

CHINA EVERBRIGHT WATER LIMITED

Company Registration Number 34074

(Incorporated in Bermuda)

SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE

(adopted by the board of directors of the Company on 24 July 2025)

1. INTRODUCTION

- 1.1 The Sustainability Committee (the “**Committee**”) was established by the board of directors (the “**Board**”, each individual director is herein referred to as the “**Director**”) of China Everbright Water Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with the written terms of reference approved by the Board.

2. OBJECTIVES

- 2.1 The objectives of the Committee shall be to assist the Board in fulfilling its oversight responsibilities relating to the planning and implementation of the Group’s sustainability initiatives and strategy.
- 2.2 To achieve these objectives, the functions and duties of the Committee shall be:
- (i) To review and recommend to the Board on the Group’s environmental, social and governance (“**ESG**”) objectives, strategies, targets and measures;
 - (ii) To review and report to the Board the material ESG issues affecting the Company and its stakeholders, and to develop stakeholder engagement policies;
 - (iii) To review and report to the Board the integration of ESG principles into the Company’s business decision-making process, ensuring alignment of operations with ESG targets;
 - (iv) To review and report to the Board the ESG-related risks and opportunities and report potentially material operational impacts and findings to the Board;
 - (v) To oversee, review and evaluate the implementation of the Group’s ESG policies, practices, frameworks and management approach, and to recommend to the Board improvements;
 - (vi) To monitor and review the ESG-related training and continuing professional development of the Directors and senior management of the Company;
 - (vii) To review and recommend to the Board the sustainability reports and related disclosures for compliance with the relevant listing rules and applicable regulations;

(viii) To report to the Board on matters covered in these Terms of Reference of the Committee; and

(ix) To consider and deliberate on any other ESG-related topics, as may be instructed by the Board.

3. AUTHORITY

The Committee is authorised by the Board:

- 3.1 To investigate any matter that falls within the scope of these Terms of Reference;
- 3.2 To seek any information it requires from any Company's Directors, senior management and employees (including those of its subsidiaries), and all of whom are directed to cooperate with any request made by the Committee; and
- 3.3 To obtain outside legal or other independent professional advice as it considers necessary and appropriate in connection with its purpose, and to secure the attendance of such advisors with relevant experience and expertise as appropriate.

4. APPOINTMENT

- 4.1 The Committee shall be appointed by the Board from amongst its members. The Committee shall comprise at least three (3) members, including at least one (1) independent non-executive Director.
- 4.2 The chairman of the Committee (the "**Committee Chairman**") shall be a Director appointed by the Board. If at any meeting, the Committee Chairman is not present within ten (10) minutes after the time appointed for holding the meeting, the members present may choose one of the other members to be chairman of the meeting.
- 4.3 If a member of the Committee, for any reason, ceases to be a member of the Committee, the Board shall within three (3) months of that event, appoint a new member of the Committee so that the number of members of the Committee does not fall below three (3).
- 4.4 A member who wishes to retire or resign from the Committee shall notify the Board in writing, giving at least one (1) month's notice.

- 4.5 The office of a member of the Committee shall become vacant upon the member's resignation/retirement/removal or disqualification as a Director.

5. ADMINISTRATION

5.1 Meetings

- (i) The meetings of the Committee may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic means whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting provided that all decisions made are confirmed in writing by all members of the Committee who participated in the said telecommunication discussion.
- (ii) The frequency of meetings shall be held at least once a year. Special meetings may be called, when necessary, by any member of the Committee.
- (iii) The Committee shall have full discretion with regard to the calling of the meetings of the Committee and the proceedings thereat and may invite any Director or management personnel to their meetings.
- (iv) The secretary of the Company, failing whom his/her representative, shall be the secretary for all meetings of the Committee. The minutes shall be confirmed by the chairman of the meeting and circulated to all members of the Committee. The minutes are to be signed by the chairman of the meeting or by the chairman of the next succeeding meeting.

5.2 Notice

The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the Committee not fewer than three (3) working days prior to the date of the meeting. The members of the Committee may, however, consent to shorter notice whereupon the requisite period shall be waived.

5.3 Quorum

The quorum shall be two (2) members.

5.4 Voting

Each member present shall have one (1) vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the chairman of the meeting shall have a casting vote.

5.5 Written Resolutions

A resolution in writing signed by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more members. The expressions “in writing” and signed include approvals by facsimile, telex, cable or telegram.

5.6 Reporting

The Committee Chairman shall report on the proceedings of the Committee to the Board by way of submission of minutes of the Committee meetings or by such other mode as the Committee Chairman shall in his/her discretion deem fit.