



China Everbright Limited announces aim for achieving carbon neutrality in operations by 2022

6 December 2021, the 24th Beijing-Hong Kong Economic Cooperation Symposium was held online and offline in Beijing and Hong Kong. At the forum, Everbright announced that the company will aim to achieve carbon neutrality in operations by the end of 2022.

"'30.60' carbon peak and carbon neutrality are not only China's solemn commitments to all countries in the world, highlighting China's responsibility as a major responsible country, but also an inherent requirement for China's sustainable and high-quality development, which will open up a broad space for green investment in the next few decades." As an investment institution of central enterprises listed in Hong Kong, Everbright will give full play to its professional capabilities and platform advantages to help achieve the double carbon strategic goal of the mainland and Hong Kong. Zhao Wei, chairman of the board and an Executive Director of Everbright, said at the forum. At the same time, Zhao Wei proposed: financial institutions in Beijing and Hong Kong should join hands to promote the double carbon strategy with more significant efforts, including increasing energy conservation and emission reduction aims to achieve carbon neutrality at the operational level, building a green non-standard asset trading platform, establishing a Beijing-Hong Kong green investment alliance, jointly studying and formulating ESG standards suitable for national conditions, and together improving the PE industry ESG Standard, etc.

More than ten years of focus on investing in the field of low-carbon new energy

Achieved win-win results in both investment returns and social benefits

ESG is the hottest investment topic of the year. Under the challenge of global climate change and the COVID-19 pandemic, ESG investment has become



an important investment strategy for the worldwide mainstream institutions. However, ESG is not a campaign or slogan, it is about taking action and business models to benefit all stakeholders.

It is reported that Everbright early as more than ten years ago began to invest in carbon neutral and new energy areas, from early investment in low-carbon transformation and energy conservation and emission reduction to the later layout of scenery electricity, to the current energy storage, new energy, and intelligent network car. Even the wisdom of the scene of the integrated use of technical means to help traditional enterprises improve carbon reduction, training a wealth of investment experience, accumulated a wide range of investment networks and first-mover advantages. Key projects include:

Everbright invested in energy-efficient wind power in 2009, the first state-owned enterprise hybrid project in which the company participated, with high returns. In the area of new energy vehicles, Everbright participated in the series A1 financing of Xpeng in 2017 and has continued to invest since then, with Xpeng's market capitalization peaking at nearly \$60 billion, an increase of approximately 50 times over the team's time-point valuation. In addition, Everbright has also invested in energy storage, photovoltaics, biomass power generation, and energy-saving and environmental protection companies, including Yuanchen Huanbao, Baichuan Changyin, and Indie has been listed at home and abroad this year. In 2021, Everbright adheres to the concept of long-term sustainable development, established an ESG committee of the board to fully implement the ESG concept into the company's governance and investment.

Zhao Wei said, "As a professional cross-border investment institution, good investment is to find certainty in uncertainty. Double carbon strategy, green development, and green recovery is a rare global consensus, which is the greatest certainty in the uncertain future global economy and capital market.

Enable the industries to carbon neutral

Create a zero-carbon economy

In the form of equity investment into the excellent green project and achieved remarkable results, is the usual practice of many PE institutions in green



investment. As a cross-border investment platform with a scale of 100 billion, Everbright has many outstanding equity investment cases mentioned above. It also has rarely incubated several leading industrial platforms with a strong capital strength strategy. In supporting the development of the industry, Everbright is also forward-looking to enable them in the field of sustainable development early layout, seize the commanding heights.

Take an AIoT unicorn company Terminus as an example, which is incubated by Everbright. Terminus has pioneered and applied the AIoT(Artificial Intelligence Internet of Things) technology architecture in China and is committed to promoting the intelligent construction of cities and vigorously developing core businesses such as urban operating systems, carbon neutralization and robotics. Terminus Intelligent Advance Zone for Artificial Intelligence cities in Chongqing was the first eco-zone to use AIoT technology to monitor carbon emissions throughout its life cycle. An AI Park with the size of a football field emits only about 3.8 tons a year, the same as a car's carbon dioxide emissions a year.

Everbright incubated CALC, is Asia's first aircraft industry-wide solution provider. Unlike other financial leasing companies, CALC specializes in operating aircraft leasing business, with owning aircraft assets, and through the full life cycle of aircraft industry chain, from the procurement of new aircraft and leasing, second-hand aircraft resale and leasing, to the dismantling of old aircraft and resale of aircraft, excavate the full life cycle value of aircraft.

At present, CALC has scaled about 150 aircraft to meet the needs of operators to reduce consumption and reduce emissions and upgrade their fleets by purchasing new aircraft with low fuel consumption. At the same time, the aircraft dismantling capacity has been dramatically improved. By 2021, the two major aircraft recycling bases of CALC have dismantled more than 370 aircraft, disposed of 78 engines, and supplied more than 36.9 recyclable aircraft to the civil aviation market, is steadily becoming the world's leading aircraft industry chain sustainable development service providers.

Focus on environmental friendly, advocate green office

Leading in operation carbon neutral



In addition to playing its professional and platform advantages in investment, cultivate and supporting the development of green low-carbon industry, Everbright is also comprehensively promoting the transformation of industrial enterprise platform to the low-carbon business, advocate "green office", "non-waste office", "green management" and "green life" insubordinate enterprises and invested enterprises.

Zhao Wei said, "by increasing the share of renewable energy, saving energy and reducing consumption, forest carbon sinks and so on, we aim to achieve operational carbon neutrality by 2022."

Everbright has done much work in the operational level towards green, low-carbon, and sustainable direction, including four levels: Firstly, the use of resources, including saving office supplies, water and electricity, energy-saving information, and communication technology equipment, the company's vehicle environmental protection use. Secondly, environmental protection to reduce waste, promote waste reduction, and non-waste treatment. Thirdly, green office, the use of high-tech, promote video conferencing, conference calls, promote paperless office and promote the digital transformation of business. Fourthly, sustainable procurement, the company selects suppliers to facilitate the priority of socially and environmentally responsible suppliers.

Take full cross-border advantages, advocate Beijing and Hong Kong join hands

Push forward the double carbon strategy

As a national financial management center, Beijing is promoting the expansion of the national service industry to open up the comprehensive demonstration zone and the construction of the China (Beijing) free trade pilot zone. As an Asian financial center, Hong Kong is an important transit point for the Belt and Road, an irreplaceable and indispensable bridge and link in the double cycle development pattern. Facing the great changes not seen in a hundred years, it is of great significance to focus on the new development pattern and explore the opportunities and trends of Beijing-Hong Kong cooperation under the "double carbon" goal from the perspective of high-quality development and sustainable development.



Zhao Wei said that Everbright as a state-owned company registered in Hong Kong and listed in Hong Kong, exerts its professional ability and platform advantages to help realize the "double carbon" strategic objectives of the mainland and Hong Kong, which is the mission and responsibility. Everbright is willing to work with financial institutions in both places to fully cooperate in the following areas, including:

Initiative to increase energy conservation and emission reduction efforts to achieve carbon neutrality at the operational level. The initiative is a way for qualified and willing financial institutions to take the lead in achieving carbon neutrality at the operational level, focusing on the "double carbon" strategic objectives and leading as an example.

Initiative to build a green non-standard asset trading platform. Everbright is willing to work with financial institutions in Hong Kong, play their respective expertise and jointly initiate the establishment of a "Belt and Road" area of green non-standard asset trading platform, provide asset custody, transactions, consulting, services and all-round support for the areas as mentioned above, to help the green investment cycle smooth.

Initiative to establish the Beijing-Hong Kong Green Investment Alliance. We will give full play to the respective advantages of financial institutions in Beijing and Hong Kong, strengthen innovation in the field of green financial investment, and promote in-depth cooperation between financial institutions of the two places in the fields of green bonds, green infrastructure, and green funds.

Initiative to jointly study the development of ESG standards appropriate to national conditions. At present, there is an urgent need to establish and improve an ESG disclosure and evaluation system and standards that are consistent with national conditions and relatively transparent, allowing overseas investors to see the improvement and value of Chinese enterprises.

Initiative to explore ways to improve the standards of practice ESG in the PE industry. Everbright is willing to contribute their own practical experience, together with relevant institutions, reference to global standards, combined with local practice, joint research and improvement of China's PE industry



applicable to the ESG evaluation system and standards, and jointly promote ESG in the PE industry to be executive.

Zhao Wei said, “Next year, Everbright will celebrate its 25th anniversary, and we will deliver an operational carbon neutrality outcome for the 25th birthday of the company. At the same time, Everbright would like to work with our industry partners to make more contributions in building a beautiful Beijing and a charming Hong Kong, greener, low carbon and more sustainable.”