



### Sustainable Water Management

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



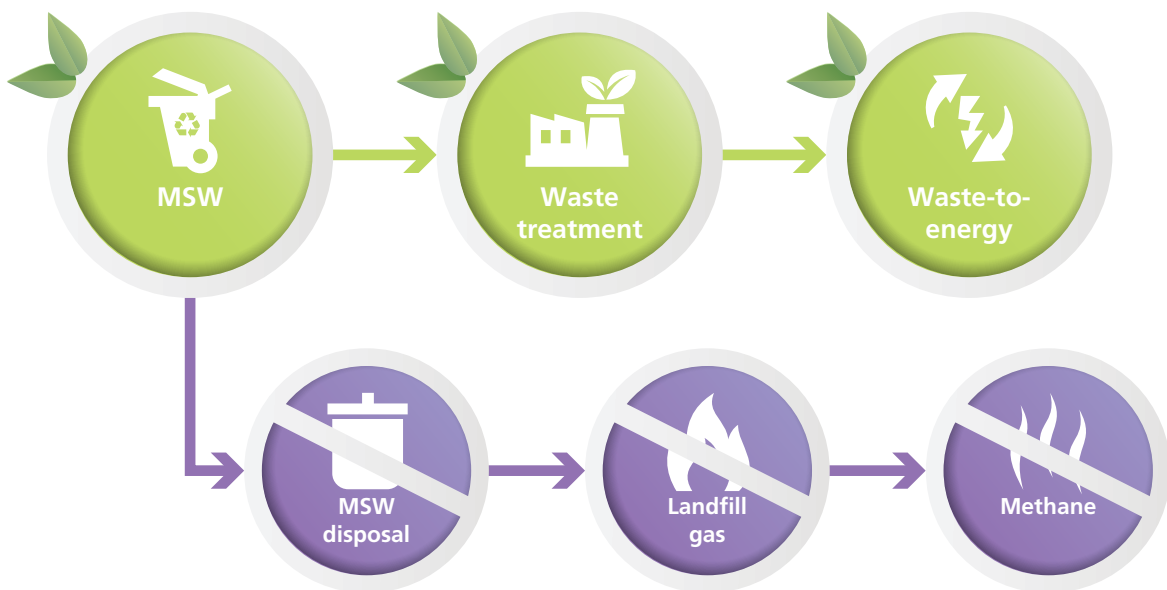
### REDUCTION OF GHG EMISSIONS

Waste-to-energy is an important part of the overall sustainable waste management approach to combat climate change as it reduces our reliance on fossil-based energy and reduces GHG emissions relative to landfilling, which emits methane that has high global warming potential. To measure our performance in GHG emission and reduction, we adopt the methodology as stated in Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC) to calculate and offset GHG emissions from our Operating Projects. The GHG emission calculation methodologies account for CO<sub>2</sub> equivalent emitted from fossil fuels used for electricity generation, emissions from the combustion of MSW, and methane released from the wastewater treatment process. Nonetheless, to expand GHG accountability, transparency and management across our value chain, we have expanded the reporting scope this year by including emissions from downstream transportation and distribution activities (e.g. delivering of bottom ash to downstream contractors for utilisation, delivering of stabilised fly ash to designated landfill for safe disposal, etc.).



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

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



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