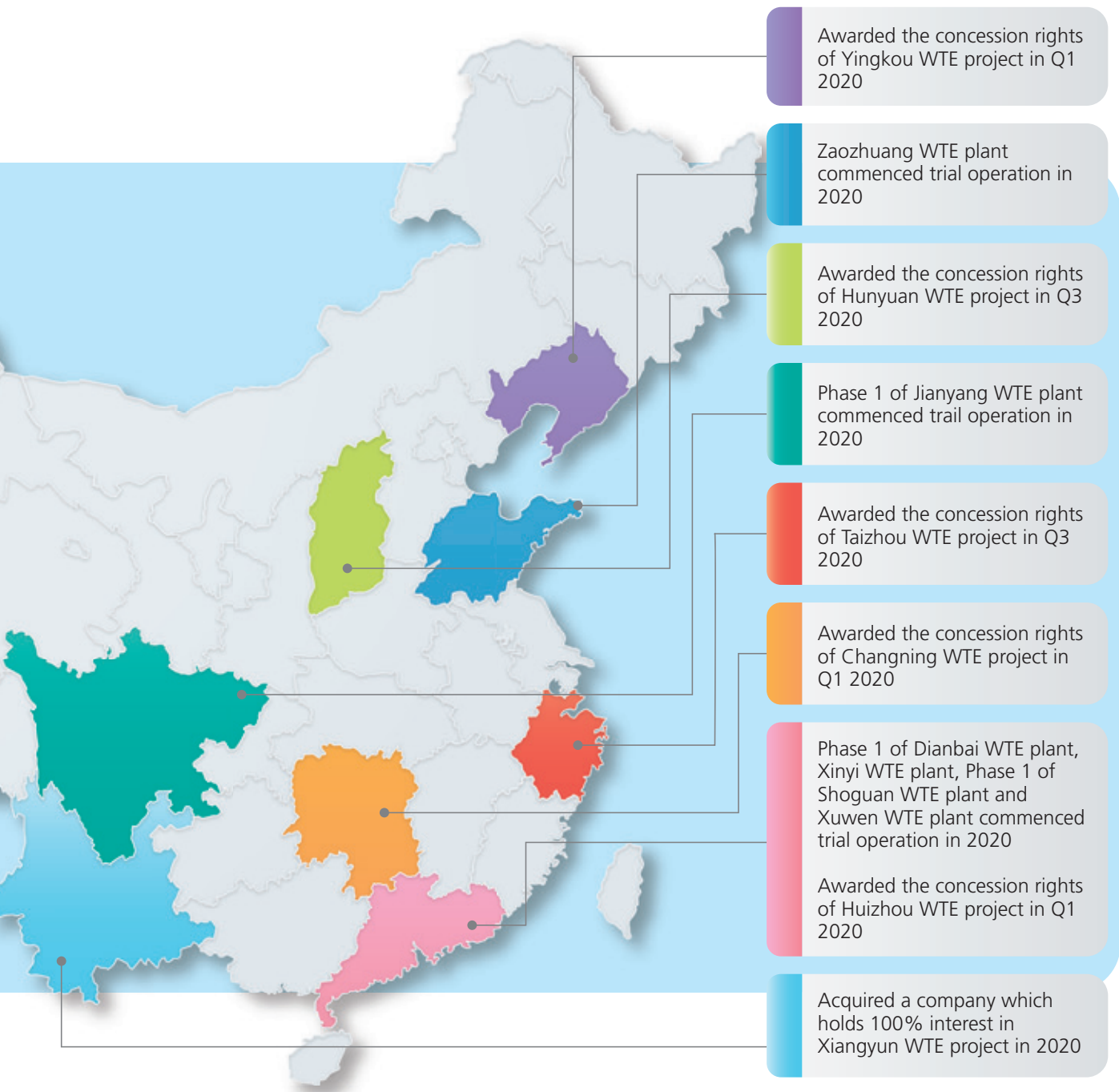




OUR SUSTAINABLE BUSINESS

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





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

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

CORPORATE GOVERNANCE

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

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

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



4

Executive Directors



2

Non-Executive Directors



4

Independent Non-Executive Directors



Board Structure



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

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

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



ANTI-CORRUPTION AND INTEGRITY

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

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

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

PROMOTING INTEGRITY CULTURE

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

Canvest's Integrity Culture Promotion Month in 2020

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

