



光大控股  
EVERBRIGHT LIMITED

The Power to *Transform*  
專注致遠 順勢有為

TOGETHER  
WE GO FURTHER  
協力精進 與時同行

Environmental, Social and Governance Report 2023 | Stock code: 165



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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## ABOUT THIS REPORT

This Environmental, Social and Governance (“ESG”) Report (the “Report”) is issued by China Everbright Limited (“CEL” or the “Company” together with its subsidiaries, hereinafter referred to as the “Group”) (stock code: 165.HK). This Report was confirmed and approved by the Board of Directors of the Company (the “Board” or the “Director(s)”) on 22 March 2024.

## Reporting Standards and Content

This Report was prepared in accordance with the *Environmental, Social and Governance Reporting Guide* under Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (“SEHK”) and the *Global Reporting Initiative (“GRI”) Standards*. This Report covers the sustainability strategies and ESG performance of the Company and its subsidiaries<sup>1</sup> (including Hong Kong headquarters and regional offices in Mainland China) for the period from 1 January 2023 to 31 December 2023 (the “Reporting Period”).

In addition, the Group is committed to aligning with the United Nations Sustainable Development Goals (“SDGs”) and integrating them into our business and environmental and social management strategies, aiming to protect the community and the environment while promoting economic prosperity. We have identified the following 9 SDGs that are most relevant to the Group’s business, which served as the basis for our sustainable development strategy. The following table illustrates how we promote sustainable development in different areas.

	<p>We consistently allocate resources to enhance and optimise the work environment, working towards eliminating occupational hazards to ensure the safety of our employees during their work. Additionally, several measures have been instituted to foster the physical and mental well-being of our workforce. Furthermore, we actively engage in fundraising activities through the China Everbright Charitable Foundation (“CECF”), taking tangible actions to support communities in need, including those affected by visual impairments.</p>		<p>We are dedicated to advocating for green business practices and have implemented a range of environmentally friendly measures within our offices. These include promoting a paperless office, utilising video and phone conferencing, implementing energy-saving measures, reducing water consumption, optimising resource utilisation, and actively engaging in waste recycling. Our goal is to balance effective business operations while minimising our environmental footprint, thereby contributing to sustainable development and environmental protection.</p>
	<p>We prioritise the ongoing and comprehensive development of our employees, aiming to enhance both their professional expertise and personal growth. Through the CECF, we actively fulfil our corporate social responsibilities and contribute to the community by providing long-term support for various educational initiatives. Our commitment to investing in education and nurturing talent is aimed at making a positive contribution to the sustainable development of our society. We aspire to cultivate the future pillars of both our community and the country.</p>		<p>Recognising the risks associated with climate change, we proactively drive the transition towards low-carbon business practices. Our commitment extends to investing in industries that prioritise environmental protection and sustainable development, while concurrently striving to reduce carbon emissions at the operational level.</p>
	<p>We are committed to upholding the principles of the <i>Employee Diversity Statement</i>, striving to establish a fair, equal, diverse, and inclusive work environment. Concurrently, in pursuit of gender equality, we guarantee that our human resource management framework, including salary levels, training opportunities, and career prospects, are not influenced by gender.</p>		<p>To safeguard the interests of all stakeholders, we uphold a high standard of corporate governance and conduct our business operations based on the highest ethical and responsible principles. We rigorously enforce company policies to ensure the legal compliance of both our business and office operations.</p>
	<p>To cultivate a high-standard workforce and respect the rights of our employees, we offer diverse training opportunities and extensive room for career development. This approach allows our employees to unleash their potential within a dynamic and competitive work environment.</p>		<p>We maintain close relationships with stakeholders from diverse backgrounds, fostering enduring partnerships built on mutual trust. Across various domains, we actively promote sustainable development by leveraging our strengths. Additionally, we integrate ESG factors and considerations in our investment decisions and practices. This not only enhances returns for investors but also contributes to creating positive impacts on society and the world at large.</p>
	<p>To safeguard the fundamental rights of employees and foster diversity and inclusion, we adhere to the principles of fair and impartial human resource management throughout processes including recruitment, promotion, training, and assessment. Oversight of these policies is entrusted to the Environmental, Social and Governance Committee (“ESG Committee”), ensuring the effective implementation and execution of these policies.</p>		

Note:

<sup>1</sup> With regards to the detailed sustainability performance of Ying Li International Real Estate Limited (“Ying Li”) (SGX: 5DM), a subsidiary of the Group listed on the Singapore Stock Exchange, please refer to the sustainability report section of its Annual Report 2023, which is expected to be published by the end of April 2024. It will be made available on the websites of the Singapore Stock Exchange ([www.sgx.com](http://www.sgx.com)) and Ying Li’s corporate website ([www.yingligi.com](http://www.yingligi.com)). As such, the data in this Report does not include data from Ying Li. All policies covered in this Report are applicable to the Company and the subsidiaries of the Group. Besides, the descriptions of the Group’s key investee companies, which are not accounted for as subsidiaries in the consolidated financial statements of the Company, detailed in this Report are voluntary and additional disclosures beyond current compliance requirements.

## Reporting Principles

This Report is based on seven reporting principles: materiality, quantitative, balance, consistency, stakeholder inclusiveness, sustainability context and completeness to ensure the quality of the Report.

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

## Access of the Report

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

## Contact Us

We welcome your comments and feedback on our Report and sustainability performance. Please email us at [media@everbright.com](mailto:media@everbright.com).



### THE BOARD'S OVERSIGHT OF ESG AND CLIMATE MATTERS

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

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

## ABOUT CHINA EVERBRIGHT LIMITED

CEL (stock code: 165.HK) is a leading cross-border asset management and private equity (“PE”) investment company in China. It is a listed company in Hong Kong with alternative investment and asset management as the core business. With more than 26 years of experience in cross-border asset management and PE investment, CEL has been assessed for multiple times as one of the top PE firms in China.

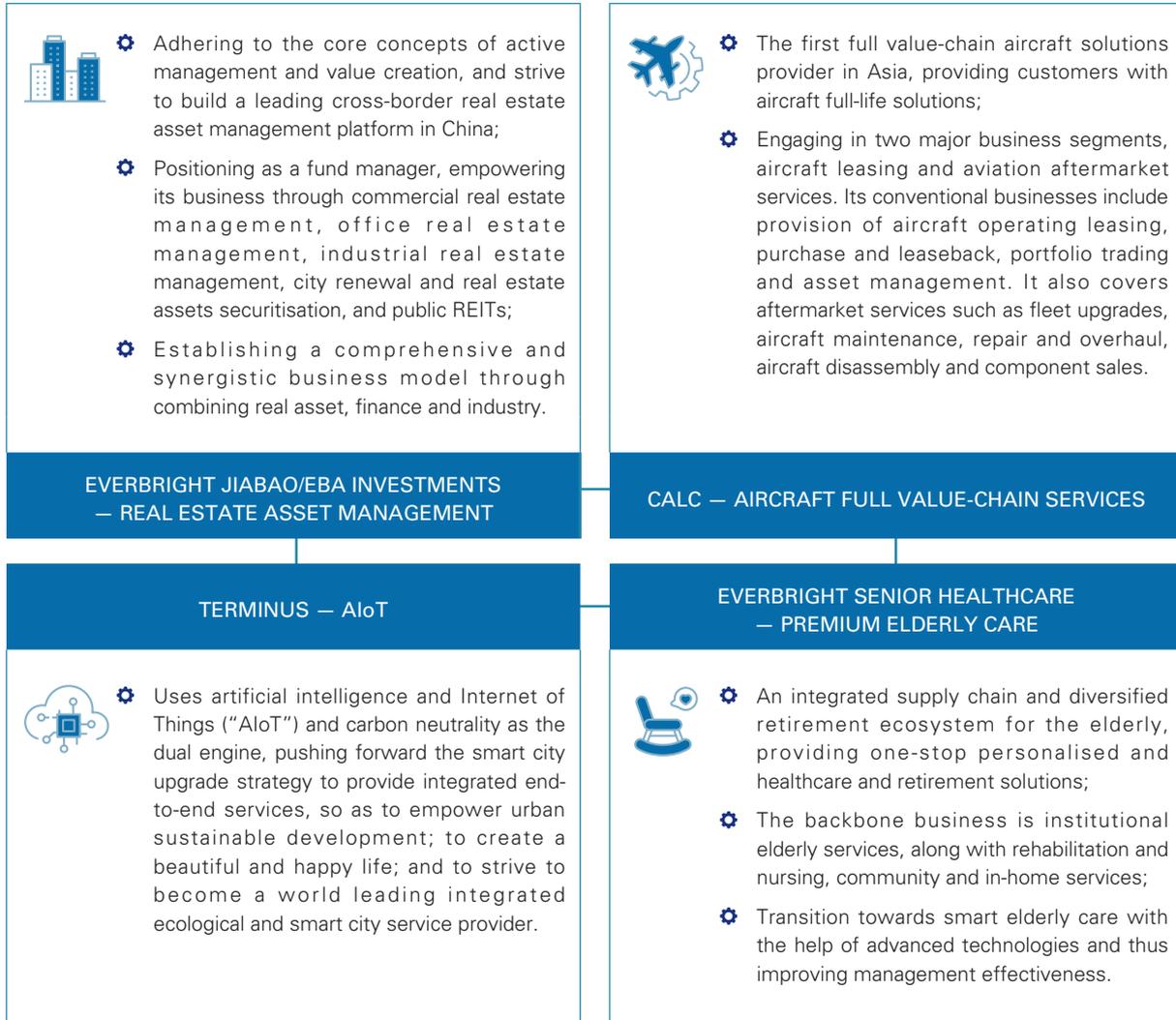
In terms of fund management business, as of 31 December 2023, CEL’s total assets under management (“AUM”)<sup>2</sup> amounted to approximately HK\$126.2 billion, with a portfolio of 73 managed funds. Through the management of various primary market funds and parent funds, CEL has collaboratively nurtured numerous enterprises with high growth potential alongside its investors. Concurrently, we are dedicated to aligning with the evolving needs of the Chinese economy by integrating overseas technological advantages with the Chinese market, offering diversified financial services to both Chinese and international investors.

In the realm of principal investments business, CEL has fostered the first aircraft lessor listed in Asia, China Aircraft Leasing Group Holdings Limited (“CALC”). It has also incubated Chongqing Terminus Technology Co., Ltd. (“Terminus”), a unicorn company in the field of artificial intelligence (“AI”) and the Internet of Things (“IoT”) and integrated various mid-to-high-end senior care enterprises to establish the premium senior care brand China Everbright Senior Healthcare Company Limited (“Everbright Senior Healthcare”). Furthermore, CEL has ventured into the Chinese real estate private equity market, leading with EBA Investments Real Estate Fund (“EBA Investments”)/Everbright Jiabao Co., Ltd. (“Everbright Jiabao”). Simultaneously, for balanced returns and liquidity in significant investments, CEL strategically invests in financial assets. Additionally, as cornerstone investments, CEL holds partial equity interests in China Everbright Bank Company Limited (“China Everbright Bank”) and Everbright Securities Company Limited (“Everbright Securities”).

Note:

<sup>2</sup> Total assets under management refer to the committed capital of fund investors (including CEL as an investor) for primary market funds and FoFs, and refers to the net worth of funds for secondary market investments.

## Key Investee Companies



## MAJOR SUSTAINABILITY RECOGNITIONS AND AWARDS

The Group has received various recognitions and awards in recent years, which reflects the recognition of our contributions in the social and environmental fields. In recognition of the Group’s continuous contributions in caring for the community, employees and environment as well as building an inclusive society over the years, CEL has been awarded “Caring Company” and “Caring Organisation” for thirteenth consecutive years since 2011. We are also committed in creating a pleasant working environment and promoting positive attitudes towards life for our employees, and as such, CEL has been awarded the “Happy Company 5 years+” label for ninth consecutive years jointly by the Hong Kong Productivity Council and the Promoting Happiness Index Foundation. We have also been awarded the “Sport-Friendly Action” Decal by the Chinese YMCA of Hong Kong for four consecutive years, commending our efforts in caring for the physical and mental health of our employees and promoting life-work balance.

The awards and recognitions received by the Group in 2023 (including the 2022 awards received from relevant organisations this year) are as follows:

Recognitions and Awards	Issuing Authority
“Caring Company”      “Caring Organisation” 	The Hong Kong Council of Social Service
“Happy Company 5 years+” 	Hong Kong Productivity Council and Promoting Happiness Index Foundation
“Sport-Friendly Action” 	Chinese YMCA of Hong Kong
“Joyful@Healthy Workplace Best Practices Award — Outstanding Award”	Occupational Safety & Health Council
“Privacy-Friendly Awards” (Bronze Award)	Office of the Privacy Commissioner for Personal Data, Hong Kong
MSCI ESG Rating Upgraded to BBB	MSCI
China Insurance Asset Management Association Private Equity Investment Fund Manager Class A List	Asian Financial Cooperation Association
“2023 List of Private Equity Institutions (Standard Venture Capital List)”	Jiemian
“Top 50 AIGC Application Scenario Innovations in 2023”	EqualOcean
“Top 100 Chinese Private Equity Investment Institutions in 2023”	Zero2IPO Group

Recognitions and Awards	Issuing Authority
Ranked 8th in “2023 Best Return of State-owned Direct Investment Institutions”	FoF Research Centre
Ranked 7th in “2023 Best Return of State-owned Assets Market-oriented FoFs”	
“2023 Top 50 China Influence State-owned Capital Investment Institution” “2023 Top 100 China Influence Investment Institution”	China Venture Capital Research Institute
“2023 China’s Marketization FoF Voted by GP”	36kr
“Best Asian Hedge Fund (3 Years)” “Best Asian Hedge Fund (5 Years)”	Insights & Mandates
“Top 20 Socially Responsible and Carbon Neutral Investment Institutions” Ranked 7th in “Top 10 Investment Institution Soft Power GP” “Top 20 Soft Power New Economy of Investment Institutions”	FOFWEEKLY
“Top 20 Market-oriented FoFs in China in 2022–2023”	China Bridge
“Top 100 Best Private Equity Investors in China in 2022–2023” “Top 30 Best Limited Partners in China”	China Venture
“The Most Popular LP Among Equity Investment Institutions”	China Securities Journal
Ranked 22nd of “Top 50 Best Hard Technology Private Equity Investment Institutions”	Jazzyear
“Best Asian ex-Japan Hedge Fund (3 Years)” “Best Asian ex-Japan Fixed Income Hedge Fund (5 Years)” “Best Asian ex-Japan Fixed Income Hedge Fund (5 Years)”	Insights & Mandates

## CEL'S APPROACH TO ESG MANAGEMENT

CEL firmly believes that a robust corporate governance system and effective risk management mechanisms are not only the cornerstones of our business success, but also vital for achieving long-term business growth and sustainable development. Our operational management follows a responsible and transparent approach, upholding a high standard of corporate governance and unwavering commitment to the highest ethical and responsible principles. This dedication ensures the continued safeguarding of the interests of our shareholders, customers, employees, and other stakeholders.



In addition to strict adherence to the standards set by laws and regulations in Hong Kong, including guidelines from regulatory bodies such as the Securities and Futures Commission (“SFC”) and SEHK, we regularly review our corporate governance practices. This is aimed at aligning with international and Hong Kong best practices, including the Corporate Governance Code outlined in Appendix C1 of the Listing Rules.

Furthermore, we integrate environmental protection and the principles of high-quality sustainable development into our corporate culture and governance. ESG concepts are integral to our management and investment decision-making processes. We are dedicated to fostering high-quality, sustainable business growth and development that creates positive value and impact for the environment and communities we serve. Our commitment extends to actively supporting and implementing sustainable development goals in our day-to-day operations.

In recognition of our sustained excellence in ESG performance, in 2023, CEL achieved an upgrade to “BBB” in the MSCI ESG rating, marking our continuous improvement. The consecutive upgrades in our MSCI ESG rating reflect the capital market’s acknowledgment of CEL’s ESG management and affirm our long-term investment value.



## CEL's ESG-related Policies

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

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

## Corporate Governance

CEL is committed to maintaining a high level of corporate governance to safeguard and uphold the interests of shareholders and other stakeholders.

As the highest governing body of the Group, the Board is responsible for ensuring effective governance and overseeing sustainable development strategies. It strictly adheres to a code of conduct that emphasises honesty, loyalty, and objective decision-making in the pursuit of maximising company interests and achievements. The Board comprises a balanced mix of Executive, Non-executive, and Independent Non-executive Directors, meeting the relevant regulatory requirements.

We recognise the importance of having a diverse Board for enhancing the board effectiveness and corporate governance. According to the *Board Diversity Policy* of the Company, a diverse Board should possess and make good use of differences in the skills, industry knowledge and experience, education, race, age, gender, background and other qualities of directors. Under the current Board structure, all Directors possess extensive experience in financial industry and management, and a comprehensive understanding of the industry and the Company. This ensures that all potential risks and benefits to the Group are carefully considered. In addition, not less than one-third of the Board are Independent Non-executive Directors, of whom some are experts in strategic development, financial and/or risk management.

The Board has established six committees to assist in fulfilling its responsibilities: the Executive Board Committee, the Audit and Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Strategic Committee and the ESG Committee.

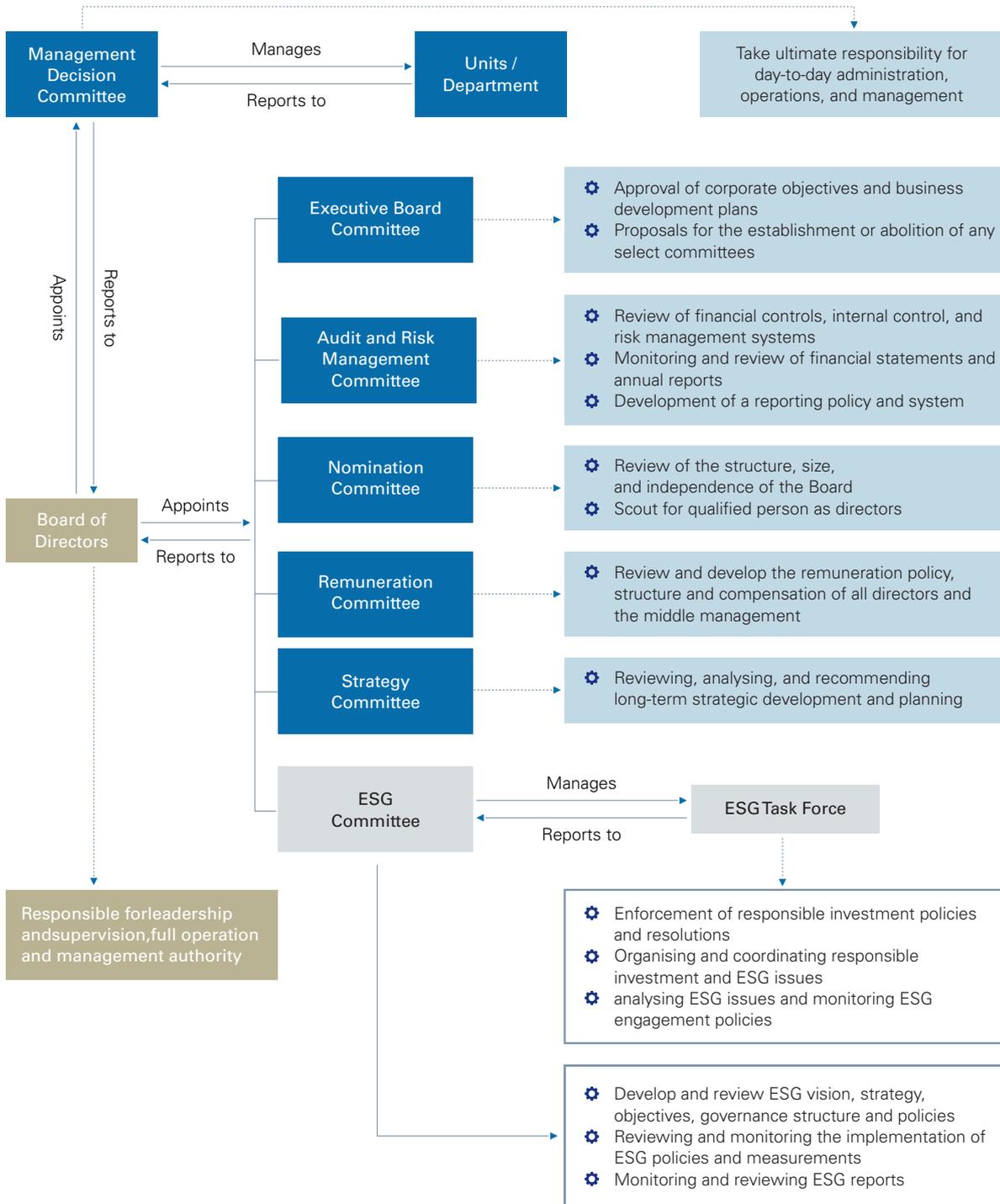
The *Terms of Reference of the Board* document outlines the authority, powers, and responsibilities of the Board and its committees, subject to periodic amendments. The Board conducts regular meetings at least four times a year, ensuring thorough consultation, discussion, and follow-up on meeting agendas. For detailed information on Board members and other corporate governance matters, please refer to the “Corporate Governance Report” in the Annual Report 2023 of the Company.

### ESG Governance

The Board serves as the highest management authority of the Group and is entrusted with overseeing the Group’s ESG matters and approving its ESG reports. To seamlessly integrate ESG principles into the business decision-making process and align with international enterprises’ ESG practices, the Board officially established the ESG Committee in 2021. The Chairman and members of the ESG Committee are appointed by the Board. The current ESG Committee consists of four members, comprising two Executive Directors, one Non-executive Director, and one Independent Non-executive Director. The Company’s CEO is the chairman of the ESG Committee.

The responsibilities of the ESG Committee include formulating and reviewing the Group’s ESG vision, strategies, goals, governance framework, and policies. The committee identifies and evaluates material ESG issues and their priority rankings, integrating ESG principles into the business decision-making process and company management procedures. The ESG Committee also stays abreast of the latest international best practices and regulatory requirements in the ESG area. Additionally, the ESG Committee monitors the performance and effectiveness of ESG and responsible investment practices across various departments within the Company. It regularly reports to the Board on ESG-related matters.

For detailed information regarding the ESG Committee’s composition, responsibilities, and a summary of its activities in 2023, please refer to the “Environmental, Social and Governance Committee” section of the “Corporate Governance Report” in the Annual Report 2023 of the Company.



Under the ESG Committee, the ESG Task Force is responsible for organising and implementing the responsibilities, policies, and decisions formulated by the ESG Committee. The Task Force reports its work to the ESG Committee and propose adjustments and improvements as necessary. The ESG Task Force is led by the Group's President, with Vice President serving as Vice Chairmen. Members of the Task Force are from various departments, including the Investment Team, Risk Management, Legal and Compliance Department, Company Secretarial Department, Strategic Department, Human Resources Department, and the General Office. It also encourages all employees to practice ESG principles and jointly participate in improving the Company's ESG management.

The ESG Task Force is tasked with designing work plans aligned with responsible investment objectives, coordinating responsible investment efforts across departments, periodically summarising the progress of responsible investment initiatives, and regularly reporting work results to the ESG Committee and the Company's management. The ESG Task Force is also responsible for conducting research on responsible investment policies and development, and proposing strategic and policy adjustments and improvement suggestions. In addition, the ESG Task Force organises and appoints dedicated staff to take charge of ESG-related matters, including conducting ESG research, monitoring industry trends, implementing active ownership, communicating with investors and relevant rating agencies, and organising ESG-focused training initiatives.

To facilitate stakeholders' understanding of the Company's ESG-related developments, the "Sustainability" section on the Group's website showcases our updated ESG-related policies and information. In terms of responsible investment, our investment team and researchers strictly adhere to the Company's responsible investment policies. Tailoring ESG policies to the characteristics of each fund and the demands of fund investors, we comprehensively integrate these policies into fund investment strategies, operational manuals, and risk management frameworks. Additionally, we guide each fund in establishing corresponding ESG disclosure and reporting systems, encouraging and assisting fund teams in adopting responsible investment principles and practices. Simultaneously, we strengthen our tracking and understanding of responsible investment developments through organising specialised training, participating in external seminars, and fostering industry exchanges with peers.

To further strengthen the implementation of active ownership, we have updated the *Management Guidelines for Affiliated Enterprises and Significant-Shareholding Enterprises*. With the establishment of new management decision-making mechanisms and improvements in equity management-related systems, the Group has abolished the previously established transitional and phased plans. This modification enhances our management of investee companies, facilitating the effective implementation of active ownership.

In addition to the governance structure, we also need various policy guidelines and related training to complement each other, in order to increase operational efficiency, ensure operational compliance, and cultivate a culture of accountability. To achieve this, we have developed a series of policies and guidelines on topics including corporate ethics, risk control, human capital, sustainable development, responsible investment, and more. These policies and guidelines are periodically updated to encourage employees to implement relevant measures more effectively. Furthermore, some of these policies and guidelines are publicly disclosed on our corporate website, emphasising our commitment to transparency in governance.

## Corporate Ethics

Upholding ethical standards is an integral part of sound business operations, contributing to increase productivity and employee morale. Overseen by the board-level ESG Committee, CEL strictly adheres to relevant laws, such as the *Anti-Unfair Competition Law of the People's Republic of China* and the *Prevention of Bribery Ordinance* of Hong Kong. Internally, the Group has implemented the *Anti-money Laundering and Counter-terrorism Financing Policy* and the *Prevention of Bribery and Corruption Policy*. The code of conduct and ethical standards are explicitly outlined in our *Employee Handbook* in both Hong Kong and Mainland China, prohibiting employees from engaging in any form of money laundering, bribery, or corruption activities during the execution of their duties.

The Group conducts various types of ethical standards and anti-corruption training annually to enhance employee awareness and moral consciousness. The primary objective is not only to remind employees to strictly adhere to company regulations but also to effectively prevent criminals from exploiting our staff for illegal activities. The Group has formulated the *Guidelines on Management of Conflicts of Interests*, which clearly outlines potential conflict of interest situations in business affairs and specifies measures to be taken when information disclosure is insufficient to effectively handle conflicts of interest. Additionally, the Group has established a division of responsibilities, prevention strategies, and accountability policies regarding conflicts of interest, particularly prohibiting the acceptance of bribes. During the Reporting Period, the Group conducted investigations into insider trading and profit transmission in accordance with regulations such as the *Guidelines for Anti-Money Laundering Work of Domestic Private Equity Fund Managers* and the *Interim Measures for the Management of Lists of Restricted Businesses and Personnel*. Training sessions were conducted for all employees, covering topics such as the *Prevention of Insider Trading and Profit Transmission*, the *SFC Code of Conduct for Fund Managers*, an *Overview and the Latest Trends of Hong Kong's Anti-Money Laundering Requirements*, and *Anti-money Laundering for Domestic Private Equity Fund Managers*. These efforts aimed to enhance employees' awareness of relevant legal and compliance matters. In 2023, the Group's management and all other employees participated in ethical standards and anti-corruption training.

While upholding corporate ethics, we place a high value on the rights of whistleblowers. Our *Whistleblowing Policy* aims to safeguard the rights of employees or any third-party whistleblowers, ensuring that their identity is not disclosed without their consent or legal requirements. To support this, we have established anti-retaliation procedures, allowing whistleblowers to defend the Company's ethical standards without fear of reprisal. Considering that anonymous accusations may limit the information available for investigation and follow-up, we encourage whistleblowers to provide their names to enhance the efficiency of the process. The *Whistleblowing Policy* is not only applicable to the Company's employees but also extends to other stakeholders, including shareholders, investors, customers, and suppliers. The policy is published on our corporate website in local languages corresponding to the regions where we operate. During the Reporting Period, the Group did not receive any whistleblowing complaints based on the *Whistleblowing Policy*. There were also no confirmed cases related to money laundering, bribery or corruption that would significantly impact the Group.

## Risk Management

Risk management is a crucial component of the Group's operations. Our comprehensive *Risk Management Policy* and *ESG Risk Management Statement* cover various types of risks and provide management and response strategies. The Group is committed to maximising shareholders' value while maintaining risks within acceptable limits. The Vice President of the Group, overseeing Risk Management, Legal, and Compliance, leads the primary risk management efforts, monitored and audited by the Audit and Risk Management Committee. The ESG Committee is responsible for overseeing ESG risks, with overall accountability lying with the Board. During the Reporting Period, we consistently implemented measures related to ESG risk management, effectively managing the Group's significant risks and ESG-related risks.

1

To prevent and mitigate potential losses and harm arising from ESG risks to the Group and investors, we have established a comprehensive ESG risk management plan based on the *ESG Risk Management Statement*. The requirements of this plan are integrated into the Company's risk management and business processes. The Internal Audit Department conducts an annual review of external environmental factors, ESG policies, ESG disclosure, and training related to ESG, reporting findings to the Audit and Risk Management Committee.

2

The Group's multi-layered ESG risk management framework comprises the Board, ESG Committee, Management Decision Committee ("MDC"), its sub-committee, the Risk Management Committee, and various business and functional departments. Each unit has defined roles and responsibilities to ensure the effective implementation of ESG risk management mechanisms, encompassing supervision, formulation, implementation, and execution.

3

We utilise ESG risk assessment data, models, and external information to conduct ESG risk assessments, evaluating potential ESG risks for both the Group and investment projects. ESG risks are incorporated into due diligence and investment management processes, spanning pre-investment to post-investment stages. An early warning system allows for the assessment and analysis of unexpected ESG risk events, considering factors such as severity, subjective responsibility, response strategies, and industry benchmarks. This comprehensive risk management mechanism facilitates early identification of potential ESG risks, enabling timely and appropriate actions to effectively mitigate these risks based on assessment results.

With the introduction of risk management systems such as the *Concentration Risk Management Method*, *Important Customer Risk Management Method*, *Investment Asset Risk Classification Management Method*, *Connected Transaction Management Guidelines*, *Investment Project Risk Review*, and *Single Project Investment Risk Management*, along with the issuance of the *Negative List for Primary Market Investments*, the Group continues to enhance its risk management framework. To meet the foundational compliance requirements of the SFC related to climate-related risks, we have developed the *Climate Change Policy*. This proactive approach involves undertaking a dual responsibility for addressing climate change, including implementing adjustment and mitigation measures to prepare for potential adverse impacts on investments and clients due to climate change, as well as making climate-sensitive investments to support the transition to a low-carbon economy and the national "dual carbon" goals.

Additionally, a comprehensive risk screening and examination of the Group's business risks were conducted, resulting in the compilation of a large-value customer risk control list and the formulation of a risk limit control strategy. In 2023, there were no significant ESG risk events impacting the Group. For more details on our Group's risk management, please refer to the "Corporate Governance Report" and "Risk Management Report" sections in the Annual Report 2023 of the Company.

## Supply Chain Management

The Group, through the *Green Office and Sustainability Procurement Management Guide*, has extended environmental protection responsibilities and standards to its supply chain. This guide directs the Group to prioritise collaboration with suppliers who uphold environmental responsibilities, aiming to reduce carbon emissions generated during their operational processes. Taking our paper suppliers as an example, they have obtained ISO 14001 environmental management certification, validating the effectiveness of their environmental management systems. Furthermore, the Group gives preference to purchasing energy-efficient and environmentally friendly products to minimise potential adverse environmental impacts throughout the supply chain.

In addition, we rigorously enforce and periodically update the *Procurement Management Guidelines*, aiming to enhance procurement quality and efficiency, reduce costs, and effectively manage environmental and social risks in the supply chain through the management mechanism of the supplier whitelist and a multidimensional evaluation system for suppliers to enter the whitelist database. The guidelines specify the responsibilities of the procurement management team in terms of approval and supervision, as well as internal control and supervision management systems for the supply chain, further standardising the procurement workflow. The supplier whitelist database consists of a list of industry-leading suppliers and companies with a history of good cooperation. Upon needs for further business development, departments could propose to the procurement management team to add suppliers to the supplier whitelist. After obtaining the approval from the procurement management team, suppliers could be added to the supplier whitelist. During the Reporting Period, 64 suppliers completed relevant procedures and approvals to be included in the CEL's supplier whitelist.

As of 31 December 2023, the Group had 484 suppliers, providing services to administration, information technology, company secretary, legal and compliance, finance and general office. 49% of our suppliers were located in our main operating regions, including Mainland China and Hong Kong, with the remaining in other regions.

## Data Security and Privacy

The development of the knowledge economy has highlighted the significance of information data and network security for businesses. The Group has incorporated data leakage into our risk management system, establishing policies such as the *Information Technology Security Policy*, *Management of Confidential Information and Confidentiality Agreements*, and *Data Security and Privacy Protection Statement* to enhance the management of confidential information and confidentiality agreements. We conduct internal audit on data security policies on an annual basis, and external independent audit from time to time. In 2023, the Group completed a thorough review of the *Data Security and Privacy Protection Statement*. These policies mandate strict compliance by functional units within the Group and relevant third parties, emphasising the need for the lawful and compliant collection and processing of sensitive data through transparent procedures. This may include obtaining prior approval from relevant individuals and signing confidentiality agreements with concerned parties when necessary. Data collected is disclosed to relevant parties on a need-to-know basis, and alterations or deletions of collected data can only be performed by authorised departments or individuals. In addition to monitoring data collection and sharing, the Company regularly conducts internal and third-party audits of relevant policies and information systems to reinforce information protection. In the event of information leakage, the Group adheres to relevant regulations and guidelines, notifying involved parties, identifying the root cause, and rectifying the issues. This approach ensures the protection of privacy for stakeholders such as suppliers and customers, as well as safeguarding corporate operational data.

The Group has implemented a Risk Management Committee under the MDC, which is responsible for hosting IT risk meetings. The Vice President of the Group, responsible for Risk Management, Legal and Compliance, serves as the Chairman of the Risk Management Committee, directly reporting on data security, information security, and related matters to the MDC. The Board bears ultimate responsibility for matters concerning data security. The Group conducts quarterly IT risk meetings to systematically review the Company's IT risks and undertake regular assessments.

To strengthen data security measures, the Group has implemented various technical measures to ensure the security of data. These measures include the separation of the production environment from the operation and maintenance environment, keeping the development team separate from the operation and maintenance team, and implementing strict restrictions on access to the data centre. Additionally, a Demilitarised Zone (DMZ) is established for data that needs to be publicly disclosed on the internet. In terms of system deployment, the Group utilises information security systems such as controlling server IP access, double-layer firewalls, and other measures to place data on the intranet, effectively preventing data intrusion. The Group has clear guidelines that require the physical destruction of storage media containing internal information before disposal. The Group does not encounter any personal data in our business operation and does not collect or retain any personal data through channels such as apps or websites. For institutional customers, we only collect information to fulfill "know your customer" and anti-money laundering requirements. The Group does not rent, sell, or provide any institutional or personal data to third parties for purposes other than completing transactions or services. There are also established protocols for handling data security incidents, including responses and subsequent actions, aimed at minimising the impact and reducing losses. In 2023, the Group has not experienced any incidents of client data leakage or loss.

## MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

The Group recognises the paramount importance of maintaining a close connection with stakeholders in achieving sustainable development goals. Consequently, we employ diverse channels and platforms such as surveys and interviews to engage with stakeholders, comprehending their opinions and expectations. This ongoing dialogue enables us to adapt our business practices and scrutinise, as well as enhance, our sustainable development strategies.

Our stakeholders encompass individuals and organisations, both internal and external, who have significant influence on our business or may be substantially impacted by it. Key stakeholders include shareholders and investors, clients and collaborating partners, employees, suppliers, media, as well as the community and non-governmental organisations.

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

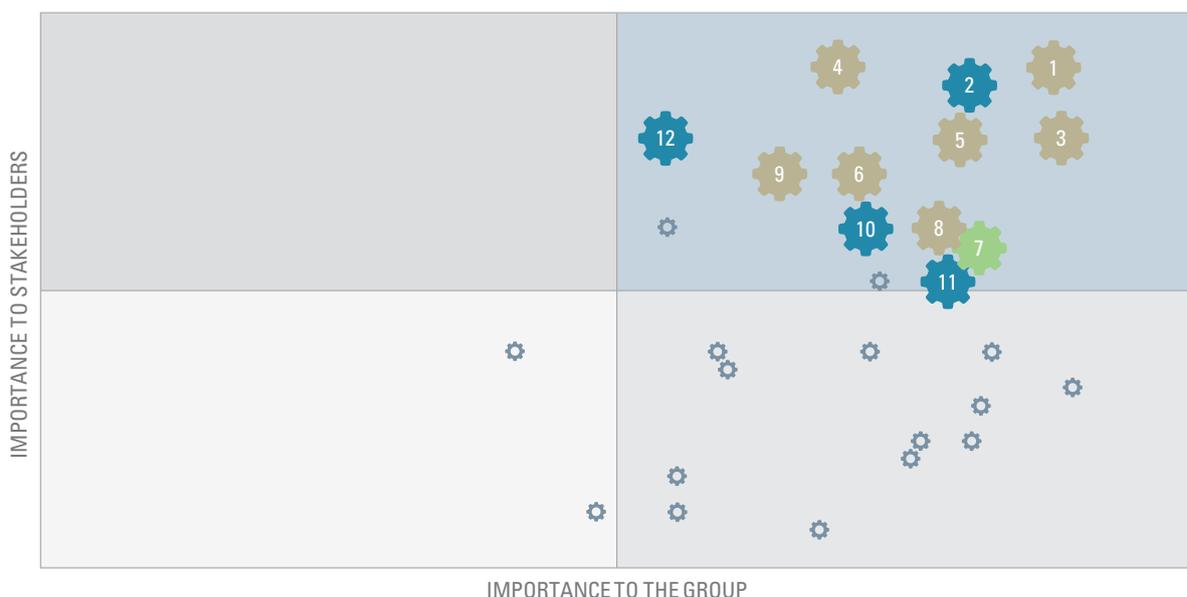
### Materiality Assessment

In 2023, the Group engaged external consultants to conduct a comprehensive questionnaire survey among stakeholders. This initiative aimed to gather insights and concerns from various stakeholder groups regarding sustainable development issues, as well as identify opportunities and risks. In accordance with the relevant principles defined by the GRI Standards, we conducted a thorough materiality assessment through the followings steps. This process allowed us to determine the most relevant sustainable development issues for CEL, prioritise them, as well as defining the our reporting boundary and scope.



### Materiality Matrix

The materiality matrix below illustrates the relative importance of each sustainability topic to stakeholders and to the Group. The top 12 topics with the highest importance will be considered as material topics and will be detailedly discussed in this Report.



## Our Material Topics

Category	Material Topics and Stakeholders' Concerns	Impact Boundaries		Relevant GRI Standards	Key Relevant SDGs
		Within the Group	Outside the Group		
Economic	2 Responsible Investment	✓	✓	Not Applicable	
	10 Economic Performance	✓	✓	GRI 201	
	11 Procurement Practices	✓	✓	GRI 204	
	12 Anti-corruption	✓	✓	GRI 205	
Environment	7 Emissions	✓	✓	GRI 305	
Social	1 Customer Privacy	✓	✓	GRI 418	
	3 Occupational Health and Safety	✓	✓	GRI 403	
	4 Training and Education	✓	✓	GRI 404	
	5 Labour/Management Relations	✓	✓	GRI 402	
	6 Employee Welfare	✓	✓	GRI 401	
	8 Diversity and Equal Opportunity	✓	✓	GRI 405	 
	9 Non-discrimination	✓	✓	GRI 406	

## RESPONSIBLE INVESTMENT

### Overview

As a cross-border investment and asset management company, CEL places equal importance on both long-term value creation and short-term financial performance. We acknowledge that each investment decision can have far-reaching implications for our portfolio and the broader society. Therefore, we embrace the responsibility to meticulously assess the risks associated with each investment decision and strive to make meaningful contributions to future capital allocation. Recognising the diverse forms and timeframes of risks, we have incorporated a preventive approach and an active ownership investment strategy into our risk management framework. Additionally, we consider ESG factors, along with other sustainable elements, in our investment decision-making process. This approach not only enables us to provide clients with comprehensive and robust investment solutions but also contributes to creating a positive impact on society and even the global community.



The Group has developed the *Responsible Investment Guidelines*, pledging to thoroughly consider ESG factors in both investment decision-making and practices. This commitment aims to improve the sustainability of investment products, optimise overall portfolio performance, enhance investment returns, and meet the requirements of investors. Additionally, we are dedicated to collaborating actively with responsible investment institutions, both internationally and domestically, to collectively advocate for widespread recognition of responsible investment principles within the industry.

Since 2006, the Group has actively supported industries promoting sustainable development through investments in environmental and renewable energy-related companies. In 2020, we took a step further by establishing Everbright Belt and Road Green Fund (“Green Fund”), marking our commitment to building a domestic ESG investment framework. This initiative also positioned us as the first equity investment fund in China to comprehensively adopt ESG investment standards.

Moreover, the CEL Overseas Infrastructure Investment Fund team is committed to benchmarking against top-tier industries and places high importance on sustainable investments, actively encouraging team members to pursue ESG certifications. As of 31 December 2023, two team members have obtained the ESG Investment Qualification Certificate issued by the Chartered Financial Analyst (CFA) Institute, demonstrating our commitment to enhancing ESG expertise. CEL Infrastructure Investment Fund II LPF (“Fund II”) focuses on climate financing and ESG investment, actively incorporating international ESG standards, management practices, and evaluation systems to ensure sustained positive impacts on climate change, environmental improvement, and societal progress. Our success in securing a commitment of USD100 million from the Asian Infrastructure Investment Bank (AIIB), including a joint investment of up to USD25 million, signifies a significant stride for CEL in the international, market, and professional aspects.

In addition, the Group has established an early-stage project screening process, incorporating the “Negative Exclusion List” and “Positive Green List”, drawing inspiration from the International Finance Corporation’s (IFC) *Performance Standards on Environmental and Social Sustainability* and considering investment trends. This process ensures the exclusion of projects with potential significant negative environmental and social impacts at an early stage, with a dedicated focus on green and carbon-neutral investments.

The ESG performance of potential investments is a pivotal consideration in both the due diligence and investment decision-making processes of the Investment Committee of the funds. Following formalised financing, we conduct regular assessments of the project’s environmental and social performance through standardised management and emergency response protocols to ensure its sustainability. We aspire to generate stable returns for investors through diversified investment approaches, contribute innovative solutions to the green development of the “Belt and Road”, and remain steadfast in integrating responsible investment into our core values to support the achievement of carbon neutrality goals.

Additionally, the Group actively encourages its other fund investment teams to fully integrate ESG investment and management principles into the investment process. Aligned with the national strategy for carbon neutrality, the Group leverages its strengths in the green environmental sector and the Group’s extensive experience in new energy. Our focus remains on the continuous improvement of performance in upstream raw materials and equipment, including photovoltaics, large-scale wind power, and the investment opportunities arising from the mature development of new energy vehicles.

## ESG-related Investment

Total scale of service and support of green industry projects <b>RMB11.6 billion</b> (3 new projects added in 2023, with approximately RMB180 million)	Stock scale approximately <b>RMB7.1 billion</b>
<b>41</b> projects under management	
Key investments include projects such as NIO Inc., and Beijing Yangde Environmental Protection Energy Technology Co., Ltd., further reinforcing our commitment to carbon neutrality investments	

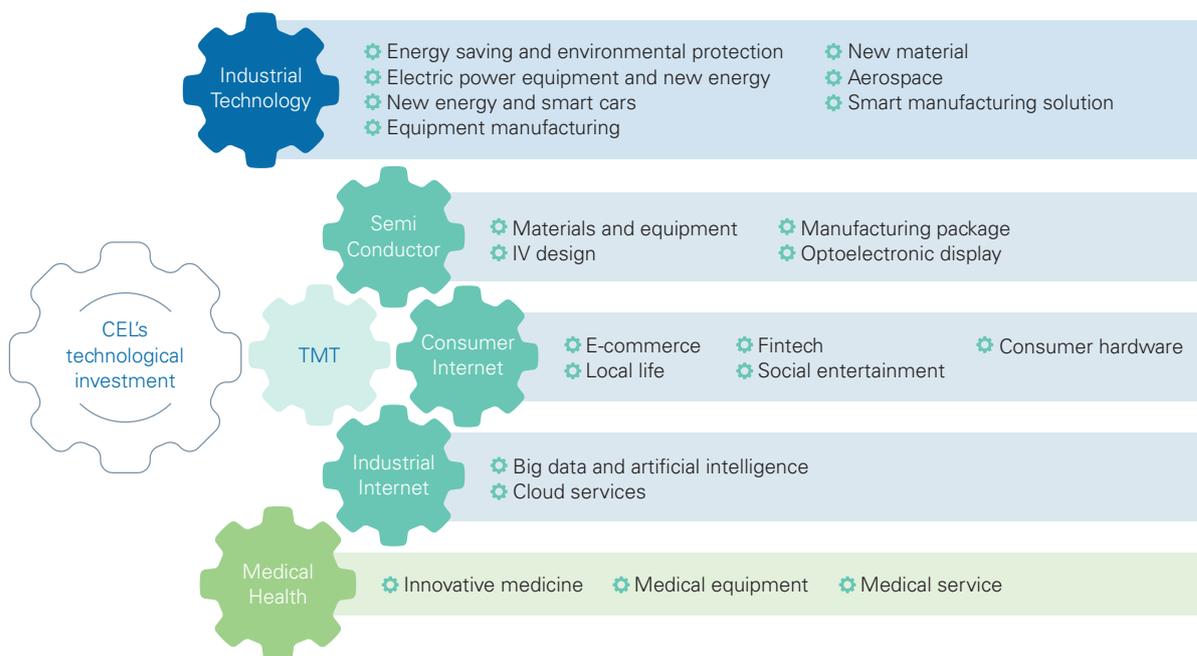
In addition to expanding investments in green environmental projects, CEL actively leverages its equity investments to support the sustainable economy:

Real Economy		
Total scale of service and support for financing in the real economy approximately <b>RMB85.7 billion</b> (increased RMB1.3 billion in 2023)	Stock scale approximately <b>RMB35.6 billion</b>	<b>187</b> Projects under management
Private Enterprises		
Total scale of service and support to private enterprises approximately <b>RMB70.2 billion</b> (6 new projects added in 2023, with approximately RMB240 million)	Stock scale approximately <b>RMB27.2 billion</b>	<b>166</b> Projects under management
Software and Service Industry		
Total scale of service and support to the service industry approximately <b>RMB9.3 billion</b>	Total scale of service and support for high-tech enterprises in the semiconductor products and equipment category over <b>RMB5.6 billion</b>  Total scale of support for enterprises in the smart and high-tech technology hardware and equipment category approximately <b>RMB1.8 billion</b>	

Key invested projects:

- SenseTime Group Inc. (Sense Time)
  - Tongdun Technology Co. Ltd (Tongdun Technology)
  - iSoftStone Information Technology (Group) Co., Ltd. (iSoftStone)
  - Netease Cloud Music Co., Ltd. (NetEase Cloud Music)
  - Beijing Fourth Paradigm Technology Co., Ltd. (4Paradigm)
- 4Paradigm is the largest player in the platform-centric decision-making enterprise AI market in China

CEL's investment focus in the technological industry:



Key Investee Companies:

**CALC**

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

**Terminus**

Positioning in AIoT industry, Terminus has been actively driving the efficient implementation of the "dual carbon" goals in urban areas. The company has introduced a comprehensive product portfolio that includes building automation systems, smart lighting control systems, and building energy management systems, contributing to the effective realisation of the "dual carbon" objectives. In 2023, Terminus made it to the "Top 20 List" in the "New Energy and Carbon Neutrality Sector Most Commercially Promising List" released by Jazzyear, a Chinese Science and Technology Industry Think Tank.

## Our Responsible Investment Guidelines

The Group has formulated the *Responsible Investment Guidelines* with the aim of incorporating ESG factors into our investment decision-making and active ownership strategies and practices. The guideline is applicable across all asset classes managed by the Group. The ESG Task Force, responsible for executing the policies and resolutions set forth by the ESG Committee, develops action plans aligned with responsible investment objectives and ensures coordination of responsible investment efforts across various departments. Through direct engagement with our investees, we are dedicated to enhancing their sustainable performance and encouraging the adoption of active ownership practices. Our commitment extends beyond conveying the values and standards of responsible investment to investees, we actively support and facilitate improvements in ESG aspects. Furthermore, we are progressively integrating responsible investment into our investment research system, thematic product development, active ownership implementation, and capacity building initiatives. For instance, our efforts include the development of responsible investment thematic products such as low-carbon smart and green & low-carbon funds. We integrate ESG considerations into the investment processes of these products, exemplifying our dedication to putting responsible investment concepts and policies into practice. These initiatives aim to align our investment strategy with ESG principles while fostering the realisation of sustainable development.

## Our Negative Investment Checklist

The Group has established the *Level 1 Market Investment Negative List*, which, in principle, excludes investments in industries that do not align with national industrial policy orientation and structural adjustment orientation. It also avoids investing in industries that do not comply with national and local regulations on land use, energy consumption, pollution emissions, and safety production. Investments are avoided in sectors classified under “obsolete”<sup>3</sup> category according to national industrial policies and in industries labelled as “high-pollution, high-emission and overcapacity”<sup>4</sup>, including leather tanning and processing, fur tanning and processing, wood and bamboo pulp manufacturing, coking, cement manufacturing, flat glass manufacturing, iron refining, steel refining, ferroalloy smelting, aluminium smelting, and metal shipbuilding. Overseas investments in gambling and pornography industries are prohibited, as well as investments abroad that do not comply with the environmental protection, energy consumption, and safety standards of the host country. The Group refrains from investing in projects/assets publicly listed on negative lists by national authorities or regulatory bodies, as well as enterprises with significant risks such as those receiving adverse opinions from auditors.

## Our Management System

The Board holds the ultimate responsibility for leadership and oversight in the implementation and performance of responsible investments. They are responsible for formulating the Terms of Reference and delegating authority on ESG matters to the ESG Committee. Regular reports on responsible investments will be presented to the Board, and the Board will issue a statement on the Group’s ESG governance as per regulatory requirements. In addition to reporting to the Board, the ESG Committee plays a crucial role in developing and supervising policies, strategies and objectives related to responsible investments, leading the Group’s responsible investment practices. The ESG Task Force, in turn, is responsible for developing action plans based on responsible investment objectives and coordinating the efforts across departments. Other departments, including investment teams and researchers, are tasked with executing responsible investment activities aligned with their respective roles and responsibilities.

Led by a board-level committee, the responsible investment management system demonstrates the Group’s high priority on ESG matters and ensures that the Group’s responsible investment practices meet the highest standards and are fully implemented.

### Notes:

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

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

## Introduction to Key Funds

### CEL Infrastructure Investment Fund II LPF

#### *Overview*

CEL Infrastructure Investment Fund II LPF (“Fund II”) represents the second influential infrastructure fund within the Group’s international initiatives. It serves as a continuation of the successful operation of the Everbright Overseas Infrastructure Investment Fund LP (“Fund I”). Managed by indirect wholly-owned subsidiaries of CEL, Fund II seeks to propel investment in emerging green infrastructures in Asia. The fund, targeting a size of USD600 million, endeavours to introduce innovative sustainability incentive programmes, fostering advancements in climate financing, gender diversity, and ESG governance within the private equity industry. On 29 June 2022, the AIIB approved a commitment to contribute to Fund II, and is invited to be a member of Fund II’s ESG committee.

#### *Fund Strategy*

Fund II mainly focuses on equity and equity-linked investments with a primary emphasis on investment opportunities of private equity and debt within the Association of Southeast Asian Nations (ASEAN) member states — Indonesia, Malaysia, the Philippines, Singapore, Thailand, Vietnam, Hong Kong and Macau.

When seeking controlling or substantial minority stakes in target companies (encompassing greenfield and brownfield projects), Fund II prioritises entities with exceptional management teams, a great operational track record, and robust recurring cash flows. This approach aims to provide investors with substantial cash returns and long-term asset appreciation.

The targeted investment sectors encompass, but are not limited to, renewable energy, energy storage, power transmission and distribution networks, gas storage facilities, gas distribution networks, roads (including toll roads, bridges, and tunnels), transport terminals (including airports and ports), communication towers, optic fibre networks, data centres, water and wastewater treatment facilities, logistics facilities, parking lots, and social infrastructure.

#### *Investment Team*

The role of the investment team is crucial, especially in managing relationships with target companies throughout the investment process. Members of Fund II’s investment team have demonstrated their commitment to ESG principles, with two team members having obtained the Certificate in ESG Investing from the CFA Institute. The entire team consistently engages in ESG-related training to ensure ongoing enhancement of their professional capabilities in the ESG domain, applying these skills to informed investment decision-making.

For more details in relation to Fund II, please refer to the ESG Policy of Fund II.

### Everbright Belt & Road Green Fund

#### *Overview and Investment Strategy*

Everbright Belt & Road Green Fund (“Green Fund”), initiated by China Everbright Group Ltd. (“Everbright Group”) and managed and operated by CEL, stands as one of the tangible outcomes of the second Belt and Road Forum for International Cooperation in 2019. Uniquely positioned as the only investment initiative led by a commercial financial institution among the forum’s accomplishments, the Green Fund boasts limited partners such as Everbright Group, CEL, China Everbright Environment, and collaborators from local state-owned enterprises.

The Green Fund concentrates its investments in four selected areas: green environment, green energy, green manufacturing, and green living. Employing various investment approaches, including the establishment of direct investment funds in collaboration with key provinces and cities along the “Belt and Road”, direct investments, and Fund of Funds (FoF) investments, the Green Fund aims to support high-quality enterprises involved in the “Belt and Road” construction. This support extends to their products, technologies, services, and business models, fostering green and sustainable development while contributing to the realisation of carbon peak and carbon neutrality goals. The Green Fund’s investment process incorporates the analysis of Positive and Negative Investment Lists, along with an ESG indicator rating mechanism, ensuring that the final investments align with our overarching philosophy and objectives.

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

### Fund Strategy

The Green Fund is a market-oriented private equity investment fund dedicated to green and sustainable development. Through collaborations with provincial and municipal governments along the “Belt & Road” in China, it establishes local direct investment sub-funds and invests in high-quality market-oriented sub-funds and projects. This approach contributes to the construction of a new development pattern characterised by a “dual cycle”. The Green Fund aligns with the goal of achieving carbon peak and carbon neutrality in China and the countries along the “Belt & Road” initiative. It embraces the latest concept of green development as it strives to make a positive impact on the realisation of these environmental objectives.

### Investment Team

The investment team plays a crucial role in managing the relationship with the target company throughout the investment process. They are responsible for integrating green factors and ESG considerations into every stage of the investment process.

### ESG and Responsible Investment Related Policies and Information

The Green Fund has taken a further step in aligning with carbon peaking and carbon neutrality goals by outlining four primary investment themes: energy decarbonisation, transportation decarbonisation, industrial decarbonisation, and decarbonised living. It has identified representative investment pathways under each “decarbonisation” category.

The foremost investment theme is energy decarbonisation, given that the carbon emissions from the power and heating sectors constitute half of China's total carbon emissions. Energy decarbonisation is considered a crucial avenue to achieve the "dual carbon" goals. Investment directions in this area include, but are not limited to, optimising the integration of the photovoltaic supply chain, constructing and operating photovoltaic power stations, technological breakthroughs in the wind turbine industry chain, construction and operation of wind energy projects, and innovation in energy storage technology and business models.

Transportation decarbonisation is another major focus, as the transportation sector is one of China's primary sources of carbon emissions. Roads and railways can achieve zero carbon emissions through electrification, while aviation and shipping can consider hydrogen fuel for decarbonisation. The Green Fund's key investment areas in transportation decarbonisation include structural growth opportunities in the new energy vehicle supply chain (such as energy batteries), business model innovation in the new energy vehicle aftermarket (e.g., charging stations, battery replacement), breakthroughs in core technologies of new energy vehicles, localisation of key equipment for hydrogen refuelling stations, technological breakthroughs in hydrogen fuel cells, and breakthroughs in the commercialisation of hydrogen-powered commercial vehicles.

Additionally, the industrial and construction sectors rank as the second and fourth-largest carbon emitters in China. However, achieving zero carbon emissions in these sectors solely through electrification is challenging. Therefore, investment areas for decarbonisation in the industrial and construction sectors will encompass new technologies and products for industrial energy efficiency and emission reduction, breakthroughs in hydrogen production, extraction, storage, and transportation technologies, advancements in hydrogen metallurgy, breakthroughs in the biofuel sector, innovative business models for prefabricated buildings, and the development of new building materials.

Decarbonised living involves initiating change at the end-consumer level, reducing carbon emissions by encouraging shifts in consumer habits and guiding production. The focal investment areas for this decarbonisation track include bioplastics, biosynthetic fibers, and other new decarbonisation materials, as well as recycling and reusing end-consumer products like plastics. Additionally, it encompasses waste sorting technologies and innovations in business models.

#### Investment Case Study – CNNC Rich Energy

The Green Fund, in collaboration with the China National Nuclear Corporation Emerging Industry Fund, has completed the investment agreement with CNNC Rich Energy Co. Limited. ("CNNC Rich Energy") in 2022. CNNC Rich Energy serves as the non-nuclear new energy industry development, construction, and operation platform for the China National Nuclear Corporation Group, focusing on the development, construction, operation, and maintenance of new energy projects such as wind power, photovoltaic power generation, geothermal, and charging stations.

#### Case Study – Supporting the Development of New Energy

The Green Fund completed several investments, including an investment in new materials manufacturing company Zhejiang Sheensen Magnetics Technology Co., Ltd ("Sheensen") and leading domestic lithium battery equipment company Jiangsu Fenghesheng Technology Co., Ltd ("FHS") in the past two years.

**Sheensen** is dedicated to the research and manufacturing of high-end rare earth permanent magnet materials and their components. The company has independently developed and mastered various core technologies, covering the preparation of sintered neodymium iron boron permanent magnet materials, mechanical processing, surface protection, and recycling manufacturing. Its products find extensive applications in new energy, wind power, and industrial automation fields.

**FHS** provides world-class intelligent, digital, and flexible production solutions, as well as data services for globally renowned customers in new energy batteries, powertrain manufacturers, global automotive parts, and the global healthcare industry. The company fully supports the automation of new energy vehicles through the automatic production lines of energy storage products, battery cells, and modules.

FHS has an extensive after-sales service network and partnerships in multiple countries and regions worldwide, with a focus on serving global top 100 enterprises and leading domestic industry clients.

## CEL's Other Sustainable Investment Case Study

### Investment Case Study – Dekon Agriculture

Dekon Food And Agriculture Group (“Dekon Agriculture”), after the first investment by the Consumption Fund of CEL since 2016, has gone through various challenges, including the African swine fever epidemic. The fund made three consecutive additional investments, becoming the second-largest shareholder after the actual controller, witnessing and supporting Dekon Agriculture’s growth miracle. Dekon Agriculture has a vertically integrated industry chain covering the breeding and farming of pigs, breeding of yellow-feathered broilers, and the production of feed. It is the only enterprise in the country with two national key leading agricultural industrialisation companies and two national-level core pig breeding farms.

Dekon Agriculture incorporates family farms into its environmental management scope and has established an environmental guidance system for these farms. The system comprehensively manages the environmental impact of family farms, including planning site selection and layout, management of environmental protection equipment and facilities, daily environmental supervision, and environmental training and publicity. Dekon Agriculture practices the concept of energy recycling, employing black film fermentation technology. It collects biogas generated from the anaerobic treatment of wastewater and purifies it for use in on-site living fuel, hot water boilers, and sewage equipment, reducing biogas emissions and effectively utilising biogas resources in the farming production process.

In addition, Dekon Agriculture advocates the harmonious unity of economic, ecological, and social benefits. Through collaboration with village collectives, it leases idle land from nearby villagers, which is then provided to the villagers for centralised cultivation. Dekon Agriculture supplies biogas to the villagers, collectively exploring the creation of a planting and breeding integrated ecological cycling agriculture model. This model achieves a virtuous cycle of raising pigs, fertilising rice with manure, and returning residues to the field, aiming to build a responsible and sustainable industrial practice while continuously reducing environmental impact.

### Investment Case Study – Henan Jiuyuquan

Henan Jiuyuquan Food Co., Ltd. (“Henan Jiuyuquan”) was established in 2016, focusing on processing raw materials such as poultry and vegetables into cured meat products and a series of side dishes for sale. The company’s main product positioning is cured products, with the primary sales model being through chain-owned and franchised stores, targeting household sales of ready-to-eat cured products. Henan Jiuyuquan received exclusive investment from the Consumption Fund of CEL.

The “Jiuduorouduo” brand under Henan Jiuyuquan actively undertakes social responsibility, engaging in poverty alleviation efforts. It has helped more than 4,000 planting and breeding households, over 18,000 farmers, more than 6,000 personnel managing stores, and over 1,400 employees to achieve employment and entrepreneurship, directly benefiting over 50,000 people in poverty alleviation and wealth creation. Throughout its development, “Jiuduorouduo” has effectively addressed social issues using business logic, continuously expanding the scope of poverty alleviation and reaching more groups in need through industry support, employment support, public welfare support, and profit-sharing support. It has pioneered an effective path where corporate development resonates with social responsibility.

### Investment Case Study – BrainCo

Since its establishment, BrainCo, Inc. (“BrainCo”) has been dedicated to developing non-invasive brain-machine interface (BMI) technology. It autonomously researches and develops wearable devices based on brainwaves, translating brain signals into digital signals to provide users with a more convenient platform for brainwave control and applications. BrainCo collaborates with various disability associations, foundations, and organisations globally, offering free or highly affordable bionic hands to eligible individuals with disabilities. Currently, the initiative has assisted nearly a thousand disabled individuals in reintegrating into society.

#### Investment Case Study – HPY Sorting

Ganzhou HPY Sorting Technology Co., Ltd (“HPY Sorting”) actively responds to the national call for the high-quality development of major equipment and the localisation of core technologies. It focuses on the field of intelligent ore sorting, aiming to become a global leader in smart ore sorting solutions. HPY Sorting’s key technology “Smart Ore Sorting Technology Based on Artificial Intelligence Machine Vision” has successfully been included in the Catalogue of Advanced and Applicable Process Technology and Equipment for Comprehensive Utilisation of Industrial Resources (2023 Edition) (《國家工業資源綜合利用先進適用製程技術設備目錄(2023年版)》), recognised by the nation as an authoritative list identifying advanced technology equipment that excel in resource utilisation. This catalogue aims to promote the efficient use of industrial resources and low-carbon green development.

#### Investment Case Study – Funds Managed by Primavera Capital

Primavera Capital Group (“Primavera Capital”) continues to focus on green and low-carbon investments, strategically positioning itself in the field of carbon neutrality with a forward-looking perspective. Significant investments by Primavera Capital in the renewable energy and green technology sectors include leading green technology company Envision Group, new generation smart electric vehicle manufacturer XPeng Motors, and innovative solid-state battery leader ProLogium Technology.

In December 2023, Primavera Capital announced its formal signing and membership in the United Nations Principles for Responsible Investment (“UNPRI”). UNPRI is the world’s most influential organisation for responsible investment, dedicated to building a sustainable global financial system.

Primavera Capital firmly believes in the importance of investing to drive the world’s zero-carbon transformation. Throughout the investment cycle, ESG considerations are consistently prioritised by Primavera Capital, integrated into the entire process from project selection to due diligence. By incorporating ESG factors into investment and management decisions, Primavera Capital actively adheres to the six principles of UNPRI, working towards sustainable growth and creating long-term value for the environment and society.

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

### Internal Control and Audit

To comprehensively control risk levels and implement effective internal management monitoring, the Group has adopted a “Three-Line Defence” framework. The first line of defence consists of business units and related frontline teams, where department heads lead and maintain appropriate monitoring measures. The second line of defence is comprised of middle and back-office departments, including risk management, legal and compliance, operations, finance and accounting, and company secretary, providing relevant monitoring functions. The Internal Audit Department serves as the third line of defence, conducting traceable and independent overall operational monitoring and auditing.

Annually, the Internal Audit Department reviews and provides recommendations on the effectiveness of the Company’s risk management, internal control processes, management systems, and policy guidelines. Based on audit results, the Internal Audit Department compiles quarterly internal audit reports, submitted for review by the Audit and Risk Management Committee, and subsequently reviewed and followed up by the management. We regularly update and revise policy guidelines according to audit outcomes, overseeing their implementation. Periodically, external audits of operations and data are conducted to further optimise operational performance.

For more details of our internal controls and audits, please refer to the “Corporate Governance Report” section of the Annual Report 2023 of the Company.

## TACKLING CLIMATE CHANGE

The risks and opportunities posed by climate change are a long-term issue for investors and financial institutions. With the increasing scale and frequency of extreme weather events, we confront elevated levels of physical risk. Simultaneously, we encounter climate-related transition risks, such as those arising from policy shifts, market trends, and technological developments in the low-carbon economy. These risks may pose structural threats to tangible assets and operational challenges for businesses, leading to financial losses for investors.



As an international financial institution, we recognise the responsibility and role of environmentally responsible investors in addressing climate change. Our focus extends beyond addressing potential physical risks to also include adapting to the risks associated with the low-carbon transition. We approach this by investigating appropriate adaptation and mitigation measures while engaging in climate-sensitive investments to transition towards a low-carbon economy. This approach aims not only to protect investments and clients from adverse effects but also to actively participate in mitigating global warming and promoting the development of green finance.

### About TCFD

As financial markets and society's attention towards climate change continue to grow, we are dedicated to enhancing the transparency of information related to climate change. Our goal is to provide reliable and more detailed information to the public and stakeholders. CEL strives to adopt frameworks such as the Task Force on Climate-related Financial Disclosures ("TCFD") and the UNPRI to identify areas where we can take further action to address climate change, effectively manage opportunities and risks, and progress towards sustainable development. By incorporating climate risk management into our long-term investment considerations, we aim to build flexible investment portfolios dedicated to mitigating the impact of climate change.

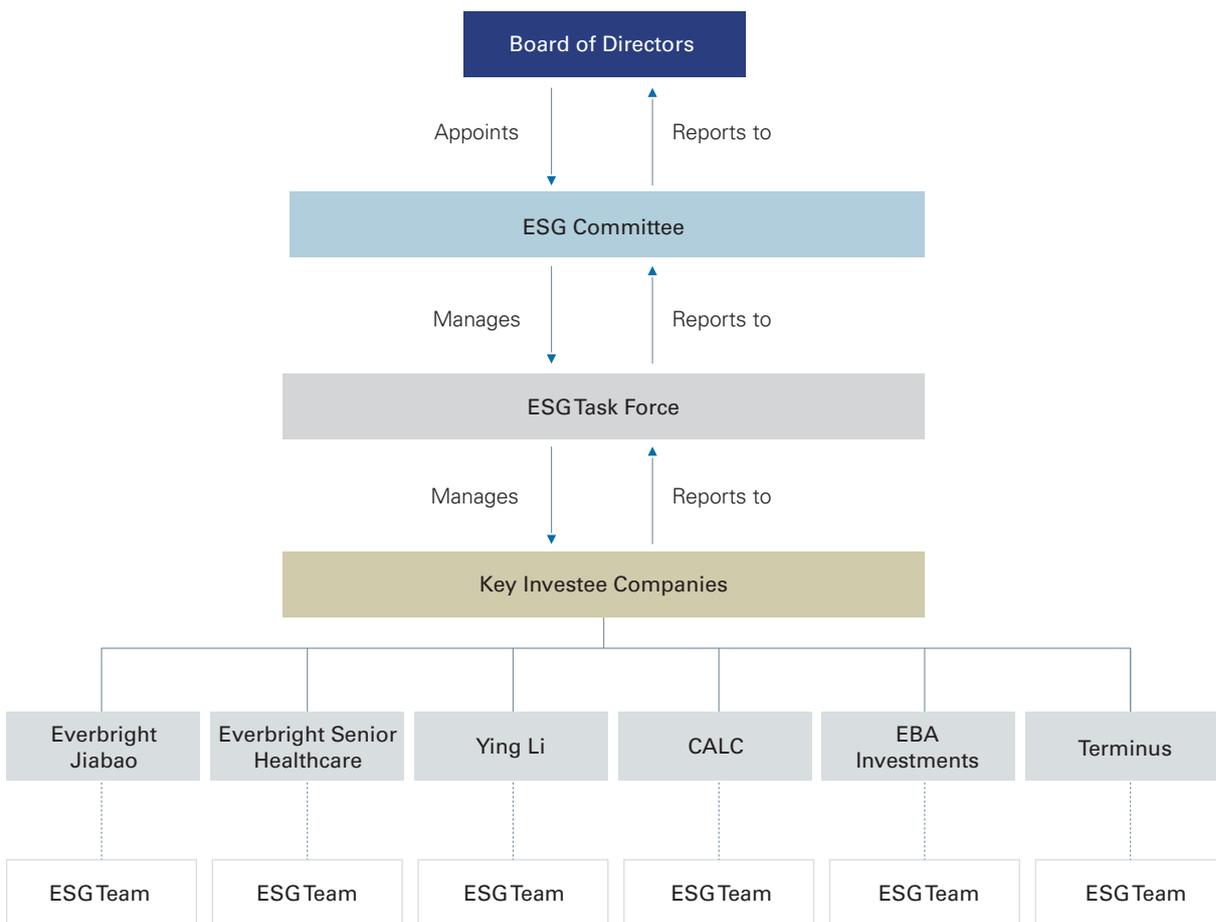
The Group refers to TCFD's disclosure recommendations to identify climate risks and financial impacts most relevant to CEL and its significant investee companies, allowing us to formulate and implement mitigation measures. TCFD's recommendations cover four core elements: "governance", "strategy", "risk management", and "metrics and targets". Our information disclosure endeavours to align with this framework, providing a more comprehensive overview of our climate change-related activities.

### Governance

The ESG Committee of the Group was established in 2021, operating as a dedicated committee under the Board. This structure facilitates the integration of sustainability considerations and climate-related risks and opportunities into our business operations in a comprehensive manner, with effective supervision and management. In 2022, to enhance CEL's resilience and capacity to withstand extreme weather events, we formulated the *Climate Change Policy*, further demonstrating the Group's commitment and actions in addressing and managing climate risks. The policy encompasses the direction and management plans for fulfilling our commitments, covering six main areas: climate change adaptation, corporate sustainability, climate-resilient investments, stakeholder engagement, governance, transparency and disclosure.

The ESG teams of CEL and its key investee companies conduct regular reviews of climate-related risks. They report the status and progress of their risk management to the management of each business unit or department. Key investee companies provide regular updates to CEL's ESG Task Force on the status of their climate change risk management and the progress of implementing mitigation measures. The ESG Task Force is responsible for organising and executing ESG-related policies and decisions, coordinating specific implementations in departments, guiding key investee companies in incorporating climate risks into operational considerations, implementing mitigation measures as needed, and reporting regularly to CEL's ESG Committee. The ESG Committee oversees the effective implementation of ESG policies and measures, including those addressing climate change risks, and reports progress to the Board to ensure the Group's ESG performance and effectiveness.

For more details on our Group’s ESG governance structure, please refer to the paragraph under “ESG Committee” under the “Corporate Governance Report” section of the Annual Report 2023 and “CEL’s Approach to ESG Management” in this Report.



## Strategy

CEL recognises the urgent need to address climate change and is actively taking feasible measures to mitigate our climate risks while identifying relevant business opportunities to underpin our future operational strategies. TCFD categorises climate-related risks into two main types: (i) transition risks associated with the shift to a low-carbon economy and (ii) physical risks linked to the impacts of climate change.

To gain a deeper understanding of the climate change risks that both the Group and key investee companies are concerned about, we collaborated with external ESG consultants to conduct workshops tailored to different business segments. These workshops facilitated discussions and exchanges with stakeholders, providing them with comprehensive insights into TCFD and current climate issues. By reviewing a list of climate risks and engaging in workshops, each business unit identified the most crucial climate-related risks and assessed their potential impacts and opportunities. We also maintain regular communication with each enterprise to stay updated on the latest developments in climate change risks, ensuring a continuous and informed approach to addressing these challenges.

## Asset Management — CEL

CEL's primary climate change risks result from the policies, regulations, market dynamics, and technological changes associated with the transition to a low-carbon economy. These impacts can directly affect CEL and indirectly influence the Company through its investments, with detailed descriptions provided in the table below.

To mitigate the adverse effects of climate change, CEL consistently reviews climate-related risks and implements various adaptation measures. Notably, the Company has issued the *Negative List for Primary Market Investments*, *ESG Risk Management Statement* and *Climate Change Policy*. These initiatives aim to screen investments for significant ESG risks before the investment is made and ensure continuous post-investment monitoring of ESG risks in investment projects. The ESG Committee oversees the comprehensive integration of the *ESG Risk Management Statement* into the risk analysis and assessment processes during investment decision-making.

Under the MDC, the Risk Management Committee is tasked with formulating the Company's ESG risk management mechanism. Various units, including the Risk Management Department, Human Resources Department, and ESG Task Force, are responsible for executing and enhancing the capacity of the ESG risk management mechanism. Additionally, the ESG risk management training programme ensures that risk managers and business personnel possess the necessary skills for effective ESG risk management.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Policy and legal	More regulations on sustainable finance are published by regulatory authorities	<ul style="list-style-type: none"> <li>⚙️ Companies must comply with relevant regulations related to product disclosure and classification that affect wealth and asset management activities</li> <li>⚙️ Direct monitoring of CEL's business is resulted which requires the formulation and disclosure of plans for mitigating climate- and environmental-related risks to regulatory authorities</li> </ul>
Market	Data gaps may limit the analysis for sustainable investing	<ul style="list-style-type: none"> <li>⚙️ Increased spending to analyse the ESG risks of investees in a more detailed manner</li> </ul>
Reputation	Increased concerns and requirements of investors towards the sustainability performance of the Company	<ul style="list-style-type: none"> <li>⚙️ Increased spending on the ESG management system to maintain and enhance CEL's comprehensive ESG management standard</li> <li>⚙️ Reduced investment in Company's stocks or funds from investors</li> </ul>
Technology	Technological improvement or innovation may change the competitive landscape of the industry	<ul style="list-style-type: none"> <li>⚙️ Impacts on investees in different industries, resulting in indirect exposure to technical risks</li> </ul>

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

The businesses of Everbright Jiabao, EBA Investments and Ying Li encompass the development, management, and investment of real estate. In line with TCFD recommendations, real estate operations are particularly vulnerable to financial risks arising from high greenhouse gas (“GHG”) emissions and energy consumption, as well as short- or long-term physical risks associated with extreme weather events. Through extensive internal deliberations, we have identified a range of climate-related risks specific to the real estate sector, outlined in the following list. These recognised risks will be integrated into our strategic planning to enhance our business’s resilience in addressing future challenges.

CEL will exercise oversight, leveraging its control and influence over investees, to ensure the systematic implementation of measures addressing climate risks. These measures encompass the broader adoption of environmentally friendly and low-carbon technologies, building materials, and architectural designs. This approach aims to elevate building energy efficiency and building resilience, proactively preparing for potential transition and physical risks.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Policy and legal	Increased emphasis from the society on environmental certification and green building ratings (such as China’s Assessment Standard for Green Building, U.S. Leadership in Energy and Environmental Design (LEED) certification), leading to more rigorous review and evaluation processes	<ul style="list-style-type: none"> <li>⚙ Increase spending to comply with stricter requirements and maintain competitiveness in the industry</li> <li>⚙ Increase costs to improve environmental performance and select advanced certifications</li> <li>⚙ Increased capital investment and expenditures for compliance</li> </ul>
	Tightening of building energy codes and guidelines	<ul style="list-style-type: none"> <li>⚙ Increased operational costs, including building materials, fuel, energy and waste disposal</li> </ul>
	Introduction of carbon pricing in the markets	<ul style="list-style-type: none"> <li>⚙ Increased expenditures to comply with new regulations and strengthen data management</li> </ul>
	More stringent requirements for information disclosure, including climate-related information	

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Market	<p>Wide adoption of environmentally friendly and low-carbon technologies, such as Modular Integrated Construction (MiC)</p> <p>Investors' behaviour changes to weed out companies that fail to implement effective measures to manage climate risks</p>	<ul style="list-style-type: none"> <li>⚙ Increased capital investment in technology</li> <li>⚙ Improved energy efficiency reduces operating costs</li> <li>⚙ Increased expenditures to comply with more stringent reporting obligations, such as TCFD disclosures</li> <li>⚙ Increased expenditures for implementing effective measures to manage climate risks to meet investor expectations</li> </ul>
Reputation	<p>Increased requirements for supply chain management and monitoring</p>	<ul style="list-style-type: none"> <li>⚙ Environmental accidents by suppliers might seriously affect company's reputation</li> <li>⚙ Increased expenditures are needed to optimise the supplier management system to screen and select suppliers of high quality in ESG performance</li> </ul>
Technology	<p>Renewable energy is widely adopted in the industry</p>	<ul style="list-style-type: none"> <li>⚙ Increased capital investment in renewable energy systems, increasing business operating costs</li> <li>⚙ Reduced expenditures in energy bills</li> </ul>
Physical (short-term)	<p>Increased severity and frequency of extreme weather events, such as typhoon and flooding</p> <p>More prolonged heat and drought</p>	<ul style="list-style-type: none"> <li>⚙ Project delays and additional working hours or expenses due to increased number of downtime day</li> <li>⚙ Supply chains are affected</li> <li>⚙ May pose the crisis of power shortages in response to the implementation of power curtailment measures by the government in area such as malls and office buildings, which will affect daily operations</li> </ul>

**Senior Healthcare Industry — Everbright Senior Healthcare**

Considering the nature of our business, the senior healthcare industry has not undergone significant regulatory or market changes due to climate change. However, we acknowledge that the elderly are particularly vulnerable to the impacts of extreme weather events, affecting both their physical and mental well-being. As a senior healthcare institution, Everbright Senior Healthcare is committed to promptly identifying risks and developing emergency response plans to safeguard the health of the elderly while ensuring uninterrupted services during emergencies.

In light of the identified physical risks, Everbright Senior Healthcare has assessed the adaptability and resilience of its senior healthcare service centres to climate change. Accordingly, we have devised region-specific risk mitigation measures. For instance, in high-risk areas, backup power generators are installed to ensure continuous operation of healthcare facilities in the event of power shortages.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Physical (short-term)	<p>Increased severity and frequency of extreme weather events, such as typhoon and flooding</p> <p>More prolonged heat and drought</p>	<ul style="list-style-type: none"> <li>⚙ Affecting the accessibility for staff to work, leading to manpower shortage</li> <li>⚙ Supply chains were affected, including medical equipment and food supplies</li> <li>⚙ The elderlies are more vulnerable to extreme weather events and need more care, resulting in increased demands on manpower</li> <li>⚙ Any human error or negligence in service may lead to potential claims</li> <li>⚙ The number of hospital admissions for the elderly may increase, which increased the demand for manpower</li> <li>⚙ Damage of building leads to higher maintenance costs</li> <li>⚙ Increased expenditures to enhance the resilience of healthcare facilities</li> <li>⚙ May pose the crisis of power shortages in response to the implementation of power curtailment measures by the government in area such as malls and office buildings, which will affect daily operations</li> <li>⚙ Increased expenditures on additional backup power generators and air-conditioning equipment</li> <li>⚙ Resulted in more heat-related diseases that lead to increased number of hospital admissions</li> </ul>

**Aircraft Leasing — CALC**

CALC is China’s pioneering aircraft operating lessor, with a core focus on the development philosophy of “sustainable development of green aviation”, providing comprehensive solutions throughout the aircraft life cycle. The primary challenges climate change poses to CALC’s operations involve shifts in policies and markets, along with the physical impacts on aircraft recycling facilities resulting from extreme weather events. To sustain its leadership in the low-carbon economic transition, CALC is dedicated to fleet upgrades by introducing more fuel-efficient aircraft models. Concurrently, CALC consistently enhances the recycling technology for old-aged aircraft, aiming to maintain a competitive edge in the low-carbon economic transition.

Risk Category	Specific Description	Potential Financial and/or Operational Impacts
Policy and legal	More stringent emissions standards for aviation industry	<ul style="list-style-type: none"> <li>⚙ Increased expenditures on new-generation energy-efficient aircraft configurations to meet the needs of the aviation industry</li> </ul>
	More stringent requirements on information disclosure, including climate-related information	<ul style="list-style-type: none"> <li>⚙ Increased expenditures to comply with new regulations and strengthen data management</li> </ul>
Market	Airlines prefer more efficient aircraft	<ul style="list-style-type: none"> <li>⚙ Increased expenditures on new-generation energy-efficient aircraft configurations to meet the needs of the aviation industry</li> </ul>
	Increased price of raw materials	<ul style="list-style-type: none"> <li>⚙ Increased expenditures</li> </ul>
Reputation	Increased interest from investors and customers on climate change, including its impacts on companies’ business and existing mitigation measures	<ul style="list-style-type: none"> <li>⚙ More frequent stakeholder communication is required to better understand their views</li> <li>⚙ Increased expenditures to manage and respond to the impacts of climate change</li> </ul>
Technology	Low-carbon technological enhancement under the development trend of green airlines	<ul style="list-style-type: none"> <li>⚙ Increased expenditures on procurement of energy-efficient aircraft and fleet renewal</li> </ul>
Physical (short-term)	Increased severity and frequency of extreme weather events, such as typhoon and flooding	<ul style="list-style-type: none"> <li>⚙ Project delays and additional working hours or expenses may be resulted due to an increased number of downtime days</li> <li>⚙ Affecting supply chain</li> </ul>

**Artificial Intelligence and the Internet of Things – Terminus**

Terminus positions itself as a cutting-edge AIoT platform, delivering intelligent technology services to various stakeholders. Embracing ESG principles and aligning with national carbon reduction goals, Terminus integrates sustainability into its daily operations and development strategies. Consequently, climate change presents more opportunities than significant adverse effects for Terminus. To fully leverage the opportunities arising from the low-carbon economic transformation, Terminus is dedicated to advancing its AIoT technology. This commitment aims to offer enhanced energy management and analytical services to businesses and society, driving the development of smart cities with carbon neutrality as a dual engine.

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

## Risk Management

We continue to identify and manage the impacts of climate change and progressively incorporate the analysis and assessment of climate change risks into investments through the implementation of the *Climate Change Policy*, *ESG Risk Management Statement* and *Responsible Investment Guidelines*, integrating them into the Group's existing risk analysis methodology. This process greatly increases our resilience to climate risks and mitigates the impact of climate change on the Group's business.

Based on the results of climate risk assessments, the Group prioritises high-risk and urgent issues, and formulating mitigation measures and plans. Regular assessments help us to be more resilient to climate risks and better prepared to face these challenges.

## Matrix and Targets

The Group fully supports China's commitment to achieve carbon peak and carbon neutrality by 2030 and 2060, respectively. As a dedicated cross-border investment institution, the Group firmly believes that excelling in investments is synonymous with finding certainty within uncertainty. The global consensus on the "dual carbon" strategy, green development and green recovery serves as the greatest certainty shared worldwide amid uncertainties in the global economy and capital markets.

Leveraging the financial licenses and expertise of its parent company, Everbright Group, spanning banking, securities, insurance, and trust, the Group is committed to realising its "dual carbon" goals through internal asset synergy and green operations. This strategic approach aims to identify low-carbon investment opportunities with certainty amidst the uncertainties posed by climate change, while minimising operational environmental impact, energy consumption and carbon footprint.

## OUR ENVIRONMENT

CEL is dedicated to conducting business in an environmentally friendly manner, actively enhancing energy efficiency, and promoting sustainable resource utilisation. The commitment is aimed at reducing the environmental impact and carbon footprint of its operations.



### Helping to Drive “Dual Carbon”

In response to the increasingly severe climate issues, CEL recognises the proactive addressing of climate change as its responsibility and obligation and is actively preparing for it. We place significant emphasis on the national dual-carbon goals and aims to achieve carbon neutrality at the operational level as part of its commitment to sustainable development.

To integrate ESG considerations into the Group’s sustainability strategy, We have established an ESG Task Force. Seeking guidance from professional consultants, the task force is working on practical solutions to implement carbon neutrality at the operational level, effectively responding to the escalating impacts of climate change. We make efforts to reduce carbon emissions associated with transportation and business travel by promoting the utilisation of online and telephone meetings. In addition, green office initiatives, energy efficiency measures, renewable energy and green procurement, are being implemented across all business units. To further advance its efforts, CEL has developed the *Climate Change Policy* which plans to expand climate risk analysis and disclose climate risk management for the Group and key investee companies.

In the face of challenges arising from various factors, including operational performance pressures, we remain steadfast in our pursuit of carbon neutrality. We are actively engaged in extensive research to explore viable solutions, such as enhancing operational energy efficiency, acquiring carbon credits and green electricity certificates and participating in carbon trading. Our commitment involves identifying and prioritising high-quality carbon credits that undergo stringent verification processes and selecting suitable carbon-neutral certificates. Simultaneously, we are working to improve the completeness and accuracy of the Group’s GHG disclosures.

To assess the overall energy efficiency of our operational units and departments, we conduct regular internal due diligence and carbon audits. These evaluations help us formulate targeted improvement plans. Furthermore, we plan to collaborate with external consultants to initiate specific initiatives related to carbon neutrality and develop a roadmap for effective implementation of our carbon reduction goals.

### Green Operation

In alignment with the “Dual Carbon” strategy, CEL has consistently advocated for “green office”, “zero-waste office”, “green management” and “green living” in its internal operations. Simultaneously, CEL actively collaborates with joint ventures and investee companies to drive the transition toward low-carbon business practices. Embracing environmental conservation principles, we strive to minimise energy and natural resource consumption, while maximising the use of eco-friendly products and services.

The Group’s *Environmental Office and Sustainable Procurement Management Guidelines* offer clear guidelines covering indoor air quality, energy efficiency, water conservation, resource utilisation, waste recycling, disposal, and sustainable procurement. The aim is to mitigate environmental and social risks associated with office activities, equipment procurement, and supplies. Department heads are responsible for ensuring that all staff members are acquainted with and adhere to the guidelines, facilitating effective monitoring and assessment of their implementation within each department. We will also continue to review the purpose and effectiveness of the guideline based on the results of monitoring findings to assist in follow-up actions and implementation of continuous improvements.

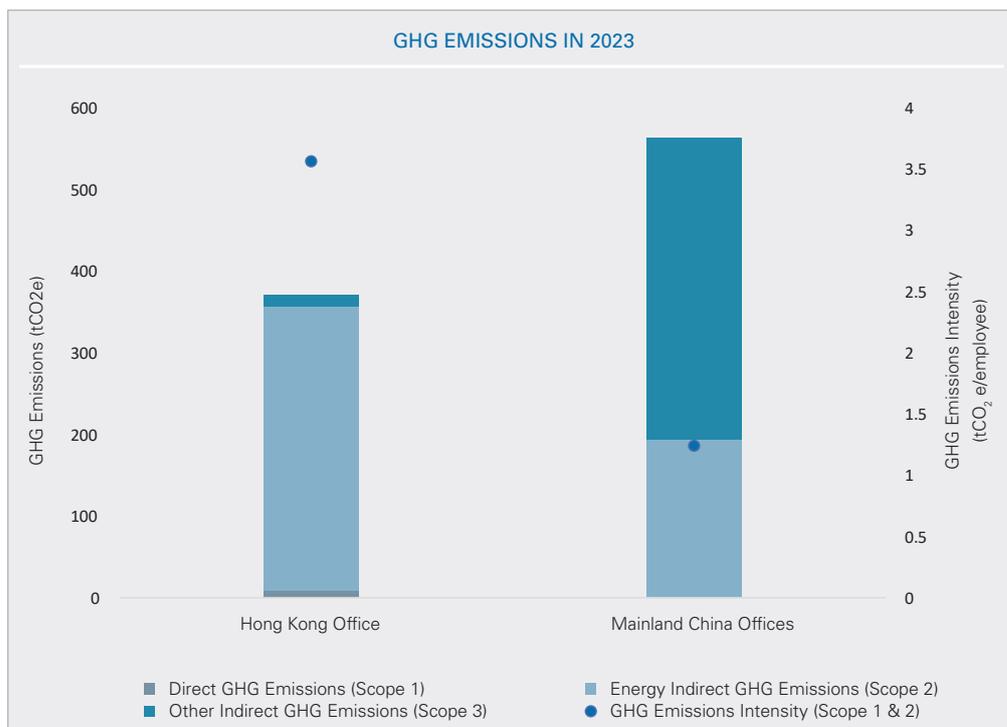
The primary environmental impacts of the Group typically arise from energy consumption, paper use, and waste generation within office spaces and material procurement. Recognising this, we have implemented a range of environmental protection measures, aiming to reduce our environmental footprint while ensuring the continued effectiveness of our corporate operations. Through various channels, such as training and volunteer activities, we actively raise employees' awareness of environmental issues, encouraging them to embrace and advocate for various green initiatives, thereby contributing to environmental conservation efforts.

During the Reporting Period, we did not have any confirmed violations related to the environment that caused significant impacts to the Group.

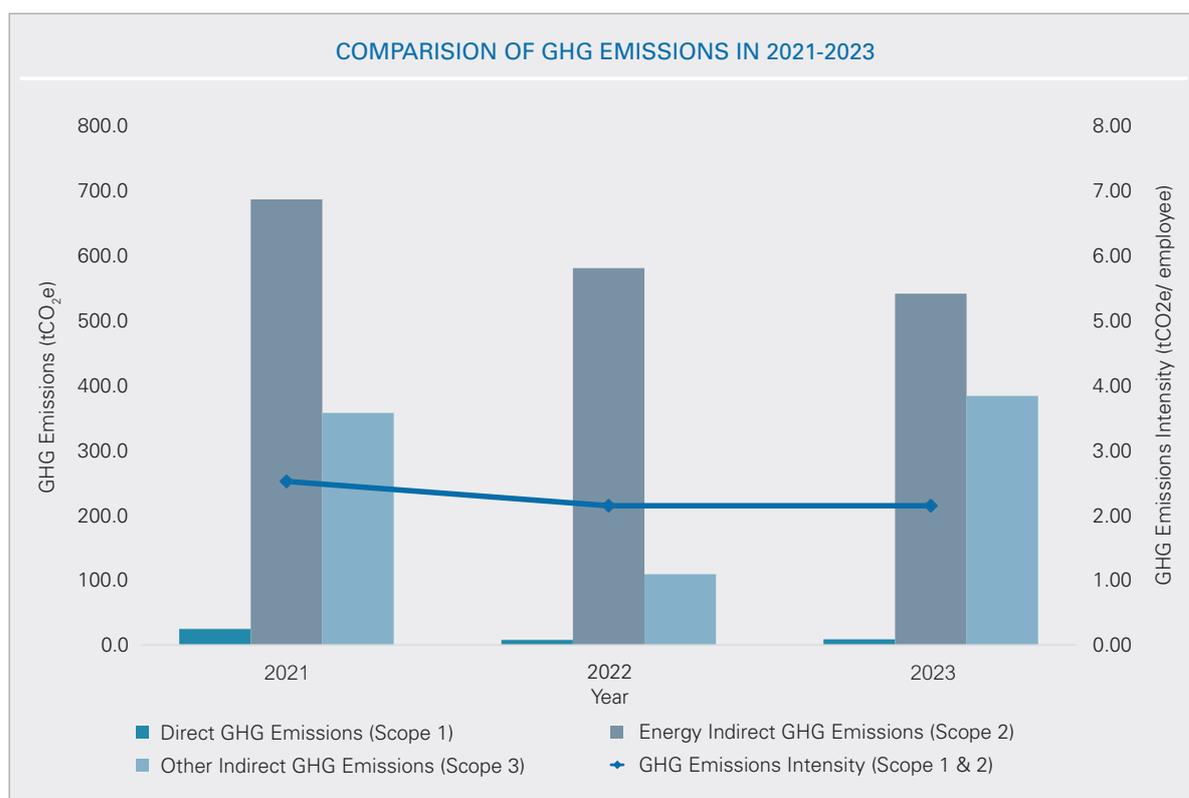
### Greenhouse Gas Emissions Management

To effectively manage and monitor the reduction of GHG emissions, the Group annually gathers environmental performance data to calculate emissions from office operations. Following the *Environmental, Social and Governance Reporting Guideline* of SEHK, as well as the *Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 edition)* by the Electrical and Mechanical Services Department and the Environmental Protection Department ("EPD"), the Group also utilises the Carbon Emissions Calculator of International Civil Aviation Organization to incorporate GHG emissions from business travel flights.

The majority of our emissions are from office electricity consumption, paper usage, water consumption, business vehicle fleets, and employee air and road transportation. To mitigate these emissions, we have implemented measures such as using unleaded petrol, selecting the most direct and efficient driving routes, advocating for the cessation of vehicle idling, and maintaining vehicles regularly. Additionally, initiatives including carpooling, optimising business travel and promoting video conferencing are actively encouraged among employees to collectively reduce the Group's overall GHG emissions.



	Unit	Hong Kong Office	Mainland China offices
Direct GHG Emissions (Scope 1)	tonnes of CO <sub>2</sub> equivalent	8.5	0 <sup>5</sup>
Energy Indirect GHG Emissions (Scope 2)	tonnes of CO <sub>2</sub> equivalent	347.8	193.4
Total GHG Emissions (Scope 1 & 2)	tonnes of CO <sub>2</sub> equivalent	356.2	193.4
GHG Emissions Intensity (Scope 1 & 2)	tonnes of CO <sub>2</sub> equivalent/employee	3.56	1.24
Other Indirect GHG Emissions (Scope 3)	tonnes of CO <sub>2</sub> equivalent	13.8	370.1



Note:

<sup>5</sup> The Group does not have any company vehicles in Mainland China offices.

## Energy and Water Conservation

Energy consumption is the most direct cause of climate change, and as such, we prioritise energy-saving measures targeting employees' office electricity consumption habits. To reduce energy consumption and mitigate climate change, we have formulated the *Green Office and Sustainable Procurement Management Guidelines*, to promote the use of energy-saving appliances and LED lighting. We guide employees to power off electrical devices, such as air conditioners, computers and printers, when not in use or upon leaving the office. We also encourage employees to set their computers to energy-saving mode to reduce power consumption.

In terms of office facilities, we have consolidated multiple servers into a single high-capacity server and adopted virtualisation of computer equipment, resulting in a significant decrease in power consumption and hardware installations.

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

### Energy and Water Consumption in 2023

	Direct energy consumption	Direct energy consumption intensity
Electricity	850,745 kWh	3,323 kWh/employee
Fuel – Petrol	3,128 L	12.2 L/employee
	Water consumption	Water consumption intensity
Water <sup>6</sup>	52.6 m <sup>3</sup>	0.2 m <sup>3</sup> /employee

## Waste Management and Material Procurement

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

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

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

Note:

<sup>6</sup> Since tap water in the office is supplied by the building and there is no independent water meter, the water consumption only includes the consumption of bottled drinking water.

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

The Group’s mercury-containing fluorescent tubes were all collected by property management in all offices, which would then be sent to competent recyclers or other contractors for proper hazardous waste treatment. Furthermore, our Hong Kong office took part in Environmental Protection Department’s recycling programme to properly recycle regulated electrical appliances and other waste electronic equipment.

During the Reporting Period, we collected more than 1,937 kg of paper and plastic bottles, 139 pieces of hazardous waste<sup>7</sup> and 53 toner cartridges.



	Hong Kong Office	Mainland China Offices
Non-Hazardous Waste Disposal <sup>8</sup>	11,309 kg	13,571 kg
Non-Hazardous Waste Disposal Intensity	113 kg/employee	87 kg/employee

Notes:

<sup>7</sup> Includes waste mercury-containing fluorescent tubes.

<sup>8</sup> Since the recycling of food waste is collectively handled by the property management of the building, the amount of food waste recycled is not included in the calculation.

## Empowering “Carbon Neutral” Industries

CEL has always been supportive of industrial development and is a pioneer in empowering its key investee companies in the field of sustainable development to build a zero-carbon economy.

Terminus, an AIoT company incubated by CEL, has adopted the application of the AIoT framework in China. Terminus is committed to advancing smart city construction and developing core businesses such as municipal-level operating systems, carbon neutrality, and robotics. The AIoT technology has been instrumental in creating the artificial intelligence city intelligent pilot demonstration area in Wuhan. This innovative project is the first in China to employ AIoT in monitoring carbon emissions throughout the entire lifecycle within an ecological area. The AI PARK, a key component of this initiative, officially obtained carbon neutrality certification from the China Beijing Green Exchange in 2022. Moreover, it has been recognised as one of the first “smart building” practice cases by the China Association of Building Energy Efficiency.

In 2021, Ying Li, a subsidiary of CEL, formulated a three-year action plan for transformation and development, explicitly making carbon neutrality one of its key directions. With the approval and support of its Board of Directors and parent company, Ying Li signed a Framework Cooperation Agreement with State Power Investment Corporation Chongqing Electric Power Co., Ltd. in December 2021. This agreement solidified a long-term and comprehensive partnership between the two entities in various projects and businesses, including comprehensive energy services, integrated smart energy, and new energy. The Phase 1 project of the Daping Ying Li IMIX Park Comprehensive Energy Transformation Project (“Daping Project”), completed in October 2022, implemented the “Central Air Conditioning Energy-saving Transformation”. Utilising the SmartEco intelligent energy control system, the central air conditioning system operates efficiently and intelligently, with an anticipated annual reduction in electricity consumption of 222,100 kWh and a comprehensive energy-saving rate of approximately 10.83%.

In 2023, Ying Li remains committed to its transformation and continues to prioritise new energy and carbon neutrality. The “Central Air Conditioning Energy-saving Transformation” project within the Daping Project was completed at the end of 2022, achieving an energy-saving rate of approximately 16.46%. This exceeded the initial construction target, resulting in a total savings of approximately 316 million kWh of electricity in 2023. This translates to a reduction of about RMB2.5 million in energy expenses, an annual electricity savings equivalent to 123 tonnes of standard coal, and a reduction of 315 tonnes of carbon dioxide emissions.

Building upon this success, Ying Li plans to continue expanding its cooperation with State Power Investment Corporation Chongqing Electric Power Co., Ltd., fostering an ESG-oriented and environmentally friendly ecological value chain. This initiative aims to extend green ecological environmental protection industries from Chongqing to the national level.

In 2023, Ying Li is in close communication and research collaboration with relevant technology teams in Beijing and Chongqing. Future plans involve leveraging data and algorithms to develop innovative AIoT solutions tailored for Ying Li projects. This approach focuses on low-carbon and intelligent transformations, contributing to green construction and energy conservation goals.

Furthermore, Ying Li, through its Investment Decision Committee, actively explores and promotes small-scale entry into the new energy vehicle charging pile business. This strategic move demonstrates a cautious entry into the new energy sector and aligns with the company’s commitment to transformative development in new energy.

Since 2020, Ying Li has significantly reduced the number of self-owned and operated vehicles. The fleet, which initially comprised 6 vehicles with a total of 22L fuel consumption, has gradually reduced to only 1 vehicle with a total of 2 L fuel consumption. In 2023, the direct fuel consumption was reduced by over 80% compared to the pre-2020 period. Through incremental efforts, Ying Li continues to contribute to sustainable development.

As the largest industrial investment fund manager and real estate investment and asset management platform under CEL and Everbright Jiabao, EBA Investments actively invest and manage 21 projects covering 10 key cities nationwide. Throughout the project development and operation processes, the company consistently adheres to the principles of sustainable development, integrating goals aligned with green, environmental-friendly, and healthy building standards throughout the project's lifecycle. Currently, among the projects constructed and managed by EBA Investments, three have achieved WELL Gold certification, five have obtained LEED CS Gold/EB Platinum certification, and five have been certified with China Green Building One-Star/Two-Star, totalling a built area exceeding 960,000 m<sup>2</sup>.

Furthermore, several projects under EBA Investments have undergone innovation and transformation in energy conservation, water saving, reduction of GHG emissions, and improvement of resource utilisation.

<p>The rooftop PV power generation energy-saving transformation projects at Shanghai Jingan IMIX Park and Shanghai Jiading IMIX Park have seen the construction of a photovoltaic panel area of 7,000 m<sup>2</sup>. Since the project completion in early 2023, they have generated 1.6 million kWh of electricity, saved 197 tonnes of standard coal, and been awarded the National Green Mall Honor.</p>	<p>In 2023, the lighting energy-saving transformation project was implemented at Shanghai EBA Investment Hongqiao Center. Through statistical analysis of the quantity, parameters, and usage of lighting fixtures on-site, a total of 4,296 lamps, accounting for approximately 82% of the project's overall lighting fixtures, were retrofitted in areas such as underground parking lighting, mall lighting, and office building area lighting. This transformation is expected to achieve a comprehensive energy-saving rate of 55% through LED lighting secondary energy-saving, saving 280,000 kWh of electricity annually, reducing coal consumption by 82 tonnes, and reducing carbon emissions by 284 tonnes.</p>
<p>In October 2023, the IMIX Park project in Guanyin Bridge, Chongqing, transformed three atmospheric pressure boilers on the roof into vacuum boilers, reducing nitrogen emissions from 110mg/m<sup>3</sup> to 30mg/m<sup>3</sup> and increasing thermal efficiency from 85% to 95%.</p>	<p>In July 2021, the Jiefangbei IMIX Park project in Chongqing replaced a total of 5,510 sets of high-luminance, low-power lighting fixtures. Based on actual operational data after completion, the project achieved a lighting energy-saving of over 450,000 kWh within 29 months, with an energy-saving rate of 55.14%.</p>
<p>The Daping IMIX Park project in Chongqing completed air conditioning energy-saving transformation with zero investment. By implementing group control logic programme transformation, installing frequency converters, electric valves, water flow and temperature sensors, control cabinets, and other measures, the project achieved a reduction in annual electricity consumption of approximately 360,000 kWh by adjusting the air conditioning according to the actual load demand, thereby lowering the running load or the number of running units of the main machine, reducing the frequency of water pump operation.</p>	

CALC, another key investee company of CEL, is the first operational aircraft leasing company in China and a leading global player in aviation finance. Different from other financial leasing companies, CALC focuses on operational aircraft leasing business, having the most popular aircraft assets and maximising the value of aircraft at every stage of the life cycle. CALC is committed to transforming the passive disposal of aircraft in the market and the need for capacity replenishment into active participation in airline fleet upgrades, serving to enhance the value of aircraft assets.

CALC has two major aircraft recycling bases domestically and abroad, covering full licenses for aircraft maintenance, recycling, and material sales in China and the United States. By leveraging the synergies of its global team, CALC aims to increase the number of commercial aircraft leased, traded, and disassembled each year, maximising the entire life cycle value of aircraft assets. As of 31 December 2023, CALC's fleet comprises 192 aircraft, an increase of 16 aircraft compared to the end of 2022.

CALC is dedicated to mutual and beneficial green aviation development by supporting sustainable development and a low-carbon economy through the introduction of new technologies and a globally efficient fleet to save energy and reduce emissions. The expertise and professionalism of CALC in aircraft disassembly and recycling have achieved Diamond status, equipping it to provide full-value-chain solutions. It responds to and practices the International Air Transport Association's (IATA) industry goal of achieving net-zero carbon emissions by 2050. CALC is a member of the Aircraft Leasing Ireland ("ALI") and a signatory aircraft lessor of ALI's *Sustainability Charter*. By actively taking action, CALC contributes positively to the future of sustainable aviation along with industry peers.

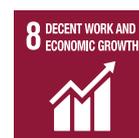
In 2023, CALC was selected for the 9th consecutive year for the World Green Organisation's "Green Office Awards Program" and received certification for the 7th consecutive year as a healthy workplace. Since 2015, CALC has actively participated in and received certification for the programme for nine consecutive years, making it one of the earliest companies in Hong Kong to support and promote a "green office" culture.

## OUR EMPLOYEES

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



The Group outlines crucial information and procedures related to employee management, compensation and benefits, attendance policies, working hours, leave, anti-discrimination measures, and code of conduct in our *Employee Handbook*. Our full-time employees enjoy an array of benefits, including medical insurance, maternity and paternity leave, festive red packets, and various special allowances and subsidies, making the Group an attractive and ideal workplace. To ensure the fairness and competitiveness of our employees’ compensation, we adhere to regional regulations regarding minimum wages and regularly review and adjust our remuneration packages based on individual performance and labour market trends.



Standard benefits provided for our full-time employees are summarised in the table below:

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

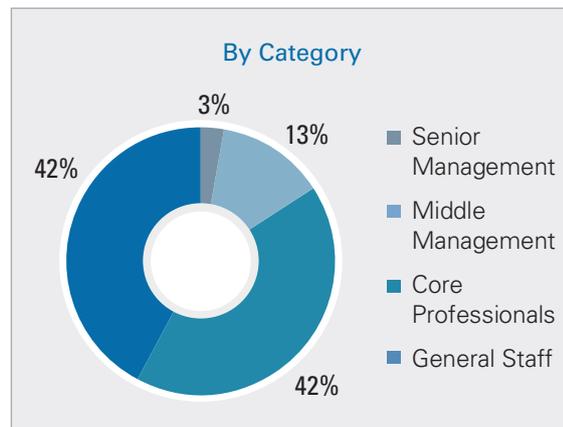
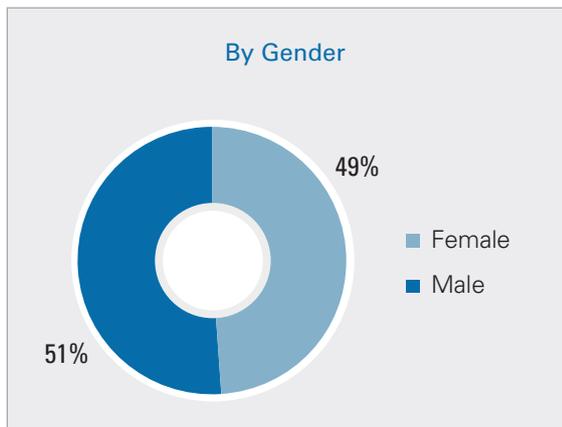
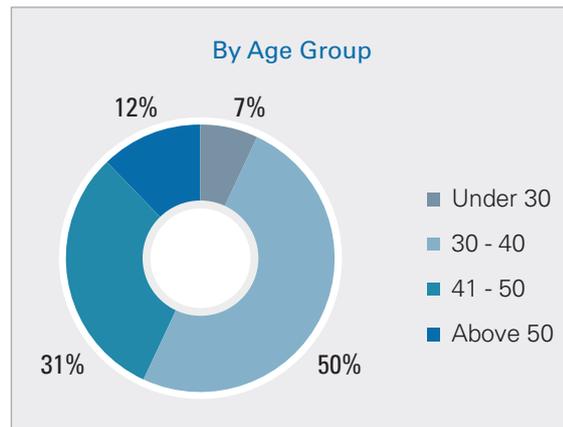
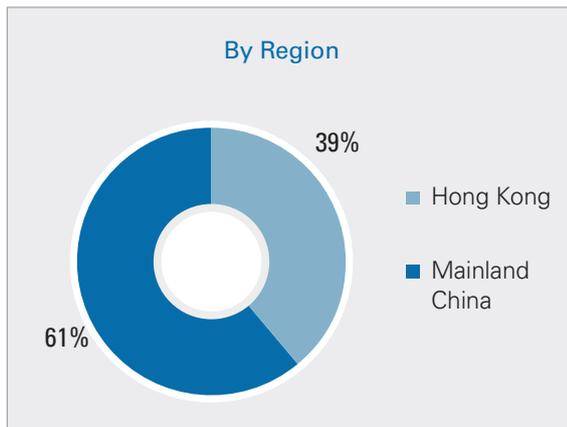
During the Reporting Period, the Group’s commitment to staff well-being and development received recognition from several organisations. We have been honoured for 4 consecutive years with the “Sport-Friendly Action” accolade presented by the Chinese YMCA of Hong Kong. Furthermore, we received the “Joyful@Healthy Workplace Best Practices Award (Corporate/Organisation)” Merit Award. This award is a collaborative effort organised by the Occupational Safety and Health Council, Labour Department, Department of Health, Pneumoconiosis Compensation Fund Board, and Occupational Deafness Compensation Board. We were also awarded the “Happy Company 5+” commendation mark issued by the Hong Kong Productivity Council and the Promoting Happiness Index Foundation.

## Employee Diversity and Equal Opportunity

The Group is dedicated to fostering a diverse and inclusive work environment, promoting competitiveness and cultivating success. Across various aspects such as recruitment, promotions and terminations, training and assessments, we uphold principles of fairness and equality in employment practices. We strictly adhere to and enforce the provisions outlined in our *Staff Handbook*, *Employee Diversity Statement* and *Employee Rights and Benefits Statement* to safeguard employees' fundamental rights. This ensures protection against discrimination, harassment, and malicious defamation based on factors like gender, nationality, race, disabilities, marital status and sexual orientation. Our aim is to establish a harmonious and inclusive workplace where every employee has an equal opportunity to unleash their potential.

In addition to our commitment to gender pay equality, we have established formal grievance procedures and complaint mechanisms to promptly address any instances of discrimination or misconduct. Throughout the Reporting Period, no complaints related to discrimination were received.

As of 31 December 2023, the total number of employees at CEL's headquarters and wholly-owned subsidiaries is 256, with all employees being on a full-time basis. The male to female ratio among employees is 1.03:1, reflecting a balanced gender representation.



## Training and Development

CEL is dedicated to unlocking the potential of its employees, fostering their professional and personal growth through training, and assisting them in career planning. Adhering to the *Employee Training and Personal Development Policy* and the *Employee Development and Training Statement*, we consistently allocate resources to meet diverse learning needs and objectives. We developed various learning and development programmes, covering aspects including targeted business training, management skills, ethics, anti-corruption, anti-money laundering, taxation, legal and regulatory compliance, ESG, data security, soft skills, and mental health. Furthermore, we regularly update training content to align courses with employees' evolving learning requirements, enhancing their understanding of emerging issues and the market environment.

Additionally, we have set annual training hour targets of 30 hours for new recruits and 20 hours for non-new recruits. Completion of these targets is integrated into the evaluation system, encouraging employees to actively participate in internal and external training activities, improving their professional skills, and ultimately strengthening the Company's core competitiveness. In 2023, we organised 31 internal training courses covering a range of topics such as political literacy, integrity culture, professional ethics, laws and regulations, finance and taxation, carbon neutrality, ESG and soft skills. Each department has the flexibility to design training based on team development goals. Throughout the Reporting Period, all employees of the Group collectively completed 18,837 training hours, achieving an employee training rate of 100%.

CEL is dedicated to retaining and cultivating outstanding talents, exemplified by our *Employee Promotion Policy*. This policy serves as a career ladder for employees aspiring to higher positions, ensuring a clear and stable career development structure. It not only encourages employees to contribute significantly to the Company but also propels the Group's business development.

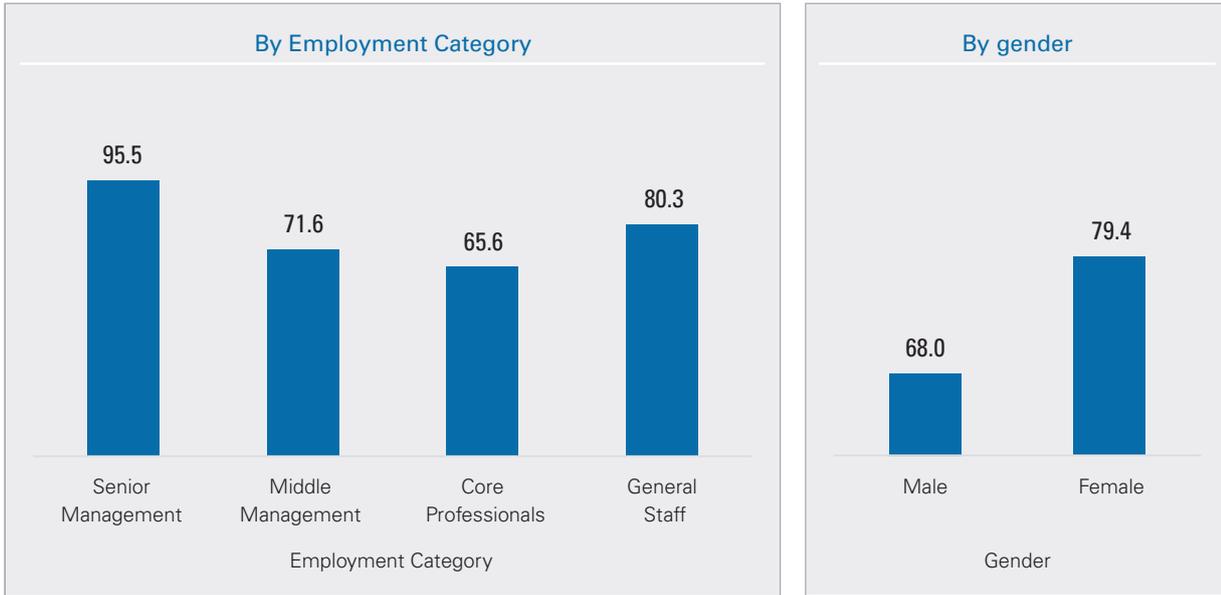
Additionally, CEL conducts regular assessments to evaluate the performance and career development of all employees. This systematic approach effectively enhances employees' skills and individual growth, aiding us in strategically managing human resources by identifying and nurturing exceptional talents.

## Special Training Series on ESG

During the Reporting Period, CEL's ESG Task Force and Human Resources Department collaborated with professional institutions and industry experts to conduct 2 sessions of ESG specialised training at the Company. The training aimed to bolster the Company's comprehension of ESG concepts and proficiency in investment methods, fostering the implementation of ESG investment practices. The topics covered in the training included ESG trend analysis, typical cases of carbon peak and carbon neutrality. A total of 116 employees, spanning different business departments and hierarchical levels from five office locations, and CEL's MDC participated in the training through both on-site and online modes.

To further fortify employee training on carbon peaking, carbon neutrality, and ESG, the Group procured 4 external training courses covering various aspects, including carbon neutrality, ESG basics, and ESG systems. Employees had the flexibility to engage in training and learning through the Group's E-Learning system around the clock.

### Average Training Hours in 2023



### Average Health and Safety Training Hours in 2023

	By Employment Category				By Gender	
	Senior Management	Middle Management	Core Professionals	General staff	Male	Female
Average training hour	1.3	1.4	2.5	4.1	2.4	3.7

### Average ESG Training Hours in 2023

	By Employment Category				By Gender	
	Senior Management	Middle Management	Core Professionals	General staff	Male	Female
Average training hour	6.2	0.4	1.5	1.3	1.3	1.6

### Average Data Security Training Hours in 2023

	By Employment Category				By Gender	
	Senior Management	Middle Management	Core Professionals	Senior Management	Male	Female
Average training hour	0.9	1.1	1.1	1.5	1.2	1.3

The Group conducts comprehensive online orientation training for newly recruited employees, offering insights into the Group's operations. The training encompasses various aspects, including business overview, brand concept, rules and regulations and codes of conduct. Additionally, a mentorship programme is in place for new employees, where experienced staff act as mentors, providing timely guidance and encouragement to facilitate a smooth adaptation to the Group's culture and working environment. This initiative also fosters knowledge transfer and teamwork among employees.

To support employees in their career development, the Group provides education subsidies, encouraging proactive participation in courses organised by professional institutions that contribute to self-improvement and career advancement. These subsidies are available to all employees and workers, including contract workers and those on secondment, demonstrating the Group's commitment to creating a culture that encourages continuous learning.

To cultivate a reservoir of high-quality talent and ensure workforce stability, the Group actively constructs a talent pool, reserving a cohort of qualified international professionals, young talents, and outstanding young executives. The development of the *International Talent Pool Construction Work Plan* and the *Young Talent Development Program* outlines the qualifications, training plans and implementation procedures for individuals in the talent pool, while utilising scientific assessments to provide young talents with insights into their behavioural characteristics in various dimensions. This approach aids them in formulating personalised development plans to acquire new skills and explore diverse development opportunities. During talent selection, the Group prioritises individuals with high potential in the talent pool, and in terms of training, priority is given to these young talents to participate in internal and external professional development programmes to enhance their practical experience. To further enhance professional expertise, the Group has established specialised talent pools in areas such as technology innovation, risk and legal, and financial management. Management protocols for these talent pools will be progressively refined.

### Occupational Health and Safety

The Group prioritises the well-being, safety, and health of its employees, making every effort to safeguard their physical and mental well-being. Active efforts are undertaken to optimise the working environment, ensuring that employees work in a safe setting free from occupational hazards. The Group adheres to relevant occupational health and safety regulations, conducting regular risk identification and monitoring as outlined in the *Occupational Safety and Health Policy*. This policy aims to ensure that employees have a comprehensive understanding of safety guidelines. Special attention is given to the occupational health aspects of office spaces. Measures such as office lighting, ventilation, and workspace design are carefully considered to ensure that the office environment meets health standards. Regular office safety inspections are conducted to ensure a safe environment, keeping fire exits unobstructed. Additionally, annual fire drills are organised to enhance employee safety awareness, demonstrating the Group's commitment to minimising safety risks.

Simultaneously, the Group promotes work life balance by regularly organising various recreational activities for employees, such as art creation, stretching exercises and health seminars. This encourages employees to maintain life interests and vitality beyond the workplace, enriching their leisure time. Natural light and indoor greenery are incorporated into office spaces wherever possible to enhance the working environment. "Charging stations" have been set up in our offices, providing employees with fruits, coffee, milk and desserts, allowing them to recharge during work hours and promoting overall well-being. To foster a positive cultural environment and alleviate work-related stress, reading corners have been established in all five offices. These corners feature a diverse collection of books covering topics such as politics, economics, finance, history and biographies, aligning with the philosophy of lifelong learning. The Group actively encourages employees to contribute to this collection, supporting principles of resource conservation, environmental sustainability and community sharing.

Since 2018, the Group has implemented the Employee Assistance Programme (EAP), connecting employees with external professionals who offer advice, counselling and assistance on personal, family, or workplace matters. This programme aims to address the mental health needs of employees, contributing to increased engagement and satisfaction in the workplace.

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

## Communication and Connection

To enhance communication with employees, the Group actively engages in open dialogues through various channels, valuing employees' concerns and feedback. Internally, timely updates on company news and real-time information are communicated to employees through the *Partner Express* emails. Externally, company information is disseminated to institutions, investors, and the media through presentations and press releases. The quarterly electronic periodical, *Partner*, serves as a platform for sharing key business information, brand development updates and glimpses into employee life, fostering close connections among colleagues in Mainland China and Hong Kong. To boost work efficiency, the Group has developed and implemented an in-house online collaborative Office Automation Platform and a mobile application. These tools enable employees to access company information and perform administrative tasks from any location, enhancing internal operational efficiency.

The Group has also established a "Consulting Opinions" dedicated email inbox for collecting opinions, providing employees with an additional channel to contribute suggestions and ideas. This feedback is compiled into the *Work List for What I Can Do for Employees*, which is regularly reviewed and followed up on.

Furthermore, to strengthen the corporate culture and enhance organisational cohesion, the Cultural and Social Responsibility Department leads various cultural activities. These include activities with festive themes, employee care initiatives, team-building exercises and cultural and sports events. These activities aim to foster communication and interaction between management and employees, promoting cultural integration among employees in Mainland China and Hong Kong and enriching their leisure activities outside of work.

Additionally, all employees undergo formal performance assessments annually. Using the Group's fair and robust assessment framework, employees receive performance and behaviour ratings. Performance management helps employees achieve work-related goals and long-term development, facilitating regular dialogue between management and employees, providing feedback and recognition.

## OUR VALUE CHAIN

In the face of the constantly changing global economic and international environment, the Group is dedicated to seizing new opportunities both domestically and internationally, and actively promoting and developing high-quality transformation and development. Collaborating closely with its six key investee companies, the Group aims to leverage expertise and resources effectively, demonstrating its ambitious growth in the responsible investment sector, while creating maximum benefits for stakeholders across various sectors, fostering a long-term, mutually trusting partnership.



### Clients and Collaborating Partners

The Group's "Cross-border Asset Management" platform primarily connects the highly promising Mainland and Hong Kong markets. In recent years, to broaden the coverage of the investment industry and discover more opportunities, the Group has actively sought overseas investment and cooperation initiatives. An effective risk management mechanism has been established to protect the capital and interests of both parties and enhance investor confidence.

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

In the face of numerous financial crises that have hit the financial industry, resulting in the collapse of some financial giants, the sector has undergone reflection on how to balance rapid business development and effective risk management. The Group, relying on robust corporate and risk management mechanisms, has demonstrated resilience and achieved stable and rapid development in challenging times.

Through summits and conferences, CEL showcased its “Cross-border Asset Management” platform, providing insights into its development status, strategy, and future vision. This allowed participants to gain a deeper understanding of the practical operation of the funds. The summit not only facilitated a better understanding of project development and business advantages among investors and business partners but also served as an effective platform to expand the network for fund collaboration. This collaboration spanned different industries and product categories, highlighting the synergies among the funds under the Group. Since 2014, the annual conference has been a platform to invite media, analysts, and investors from Hong Kong and Mainland China, providing them with the latest updates on CEL’s business developments.

For details on our supply chain management, please refer to the “CEL’s Approach to ESG Management” chapter in this Report.

## Shareholders and Investors

CEL emphasises communication with shareholders and investors, aiming to enhance the Group’s transparency and the quality of information disclosure continually. Various channels, including one-on-one online video conferences, offline visits, participation in investor forums, and hosting investor and analyst meetings, are utilised to present the Group’s development. In 2023, two investor and analyst meetings were held, attracting over a hundred professionals from Mainland China and Hong Kong. Additionally, there were more than 20 one-on-one online and in-person meetings. The Group actively participated in forums and meetings with various financial institutions, fostering communication and exchange.

Shareholders’ meetings serve as an effective means for the Group’s management to maintain direct and close contact with shareholders. Following the announcement of financial results, the Group holds two press conferences and analyst meetings each year, and video recordings are maintained. These videos, along with related documents, are uploaded to the “Investor Relations” section of our official company website, which centrally manages different reports and information, allowing shareholders and investors to understand CEL’s operations more timely and conveniently.

As part of our commitment to the Group’s future development and a more international brand image, we have established communication channels on our corporate website. This facilitates close contact and communication between clients, investors, and our management team through the fund registration function on the website, allowing for real-time exchange and sharing of market information. Additionally, the Company has established multiple channels, platforms, and methods for investor relations, including communication through the corporate website, WeChat public account, phone, fax, and email. We have also introduced a mobile-friendly version of the official website to enhance the convenience of mobile users. Our WeChat public account (WeChat ID: chinaeverbright) serves as a more convenient and diversified information-sharing channel for various stakeholders and the general public.

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

## OUR COMMUNITY

Giving back to the society is an integral part of CEL’s fulfillment of corporate social responsibilities. Therefore, we actively participate in various community activities and are committed to serving the community and supporting those in need. The Group promotes sustainable community development and engages in charity work through various forms of activities, fostering positive impacts on society and enhancing social cohesion through maintaining close ties with stakeholders from all walks of life.



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



Among these initiatives, our long-standing collaboration with “Lifeline Express” involves providing free treatment to impoverished cataract patients. We have also partnered with Orbis as their “Hong Kong Corporate Partner”, sponsoring the “Everbright Moonwalkers” to support sight-saving campaigns globally. Additionally, we have sponsored the “Spartan Race Hong Kong”, promoting a healthy lifestyle and encouraging the concept of self-challenge to enhance both physical and mental well-being. The establishment of Dalton School Hong Kong in 2017, supported by CEL, aims to create a world-class learning environment for the new generation. Title-sponsored by CEL, the “China Everbright Voice of the Stars Story-Telling Scheme” seeks to foster a better understanding and increased awareness of Chinese history among Hong Kong’s youth. Under the auspices of the “Big Little Thing” initiative, organised by the Our Hong Kong Foundation’s Business for Social Good and title-sponsored by CEL, efforts are directed toward identifying community issues and encouraging enterprises to creatively address grassroots challenges. The collaborative “Everbright Project” with Caritas Family Crisis Support Centre focuses on providing community services for Hong Kong’s sandwich class. Furthermore, CEL supports the “Project Companion — Professional Social Workers in Greater China Scheme”, a joint initiative with Social Workers Across Borders aiming to train professional social workers in Mainland China. By sponsoring the “Everbright Teachers Heritage Discovery Tour”, organised by the Hong Kong Federation of Education Workers which offered Hong Kong teachers with opportunities to travel to Mainland China cities for experiencing and learning about Chinese culture and history. CEL also partner with Hong Kong Ballet, Opera Hong Kong, the Hong Kong Arts Festival and Hong Kong Repertory Theatre, contributing to the promotion and development of the arts in Hong Kong.

Additionally, year 2023 marks the 16th anniversary of the establishment of CEL’s volunteer team, which has consistently organised a myriad of community service activities, striving to build a harmonious society. Every year, CEL’s volunteer team hosts various volunteer activities for colleagues to participate in, allowing employees to actively engage in social welfare projects and promote sustainable social development. Activities include visits to nursing homes, special needs children’s centres/schools, sheltered workshops, collaboration with Food Angel to prepare and distribute meals to the elderly, restoration of historical gardens, mural painting in schools, parent-child volunteering, tree planting initiatives, as well as various fundraising and material distribution events, offering timely support to the community.

Community Service Data in 2023			
			
16 Supported Activities	285 hours of Volunteer Services	193 Volunteers	Community Investment and Donations Exceeding RMB110,000

The *Corporate Social Responsibility Policy* of the Group clearly outlines our commitment to social responsibility. We focus on addressing social needs and dedicate ourselves to fulfilling our commitments through poverty alleviation, disaster relief, and support for vulnerable groups. We strategically allocate appropriate resources and provide assistance in various aspects to contribute to the construction of a harmonious society.

CEL's efforts and investments in corporate social responsibility have been repeatedly acknowledged by the community. For 13 consecutive years, CEL and the China Everbright Charitable Foundation have been honoured with the "Caring Company" and "Caring Organisation" awards by the Hong Kong Council of Social Service. Additionally, for four consecutive years, CEL has received the "Sport-Friendly Action" logo from the Hong Kong Chinese YMCA. Furthermore, the Company has been recognised with the "The Asset Corporate Awards — Gold Award in Governance, Social Responsibility and Investor Relations" and the "Hong Kong Outstanding Corporate Citizenship Award — Volunteer Team" presented by the Hong Kong Productivity Council. These accolades affirm the Company's outstanding performance in corporate social responsibility and its commitment to maintaining excellent communication and relationships with various stakeholders.

### "Championing Youth Dreams, Celebrating the Year of the Rabbit"

CEL actively supported the "Championing Youth Dreams, Celebrating the Year of the Rabbit" 2023 New Year Charity Youth Carnival, aiming to care for underprivileged youth in Hong Kong. The event seeks to bring the joyous atmosphere of the New Year to more young individuals from families lacking proper care, low-income households, and those in need of assistance. It also aims to deepen their understanding of the profound richness of Chinese traditional culture, fostering cultural confidence.

CEL, through various activities such as hosting booths with traditional Chinese New Year vibes and a grand lucky draw, donated learning materials such as back support braces, watercolours, and stationery sets to the youth. This initiative allows them to experience the joy of the New Year and contributes to their progress in learning. CEL hopes that through this event, the message of love, support, and care will be conveyed to the benefiting families and youth, igniting hopeful aspirations for the future among the young generation in Hong Kong, encouraging them to pursue their dreams courageously and grow happily.



#### “New Year, New Melody – Sharing Among Hong Kong Youth”

CEL supported and promoted the “2023 Classic Songs New Year Charity Concert”. The Company generously provided entry tickets to 400 youngsters from grassroots families in Hong Kong, allowing them to experience the uplifting spirit in music. This charity concert not only enables Hong Kong’s youth from underprivileged families to enjoy a blend of classical and contemporary, sophisticated, and popular music but also aims to inspire them through the untiring and optimistic stories behind the performers. The goal is to ignite courage and ambition, encouraging them to face challenges fearlessly. CEL, together with its partners, actively creates diverse opportunities to expose more young individuals from underprivileged families in Hong Kong to arts. The aim is to inspire them through music, enhance self-improvement, pursue excellence, and encourage them to contribute to the construction of a better Hong Kong on a broader stage.

#### Participation in the 2023 Hong Kong Community Chest’s Walk for Millions

On 15 January 2023, CEL, together with brother enterprises of Everbright Group, actively responded to the call of the Hong Kong Chinese Enterprises Association. They formed a team to participate in the Hong Kong Community Chest’s Walk for Millions for the year 2023. The funds raised from this event will be fully allocated to support 24 member organisations providing “family and child welfare services”. This assistance aims to help families in need, encourage the establishment of close relationships among members, prevent and address individual or family issues and provide support services.

CEL, along with its brother companies including China Everbright Environment Group Limited, China Everbright Bank Co., Ltd, CEB International Capital Corporation Limited and China Everbright Securities International Company Limited, had a team of over 35 people. They started from the Hong Kong Stadium, passed through the Wong Nai Chung Gap Road, the Black’s Link, and the Aberdeen Reservoir Road, and finally reached the destination at Aberdeen Country Park. The entire journey took approximately 3 hours, covering a distance of about 10 km.



### School Sports Day

On 30 March 2023, CEL and the local social enterprise “HandsOn” co-organised the “School Sports Day” event. The Company’s volunteer team visited the Y.C.H. Chiu Tsang Hok Wan Primary School in Tsing Yi and engaged with 20 primary five students in an enjoyable day of frisbee sports. Under the guidance of professional coaches, they participated in friendly competitions, helping the students expand their sports skills, experience the joy of physical activity, and encouraging them to actively engage in sports for healthy growth while pursuing academic excellence.

Through interactive exchanges during the event, volunteers deepened their understanding of students from grassroots schools. Due to economic constraints, students from these backgrounds have limited opportunities to participate in extracurricular activities, especially those involving group sports. In this event, the students demonstrated unity, teamwork, and a positive spirit that deeply moved and inspired the volunteers. After the event, volunteers presented the students with “frisbees” as gifts, encouraging them to persist in sports, strive for academic success, and grow into accomplished individuals.



### School STEM Fun Day

CEL continues its commitment to education and technology through collaboration with the local social enterprise “HandsOn”. In June 2023, we once again organised a school volunteer activity, this time focusing on the theme of “School STEM Fun Day”, specifically targeting the fields of science, technology, engineering, and mathematics (STEM). Our volunteer team visited CCC Chun Kwong Primary School in Yuen Long, engaging with 20 primary school students in STEM courses with the aim of inspiring their interest in technology and engineering while fostering creativity and problem-solving skills.



During the event, our volunteers and students collaborated on hands-on 3D printing projects. Guided by instructors, they delved into the principles of 3D printing and explored how this technology could be applied in everyday life to assist vulnerable communities. Through this interaction, we observed the students demonstrating rich creativity, a strong curiosity about technology, a willingness to experiment, and fearlessness in the face of failure. Ultimately, they successfully created various items, including phone stands, water cups and cane clips, highlighting the advanced and innovative nature of 3D printing technology.

Through such technological experiences, we hope to ignite the students’ interest and passion for learning in the STEM field, enabling them to apply their knowledge in serving the society. CEL aims to use technology to address real challenges faced by grassroots families, making technology a force for positive social change.



### CEL Provides Supplies to Subdivided Unit Families in Kwun Tong District

CEL has consistently been committed to caring for the community and grassroots families, taking tangible actions to give back to society. In November 2023, we collaborated with the local social enterprise “HandsOn” and the Christian Family Service Centre (CFSC) to organise a volunteer activity. The event aimed to donate essential supplies to subdivided unit families in the Kwun Tong district. Led by the Company’s management, our volunteer team personally delivered daily necessities and educational materials to 200 subdivided unit families.

During the packing process, our volunteers divided into two teams. One team stayed at the welfare centre to distribute supplies, while the other team split into two groups for door-to-door distribution. This allowed us to interact personally with family members, gain insights into their living conditions, and offer sincere blessings during the interactions. Participation in this event not only deepened our volunteers’ understanding of the real situation of subdivided unit families in Hong Kong but also provided practical assistance and care to the beneficiaries.

This year, our focus is on “underprivileged families” and the “youth community”. We firmly believe that every little effort contributes to significant change. Through our continuous efforts, we aim to bring positive transformations to the community. CEL is committed to ongoing community service activities, fulfilling our social responsibility as a state-owned enterprise in Hong Kong and contributing to social welfare.



### “Respect and Love for the Elderly” Senior Care Volunteer Service Activity

In order to promote the traditional Chinese virtues of “Respect and Love for the Elderly”, CEL organised a rehabilitation volunteer service activity in August 2023. The Company invited young employees and their children to visit nursing home of Everbright Senior Healthcare, engaging in interactive activities with the elderly residents through resistance band exercises to enrich their spiritual and cultural lives.

During the event, volunteers of different ages, along with professional social workers from the facility, explained the knowledge of using resistance bands and demonstrated exercise techniques to the elderly. The activities included arm stretches, seated sit-ups, shoulder stretches, and standing column stretches, aimed at helping the elderly improve their balance, increase muscle strength, and enhance overall physical function. Simultaneously, the event created a relaxed and enjoyable atmosphere, allowing the elderly to experience the pleasure of exercise.

During the exercise, child volunteers interacted with the elderly, through activities creating a warm and joyful atmosphere filled with laughter. We believe that this activity not only successfully warmed the hearts of the beneficiaries but also planted seeds of caring for society in the young volunteers’ hearts, ensuring they carry a spirit of giving back to society as they grow up.



### “Reunion and Joy Amid Mid-Autumn Festival” Mid-Autumn Festival Volunteer Activity

As the Mid-Autumn Festival approached, CEL received strong support from the DAB Central and Western Branch. In the Western District of Hong Kong Island, we organised a Mid-Autumn Festival volunteer activity titled “Reunion and Joy Amid Mid-Autumn Festival”, delivering Mid-Autumn gift bags to over 300 underprivileged families in Sai Wan Estate and Kwun Lung Lau.

In September 2023, the Chairman of CEL, Yu Fachang, and the then President, Zhang Mingao, led a team of over 20 company volunteers to the Mount Davis Kai-Fong Welfare Association in Western District. They joined forces with representatives from the DAB Central and Western Branch, local district councilors, and community volunteers. The volunteer team then distributed carefully prepared Mid-Autumn gift bags to the underprivileged families Sai Wan Estate and Kwun Lung Lau. This activity not only deepened the volunteers’ understanding of the living conditions of underprivileged families but also conveyed CEL’s genuine concern for the community residents. The aim was to bring warmth and blessings, allowing the community to feel the care from a state-owned enterprise and enjoy a joyful and harmonious Mid-Autumn Festival.

This Mid-Autumn Festival volunteer activity demonstrated CEL’s active fulfillment of corporate social responsibility as a state-owned enterprise in Hong Kong. Through practical actions, blessings and care were conveyed to the families in the community who needed assistance the most.



### CEL Invites “Strive and Rise Programme” Teachers and Students to Watch the Classic Ballet *La Bayadère*

CEL actively responds to the call of the Hong Kong SAR Government and proactively participates in the “Strive and Rise Programme” youth development programme. In June 2023, CEL invited 100 students and teachers to watch a performance of the classic ballet *La Bayadère* presented by the Hong Kong Ballet. The aim was to promote artistic and cultural forms, expanding the horizons of Hong Kong’s youth. The students immersed themselves completely in the storyline during the live performance, especially captivated by key scenes such as the exquisite solo dance of the golden deity and the perfect white ballet of the “Kingdom of the Shades” scene. These moments left an unforgettable impression, allowing them to truly feel the beauty of ballet art.

The “Strive and Rise Programme”, initiated by the Hong Kong SAR Government in October 2022, aims to provide targeted assistance to local underprivileged communities, especially the Junior Secondary 1 to 3 students living in subdivided units. The programme seeks to broaden their horizons, enhance self-confidence, foster a positive outlook on life and strive for upward mobility through collaboration between the government, business and the community.



## Rural Revitalisation

In 2023, CEL incorporated rural revitalisation efforts into the *CEL Important Matters Supervision Form*. In conjunction with the Company's actual circumstances, CEL has developed the "3+2" Rural Revitalisation Work Plan. The targeted assistance efforts have been implemented, achieving a support amount of RMB408,600 in 2023.

CEL actively integrates inclusive financial initiatives with rural revitalisation efforts. Through the exploration of sustainable business assistance models within its affiliated enterprises, Everbright Jiabao has proactively developed a "Cultural Tourism + Consumption" model. This model aims to promote the circulation of agricultural products between supply and demand entities while empowering asset management initiatives. As of 2023, Everbright Jiabao has organised more than 10 large-scale events. During these events, it has attracted corporate signings totalling over RMB220 million, with consumer spending exceeding RMB3.5 million. The events received participation from nearly 300 consumers, contributing to the overall success of the initiative.

Everbright Jiabao continues to expand its support for rural revitalisation and poverty alleviation projects, actively focusing on operational initiatives, serving the real economy and striving to create a sustainable asset management model that empowers rural revitalisation. Simultaneously, the Company continues to actively participate in various rural revitalisation and poverty alleviation projects through the Shanghai Jiabao Charity Foundation. In 2023, the Company made a donation through the foundation to a primary school in Yunnan Province, with a donation amount of RMB189,000. The funds are primarily used for poverty alleviation projects focusing on assisting students in need, supporting 180 impoverished students, and providing assistance to 3 teachers facing difficulties.

Additionally, CEL leverages its investment advantages to support the development of the agricultural industry. On 6 December 2023, Dekon Agriculture, an investment of CEL is officially listed on the main board of SEHK. Since CEL's initial investment in Dekon Agriculture at the end of 2016, it has faced challenges such as the African swine fever epidemic and capital market fluctuations. Despite these challenges, CEL has made three additional rounds of investment, with a total investment of RMB800 million. Through steadfast support, CEL has played a crucial role in contributing to the success of the company. With the backing of financial capital represented by CEL, Dekon Agriculture have effectively stimulated employment and income growth for farmers in the relevant regions. This support has made significant contributions to the realisation of the national rural revitalisation strategy and the promotion of agricultural and rural modernisation.



## KEY INVESTEE COMPANIES

### Real Estate Asset Management

Everbright Jiabao focuses on core businesses such as real estate asset management, real estate investment, and property development. It strives to be a leading player in cross-border real estate asset management in China and is an associate company of the Group. EBA Investments, the largest industrial investment fund manager and real estate investment platform under Everbright Jiabao, has, over its 16 years of



development, established a robust and comprehensive industry chain covering investment, finance, construction, management, and exit strategies. It has pioneered the “Big Asset Management” strategy in the industry. With approximately RMB46.7 billion in AUM, EBA Investments oversees 21 “IMIX Park” commercial projects in 10 cities nationwide and has completed nearly RMB16 billion in total issuance of real estate investment trusts (REITs) across five phases of the “IMIX” series.

### Our Employees

Adhering to the core vision of “People First, with human talent as the company’s primary asset”, Everbright Jiabao/EBA Investments is dedicated to establishing a diverse and friendly work environment to foster comprehensive employee development. We firmly believe that cultivating a high-quality professional team is the optimal path to enhance the overall competitiveness of the company.

To ensure our management practices align with relevant laws and regulations, Everbright Jiabao has explicitly outlined key information in the *Employee Handbook*, guaranteeing the comprehensive implementation of equal opportunity principles in human resources management and compensation and benefits policies.

We not only provide extensive training and career development programmes but also encourage employees to cultivate a mindset of self-directed and lifelong learning. In addition, we regularly organise various recreational activities, such as badminton, basketball, arts and crafts workshops, and family-oriented events. These initiatives aim to create a work environment that is both challenging and enjoyable, contributing to achieving a balance between work and life.

This series of measures not only reflects Everbright Jiabao/EBA Investments’ concern for its employees but also consolidates the company’s corporate social responsibility by integrating corporate values with societal values.

### Our Value Chain

Everbright Jiabao/EBA Investments adheres to the spirit of business contracts, actively building strong cooperative relationships with investors, suppliers, construction units, customers and creditors based on principles of honesty, mutual benefit, and legal compliance. In investor relations management, the group implements various measures to ensure that investors gain a deep understanding and support our development strategy. Channels such as online interaction platforms and investor receptions are utilised to enhance investor insights and understanding, safeguarding their interests. Everbright Jiabao/EBA Investments is committed to practicing the concept of sustainable development with suppliers. In our business operations, we strive to choose companies with a strong sense of social responsibility and emphasise the use of new products with environmentally friendly and recyclable characteristics. In collaboration with construction enterprises, particular attention is given to the rights of migrant worker groups. Timely payment of wages to migrant workers is considered as a crucial criterion in selecting construction enterprises, demonstrating our commitment to upholding the legitimate rights of workers.

The group places importance on establishing partnerships based on mutual trust and assistance with all relevant parties. With a commitment to social responsibility, we drive business development to ensure compliance with regulations and embody the practical application of social values in our commercial activities.

## Our Environment

In our project development and operations, we remain steadfast in our commitment to green development, adhering to green construction standards. To minimise our environmental footprint, we comprehensively consider factors such as energy consumption, air quality, water resources and material usage across all our projects. We actively collaborate with our suppliers to integrate sustainability principles into our operations, striving to engage with companies that demonstrate a strong sense of social responsibility. Additionally, we prioritise the adoption of environmentally friendly, low-carbon and recyclable products to further reduce resource consumption and waste generation, while promoting the application of eco-friendly technologies throughout the supply chain. Moreover, to further reduce resource consumption, minimise waste generation and promote the application of environmental protection technologies across the industry chain, we prioritise the use of environmentally friendly, low-carbon and recyclable new products.

In the field of office asset management, EBA Investments is a member of the International WELL Building Institute (“WELL”) and actively creates healthy office environments that meet its standards. Several projects under EBA Investments, including New Everbright Center, EBA Center and EBA Hongqiao Center, have obtained certifications from WELL, LEED, and National Green Building Standards, affirming our commitment to green, low-carbon and environmentally friendly principles.

EBA Investments’ office asset management brand, WELLBEING, advocates for green development and aims to create a comprehensive service platform focusing on green ecology, smart technology, healthy interaction, resource platforms and customised services. The platform is dedicated to building a future office ecosystem that value about the harmonious coexistence of people, buildings and cities, providing green, healthy and high-quality office experiences for resident enterprises. In the consumer infrastructure sector, we emphasise ecological and environmental benefits, striving to transform managed projects into important carriers that guide green production, green circulation and green consumption.

## Our Community

Everbright Jiabao is committed to its mission of undertaking social responsibilities, creating shareholder value and realising the aspirations of its employees. We leverage our advantages on various platforms and resources to fulfill our social responsibilities. In addition to actively participating in the construction of high-quality commercial housing and facilities for relocated households, we regularly organise various charitable activities. In 2012, Everbright Jiabao established the Shanghai Jiabao Charity Foundation (“Jiabao Charity Foundation”), which is dedicated to raising funds that reward individuals for acts of courage, support education and health initiatives, fund community elderly care and promote cultural development. It aims to cultivate distinctive charitable activity brands that embody the unique characteristics of Everbright Jiabao.

## Key examples of targeted assistance

- ❁ In 2019, Everbright Jiabao undertook the support of 10 financially disadvantaged students in Yunnan Province. The support included funding their annual tuition fees to help them complete their studies. The company raised funds through contributions from the leadership of the party and government, as well as the Jiabao Charity Foundation. Over four academic years, a total of RMB102,200 was provided in support.
- ❁ In 2021, Everbright Jiabao signed a second-round “Village-Enterprise Pairing” assistance action plan with four impoverished villages, engaging in cooperative exchanges for mutual development. In 2023, it donated over RMB200,000 to livelihood improvement projects in these villages, contributing to the enhancement of the local living environment.
- ❁ In 2023, a donation of RMB189,000 was made to a primary school in Yunnan Province. The funds were allocated to support 183 impoverished teachers and students.

Additionally, the infrastructure projects under Everbright Jiabao are grounded in local characteristics, aiming to develop local resources. Adapting to local conditions, the company hosts and undertakes various folk cultural and rural-themed activities. This has led to the establishment of a comprehensive service system featuring folk cultural festivals, East-West cooperation in procurement and sales, specialty markets, promotion of intangible cultural heritage projects, and support for the sales of agricultural and local products. The company actively enhances the logistics infrastructure to improve the distribution efficiency of agricultural products, creating distinctive industries recognised by consumers and forming competitive advantages. In 2023, Everbright Jiabao's infrastructure project, the Qingdao Dabao Island Historical and Cultural District, organised a series of events for the Chinese New Year Folk Culture Festival. This initiative advances the deep integration of culture and tourism in the historic city area, attracting crowds, introducing industries, and fostering the development of cultural and tourism activities.

### Artificial Intelligence Internet of Things

Terminus, an AIoT platform company invested by CEL, proposed the application of the AIoT technology framework in China. Terminus focuses on core technologies of smart IoT, concentrating on intelligent spatial scenarios in urban areas. It has evolved into a comprehensive enabler offering end-to-end AIoT services.

### TERMINUS 特斯联

#### Our Employees

Terminus upholds a people-centric value and continually optimises human resources management policies to empower employee growth. To provide employees with more opportunities to achieve work-life balance, we have established various recreational clubs based on their interests and regularly organise team-building activities, fostering a positive work environment. Our *Staff Handbook* outlines details concerning equal opportunities, benefits, promotion prospects, workplace discipline and communication norms, ensuring all employees receive fair treatment and embody diverse values.

#### Our Value Chain

Terminus is committed to becoming a global leader in comprehensive services for eco-intelligent cities, with a customer-centric service concept focusing on new infrastructure and dual-carbon national strategies, empowering dual-carbon applications with intelligent technology. We accumulate core capabilities in the dual-carbon field, complete ecological co-construction, and successfully create green smart cities. Throughout our service industry, Terminus adheres to the principles of honesty, integrity, legal compliance and mutual benefit, regulating our business activities and operational behaviour. We value stakeholder perspectives and maintain close communication and contact with investors, suppliers, customers and partners through various channels to ensure a good business reputation. Terminus, in the wave of development in the smart IoT industry, adopts an open and cooperative attitude, actively collaborating with partners to jointly promote the industry's development and prosperity while exploring sustainable business growth opportunities to protect investor interests.

#### Our Environment

Since 2015, Terminus has been gathering expertise in smart energy technologies. In 2021, we harnessed the power of AIoT technology to drive carbon-neutral smart cities, actively aligning with national carbon neutrality objectives. Today, Terminus has comprehensively developed carbon-neutral products and ecosystems across technology research and development, academia-industry collaboration and practical applications.

Over the past seven years, Terminus has evolved its business from providing "empowerment" services to "shaping" the entire city, delivering green and low-carbon smart services throughout various urban scenarios across their entire life cycles. Leveraging cutting-edge technology, Terminus propels urban development into new stages, aligning with the nation's dual-carbon goals through tangible actions.

In 2023, Terminus made significant strides in AIoT technology for smart cities, introducing the next generation Titan robot, implementing intelligent lighting systems in Ezhou Port and collaborating with the State Power Investment Corporation to introduce large-scale language models in the field of new energy. These efforts reflect Terminus' commitment to sustainable development for smart cities. Terminus' AICITY pilot station, "AI PARK", utilises AIoT technology to monitor carbon emissions throughout the life cycle. Through Over-the-Air (OTA) automatic evolution and the intelligent services provided by Terminus' Titan robots, AI PARK creates a "green intelligent living structure" that is perceptible, warm and thoughtful, establishing a benchmark for the industry in low-carbon and green urban development.

Through proposing various energy-saving measures to our client, The Ritz-Carlton, we anticipate a yearly reduction of over a thousand tonnes of carbon dioxide emissions and cost savings of tens of thousands of dollars. The expected energy savings rate is around 20%, with a projected payback period of less than two years. The Terminus technical team conducted on-site inspections at the hotel, conducting energy consumption surveys for various systems. Based on relevant energy-saving regulations and standards, a scientific evaluation of energy consumption at all stages were carried out. Simultaneously, a system overview was conducted based on potential energy-saving opportunities and existing energy-saving issues. In the end, leveraging their extensive experience in the energy-saving field, Terminus provided the hotel with a comprehensive energy-saving solution, combining hardware and software, with the aim of assisting the hotel in achieving efficient carbon management and providing technical support for low-carbon or even zero-carbon practices.

### Our Community

Terminus, through its "Smart Classrooms" initiative, is actively contributing to smart education by leveraging innovative technology. The aim is to create an improved learning environment, connecting with more opportunities for growth and fulfilling dreams. The Huolei Charity Team, operating under Terminus, has visited various schools across different regions in China, including Hebei, Sichuan and Chongqing. The team has provided students with essential educational materials such as learning tools and technology products. Furthermore, the team has shared scientific knowledge in areas like artificial intelligence, bringing technological insights to classrooms in villages and towns. This practical initiative is a significant step towards supporting and enhancing education in rural areas.

### Full Value-Chain Aircraft Service

CALC, a key investment under CEL, stands as China's first operational aircraft lessor and holds a prominent position as a global aviation finance enterprise. CALC's diverse business operations encompass services such as operational aircraft leasing, purchase and leaseback, aircraft asset package transactions and asset management. Additionally, CALC extends its reach to post-market aircraft services, including fleet upgrades, aircraft maintenance and disassembly and component sales. The company offers clients comprehensive, one-stop solutions across the entire lifecycle of aircraft. Leveraging the expertise of its international team and global financing capabilities, CALC has expanded its operations to cover 20 countries and regions, including the Asia-Pacific, Europe and the Americas.



Listed on SEHK in July 2014 (stock code: 1848.HK), CALC is the first listed aircraft lessor in Asia. At present, CALC is a constituent stock of the MSCI China Small Cap Index.

## Our Employees

Employees are our valuable assets, providing steadfast support for our business development and laying a solid foundation for the group's sustainable growth. To cultivate a dynamic and proactive workforce, we have established a comprehensive *Training and Development Policy* committed to providing regular and comprehensive training and development opportunities. This empowers employees to unleash their potential, enhance their professional skills, and boost their competitiveness, contributing to the mutual development of individuals and the organisation, which is crucial for the sustainable development of the group. In addition, we prioritise the health, safety, and well-being of our employees. The relevant regulations and systems related to health and safety are outlined in the *Employee Handbook*, providing a series of workplace safety management requirements for employee reference.

Department supervisors and management assess the capabilities and performance of employees within the performance evaluation period. Recognising and nurturing employees with good performance, competence, and potential align with the current and future business development policies of the group. Furthermore, we regularly organise various outdoor and charity activities to enrich employees' life experiences. Each year, eligible employees are provided with travel reimbursement, encouraging them to engage in self-enrichment during their leisure time. All employees, including those on business trips, are covered by comprehensive insurance to ensure their well-being during working hours and official travel.

## Our Value Chain

Stakeholder engagement plays an indispensable role in CALC's sustainability strategy. Through various communication channels, we actively interact with stakeholders to gain a deep understanding of the impacts our business has on different parties. This engagement helps foster mutual trust, enabling us to establish and adjust our current and future sustainability strategies to better meet the diverse needs and expectations of stakeholders.

As a responsible company, CALC is dedicated not only to complying with all laws and regulations relevant to our business but also to collaborating with suppliers for a brighter future. We have instituted a fair and transparent *Supplier Selection and Management Procedure* to minimise risks associated with sustainability in the supply chain actively. Simultaneously, we regularly assess the performance of suppliers and contractors, ensuring their ongoing compliance and continuous improvement. This stakeholder cooperation and oversight mechanism contribute to ensuring the sustainability of our business activities in social, environmental and economic dimensions.

## Our Environment

To enhance resource efficiency and foster environmental awareness among our employees, we initiated the *Green Office Programme* in 2015. This programme, backed by management support, includes the formulation of the *Green Office Guide*, offering principles for conserving energy, water, and office materials. These measures aim to encourage green practices and underscore the importance of eco-friendly living among our staff. In alignment with the green office concept, we have implemented various waste reduction initiatives such as setting up recycling stations and reducing unnecessary lighting. Regular office inspections further contribute to improving employees' environmental consciousness.

CALC continues to increase investments in paperless offices, waste recycling, energy conservation and cultivating a culture of sustainable development. In our day-to-day operations, we encourage colleagues to use electronic means for document access, promote double-sided printing, reduce disposable items, and reuse office equipment and resources. Recycling bins are strategically placed near photocopiers, collecting single-sided paper for reuse and double-sided paper for recycling. In 2022, we recycled 66 kg of paper. Additionally, the paper used for financial printing is responsibly certified with forest resource certifications.

In the realm of energy conservation, all wastewater generated at CALC's Harbin base undergoes immediate treatment at the on-site sewage treatment plant. Our sewage treatment plant exceeds local environmental standards. After undergoing 22 rigorous treatment processes, the treated wastewater meets the quality standards of tap water. The facility undergoes water quality testing twice a year to ensure compliance with national standards.

We consistently monitor and evaluate our GHG emissions to comprehensively understand and manage our impact on climate change. To reduce carbon emissions, we are gradually phasing out older aircraft models and introducing new and material climate-related risks in our fuel-efficient aircraft. Simultaneously, we conduct climate risk assessment studies to identify primary risks that climate change poses to our business operations.

When introducing new aircraft, we prioritise fuel efficiency, cutting-edge technology and market demand. The incorporation of new-generation aircraft with advanced technology is expected to significantly contribute to fuel savings and reduced carbon emissions. The group will continue to implement a prudent strategy for configuring new aircraft models and provide fleet upgrade services to global airline customers, promoting environmentally friendly aviation operations.

## Our Community

Our *ESG Policy* sets the guidelines for our long-term commitment to corporate social responsibility. We are dedicated to supporting local communities and encouraging employee participation in social initiatives. Over the years, CALC has organised nearly a hundred corporate social responsibility activities involving colleagues committed to promoting sustainable lifestyles. These activities cover various themes such as marine conservation, environmental cleanliness, tree planting, waste utilisation, protection of endangered species, biodiversity and organic farming, fostering and strengthening a culture of sustainability.

In 2023, CALC collaborated with organisations including Orbis, the World Green Organisation, WWF Hong Kong, Shanghai Charity Foundation, and the Dublin Children's Health Foundation. Through its corporate responsibility programme activities, CALC raised over HK\$210,000, reflecting CALC's ongoing commitment to environmental sustainability and corporate social responsibility.

## Senior Healthcare

Everbright Senior Healthcare is a joint venture company of the Group and a key player in the development of the broader healthcare industry under Everbright Group. Since its inception, Everbright Senior Healthcare has experienced rapid growth, adeptly seizing market opportunities and has emerged as a prominent player in the senior healthcare industry. The company has successfully expanded its footprint to include over 50 core cities, spanning regions such as the Beijing-Tianjin-Hebei Urban Agglomeration, Yangtze River Delta and Chengdu-Chongqing economic circle.



Everbright Senior Healthcare has established a three-tier integrated elderly care service model, encompassing institutional, community-based and in-home services. Guided by the principles of combining maintenance for development, medical care for transformation and service for branding, the company has created a distinctive "Senior Healthcare+" collaborative path. Through standardised operations with unified service standards, central back-office management and consolidated procurement, Everbright Senior Healthcare has implemented an efficient operational system. Simultaneously, by constructing an intelligent elderly care platform, the company is committed to a path of miniaturisation and high-quality development. Managing 190 institutions and community service centres nationwide, Everbright Senior Healthcare provides over 32,000 beds, showcasing its extensive coverage and substantial strength in the senior healthcare service industry.

Everbright Senior Healthcare is dedicated to driving diversified industry deployment, establishing a comprehensive and diverse elderly care ecosystem. With the goal of meeting personalised needs of the elderly, the company aims to offer one-stop elderly healthcare service solutions, leveraging its business strengths and characteristics to comprehensively address the various healthcare needs of senior citizens.

## Our Employees

Everbright Senior Healthcare is dedicated to cultivating a professional and passionate team for the elderly care industry, adhering to the philosophy of “linking strategy at the top and business at the bottom”. The talent development efforts focus closely on three key areas: operational management, marketing and nursing. The company continually builds and enhances talent development systems for operational management, executive leadership, and specific talent streams. Through targeted training and exchange programmes for key talents across different levels, Everbright Senior Healthcare facilitates a “learning on the job” approach, empowering employees to contribute to business operations and strategic development while gaining valuable experience. Concurrently, the company encourages the timely sharing and accumulation of excellent management and professional experiences, fostering continuous growth and gradually establishing a learning-oriented organisation. Everbright Senior Healthcare has achieved ISO 45001 Occupational Health and Safety Management System certification, providing robust protection for the physical and mental well-being of its staff.

## Our Value Chain

Everbright Senior Healthcare, as part of Everbright Group’s universal healthcare collaborative platform, actively engages in multi-party cooperation to establish a comprehensive senior healthcare industrial chain. The company introduces a variety of products related to healthcare and aging. Through the dual-wheel drive of operating healthcare institutions and capital operations, Everbright Senior Healthcare promotes the symbiosis of the senior healthcare industry and financial capital. Focused on the integration model of “medical care + senior healthcare, insurance + senior healthcare, and services + senior healthcare”, the company leverages its business advantages to meet various senior living needs comprehensively. Upholding the corporate mission of “Improving the Life Quality for Senior Citizens and their Families and Promoting the Chinese Filial Piety Culture”.

Everbright Senior Healthcare has obtained certifications such as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, 5A level for Pension Service and 4A level for Standardisation. These certifications not only hold significance in enhancing service quality, elevating management standards and increasing market competitiveness but also serve as crucial elements for achieving sustainable development.

## Our Environment

Everbright Senior Healthcare places a high emphasis on environmental protection and has established an “Institutional Environmental Management System” to provide clear guidance on regulating business operations concerning emissions, energy, water resources and waste management. The company strictly adheres to relevant laws and regulations, committing to minimising the environmental impact of its operations. In addition, Everbright Senior Healthcare has instituted the *Our Conservation Management Policy*, which involves monitoring and analysing water, electricity and gas usage, promptly addressing any abnormalities and assigning personnel to manage equipment to reduce waste.

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

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

## Our Community

Everbright Senior Healthcare adheres to its corporate mission of “demonstrating the responsibility of a state-owned enterprise through social responsibility”. With a core focus on meeting the needs of the elderly, the company is committed to expanding elderly services to every city, community and household, striving to provide comprehensive healthcare and elderly services. To ensure that the elderly can enjoy a high-quality elderly life, the staff of Everbright Senior Healthcare’s nursing homes organise various social and recreational activities for the elderly every month, enriching their daily lives.

## MEMBERSHIPS

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

Institution	Class of Membership
The Chamber of Hong Kong Listed Companies (CHKLC)	Corporate Member
Chinese Financial Association of Hong Kong	Vice Chairman
Hong Kong Chinese Listed Companies Association	Corporate Member
Insurance Asset Management Association of China (IAMAC)	Special Cooperation Organisation

## PERFORMANCE DATA

Economic Performance	2023 Amount (HK\$'000)
<b>Direct Economic Value Generated</b>	
Income from contracts with customers	792,028
Income from investments	(489,491)
Income from other sources	1,102,323
Share of profits less losses of associates	230,823
Share of profits less losses of joint ventures	25,183
<b>Economic Value Distributed</b>	
Finance costs	1,643,691
Other cost <sup>9</sup>	852,223
Dividends	421,313
Taxes <sup>10</sup>	76,379
Loss attributable to non-controlling interests	1,922,639
Charitable donations	38
<b>Economic Value Retained</b>	
Retained for CEL's sustainable operation and development	(3,255,417)
Environmental Performance	2023
<b>GHG Emissions</b>	
Scope 1 (tonnes CO <sub>2</sub> equivalent)	8.5
Scope 2 (tonnes CO <sub>2</sub> equivalent)	541.2
Total GHG Emissions (Scope 1 & 2) (tonnes CO <sub>2</sub> equivalent)	549.7
GHG emissions intensity (Scope 1 & 2) (tonnes CO <sub>2</sub> equivalent/employee)	2.1
Scope 3 (tonnes CO <sub>2</sub> equivalent)	384
<b>Energy and Water Consumption</b>	
Direct electricity consumption (kWh)	850,745
Direct electricity consumption intensity (kWh/employee)	3,323
Water consumption <sup>11</sup> (m <sup>3</sup> )	52.6
Water consumption intensity (m <sup>3</sup> /employee)	0.2
Direct energy consumption – Petrol (L)	3,128
Direct energy consumption intensity (L/employee)	12.2

## Notes:

<sup>9</sup> Represents other costs but excludes depreciation and amortisation for the year.

<sup>10</sup> Represents other costs but excludes depreciation and amortisation for the year.

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

Environmental Performance	2023
Materials Consumption and Recycling	
Paper consumption (kg)	4,238
Paper recycled (kg)	1,922
Cartridges consumption (pcs)	111
Cartridges recycled (pcs)	53
Waste Disposal	
Non-hazardous waste (kg)	24,880
Non-hazardous waste intensity (kg/employee)	97.2
Hazardous waste <sup>12</sup> (pcs)	487
Hazardous waste intensity (pcs/employee)	1.8
Social Performance	2023
Number of Employees (By Employment Type)	
Full-time	256
Part-time	0
Number of Employees (By Gender)	
Male	130
Female	126
Number of Employees (By Age Group)	
Under 30	19
30–40	129
41–50	78
Above 50	30
Number of Employees (By Employment Category)	
Senior Management	9
Middle Management	33
Core Professionals	107
General Staff	107
Number of Employees (By Geographical Region)	
Hong Kong	100
Mainland China	156

Note:

<sup>12</sup> Including waste fluorescent lamps containing mercury.

Social Performance		2023
Number of Employees (By Contract Type)		
Permanent employee	Male	129
	Female	126
	Hong Kong	99
	Mainland China	156
Temporary employee	Male	1
	Female	0
	Hong Kong	1
Non-guaranteed hours employee	Mainland China	0
	Male	0
	Female	0
Full-time employee	Hong Kong	0
	Mainland China	0
	Male	130
	Female	126
Part-time employee	Hong Kong	100
	Mainland China	156
	Male	0
	Female	0
	Hong Kong	0
	Mainland China	0
	Mainland China	0
Turnover Rate		
Overall turnover rate		19.5%
Turnover Rate (By Gender)		
Male		23.8%
Female		15.1%
Turnover Rate (By Age Group)		
Under 30		10.5%
30–40		20.2%
41–50		19.2%
Above 50		23.3%
Turnover Rate (By Geographical Region)		
Hong Kong		34.0%
Mainland China		10.3%
Workers Who are Not Employees (By Category)		
Secondment worker		41
Contract worker		2

Social Performance	2023
Percentage of Employees Trained (By Gender)	
Male	100%
Female	100%
Percentage of Employees Trained (By Employment Category)	
Senior Management	100%
Middle Management	100%
Core Professionals	100%
General staff	100%
Average Training Hours per Employee (By Gender)	
Male	68.0
Female	79.4
Average Training Hours per Employee (By Employment Category)	
Senior Management	95.5
Middle Management	71.6
Core Professionals	65.6
General staff	80.3
Percentage of Employees Receiving Regular Performance and Career Development Reviews (By Gender)	
Male	97%
Female	100%
Percentage of Employees Receiving Regular Performance and Career Development Reviews (By Employment Category)	
Senior Management	89%
Middle Management	100%
Core Professionals	100%
General staff	100%

Social Performance		2023
<b>Parental leave (By Gender)</b>		
Total number of employees that were entitled to parental leave	Male	130
	Female	126
Total number of employees that took parental leave	Male	8
	Female	6
Total number of employees that returned to work in the reporting period after parental leave ended	Male	8
	Female	4
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	Male	6
	Female	6
Return to work rate of employees that took parental leave <sup>13</sup>	Male	100%
	Female	67%
Retention rate of employees that took parental leave <sup>13</sup>	Male	60%
	Female	75%
<b>Occupational Health and Safety (Employees)</b>		
Work-related fatalities		0
Fatality rate		0
Work-related injuries		0
Injury rate <sup>14</sup>		0
Lost days due to work injury		0
High-consequence work-related injuries <sup>15</sup>		0
High-consequence work-related injuries rate <sup>14</sup>		0
<b>Occupational Health and Safety (Third-party Contractors and Subcontractors)</b>		
Work-related fatalities		0
Fatality rate		0
Work-related injuries		0
Injury rate <sup>14</sup>		0
Lost days due to work injury		0
High-consequence work-related injuries <sup>15</sup>		0
High-consequence work-related injuries rate <sup>14</sup>		0
<b>Number of Suppliers (By Geographical Region)</b>		
Hong Kong		229
Mainland China		6
Other Asian regions		239
Regions outside Asia		10

**Notes:**

<sup>13</sup> Return to work rate and retention rate referred to the calculation methods suggested in GRI 401-3. (Return to work rate = Total number of employees who returned to work after parental leave / the total number of employees due to return to work after taking parental leave x 100%) (Retention rate = Total number of employees retained 12 months after returning to work following a period of parental leave / the total number of employees returning from parental leave in the prior reporting period x 100%)

<sup>14</sup> Injury rate and high-consequence work-related injury rate referred to the calculation methods suggested in GRI 403-9. (Injury rate = (Total work-related injuries/Total working hours) x 200,000)

<sup>15</sup> Refers to work-related injury that results in an injury from which the worker cannot or is not expected to recover fully to pre-injury health status within 6 months

## GRI AND SEHK'S ESG REPORTING GUIDE CONTENT INDEX

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

Statement of Use	CEL has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 Version	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

### GRI Standards – General Disclosures

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-1	Organisational details			About This Report  For details of ownership, please refer to “Notes to the Financial Statements” in the Annual Report 2023 of the Company.
2-2	Entities included in the organization’s sustainability reporting			About This Report  Please refer to “Notes to the Financial Statements” in the Annual Report 2023 of the Company.
2-3	Reporting period, frequency and contact point			About This Report
2-4	Restatements of information			No restatement was made on the content of last year’s report.
2-5	External assurance			CEL’s Approach to ESG Management  We will consider external assurance in the future.
2-6	Activities, value chain and other business relationships	KPI B5.1	Number of supplies by geographical region.	About This Report  Our Sustainable Business  CEL’s Approach to ESG Management  For details of scale of the organisation, please refer to the Annual Report 2023 of the Company.

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-7	Employees	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	<p>Our Employees</p> <p>Performance Data</p> <p>The data is based on the headcount at the end of the Reporting Period. There are no significant fluctuations in the number of employees during the Reporting Period and between reporting periods.</p>
2-8	Workers who are not employees			<p>Our Employees</p> <p>Performance Data</p> <p>The most common types of worker is temporary worker, which is hired through third-party.</p> <p>There are no significant fluctuations in the number of workers during the Reporting Period and between reporting periods.</p>
2-9	Governance structure and composition			Refer to the chapter “Corporate Governance Report” and “Directors’ Report” of the Annual Report 2023 of the Company.
2-10	Nomination and selection of the highest governance body			Refer to the chapter “Corporate Governance Report” and “Directors’ Report” of the Annual Report 2023 of the Company.
2-11	Chair of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-12	Role of the highest governance body in overseeing the management of impacts			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-13	Delegation of responsibility for managing impacts			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.

GRI 2: General Disclosures 2021	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
2-14	Role of the highest governance body in sustainability reporting			About This Report
2-15	Conflicts of interest			Refer to the chapter “Directors’ Report” of the Annual Report 2023 of the Company.
2-16	Communication of critical concerns			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-17	Collective knowledge of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-18	Evaluation of the performance of the highest governance body			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-19	Remuneration policies			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-20	Process to determine remuneration			Refer to the chapter “Corporate Governance Report” of the Annual Report 2023 of the Company.
2-21	Annual total compensation ratio			Due to confidentiality, the Company only discloses salary-related information according to Hong Kong’s Listing Rules and Ministry of Finance’s requirements.
2-22	Statement on sustainable development strategy			Refer to the chapter “Chairman’s Statement” of the Annual Report 2023 of the Company.
2-23	Policy commitments			CEL’s Approach to ESG Management
2-24	Embedding policy commitments			CEL’s Approach to ESG Management  Our Employees
2-25	Processes to remediate negative impacts			CEL’s Approach to ESG Management

Environmental, Social and Governance Report | Continued

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

## Other Disclosure Requirements of SEHK

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

### GRI Standards Topic Specific Standards

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
<b>Economic</b>				
<b>Economic Performance</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. Materiality Assessment and Stakeholder Engagement
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	KPI B8.2	Resources contributed (e.g. money or time) or to the focus area. Refer to the Annual Report 2023 of the Company. Performance Data
	201-2	Financial implications and other risks and opportunities due to climate change	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. Our Environment, Tackling Climate Change
	201-3	Defined benefit plan obligations and other retirement plans		Refer to the Annual Report 2023 of the Company
<b>Procurement Practice</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics		Materiality Assessment and Stakeholder Engagement
GRI 204: Procurement Practice 2016	204-1	Proportion of spending on local suppliers		CEL's Approach to ESG Management

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
<b>Anti-corruption</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B7	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p> <p>Materiality Assessment and Stakeholder Engagement</p> <p>CEL's Approach to ESG Management</p>
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption		<p>Refer to the Annual Report 2023 of the Company.</p> <p>CEL's Approach to ESG Management</p> <p>CEL has assessed for risks related to corruption in all operational locations and implemented the <i>Anti-money Laundering and Counter-terrorism Financing Policy</i> as well as the <i>Prevention of Bribery and Corruption Policy</i>. No significant risks related to corruption has been identified through the risk assessment.</p>

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
	205-2	Communication and training about anti-corruption policies and procedures	KPI B7.3	Description of anti-corruption training provided to directors and staff.	CEL's Approach to ESG Management  Our Employees  Performance Data  In 2023, all employees and members of Directors of the Company received trainings in anti-corruption, as well as anti-corruption policies and procedures.
	205-3	Confirmed incidents of corruption and actions taken	KPI B7.1	Number of conducted legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	There were no legal cases regarding corrupt practices brought against the Group or its employees in 2023.
			KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Refer to "General Disclosure" and chapter "Corporate Governance Report" of the Annual Report 2023 of the Company.
<b>Responsible Investment</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics			Materiality Assessment and Stakeholder Engagement
			General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw material.</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	Responsible Investment  Our Environment  Performance Data

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
			KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	We do not generate any packaging material in our office operations.
<b>Environmental</b>					
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure A1, A3	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact in the issuer  relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.  Policies on minimising the issuer's significant impacts on the environment and natural resources.	Materiality Assessment and Stakeholder Engagement  Tackling Climate Change  Our Environment  Performance Data

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	KPI A1.1	The types of emissions and respective emissions data.	Our Environment Performance Data Emissions caused by fuel combustion of the Group's vehicle <sup>16</sup> : SO <sub>x</sub> : 0.05 kg NO <sub>x</sub> : 1.63 kg PM: 0.12 kg
	305-2	Energy indirect (Scope 2) GHG emissions	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit production volume, per facility).	Our Environment Performance Data
	305-3	Other indirect (Scope 3) GHG emissions			Our Environment Performance Data
	305-4	GHG emissions intensity			Our Environment Performance Data
	305-5	Reduction of GHG emissions	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Our Environment
	305-6	Emissions of ozone-depleting substances (ODS)			No relevant emissions
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions			Refer to ESG Reporting Guide Content Index GRI 305-1

Note:

<sup>16</sup> Estimated by referencing the Report Guidance on Environmental KPIs published by the Hong Kong Exchanges and Clearing Limited and the Energy Utilisation – Transport Sector published by the Hong Kong Electrical and Mechanical Services Department.

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/ or Remarks
<b>Energy</b>				
N/A (Not identified as material topic)		General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw material.</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	<p>Tackling Climate Change</p> <p>Our Environment</p> <p>Performance Data</p>
		KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Performance Data
		KPI A2.3	Description of energy use efficient target(s) set and steps taken to achieve them.	Our Environment
<b>Water Resources</b>				
N/A (Not identified as material topic)		General Disclosure A2, A3	<p>Policies on the efficient use of resources, including energy, water and other raw material.</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	<p>Our Environment</p> <p>We do not hold any relevant policy as the impact of water consumption on environment in our operations is insignificant. Nonetheless, we are committed to actively exploring various water conservation options to continuously improve the water efficiency of our operations.</p>

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

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

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
<b>Supply Chain Management</b>				
N/A (Not identified as material topic)		General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Our Environment Performance Data
		KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	CEL's Approach to ESG Management Our Environment Our Value Chain
		KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	CEL's Approach to ESG Management Our Environment Our Value Chain
		KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	CEL's Approach to ESG Management Our Environment Our Value Chain

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
<b>Social</b>				
<b>Employment</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>Materiality Assessment and Stakeholder Engagement</p> <p>Our Employees</p> <p>The Group regularly reviews its employment practice to ensure that we are compliance with the <i>Employment Ordinance</i> of Hong Kong, the <i>Labour Law of the PRC</i> and other law regulations.</p>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	KPI B1.2	<p>Employee turnover rate by gender, age group and geographical region.</p> <p>Our Employees</p> <p>Performance Data</p>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Our Employees
	401-3	Parental leave		Performance Data

GRI Standards	Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
<b>Labor/Management Relations</b>				
GRI 3: Material Topics 2021	3-3	Management of material topics		Materiality Assessment and Stakeholder Engagement
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes		The Company does not have relevant terms stating the minimum notice periods regarding operational changes.
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B2	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>Materiality Assessment and Stakeholder Engagement</p> <p>Our Employees</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.</p>
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		Our Employees
	403-2	Hazard identification, risk assessment, and incident investigation		Our Employees
	403-3	Occupational health services		Our Employees
	403-4	Worker participation, consultation, and communication on occupational health and safety		Our Employees

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

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. Middle Management, Core Professionals).	Our Employees Performance Data
			KPI B3.2	The average training hours completed per employee by gender and employee category.	Our Employees Performance Data
	404-2	Programs for upgrading employee skills and transition assistance programs			Our Employees
	404-3	Percentage of employees receiving regular performance and career development reviews			Our Employees Performance Data
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Materiality Assessment and Stakeholder Engagement  Our Employees

GRI Standards		Description	Environmental, Social and Governance Reporting Guide of SEHK	Description	Location and/or Remarks
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Our Employees Performance Data Diversity Data of the Board of Directors:  By Gender: Male – 77.8% Female – 22.2%  By Age Group: 45-55 years old – 33.3% 56-65 years old – 44.4% Over 66 years old – 22.2%
	405-2	Ratio of basic salary and remuneration of women to men			Due to confidentiality, the Company only discloses salary-related information according to Hong Kong’s Listing Rules and Ministry of Finance’s requirements.
<b>Non-discrimination</b>					
GRI 3: Material Topics 2021	3-3	Management of material topics	General Disclosure B1	Information on:  (a) the policies; and  (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Materiality Assessment and Stakeholder Engagement

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

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

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

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

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

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

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