.19%)
	31–40	person (%)	300 (8.38%)	310 (17.43%)	193 (12.31%)
	41–50	person (%)	61 (1.70%)	58 (12.47%)	37 (9.25%)
	51 or above	person (%)	12 (0.34%)	13 (11.40%)	9 (9.89%)
By geographical region	Hong Kong	person (%)	3 (0.08%)	2 (11.11%)	2 (11.11%)
	Mainland China	person (%)	670 (18.72%)	753 (19.45%)	539 (14.56%)

[11] Including 2,952 contract-based workers and 628 workers on other bases (including post-retirement hiring, outsourced workers and contract workers).

Indicator		Unit	2022	2021	2020
Proportion of total annual remuneration					
Total annual remuneration of highest paid employee in proportion to the median of the total annual remuneration of all employees[12] (excluding that of the highest paid employee)		—	33.03:1	30.79:1	48.45:1
Incremental rate of total annual remuneration of highest paid employee in proportion to the annual percentage growth of the median of the total annual remuneration of all employees[12] (excluding that of the highest paid employee)		—	–0.01	0.48:1	0.80:1
Parental leave statistics					
Total number of employees eligible for parental leave during the year	Male	person	1,209	1,832	982
	Female	person	306	490	322
Total number of employees applying for parental leave during the year	Male	person	112	91	96
	Female	person	43	40	44
Total number of employees returning to work after parental leave and return to work rate during the year	Male	person (%)	109 (97.32%)	125 (94.70%)	89 (95.70%)
	Female	person (%)	39 (90.70%)	46 (90.20%)	26 (86.67%)
Total number of employees returning to work after parental leave and remaining in service after 12 months and retention rate during the year	Male	person (%)	37 (33.04%)	31 (34.83%)	38 (97.44%)
	Female	person (%)	19 (44.19%)	16 (61.54%)	21 (87.50%)
Health and safety statistics					
Number and ratio of workers covered by occupational health and safety management system[13]		person (%)	7,932 (100%)	8,828 (100%)	7,151 (100%)
Number and ratio of workers covered by internally audited management systems[14]		person (%)	7,932 (100%)	8,828 (100%)	7,133 (99.75%)
Number and ratio of workers covered by externally certified management systems[15]		person (%)	3,580 (45.13%)	3,350 (37.95%)	1,482 (20.72%)

12 Including contract-based employees only.
13 Comprising employees as well as on-site project workers of third-party contractors and sub-contractors, including 4,352 on-site project workers of third-party contractors and sub-contractors.
14 The Group's ESHS management regime.
15 ISO 45001 or OHSAS 18001 Occupational Health and Safety Management System.

Indicator		Unit	2022	2021	2020
Number and rate of fatality caused by work-related injuries[16]	Employees	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
	Other workers	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
Number and rate of high-consequence work-related injuries[17]	Employees	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
	Other workers	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
Number and rate of recordable work-related injuries[18]	Employees	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
	Other workers	case (case/200,000 hours)	0 (0)	0 (0)	0 (0)
Lost days due to work-related injuries	Employees	day	0 (0)	0	0
	Other workers	day	0 (0)	0	0
Number of work-related ill health	Employees	case	0 (0)	0	0
	Other workers	case	0 (0)	0	0
Working hours[19]	Employees	hour	7,160,000	7,778,000	7,438,000
	Other workers	hour	8,704,000	9,878,000	6,864,000
Employees training ratio		**%**	**100%**	**100%**	**100%**
By gender	Male	%	100%	100%	100%
	Female	%	100%	100%	100%
By employee category	Senior management	%	100%	100%	100%
	Middle management	%	100%	100%	100%
	General and technical employees	%	100%	100%	100%

16 Rate of fatalities caused by work-related injuries = (Number of fatalities caused by work-related injuries/total work hours) x 200,000. Total work hours are estimated on the basis of 8 hours' work per working day per worker.

17 Work-related injury sustained by a worker that will not or is not likely to recover to the healthy conditions prior to the injury within six months, excluding fatal cases. Rate of high-consequence work-related injuries = (number of persons suffering from high-consequence work-related injuries/total work hours) x 200,000.

18 Including fatality caused by work-related injuries, high-consequence work-related injuries and other work-related injuries. Traffic accidents on the way to and from work fulfilling the stated conditions for work-related injuries under the Regulation on Work-Related Injury Insurance" of Mainland China are included in the calculation of work-related injuries statistics.

19 Estimations based on 8 hours' work per working day and, in accordance with pertinent laws and regulations, 250 working days per year per worker.

Indicator		Unit	2022	2021	2020
Average training hours per employees		**hour**	**17.34**	**19.31**	**15.82**
By gender	Male	hour	17.96	20.64	14.46
	Female	hour	15.06	14.61	23.03
By employee category	Senior management	hour	24.05	18.93	17.54
	Middle management	hour	14.21	19.99	18.66
	General and technical employees	hour	17.68	19.21	15.44
Number of suppliers		**unit**	**2,686**	**2,308**	**1,374**
By geographical region	Hong Kong	unit	68	68	30
	Mainland China	unit	2,617	2,239	1,343
	Overseas	unit	1	1	1
By type	Raw materials and equipment	unit	1,558	1,417	749
	Engineering work	unit	171	161	114
	Other services[20]	unit	957	730	511

Statistics of eligible retired employees			Within five years	Within ten years
Hong Kong	Senior management	person (%)	1 (25.00%)	1 (25.00%)
	Middle management	person (%)	1 (50.00%)	1 (50.00%)
	General and technical employees	person (%)	0 (0%)	0 (0%)
Mainland China	Senior management	person (%)	12 (10.17%)	14 (11.86%)
	Middle management	person (%)	8 (1.47%)	37 (6.78%)
	General and technical employees	person (%)	22 (0.69%)	45 (1.40%)

[20] Including property, consultancy, printing, inspection and testing maintenance services, among others.

STOCK EXCHANGE ESG REPORTING GUIDE CONTENT INDEX

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
A. Environmental			
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.	— Message from the CEO — Green Recycling — KPI Overview The Group observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report.	17-19, 60-85
A1.1	Types of emissions and respective emissions data.		138, 141
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.		138, 140
A1.3	Total hazardous waste produced and intensity.		138
A1.4	Total non-hazardous waste produced and intensity.		138
A1.5	Description of emission targets set and steps taken to achieve them.		66-84
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them.		71-84

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	— Message from the CEO — Green Recycling — KPI Overview	14, 81-84
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	The Group is not subject to any problems in connection with access to water sources.	139
A2.2	Water consumption in total and intensity.		139
A2.3	Description of energy use efficiency targets set and steps taken to achieve them.		68-70, 81
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.		81-84
A2.5	Total packaging material used for finished products and per unit produced.		139
A3 Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	— Message from the CEO — Green Recycling	14, 60-71
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Group is engaged in the provision of environmental services and did not generate any material adverse impact on the environment and natural resources during the Reporting Year.	60-85
A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	— Message from the CEO — Sustainability Strategy — Safe Production — Stable Supply	10-17, 31-32, 53-54
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.		53-54, 94-95

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
B. Social			
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.	— Message from the CEO — Employee Development — KPI Overview The Group observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report.	16-17, 107-125
B1.1	Total workforce by gender, employment type, age group and geographical region.		106, 143
B1.2	Employee turnover rate by gender, age group and geographical region.		107, 143
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.	— Message from the CEO — Safe Production — KPI Overview The Group observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report.	17-19, 42-45
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		145
B2.2	Lost days due to work injury.		145
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		46-59

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
B3 Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	— Message from the CEO — Employee Development	16-17, 107-113
B3.1	The percentage of employees trained by gender and employee category.	— KPI Overview	145
B3.2	The average training hours completed per employee by gender and employee category.		107, 146
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.	— Message from the CEO — Employee Development The Group observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report.	17-19, 116-117
B4.1	Description of measures to review employment practices to avoid child and forced labour.		116-117
B4.2	Description of steps taken to eliminate such practices when discovered.		116-117

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
B5 Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	— Message from the CEO — Safe Production — Green Recycling — Stable Supply	16-17, 59, 84, 90-92
B5.1	Number of suppliers by geographical region.	— KPI Overview	146
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		59, 84, 90-92
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		59, 84, 90-92
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		84, 71-72

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
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.	— Message from the CEO — Stable Supply — Technological Development The Group's operations did not involve matters relating to advertisements and labels or recall measures. The Group observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report. In addition, the Group did not receive any material complaint about products and services during the Reporting Year.	17-19, 96-97, 104-105
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.		
B6.2	Number of products and service-related complaints received and how they are dealt with.		
B6.3	Description of practices relating to observing and protecting intellectual property rights.		96-97, 104-105
B6.4	Description of quality assurance process and recall procedures.		
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.		88, 104-105

Aspects	Contents	Relevant chapter(s) and/or other explanations	Page
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.	— Message from the CEO — Stakeholder Engagement — Staff Development The Group and its staff observed stringent compliance with pertinent laws and regulations of the places where it operated during the Reporting Year to ensure legal compliance. For details of the Group's legal management, please refer to the section "Legal Compliance" of this Report. In addition, the Group did not receive any material complaint about corruption during the Reporting Year.	16-17, 33-36, 116-117
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.		
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		116-117
B7.3	Description of anti-corruption training provided to directors and employees.		116-118
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.	— Employee Development	125-135
B8.1	Focus areas of contribution.		125-135
B8.2	Resources contributed to the focus area.		125-135

GRI CONTENT INDEX

1 GRI INDEX

1.1 Statement of Use

Statement of use	China Everbright Greentech Limited has reported the information cited in this GRI content index for the period January 1 to December 31, 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

1.2 GRI 2: General Disclosure

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
Organization Profile			
The organization and its reporting practices			
2–1	Organizational details	Company Profile About Everbright Greentech	2, 21-27
2–2	Entities included in the organization's sustainability reporting	About this Report	3
2–3	Reporting period, frequency and contact point	About this Report	3
2–4	Restatements of information	Not Applicable	
2–5	External assurance	Verification Statement Third-party verifiers verify the data and contents of greenhouse gas emissions, energy consumption, water intake and waste production contained in the report.	136
Activities and workers			
2–6	Activities, value chain and other business relationships	For information on the number of suppliers and their geographical locations, please refer to KPI B5.1: Number of suppliers by region. More information about Everbright Greentech can be found on the company website: https://www.ebgreentech.com/	146
2–7	Employees	Employee Development	106-125
2–8	Workers who are not employees	KPI Overview	143-144

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
Governance			
2–9	Governance structure and composition	Sustainability Strategy. Please refer to the Company's annual report for relevant information.	31-32
2–10	Nomination and selection of the highest governance body	Message from the CEO	10
2–11	Chair of the highest governance body	Mr. Huang Haiqing (Non-executive Director), Chairman of the Board of Directors of China Everbright Greentech Co., Ltd.	
2–12	Role of the highest governance body in overseeing the management of impacts	Sustainability Strategy	31-32
2–13	Delegation of responsibility for managing impacts	Sustainability Strategy. Please refer to the Company's annual report for relevant information.	31
2–14	Role of the highest governance body in sustainability reporting	Sustainability Strategy	31-32
2–15	Conflicts of interest	Sustainability Strategy	31-32
2–16	Communication of critical concerns	Stakeholder Engagement Material Issues	33-41
2–17	Collective knowledge of the highest governance body	Sustainability Strategy	31-32
2–18	Evaluation of the performance of the highest governance body	Sustainability Strategy	31-32
2–19	Remuneration policies	Please refer to the Company's annual report for relevant information.	
2–20	Process to determine remuneration	Please refer to the Company's annual report for relevant information.	
2–21	Annual total compensation ratio	Please refer to the Company's annual report for relevant information.	

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
Strategies, policies and practices			
2–22	Statement on sustainable development strategy	Sustainability Strategy	30
2–23	Policy commitments	Sustainability Strategy	30
2–24	Embedding policy commitments	Sustainability Strategy	30
2–25	Processes to remediate negative impacts	To safeguard the orderly operation of business and promote healthy development of the enterprise as well as to enhance internal control, the Group revised its "Whistleblowing Management System" during the reporting year to assist internal or external stakeholders (including staff, investors and suppliers) to report actual or suspected illegal acts and improprieties to report@ebgreentech.com via email or 36/F Far East Financial Centre, 16 Harcourt Road, Hong Kong or West Wing, 27/F, Oriental New World Plaza, 1003 Shennan Avenue, Futian District, Shenzhen, PRC via post. The channels are published on the corporate website and in the Staff Handbook and annual report. For further information, please refer to the Annual Report of the Company.	
2–26	Mechanisms for seeking advice and raising concerns	To safeguard the orderly operation of business and promote healthy development of the enterprise as well as to enhance internal control, the Group revised its "Whistleblowing Management System" during the reporting year to assist internal or external stakeholders (including staff, investors and suppliers) to report actual or suspected illegal acts and improprieties to report@ebgreentech.com via email or 36/F Far East Financial Centre, 16 Harcourt Road, Hong Kong or West Wing, 27/F, Oriental New World Plaza, 1003 Shennan Avenue, Futian District, Shenzhen, PRC via post. The channels are published on the corporate website and in the Staff Handbook and annual report.	

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
2–27	Compliance with laws and regulations	The Company had no confirmed material violations of regulations during the Reporting Year.	
2–28	Membership associations	Corporate memberships included: • China Resource Recycling Association Hazardous Waste Committee • China Industry Development Promotion Association Biomass Energy Industry Chapter ("Biomass Energy Industry Alliance") • Anhui New Energy Association • Anhui Environment Federation • China Rubber Industry Association Integrated Waste Rubber Utilisation Branch • Jiangsu Environmental Protection Industry Association	
Stakeholder engagement			
2–29	Approach to stakeholder engagement	Stakeholder engagement Material Issues	33-41
2–30	Collective bargaining agreements	Not Applicable	
1.3 GRI 3: Material Topics			
Material Topics			
3–1	Process to determine material topics	Stakeholder engagement Material Issues	33-41
3–2	List of material topics	Material Issues	39-41
1.4 Economic			
Economic			
GRI 3: Material Topics 2021			
3–3	Management of material topics	Message from the CEO Sustainability Strategy	15-16, 30-32

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
GRI 201：Economic Performance 2016			
201–1	Direct economic value generated and distributed	Please refer to the Company's annual report for relevant information.	
201–2	Financial implications and other risks and opportunities due to climate change	Please refer to CEEGL sustainability report for group-wise TCFD strategy	
201–3	Defined benefit plan obligations and other retirement plan	Please refer to the Company's annual report for relevant information.	
201–4	Financial assistance received from government	Please refer to the Company's annual report for relevant information.	
GRI 202: Market Presence 2016			
202–1	Ratios of standard entry level wage by gender compared to local minimum wage	KPI Overview	144
202–2	Proportion of senior management hired from the local community	The localisation ratio of senior management for the year was 100% (local citizens referring to PRC citizens)	
GRI 204: Procurement 2016			
204–1	Proportion of spending on local suppliers	All procurement expenditure for the year was paid to local suppliers (namely, suppliers in China).	
GRI 205: Anti-Corruption 2016			
205–1	Operations assessed for risks related to corruption	Corruption-related risks have been taken into consideration to ensure on a best effort basis that corruption-related risk assessment is conducted in respect of the principal businesses.	

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
205–2	Communication and training about anti-corruption policies and procedures	Our Code of Business Conduct and Ethics and Anti-Corruption Policy have been communicated to board, management and all employees of Everbright Greentech. All employees are required to receive training on the Code of Business Conduct and Ethics and Anti-Corruption Policies and Procedures. All board members have received anti-corruption training in 2022. Depending on the type of business partners, the anti-corruption policy and procedures are also communicated to business partners (i.e. suppliers, agents and lobbyists) at the time of contract signing each year thereafter. All suppliers and partners are required to acknowledge our Anti-Corruption Policy and Procedures. During the Reporting Year, we communicated our company's anti-corruption procedures to all suppliers participating in our tenders.	
205–3	Confirmed incidents of corruption and actions taken	The Company was not involved in any confirmed material incidents of legal violation.	
1.5 Environmental			
GRI 3: Material Topics 2021			
3–3	Management of material topics	Message from the CEO Sustainability Strategy	15-16, 30-32
GRI 301: Materials 2016			
301–1	Materials used by weight or volume	KPI Overview	137, 139
GRI 302：Energy 2016			
302–1	Energy consumption within the organization	KPI Overview	139
302–2	Energy consumption outside of the organization	KPI Overview	139
302–3	Energy intensity	KPI Overview	139
302–4	Reduction of energy consumption	KPI Overview	139

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
302–5	Reductions in energy requirements of products and services	Green Recycling	69, 80-84
GRI 303: Water and Effluents 2018			
303–1	Interactions with water as a shared resource	KPI Overview	141
303–2	Management of water discharge-related impacts	KPI Overview	140
303–3	Water withdrawal	KPI Overview	141
303–4	Water discharge	KPI Overview	140
303–5	Water consumption	KPI Overview	139
GRI 304: Biodiversity 2016			
304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Company did not own any projects located within areas with high biodiversity value. In the event of certain projects which could be located in regions near areas with high biodiversity value, the Company conducts environmental assessment procedures and reporting and risk assessment and adopts control measures in accordance with pertinent laws and regulations of the areas of operation.	
GRI 305: Emissions 2016			
305–1	Direct (Scope 1) GHG emissions	KPI Overview	138, 140
305–2	Energy indirect (Scope 2) GHG emissions	KPI Overview	138, 140
305–3	Other indirect (Scope 3) GHG emissions	KPI Overview	138, 140
305–4	GHG emission intensity	KPI Overview	140
305–5	Reduction of GHG emissions	KPI Overview	138
305–6	Emissions of ozone-depleting substances (ODS)	The Company was not involved in any production, destruction and use of ozone depleting substance (ODS) during the Reporting Year and hence did not produce related emissions.	
305–7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	KPI Overview	138

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
GRI 306: Waste 2020			
306–1	Waste generation and significant waste-related impacts	KPI Overview	141-142
306–2	Management of significant waste-related impacts	Green Recycling	71-84
306–3	Waste generated	KPI Overview	141-142
306–4	Waste diverted from disposal	KPI Overview	141-142
306–5	Waste directed to disposal	KPI Overview	141-142
GRI 308 Supplier Environmental Assessment 2016			
308–1	New suppliers that were screened using environmental criteria	The Company screened and selected new suppliers in accordance with environmental standards during the Reporting Year.	
308–2	Negative environmental impacts in the supply chain and actions taken	Green Recycling Stable Supply	84, 90-91
1.6 Social			
GRI 3: Material Topics 2021			
3–3	Management of material topics	Message from the CEO Sustainability Strategy	15-16, 30-32
GRI 401: Employment 2016			
401–1	New employee hires and turnover	KPI Overview	143
401–2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Development	114-115
401–3	Parental leave	KPI Overview	144

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
GRI 403: Occupational Health and Safety 2018			
403–1	Occupational health and safety management system	Safe Production	42-45, 50-59
403–2	Hazard identification, risk assessment, and incident investigation	Safe Production Risk assessment methods are used to identify work-related hazards and assess the risks. The company conducts hazard identification for each work activity and evaluates it using a risk matrix. The risk assessment process evaluates the controls in place to manage the risks associated with the identified hazards. If the risk level is high, Controls are implemented. The Company reviews reports of past incidents and holds regular meetings with healthcare providers to discuss trends and best practices.	42-57
403–3	Occupational health services	Safe Production	57-59
403–4	Worker participation, consultation, and communication on occupational health and safety	Safe Production	42, 46-57
403–5	Worker training on occupational health and safety	Safe Production	46-49, 53-59
403–6	Promotion of worker health	Safe Production	42-59
403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe Production	46-49, 55-59
403–8	Workers covered by an occupational health and safety management system	Everbright Greentech's occupational health and safety management system covers all employees.	
403–9	Work-related injuries	KPI Overview	145
403–10	Work-related ill health	KPI Overview	145

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
GRI 404: Training and Education 2016			
404–1	Average hours of training per year per employee	KPI Overview	146
404–2	Programs for updating employee skills and transition assistance programs	Employee Development	107-113, 121
404–3	Percentage of employees receiving regular performance and career development reviews	All employees of the Company received regular performance and career development reviews during the Reporting Year.	
GRI 405: Diversity and Equal Opportunity 2016			
405–1	Diversity of governance bodies and employees	Employee Development	106, 114-121
405–2	Ratio of basic salary and remuneration of women to men	We ensure that employees are paid fairly to support gender diversity.	
GRI 406: Non-Discrimination 2016			
406–1	Incidents of discrimination and corrective actions taken	There was no incident of discrimination occurring at the Company during the Reporting Year.	
GRI 407: Freedom of Association and Collective Bargaining 2016			
407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There was no infringement upon the freedom of association and right to collective bargaining at the Company or its suppliers during the Reporting Year, and there were no related risks.	116-119
GRI 409: Forced or Compulsory Labor 2016			
409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There was no incidents of forced or compulsory labour at the Company or its suppliers during the Reporting Year, and there were no related risks.	116-119
GRI 410: Security Practices 2016			
410–1	Security personnel trained in human rights policies or procedures	Safe Production Employee Development	46-48, 58-59, 116-117

GRI Standards	Disclosure headline	Relevant chapter(s) and/or other explanations	Page
GRI 411: Rights of Indigenous Peoples 2016			
411–1	Incidents of violations involving rights of indigenous peoples	The Company was not involved in confirmed material incidents of violations involving rights of indigenous peoples during the Reporting Year.	
GRI 413: Local Communities 2016			
413–2	Operations with local community engagement, impact assessments, and development programs	Employee Development	125-135
GRI 414: Supplier Social Assessment 2016			
414–1	New suppliers that were screened using social criteria	The Company applied social criteria in the screening of new suppliers during the Reporting Year.	90-92
414–2	Negative social impacts in the supply chain and actions taken	Green Recycling Stable Supply	84, 90-92
GRI 416: Customer Health and Safety 2016			
416–2	Incidents of non-compliance concerning the health and safety impacts of products and services	We were not involved in any violation of health and safety laws relating to products and services in 2022.	
GRI 417: Marketing and Labeling 2016			
417–2	Incidents of non-compliance concerning product and service information and labeling	In 2022, we did not have any violations of regulations or voluntary codes on product and service information or labeling, and we were not fined, penalized or warned.	
417–3	Incidents of non-compliance concerning marketing communications	In 2022, we did not have any incidents of violation of regulations or voluntary codes of marketing communications, and we were not fined, penalized or warned.	
GRI 418: Customer Privacy 2016			
418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2022, we did not violate any regulations or voluntary codes that violated customer privacy or losses customer data, and we were not fined, penalized or warned.	

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