

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



CEL DRAWS ON ITS EXPERTISE AND RESOURCES TO CREATE DEEP, MEANINGFUL RELATIONSHIPS AND A SUSTAINABLE ENVIRONMENT IN COLLABORATION WITH ITS SHAREHOLDERS, BUSINESS PARTNERS, EMPLOYEES AND COMMUNITIES.

## ABOUT THIS REPORT

This is the fourth Environmental, Social and Governance (ESG) Report ("Report") of China Everbright Limited ("CEL") (Stock code: 165.HK). The Report illustrates the ESG performance of our headquarters in Hong Kong as well as our regional offices in Mainland China.

This Report was prepared in accordance with the "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited and the Core option of the Global Reporting Initiative ("GRI") Sustainability Reporting Standards. This Report covers the operations of our Hong Kong headquarters and regional offices in Mainland China for the period from 1 January 2019 to 31 December 2019.

CEL has incorporated the United Nation Sustainable Development Goals ("SDGs") in our environmental and social management. The following five SDGs out of 17 are most relevant to our stakeholders:



- Ensure healthy lives and promote well-being for all at all ages



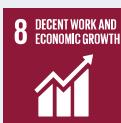
- Reduce inequality within and among countries



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



- Take urgent action to combat climate change and its impacts



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

This Report is available in English and Traditional Chinese. An electronic version of the Report can be accessed on our website [www.everbright.com](http://www.everbright.com).

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



## CEL'S APPROACH TO ESG MANAGEMENT

CEL is a China's leading cross-border asset management and investment company with over 20 years' experience in cross-border asset management and PE investments. It is a listed company in Hong Kong with alternative asset management as its core business.

Through the private equity funds, venture capital funds, industry funds, mezzanine funds, fund of funds, fixed income and equity funds it manages, CEL cultivates a number of high-growth-potential enterprises together with its investors. While closely following the development requirements of Chinese companies, it also introduces the best overseas technologies into the Chinese market, providing multifaceted services to Chinese and overseas clients. Moreover, CEL also established "EBA Investments"/"Everbright Jiabao", a leader of real estate private equity funds in China; cultivated "CALC", the largest independent aircraft leasing operator in China; incubated "Terminus", an AIoT unicorn company; and established "Everbright Senior Healthcare", a premium elderly care brand, and integrated both mid- to high-end elderly care in China.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

Despite the volatility of international and domestic financial markets in recent years, CEL has capitalised on a solid foundation and visionary strategies to maintain stable operations and achieve strong growth in AUM, expanding its reach overseas beyond Hong Kong and Mainland China. During this time, the Group has maximised benefits and built long-term relationships based on mutual trust with various stakeholders, including shareholders, investors, clients, business partners and employees.

CEL's environment, social and governance performance is outlined in the following chapters of the report:

### **Our Stakeholders**

In order to enhance communications and interactions with our fund investors and business partners, eight Everbright Investment Conference were held from 2012 to 2019. The conference attracted more than 4,000 attendees in total, including institutional investors and business partners from around the globe. During the reporting period, CEL participated in a number of investor forums and teleconferences, and carried out two surveys to help further define our shareholder profile. Findings of the surveys are summarised in shareholder reports for the Board's review on a regular basis. These reports allow the Board to better understand investors' opinions and suggestions regarding CEL's development strategies. In addition, the Group's management maintains close communications with shareholders at the annual general meeting.

### **Our Employees**

Employees are CEL's most important asset. In 2019, the Group has organised 8,793 hours of training for our full-time employees. The Group was also dedicated to providing a healthy and safe working environment and promoting work-life balance to our employees. Our volunteering team encouraged employees to get involved in volunteering services to give back to the society. In 2019, our CEL volunteering team has received the "Drive for Corporate Citizenship Volunteer Team" accolade from the Hong Kong Productivity Council for four consecutive years.

### **Our Community**

As a CSR-committed company, CEL is devoted to charitable services. CEL has been a strong supporter of a wide range of charitable events in Hong Kong and China, covering our four main themes namely "Bright Companion", "Vitality Everbright", "Education Support", and "Art Promotions". Our contributions include: forming a close partnership with Lifeline Express to offer free treatment to treat cataract patients in poverty-stricken areas; sponsoring Orbis and becoming its "Hong Kong Corporate Partner" to raise funds to restore eyesight to patients around the world; sponsoring Our Hong Kong Foundation in its "Big Little Things" to help the vulnerable groups in the community; title sponsoring Spartan Race Hong Kong to promote a healthy and self-challenging lifestyle to foster wellness in the body and soul in society; supported the founding of Dalton School Hong Kong, offering a world-class learning environment for students; title sponsoring "China Everbright Voice of The Stars Story-Telling Scheme" to help cultivate a better understanding and greater awareness of Chinese history among Hong Kong's young people; also becoming a long term partner of various local art organisations, such as Hong Kong Ballet and Hong Kong Arts Festival, to promote the development of arts in Hong Kong. Since the establishment of the China Everbright Charitable Foundation, our charitable donations have amounted to over HK\$60 million.

### **Our Environment**

CEL understands the importance of sustainable development and environmental protection. We have been closely monitoring our greenhouse gas emissions and waste generation. CEL is dedicated to maximising the Group's operational efficiency while minimising environmental impacts through greenhouse gas management, energy conservation, waste management and recycling, material purchase and resource utilisation. In 2019, our GHG emissions intensity has been reduced by 6.7% compared with the previous year, at 2.2 tCO<sub>2</sub> equivalent/employee.

## OUR STAKEHOLDERS

### Materiality Assessment and Stakeholder Engagement

To better align this report with the expectations of our stakeholders and the Group's economic, environmental and social impacts, we have invited an independent consultant this year to conduct a stakeholder engagement exercise. Materiality assessment, including identification, prioritisation, and review of the materiality topics was conducted to identify issues that are material to the sustainable development of the Group. The prioritisation of material topics has followed the principles defined in the GRI Sustainability Reporting Standards.

#### IDENTIFICATION OF MATERIALITY TOPICS

Questionnaires were formulated by our independent consultant to obtain the views from stakeholders on our environmental, economic and social performance.



#### PRIORITISATION OF MATERIALITY TOPICS

The independent consultant prioritised the identified material topics in accordance with the importance to stakeholders and the significance to the Group, and presented through a materiality matrix.



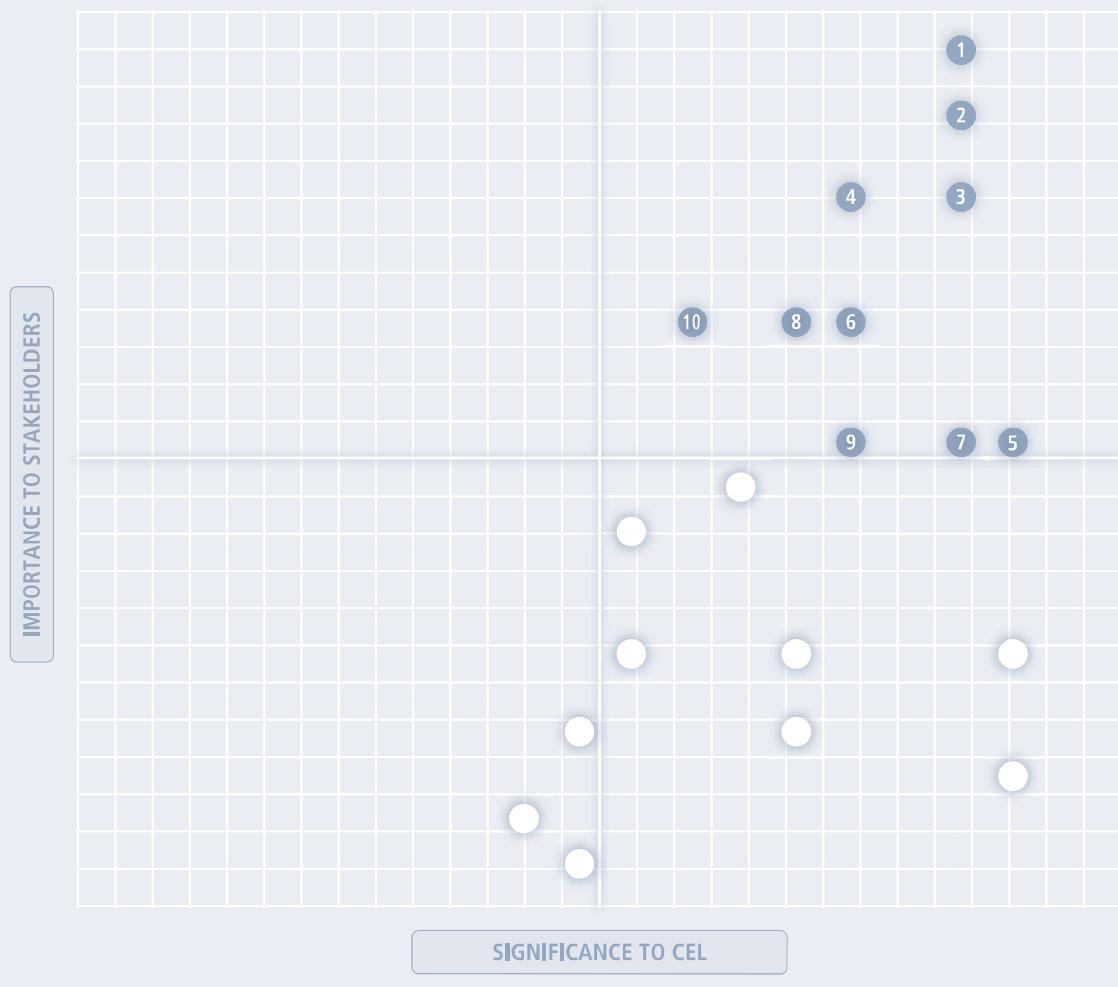
#### VERIFICATION OF MATERIALITY TOPICS

CEL verified the materiality topics to ensure the topics aligned with our development strategy.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

The Materiality Matrix below serves as a tool to visualise the relative importance of each sustainability topic with regard to our stakeholders as well as our businesses. The top 10 sustainability topics are considered as Material Topics and will be addressed in detail throughout this report.

**SUSTAINABILITY MATRIX**



- 1 Anti-corruption
- 2 Training and Education
- 3 Greenhouse Gas Emission and Pollutants
- 4 Economic Performance
- 5 Occupational Health and Safety
- 6 Social Compliance
- 7 Employee Welfare
- 8 Diversity and Equal Opportunity
- 9 Environmental Compliance
- 10 Energy Efficiency

## Materiality Topics

SUSTAINABILITY CATEGORY	GRI SUSTAINABILITY REPORTING STANDARDS	BOUNDARIES	
		WITHIN THE GROUP	OUTSIDE THE GROUP
Economic	GRI 201 Economic Performance	✓	✓
	GRI 205 Anti-corruption	✓	✓
Environment	GRI 302 Energy	✓	✓
	GRI 305 Emissions	✓	✓
Employee	GRI 307 Environmental Compliance	✓	✓
	GRI 401 Employment	✓	
	GRI 403 Occupational Health and Safety	✓	
	GRI 404 Training and Education	✓	
Community	GRI 405 Diversity and Equal Opportunity	✓	
	GRI 419 Socioeconomic Compliance	✓	✓

## CLIENTS AND COLLABORATING PARTNERS

CEL's Macro Asset Management platform connects the thriving Mainland China and Hong Kong markets, which both possess huge potential. In recent years, the Group has also actively sought overseas investment and cooperation opportunities. In order to strengthen confidence of fund investors and business partners, the Group employs a proven mechanism in risk management, protects mutual capital and benefits, and focuses on personnel retention. CEL seeks to establish a trusting, long-term relationships with their clients and partners.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

Before seeking external funding, the Group invests a certain amount of seed capital in each fund to demonstrate its confidence and commitment. During the capital commitment period, investment teams are required to invest a certain ratio of the Group's proprietary funding as risk capital, ensuring the same level of interest from both the fund management teams and investors. An independent investment assessment committee (or similar entity) is also established for each fund to maintain sound operations and protect the interests of external investors. When funds are used for investing in or are being exited from a specific project, the interest stake held by the fund management team is in line with the holdings of other investors. This ensures that the fund management teams exercise a prudent, pragmatic approach underscored by proper risk awareness when making investment decisions.

In the last decade, the financial sector was heavily impacted by market turbulence from the global financial crisis. The collapse of large financial institutions led to a review of fundamental thinking about the equilibrium between rapid business expansion and risk control. By leveraging its sound corporate governance and risk management system (please refer to the Corporate Governance and Risk Management Reports in our 2019 Annual Report for details), the Group has managed to achieve fast yet steady growth in notably bearish investment environment, while capturing opportunities by expanding its business horizons as markets recovered. In order to enhance communications and interactions with fund investors and business partners, the Group held its first Everbright Investment Conference in 2012, which received positive feedback from attendees as well as CEL's various business units. The conference has been held every year since then, and has taken place in Sanya, Shanghai, Xiamen, Chongqing, Qingdao, Hong Kong, Hangzhou and Zhengzhou, in that order, over the past eight years. The conference has attracted more than 4,000 attendees in total, including institutional investors and business partners from around the world. Attendees are updated on the latest developments in CEL's macro asset management platform, the Group's strategies and prospects, its fund operations, and its business developments and advantages. They also take advantage of the opportunity to explore synergistic collaborations across sectors and areas. Since the 2014 event CEL has also invited key journalists from Hong Kong and the Mainland, enabling the wider business and financial community to learn the latest news about the Group through leading media outlets.

## OUR SHAREHOLDERS AND INVESTORS

To enhance corporate transparency and disclosure, CEL places significant emphasis on maintaining strong communication channels with shareholders and investors. In 2019, the Group has participated in 9 investor forums and roadshows organised by CICC, CITIC, HSBC, UBS, Jefferies, and others. The Group has shed light on its strategies and performance through exchange in a sustainable, genuine, accurate and complete manner with institutional investors and analysts from across the globe. Highlights of these conferences are available under the "Investor Relations" section of the Group's website.

As of 31 December 2019, twelve analyst reports on the Group have been published by three well-known institutions, and a number of research reports have been published by other institutions. The Group also summarised shareholder reports for the Board's review on a regular basis. The report is generated from the analysis of a series of investor relations work carried out through two surveys on the Group's shareholder profile throughout the year, covering shareholdings and patterns. It included external communications, investor feedback and changes in stock price, and allows the Board to better understand investors' opinions and suggestions regarding CEL's development strategies.

For the ease and convenience of investors and shareholders, CEL's website ([www.everbright.com](http://www.everbright.com)) underwent a face lift in 2017 with a compelling layout design and functionality to support its business growth and international branding. The website revamp reorganised the structure and design of the pages. A mobile version of our website has also been set up for the ease and interest of mobile phone users. Our clients and investors can communicate closely and share information with our fund management teams via the login function for funds on the website. In 2015, CEL also launched its WeChat public account (WeChat ID: [chinaeverbright](#)), providing another convenient and diversified information channel for stakeholders and the public.

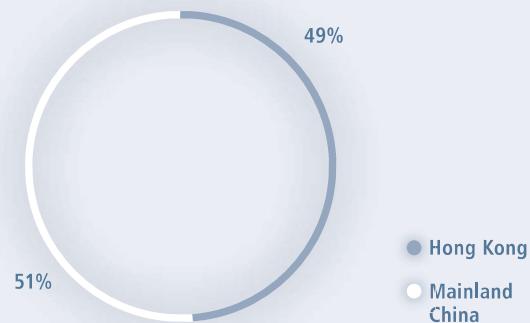
In addition, the Group's management maintains close communications with shareholders at the annual general meeting. The Group also holds press conferences and analyst briefings twice a year, after its interim and annual results are published. These presentations are recorded and made available as webcasts on CEL's website for viewing at any time by the public.

## OUR EMPLOYEES

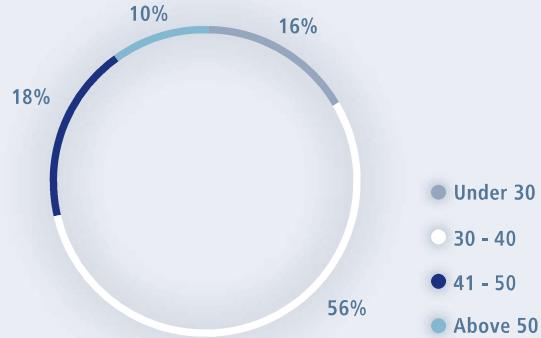


The Group sees its employees as partners and its most important asset. The Group recruits top-notch talent from the financial sector and builds its distinguished management team. Employees are able to share the fruits of the Group's success, through creating economic value and enhancing work efficiency. The Group's Staff Handbook has laid out key information on employee management, remuneration, welfare, attendance policy, working hours, leave, equal opportunity, antidiscrimination, code of conduct, and so on.

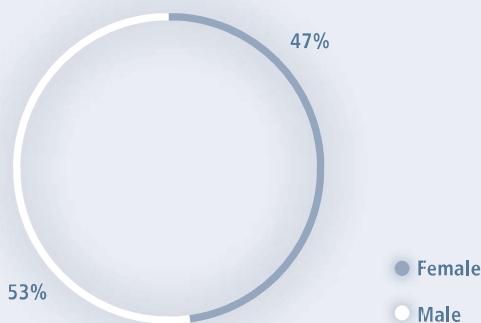
### BY REGION



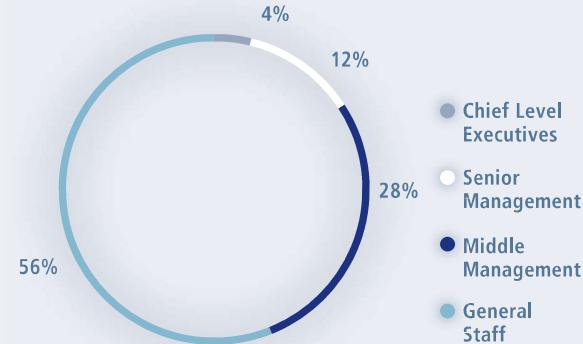
### BY AGE GROUP



### BY GENDER



### BY EMPLOYEE CATEGORY



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

### Employee Diversity and Equal Opportunity

We have a Staff Handbook in place to protect our employees from any form of discrimination due to gender, disability, family status, marital status, race, and so on, and against any related harassment and slander. The Group is dedicated to promoting equality in the workplace and has employed staff from different age groups. As of 31 December 2019, the Group had 361 employees, all of which were employed on a full-time and permanent basis. The ratio of male to female staff was 1.15:1.

### Employee Training and Development

According to the Group's Training and Development Policy, all new joiners have an annual 30-hour training target, while existing employees' target is 20 hours. In order to further standardise employee development programmes, the Group has developed a training system, that sets an annual training target hour according to the years of service of the employee, and takes it into consideration during appraisals. This encourages employees' involvement in both internal and external training activities, boosting their personal skill sets to align with the Group's development strategies, and thus increasing the Group's competitiveness in the industry. During the reporting period, our employees have undergone 8,793 hours of training, including 24 internal training sessions, covering topics such as business ethics, anti-money laundering, taxation, risks, macroeconomic trends, soft skills, online courses, personal wellness and others.



Apart from internal training sessions, the Group also arranges exchange visits every year for employees in Hong Kong and the Mainland to enrich their experiences and exchange views. The Group has been arranging exchange tours between Hong Kong and Mainland China since 2013, allowing employees across regions to enrich their knowledge of our business operations and foster closer collaboration and communication between our teams.

New hires receive a clear overview of the Group through online orientation training sessions on human resources, brand

culture and compliance. The Group also arranges meetings to facilitate conversation between senior management and new hires, which not only enables better understanding of employees and their views, but also enhances contact and interaction. General new hires are automatically enrolled into our mentor-mentee programme, which provides timely support and guidance in adapting to our corporate culture and working environment.

## Anti-corruption

Staff integrity is one of our critical factors to success. The Group strictly follows the "Anti-corruption Law of the People's Republic of China" and the "Prevention of Bribery Ordinance" of Hong Kong. We prohibit all forms of bribery and corruption in carrying business for the company. Employees are required to conduct themselves with integrity, in an ethical and proper manner, and in compliance with the applicable laws and regulations of the countries in which the Group operates, including anti-bribery laws. All employees must strictly follow the Group's Anti-Money Laundering Policy and Whistleblowing Policy, which prescribe prevention of corruption, blackmail, fraud, money laundering, relevant laws and their implementation, audit procedures, and regular training. On top of that, we also invited the Independent Commission Against Corruption (ICAC) to organise an anti-corruption seminar for our employees this year. In total, 34 employees attended the seminar.

During the reporting period, there was no confirmed case of non-compliance in relation to corrupt practices that would have a significant impact on the Group.

## Occupational Health and Safety

The Group recognises the importance of a safe and healthy work environment as the cornerstone of a successful organisation. In order to provide a safe working environment and prevent occupational accidents, our Occupational Safety and Health Policy has a list of safety measures for employees to follow. For instance, we encourage new employees to participate in fire drill conducted by the building's management office annually and maintain a fire drill attendance record to track the employee's awareness on safety. In addition, we conduct safety audit in the office to ensure the safety of the working environment and check that all escape routes are free from obstruction.

## Communication and Connection

The Group puts considerable effort into maintaining productive information exchange and interaction with its employees via various means of communication. The Group uses an internal email system, "Partner Express", as its platform for publishing company news and real-time information. Institutional investors and media receive relevant content in the form of presentations and press releases. The "Partner", CEL's bimonthly electronic periodical, integrates

key business information, branding development and snapshots of employee life together in one handy publication, which is disseminated through online media to keep colleagues in the Mainland and Hong Kong in close contact. The Group also publishes hard copies of the "Partner" by consolidating all the copies of the year into a single book, to accommodate employees' reading habits. In order to offer greater convenience to employees and improve work efficiency, CEL has developed an online collaborative Office Automation Platform with comprehensive functions and mobile apps, allowing employees to access company information and conduct administrative work from anywhere, whether they are in or out of the office.

## Volunteering Services

In 2012, CEL set up a volunteer team to encourage employees to contribute to society by participating in charitable initiatives. This programme also serves to further enhance camaraderie among employees. Over the past few years, CEL's volunteer team has visited nursing homes, special child-care centres and schools, as well as sheltered workshops. The team has also prepared meals for the elderly with Food Angel, joined garden maintenance activity at a historical monument, and hosted mural painting in schools. The team has also participated in the "Sowers Action Challenging – Charity Hiking" for four consecutive years. A parent-child visit to Shandong, Heilongjiang, Guiyang, Jilin and Xinjiang at the eye-train hospital by Lifeline Express were also among the many volunteering services we participated in, which are strongly supported by our colleagues.

In 2019, CEL's volunteer team proactively participated in the "Big Little Things" event organised by Business for Social Good under Our Hong Kong Foundation to help and improve the quality of life of the vulnerable groups in the community. Besides, we also held a parent-child visit to eye-train hospital by Lifeline Express in Changzhi, Shanxi Province. This year, CEL invited district councillors from Sham Shui Po and Central-Western Districts to take part in volunteering services with a view to get first-hand experience with the living standards of families and students with special education needs in Sham Shui Po District, and raise awareness and improve living standards with the assistance of the councillors.

CEL's volunteer team has been awarded the "Drive for Corporate Citizenship Volunteer Team" accolade from Hong Kong Productivity Council for the past four consecutive years starting 2016.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

### Work-Life Balance

In the past few years, the Group has built a closer partnership with employees through various initiatives, including timely information sharing, diverse activities, staff welfare programmes and incentives. These efforts have also resulted in meaningful contributions to the Group's business success in terms of retaining and recruiting the best talent.

The Group puts great care in employees' work-life balance by providing various kinds of training and events, such as "Floor Curling" team-building activity and "Resilience Training" workshop, cultural activities such as discounted tickets to ballet performances, recreation activities such as Laughter Yoga, sports activities such as industry basketball league enrolment and so on. These are designed to meet the range of different interests of our employees.

### OUR COMMUNITY



Giving back to society is an important part of CEL's CSR efforts. While we develop our business, we strive to use our expertise and resources to maximise the benefits of stakeholders, and establish long-term, trusting partnerships with them in accordance with our CSR Policy. We divide our stakeholders into four groups and actively give back to the society through different aspects. As a company committed to corporate social responsibility, CEL is a strong supporter of disaster and poverty relief. The Group also contributes long-term support to many social service projects, most of which are unique, sustainable in nature, and benefit those who are often overlooked in society and given limited resources and support.

In 2008, CEL established the China Everbright Charitable Foundation ("CECF"), a charitable organisation recognised by the Hong Kong Government. CEL has been a strong supporter of a wide range of charitable events since the establishment of the foundation, covering our four main themes "Bright Companion", "Vitality Everbright", "Education Support", and "Art Promotions".

### Bright Companion

CEL's Chinese and English name of "Everbright" symbolises the company's vividness and optimism, in line with our aim to create a bright future and support to the needy through our actions. In recent years, CEL has supported sight-saving campaigns of "Lifeline Express" and "Orbis", hoping to restore eyesight to the visually impaired around the world.

**"Lifeline Express"** – A mobile eye-train hospital providing free surgical operations for cataract patients in remote, poverty-stricken areas in the Mainland

Over the past eight years, CEL has formed a close partnership with Lifeline Express, becoming one of the largest funding sources helping the charity treat cataract patients in poverty-stricken areas in the Mainland. Starting from 2014, the Group, together with Lifeline Express, has arranged for a parent-child group to visit the eye-train hospital and cataract patients in Shandong, Heilongjiang, Guizhou, Jilin, Xinjiang and Shanxi, providing help for paramedics and bringing love to patients. In 2016, with support from CEL, Lifeline Express has travelled outside of China for the first time to Sri Lanka, providing treatments to the blind.



## Our Hong Kong Foundation – Contribute to the future and prosperity of Hong Kong

In response to the invitation from Mr. Tung Chee-hwa, the former Chief Executive and the Chairman of "Our Hong Kong Foundation", CEL has sponsored the foundation for five consecutive years since 2018, to drive economic growth, technology and social innovation, and culture and art development in Hong Kong. Through sponsoring the "Our Hong Kong Foundation", CEL has taken part in strengthening ties and cooperation of Hong Kong and Mainland, in order to unify the society, and drive Hong Kong to a more prospered and stable future. This year, CEL's volunteering team joined the "Big Little Things" hosted by "Our Hong Kong Foundation" to put words in actions by helping the grass-root families to solve daily difficulties that seem subtle but crucial to them.

## "Orbis" – International sight-saving organisation

Ever since 2018, CEL has become Orbis's "Hong Kong Corporate Partner" to support its sight-saving campaigns across the globe, and to help restore the eyesight of cataract patients.

## Vitality Everbright

CEL has an energetic corporate image thanks to our staff and management's enthusiasm for sports. Through participating in various running/walkathon events, CEL has made substantial donations to a number of charitable organisations.

## Spartan Race Hong Kong

CEL has title sponsored "Spartan Race Hong Kong" for two consecutive years. As a highly popular and challenging obstacle race, the event received an overwhelming response and attracted more than 12,000 racers joining the two competition in 2019. Spartan was first organised in 2005 in the United States of America, and the event has since then expanded to 25 countries and 240 races around the world in 13 years. It was launched in Hong Kong in 2016 and became a signature event for elites in two years' time. The event attracted talents from different financial institutions to participate and show their team spirit.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

### Education Support

Since the establishment of CECF, the Group has supported various community projects relating to education, childcare and young people, aiming to continue fostering our next generation by promoting a range of social work.

#### Dalton School Hong Kong – A top-notch teaching team, boasting a world-class learning environment for children

After years of preparation and support from CECF, Dalton School Hong Kong (DSHK) was officially opened in mid-August 2017. DSHK is a new non-profit, bilingual primary school that has both Mandarin and English as its language of instruction. What sets DSHK apart from other schools is its unique child-centred programme based on the world-renowned Dalton plan, along with its partnership with the esteemed Tsinghua University Primary School to provide a strong emphasis on Chinese language, culture and values. Establishing an international school not only meets its extraordinary demand, but also combines Chinese traditional education with international teaching methods and enhances Hong Kong students' awareness of Chinese culture and history.



#### "China Everbright Voice of the Stars Story-Telling Scheme" – A project to promote understanding and greater awareness of Chinese history among the young generation in Hong Kong

To help cultivate a better understanding and greater awareness of Chinese history among the younger generation in Hong Kong, CEL launched the "China Everbright Voice of the Stars Story-Telling Scheme" in 2016. Title-sponsored by CEL, the project is run by Endeavour Education Centre Limited, which aims to provide opportunities for local youth to understand Chinese history and culture through a more interesting study platform – online story telling. The project aims to help the younger generation develop a historical perspective and sense of belonging to China, as well as

cultivate a positive attitude towards learning so that youths will contribute to the future development of Hong Kong and China.

### Art Promotions

Throughout the years, CEL has promoted local art development by supporting various local art organisations in Hong Kong, promoting widespread interest among the general public for the refinement and elegance of arts.

#### Hong Kong Ballet

Since 2015, CEL has been title sponsoring classical productions of Hong Kong Ballet including "Nutcracker", "Swan Lake", "Don Quixote" and "Serenade and More" in Mainland. In 2019, CEL title sponsored "The Great Gatsby" and the 2nd Annual International Gala of Stars. Through donations to Hong Kong Ballet's "Accessibility Fund", the Group offered free tickets to underprivileged families in the New Territories to enjoy ballet performances for the fourth year running.

#### Hong Kong Arts Festival

In March 2019, CEL title sponsored the "Hamlet", a co-production by Royal Shakespeare Company and Li Liui Theatre Studio, which was a presentation of a remarkable international performance to audience in Hong Kong.



## Community Projects and Donations

CEL values the importance of poverty alleviation and contribution to society. Every year, CEL makes donation to certain areas which suffer from poverty, and a total of RMB1.2 million was donated in 2019. In 2020, CEL will unify the Group's poverty fund and continue to increase the poverty relief engagement. As a member of China Everbright Group in Hong Kong, CEL also care about local poverty issues by taking the initiative to establish different poverty alleviation programmes, with an aim to take part in enhancing the prosperity and stability of Hong Kong.

Site visits and investigation plans were arranged by CEL together with related units from Guzhang, Xinhua and Xintian Countries of Hunan Province to support local education in 2019. A volunteering team with 290 members was established and a total of RMB214,442.72 was raised by our employees for local educational support. Part of the fund was donated to "Everbright Hope Elementary School" in Shuiche Town, Xinhua County, Hunan Province for school facilities renovation and students' supports. Moreover, CEL sponsored 66 students across three different counties with a total amount of RMB51,200 through the one-to-one association education from Virtus Foundation, to provide opportunities for children to study under better conditions and thus assisting them to build a brighter future. On the other hand, CEL started purchasing large number of local products from poverty areas since the third quarter and rewarding employees during National Day and other special holidays as a form of employee benefits. The Group proactively promotes its subsidiaries to purchase local products from poverty areas so as to support poverty alleviation and raise the popularity of the products.

## OUR ENVIRONMENT



CEL understands the importance of sustainable development and environmental protection, and has been investing in environmental protection and renewable energy enterprises since 2006, including Goldwind Science and Technology Co., Ltd, CECEP Wind Power Corporation Co., Limited, Beijing Jingneng Clean Energy Co., Limited, Chongqing Taike Environmental Protection Technology Co., Guodian Northeast China Environmental Protection Industry Group Co., Ltd., Zhejiang Wangneng Environment Co., Ltd, Beijing JeeGreen Technology Co., Ltd, Anhui Yuanchen Environmental Protection Polytron Technologies Inc., Shenyang Shengyuan Water Affairs Co., Ltd, Dalian Wastewater Treatment Project, among others. The Group also supports the overall development of the environmental protection sector.

In our offices, CEL has identified energy and paper usage, and waste generations as its key environmental impact. Therefore, the Group has instituted various environmental protection policies, aiming to minimise its environment impact while sustaining its operational efficiency at the same time.

During the reporting period, there was no confirmed case of non-compliance in relation to environmental practices that would have a significant impact on the Group.

### Energy Conservation

Energy consumption is a major cause of environmental impact. CEL has initiated different measures to reduce energy usage. In order to cultivate awareness of environmental protection among employees, the Group's Green Office and Sustainable Procurement Policy has a strict requirement on employees' conduct, so as to reduce energy use in day-to-day operations. Employees are encouraged to conserve energy by turning off their computers and monitors after working hours. Our printers are switched into energy-saving mode automatically when not in use to reduce energy usage. Notices on switching off computers and monitors before leaving the office are sent out to all employees before long holidays. In 2019, our electricity consumption intensity and fuel consumption intensity were reduced by 0.7% and 1.2% respectively.

	Direct Energy Consumption	Direct Energy Consumption Intensity
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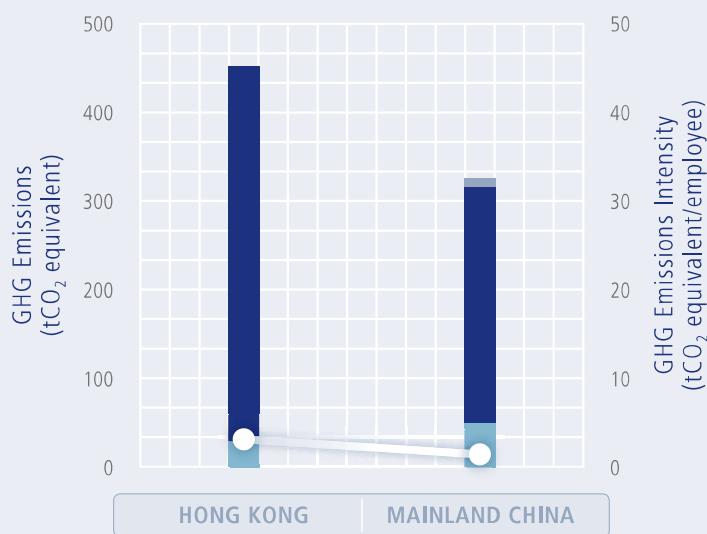
Electricity	986,241 kWh	2,732 kWh/employee
Fuel	29,932 L	83 L/employee

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

## Greenhouse Gas Emissions and Management

Effective management of greenhouse gas (GHG) emissions is one of the pressing topics in environmental protection. Our GHG emissions are calculated according to "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition)"<sup>1</sup> compiled by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong. The emission intensity is used as a reference for the Group in monitoring future GHG emission performance. Our overall GHG emissions intensity in 2019 has been reduced by 6.7% compared to the previous year, at 2.2 tCO<sub>2</sub> equivalent/employee.

### ● GHG EMISSIONS IN 2019



	HONG KONG	MAINLAND CHINA
Other Indirect GHG Emissions (Scope 3) (tCO <sub>2</sub> equivalent)	0.5	11.2
Energy Indirect GHG Emissions (Scope 2) (tCO <sub>2</sub> equivalent)	432.6	271.8
Direct GHG Emissions (Scope 1) (tCO <sub>2</sub> equivalent)	29.8	51.2
Intensity (tCO <sub>2</sub> equivalent/employee)	2.6	1.8

#### Notes:

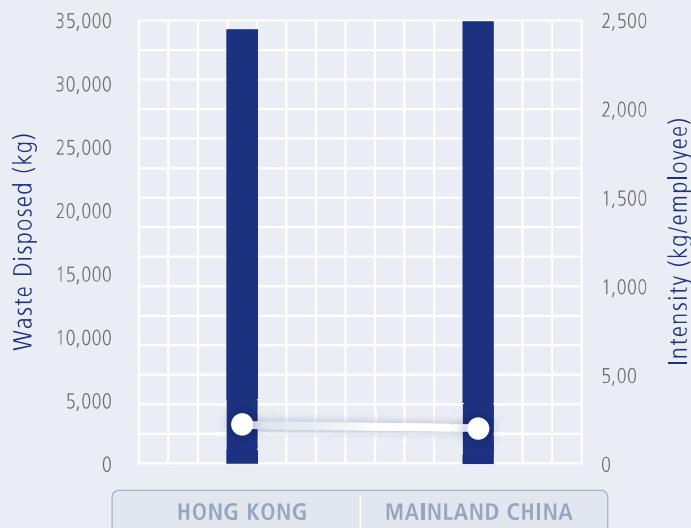
- 1 GHG calculation includes: direct fuel consumption (scope 1), electricity consumption (scope 2), paper and drinking water (scope 3); Emissions factors for electricity purchased is referenced to the latest information released by Hong Kong Electric and "2015 Average Regional Baseline Grid Emission Factor in China" released by the National Development and Reform Commission.

## Waste Management and Recycling

Waste is generated mainly from office operations. Cultivating a habit of recycling among employees is key in our environmental protection initiative. A recycling box for paper is placed next to every printers to make paper cycling easier for all employees. Employees are also encouraged to recycle toner cartridges. The waste collection service is provided by the building's management and disposed by designated waste collectors.

During the reporting period, we recycled 4,331 kg of paper and 6 cartridges<sup>2</sup>.

### ● WASTE DISPOSAL IN 2019



	HONG KONG	MAINLAND CHINA
■ Waste Disposal (kg)	34,046	34,499
● Intensity (kg/employee)	191.3	188.52

Notes:

2 Includes Hong Kong and Qingdao Office.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

### Material Use

In order to lessen the burden on our environment, CEL pays special attention when sourcing materials. As printing paper ranks at the top out of our material consumption, the Group has a strict requirement in choosing printing paper. According to the Group's Green Office and Sustainable Procurement Policy, both Hong Kong and the Mainland offices are required to use Forest Stewardship Council (FSC)-certified paper from responsible forest resources that discourage deforestation. Paper publications such as CEL's annual report and our business cards and envelopes are also printed on FSC-certified paper. When purchasing office equipment, the Group opts for printers with energy conservation functions and energy-saving lighting such as LED lights.

To reduce our impact on the environment in our supply chain, the Group chooses environmentally responsible suppliers in accordance with the Green Office and Sustainable Procurement Policy. Our printing paper suppliers are ISO 14001 certified, proven to possess an effective environmental management system.

### Resources Utilisation

Reducing wastage is one of the Group's operational principles. Efforts have been made in different aspects to conserve resources and reduce waste generation. The Group's online collaborative Office Automation Platform and mobile app now cover various procedures for daily administration, management and approval, which has realised the paperless office concept. The Board of Directors and Board of Committees have implemented "paperless meetings" to support environmental protection. In addition, the default printing modes for new hires are set to black-and-white and employees are also encouraged to reuse single-sided paper.

### AWARDS

In recognition of the Group and China Everbright Charitable Foundation's continuous efforts and contributions in corporate social responsibility, CEL has been awarded a "Caring Company" and "Caring Organisation" for eight consecutive years since 2011. CEL has been awarded a "Happy Company" label for the fifth consecutive year since 2015 jointly by the Hong Kong Productivity Council and the Promoting Happiness Index Foundation, in recognition of CEL's commitment in creating a healthy and caring corporate culture and prioritising work-life balance of employees. Moreover, in recognition of the Group's effort in engaging employees in social volunteering, CEL has been awarded "Drive for Corporate Citizenship Volunteer Team" logo for fourth consecutive years. CEL was also named as "Family-Friendly Employers" by the Home Affairs Bureau and the Family Council for two consecutive terms, in acknowledging of the company's efforts in promoting core-values relating to employee's work-life balance.



## CHARTERS AND MEMBERSHIPS

The Group maintains memberships in professional and trade organisations to stay abreast of key issues in our areas of operation, industry trends, new legislative rulings and best practices. The following table lists our memberships, charters and participation in industry and professional associations relevant to our business.

Institution	Class of Membership
Hong Kong Venture Capital and Private Equity Association (HKVCA)	Corporate Member
The Chamber of Hong Kong Listed Companies (CHKLC)	Corporate Member
China Venture Capital and Private Equity Association (CVCA)	Corporate Member
Hong Kong Chinese Listed Companies Association Limited	Director

## PERFORMANCE DATA

Economic Performance		HK\$'000
<b>DIRECT ECONOMIC VALUE GENERATED</b>		
Income from contracts with customers		611,778
Income from investment		3,724,311
Income from other sources		270,254
Share of profits less losses of associates		823,454
Share of profits less losses of joint ventures		88,713
<b>ECONOMIC VALUE DISTRIBUTED</b>		
Finance costs		1,164,915
Other costs <sup>3</sup>		1,498,770
Dividends		808,921
Taxes <sup>4</sup>		602,929
Loss attributable to non-controlling interests		(25,396)
Charitable donations		6,825
<b>ECONOMIC VALUE RETAINED</b>		
Retained for CEL's sustainable operation and development		1,461,546

Note:

3 Represents other costs but excludes depreciation and amortisation for the year.

4 Represents current income tax but excludes deferred tax for the year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

<b>Environmental Performance</b>	
<b>GREENHOUSE GAS (GHG) EMISSIONS</b>	
Scope 1 (tonnes CO <sub>2</sub> equivalent)	81.1
Scope 2 (tonnes CO <sub>2</sub> equivalent)	704.4
Scope 3 (tonnes CO <sub>2</sub> equivalent)	11.7
GHG emission intensity (tonnes CO <sub>2</sub> equivalent/employee)	2.2
<b>FUEL AND WATER CONSUMPTION</b>	
Direct electricity consumption (kWh)	986,241
Direct electricity intensity (kWh/employee)	2,732
Water consumption <sup>5</sup> (m <sup>3</sup> )	21.20
Water intensity (m <sup>3</sup> /employee)	0.06
Direct fuel consumption – Petrol (L)	29,932
Direct fuel intensity (L/employee)	83
<b>MATERIALS CONSUMPTION AND RECYCLING</b>	
Paper consumption (kg)	6,270
Paper recycled (kg)	4,331
Cartridges recycled (pcs)	6
<b>WASTE DISPOSAL</b>	
Non-hazardous waste <sup>6</sup> (kg)	68,545
Non-hazardous waste intensity (kg/employee)	190
Hazardous waste (kg)	–

Note:

5 Only includes water consumption for drinking.

6 The waste collection service is provided by the building's management and disposed of designated waste collectors.

<b>Social Performance</b>	
<b>EMPLOYEES (BY EMPLOYMENT TYPE)</b>	
Full-time	361
Part-time	0
<b>EMPLOYEES (BY GENDER)</b>	
Male	193
Female	168
<b>EMPLOYEES (BY AGE GROUP)</b>	
Under 30	59
30-40	203
41-50	63
Above 50	36
<b>EMPLOYEES (BY EMPLOYEE CATEGORY)</b>	
Chief level executives	14
Senior management	43
Middle management	103
General staff	201
<b>TURNOVER RATE</b>	
Overall turnover rate	14.7%
<b>TURNOVER RATE (BY GENDER)</b>	
Male	14.0%
Female	15.5%
<b>TURNOVER RATE (BY AGE GROUP)</b>	
Under 30	15.3%
30-40	16.3%
41-50	12.7%
Above 50	8.3%
<b>TURNOVER RATE (BY GEOGRAPHICAL REGION)</b>	
Hong Kong	13.5%
Mainland China	15.8%
<b>PERCENTAGE OF EMPLOYEES TRAINED (BY GENDER)</b>	
Male	85%
Female	93%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

### Social Performance

#### PERCENTAGE OF EMPLOYEES TRAINED (BY EMPLOYEE CATEGORY)

Chief level executives	100%
Senior management	95%
Middle management	97%
General staff	83%

#### AVERAGE TRAINING HOURS (BY GENDER)

Male	26.9
Female	27.7

#### AVERAGE TRAINING HOURS (BY EMPLOYEE CATEGORY)

Chief level executives	26.4
Senior management	29.9
Middle management	29.0
General staff	25.8

#### OCCUPATIONAL HEALTH AND SAFETY<sup>7</sup>

Work-related fatalities	0
Fatality rate	0
Work-related injuries <sup>8</sup>	2
Injury rate	0.53
Lost days due to work injury	2
High-consequence work-related injuries <sup>9</sup>	0
High-consequence work-related injury rate	0

Note:

- 7 Fatality rate, injury rate, and high-consequence work-related injury rate referred to the calculation methods suggested in GRI403-9. Calculation is based on 200,000 hours worked by 100 employees in a year.
- 8 Types of work-related injury include muscle sprain and minor injuries including cuts and bruises.
- 9 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 STANDARDS AND ESG REPORTING GUIDE CONTENT INDEX

This Report was prepared in accordance with the "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules of Hong Kong Stock Exchanges and Clearing Limited and the Core option of the GRI Sustainability Reporting Standards. The following table provides an overview on the material topics, Subject Areas, Aspects and their General Disclosures, as well as the Key Performance Indicators (KPI), which are either referred to the relevant chapters of the Report or supplemented with additional information.

### ESG Reporting Guide Content Index

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<b>ENVIRONMENTAL</b>		
Aspect A1: Emissions		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	We do not hold any relevant policy as our operations do not cause significant impact on the air, greenhouse gas emissions, discharges into water and land, and generation of hazardous waste.  There are no relevant laws or regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	We do not generate significant gas emissions in our office operations.
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	We do not generate any hazardous waste in our office operations.
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	Our Environment
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Our Environment  We do not generate any hazardous waste in our office operations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<strong>ENVIRONMENTAL</strong>		
Aspect A2: Use of Resources		
<strong>General Disclosure</strong>	Policies on the efficient use of resources, including energy, water and other raw material.	Our Environment  Our water supply in offices and washrooms are provided by the building's management. Therefore, we do not have policy on the efficient use of water as it is beyond our control.
<strong>KPI A2.1</strong>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Our Environment; Performance Data
<strong>KPI A2.2</strong>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Performance Data  Only includes water consumption for drinking. The property management could not provide the water consumption figure for the Group's offices.
<strong>KPI A2.3</strong>	Description of energy use efficiency initiatives and results achieved.	Our Environment
<strong>KPI A2.4</strong>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Our offices' water is managed by property management. We did not find any issue in water sourcing.  Measures to improve water efficiency (e.g. installation of appliances with low water consumption) would need to be planned and implemented by the property management. Thus, we are not in the position to plan for improving water efficiency.
<strong>KPI A2.5</strong>	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.
Aspect A3: The Environment and Natural Resources		
<strong>General Disclosure</strong>	Policies on minimising the issuer's significant impact on the environment and natural resources.	Our office operations will not cause any significant impact on the environment and natural resources.
<strong>KPI A3.1</strong>	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.

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<b>SOCIAL</b>		
Employment and Labour Practice		
Aspect B1: Employment		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employees  There are no relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Our Employee; Performance Data
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Performance Data
Aspect B2: Health and Safety		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our Employees  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.
<b>KPI B2.1</b>	Number and rate of work-related fatalities.	Performance Data
<b>KPI B2.2</b>	Lost days due to work injury.	Performance Data
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Our Employees
Aspect B3: Development and Training		
<b>General Disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employee
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Our Employees; Performance Data
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Our Employees; Performance Data

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<b>SOCIAL</b>		
Employment and Labour Practice		
Aspect B4: Labour Standards		
<b>General Disclosure</b>	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	<p>Our Employees</p> <p>There are no relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour.</p> <p>Our operations do not involve any deployment of child or forced labour. Therefore, the Group did not formulate relevant policies.</p>
<b>KPI B4.1</b>	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 in compliance with the Employment Ordinance of Hong Kong, Labour Law of the PRC, and other laws and regulations related to child and forced labour.
<b>KPI B4.2</b>	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.
Operating Practices		
Aspect B5: Supply Chain Management		
<b>General Disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Our Environment
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Not applicable
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Not applicable

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<b>SOCIAL</b>		
Employment and Labour Practice		
Aspect B6: Product Responsibility		
<b>General Disclosure</b>	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	<p>The Group has not identified material concerns in its operations regarding health and safety, advertising, labelling and privacy matters relating to its services provided, thus a dedicated policy is not in place. Nevertheless, the Group strives to safeguard client assets, 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>
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
<b>KPI B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Not applicable
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Not applicable
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Not applicable
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Please refer to General Disclosure.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

GENERAL DISCLOSURES AND KPIs	DESCRIPTION	CROSS-REFERENCES/REMARKS
<b>SOCIAL</b>		
Employment and Labour Practice		
<b>Aspect B7: Anti-corruption</b>		
<b>General Disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Our Employees
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	There were no legal cases regarding corrupt practices during the reporting period.
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Please refer to General Disclosure, Our Employees, and the Corporate Governance section of our 2019 Annual Report.
Community		
<b>Aspect B8: Community Investment</b>		
<b>General Disclosure</b>	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
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Our Community

## GRI Standards Content Index

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<strong>GENERAL DISCLOSURE</strong>		
Organisational Profile		
<strong>GRI 102: General Disclosures 2016</strong>		
102-1	Name of the organisation	About This Report
102-2	Activities, brands, products, and services	About This Report
102-3	Location of headquarters	About This Report
102-4	Location of operations	About This Report
102-5	Ownership and legal form	About This Report
102-6	Markets served	About This Report
102-7	Scale of the organization	CEL's Approach to ESG Management
102-8	Information on employees and other workers	Our Employees; Performance Data
102-9	Supply chain	Our Environment
102-10	Significant changes to the organization and its supply chain	There is no significant change to Sino Group and our supply chain during the reporting period.
102-11	Precautionary Principle or approach	CEL's Approach to ESG Management
102-12	External initiatives	About This Report
102-13	Membership of associations	Chapters and Memberships
Strategy		
<strong>GRI 102: General Disclosures 2016</strong>		
102-14	Statement from senior decision-maker	Refer to the chapter "Directors' Report" in the Annual Report
Ethics and Integrity		
<strong>GRI 102: General Disclosures 2016</strong>		
102-16	Values, principles, standards, and norms of behaviour	CEL's Approach to ESG Management
Governance		
<strong>GRI 102: General Disclosures 2016</strong>		
102-18	Governance structure	Refer to the chapter "Corporate Governance Report" in the Annual Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<b>GENERAL DISCLOSURE</b>		
Stakeholder Engagement		
<b>GRI 102: General Disclosures 2016</b>		
102-40	List of stakeholder groups	Our Stakeholders
102-41	Collective bargaining agreements	No current employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Our Stakeholders
102-43	Approach to stakeholder engagement	Our Stakeholders
102-44	Key topics and concerns raised	Our Stakeholders
Reporting Practice		
<b>GRI 102: General Disclosures 2016</b>		
102-45	Entities included in the consolidated financial statements	Refer to the chapter "Consolidated Statement of Financial Position" in the Annual Report
102-46	Defining report content and topic Boundaries	About This Report
102-47	List of material topics	Our Stakeholders
102-48	Restatements of information	There was no restatement of information in this Report.
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	Last report was published in March 2019.
102-52	Reporting cycle	About This Report
102-53	Contact point for questions regarding the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	We have engaged an independent consulting firm in reviewing the report content.  We will consider the feasibility of external assurance in the future.

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<b>MATERIAL TOPICS</b>		
GRI 200: Economic		
Economic Performance		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Refer to the chapter "Management Discussion and Analysis" in the Annual Report
103-3	Evaluation of the management approach	Refer to the chapter "Management Discussion and Analysis" in the Annual Report
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	Performance Data
Anti-corruption		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Employees
103-3	Evaluation of the management approach	Our Employees
<b>GRI 205: Anti-corruption 2016</b>		
205-3	Confirmed incidents of corruption and actions taken	Our Employees
GRI 300: Environmental		
Energy		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Environment
103-3	Evaluation of the management approach	Our Environment
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Our Environment; Performance Data
302-3	Energy intensity	Our Environment; Performance Data
302-4	Reduction of energy consumption	Our Environment; Performance Data

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<b>MATERIAL TOPICS</b>		
GRI 300: Environmental		
Emissions		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Environment
103-3	Evaluation of the management approach	Our Environment
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Our Environment; Performance Data
305-2	Energy indirect (Scope 2) GHG emissions	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	Our Environment
Environmental Compliance		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Environment
103-3	Evaluation of the management approach	Our Environment
<b>GRI 307: Environmental Compliance 2016</b>		
307-1	Non-compliance with environmental laws and regulations	Our Environment
GRI 400: Social		
Employment		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Employees
103-3	Evaluation of the management approach	Our Employees

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<b>MATERIAL TOPICS</b>		
GRI 300: Environmental		
Emissions		
<b>GRI 401: Employment 2016</b>		
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Employees
Occupational Health and Safety		
GRI 103: Management Approach 2016		
<b>103-1</b>	Explanation of the material topic and its Boundary	Our Stakeholders
<b>103-2</b>	The management approach and its components	Our Employees
<b>103-3</b>	Evaluation of the management approach	Our Employees
GRI 403: Occupational Health and Safety 2018		
<b>403-9</b>	Work-related injuries	Performance Data We do not have third-party contractors.
Training and Education		
GRI 103: Management Approach 2016		
<b>103-1</b>	Explanation of the material topic and its Boundary	Our Stakeholders
<b>103-2</b>	The management approach and its components	Our Employees
<b>103-3</b>	Evaluation of the management approach	Our Employees
GRI 404: Training and Education 2016		
<b>404-1</b>	Average hours of training per year per employee	Our Employees; Performance Data
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	Our Employees

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT | continued

DISCLOSURE NUMBER	DISCLOSURE	CROSS-REFERENCES/REMARKS
<b>MATERIAL TOPICS</b>		
GRI 300: Environmental		
Diversity and Equal Opportunity		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Employees
103-3	Evaluation of the management approach	Our Employees
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	Our Employees
Socioeconomic Compliance		
<b>GRI 103: Management Approach 2016</b>		
103-1	Explanation of the material topic and its Boundary	Our Stakeholders
103-2	The management approach and its components	Our Community
103-3	Evaluation of the management approach	Our Community
<b>GRI 419: Socioeconomic Compliance 2016</b>		
419-1	Non-compliance with laws and regulations in the social and economic area	During the reporting period, there was no confirmed case of non-compliance in relation to social and economic area that would have a significant impact on the Group.