



# 北控城市資源集團有限公司

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)

Stock code : 3718



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# ABOUT THE REPORT

## Introduction to the report

This Report sets out to present the performance of Beijing Enterprises Urban Resources Group Limited ("Beijing Enterprises Urban Resources", the "Company") and its subsidiaries (collectively referred to as the "Group", "we") on Environmental, Social and Governance ("ESG") in 2020. The report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (《環境、社會及管治報告

指引》the "ESG Reporting Guide") set out in Appendix 27 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》"Listing Rules") to promote stakeholders to have a better understanding about the Company. The statistical scope and calculation method of the data involved in this report have been marked in the Report.

## Reporting period

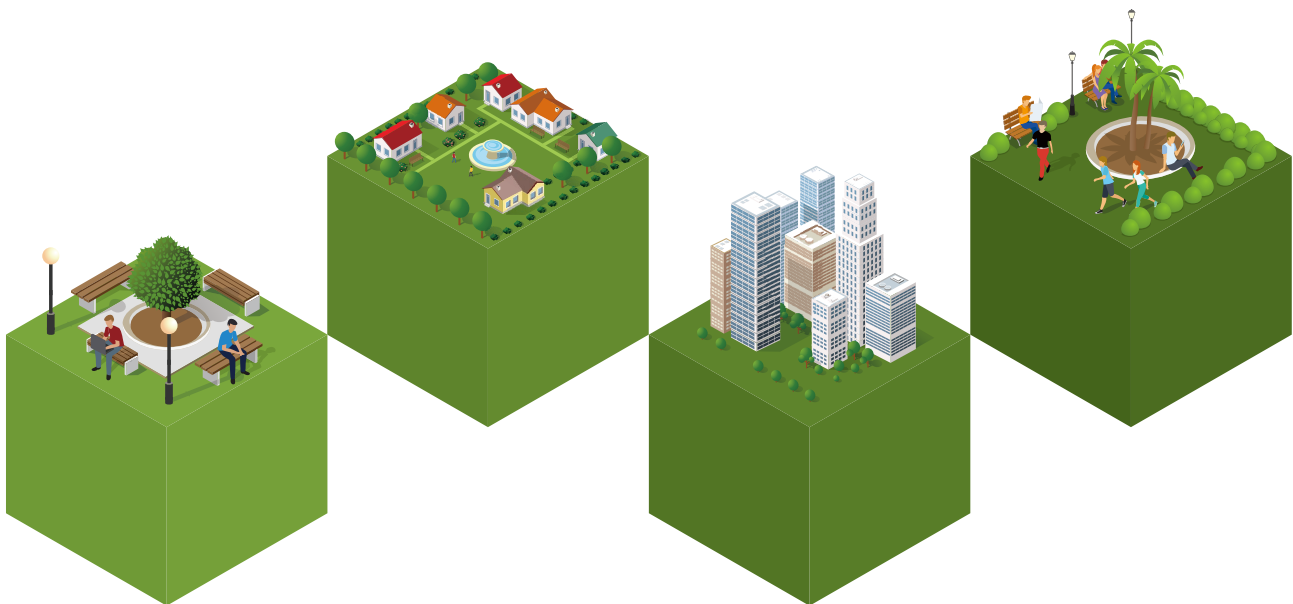
Unless otherwise specified, the report covers the period from January 1, 2020 to December 31, 2020.

## Reporting guide

The content of this report complies with the "comply or explain" provisions set out in Appendix 27 ESG Reporting Guide (《ESG報告指引》) of the Listing Rules issued by the Hong Kong Stock Exchange. The content index is set out in the appendix of this report.

## Confirmation and approval

This report was approved by the Board of Directors on May 28, 2021.





# CHAIRMAN'S STATEMENT



The year of 2020 was a milestone year. In this year, China achieved its first centenary goal of building a moderately prosperous society in all respects; the Group has actively fulfilled its corporate citizenship and promoted sustainable development. We have resisted the challenge of the Covid-19 epidemic and the competitive market environment. Adhered to the lofty vision of “guarding green homes and creating a beautiful environment”, determined the development goal of “a leading whole industrial chain urban environment service provider”, we maintain strategic determination, accelerate the pace in our development, focus on refining management, and win high-quality projects to build a solid foundation and realize our goals of creating value add. While enhancing corporate value, we also pay attention to the harmonious development of our business, economy, society and environment, enforce positive influence on social and environmental development, and repay the supports from shareholders and all sectors of society provided to us.

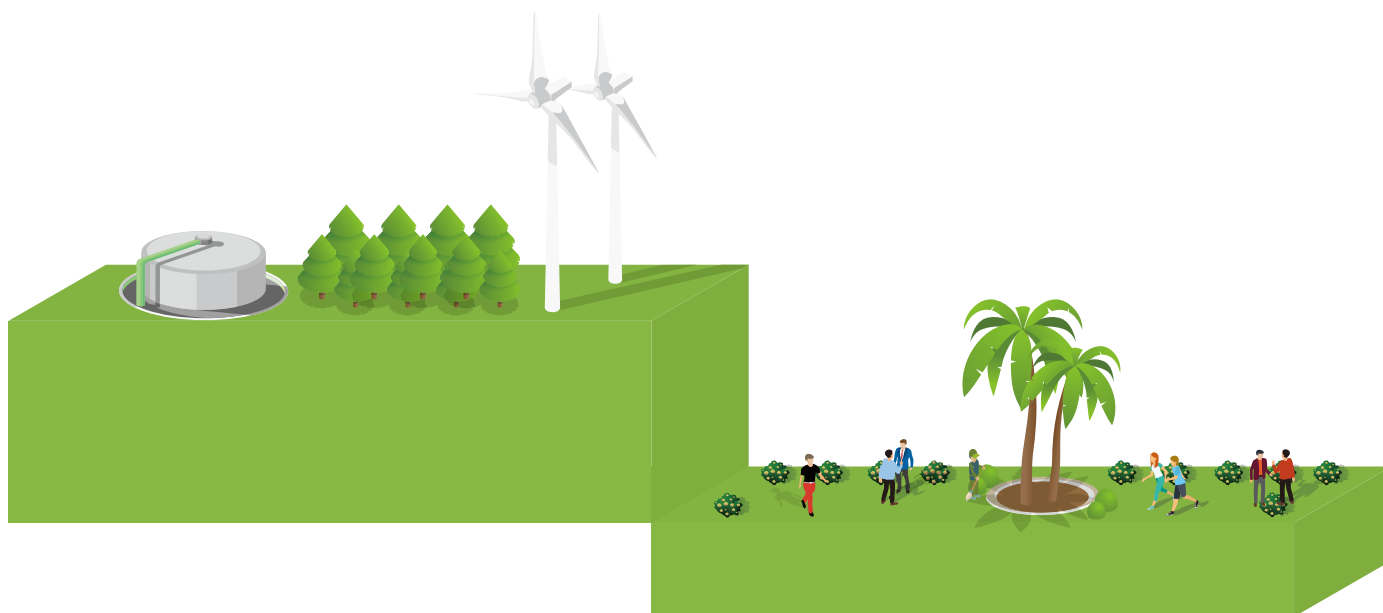
**Uphold our original purpose to maintain responsibilities and accomplish missions.** We shoulder the mission of “clean city, resource recycling, and creating lucid waters and lush mountains together”, adhering to the concept of “environment first, shared rights and responsibilities”, continue to deepen the leadership of green technology, and create a professional operation system with lean management and precise services. We consistently improve efficient use of energy as well as increase the use of clean energy. With extensive experience of hazardous waste disposal technology and experience in facility operation and management, we are committed to achieve hazardous waste reduction, harmless disposal and comprehensive utilization of resources. We invest in the per capita environmental remediation work to further improve the urban and rural living environment, contribute to China's urban environmental sanitation and hazardous waste recycling and disposal, and promote the social ecological civilization and green development.

**Maintain our determination in innovation and development.** We continue to strengthen ESG governance, improve governance mechanisms, ensure safety and environmental protection, fulfil social responsibilities, and improve the quality of standardized operations. We are adhering to the digital development concept of "intelligently creating the future", increasing technological research and development, adhering to the strategy of strengthening the Company through science and technology, and leading the company's development with innovation and technology. In terms of urban services, we continue to innovate service models and continuously enrich the "1+N" service model; use digital technology to promote smart development and create a unified management and control platform for group data and information. By the end of 2020, 21 projects applied smart sanitation systems. In the hazardous waste business, we use big data analysis to promote automated production process, and effectively improve operational efficiency and quality.

**Be warm-hearted to contribute to the society.** We adhere to the strategy of "people-oriented, culturally strong company" and the business philosophy of "reassuring the government, satisfying the public, earning profits, benefiting our employees and winning together with its partners", earnestly safeguard the rights and interests of employees, ensure their health

and safety, and share the benefits of the Company's sustainable development. We treasure talents as a solid foundation for the efficient development of the Group, and we are committed to achieving employee development, continuously improving the training system and incentive mechanism, and providing employees with unobstructed career development channels; creating a positive cultural atmosphere and enhancing team cohesion. During the epidemic, we always stayed on the front line of prevention and control for the disease spreading, and we actively contribute to combating epidemic prevention while strengthening employee protection. At the same time, we actively fulfill our corporate citizenship responsibilities, serve the society, and form a poverty alleviation model that focuses on assisting to build industrial production and integrates multi key elements such as employment, education, public welfare, consumption, etc., to help win the battle against poverty and to contribute to the improvement of people's livelihood and well-being.

Standing at a new starting point, we will follow the development trend, capture market opportunities, further strengthen our confidence and determination. We will continue to be customer-oriented, consistently expand our market scale, continuously improve the service quality, and strive to achieve high-quality development of the enterprise.



# CEO'S STATEMENT



The year 2020 marked the first year of the Group's listing and the end of China's 13th Five-Year Plan to complete the building of a moderately prosperous society in all respects. During the year of 2020, we have withstood external challenges such as the COVID-19 epidemic and market competition, we responded calmly and worked hard to steadily develop the Company into a new stage.

**We have endeavoured to overcome the pressure and create a brighter business situation.** Leveraging the Group's advantages in its technology, brand operations and management, the market scale has been constantly expanded in the past year. We have also expanded great efforts to enhance the Group's overall management capability. As of the end of 2020, we have achieved the operating revenue of HK\$3,520 million, which increased 29.8% compare to the year of 2019. In terms of environmental hygiene business, we have expanded 23 new projects, and specially focused on exploring large-capacity and long-cycle projects to promote the national distribution of the industry and enhance the Group's industrial influence. We have achieved 113 environmental protection projects,

including responsible for 194.4 million square meters of total contracting project areas. By the end of the year 2020, we had 8 projects in operation and 2 projects in trial operation, 3 projects under construction and 3 planned construction projects in respect of the hazardous waste treatment business. Treatment facilities of our projects engaging in hazard-free waste proposal had a total designed treatment capacity of 338,718 tons per annum. Treatment facilities of projects that are engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum.

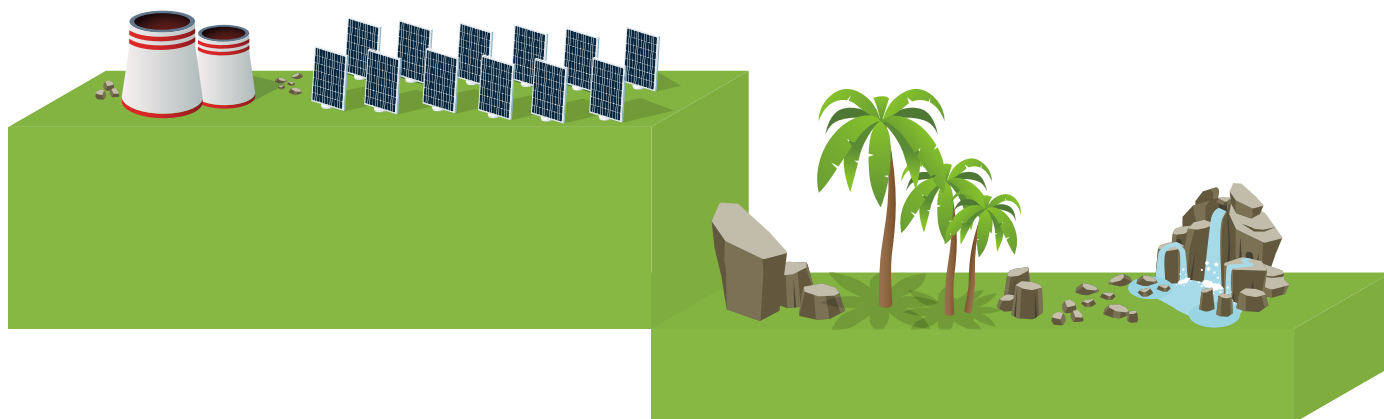
**We have overcome challenges and inspired new motivating intelligence.** We actively explore sustainability in the rapid changing market, and consistently enhance the Company's development with innovation and technology. We continuously enrich the "1 + N" service model, extend it horizontally to different aspects, such as waste sorting, landscaping and property services, and also vertically extend to different entities, such as industrial parks, enterprises and communities, to achieve "Inventory drives growth" and affect the surroundings. We

strive to promote intelligent development, establish an "intelligent sanitation system" enabled with data analytics technology on vehicle and workforce management to optimize the best allocation of labor and vehicle resources, and improve efficiency.

**We are pragmatic and responsible to open a new chapter for the society.** We uphold our missions of "cleaning the city, recycling resources, and creating lucid waters and lush mountains together", intensive cultivation, the courage to assume social responsibilities, and provide meticulous professional services for optimizing the urban environment and resource utilization. In order to fulfill the mission, we continue to promote the upgrading of the energy structure, increase the utilization rate of clean energy, and open up new paths for the sustainable development of the enterprise. We successfully overcame the challenges of "Covid-19 epidemic", "Drought" and "Flood", and devoted our professional contributions to satisfy people's need and build a beautiful China. We adhere to the concept of "Talents are the core competitiveness", from clarifying individual occupation requirements, accomplishments, career developments, etc., to understand employees' current situations, promptly resolve pain points and strengthen cultural development as well as team building. We strive to

provide an extensive entrepreneurial platform for the employees' long-term development. We actively participate in social welfare undertakings, fulfill the responsibilities as state-owned enterprises, help poverty-stricken areas to accurately reduce poverty, promote cultures of protecting environment, guide communities to organize waste classification activities, to further promote the urban and rural living environment.

2021 is the first year for China to implement the "14th Five-Year Plan". As the country continues to strengthen pollution prevention and ecological construction, in-depth implementation of sustainable development strategies, and consolidate the results of the defence of blue sky, clear water, and pure land, the environmental protection industry has won new development opportunities. We have clarified the strategic direction of development, continue to expand our core businesses of environmental sanitation, hazardous waste, etc., strategically led by our corporate governance framework, focusing on refining our management based on our customer-oriented principles to continuously improve service quality. We will reopen a new chapter of the corporate's environmental concept in "guarding green homes and creating a beautiful environment".



# ABOUT THE COMPANY

We are an integrated waste management solution provider in China, currently focusing on providing environmental hygiene services, hazardous waste treatment services and disposal of used electronic-product treatment services. The Group is headquartered in Beijing, China, with service areas covering 24 provinces, municipalities and autonomous regions in China, and 39,406 employees.

2020 was the year for the Group to enhance its standard and promote efficient development. During the year, we fully utilized our own advantages to promote the strength of market expansion and expedite the development of our business chains. Moreover, we optimized the internal management and control system and enhanced the standard of refined management, thereby greatly increasing the operation capacity and efficiency level.

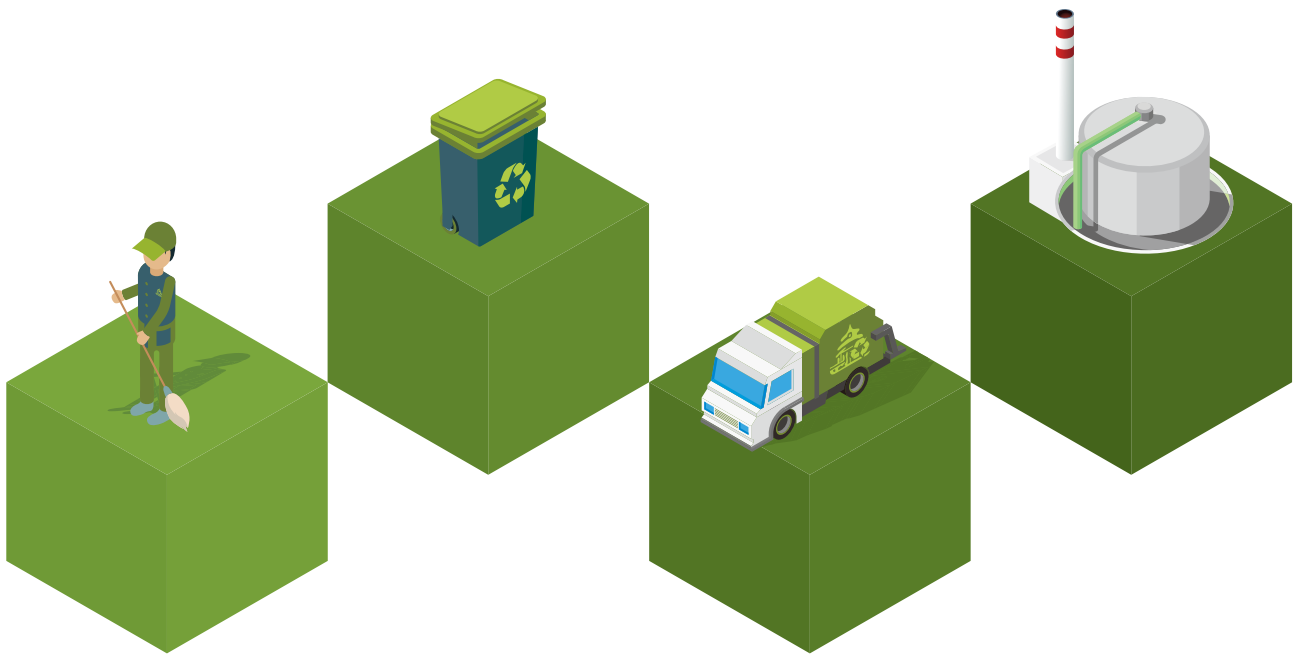
In the aspect of environmental hygiene business, we continue to increase our efforts on promoting urban environmental hygiene projects at large-scale and medium to large-sized cities. Taking the ecological service system as the core, we aim to achieve overall cleaning, integrated treatment of solid and water pollution, and resource circulation and promote industrial aggregation, environmental improvement, and drive the deployment of our industrial layout across the country. As at December 31, 2020, we had 113 environmental hygiene projects with a total contracted area of approximately 194.4 million square meters. Adhering to the digitalized development concept of "intelligently creating the future", we progressively implemented smart operation to construct a data management and control platform to enhance operational management and control capabilities, forming a "three (production, life and ecology)-in-one" urban development model and characteristics. Through continuous improvement and optimization of core business capabilities and the integration of resources with specialized enterprises in various fields, we strive to adapt to the development requirements of the hygiene business in the new era.

In terms of hazardous waste treatment business and other businesses, we focused on strengthening the technological upgrade and transformation of existing projects and optimizing the construction cycle of projects under construction and projects planned. As of December 31, 2020, we had 8 projects in operation and 2 projects in trial operation, 3 projects under construction and 3 planned construction projects in respect of the hazardous waste treatment business. Treatment facilities of our projects that engaged in hazard-free waste proposal had a total designed treatment capacity of 338,718 tons per annum. Treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum, as of the same date. We have two revenue-generating waste electrical and electronic equipment treatment projects. We procure waste electrical and electronic appliances mainly from local waste electrical and electronic appliances recycling stations. Types of equipment we dismantle include computers, refrigerators, television sets, washing machines and air conditioners. We gave priority to technology development and strengthened the effort in technological breakthroughs, set up the technology management standard system and optimized technology management process in a bid to enhance operational efficiency. Moreover, we accelerated the progress of establishing the ERP system and progressively promoted the effective integrated management of data, thereby providing support for scientific decision-making.

### Company's Major honor and awards in 2020

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- Awarded "2020 China's smart sanitation typical demonstration case – the annual outstanding demonstration" by China Association of Urban Environmental Sanitation Division of Smart Environmental Sanitation
- Awarded "Top Ten Influential Enterprises of Sanitation in 2020" by E20 Environment Platform
- Awarded "Outstanding Contributors to Epidemic Prevention and Control" by Nanmofang District Working Committee in ChaoYang District People's Government of Beijing Municipality
- Awarded "Xinqiao and Shajing Street Sanitation Integration PPP—Won the Selected Case of 2020 Sanitation Industry Typical Case" by China Association of Urban Environmental Sanitation



# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

In 2015, the UN Sustainable Development Summit formally adopted 17 Sustainable Development Goals (SDGs), which are designed to guide the global sustainable development work from 2015 to 2030. We actively responded to each of the sustainable development goals, identified priorities and took diversified actions to achieve sustainable development.




SDGs	Actions by Beijing Enterprises Urban Resources
<b>Priorities</b>	
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> <li>• We attach great importance to occupational health and safe production, established a solid HSE<sup>1</sup> system, and adopted various measures to effectively protect the health and safety of employees. Meanwhile, we pay attention to the mental health of employees and conducted various activities to protect the health and well-being of our employees.</li> <li>• In addition, we have the ability to deal with 40 out of the 46 major hazardous wastes in the National Hazardous Waste List, which greatly reduces the health risks faced by the public due to exposure to hazardous waste.</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<ul style="list-style-type: none"> <li>• We ensure that in the recruitment and work process, we do not adopt any kind of unequal treatment of employees based on their gender. In 2020, our female employees accounted for 45% of the total.</li> </ul>
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> <li>• We strictly abide by laws and regulations and national and local standards to treat sewage and leachate generated during operation. For project companies that have no treatment capacities, we hire qualified third parties for treatment to avoid water pollution as much as possible.</li> </ul>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> <li>• We have gradually selected new energy sanitation vehicles to replace traditional gasoline vehicles in project operations to speed up the construction of a clean, efficient, safe and sustainable energy supply system.</li> </ul>

<sup>1</sup> HSE: Health, Safety and Environment

SDGs	Actions by Beijing Enterprises Urban Resources
Priorities	
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> <li>• We uphold the purpose of “people-oriented” to attract, nurture and retain outstanding talent.</li> <li>• A large number of our projects are located in underdeveloped remote areas. In order to promote local economic development and increase employment opportunities, we give preference in recruitment to localized talent. Many new hires of the Company this year came from project locations.</li> </ul>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> <li>• Adhering to the digital development concept of “intelligently creating the future”, we have gradually implemented smart operations to build a data management and control platform and improved operational management capabilities by utilizing Internet, Internet of Things, big data, cloud computing and other information technologies.</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> <li>• We established and improved the township cleaning system and enhanced the management and supervision of township cleaning. We achieved the “completely sweeping” of urban and rural garbage, effectively solved the prominent problems of “garbage” rebound, and prevented and reduced environmental pollution and ecological damage.</li> </ul>
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> <li>• As a professional municipal operator, our environmental hygiene business mainly covers comprehensive road cleaning, garbage classification, garbage collection and transportation, garbage transportation station management, public toilet management, manure collection and transportation, greenway maintenance, river cleaning services and property management services, which contribute to the sustainable development of cities and communities.</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> <li>• We insist on being customer-centric, strive to improve customer service, ensure customer information security, safeguard intellectual property rights, and meet ever-increasing customer expectations and changing market environment.</li> <li>• We opened some facilities to the public to display environmental protection technological processes and carried out science popularization and shared industry knowledge.</li> </ul>



SDGs	Actions by Beijing Enterprises Urban Resources
Priorities	
	<ul style="list-style-type: none"> <li>• We actively responded to climate change by strictly controlling pollution emissions, advocating energy conservation and consumption reduction, and exercising control and management on dust, wastewater, exhaust gas, noise, vibration, and construction lighting generated during project construction or operation to effectively reduce environmental pollution and harm to people.</li> <li>• We regularly calculate greenhouse gas emissions to assess the impact of our business activities on climate change and disclose the data to the public.</li> </ul>
Other related items	
	<ul style="list-style-type: none"> <li>• We actively fulfilled our social responsibilities and carried out various forms of poverty alleviation activities to help eliminate poverty.</li> <li>• By donating clean equipment and purchasing high-quality agricultural products to aid targets, we assisted the economic development of poor areas.</li> </ul>
	
	<ul style="list-style-type: none"> <li>• We earnestly invested in talent training, provided employees with regular and all-around development training and career planning suggestions, thereby contributing to the construction of the Group's talent teams.</li> <li>• Moreover, we created environmental protection education practice classes for youth groups through environmental lectures, interactive games, and live demonstrations.</li> </ul>

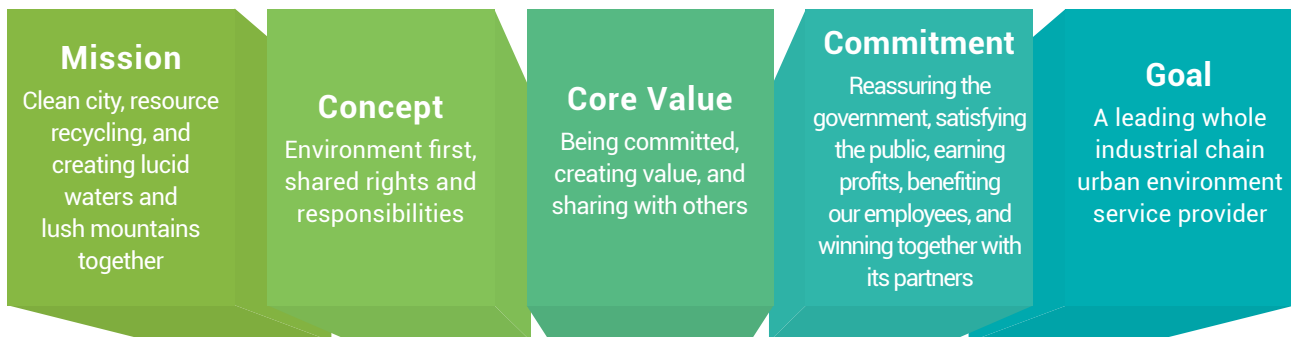
SDGs	Actions by Beijing Enterprises Urban Resources
Other related items	
 <p>14 LIFE BELOW WATER</p>	<ul style="list-style-type: none"> <li>We strictly carried out environmental impact assessment for our projects per national laws and regulations, and set strict requirements for project site selection to avoid damage and impact on the habitat of surrounding creatures arising from project operation.</li> </ul>
 <p>15 LIFE ON LAND</p>	
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> <li>We strictly abide by applicable national laws and regulations on anti-corruption, anti-money laundering and anti-fraud, abide by responsible business code of conduct, and are committed to maintaining the reputation of the Group and continuously improving our market competitiveness.</li> </ul>
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> <li>We regard suppliers as important business partners, work with suppliers to achieve win-win results, and are committed to improving the environment and social risk management across the supply chain.</li> </ul>

# ESG MANAGEMENT SYSTEM

## ESG concepts

China attaches great importance to ecological environment protection, places ecological civilization construction in the key position of reform and development and modernization, creating a new landscape in ecological civilization construction and environmental protection. At present, building a beautiful China has become the goal of the Chinese people's aspirations. The promulgation of "lucid waters and lush mountains are invaluable

assets" has become the consensus of the general Chinese population. The garbage classification is also becoming deeply-rooted in the hearts of our people. The people's pursuit of a better life and a beautiful China is constantly improving. As a leading enterprise in China's environmental protection industry, we actively undertake our environmental, social and governance responsibilities, and endeavor to contribute to the construction of a beautiful China.



We shoulder the mission of "clean city, resource recycling, and creating lucid waters and lush mountains together", practice the development concept of "environment first, shared rights and responsibilities", embrace the core value of "being committed, creating value, and sharing with others", and honor our commitment to "reassuring the government, satisfying the public, earning profits, benefiting our employees, and winning together with its partners". In its development, the Group

has always pursued and endeavored to achieve the development goal of "a leading whole industrial chain urban environment service provider". In order to support the realization of our goals, we continued to improve the ESG work concept, implemented work in the four key ESG areas, gradually improved the Group's ESG governance level, guarded against ESG-related risks, and improved the quality of operations.



### Improve ESG governance structure

We build a systematic ESG governance structure at the governance, management and executive levels. The board of directors supervises ESG matters and assumes overall responsibility for ESG strategies and reporting, and authorizes the audit committee to be the professional committee for overseeing ESG management. The audit committee regularly reports to the board of directors on major issues related to ESG work; the management is responsible for the specific implementation of ESG strategies and goals. The ESG functional departments of the headquarters

form an ESG working group, which is responsible for the development of specific ESG work in their respective work areas; each subsidiary conducts ESG work in its territories under the guidance of the ESG working group. The establishment of the ESG governance structure ensures that the environmental and social risks involved in various businesses are managed, and enables the effective implementation of ESG concepts and strategies.

## Strengthen environmental and safety risk management

We attach great importance to environmental and safety risk management capabilities, continuously improve the HSE management system and the Company's safety and environmental protection work, and prevent safety and environmental protection risks. Through strict control of hidden dangers, we have gradually set up internal safety and environment management and control structure and implemented various environmental and safety risk investigation mechanism. The environmental

hygiene service business piloted a territorial administration management model, increased the development and utilization of new energy vehicles and driverless vehicles, and increased the use of recycled water, thereby gradually reducing the impact of the Company's business on the environment. The hazardous waste business ensures that waste water, waste gas and solid waste meet the discharge standards, and gradually increases the recycling rate to reduce use of resources.

## Ensure fulfilment of social responsibility

Devoted to the principle of "people-oriented", we strengthen caring for employees, solve difficult problems for employees and do practical things to make sure our employees feel a sense of gain, belonging and honor and promote the creation of corporate value through the realization of employee value. We actively fulfill social responsibilities and carry out poverty alleviation projects; we actively popularize environmental protection laws and policies, organize various environmental charity

publicity activities, spread scientific knowledge of environmental protection to the community, continuously gathering the power of environmental protection culture. In the future, we will deepen the spread of environmental protection culture, continue to popularize environmental hygiene knowledge, create a beautiful environment, and practice the corporate mission of "clean city, resource recycling, and creating lucid waters and lush mountains together".

## Guarantee compliance operation

While promoting business development, we continued to improve our risk management and control capabilities, created a risk management culture to ensure the balance of the realization of business goals and risk control and implemented management relevant regulations. We continued to improve the

internal control and anti-fraud system to create a clean company environment. We make full use of monitoring and auditing methods and continuously improve audit coverage, standardize the behavior of management and ordinary employees, so as to keep the bottom line of compliance.

## Responsible communication and materiality analysis

### (1) Stakeholder engagement

In our business development process, we are fully aware of the need for deep stakeholder engagement. Our main external stakeholders include governments and regulators, shareholders and investors, customers, suppliers and partners, community organizations and local residents, news media, whereas our main internal stakeholders

include employees. We have established effective communication channels with various stakeholders, actively collected and understood their feedback on the Group's environmental, social and governance performance, identified their key concerns and conducted transparent and timely communications.

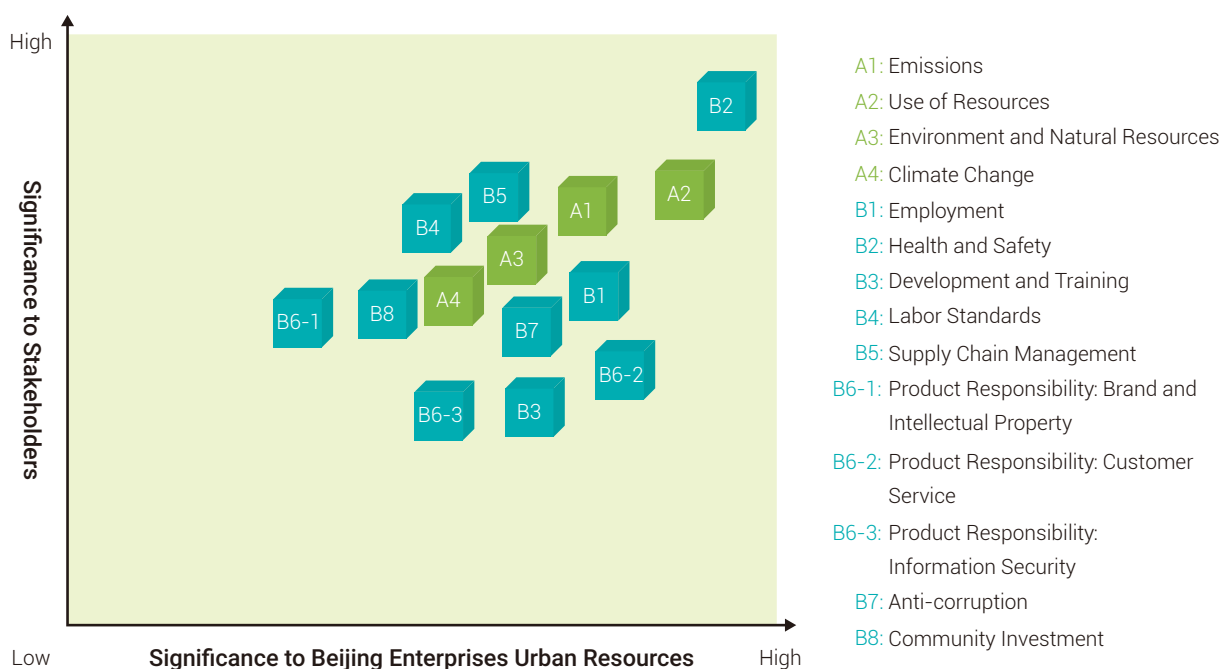
STAKEHOLDERS	MAIN COMMUNICATION CHANNELS	KEY CONCERNS
Government and regulators	<ul style="list-style-type: none"> <li>■ Major meetings</li> <li>■ Policy consultation</li> <li>■ Event reporting</li> <li>■ Institutional visits</li> <li>■ Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>■ Compliance with laws and regulations</li> <li>■ Pay taxes on time</li> <li>■ Legal compliance</li> <li>■ Energy conservation and emission reduction</li> <li>■ Safe production</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>■ Investors' meetings</li> <li>■ Shareholders' meetings</li> <li>■ Corporate announcements and circulars</li> <li>■ Investor relations column</li> </ul>	<ul style="list-style-type: none"> <li>■ Corporate governance</li> <li>■ Financial performance</li> <li>■ Stable returns</li> <li>■ Risk management</li> </ul>
Customers	<ul style="list-style-type: none"> <li>■ Customer meetings</li> <li>■ Customer satisfaction survey</li> <li>■ Customer complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>■ Customer service</li> <li>■ Privacy protection</li> </ul>
Suppliers and partners	<ul style="list-style-type: none"> <li>■ Bidding and procurement activities</li> <li>■ Assessment and evaluation</li> <li>■ Field trips</li> </ul>	<ul style="list-style-type: none"> <li>■ Business ethics</li> <li>■ Mutual benefit and win-win cooperation</li> <li>■ Equal competition</li> </ul>

STAKEHOLDERS	MAIN COMMUNICATION CHANNELS	KEY CONCERNS
Employees	<ul style="list-style-type: none"> <li>Work meetings</li> <li>Staff meetings</li> <li>Performance appraisal</li> <li>Employee complaint channels</li> </ul>	<ul style="list-style-type: none"> <li>Compensation system</li> <li>Employee rights</li> <li>Health and safety</li> <li>Communication mechanism</li> </ul>
Community organizations and local residents	<ul style="list-style-type: none"> <li>Public service activities</li> <li>Public Open Day</li> </ul>	<ul style="list-style-type: none"> <li>Community investment</li> <li>Communication mechanism</li> </ul>
News media	<ul style="list-style-type: none"> <li>Performance briefings</li> <li>Press release</li> </ul>	<ul style="list-style-type: none"> <li>Technological innovation</li> <li>Ecological protection</li> </ul>

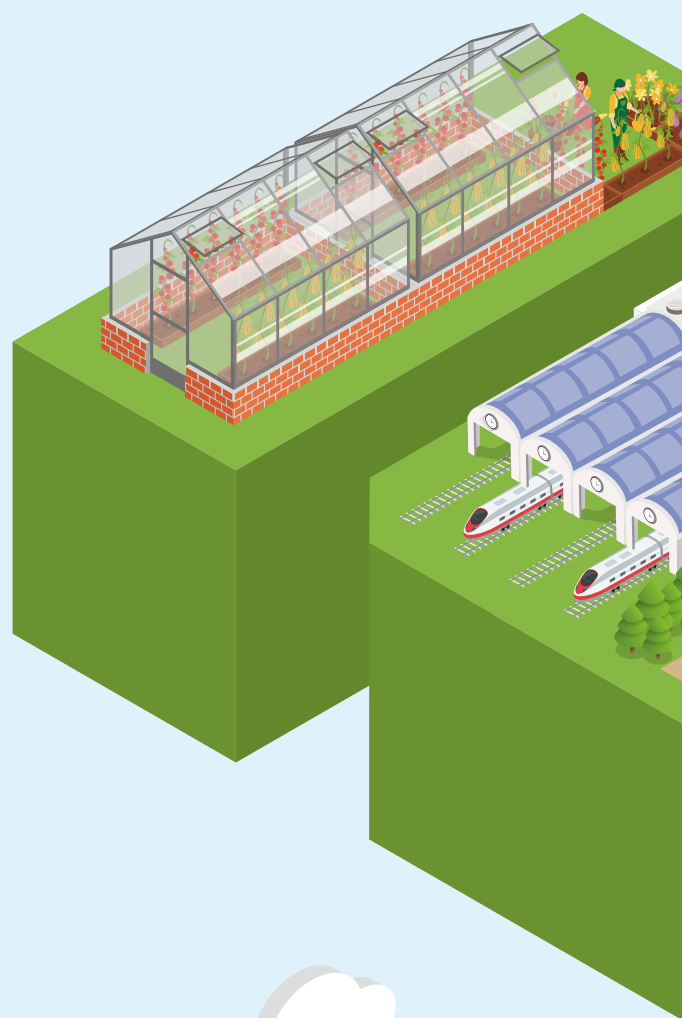
## (2) Analysis of material issues

In order to further clarify the key areas of corporate environmental, social and governance practices and meet the needs of stakeholders, we conducted in-depth interviews with stakeholders to learn about their opinions and expectations on the Group's response to environmental, social and governance issues. Based on the feedback of stakeholders, we established an analysis matrix for 2020 ESG material issues on a total of 14 topics in the three

aspects: environment, society and governance. Key issues identified during the year included emissions, resource use, environment and natural resources, health and safety, supply chain management, employment; related topics identified included climate change, development and training, labour standards, customer service, branding and intellectual property, information security, anti-corruption and community investment.



# GOOD GOVERNANCE TO BOOST HIGH-QUALITY DEVELOPMENT







# GOOD GOVERNANCE TO BOOST HIGH-QUALITY DEVELOPMENT

With business development as the foundation, high efficiency and standardized management as the purpose, the Group continuously optimizes the management of business unit functions, promotes standardization construction, and enhances the Company's organization and control capabilities. We adhere to the digital development concept of "intelligently creating the future" and gradually implemented smart operations to assist the establishment of the Company's data management and control platform, improve its operational management and control capabilities and promote industry innovation and a double win result.

## Consolidate compliance management

### (1) Risk management and compliance

The Group keeps on optimizing governance and is committed to build a comprehensive risk management system to meet regulatory requirements. The Board is responsible for continuous monitoring of the risk management, internal control system and reviewing the risk management and internal control system of the Group at least annually to ensure its effectiveness. At the same time, we have established procedures for identifying, evaluating and managing significant risks. The Audit and Supervision Center is responsible for

the independent assessment of the major business procedures and monitoring.

In 2020, the Group carried out process optimization in terms of organizational management, process management and control, performance management, etc., and conducted special training for each process to effectively strengthen its capabilities for managing and controlling various operational risks, and continually improve its ability to resist risks.

### (2) Investment management

The Group strictly abides by applicable laws and regulations and regulatory policies involved in the project investment process, such as the *Land Administration Law of the People's Republic of China* (《中華人民共和國土地管理法》), the *Urban Real Estate Management Law of the People's Republic of China* (《中華人民共和國城市房地產管理法》) and the *Foreign Investment Law of the People's Republic of China* (《中華人民共和國外商投資法》), and constantly improves the process for managing the risk associated with project investment from a full life cycle perspective. In 2020, we comprehensively reviewed the project review systems and processes. For example, we revised the Measures for the Administration of

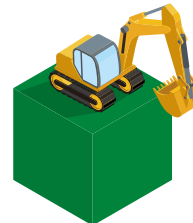
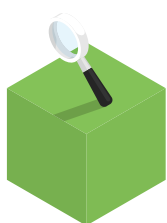
*Project Investment Review* (《項目投資評審管理辦法》), which clarified the project classification review, review process, list of materials to be submitted and requirements, thus improving review efficiency and effectiveness through standardized management and control process; we revised the *Rules of Procedures for Investment Decision-making* (《投資決策議事規則》), which clarified investment decision-making rules and independent team review requirements, thus enhancing the independence and impartiality of project decision-making. In addition, by standardizing the management process in the Measures for the Administration of Post-assessment of Investment Projects (《投資項目後評估管理辦法》),

we analyzed and reported risks related to operation projects on a regular basis to achieve a closed-loop risk control. We also drew lessons from the past to guide the preliminary review of the projects, so that the Company could have better identification of project risks. In the year of 2020, we stuck to the control in the investment project risk line, stayed accurate in assessing targeted project, and implement the investment risk control.

In order to avoid investment risks and promote the rapid and stable implementation of the project in the early stage, high-quality lean operation, and high-quality lean operation in the later stage, the environmental sanitation service sector of the Group followed the Company's overall project risk management and conducted a comprehensive review and standardization of the sanitation investment review system. The basis and main points of the review were reviewed, and the process was integrated and optimized. The system uses a three-level review system, with the help of internal and external expert resources, from the perspective of the project's full-cycle investment, construction and operation, it calculates the expected benefits of the project, proposes existing problems and risks, provides a basis for decision-making for management, and

provides environmental sanitation investment and regional project expansion of effective and powerful support.

The Group adheres to the basic principle of "Quality First". All new hazardous waste treatment projects must strictly abide by relevant laws, regulations and standards promulgated by the state, local government and industry authorities. Based on the overall project risk management, the Group has put in place a series of systems from the aspect of the project quality management system, quality responsibility system and quality management policy in its hazardous waste business segment, including the *Project Manager Business Objective Responsibility Memorandum* (《項目經理經營目標責任書》), *Measures for the Administration of Engineering Construction Project Design Changes and Engineering Visas* (《工程建設項目設計變更、工程簽證管理辦法》), *Construction Project Budget Management System (Revised)* (《建設項目預算管理制度(修訂)》), etc. Besides, quality management personnel are equipped with to strictly control quality risks. From project survey and design, equipment purchase and manufacturing delivery, on-site construction to project completion and acceptance, the whole process of quality control is implemented.



### Project exploration and design stage

We select exploration and design units with corresponding qualifications to carry out exploration and design work, strictly control key links such as plan demonstration and optimization, information provision of design condition and drawing review, to ensure the advanced technology and reliable performance of production line.

### Project purchase stage

We select high-quality suppliers, enforce strict review on the technical tenders to ensure that the technology and quality of the equipment suppliers meet our requirements, and conduct supervision and inspection on the equipment during the manufacturing stage to ensure that the supplier's delivery quality meets requirements.

### Project construction stage

We choose chief contractors and supervision units with corresponding qualifications. We formulate quality control plans and clarify quality control points and implement the construction quality three-level inspection system for the acceptance of key parts and hidden construction works. If the previous process is unqualified it cannot enter the next process to ensure that the quality of the project conforms to the design documents and construction specification acceptance standards.

### (3) Customer service

Adhering to the principle of customer-centric, and strictly abiding by the *Consumer Rights Protection Law of the People's Republic of China* (《中華人民共和國消費者權益保護法》) and other relevant laws and regulations, the Group actively collects customer suggestions and feedback and responds in a timely manner, and provides customers with more convenient and efficient service through ceaseless optimization of the service process.

In order to objectively grasp the service situation, we strengthened the functions of operation quality evaluation, project operation technical support, etc. According to the nature and urgency of the complaint, we and the relevant parties have an in-depth understanding of the actual situation, grasp the real needs of the complainant, and increase investment and strengthen comprehensive measures such as operating vehicles and personnel deployment will resolve the main contradictions in project operation one by one, and realize the reasonable and sound operation of project compliance. In addition, for various types of complaints, we have divided labor and collaborated quickly to form a unified and effective management and control mechanism, which greatly prevents legal risks, shortens the work cycle, and improves overall work efficiency.



Complaint handling

Beijing Enterprises Zhongyan Property adheres to the service concept of "owner's needs first, owner's satisfaction first", strictly implements "immediate action upon receiving complaints". On the basis of previous systems, Beijing Enterprises Zhongyan Property established and revised four policies including the *Owner Satisfaction Evaluation Management Regulation* (《業主滿意度測評管理制度》), *Citizen Service-Hotline "Immediate Action upon Receiving Complaints" Management Measures* (《市民服務熱線「接訴即辦」管理辦法》), *Management System of Community-based Household Waste Classification* (《社區生活垃圾分類管理制度》) and *Administrative Measures for the Collection, Clearance and Transportation of Garbage Classified in Plants* (《廠區分類垃圾收集清運管理辦法》) to continuously promote the level of property management. Beijing Enterprises Zhongyan Property carries out a community residents' satisfaction survey every year. In the residents' satisfaction survey in 2020, a total of 400 questionnaires were issued and 400 were returned. The average satisfaction rate of residents on property service management reached 99.2%.



Zhongyan Property Service Window

#### (4) Honest practice

Committed to creating an honest and clean working environment, the Company strictly abides by relevant laws and regulations such as the *Criminal Law of the People's Republic of China* (《中國人民共和國刑法》), *Anti-Unfair Competition Law of the People's Republic of China* (《中國人民共和國反不正當競爭法》) and *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), and has put in place the *Anti-fraud Management Regulation* (《反舞弊管理制度》), *Supervision and Audit Regulation* (《監察審計制度》), *Measures for the Administration of Rewards and Punishments in Auditing and Supervision* (《審計監察獎懲管理辦法》) and *Prohibitive Provisions of the Group* (《集團禁止性規定》), which prohibit the misconduct of the individual employee in the Company to obtain their interests by violating laws and regulations and damaging the legitimate economic interests of the Company and shareholders. At the same time, the work procedures of audit and supervision and the severity of accountability, etc. have been standardized.

The Company strictly guards against corruption risks in all aspects of daily operations, lists prohibitive regulations in important links such as procurement and capital flow, and conducts internal audits such as regular management audits, irregular fraud investigations and other special audits. Meanwhile, we continue to strengthen the daily supervision of fraud, set up multiple channels for reporting such as emails, phone, letters and interviews and stipulate anti-fraud clauses and reporting channels in the contract terms to ensure an open, smooth and multi-channel way of reporting. We also add the publicity campaign of anti-fraud and reporting methods to the on-site audit, improving the awareness among the rank-and-file employees.

In order to better protect the whistle-blower, the Group takes the following confidentiality measures: the name, work unit, home address and other relevant information of the whistle-blower and the complaint contents are kept strictly confidential, the reporting materials are included under the confidential document management, and all information shall

be kept confidential without disclosing identity of the whistle-blower when accepting reports from or conducting verification with the whistle-blower.

At the same time, the Group's Audit and Supervision Center has a dedicated post responsible for recording and filing all complaints and reports, and reporting to the person in charge of the Audit and Supervision Center. In order to increase the audit coverage, the Group established an audit dispatching branch in Yunnan to support regional operations. In the future, according to the development and actual situation of the Group, an additional audit dispatching branch will be established as appropriate to further strengthen the supervision function and support the region operationally. Audit supervisory personnel carry out their work independently and express their audit opinions objectively and impartially. For the information received regarding fraud and other complaints and reports, the Group will analyze and evaluate the reports within five working days to determine whether the conditions for investigation are met. For the reports that meet the conditions for investigation, the person in charge of the Audit and Supervision Center will designate specific report to the person in charge of the investigation project, set up an investigation team and carry out investigation work, and will focus on project companies that have experienced fraud in future operation and management audits, and conduct more comprehensive and in-depth management audits on them.

In 2020, the Group carried out anti-fraud training for reserve cadres, directly-managed cadres, new employees and management trainees. The content included basic knowledge, laws and regulations, and analysis of typical cases of anti-fraud. This was aimed at improving the understanding of anti-fraud related knowledge among employees at all levels and enhance their awareness of anti-fraud, which guided them on how to handle problems encountered in their future work and lower risks of illegal and anti-fraud cases. The Group had no judicial litigation cases involving corruption, fraud and money laundering throughout the year of 2020.



## (5) Information security

With the constant advancement of the digitalization process, in order to prevent the leakage of customer privacy and internal information of the Company, the Group has carried out a series of work in information security management and training to uninterruptedly push forward with the systematic operation of the Group's information security assurance work.

In terms of system security measure control, in 2020, the Group equipped data center with enhanced system access control over identity authentication, account password management, access control, mobile application control, etc., and incorporated intrusion prevention and system testing into normal maintenance work to lift the level of information security prevention in an all-round way. At the same time, in the early stage of cooperation with cloud service providers, we inspected the capabilities of security mechanisms related to communications

and transmission, boundary protection, intrusion prevention, etc., and comprehensively considered the security compliance, permissions and responsibilities of cloud service providers, to enhance our information security management and control over the cloud database.

To comprehensively raise employees' information security awareness, the Group has carried out information security-related employee training. Preventive measures to safeguard information security that should be taken by employees were specifically set out in the training activities. For example, paper documents with important information should be shredded with a paper shredder when scrapped, work files and data should be backed up in time, sensitive or confidential files in the computer should not be backed up, etc.

## (6) Intellectual property

The Group strictly abides by the relevant laws and regulations such as the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), *Rules for the Implementation of the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》) and *Law of the People's Republic of China on Anti-Unfair Competition* (《中華人民共和國反不正當競爭法》), and has formulated the *Patent Management Measures* (《專利管理辦法》) in light of the actual situation of the Company to avoid infringement of the intellectual property rights of others while protecting its own patent achievements in accordance with relevant laws.

According to the Group's project management process, the invention and creation achievements shall be approved by the supervisor, and then the patent application documents shall be filled in. After the preliminary examination of the patent application documents, the Technical Department of the Company further revises the application documents and communicates with the Intellectual Property Office and the patent agency to complete the patent application. In 2020, the Group had no judicial litigation case related to intellectual property.

## (7) Brand management

The Group attaches great importance to brand image and reputation, and conducts advertising campaign in compliance with applicable laws and regulations such as the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》) and the *Trademark Law of the People's Republic of China* (《中華人民共和國商標法》) in external publicity. The Group also formulated the *Beijing Enterprises City Resources Group VI Manual Management Measures* (《北控城市資源集團VI手冊管理辦法》), *Beijing Enterprises City Resources Group Correspondent Management Measures* (《北控城市資源集團通訊員管理辦法》), *Beijing Enterprises City*

*Resources Group Information Release Management System* (《北控城市資源集團信息發佈管理制度》), a while continuously improving the content of the Group's CIS (Corporate Identification System) brand system, Unified Group's practical application standards in VI (Visual Recognition) and BI (Behavior Recognition) to clarify the respective functions of the Group's headquarters and regional operation centers, platform companies, and project companies in external publicity and guarantee the authenticity and accuracy of the brand information publicized, so as to avoid production and operation risks and protect the Group's image and reputation.

## Innovation leads to development

### (1) Helps to build a smart city

Under the new service model of "big hygiene" and "property management city", in response to the new demand for the comprehensive management of urban hygiene, the Group actively builds a IT-enabled smart hygiene management system through the use of Mobile Internet, Internet of Things, big data, cloud computing and other information technologies and the advanced management model of "system + technology + responsibility".

The Group adopts the model of "people, vehicles, objects, and things" associating. It collects sanitation operation data through smart bracelets worn by sanitation workers and tools such as GPS positioning and in-vehicle video installed on sanitation vehicles, so as to realize the monitoring of the amount of work and consumption. Accurate statistical analysis of other data, using big data calculation methods to calculate better operation methods to improve management efficiency. A new closed-loop smart

sanitation refined closed-loop management model based on the smart sanitation system is formed with "full management coverage, full business integration, full problem resolution, and full application of evaluation".



Digital hygiene operation platform

## Good governance to boost high-quality development



Features of smart hygiene

### Case: Hygiene Integration Project of Xinqiao Subdistrict and Shajing Subdistrict in Bao'an District, Shenzhen

In the Hygiene Integration Project of Xinqiao Subdistrict and Shajing Subdistrict in Bao'an District, Shenzhen, fully practising the mission of "clean city, resource recycling, and creating lucid waters and lush mountains together", the Group has introduced new energy vehicles equipped with intelligent equipment and smart platform to realize the all-

round control of hygiene information. In addition, we have gradually expanded the incremental services of the project, including the community-based garbage classification pilot demonstration project, actively pushing forward with the garbage classification policy, so as to realize spontaneous community-based garbage classification step by step.



Intelligent cleaning vehicles

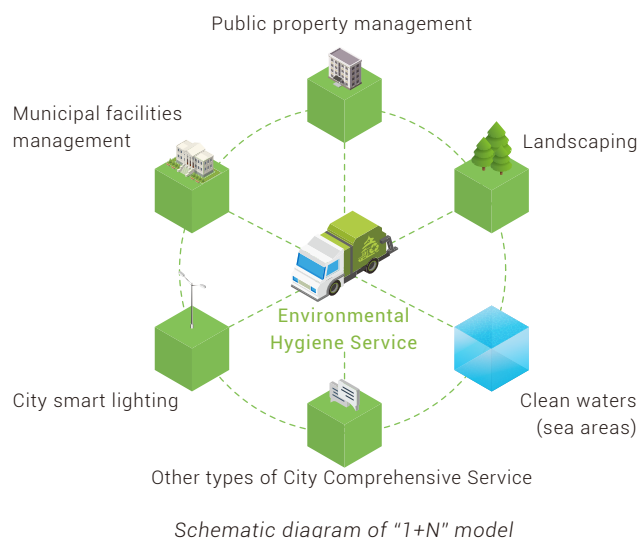


Garbage classification pilot demonstration community



## (2) Innovate service model

In order to improve the quality of the urban living environment and resident lifestyle, in 2020, the Group rolled out the "1+N" innovative service model. In addition to traditional environmental hygiene services such as road cleaning, garbage collection and transportation, and public toilet operation (representing the "1"), we also provided many types of services related to improving the quality of municipal services and management efficiency, including overall urban greening, road maintenance, garbage classification, waste recycling, municipal infrastructure operation and maintenance, and other diversified and comprehensive urban expansion services (representing the "N").



### Case: "Garbage classification" service

Acting upon the national call for garbage classification as well as the Management Scheme for *Household Garbage Classification System* (《生活垃圾分类制度实施方案》) issued by the National Development and Reform Commission (NDRC) and the Ministry of Housing and Urban-Rural Development of the People's Republic of China (MHURD), the Group actively involved itself in the nation-wide garbage classification efforts. In terms of solid waste classification logistics, we followed the principle of "whole process management, system connection, scientific classification and adaptive treatment". Besides, we carried out a series of garbage classification publicity activities, including

the installation of banners at major intersections, organization of volunteers to conduct garbage classification training. We also placed and replaced new garbage classifying trash cans in communities, and handed out garbage classification leaflets, etc. As of the end of 2020, we have carried out garbage classification work in Shenzhen, Taiyuan, Kunming and other cities, and actively cooperated with the local governments to conduct the pilot work in cities, towns and other regions, striving to create a new model of hygiene management and operation that is in line with the urban development positioning and the coordinated development of urban and rural areas. In so doing, we are making China more beautiful together with the government.



Demonstration sites of garbage classification

## Good governance to boost high-quality development

### Case: "Waters Cleaning" service

Waters cleaning refers to a kind of hygiene work to perform an overall clean-up of water surface, sea surface, tidal flats, ports, watersides of banks and water public facilities and maintain the cleanliness of the waters, including float cleaning, collection and treatment of oil pollution, toxic and harmful substances and other pollutants.

The Group unceasingly fulfils its responsibility by the following means: i) assisting local governments in implementing the Overall Planning for the *National Major Ecosystem Protection and Restoration Projects* (《全國重要生態系統保護和修復重大工程總體規劃》), *National Marine Ecological Environmental Protection Plan* (《全國海洋生態環境保護規劃》), *Yangtze River*

*Protection and Restoration Action Plan* (《長江保護修復攻堅戰行動計劃》) and other national development strategies; ii) strictly following the *Environmental Protection Law* (《環境保護法》), *Marine Environmental Protection Law* (《海洋環境保護法》), *Yangtze River Protection Law* (《長江保護法》) and other laws and regulations; and iii) responding to the "Belt and Road" initiative, as well as the requirements of the sustainable development of the Yangtze River Economic Belt and the ecological protection and high-quality development of the Yellow River Basin. Therefore, we are putting every effort in realizing "clean waters and lands".



Bank cleaning



Emergency cleaning of water surface (sea surface)

### (3) Drive technological innovation

In order to further upgrade the integration of technology with project construction and operation, in 2020, the Group's project design focused on emerging business fields to explore frontiers of the industry,

and continued to promote the overall improvement of hygiene technology innovation capabilities as well as construction and operation quality.

### Case: Unmanned hygiene vehicles

In the face of the multiple challenges such as increasing unit cost of road cleaning, aging of hygiene practitioners, lack of young labor force, increasing service quality requirements and manpower shortage, the Group introduced unmanned hygiene vehicles into mechanized cleaning, including the first TSM automatic following vacuum cleaner equipped

with an automatic driving system. Integrates automatic driving, intelligent cleaning, and intelligent backstage, the AI smart road sweeper helps the entire environmental hygiene industry to upgrade intelligently and sets a new benchmark for the establishment of a smart city.



TSM automatic following vacuum cleaner



Unmanned AI Road Sweeper

### Case: Comparison and selection of kitchen waste treatment equipment technology

In 2020, according to the needs of environmental sanitation services, Renhua project company of the Group conducted exchange activities with various bidding suppliers on topics such as the technical route, process parameters, and equipment models of small processing equipment during the selection process of food waste treatment equipment, and prepared the *Summary of Technological Program for Kitchen Waste Treatment Equipment of the Project* (《項目廚餘處理設備技術方案提要》) to ensure the economic applicability and technical feasibility of the project.



Food waste treatment equipment exchange

## Good governance to boost high-quality development

### Case: Industry seminar on solid waste microwave cracking technology

In order to boost the rapid development of solid waste treatment technology in the industry, in September 2020, the Group carried out an industry research and discussion activity on the feasibility of microwave cracking technology of the Henan University of Science and Technology, during which we conducted field researches and discussion on technologies detailed in the *Production Process of Solid Waste Microwave Cracking Technology* (《固體廢棄物微波裂解處理技術生產工藝》) and *Production Process of Construction Waste Treatment and Recycling* (《建築垃圾處理和資源化利用技術生產工藝》). These efforts effectively solved the technological issues such as waste pyrolysis incinerators of the Group's project company, and advanced the overall development of industry technology.

In 2020, the Group allocated technical support for the development of hazardous waste disposal technology and laboratory testing. According to the different characteristics, types and features of hazardous wastes, we implemented classification treatment and

#### *Incineration*

Incineration technology is applicable to the disposal of hazardous waste with many organic components and high calorific value. The forms of hazardous waste can be solid, semi-solid, liquid and gaseous. The types include organic vapor, high-concentration organic waste liquid, liquid organic waste, granular



Construction waste treatment and resource utilization technology exchange

disposal to achieve reduction, harmless disposal and comprehensive utilization of hazardous wastes by means of hazardous waste incineration, flocculation, hazard-free waste disposal and recycling.

homogeneous waste, non-uniform loose waste, low melting point waste, organic waste containing flammable components, untreated coarse and bulk waste, chlorinated aromatic hydrocarbon waste, organic sludge, etc.



### *Flocculation*

Waste emulsion, waste acid, waste alkali and heavy metal waste liquid are treated in a way so that they are no longer hazardous and can be utilized through oxidation, reduction, electrolysis, neutralization, filtration, etc. The ash generated enters the landfill or is directly sent to incineration after solidification/stabilization. And treated waste water can be directly discharged to the sewage treatment system for further treatment.



*Flocculation workshops*

### *Landfill*

A secure landfill is a land-based disposal facility for the disposal of hazardous waste, which mainly contains receipt and storage facilities, analysis and identification system, pre-treatment facilities, landfill disposal facilities (including anti-seepage system, leachate collection and drainage system, gas control facilities), leachate and waste water treatment system, environmental monitoring system, emergency facilities and other public works and supporting facilities. Waste that meets the restrictions on concentration of harmful components in its waste leachate and other conditions directly enters the landfill. Waste that does not meet the requirements are stabilized and solidified to meet the requirements for landfill.



*Landfill*

### *Recycling*

Hazardous waste recycling projects include recycling of waste acid, waste mineral oil, waste organic solvent, surface treatment waste, sludge residues containing copper, nickel, zinc and other non-ferrous metals, waste circuit board, waste activated carbon, etc.



*Recycling of waste methanol and mixed alcohol*

## Good governance to boost high-quality development

At the same time, in order to fully increase the technological sensitivity of the hazardous waste business, in 2020, the Group kept on conducting hazardous waste-related technological training and exchange, and prepared 5 documents about hazardous waste incineration, landfill, new technology analysis and medical waste disposal to upskill

employees for hazardous waste technology. At the same time, we actively carried out more than 20 technological exchanges with industry experts and equipment manufacturers to follow up cutting-edge technologies, strengthen technological advantages, enrich technologies reserves. We also proactively learned about industry trends and general directions.



*Sharing and exchange of hazardous waste technology*



## Promote supply chain management

Regarding suppliers as important business partners, the Group is committed to establishing and maintaining long-term and close business relationships with suppliers to achieve a win-win situation by integrating the resources of both parties, and improving the environmental and social risk management across the supply chain.

In 2020, the Group revised the *Supplier Management System* (《供應商管理制度》) to fully realize the online registration and approval of the bidding and purchasing system during the shortlisting and selection stage of suppliers and formulate shortlisted standards regarding the basic information, industry performance, technical capabilities, quality levels, safety production, service reputation, etc., of various suppliers. In terms of daily management, we score

and evaluate the actual cooperation performance of suppliers from time to time, collecting data and evaluating from multiple dimensions such as professional qualifications, technical level, product quality, delivery efficiency, service intention, safety and environmental management. The shortlisted suppliers are classified and managed. According to the supplier evaluation system, they are mainly divided into qualified suppliers, reserve suppliers and blacklisted suppliers. Among them, qualified suppliers are divided into strategic suppliers, A-level suppliers, B-level suppliers and trial suppliers to strengthen the management of suppliers, and through strategic cooperation with high-quality suppliers, the Group has achieved a better understanding and practice of environmental protection and social responsibilities.

### Case: Introduce high-quality strategic suppliers

In order to improve the quality of lubricating oil procurement, in 2020, the Group strengthened the assessment process of the green qualifications of lubricating oil suppliers and achieved the centralized procurement of lubricating oil for the whole Group, which was supplied by industry-leading partners, in

order to solve the increase in use, the decrease in the useful life of vehicles, the increase of environmental pollution and other problems due to inconsistent quality review standards when project companies of the Group carried out independent procurement.



Example of centralized procurement of lubricating oil

## Supplier-related key performance indicators

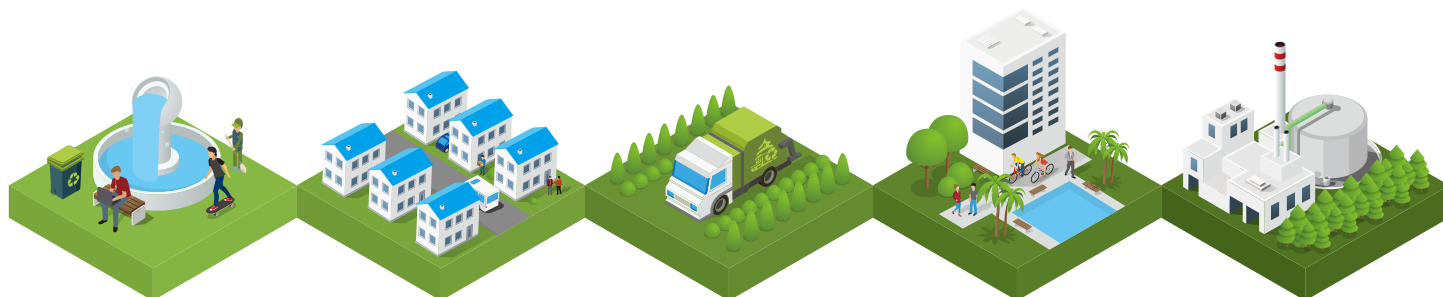
Index/Annual	2020
Total number of suppliers	104
Number of suppliers by region	
Number of suppliers in east China	34
Number of suppliers in central China	17
Number of suppliers in north China	37
Number of suppliers in northwest China	3
Number of suppliers in south China	9
Number of suppliers in northeast China	4

Note: The scope of supplier statistics is the headquarters of the Company, the number of suppliers by region is divided according to the place of registration of the supplier.

### (1) Advocating green supply

The Group has advocated a green supply chain and hopes to jointly shoulder more environmental and social responsibilities through cooperation with suppliers. In terms of supplier selection, the Group prioritizes the excellent suppliers that share the same green development philosophy. In the supplier access review, the Group attaches great importance to the green qualifications of suppliers with ISO9001

quality management system certification, ISO14001 environmental management system certification, OHSAS18000 occupational health and safety management system certification and SA8000 social responsibility standard certification. Suppliers that have obtained such certifications and passed relevant investigations will get review points and key recommendations.





### Case: Procurement of new energy vehicles

In 2020, the Group increased its procurement of new energy vehicles. The total amount of new energy vehicles purchased in the current year accounted for more than 40% of the total purchase amount of all vehicles, which comprehensively improved the efficiency of energy transformation of enterprises.



*Procurement of new energy vehicles in enterprises*

## (2) Management of hazardous waste transportation

Logistics transportation is an important intermediate link for hazardous waste disposal. In order to further refine logistics transportation management and control environmental pollution risks and social risks, the Group has formulated rules and regulations such as the *Management System for External Logistics Companies* (《外雇物流公司管理制度》) and the *Logistics Transportation Process Management System* (《物流運輸流程管理制度》) to strictly control logistics transportation management requirements and ensure logistics transportation links safe and controllable.

The company has irregularly provided trainings regarding to the hazardous waste disposal to ensure that the drivers and guards have the basic knowledge to properly wear the protective equipment and protect the employee's occupation health and safety. The Group has implied a strict requirement for the operating instructions in external packing and transportation process to eliminate any unprofessional operations. We require each hazardous waste good to be fully labelled with the hazardous sign, and individuals must follow the hazardous transportation instructions while loading and unloading the goods. To avoid the leakage which could cause secondary pollution during transportation, we have implied corresponding safety

operations on the carriage and ensure the leakage protection during the transportation process.

The Group has a strict auditing and management system, we confirm our outsourcing partners in transportation periodically through public bids and comprehensive assessment. The carriers must be professional in the hazardous waste transportation industry, qualified in road transit, state-licensed in road transportation of hazardous material (《危險品道路運輸許可證》), responsible to fulfil the contract, and have the strict systems in protecting transportation safety. Each employee in the outsourcing company must hold the corresponding license and must be competent to fulfil their responsibilities. To ensure the safety of hazardous waste during transportation, the outsourcing company must turn passive to active, and conduct traffic safety trainings with its employees regularly through watching the video cases of traffic accidents or other efficient methods to deeply implement the concept of traffic safety. To avoid any types of social risk during transportation process that could cause unnecessary effects to the firm, the outsourcing company must conduct targeted contingency plan and organize emergency drilling regularly.

# ENVIRONMENTAL PROTECTION TO CREATE LUCID WATERS AND LUSH MOUNTAINS TOGETHER





# ENVIRONMENTAL PROTECTION TO CREATE LUCID WATERS AND LUSH MOUNTAINS TOGETHER

The Group insists on putting safety and environmental management above everything else. We put emphasis on environmental protection, take safety responsibility as the foundation, and strive to strengthen environmental and social risk prevention and control, in order to achieve zero casualties and zero environmental pollution, and contribute to building a beautiful China.

## Strengthen HSE management

In order to strengthen the requirements of safety, environmental protection and occupational health management, the Group follows the *Environmental Management System Requirements and Guidelines* (《環境管理體系要求及使用指南》), the *Occupational Health and Safety Management System Specification* (《職業健康安全管理体系規範》) as well as other rules and regulations, and has established long-term management mechanism of Health, Safety and Environment (HSE) to prevent and reduce production safety accidents and unexpected environmental incidents.

To effectively protect the safety and health of employees during production and operation activities, we established a Safety Production Committee ("Safety Committee"), with the Company's president as the director, the vice president as the deputy director in charge of environmental sanitation and hazardous waste, and the responsible personnel of departments serve as members. The Company established an executive office under the Safety Committee. The director of the office is concurrently served as the vice president in charge of environmental sanitation and hazardous waste, and the members are served by the safety management personnel of the environmental sanitation department and the hazardous waste department. Each construction project of the Group establishes an HSE management team led by a project manager and equipped with HSE management personnel, and establishes an HSE responsibility system, an HSE management system and relevant policies to manage HSE matters at all stages of project construction.

The Safety and Environmental Department of the Group set up the working goals as "safety, environmental protection and occupational health" and decomposed the target tasks on levels. In the current year, according to the management concept of "one post with two responsibilities and local management", the Group and companies, companies and departments, departments and teams, teams and individuals respectively, were required to sign the 2020 HSE Target Responsibility Letter (《2020年HSE目標責任書》), which incorporated the process assessment indicators based on the results assessment indicators, and conducted safety management throughout the year focusing on three aspects, namely, the safety management system, safety training and safety technical measures to strengthen the implementation of the responsibility of safety entities. In the year of 2020, we have achieved the full-coverage of signing the HSE target responsibility letter.

In 2020, the Group continued to promote the standardization of safety and environmental protection, revised and improved relevant content related to environmental protection of the *HSE Standardized Inspection and Evaluation Standards* (《HSE 標準化檢查評定標準》), and classified seven key issues including target responsibility, institutionalization, education and training, site, risk, emergency and accident management as A-level elements. We decomposed these elements and prepared corresponding score sheets and the Group conducted inspection and assessment at the end of each year, in order to refine the HSE management standards and prevent and reduce safety production accidents and environmental emergencies.

At the same time, in order to standardize the HSE management of each project company, the Group formulated safety and environmental guidance manuals for different business sectors including integrated disposal center for hazardous waste, cement kiln coordination, resource recycling, medical waste disposal, etc., to provide guidance on the operation and management of projects and the formulation of systems and regulations and effectively carry out management and control for key risks.

### Deepen green development

Ecological civilization construction will benefit our future generations. The Group pays attention to the challenges of climate change, actively responds to the national carbon target of "30·60", adheres to the national policy for environmental protection and the principle of "protecting the environment, focusing on prevention, comprehensive governance, public participation and responsibility for damage" to prevent and reduce environmental pollution and ecological damage. We always implement the mission of "clean city, resource recycling and restoring lucid waters and lush mountains together", earnestly fulfill corporate's social responsibilities, actively participate in social utilities, insist on the solemn commitment of "reassuring the government, satisfying the public, earning profits, benefiting its employees, and winning together with its partners", and devote ourselves to the comprehensive improvement work of the living environment, in order to further enhance the urban and rural human living environment and accelerate the construction of a beautiful China.

#### (1) Standardize Environmental Protection Management

The Group actively implements environmental protection management, and carries out various businesses in accordance with the environmental protection laws, regulations, policies, standards and government requirements including the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》), the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), the *Atmospheric Pollution*

*Prevention and Control Law of the People's Republic of China* (《中華人民共和國大氣污染防治法》), the *Water Pollution Prevention and Control Law of the People's Republic of China* (《中華人民共和國水污染防治法》), the *Measures for the Management of Hazardous Waste Transfer and Receipt* (《危險廢物轉移聯單管理辦法》), the *Pollution Control Standard for Hazardous Wastes Incineration* (《危險廢物焚燒污染控制標準》) and the *Pollution Control Standard for Hazardous Waste Landfill* (《危險廢物填埋污染控制標準》).

## Environmental protection to create lucid waters and lush mountains together

In November 2020, five ministries and commissions including the Ministry of Ecological Environment and the National Development and Reform Commission issued the *National Catalogue of Hazardous Waste (2021 Edition)* (《國家危險廢物名錄(2021年版)》). The Group's project company for hazardous waste sector updated and strictly implemented relevant documents such as the *Business License of Hazardous Waste* (《危險廢物經營許可證》) and the *Management Plan for Hazardous Waste* (《危險廢物管理計劃》) based on the changes in the catalogue, to ensure that pollutants are discharged to the required standard.

In order to further strengthen project management, in 2020, the Group prepared and issued the *Guidance Manual for Hazardous Waste Integrated Disposal Project* (《危廢綜合處置項目工作指導手冊》), the *Guidance Manual for Cement Kiln Coordinated Disposal Project* (《水泥窯協同處置項目工作指導手冊》), the *Guidance Manual for Medical Waste Disposal Project* (《醫廢處置項目工作指導手冊》), the *Guidance Manual for Laboratory Work* (《實驗室工作指導手冊》) and other management regulations. The management system of hazardous waste technology was further improved from investment, construction to operation management and control. In terms of project design and review, the Group organized design institutes and industry experts to conduct technical seminars for many times based on the progress of each project and optimize the technical process and design to achieve standardization and rationalization of project

technology and benchmarking design projects, and followed up and controlled the entire technical process of the investment, construction, technology, and operation of hazardous waste projects.

All new construction, reconstruction, and expansion projects of the Group are strictly implemented by the national "Three Simultaneities" regulation. We carry out environmental impact assessments in accordance with the regulations at the project initiation stage. We entrust design institutions with corresponding qualifications to carry out the design of environmental protection facilities during the preliminary design of construction projects, and the design must meet the requirements of relevant laws, regulations and standards, and adopt advanced and applicable processes, technologies, and reliable equipment and facilities as much as possible. During the construction phase of the project, in order to ensure the quality, we entrust construction contractors with corresponding qualifications to carry out the construction by strictly following the design drawings and relevant construction technical standards and specifications. During the trial operation and completion acceptance stage of the project, the environmental protection facilities and the main project are simultaneously accepted and put into operation. In the production process, we ensure the environmental protection facility intact rate and improve the usage rate to give full play to the role of environmental protection facilities.

### Environmental hygiene services

The Group's Environmental Hygiene Department completed the review and assessment of the *Project Company's New Sedimentation Tank Program* (《項目公司新建沉澱池方案》) and the *Responsible Environmental Protection Survey Form for Various Projects* (《負責各項目環保狀況調研表》). The department provided technical comments and suggestions on environmentally-compliant disposal of car wash water, street sweeping sludge, facility sewage, and public toilet waste to avoid environmental risks. In addition, the department completed the review and assessment

of the *Management Measures for Vehicles of the Environmental Sanitation Department* (《環衛事業部車輛設備管理辦法》) to guide the rational use and maintenance of vehicles, reduce cost and improve efficiency.

In order to effectively prevent and control air pollution, the Group has taken a series of measures to strengthen mechanized wet sweeping and sprinkling on the built-up areas and surrounding main roads and dust-prone road sections on the basis of routine operations to effectively reduce dust and air pollution.



### • Road cleaning

To strengthen the cleaning of the main and secondary roads, we efficiently use wet sweeping vehicles, high-pressure washing vehicles, sprinklers, mist cannon trucks, road maintenance vehicles and electric washing vehicles to carry out comprehensive and deep cleaning of the main and secondary roads and

outer ring roads in the urban area, and regularly wash the bus stands, bus stops, public service billboards, traffic guardrails and green belts to ensure that public facilities are free of dust and stains with the normal operation standard of urban road cleaning of “the roads are clean and the markings are clear”.

### • Scientific dust suppression

We actively adopt technological means to suppress road dust, use fog cannon car and other equipment, and carry out sprinkling to reduce dust on the main streets, so as to enhance dust reduction by sprinkling and using mist cannons. Meanwhile, we adjust the frequency of sprinkling in real time and rationally

arranged the work plan for sprinkling to reduce dust according to the weather conditions. We continuously carry out sprinkling and spraying within 500 meters of the urban core area to keep the roads moist and dust-free and effectively reduce road dust.



Fog cannon truck

## The business of hazardous waste disposal

As a leading comprehensive service provider of urban environment and resource utilization, the Group has advanced technics on hazardous waste disposal, management and assessments, combined with extensive experience in operation and management of disposal facilities. The Group's project design, based on the concept of energy conservation and environmental protection, further strengthened the technical management and control of the project from the feasibility study, environmental assessment and design stages, and carried out technical optimization in terms of process design, equipment selection, energy conservation and emission reduction to optimize redundant and unreasonable design and

achieve energy conservation, emission reduction, cost and consumption reduction from the technical level.

During the operating process, we strictly limit the production waste, and carried out operations with hazardous transferring, sign labelling, hazardous waste managing, environmental monitoring, emergency actions, etc. We also followed the environmental protection standards in constructing, and promoted the environmental protection facilities' management, to ensure both production and environmental protection facilities operate jointly and smoothly.

# Environmental protection to create lucid waters and lush mountains together

## Incineration

To stabilize the parameter during incinerating process and meet the emission standard, the project company of the Group has established *Operating Rules on Industrial Wastes* (《工業廢物焚燒處理操作規程》), *Emergency Actions on Incinerating Workshop* (《焚燒車間應急處理措施》), *Operating Rules on Special Wastes in Incinerating*

*Workshop* (《焚燒車間特殊廢物操作規程》), and *Operating Rules in Wasted Gas Supervision* (《煙氣在線監測系統操作規程》). The Group has strictly implemented the *Control Standard of Dangerous Incinerating Waste* (《危險廢物焚燒污染控制標準》), and all incinerating wastes have met the emission standard.

## Landfill

To standardize the operation of solidifying hazard waste and landfill safety, the project company of the Group established *Operating Rules on Solidifying* (《固化操作規程》), *Operating Rules on Secure Landfill* (《安全填埋場操作規程》), *Emergency Actions in Solidifying Workshop* (《固化車間應急處理措施》), etc. The hazard wastes will be sampled, assessed and transferred to

the landfill workshop when the wastes meet landfill standard. The Group has strictly implemented the *Control Standard of Hazardous Landfill Waste* (《危險廢物填埋污染控制標準》), followed the landfill operation standards, covered the non-filling operation area and reduced the liquid leaking.

## Flocculation

To ensure the standardization of flocculation for the hazardous waste, the project company of the Group has established *Instructions on Special Hazardous Treatments* (《物化車間特種廢物處置作業指導書》), *Instructions on Operating Systems* (《物化反應系統作業指導書》), *Instructions on Evaporating Operations* (《三效蒸發系統作業指導書》), *Instructions on Biochemical*

*Operation for Waste Water* (《廢水生化處理系統作業指導書》), *Instructions on Operating Systems for Tail-Gas* (《尾氣處理系統作業指導書》), etc. Through detailed control of each treatment process, we ensured the contaminant material has been removed from the waste liquid and met the emission standard.

## Emergency Actions

To prevent the potential accidents, such as fire explosion and electric shock, which could cause significant environmental risks, the project company of the Group has established the *Emergency Act on Safety Accidents* (《安全事故應急預案》) and the *Emergency Act on Environmental Accidents* (《突發環境應急預案》). Those emergency acts cover emergency

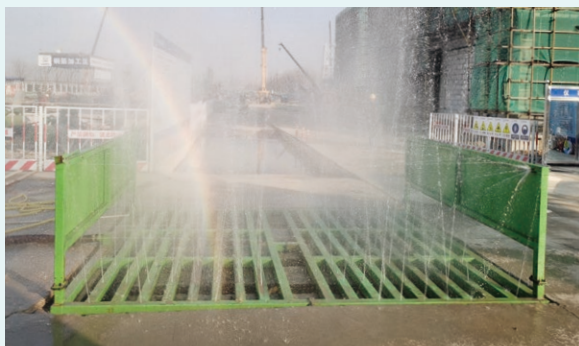
material storage, the detailed process of the plan. The Group also organized emergency act orientations in order to minimize the damage of personnel and property losses, reduce environmental damage and social influence when unexpected accidents take place.



### (2) Strict control of discharge management

During the construction of all the projects of the Group, we strictly abide by the requirements of the national and local environmental protection laws, regulations and standards, and implement 5S management during the construction process. Construction materials and wastes are classified and stored in prescribed locations. We prohibit to litter, pile up, and discharge flammable, explosive, toxic and hazardous materials on site. After the construction, construction wastes are disposed in accordance with local regulations. Meanwhile, the Group strictly

manages contractors. During the construction of all projects, the Group requires contractors to take measures such as timely washing of vehicles, sprinkling, noise control, centralized collection and discharge of wastewater, in order to prevent and reduce the pollution of dust, waste water, exhaust gas, noise, vibration and construction lighting and their impact on people and the environment. By the end of 2020, all 10 project companies in operation and trial operation of the Group in the hazardous waste sector obtained the new sewage discharge licenses.



*Vehicle washing system*



*Spraying and dust suppression system*

As a project company of key pollutant discharge units, the Group has set up standardized automatic monitoring stations and monitoring sampling ports in accordance with technical specifications, purchased and installed automatic monitoring facilities for pollutants and connected with the monitoring platform of the ecological environment department. In order to ensure the normal operation of the automatic

monitoring equipment and the authenticity and accuracy of the data, the project company entrusts a third-party operation and maintenance unit to carry out operation and maintenance in accordance with the technical specifications. At the same time, the pollutant discharge information is disclosed to the public through the electronic display screen installed at the entrance of the factory.

## Environmental protection to create lucid waters and lush mountains together



*Environmental information disclosure of Pingfu project in Shandong*



*Environmental information disclosure of Yichang project*

### Atmospheric pollutant

The exhaust gas generated during the operation of the Group mainly includes nitrogen oxides, sulfur dioxide and particulate matter. After sufficient combustion above 1100°C in the second combustion chamber, the flue gas of the hazardous waste incineration line enters the waste heat boiler to recover the heat energy of the flue gas. The flue gas is treated through combined purification process which is "SNCR + Quenching + Dry Reactor + Bag Dust Remover + Wet Deacidification". We set up online monitoring system at the discharge port to monitor exhaust emissions in real time, and transmit real-time monitoring data to the control room and the ecological environment supervision department to monitor and record data.

In order to effectively control unorganized emissions, the project company, while strengthening the airtightness of the equipment and the management of hazardous waste packaging materials, installs waste gas collection and disposal facilities in temporary storage of hazardous waste and production workshop, and treats the waste gas through combined treatment process which is "Alkali Washing + UV Photolysis + Activated Carbon Adsorption" to ensure the discharge up to the standard.

### Waste water

For the sewage generated by the project, the project company builds its own sewage treatment station and adopts the method of "Flocculation + Biochemistry" to treat the sewage generated during the operation process, and then discharge the sewage into the sewage treatment plant of the park through the sewage pipe network when the requirements of

the *Wastewater Quality Standards for Discharge to Municipal Sewers* (《污水排入城镇下水道水质标准》) are met. Some of the projects' sewage is treated and then reused to achieve zero discharge when it meets the requirements of the *Miscellaneous Water Quality Standards for Urban Sewage Recycling and Utilization* (《城市污水再生利用城市杂用水水质标准》).

### Hazardous waste

The newly generated hazardous wastes during the operation of the Group mainly include slag, fly ash, waste packaging materials and solidified dust. For various newly generated hazardous wastes, the Group takes corresponding treatment measures to ensure that the hazardous wastes are effectively controlled and properly disposed. After testing, waste that

meets the requirements of direct landfill enter the landfill; waste that does not meet the requirements of direct landfill are stabilized and solidified to meet the requirements for landfill. Combustible waste is sent to the incineration workshop for incineration. Waste liquid is sent to the flocculation workshop for treatment.

### Noise

In order to ensure that the noise generated does not affect the environment of the project operation area, the project company has adopted sound insulation and noise reduction measures for production equipment at the beginning of construction, and entrusted a third-party environmental technology company to conduct inspection around the plant in

accordance with the *Emission Standard for Industrial Enterprises Noise at Boundary* (《工業企業廠界環境噪聲排放標準》), so as to ensure that the sound volume generated by the equipment operation meets the requirements of relevant standards and minimize the noise nuisance to the surrounding environment and residents.

## (3) Optimize resource saving

### Environmental hygiene services

We have always adhered to the concept of sustainable development of resources and environment, and constantly promoted technical innovation to improve the efficiency of resource use and optimize the structure of resource use. In active response to the government's call to protect the blue sky, the Group vigorously promotes the use of new energy

sanitation vehicles to reduce the problems of high fuel consumption and serious exhaust gas pollution during the use of traditional sanitation vehicles, effectively reducing urban pollution, and promoting the construction of a good and healthy urban environment.

### Case: The use of new energy vehicles

In the current year, the Group purchased new energy vehicles such as road sweepers, sprinklers, mist cannon trucks, guardrail cleaning vehicles, road maintenance vehicles, clean-up flatbed trucks, etc., in the integrated sanitation project of Xinqiao and

Shajing. The Group's business philosophy of energy conservation, emission reduction, energy reduction and efficiency enhancement has been implemented through the use of new energy vehicles.



New energy vehicles

## Hazardous waste treatment services

Since the beginning of the project design, the Group has integrated the concept of energy conservation and environmental protection, and attaches importance to the scientific, rational and efficient use of resources. In accordance with the Measures for the *Energy Conservation Examination of Fixed Asset Investment Projects* (《固定資產投資項目節能審查辦法》) and national, local, and industry energy conservation design codes and standards, the Group conducted a comprehensive analysis of the project's energy

consumption status and energy-saving measures, and cooperate with professional institutions to issue a project energy saving report to demonstrate the advanced nature of the project's energy-saving measures as well as the energy efficiency level. In 2020, we continued to increase research and development efforts in energy conservation, consumption reduction, and process optimization, and have achieved remarkable results.

### *Case: Energy-saving technology transformation of Beijing Enterprises in Yichang*

In order to improve the efficiency of resource use and process disposal, the Group's Yichang Project has carried out a process transformation plan, which includes installing fire-proof cover plates for the incineration area of the material pit, adding reclaimed water reuse pipelines for sewage disposal,

changing the PVC pipes to carbon steel pipes to achieve incineration use to reduce the difficulty of fan inspection in the deodorization system, prolong the useful life of the quench tower spray gun, save the resource use of the process and greatly improve the disposal efficiency.

### *Case: Shandong Pingfu hazardous waste treatment upgrade*

In the current year, the Group's Shandong Pingfu hazardous waste treatment project was improved and upgraded in terms of technology and management system. In terms of technical improvement, the kiln head incineration of high-sulfur and high-chlorine materials and Huimeng low calorific value wastewater was strengthened through effective pretreatment means to achieve continuous and stable feeding of

incineration waste liquid. In addition, a storage and transportation sorting system was developed in the current year to ensure that materials were unloaded in time when entering the plant. Each barrel and each package must be inspected. The nature of the materials distributed to each disposal workshop was further clarified, greatly enhancing the safety of the disposal process for hazardous waste.

#### (4) Environmental key performance indicators

##### GHG emissions

BUSINESS	INDICATOR	UNIT	2020
Environmental hygiene service	GHG emissions (Scope 1&2)	tons	59,390.50
	Direct GHG emissions (Scope 1)	tons	52,095.47
	Natural gas	tons	1,024.54
	Gasoline	tons	5,557.56
	Diesel oil	tons	45,513.37
	Indirect GHG emissions (Scope 2)	tons	7,295.03
	Purchased electricity	tons	7,295.03
Hazardous waste treatment business	GHG emissions (Scope 1&2)	tons	20,130.71
	Direct GHG emissions (Scope 1)	tons	5,280.69
	Natural gas	tons	4,685.48
	Gasoline	tons	71.42
	Diesel oil	tons	523.79
	Indirect GHG emissions (Scope 2)	tons	14,850.02
	Purchased electricity	tons	14,850.02
Waste electrical and electronic equipment treatment business	GHG emissions (Scope 1&2)	tons	1,274.69
	Direct GHG emissions (Scope 1)	tons	179.68
	Gasoline	tons	34.40
	Diesel oil	tons	145.28
	Indirect GHG emissions (Scope 2)	tons	1,095.01
	Purchased electricity	tons	1,095.01
Headquarters office building	GHG emissions (Scope 1&2)	tons	286.23
	Direct GHG emissions (Scope 1)	tons	3.17
	Gasoline	tons	3.17
	Indirect GHG emissions (Scope 2)	tons	283.06
	Purchased electricity	tons	283.06
Total	Total GHG emissions	tons	81,082.13
	Intensity of GHG emissions	tons/HK\$10,000	0.23

## Environmental protection to create lucid waters and lush mountains together

### Atmospheric pollutant

BUSINESS	INDICATOR	UNIT	2020
Environmental hygiene service	Sulfur dioxide	tons	0.33
	Nitrogen oxide	tons	103.02
Hazardous waste treatment business	Particulate matter	tons	1.16
	Sulfur dioxide	tons	1.43
	Nitrogen oxide	tons	41.26
Waste electrical and electronic equipment treatment business	Sulfur dioxide	tons	0.0012

### Waste

INDICATOR	UNIT	2020
Total hazardous waste	tons	18,495.73
Intensity of hazardous waste	tons/HK\$10,000	52.54
Total non-hazardous waste	tons	2,532.66
Intensity of non-hazardous waste	tons/HK\$10,000	7.19

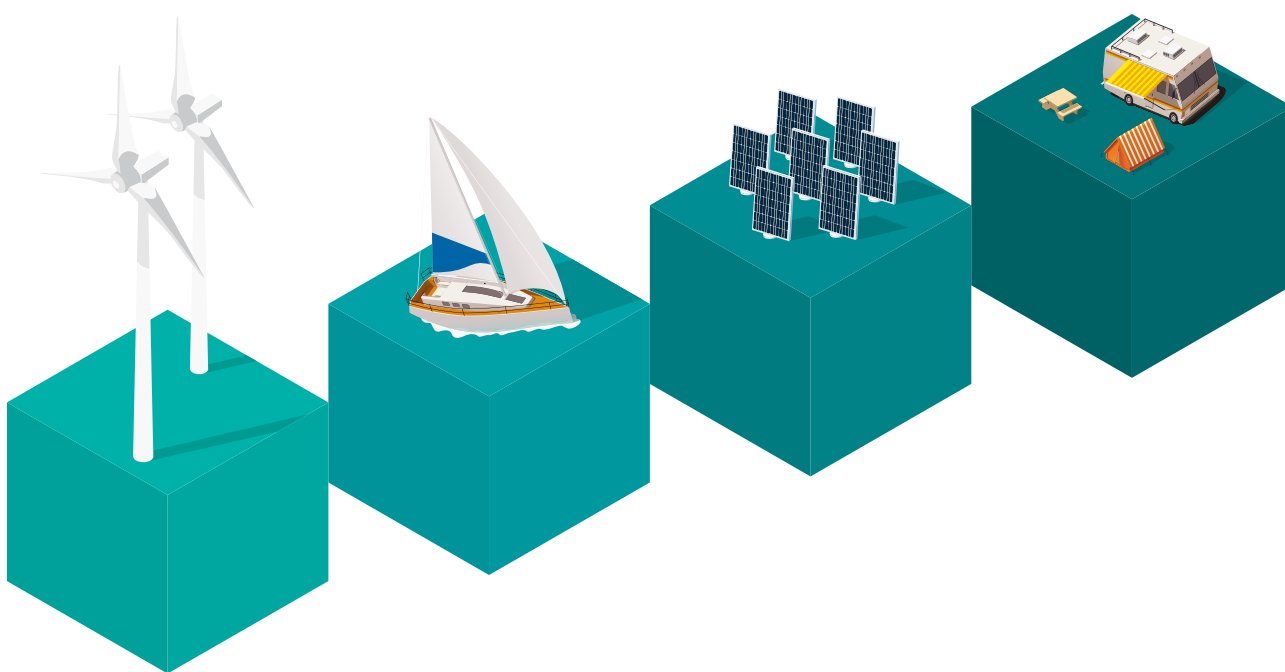


## Energy and water consumption

BUSINESS	INDICATOR	UNIT	2020
Environmental hygiene service	Total energy consumption	MWh	213,305.98
	Direct energy consumption	MWh	201,041.93
	Natural gas	MWh	5,239.67
	Gasoline	MWh	22,702.74
	Diesel oil	MWh	173,099.52
	Indirect energy consumption	MWh	12,264.05
	Purchased electricity	MWh	12,264.05
	Water consumption	tons	9,164,938.47
	Fresh water	tons	8,105,699.40
	Reclaimed water	tons	1,059,239.07
Hazardous waste treatment business	Total energy consumption	MWh	49,317.04
	Direct energy consumption	MWh	26,246.09
	Natural gas	MWh	23,962.23
	Gasoline	MWh	291.74
	Diesel oil	MWh	1,992.12
	Indirect energy consumption	MWh	23,070.95
	Purchased electricity	MWh	23,070.95
	Water consumption	tons	287,147.49
	Fresh water	tons	264,705.09
	Reclaimed water	tons	22,442.40
Waste electrical and electronic equipment treatment business	Total energy consumption	MWh	2,446.45
	Direct energy consumption	MWh	693.05
	Gasoline	MWh	140.52
	Diesel oil	MWh	552.53
	Indirect energy consumption	MWh	1,753.40
	Purchased electricity	MWh	1,753.40
	Water consumption	tons	1,904.00
	Fresh water	tons	1,904.00
Headquarters office building	Total energy consumption	MWh	413.83
	Direct energy consumption	MWh	16.22
	Natural gas	MWh	16.22
	Indirect energy consumption	MWh	397.61
	Purchased electricity	MWh	397.61
	Water consumption	tons	2,711.00
	Fresh water	tons	2,711.00
Total	Total energy consumption	MWh	265,483.30
	Intensity of energy consumption	MWh/HK\$10,000	0.75
	Total water consumption	tons	9,456,700.96
	Intensity of water consumption	tons/HK\$10,000	26.87

## Solid the safety responsibility

The Group has established the idea of "people-oriented", adheres to the principle of "safety first, prevention first and integrated treatment" and strives to achieve zero casualties and zero environmental pollution. In accordance with the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》), the *Regulations on the Safety Management of Hazardous Chemicals* (《危險化學品安全管理條例》), the *Regulations on Emergency Responses to Work Safety Accidents* (《生產安全事故應急條例》) and other laws and regulations related to occupational health and safety production, and with reference to the *ISO 45001: 2018 Occupational Health and Safety Management System Requirements and Guidelines* (《ISO 45001 : 2018職業健康安全管理体系要求及使用指南》), the Company formulated the *Safety Management Manual for Environmental Sanitation Department of Beijing Enterprises Urban Resources Group* (《北控城市資源集團環衛事業部安全管理手冊》). At the same time, corresponding to the framework of the manual, it established a safety management system including regulations such as the *Safety Reward and Punishment Management System* (《安全獎懲管理制度》), the *Hidden Danger Investigation and Governance System* (《隱患排查和治理制度》), the *Safety Education and Training System* (《安全教育培训制度》) and the *Traffic Safety Management System* (《交通安全管理制度》), to prevent and reduce safety production accidents, and safeguard the lives and health of employees and the safety of the company's property.



## (1) On-site safety management and control

In the process of project construction, the Group strictly controls the quality of survey and design, and ensures that survey and design units conduct relevant work in accordance with national laws, regulations and compulsory standards for project construction, so as to prevent accidents caused by unreasonable survey and design.

In 2020, the Group increased the inspection of the safety and environment of project sites, completed on-site inspections of all construction projects, and put forward improvement requirements and suggestions at the same time, and deepened the communication with safety and environmental management personnel by way of "Mentoring" to implement the Group's concept of safety and environment and quickly improve its management capability.



On-site supervision and inspection



On-site safety meeting



Pre-work safety training



Safety summary meeting

### (2) Enhance hidden danger investigation

The Group emphasizes the importance of risk prevention and control. It further promotes the identification of hazardous sources by organizing the assessment of safety status of key projects and the acceptance of safety facilities, focuses on the safety and environmental management and control of high-risk hazardous waste, facilities and places, and effectively reduces safety and environmental risks through the implementation of the whole-process management and control. In the year of 2020, we have carried over 2,200 times of security detection operations, and we have inspected various security in-depth. We asked each department which may contain potential risk to be recertificated.

The Group has set infrared monitoring systems in key areas of operation projects (incineration plant pits, hazardous waste temporary storage and unloading areas), and arranged professional firefighters in the central control room to monitor these areas 24 hours a day. Meanwhile, the Group uploaded the online monitoring images to the online system for online monitoring and inspection. While improving technical prevention and control, patrolling staff conducts continuous inspections of the above key areas every day, combining technology and civil air defense, so as to formulate a seamless connection of monitoring at key areas.



*Adding infrared thermal imagers  
to rotary kilns and material pits*



*Bus linkage control cabinet*

### (3) Implement safety precautions

The Group attaches great importance to production safety and the health of employees, continuously increases investment in safety and environmental protection, and improves safety and environmental facilities. By increasing safety facilities and equipment, occupational health protection equipment, etc., we improve the on-site production safety and reduce accidents to effectively safeguard the health and safety of employees at work.

In order to continuously strengthen the protection of safety management personnel of project companies, the Group has deployed at least one safety management personnel in each project company. Meanwhile, we have established a "safety management team" with safety management personnel and grassroots safety personnel of the project company and developed a special working mechanism to select and train safety management personnel, gradually expanding the team's strength. In order to enhance the professional capabilities of project leaders and safety management personnel, the Group conducts empowerment training and assessment for them, such as online video remote training and on-site training in regional business units and project companies. We strictly follow

the requirement of "Working with insurance", and consistently to improve the insurance management application to expand the scale of public insurance's coverage, make sure our employees' safety and security.

The Group continues to pay attention to the health of employees and strengthens the implementation of occupational disease prevention and screening. We require new employees to undergo a physical examination and submit the physical examination report before employment, and regularly organize in-service employees to conduct occupational health examinations. We strengthen occupational health management at each project site, continuously improve occupational disease prevention measures with protective masks, gas masks, goggles, safety helmets and other protective equipment and guide employees to use them correctly. In addition, we have increased monitoring and alarm equipment in areas with greater occupational health risks to monitor toxic and harmful gases such as HCl and H<sub>2</sub>S, and take deodorization and ventilation measures in time. In 2020, there were no occupational health accidents or cases of occupational diseases in the Group.



*Occupational health protection products*



#### (4) Safety training and publicity

In 2020, the Group vigorously carried out various forms of safety and environmental training, conducted induction safety and environmental training for new employees at the headquarters, and carried out team safety training, accident case training and safety and environmental management knowledge training for responsible persons in each project company. We also use network resources to organize and carry out online training, including

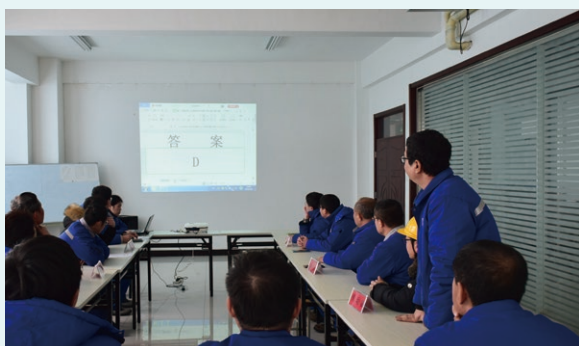
bit by bit training, online safety and environmental knowledge learning, examinations, etc., to improve employees' awareness of safety protection. In addition, we have carried out safety activities such as safety knowledge competitions, fire skill training, fire practice competitions, and fire emergency drills, which have effectively improved the safety quality of employees and secured employees' health and safety.



Project company safety training



Laws and regulations training



Safety knowledge competition



Fire skill competition



Warehouse fire emergency drill



Carry out fire emergency drills



### Case: Production safety month

In order to provide ideological guarantee and spiritual motivation for comprehensively improving the performance of safety production, in 2020, the Group carried out safety production month activities around the topic of "Eliminating Hidden Dangers of Accidents and Solidifying the Defence for Safe Production", and organized various units to conduct safety propaganda, warning education, safety training and competition, safety self-inspection and self-correction, emergency drills, accident case sharing and other activities to implement safety production responsibilities, popularize safety knowledge and disseminate the culture of rule by law.

Based on business characteristics and industry risks, the Group plans to carry out various theme activities such as the road traffic safety theme activity

of "Safety on Roads", which can comprehensively enhance the traffic safety awareness of all people and strengthen active and safe driving habits; the fire safety theme activity of "Harmony with Fire Protection" which can popularize the education of the "four capabilities" of fire protection and enhance the fire emergency response ability and foresight of employees; the hidden danger investigation and governance theme activity of "Mine Clearing" which can gradually promote the hidden danger investigation and governance work with carpet investigation and covering governance. Through the implementation of effective safety propaganda and education activities, the employees' consciousness of independent security, mutual protection and joint security has been further enhanced, which lays a solid foundation for safety production throughout the year.



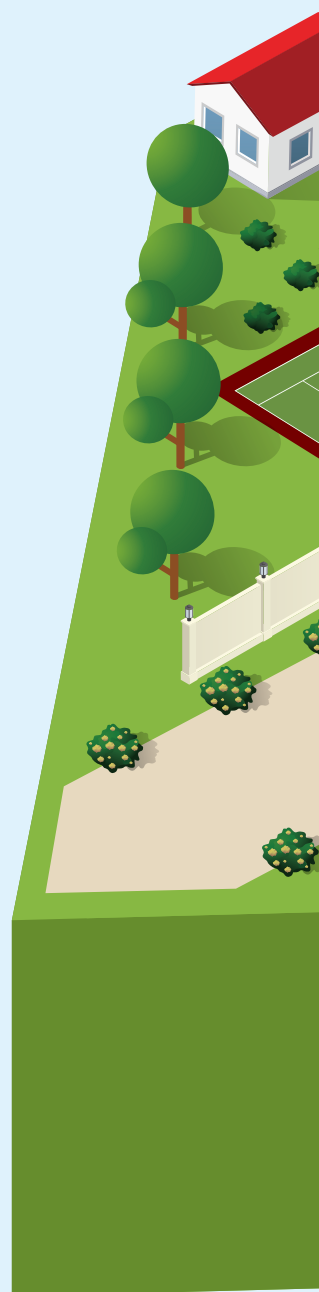
Road traffic safety activity of "Safety on Roads"



Fire safety activity of "Harmony with Fire Protection"



# CONCERTED EFFORTS TO IMPROVE PEOPLE'S WELLBEING





# CONCERTED EFFORTS TO IMPROVE PEOPLE'S WELLBEING

The Group earnestly fulfils its corporate social responsibility, actively participate in public welfare activities and carries out poverty alleviation projects while sticking to the commitment of “reassuring the government, satisfying the public, earning profits, benefiting its employees, and winning together with its partners”. In the meanwhile, adhering to the “people-oriented” principle, we protect employees' rights and interests, pay attention to their all-round development, and strive to become an attractive employer and responsible corporate.

## Achieve employees' development

Talents are the most valuable treasure for enterprise development, the Group pays attention to the construction of talent team and implements the “people-oriented” principle to attract, cultivate and retain outstanding talents. We are devoted to providing a safe, comfortable and healthy working environment as well as fair, competitive salary and benefits for our employees, and will do our utmost to create a broad development platform and more

promotion opportunities for the staff. To this end, in 2020, the Group optimized the structure for human resource management and control, promoted the informatization of talents management as well as the internal construction of the human resource management team, so as to support the development of employees, and gradually create a responsible, valuable and high-quality talent team with sharing consciousness.

### (1) Employment and rights protection

In strict compliance with the *Labor Law of the People's Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People's Republic of China* (《中華人民共和國勞動合同法》) and other laws and regulations, the Group formulated the *Recruitment and Employment Management System* (《招聘與錄用管理制度》), the *Employee Performance Management System* (《員工績效管理制度》) and other internal regulations, and drew up the *Employee Handbook* (《員工手冊》) to regulate the management of recruitment, employment, salary and benefits, attendance, performance, equal opportunity, anti-

discrimination, workforce diversity, etc. In 2020, the Group updated the *Recruitment and Employment Management System* (《招聘與錄用管理制度》), selected and recruited qualified employees internally and externally in accordance with the company's strategy, so as to systematically promote the construction and development of the talent team. At the same time, we have set out the terms of terminating the employee's labor contract in the *Labor Contract* (《勞動合同》) to ensure that the dismissal process is standardized and transparent, and to avoid any risk of non-compliance or labor disputes.

We advocate equal and diversified recruitment policies. During the recruitment process, we consider the candidate's work experience, working ability, familiarity with the business and enthusiasm for work and other personal qualities to ensure that the candidate will not be discriminated against because of their race, nationality, skin color, religion, gender, age and other factors. In addition, since a large number of our projects are located in remote areas that are underdeveloped, and in order to promote local economic development and create more job opportunities, we pay special attention to local talents. During the reporting period, many new hires were from the location where the projects operated.

In order to select talents more accurately, we have incorporated psychological tests such as the "Enneagram Personality Test" into job analysis and

interview selection for some management positions of the Group. Besides, we have set the "Talent Portrait" to precisely control the competency model of each position, so as to promote the scientific development and visualization of recruitment.

To promote the professionalization of the enterprise recruitment pattern, we carried out interviewer certification in 2020. We certified recruiters of all departments in the Group headquarters during the interviewers' application and training period. In December 2020, the Group completed the training program of the first batch of interviewers. We hope such practices can improve the quality of the recruitment team in a full scope and ensure the high quality of the recruitment process.

### Key Performance of Recruitment

#### Number of employees

Year/indicators	2020	
	Number	Proportion
Total employees (person)	39,406	100%
Number of employees by gender (person)		
Female	17,854	45%
Male	21,552	55%
Number of employees by age (person)		
Under 30	1,229	3%
31 to 50	12,460	32%
51 and above	25,717	65%
Number of employees by post nature (person)		
Administrative personnel and managers	1,370	3%
Sales and marketing personnel	164	1%
Technical personnel	281	1%
First-line production workers	37,591	95%
Number of employees by nationality (person)		
Minority employees	1,947	5%
Employees with the han nationality	37,459	95%

## Concerted Efforts to Improve People's Wellbeing

Year/indicators	2020	
	Number	Proportion
<b>Number of employees by region (person)</b>		
East China employees	3,641	9%
North China employees	12,422	32%
Central China employees	3,497	9%
Northeast China employees	1,950	5%
Northwest China employees	5,342	14%
Southwest China employees	6,077	15%
South China employees	6,477	16%

### Labor standards

The Group strictly abides by the *Law of the People's Republic of China on the Protection of Minors* (《中華人民共和國未成年人保護法》) and the *Provisions on the Prohibition of the Use of Child Labor* (《禁止使用童工規定》), stringently verifies the identity of candidates during the recruitment process, and resolutely does not employ child labor under the age of 16.

The Group prohibits any forced labor, strictly monitors overtime work beyond normal working hours, and requires that working overtime must be approved by relevant supervisors. We do not force employees to work overtime and ensure that they can arrange for rest after working overtime. During the reporting period, the Group did not receive any complaints about forced labor, nor violated laws and regulations related to preventing child labor and having a significant impact on the Group.

### Salary and benefits

Strictly adhering to the laws and regulations such as the *Social Insurance Law of the People's Republic of China* (《中華人民共和國社會保險法》), the Group has formulated and improved some management systems including the *Employee Remuneration and Promotion Management Measures* (《員工調職調薪管理制度》) and the *Regulations for Employee Reward and Punishment* (《員工獎懲管理制度》). We are committed to providing fair and reasonable opportunities for employees to compete, establishing a sound employee welfare system and creating a positive working atmosphere.

In line with the principle of equal employment, employees' compensation has been fully and

reasonably determined and calculated by the Group based on their qualifications, working experience, job nature, performance and market conditions – employees are provided with fair and competitive salary and benefits. In order to fully reflect the protection of and care for employees' lives to motivate them, other than meeting the social security and welfare standards set by the country and the region where the Group operates, we also provide staff with the company's welfare items such as communication fee subsidies, meal subsidies, transportation subsidies, festival subsidies, heatstroke prevention and cooling fees, and heating fees.



## (2) Training and career development

The Group attaches great importance to the common development with employees and the sharing of achievements. This year, on the basis of the *Employee Education and Training Management System* (《員工教育培訓管理制度》), we formulated the *Internal Lecturer Management System* (《內部講師管理制度》). At present, the Group has built an internal lecturer team of more than 40 people, and carried out a variety of training courses such as new employee onboarding training, safety training, leadership empowerment training and other business trainings, which has laid a strong reserve of knowledge and talents to establish a learning organization.

In terms of technical training, the Group has, according to specific business technologies, conducted relevant trainings for the two major business sectors, i.e., hazardous waste and environmental hygiene. In order to enhance the

technical skills of the employees responsible for hazardous waste business, in 2020, the Group produced 5 training video packages which include incineration of hazardous waste, landfill, new technology analysis and medical waste disposal. Regarding professional technical training on environmental hygiene, the Group has conducted special training courses on the problems encountered by project companies in landscaping maintenance, and pest prevention and control, and those faced by sanitary landfills in landfill operation, and collection and treatment of leachate and landfill gas. The scientific and reasonable solutions have not only technically supported projects operation for the Group, but further enhanced the technical ability of relevant operational staff and the comprehensive quality of department staff, which effectively improve their work efficiency.



Shandong Zibo Garden Greening  
Maintenance Technical Guidance  
Training



Jiangxi Quannan Garden Greening  
Maintenance Technical Guidance  
Training



Hubei Yichang Hazardous  
Waste Training

## Concerted Efforts to Improve People's Wellbeing

In the light of management training, the Group continues the "Mentoring" training plan, and further clarifies the responsibilities, incentives and withdrawal mechanisms of mentors by formulating the *Reserve Talent Selection and Mentor Management System* (《儲備人才選拔與導師管理制度》). In this training plan, the Company focuses on improving the quality and professional skills of our operation and management personnel through the "mentor with apprenticeship" mechanism, program formulation, talent inventory, data analysis, etc.

In order to attract and cultivate outstanding young talents, in 2020, the Group formulated the rules for *Management Trainees Training Program* (《管培生培養

方案》), and selected a group of excellent students with plasticity in campus recruitment, so as to meet the personnel needs brought by the rapid development and business growth of the Company. By adopting job rotation, we offer management trainees with interdisciplinary and trans-departmental learning opportunities to familiarize themselves with major businesses and professional skills. Besides, we also provide the trainees with one-on-one professional mentors, human resource tutors and career development supervisors, so that we can focus on their growth continuously from professional skills improvement, professional standards development and potential exploration and other aspects.



Selection site of management trainees

### (3) Caring, physical and mental health

The Group attaches great importance to the physical and mental health of employees and provides free physical examination and occupational disease examination for employees every year. Meanwhile, the Group provides comprehensive medical insurance for regular employees and their children, including accident insurance, medical insurance, maternity insurance, and medical insurance for major diseases. In addition, we have insured employees with supplementary medical insurance, including employer's liability insurance and employee accident insurance.

In order to strengthen the team cohesion as well as the sense of belonging of our employees, and create a positive corporate atmosphere, we organized setting-up exercises during work-break, arranged book sharing activities, held quarterly birthday parties, and prepared afternoon tea for everyone. We are committed to making employees feel like home and promoting the balance of life and work.

To better understand employees' current situation and difficulties in management, and further optimize management, the Group conducted employee satisfaction survey from six dimensions, namely "clear job requirements", "sense of achievement", "growth opportunities", "degree of being valued", "encouragement and recognition received" and

"department atmosphere". A total of 108 satisfaction questionnaires were collected in this year, and the employees would score separately from various dimension. The score and survey results were used to improve the human resource management and the establishment of system process, learning atmosphere and employee caring.

### Case: "Retro Player" birthday party

In order to relax employees from the busy work of the year and celebrate the birthday of nearly 50 employees in the Group Headquarters, the Group specially arranged a themed birthday party for staff to relive their childhood at the end of 2020. During the activity, a series of childhood games were carried

out and everyone could work together in the game to find childlike delight. Such games not only helped employees relax their mind and body, but also made them truly feel the warmth of the big family, which improved employees' sense of belonging and team cohesion.



Activity site of "Retro Player"

## Concerted Efforts to Improve People's Wellbeing

### Case: "Sanitation Workers' Day" event

On October 26, 2020, in order to celebrate the "Sanitation Workers' Day", the Xintian project company of the Group convened employees to carry out a variety of team building activities including

tug-of-war and other fun sports, which enriched the lives of sanitation workers and helped Promote the physical and mental health of employees.



"Sanitation Workers' Day" event



### Case: "Sanitation Home" for employees

In order to enrich the spiritual life of our employees, Zibo project company of the Group built a "Sanitation Home" in 2020, which had gymnasium, reading room and other activity space. It is a leisure and entertainment area for employees. Meanwhile, amid the opening ceremony of the "Sanitation Home", the Company held the "Sanitation Workers' Day",

including Fun Games, caring duty replacement by management, caring for front-line sanitation workers, care symposium for households in difficulties, and commendation conference for outstanding employees. The series of activities have effectively demonstrated the Company's care for all employees.



Opening ceremony of "Sanitation Home"

## Promote community inclusion

The Group actively undertakes social responsibilities and is always committed to giving back to society. We always keep in mind the public welfare attributes of environmental hygiene, regard creating social benefits as the priority of business management, and take spreading environmental protection culture, popularizing environmental hygiene knowledge and creating a beautiful environment as the fundamental

way of enterprise development. We aim to achieve "Not-In-My-Back-Yard effect", "public welfare effects" and "aggregation effects", as well as the win-win of social and economic benefits through continuous efforts, and fully embody the core value of the enterprise of "environment first, shared rights and responsibilities".

### (1) Assist poverty alleviation

The Group embraces the concept of "being committed, creating value, and sharing with others", fulfils the responsibility of state-owned enterprises, takes industrial poverty alleviation as the main task, and takes action to achieve poverty alleviation via employment, education, public welfare, consumption

and other forms. We have formed a model of poverty alleviation supported by "One Major Form Complemented by Several Minor Forms", which enable us to channel greater energy into eliminating poverty and win the battle against poverty.



### Poverty alleviation through industrial development

Based on its industrial advantages and characteristics, the Group has actively cooperated with local governments to set up environmental hygiene project companies. In 17 provincial-level regions and 52 districts and counties, the Group has supported and provided stable employment for 1,298 impoverished residents who have been registered locally. In accordance with the requirements of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (Beijing SASAC), the Group has, by means of "couplet assistance, pairing support

and counterpart cooperation", carried out poverty alleviation projects for relevant industries in 20 districts and counties from 6 provinces and autonomous regions, including Hebei, Inner Mongolia, Qinghai, Liaoning, Henan, and Hubei. We have established 20 environmental hygiene service projects, involving a total investment of RMB 1.042 billion, of which RMB 432 million has been actually invested so far. Such projects have absorbed 11,731 local employees, promoted the employment of 533 registered poor people, and greatly pushed forward poverty alleviation in local areas.

### Case: Actively promote the employment of the poor

Since participating in the "Beautiful Country Construction" project, Beijing Enterprises Urban Resources Guyuan Project Company has been actively carrying out local poverty alleviation work, striving to carry out all rural domestic waste treatment work in 7 towns and towns, and employing

local filed and registered poor personnel to serve as company cleaning Employees, drivers, administrators and other positions, while conscientiously doing a good job in rural infrastructure construction and beautification, greening and lighting, make an effort for the local fight against poverty.





### Poverty alleviation through education

Poverty alleviation begins with ambition and education. The Group actively supports graduates from impoverished areas by establishing assistance account books, setting up special funds, providing

skills trainings, recommending jobs preferentially and other ways. Students from poor areas are given priority in admission and training to lift their families out of poverty.

### Poverty alleviation through consumption

The Group attaches great importance to poverty alleviation through consumption and publicizes the concept via the corporate website and WeChat official account to better disseminate consumption-based poverty alleviation internally and externally. In view of the Group's extensive projects and their wide coverage, we have established production and marketing relationships with impoverished areas and

increased the procurement of products from those areas as gifts and benefits for employees. In addition, the Group has purchased more canteen supplies and personal protective equipment from inhospitable areas, which has promoted the implementation of poverty alleviation through consumption in a full scope.

## (2) Carry out environmental protection activities

The Group organizes various environmental protection public welfare activities, distributes environmental protection publicity materials, and conducts environmental questionnaire surveys. Starting from the promotion of environmental protection concepts such as garbage classification and waste-free cities, the Group promotes environmental protection laws and policies, popularizes environmental protection science knowledge, and continuously gathers environmental protection cultural forces. Continue to sublimate the ideals of urban civilization and fulfill the vision of "guarding green homes and creating a beautiful environment".

### Case: garbage sorting activities

To improve the rural residents knowledge of garbage sorting and enhance their enthusiasm to participate in garbage sorting activities, the Group has actively carried out various garbage sorting advertising activities throughout the country. In the year of 2020, the project team in Yongzhou has organized multiple activities around the garbage sorting topic including the distribution of garbage classification flyers,

distribution to measure blood pressure, distribution of environmental protection bags, small gifts and other links. The team members have explained in detail about the common garbage classification mistakes in life and answered each of the residents' questions regarding to the waste sorting. During the activities, there were over 5 thousand gifts and flyers.

## Concerted Efforts to Improve People's Wellbeing

### (3) Serve the public

The Group fulfills its social responsibility and provides careful professional services to optimize the urban environment and resource utilization. We provide high-quality "housekeeper" service in various aspects such as urban sanitation protection, creative city advertising and reducing road dust. We have assisted

18 cities or districts to successfully passed the re-inspection check, provided a more comfortable-living environment for local residents and promoted the urban management to be more detail-oriented and intelligent.

#### Case: Blizzard road cleaning

Starting from November 17, 2020, the Jilin Provincial Meteorological Bureau has issued orange alert of blizzard and frost for many times. The Group's project company in Nongan thus organized all of its employees to launch a "Snow Clearing Campaign" according to the standard of "clearing as soon as the snow goes down, ensuring roads are clear in snow and smooth after snow". In order to ensure the smooth progress of the snow clearance, the Group

dispatched 21 management and command personnel, 586 cleaning workers and 93 vehicles, including 2 snow rollers, 3 forklift trucks, 53 dump trucks, and 2 skid steer loaders etc., to remove the snow and ice, all of which were distributed on the main and secondary roads and sidewalks in the city. All staff were united to resolutely win the battle to clean up the snowstorm.



Blizzard road cleaning

## Case: Clean-Up Day

The Group always adheres to the “people-centered” development philosophy and strives to give back to society for its support and help. To cope with the community environmental problems, such as the accumulated debris in corridors, basements, front and back of residential buildings, and hygienic dead angles, the Group's Zhongyan Property held the

“Clean-Up Day” in 2020, organized and formulated a clean-up plan, and arranged property housekeepers to step up daily inspections. It also launched patriotic health activities with the street office and neighbourhood committee to jointly improve the community environment.

## Build up the defense against COVID-19

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In order to practically prevent and control the coronavirus, and enhance the prevention and response ability, the Group carried out emergency response work in a timely and order manner during the pandemic, so as to minimize the harm to the

public caused by COVID-19. Whilst strengthening the protection of our employees, Beijing Enterprises Urban Resources has always been on the front line of COVID-19 control. We took proactive measures to resolutely curb the spread of the coronavirus.

### (1) Guarantee employees' safety

In order to effectively push forward regular COVID-19 response, the Group has made every effort to continuously strengthen joint prevention and control, and adopted a series of measures to consolidate the system for pandemic prevention and control, e.g., registering visitors or outsiders, controlling and disinfecting office space, and strengthening dining management in canteen.

The Company also strengthened personnel management in the Group Headquarters building. All personnel, including the Company's employees,

canteen staff, customers and suppliers were subject to temperature testing, and the entry of persons with temperature more than or equal to 37.3 °C was prohibited. Visitors were properly recorded, and outsiders were restricted from entering the office area directly. The visitors were allowed to enter the office area only after being received and registered. In order to avoid close contact between internal staff when using the passenger lifts, the Company drew up split lines inside the lifts and required that only four people can take an internal lift at the same time, so as to prevent cross-infection.

## Concerted Efforts to Improve People's Wellbeing

The Company, in strict compliance with the disinfection standards for office space, carried out disinfection work in public areas on a daily basis, and increased the disinfection frequency in densely populated places such as conference rooms, gymnasiums and mail rooms. Besides, in order to avoid blind spots in COVID-19 response, we also strengthened prevention and control in building sanitation and waste disposal.

In order to ensure a healthy and safe dining environment for employees, the Company cleaned and disinfected the canteen twice a day, one in the morning and the other at noon. In the management and control of canteen staff, the Company detected their temperature before work, and they were not allowed to work if their temperature exceeded 37.3°C. At the same time, employees were required to exercise safety precautions, i.e., wearing work clothes, hair hats and gloves as well as face masks in strict accordance with relevant regulations.



Cleaning workers' daily disinfection work

## (2) Contribute to prevention and control of COVID-19

To promote the process of the epidemic prevention operation, the Group has increased the production cost in producing the prevention products. We provide the urban-rural sanitation service with higher requirements, higher standards, and better quality. The subsidiaries which are certificated in waste medical disposal have actively assisted the prevention control branches to fight in the "COVID-19 Prevention War".

During the pandemic, the Group strengthened cooperation with local governments and enterprises, and organized employees to register in the community. About 400 people in total participated in community-based epidemic prevention and control in 2020 to help the construction of community safety

barriers. Meanwhile, in order to facilitate refuse collection and transportation during the outbreak and prevent cross-infection, we increased the frequency of garbage disposal and septic tanks clearance based on self-protection. In 2020, the number of daily cleaning and dredging was 776, an increase of 30% over the previous year.

The Group has been awarded as "Outstanding Contribution Units in Epidemic Prevention and Control", and various project companies have been awarded "Special Contribution to The Fight Against the Epidemic". Li Wenrong, the front-line urban service employee in Changyi, Hubei province has been honored as "Advanced Individuals in the National Fight Against the COVID-19 Epidemic".



### Case: Door-to-door refuse collection and transportation during COVID-19

To help people under home quarantine solve the difficulties in collecting and transporting garbage, the Group's project company in Shenyang Huanggu District exchanged daily information with the local street office. The project company designated special people to supervise and guide the collectors regarding their wearing of protective equipment and

post-garbage-collection disinfection work every day, and strictly observed the operational regulations to carry out the work with reference to the quarantine lists provided by the community. The household waste of the quarantined people was collected by assigned people and vehicles at regular intervals on a daily basis.

### (3) Donate to communities

During the outbreak period in early 2020, the Group received support and assistance from the Party, the Government and people from all walks of life. In order to continuously practice and demonstrate the corporate social responsibility, the Group assisted in the pandemic prevention and control in various means. The Group's headquarters and some of its subsidiaries contributed more than RMB 77,000, and donated 100,000 medical masks to first-line workers of the environmental hygiene industry in Beijing.

- The Yichang project company in Hubei Province donated 30,000 pieces of thermometers collected from multiple sources to Wujiagang District Health Bureau in two batches;
- The Baoan project company in Shenzhen donated 100,000 face masks to first-line sanitation workers, which eased the shortage of medical supplies and provided strong support for the front line of COVID-19 control.



*The Group's supplies donation during the pandemic*

# APPENDIX: INDEX TABLE

Subject Areas	Aspects	Performance Indicators	Disclosure
Environmental	A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Deepen green development
		A1.1 The types of emissions and respective emissions data.	Deepen green development
		A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen green development
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen green development
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen green development
		A1.5 Description of measures to mitigate emissions and results achieved.	Deepen green development
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Deepen green development
	A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Deepen green development
		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).	Deepen green development



Subject Areas	Aspects	Performance Indicators	Disclosure
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Deepen green development
		A2.3 Description of energy use efficiency initiatives and results achieved.	Deepen green development
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Deepen green development
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable
	A3 The Environment and Natural Resources	General Disclosure Policies on minimising the listed company's significant impact on the environment and natural resources.	Deepen green development
		A3.1 Policies on minimising the listed company's significant impact on the environment and natural resources.	Deepen green development
Social	B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Achieve employees' development
		B1.1 Total workforce by gender, employment type, age group and geographical region.	Achieve employees' development
		B1.2 Employee turnover rate by gender, age group and geographical region.	—

Subject Areas	Aspects	Performance Indicators	Disclosure
	B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to providing a safe working environment and protecting employees from occupational hazards.	Solid the safety responsibility
		B2.1 Number and of rate work-related fatalities.	—
		B2.2 Lost days due to work injury.	—
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Solid the safety responsibility
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Achieve employees' development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	—
		B3.2 The percentage of employees trained by employee category and gender (e.g. senior management, middle management).	—
	B4 Labor Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to preventing child and forced labour.	Achieve employees' development
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Achieve employees' development
		B4.2 Description of steps taken to eliminate such practices when discovered.	Achieve employees' development

Subject Areas	Aspects	Performance Indicators	Disclosure
	B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Promote supply chain management
		B5.1 Number of suppliers by geographical region.	Promote supply chain management
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Promote supply chain management
	B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Consolidate compliance management
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
		B6.2 Number of products and service related complaints received and how they are dealt with.	Consolidate compliance management
		B6.3 Description of practices relating to observing and protecting intellectual property rights	Consolidate compliance management
		B6.4 Description of quality assurance process and recall procedures.	Not applicable
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Consolidate compliance management

## Appendix: Index Table

Subject Areas	Aspects	Performance Indicators	Disclosure
	B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the listed company relating to bribery, extortion, fraud and money laundering.	Consolidate compliance management
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the listed company or its employees during the reporting period and the outcomes of the cases.	Consolidate compliance management
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Consolidate compliance management
	B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the listed company operates and to ensure its activities take into consideration the communities' interests.	Promote community inclusion
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Promote community inclusion
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Promote community inclusion