



北控城市資源集團有限公司

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock code : 3718



2025 Environmental, Social and
Governance Report



CONTENTS



- 2** ABOUT THE REPORT
- 4** STATEMENT OF THE BOARD OF DIRECTORS
- 5** CHAIRMAN'S STATEMENT
- 7** CEO'S STATEMENT
- 9** ABOUT THE GROUP
- 13** BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS
- 16** SUSTAINABILITY MANAGEMENT FRAMEWORK

21

STRENGTHENING
CORPORATE
GOVERNANCE

48

IGNITING A JOURNEY
OF EXCELLENCE WITH
INTELLIGENCE

61

ADDRESSING CLIMATE
CHALLENGES

111

OPTIMIZING TALENT
ECOSYSTEM

136

BUILDING A
HARMONIOUS FUTURE

152 APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

156 APPENDIX: THE *ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE* INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED





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 2025. The report is prepared in accordance with the *Environmental, Social and Governance Reporting Code* (the “ESG Reporting Code”) set out in *Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the “Listing Rules”).

REPORTING SCOPE

The report covers Beijing Enterprises Urban Resources Group Limited and its subsidiaries. Unless otherwise specified, the scope of the report is consistent with that of the Group’s Annual Report.

REPORTING PERIOD

Unless otherwise specified, the report covers the period from 1 January 2025 to 31 December 2025 (“this year”).

REPORTING LANGUAGE

This report is published in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail.

REPORTING GUIDE

The content of this report complies with the “comply or explain” provisions set out in the *ESG Reporting Code* issued by the Hong Kong Stock Exchange in accordance with the principles of materiality, quantitative, balance and consistency. The content index is set out in the appendix of this report.

“Materiality”: In preparing this report, the Group has identified key stakeholders and key ESG issues of their concerns, and made targeted disclosure according to the materiality of these issues.

“Quantitative”: In this report, the key performance indicators (KPIs) in respect of environment and social areas are shown in the form of quantitative data, and the measurement standards, methods, hypothesis and/or calculation tools, sources of conversion coefficient for the KPIs are explained in their respective places.

“Balance”: This report is an objective, neutral and comprehensive description of the Group’s sustainable practices and related performance in 2025.

“Consistency”: Unless otherwise specified, no major adjustments are made to the disclosure scope hereof compared with that of the Group’s previous ESG reports, and the statistical methods for disclosure remain consistent.

ABOUT THE REPORT

FORWARD-LOOKING STATEMENTS

This ESG Report contains forward-looking statements regarding the Company's future development objectives, investment plans, and related matters. Such statements are based on known information, current expectations, and relevant assumptions and estimates as of the date of this ESG Report, and are subject to prevailing industry and regulatory conditions. Known or unknown risks, uncertainties, and other factors may cause actual results to differ materially from those expressed or implied by forward-looking statements, some of which are beyond the Company's control. Forward-looking statements are typically identifiable by the use of words such as "may", "will", "anticipate", "expect" and "believe", or similar expressions. Except as required by applicable law, the Company undertakes no obligation to update any forward-looking statements to reflect new developments or unforeseen events occurring after the date of such statements.

CONFIRMATION & APPROVAL

The report was reviewed and approved by Sustainability Committee under the Board on March 23, 2026.

In addition to this report, the Group has publicly released a series of ESG policy statements covering areas such as climate change response, low-carbon operations, biodiversity, employee rights, supplier management, and business conduct. For the specific content of the above policies, please visit the Group's official website at <https://www.beur.net.cn/kechixufazhanzc.html>.

STATEMENT OF THE BOARD OF DIRECTORS

As a leading enterprise in China's environmental protection industry, the Group is dedicated to becoming a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation. Guided by our core values of "being committed, creating value, and sharing with others", we integrate environmental, social, and governance considerations into our strategic planning and daily operations. We are convinced that a sound ESG management system is of great significance for the Group to create sustainable, long-term value.

The Sustainability Committee¹ authorized by the Board of Directors, serves as the core governance body for the Group's ESG management. It is responsible for leading the formulation and supervision of the ESG strategy. When discharging its responsibilities, the Committee assesses the impacts of the Group's ESG performance on all stakeholders, including employees, customers, shareholders, suppliers, business partners and local communities. It is also tasked with identifying and approving material ESG issues, assessing climate-related risks and opportunities, providing regular updates to the Board on ESG progress, and reviewing the achievement of the annual environmental targets.

The Group conducts regular assessments on material ESG issues. The related analysis processes, findings, and their integration into business decision-making are detailed in this annual ESG report and have been reviewed by the Sustainability Committee. To manage associated risks effectively, the Group has integrated ESG risk management into its overall risk management framework to ensure the timely identification and proactive mitigation of potential ESG risks in our operations.

In 2025, the Group formulated a set of environmental targets in line with its strategic roadmap, led by the sustainability function and in collaboration with relevant business units. The Sustainability Committee has reviewed and validated the formulation of such targets. The Committee also conducted a systematic review of the attainment of the environmental targets set in the prior year.

This report fully discloses the aforesaid ESG-related matters, and has been reviewed and approved by the Board's Sustainability Committee on 23 March 2026.

¹ On June 7, 2023, the Group established a Sustainability Committee under the Board of Directors pursuant to the board resolution.

CHAIRMAN'S STATEMENT

The year 2025 was one in which the Group upheld strategic resolve and deepened its transformation and upgrading amidst a complex environment. Confronted with numerous external challenges, the Group adhered to high-quality development as its main thread, fully leveraged the foundational role of regional operations and the synergistic effects of strategic coordination, and actively seized the endogenous opportunities presented by new urbanization and the upgrading of public services. All colleagues rose to the challenge, focusing on forging core competencies and enhancing management quality and efficiency. Solid progress was made across multiple dimensions including market expansion, lean operations, risk control, and sustainable development, further consolidating the Group's leading position in the industry and continuously creating steady value for customers and society.

Digital and intelligent empowerment drove profound changes in the Group's operation and management systems.

The Group continued to implement the requirements of the "Digital China" strategy, fully integrating digital and intelligent capabilities into all links of production operations and corporate management, and strived to build a smarter, more efficient, and more agile modern service system. We fully promoted digital quality management tools; through tools such as "Today's Watermark Camera" and quality management mini-programs, we realized real-time recording and traceability of issues, achieved the online and transparent process of quality inspection, rectification and closed-loop management, and significantly improved operational quality and service response efficiency. We completed the construction of a data platform for core businesses and achieved in-depth application in key scenarios such as quality management, safety and environmental control, and lean operations. In the field of internal management, we successfully launched and further applied a series of intelligent management systems, covering core processes such as human resources, financial expense control, and attendance accounting. This enabled a full-link digital closed loop from data collection and process monitoring to decision analysis, which not only greatly improved management efficiency and data accuracy, but also provided a solid data foundation for the in-depth implementation of lean operations. Meanwhile, we actively explored pilot applications of cutting-edge technologies such as artificial intelligence in specific business scenarios, accumulating valuable experience for the intelligent upgrading of future operational models.

Guided by the dual-carbon goals, we fulfilled our commitment to green and sustainable development.

The Group actively responded to the national "dual-carbon" strategic goal, and deeply integrated the concept of green and low-carbon into operational decisions and development plans. We strived to address inherent constraints in the industry and cultivate the Group's long-term core competitiveness through green and low-carbon practices. We continued to promote the replacement of clean energy for operational vehicles and equipment, optimized fleet structure and operational routes to reduce energy consumption and emissions. In supply chain management, we strived to promote green procurement and the intelligent upgrading of the supply chain. Through refined internal management, we systematically improved the efficiency of energy and resource utilization. We adhere to stringent environmental compliance standards, ensured the environmental compliance of all operational projects, and actively participated in the improvement of urban and rural living environments, contributing to the continuous optimization of the ecological environment and low-carbon transformation through practical actions.



CHAIRMAN'S STATEMENT

Upholding a people-centric philosophy, we foster collaborative growth and shared value. We have always regarded talent as the most valuable asset and continuously improved the mechanisms for talent “selection, appointment, development and retention”. By building job competency models and establishing mechanisms such as learning groups and “sprint teams”, we systematically strengthened the professional capabilities of the teams. By formulating clear job competency standards and implementing stratified and classified special training programs, we built 4 categories of core talent training programs, with a graduation rate of 87% for the echelon programs, systematically consolidating the talent echelon and activating the endogenous driving force of the organization. We attached great importance to the protection of employee rights, interests and welfare; through multiple measures such as standardizing employment management, implementing employee benefits, and providing health care, we effectively enhanced employees’ sense of belonging, gain, and security. The Group also actively fulfilled its social responsibilities, taking on important tasks in major event guarantee, emergency rescue, and community service improvement. Through professional and reliable services, it won the trust of customers and recognition from the government, achieving the coordinated improvement of corporate brand value and social value.

Carrying forward the past and forging ahead into the future, the responsibility is arduous and the journey is long. Looking ahead, the Group will continue to anchor to the goal of high-quality development, with innovation as the engine, digital intelligence as the wings, lean operations as the helm, and the talent team as the foundation. We will continuously consolidate and expand core competitive advantages, deepen business layout, optimize management models, actively respond to challenges, seize the opportunities of the times, and work hand in hand with all stakeholders to jointly create a cleaner, smarter, and more beautiful urban future.

CEO'S STATEMENT

In 2025, amid a complex external environment and industry challenges, we consolidated our core operations while actively exploring new opportunities. Centering on the dual core goals of “cost reduction and efficiency improvement” and “quality enhancement”, we promoted a series of management reforms and process optimizations, achieving steady business growth, significant improvement in operational efficiency, continuous consolidation of safety foundations, and profound transformation of management systems, which injected strong momentum into the sustainable development of the Group.

Adopting a prudent and long-term approach, we achieved simultaneous improvements in business expansion and operational quality. Relying on our national layout and in-depth regional cultivation, we promoted the synchronous advancement of the scale and quality of urban services business. Over the past year, we not only successfully renewed existing projects in multiple regions including Guizhou, South China, and Shandong, ensuring the stability of our core business base, but also successfully secured strategically significant incremental projects in markets such as Guiyang, Shenzhen, Zhangzhou, Shandong and other regional markets, further expanding our market footprint. We continuously optimized the project portfolio and operational quality; by building a refined management and control system centered on “workforce efficiency and fleet efficiency”, and fully promoting lean operation systems and digital quality management tools, we achieved an improvement in comprehensive operational efficiency and a significant reduction in quality-related deductions. In the field of property services, we deepened the “immediate response to complaints” mechanism, carried out regular maintenance of equipment and facilities and environmental improvement, ensuring that the service satisfaction rate and equipment intact rate remained at a high level. During the year, our urban service and property management projects continued to create tangible value by upgrading urban and rural living environments. Driven by consistent service excellence and superior operational performance, we have secured ongoing recognition from regulatory authorities and clients, effectively elevating the Group’s brand strength and market reputation.

Driven by innovation, we advance through the dual engines of technology enablement and management transformation. We have always adhered to the concept of innovation, taking digitalization and intelligence as the core engine to promote operational upgrading and organizational transformation. Over the past year, the Group’s digitalization construction has achieved a leap from system promotion to in-depth empowerment; digital systems covering core business processes have been fully launched, significantly improving operational efficiency and management level. While advancing innovative pilot projects such as intelligent environmental sanitation robots and remote monitoring of operational vehicles, we successfully built a comprehensive indicator system for mechanical operations and a data asset pool, realizing online cost control and integrated business-financial accounting. Relying on the in-depth empowerment of AI technology, we broke down data barriers among various systems and built a complete business analysis indicator system, effectively promoting the profound transformation of the Group from standardized operations to lean operations.

CEO'S STATEMENT

Upholding our corporate responsibility, we fortified operational safety fundamentals and energised our talent pool. We always put safety and environmental protection at the top of our operations, and continuously strengthened the three-level management and control system of “Group – Region – Project”. By implementing grid-based safety management, building a three-dimensional supervision network of “unannounced inspections + random inspections + reporting”, and conducting in-depth hidden danger investigation and special rectification, we revised and improved 25 HSE systems, compiled special manuals for high-risk businesses, established dynamic files for safety and environmental protection personnel, signed responsibility letters with all employees, innovatively implemented the rotating safety officer mechanism, and innovatively used technological means and customized safety training. As a result, the annual accident rate dropped significantly, 28 projects achieved “zero accidents”, the safety performance of all project companies was effectively improved, and a more proactive and forward-looking safety risk prevention and control system was successfully built. Upholding the “people-oriented” concept, we comprehensively strengthened the construction of the talent system, strived to improve employees’ comprehensive capabilities and professional standards at multiple levels, promoted the full release of human resource value, systematically consolidated the talent echelon, effectively enhanced organizational cohesion, and provided a solid talent guarantee for the long-term development of the Group.

Acting with commitment and accountability, we embrace green principles and deliver tangible social value. We actively practiced the concept of green development and integrated low-carbon operations into daily work. By deploying in clean energy-related fields, promoting the optimization of energy structure, accelerating the construction of a resource recycling system, we continuously reduced the environmental footprint of our own operations. We enthusiastically participated in social welfare and actively fulfilled our social responsibilities; we organized employees to carry out in-depth publicity and voluntary services on domestic waste classification, and regularly participated in community environmental beautification, contributing to the improvement of urban and rural living environments through practical actions and demonstrating the corporate citizenship.

Forge ahead with innovation and plan for the future to jointly draw a blueprint. Looking ahead to 2026, the Group will continue to adhere to the concept of “high-quality development”, take customer needs and market trends as the guide, continuously deepen business layout and optimize service products. Faced with future opportunities and challenges, we are full of confidence and will surely gather the wisdom and strength of all employees, forge ahead with determination, and continuously surpass ourselves. We will take more solid steps on the journey to become a “reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation”, and create long-term and sustainable value for shareholders, employees and society.

ABOUT THE GROUP

Beijing Enterprises Urban Resources Group Limited is a leading urban service provider and hazardous waste treatment operator in China, headquartered in Beijing. Its business footprint covers 26 provinces, municipalities and autonomous regions, as well as one special administrative region nationwide, with a workforce of more than 60,000 employees.

In urban services, we leverage our expertise in specialized and precision operations to deliver end-to-end environmental and sustainability solutions for cities and rural areas. Central to this effort is our “Urban Butler Integrated Service” model, which systematically incorporates professional environmental sanitation into a modern urban service system. By the end of 2025, we had secured 44 new urban service projects through public bidding and managed a cumulative total of 251 urban service projects, covering approximately 374 million square meters of roads, about 105 million square meters of water areas, and 49.48 million square meters of green space maintenance area, forming a “Three-in-One” (i.e., production, life, ecology) urban development model. In the field of garbage collection, transportation and disposal services, our daily collection and transportation volume reaches about 29,000 tons, with 496 transfer stations and 10 landfills. By optimizing core business capabilities and integrating professional resources, we continuously adapt to and meet the development needs of urban services in the new era.

Within hazardous waste treatment, we align our efforts with national policies and industry developments, consistently working to improve operational efficiency and treatment technologies. Through ongoing process refinements, we strive to elevate the performance and environmental compliance of our treatment facilities. Additionally, we invest in resource recovery technologies to support circular economy and sustainable business growth. By the end of 2025, we had 10 hazardous waste treatment projects in operation. Among these, facilities dedicated to harmless disposal have a designed treatment capacity of 419,716 tons per year, while those specialized in recycling and reuse have a designed capacity of 280,000 tons per year. We also operated another 2 waste electrical and electronic equipment treatment projects, with an approved annual treatment capacity of 2.15 million units.

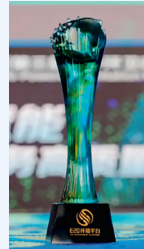
Building on our strengths in branding, capital, technology, and operational management, we remain dedicated to our corporate mission of “Making our living environment better”. We are committed to delivering high-quality services, pursuing continuous management innovation and maintaining sound business operations. As we pursue steady growth, we actively fulfill our social responsibilities and contribute to building a better ecological and social environment.

ABOUT THE GROUP

The Group's Major Honors and Awards in 2025:



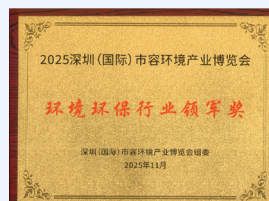
ESG Connect Pioneer Star Award (Environmental) presented by the Hong Kong Quality Assurance Agency (HKQAA)



2025 Top 10 Influential Sanitation Enterprises of the Year was conferred upon the Group at the 2025 (3rd) AI+ Sanitation Summit organized by E20 Environment Platform.



Third Prize awarded by the 2025 Shenzhen International AI Environmental Sanitation Robot and Application Innovation Competition



Environmental Protection Industry Leadership Award presented by the Organizing Committee of the 2025 Shenzhen (International) Urban Appearance and Environmental Industry Expo



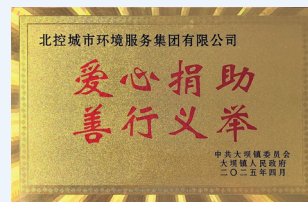
The pilot project for a full-domain, full-time, and full-scenario unmanned driving scheme in the Qianhai area of Nanshan Subdistrict was recognized as an excellent case in environmental sanitation by E20 Environment Platform and E20 Research Institute



Best Employer Brand of 2025 awarded at the 16th Beijing Human Resources Expo



2025 China Annual Best Employer – Best Employer Nomination Award, conferred by Zhaopin.



Commendation for Compassionate Donations and Benevolent Deeds, awarded by the CPC Daba Town Committee and Daba Town People's Government.

ABOUT THE GROUP



Advanced Enterprise in Urban Management Services awarded by the Qingzhen Comprehensive Administrative Law Enforcement Bureau



Model Collective for Ethnic Unity and Progress in Hami City presented by the CPC Hami Municipal Committee and the Hami Municipal People's Government



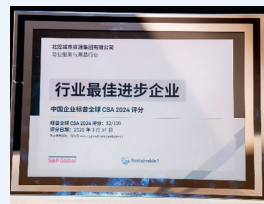
Third Prize in the Fourth Henan Province (Luoyang) Gardening and Flower Border Construction Labor and Skills Competition

awarded by the Henan Provincial Agricultural, Transportation and Construction Trade Union and the Department of Housing and Urban-Rural Development of Henan Province

The Group's ESG Ratings in 2025:



An "A" grade for the 2025 ESG comprehensive score in the Wind ESG rating system



Best Progress Award in the Commercial Services and Supplies Industry conferred by S&P Global



A "B" grade for the 2025 comprehensive score in the CDP Climate Change Questionnaire rating



Listed in S&P Global's The Sustainability Yearbook (China Edition)
Composite score of 55 in the 2025 S&P Global rating system



ABOUT THE GROUP

The Group's Major Qualifications in 2025:

- System Certifications (8 items): *Environmental Management System Certification (ISO 14001), Quality Management System Certification (ISO 9001), Occupational Health and Safety Management System Certification (ISO 45001), Information Security Management System (ISO/IEC 27001), and Energy Management System (ISO 50001), among others.*
- Software Copyrights (34 items): *Urban Steward Mobile Application Platform V1.0, Urban Village Property Management Data Analysis System V1.0, Smart Environmental Sanitation Supervision System V1.0, Smart Environmental Sanitation Integrated Management System V1.0*
- Qualification Certificate (4 items): *Level 1 Qualification Certificate for General Solid Waste Treatment and Landfill Operation, Class A Qualification for High-altitude Exterior Wall Cleaning Service Enterprises, Class C Qualification for Shenzhen Vector Biological Control Service Institution Capability, Class A Qualification for Pest Control Service Enterprise Qualification Registration*
- Personnel Qualifications (multiple items): *"Senior Waste Classification and Disposal Management Specialist", "Senior Sanitation Management Specialist", etc.*
- Credit ratings (2 items): *AAA Enterprise Credit Rating Certificate, Credit-standing Unit Certificate*

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Green Operation

Greenhouse Gas Emissions

The Group's greenhouse gas emissions (Scope 1 and 2): **156,122.65** tons
 The Group's greenhouse gas emissions (Scope 1, 2 and 3): **5,731,781.72** tons
 The Group's greenhouse gas emissions intensity per unit of revenue (Scope 1 and 2): **0.25** tons/RMB 10,000
 The Group's greenhouse gas emission reductions achieved through waste heat power generation and photovoltaic power generation: **2,881.16** tons
 The Group's greenhouse gas emission reductions achieved through the replacement of fuel vehicles with LNG vehicles at its Shenzhen project companies: **52.28** tons.

Waste Treatment and Resource Utilization

The in-depth treatment project of VOCs in the incineration workshop of the Group's Yichang Project has achieved a reduction in volatile organic gas emissions: approximately **15** tons
 The Shandong Pingfu Hazardous Waste Harmless Treatment and Resource Utilization Project of the Group has achieved **100%** water circulation utilization
 The Group's Yichang Phase II Organosilicon Hazardous Waste Resource Utilization Project achieved **100%** circulation utilization of production wastewater
 Total designed treatment capacity of waste electrical and electronic equipment treatment projects: **2.15** million units/year
 Total designed treatment capacity of hazard-free waste disposal projects: **419,716** tons/year
 Total designed treatment capacity of recycling and reuse projects: **280,000** tons/year
 The Group's Yichang Resource Utilization Project achieved **100%** recycling of hazardous waste, with no secondary hazardous waste generated.

Environmental Management

Number of urban services projects: **251**
 Urban service area: **374** million square meters
 Water area cleaning coverage: approximately **105** million square meters
 Greening maintenance area: approximately **49.48** million square meters
 Operated public toilets: **4,673**, transfer stations: **496**, landfills: **10**
 Daily waste collection & transportation volume: approximately **29,000** tons

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Coordinated Development

Employees

Total number of employees: **63,533**

Diversity and Inclusion

Proportion of female employees: **53.09%**Proportion of female functional staff: **51.20%**Proportion of women in senior executives: **29.03%**Proportion of women in STEM technical fields: **44.14%**Proportion of women in sales: **29.27%**

Talent Development

Average training hours per employee: **79** hours/personEmployee training coverage: **100%**

Social Contribution

Charitable and other donations: RMB **1.5933** million

Suppliers

Total number of Centralized Procurement Suppliers: **193**Proportion of suppliers participating in online/on-site assessments: **100%**

Technology Reserves

Intellectual Property

Utility model patents: **76** itemsInvention patents: **11** itemsSoftware copyrights: **103** items

Systems and Qualifications

System certifications: **47** itemsBusiness qualifications: **17** items

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Sound Governance	
Business Development	Service coverage: 27 provincial-level regions (19 provinces, 4 autonomous regions, 3 municipalities directly under the central government, and 1 special administrative region)
Board Diversity	Proportion of Independent Directors: 37.5% Proportion of Female Directors: 12.5%

SUSTAINABILITY MANAGEMENT FRAMEWORK

The Group has embedded sustainable development deeply into its corporate development strategy and daily operations. Building upon our established ESG governance structure, we have adopted structured initiatives to enhance our ESG performance. While pursuing economic returns, we maintain a continuous focus on enhancing ESG governance and ensuring that sustainable considerations are woven into business activities and decision-making. By creating positive environmental and social value, we actively engage with all stakeholders to pursue shared long-term value, thereby laying a solid foundation for the Group's sustained, healthy and high-quality growth.

Sustainable Development Concepts

The quality of living environments in urban and rural communities is rooted in well-kept physical spaces and healthy ecosystems. We are committed to providing digital, intelligent and professional urban services to make people's living environments cleaner, safer, more comfortable, and more pleasant, thereby truly boosting people's sense of fulfillment and well-being.

We undertake our environmental, social, and governance responsibilities seriously. Through continuous refinement of ESG practices and focused efforts on key issues, we have strengthened our governance and management processes. This ongoing work improves the effectiveness of our ESG management, mitigates associated risks, and bolsters the Group's long-term, high-quality development.



Improving ESG Governance Structure

The Group has established a three-tier ESG governance structure comprising the governance level, management level, and implementation level. The Sustainability Committee under the Board is responsible for overseeing the management and effectiveness assessment of key ESG issues such as climate change response, employee occupational health and safety, business ethics, and sustainable supply chains. The Committee is responsible for identifying material ESG matters, analysing related opportunities and risks, assessing the impact of the Group's ESG efforts on stakeholders, and reporting regularly to the Board. The management is responsible for driving the implementation of ESG strategies and targets. Relevant functional departments at the headquarters form an ESG Working Group to carry out day-to-day activities within their respective areas of expertise. Under the coordination of the ESG Working Group, project companies implement ESG-related matters at their respective locations.

SUSTAINABILITY MANAGEMENT FRAMEWORK

Strengthening Environmental and Safety Risk Management

A robust environmental and safety risk management system serves as an important foundation for ensuring the operational stability and sustainability of the Group. We continuously improve the HSE (occupational health, safety, and environment) management system, enhance environmental management capabilities, systematically mitigate environmental risks, and conduct in-depth hazard identification and remediation efforts. In the urban services sector, we promote the use of new energy and intelligent driving vehicles, increase the proportion of recycled water usage, thereby reducing the overall environmental impact of our operations. In hazardous waste treatment operations, we carry out the harmless treatment of hazardous waste, ensure compliant discharge of wastewater, exhaust gas, and solid residues, and strive to improve the efficiency of resource recycling and comprehensive utilisation, reducing resource consumption and waste.

Fulfilling Social Responsibilities

Adhering to the “people-oriented” philosophy, we steadily advance employee care efforts, focus on resolving practical difficulties faced by employees, and enhance employees’ sense of belonging, honour, and fulfilment through concrete actions. We support employees in realising their personal value and promote mutual growth between employees and the Group. Meanwhile, the Group organises campaigns to promote environmental regulations and policies, carries out public welfare environmental publicity activities in diverse forms, disseminates environmental science knowledge to the public, and fosters public consensus on environmental protection. In the future, we will continue to strengthen the dissemination of environmental culture, enhance public environmental awareness, and faithfully fulfill the corporate mission of “Making our living environment better”.

Maintaining Compliance in Operations

We continuously improve our risk management and control capabilities, promote a dynamic balance between business development and risk management, cultivate a risk management culture, and ensure the effective implementation of various systems and objectives. We persistently enhance our internal control and anti-fraud systems, strengthen supervision and audit efforts, expand audit coverage, regulate employee conduct, uphold the bottom line of compliance in operations, and foster a clean and upright corporate environment.



SUSTAINABILITY MANAGEMENT FRAMEWORK

Stakeholders Communication and Materiality Analysis

(1) Stakeholders Communication

Our external stakeholders primarily include government and regulators, shareholders and investors, customers, business partners, suppliers and subcontractors, public figures (welfare organizations), news media, and community residents; internal stakeholders are mainly board members, senior management, and employees. We have established effective communication channels with various stakeholders to actively collect and respond to their concerns on the Group's ESG issues.

Stakeholders	Major Communication Channels	Key ESG concerns
Governments and Regulators	<ul style="list-style-type: none"> Major meetings Policy consultation Event reporting Institutional visits Information disclosure 	<ul style="list-style-type: none"> Observing Discipline and Law Paying Taxes on Time Lawful and Compliant Energy Conservation and Emission Reduction Privacy Protection
Shareholders and Investors	<ul style="list-style-type: none"> Investors' Meetings General Meetings Company Announcements and Circulars Investors' Relations Column Questionnaires 	<ul style="list-style-type: none"> Corporate Governance Financial Performance Stable Returns Risk Management
Customers	<ul style="list-style-type: none"> Customer Meetings Customer Satisfaction Surveys Customer Complaint Channels Questionnaires 	<ul style="list-style-type: none"> Customer Service Privacy Protection
Business Partners	<ul style="list-style-type: none"> Evaluation On-site Inspections Cooperation Meetings Questionnaires 	<ul style="list-style-type: none"> Business Ethics Mutual Benefits Fair Competition



SUSTAINABILITY MANAGEMENT FRAMEWORK

Stakeholders	Major Communication Channels	Key ESG concerns
Suppliers and Sub-contractors	<ul style="list-style-type: none"> • Bidding and Procurement • Activities • On-site Inspections • Regular Assessments • Questionnaires 	<ul style="list-style-type: none"> • Business Ethics • Mutual Benefits • Payment Process
Members of the Board of Directors	<ul style="list-style-type: none"> • Board Meetings • Committee Meetings • Annual Report of the Company • Questionnaires 	<ul style="list-style-type: none"> • Strategic Planning • Risk Management • Financial Performance • Code of Ethics
Senior Management	<ul style="list-style-type: none"> • Meetings and Discussions • Employee Activities • Telephone/E-mail • Work Reports • Questionnaires 	<ul style="list-style-type: none"> • Strategic Implementation • Financial Performance • Operational Efficiency • Business Ethics • Steady Development
Employees	<ul style="list-style-type: none"> • Work Meetings • Staff Congress • Performance Assessment • Employee Complaint Channels • Questionnaires 	<ul style="list-style-type: none"> • Salary System • Employee Rights • Health and Safety • Communication Mechanism • Information Security
Members of Public/Public Welfare Organizations	<ul style="list-style-type: none"> • Public Welfare Activities • Public Open Days • Questionnaires 	<ul style="list-style-type: none"> • Community Investment • Communication Mechanism • Safety Production
News Media	<ul style="list-style-type: none"> • Results Press Conference • News Articles • Questionnaires 	<ul style="list-style-type: none"> • Customer Service • Technological Innovation • Eco-environmental Protection
Community Residents	<ul style="list-style-type: none"> • Public Open Days • Company Announcements and Circulars 	<ul style="list-style-type: none"> • Community Investment • Observing Discipline and Law

SUSTAINABILITY MANAGEMENT FRAMEWORK

(2) Materiality Analysis

The Group incorporates the assessment of materiality issues into its overall risk management process, conducting materiality assessments through steps including issue identification, issue research, issue evaluation, and review and confirmation. To precisely identify the Group's key focus areas in environmental, social, and governance practices and align with the expectations of stakeholders, we extensively collect the views and expectations of various stakeholders through diversified methods such as questionnaires, meetings and exchanges, and in-depth interviews. We also consider the impact of business operations on the environment, society, and related financial aspects and conduct materiality assessments and corresponding adjustments for each issue, serving as the key basis for determining the extent and scope of issue disclosure.

Based on the aforementioned assessment process, we have distilled 19 issues from the three aspects of environment, society, and governance, and constructed the 2025 ESG Materiality Matrix. The core issues cover health and safety, labor standards, employment, customer service, anti-corruption, environment and natural resources, information security, product innovation, and emissions; other issues include development and training, supply chain management, biodiversity, ESG risk management, resource use, board ESG supervision, climate change, brand and intellectual property, ESG stakeholder communication, and community investment.



STRENGTHENING CORPORATE GOVERNANCE

Backed by a sound internal risk control system, an ethical business environment, a secure information security network, and a resilient work safety defense line, the Group has built a solid foundation for stable operations and sustainable growth. We consolidate our risk management framework with three lines of defense, conduct regular audits and compliance oversight to ensure business integrity, and guarantee information security with technical safeguards and clear policies. Guided by the principle of “Safety First, Prevention Foremost, and Comprehensive Governance,” we systematically implement the HSE management system to protect employee well-being and ensure operational continuity. Together, these coordinated and multi-faceted governance practices help strengthen our risk resilience and compliance performance, supporting the Group’s long-term, high-quality development.

Fortifying the Compliance Framework

(1) Internal Control Compliance Management

The Group has established a robust risk prevention and control system, constructed a closed-loop management mechanism covering the entire process, and implemented ongoing supervision and periodic reviews by the Board of Directors, with the Risk Management and Compliance Center conducting independent assessments, thereby ensuring the standardized and efficient implementation of the internal control system.

Developing Internal Control System

The Group continues to strengthen the “three levels + three defense lines” comprehensive risk management architecture based on the COSO internal control framework, achieving an organic integration of “localized decentralized governance, standardized management, and independent supervision”.

First Line of Defense: Business Frontline Self-Governance

Comprising business units, regional and platform companies, and headquarters business departments, this line bears primary responsibility for risk management. Its core functions are to identify, assess, and continuously monitor risks within business areas, establish and improve process control measures, independently take necessary control actions, and communicate and report to senior management when necessary. This reflects the principle of “localized decentralized governance”.



STRENGTHENING CORPORATE GOVERNANCE

Second Line of Defense: Professional Support and Control

Comprising risk and compliance management functions and other headquarters functional departments, this line is responsible for establishing the Group's overall risk management mechanism, developing a system covering risk identification, measurement, monitoring, and reporting, maintaining close communication and training with the first line, assisting management in monitoring risks, and ensuring the effective implementation of systems. This reflects the positioning of "standardized management + supportive services".

Third Line of Defense: Independent Supervision and Evaluation

The Risk Management and Compliance Center serves as the independent supervision and evaluation function. In accordance with established audit standards, it conducts independent assessments of major business processes and monitoring mechanisms, verifies compliance with internal control rules and regulations, and ensures the completeness and effectiveness of the risk control mechanisms of the first and second lines, fulfilling its function of "supervision + evaluation".

We continue to reinforce the pivotal role of the Board of Directors in governance. Through systematic training covering listing regulatory requirements and risk management topics organised on a regular basis, we continuously enhance the professional competence and compliance awareness of Board members. The Audit Committee, chaired by an independent non-executive director, strictly adheres to the Articles of Association and convenes three to four formal meetings each year. Among these, two meetings are dedicated to receiving special reports from the audit and internal control departments and reviewing the evaluation report on the effectiveness of the Group's internal control system, thereby ensuring the robust operation of the internal control mechanism. Meanwhile, the senior management coordinates the risk management strategy and orchestrates the coordinated operation of the three lines of defence. At the external regulatory level, the Group proactively accepts guidance and supervision from the government and other regulatory authorities, ensuring that the risk management framework remains aligned with regulatory requirements.

Deepening Internal Control Measures

The Group deepens its awareness of internal control and compliance, promotes the standardized development of management processes and systems, continuously optimizes the governance structure, and is committed to establishing a comprehensive and compliant internal control system. At the same time, we strictly adhere to a series of internal regulations, including the *Audit and Supervision System*, *Implementation Rules of the Audit and Supervision System*, *Economic Responsibility Audit Management System*, *Management System for Rectification of Issues Identified in Audit and Supervision*, and *Supervision Regulations*, ensuring the orderly progression of internal control work and the effective implementation of various measures.

STRENGTHENING CORPORATE GOVERNANCE

To systematically enhance the project full-cycle risk management capability, the Group advances the digital transformation of audit operations and optimizes relevant procedures. We have established and implemented an internal control compliance ledger mechanism, which systematically records internal control and compliance issues identified during the audit process, forming a dynamically updated structured compliance information database, to comprehensively grasp the Group's overall compliance posture and provide a more solid data foundation for subsequent in-depth audit analysis, regional risk assessment, and continuous improvement measures. In addition, based on practical experience from past project reviews, the Group has conducted a systematic review and consolidation of historical project risks, established a standardized risk ledger with risk sources at its core, and equipped it with corresponding preventive and remedial solutions, initially constructing a systematic project risk information database. This information database serves as a key reference for subsequent project reviews and risk management work.

Compliance Risk Management

The Group systematically carries out risk identification and assessment in accordance with four major principles – strategic orientation, comprehensiveness, hierarchical classification, and risk-return alignment – and relevant systems. By collecting information from primary responsible departments and project companies and combining this with data analysis to assess the probability and impact of risks, we complete the prioritization of risks, formulate response plans accordingly, and report regularly to the Audit Committee of the Board.

The Group has fully integrated ESG risks, including climate change, into its risk management system, promoting the deep integration of ESG with business operations. Under this framework, we continuously improve the mechanism for advanced prevention and systematic risk assessment, covering risk identification, likelihood and impact analysis, risk appetite definition, and the formulation of response measures. The Group also conducts risk inspections in key areas, tracks rectifications, performs routine risk reviews, and undertakes regular internal and external audits to ensure the continuous optimization of the management system. In addition, we systematically build and strengthen risk culture through initiatives such as providing specialized training for directors and all employees, integrating risk criteria into business processes, and incorporating them into incentive mechanisms.

In 2025, the Group systematically reviewed various internal control matters, including climate change risks, through the issuance of an internal control report, providing a comprehensive account from the perspectives of standardized management, risk prevention, and cost reduction with efficiency enhancement, and clearly defining the mechanisms for identifying and responding to relevant risks. We systematically updated the *Management Measures for Project Review and Approval*, integrating risk assessment, data verification, boundary confirmation, and multi-scenario calculations into a single streamlined process, and added requirements for multi-dimensional analysis of project revenue stability and risk prevention measures to achieve the Group's objective of high-quality project investment. The implementation rules formulated around these measures further clarify review criteria such as investment red lines, vehicle investment standards, and calculation rules, embedding management requirements deeply into the review process and significantly enhancing communication timeliness and judgment accuracy.



STRENGTHENING CORPORATE GOVERNANCE

The Group continuously strengthens supervision effectiveness by aligning operational management audits with post-investment evaluation efforts. Throughout the year, post-investment evaluations were completed for 7 projects, further enhancing the systematic management of the post-investment cycle and risk prevention and control capabilities.

Risk Identification And Assessment

- In the process of preparing the periodic internal control report, we systematically identify multiple ESG risk categories related to health and safety, extreme weather, and others. Meanwhile, based on the accumulation of historical operational data from the Group's projects, we annually evaluate and determine the risk items that require focused attention. Subsequently, based on the impact of these risk matters on strategic objectives and daily operations, combined with their probability of occurrence, we comprehensively assess them using both qualitative analysis and quantitative evaluation methods.

Risk Response and Control

- In the selection of project vehicles and equipment, priority is given to new energy vehicles to reduce emissions and mitigate environmental risks. For identified operational risks such as extreme weather, we incorporate relevant rights and liability clauses into commercial agreements and strengthen communication and collaboration with relevant parties, thereby clearly defining the responsibilities and requirements of each party, effectively controlling risks, and achieving revenue stability.

Risk Monitoring and Improvement

- The Group clarifies the processes for risk identification, reporting, and response through the *Incident Management System*.
 - Rectification deadlines are set for identified risks, and the progress of rectification by the responsible departments is tracked and supervised by the risk management function.
-

Emerging Risk Management

In addition to the risks already identified, the Group faces emerging risk challenges, primarily involving geopolitical risks in international expansion and the risk of lagging technological development in the harmless treatment and resource recovery of hazardous waste. The Group is continuously strengthening its management capabilities and actively deploying response measures for these emerging risks, which have a lower probability of occurrence but higher potential impact.



STRENGTHENING CORPORATE GOVERNANCE

Project	Emerging risk 1	Emerging risk 2
	<p>Geopolitical risks arising from international expansion</p>	<p>Risk of Lagging Technological Development in the Harmless Treatment and Resource Recovery of Hazardous Waste</p>
<p>Risk description</p>	<p>In the process of expanding overseas urban solid waste management, sanitation services, and resource recovery operations, abrupt policy changes, trade protectionism, international tensions, and regional conflicts in emerging markets may lead to project disruptions, cost surges, or asset security risks, thereby affecting the return on investment in international operations.</p>	<p>With industrial development and consumption upgrades, the rapid growth of hazardous waste with complex components, such as new energy batteries and new types of chemical waste, may, due to the lag in research and development of technologies for efficient separation, deep harmless treatment, and high-value recovery, result in insufficient treatment capacity, high costs, and environmental compliance risks, constraining the competitiveness of emerging businesses.</p>
<p>Response measures</p>	<p>The Group will strengthen in-depth research and dynamic monitoring of the political and economic environments in international markets and establish a systematic country risk assessment system. Before entering new markets, sufficient political, legal, and social due diligence will be conducted. Priority will be given to regions with relatively stable political and economic environments and a solid foundation for cooperative relationships for strategic deployment. During project execution, emphasis will be placed on localized operations, actively building mutual trust with local governments, communities, and partners, complying with local laws and regulations, and fulfilling social responsibilities. At the same time, diversified models of international cooperation will be explored to enhance the resilience and adaptability of international operations.</p>	<p>The Group will continue to increase research and development investment in the frontier technology areas of harmless treatment and resource recovery of hazardous waste, with a focus on technologies for complex component identification, efficient separation, deep harmless treatment, and high-value utilization. Strategic cooperation will be actively established with leading domestic and international research institutions, universities, and technologically advanced enterprises to jointly tackle technical challenges, accelerating the introduction, assimilation, and re-innovation of technologies. A technology pilot platform will be established to expedite the engineering validation and application promotion of new technologies. At the same time, the Group will closely track the development trends of hazardous waste treatment technologies and changes in policies and standards, proactively laying out alternative technology pathways or reserving multiple technical solutions. By building an open and innovative research and development system and a flexible technology transformation mechanism, the Group will ensure rapid response and maintain a technological leadership advantage when facing challenges posed by emerging hazardous waste.</p>



STRENGTHENING CORPORATE GOVERNANCE

(2) Practicing the Principle of Integrity

The Group complies with relevant applicable laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*. At the governance level, we have formulated and effectively implemented core internal rules including the *Audit and Supervision Rewards and Punishments Management Measures*, *Anti-fraud Management System*, *Audit and Supervision System*, *Conflict of Interest Declaration System*, and *Code of Business Conduct*, and have obtained ISO37001:2016 anti-bribery management system certification.

In the reporting year, to continuously improve the compliance management system, the Group completed a systematic update of the *Compliance Manual* in accordance with the latest laws and regulations, regulatory policies, and internal management requirements. This initiative aims to further advance the standardization of the Group's compliance management, further regulate relevant audit and supervision processes, and effectively prevent and control various types of risk behaviors such as abuse of authority, insider trading, money laundering activities, and conflicts of interest. During the reporting year, the Group was not involved in any major judicial litigation cases related to corruption, bribery, money laundering, insider trading, or conflicts of interest.

Strict Adherence to Integrity

The Group continuously strengthens its control mechanisms over core areas such as ethics and integrity, bribery and interests, improper transfer of benefits, insider trading, and fraud, thereby reinforcing the defense line for compliant operations. With respect to individuals responsible for violations, graduated disciplinary measures (including warnings, salary adjustments, job changes, termination of labor relations, etc.) are strictly implemented in accordance with the *Audit and Supervision Rewards and Punishments Management Measures*, and compliance-related dispositions are made in conjunction with the compensation system. Cases suspected of constituting a crime are subject to judicial transfer procedures in accordance with the law.

In terms of integrity risk prevention and control, the Group integrates control measures throughout the entire operational process, with particular emphasis on preventing conflicts of interest at the source. We strictly implement pre-employment background checks and resolutely reject candidates with conflicts of interest. When appointing management personnel, we preclude the formation of superior-subordinate relationships between them and their relatives, eliminating associated risks through institutional measures. We have formulated and implemented a list of prohibitive regulations, and have introduced an annual conflict of interest declaration mechanism, requiring directors, senior management, and employees in key positions to truthfully complete the *Conflict of Interest Declaration Form* within the prescribed timeframe and proactively disclose potential conflicts of interest.

STRENGTHENING CORPORATE GOVERNANCE

Meanwhile, the Group's Hong Kong-based subsidiary, Shiny Glory Services, complies with local regulatory requirements by formulating the *Employee Code of Conduct* and *Employee Handbook* to clarify professional ethics and behavioral standards. All employees are required to declare potential conflicts related to their positions and receive regular anti-corruption training. Shiny Glory Services has established a multi-channel reporting mechanism, providing a confidential channel for handling reports of violations from internal and external parties. All reported matters are subject to independent investigation, with results reported directly to senior management. We explicitly prohibit any form of retaliation against whistleblowers who report in good faith. The internal control mechanism continuously optimizes the fraud risk prevention and control system, and conducts regular effectiveness assessments.

During the reporting year, we continued to strengthen anti-fraud supervision over project companies, conducting in-depth operational risk reviews through surprise audits. Upon completion of audits, we promptly collaborated with project companies to formulate rectification plans covering dimensions such as risk prevention and control, cost optimization, and customer relationships, clarifying responsible parties and completion deadlines. The rectification progress was tracked in a timely manner in accordance with the *Management System for Rectification of Issues Identified in Audit and Supervision*, ensuring the high-quality implementation of various measures and continuously consolidating the Group's integrity governance system.

During the reporting period, the Group had no material violations of anti-corruption-related laws and regulations.

Complaint and Whistleblowing Management Mechanism

The Group further advances the construction of its anti-fraud supervision mechanism, strictly implements the *Complaint and Whistleblowing Management Measures* and the *Anti-fraud Management System*, and continuously improves the whistleblowing management process within the audit and supervision system. We further expand internal and external reporting channels by publicising email, dedicated whistleblowing hotline, mailing address, and interview channels, providing employees and relevant parties with convenient and diverse avenues for anti-fraud feedback. In terms of whistleblower protection, the Group strictly adheres to the protective measures explicitly set out in the *Complaint and Whistleblowing Management Measures*, and has established and implemented a full-process information confidentiality mechanism. Throughout the process of receiving complaints and conducting investigations, we consistently apply tiered controls over the protection of whistleblowers' identities and the content of reports, conducting investigations and communications in a manner that does not expose the whistleblower's identity, thereby ensuring the security and anonymity of reporting channels and effectively safeguarding the legitimate rights and interests and personal safety of whistleblowers.



STRENGTHENING CORPORATE GOVERNANCE

Reporting Channels Management and Whistleblower Protection

The Group has established a sound whistleblowing response mechanism, ensuring that preliminary screening and compliance assessment of received complaint information are completed within five working days, and response implementation begins based on the assessment results. To enhance employees' proactive compliance awareness, foster a culture of oversight involving all employees, and promote the effective implementation of systems, we have systematically conducted promotional training on relevant reporting channels and systems, and further formulated and publicly released dedicated *Anti-bribery and Anti-corruption System* and *Whistleblowing Management and Whistleblower Protection System*, ensuring that employees fully understand and are able to effectively utilize the relevant mechanisms. For report matters that meet the criteria for investigation, we will immediately establish a special investigation team to conduct an independent review and form a complete investigation report. In strict accordance with national laws and regulations and internal rules, the Group will implement precise accountability and thorough corrective measures. For project entities with a history of fraudulent records, subsequent operational management audits will focus on them with priority, comprehensively enhancing the intensity of risk management and control by expanding audit dimensions and increasing the frequency of reviews.

We consistently uphold the protection of whistleblowers' rights and interests as a core principle, and strictly prohibit any interference with reporting or acts of retaliation. In accordance with the *Audit and Supervision Rewards and Punishments Management Measures*, any conduct that infringes upon the legitimate rights and interests of whistleblowers and those assisting in investigations will be subject to severe punishment. In cases of serious violation, we will transfer the matter to judicial authorities in accordance with the law for criminal liability, ensuring that illegal acts are subject to legal sanctions.

STRENGTHENING CORPORATE GOVERNANCE

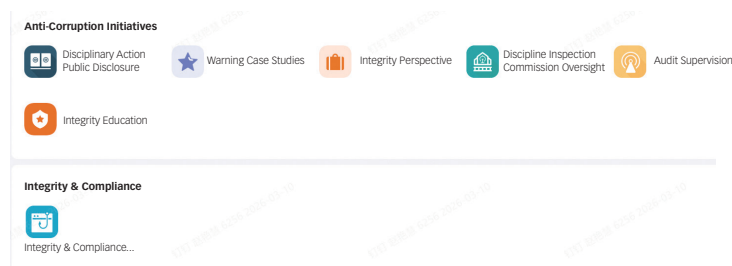
Supplier Integrity Management

In the reporting year, the Group continuously improved its supplier and supply chain management system in accordance with important management documents including the *Supplier Management System*, *Supply Chain Management System*, and *Implementation Rules for Quality Management of Centralized Procurement Materials*, deeply integrating integrity, compliance, fairness, and transparency into the entire process from selection and collaboration to evaluation. Through continuous optimization of systems and strengthened implementation and supervision, we aim to build and maintain an efficient, responsible, and resilient sustainable supply chain. To systematically prevent commercial corruption risks, the Group strictly performs its contractual obligations in business collaborations with suppliers, and continues to implement the dual-contract management model of “master contract + integrity and self-discipline contract”, strictly complying with the “prohibitions on fraudulent conduct” clause in the contracts, which explicitly requires that neither party shall provide or accept improper benefits to or from any personnel of the other party outside the agreed terms of the contract. Through regular integrity promotion and proactive disclosure of supervision and reporting channels, we continuously enhance the compliance awareness of partners, jointly signing the *Integrity and Self-discipline Contract* to regulate business conduct at the source. In the business audit process, we take suppliers’ integrity management, legal compliance, and implementation of anti-fraud policies as key review items, strictly examining the compliance qualifications of partners and the supplier introduction procedures.

Based on the comprehensive review conducted in the reporting year, the Group identified no risks in terms of supplier integrity and compliance.

Integrity Awareness Cultivation

The Group continues to deepen the development of its anti-corruption training system. In 2025, we conducted systematic integrity education for all directors and all employees through diversified forms, including compliance promotion and training, warning education conferences, distribution of integrity learning materials, and the setup of public display modules such as warning cases and integrity education on the work platform. By strengthening the promotion of anti-fraud laws and regulations and internal compliance management systems, combined with in-depth analysis of typical industry cases, we comprehensively enhance the integrity awareness and practical capabilities of employees at all levels.



Overview of Compliance Training for the Work Platform



STRENGTHENING CORPORATE GOVERNANCE



Case: Conducting Compliance Training with a Focus on Anti-corruption and Integrity

In 2025, the Group conducted comprehensive compliance promotion and training across multiple project regions, completing a total of 10 special activities covering 138 frontline business personnel, management backbone, and relevant support positions. The training content focused on the Group's systems and processes as core elements, closely aligned with actual business conditions, and centered on the interpretation of relevant laws and regulations on anti-corruption and anti-bribery, warning education through typical cases, and the reinforcement of professional ethics. Through the establishment of a regular and scenario-based promotion mechanism, the initiative aims to comprehensively enhance the compliance awareness and risk identification capabilities of all employees, continuously strengthen the foundation of integrity culture, and consolidate the internal control defence line.



Case: Deepening Integrity Education to Fortify Ideological Foundation

The Group has always upheld integrity education as a core element of integrity risk prevention and control, striving to strengthen the defence line against corruption at its ideological source. During the year, to further regulate professional conduct, the Group's Party Committee organised a General Meeting of Party Members and a Warning Education Conference for Cadres, covering all Party members, senior executives, and staff from various business centers. The meeting deepened the study of warning education materials and reinforced employees' awareness of integrity and self-discipline as well as their understanding of rules and regulations. This initiative has advanced the development of an integrity culture and provided a solid ideological foundation for sustaining a clean operating environment.

STRENGTHENING CORPORATE GOVERNANCE

(3) Safeguarding Information Privacy and Security

The Group continuously improves its information security management by strictly following the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. Also, we fully implement internal policies including the *Information Security Management System*, the *Account and Access Control Security Management Rules*, the *Information Security Incident Management System*, the *Information System Emergency Response Plan* and the *Information System Data Backup and Recovery Management System*, so as to establish a full-cycle information security protection network. In subsidiary management, Zhongyan Property Management strictly adheres to the *Beijing Property Management Regulations* and relevant laws and regulations, maintaining a robust customer privacy protection system. Beginning with human resources practices, we enter into confidentiality agreements and service commitment letters with employees to ensure end-to-end protection of customer privacy in property management services.

Optimizing Information Security Governance

The Group attaches great importance to information security and has established a management mechanism integrating decision-making, execution and supervision. The Group's senior management is deeply involved in reviewing information security strategies and making decisions on critical matters. They oversee the implementation of all related policies and assume command responsibility in the event of security incidents. At the operational level, the heads and expert teams of the information management department leverage their specialized expertise to take charge of the implementation of all security measures.

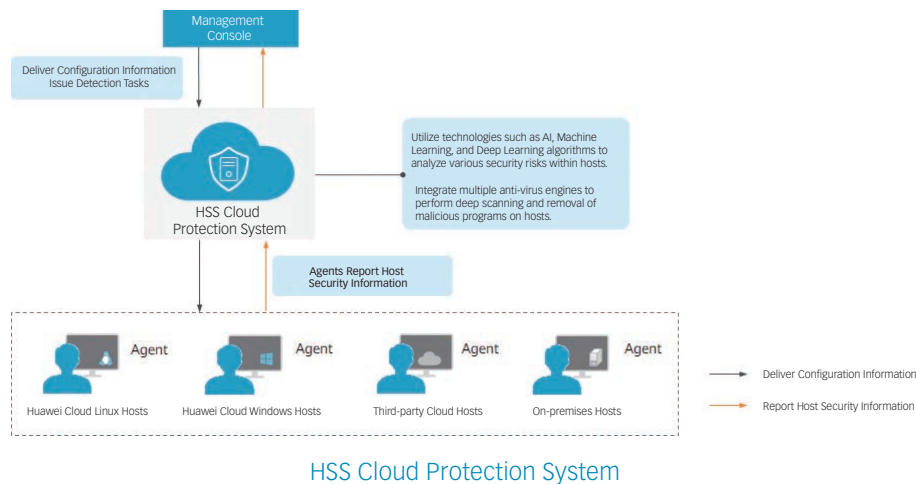
This year, we focused on enhancing our technical capabilities in information security. By introducing advanced technologies, including AI, machine learning, and deep-learning algorithms, we have achieved real-time monitoring and analysis of potential risks to our IT infrastructure. This has effectively blocked unauthorized intrusion attempts and substantially reduced security threats to our servers. Throughout this process, we commit to the responsible application of AI, ensuring strict compliance with data privacy regulations and maintaining robust cybersecurity protections. We also improved the effectiveness and precision of our information security management. By leveraging channels such as our internal collaborative platform, we actively solicit employee feedback on potential security vulnerabilities identified in daily operations and improvement opportunities. This approach fully engages all staff in security management, fostering a pervasive culture of vigilance and shared responsibility. For acts that undermine information security or violate relevant regulations, the Group will take disciplinary measures in accordance with rules, including adjustments to performance ratings, so as to strengthen the overall governance effectiveness. With these structures and initiatives, we have built a secure, trustworthy, and compliant technological environment.



STRENGTHENING CORPORATE GOVERNANCE

Implementing Information Security Measures

The Group maintains a comprehensive, multi-layered technical protection system to support day-to-day security operations and maintenance. Key measures include the deployment of web application firewalls and host security safeguards, regular vulnerability scanning, unified identity and access management, tiered data backup protocols, and centralized log auditing and monitoring. Together, these measures strengthen our overall security posture and enhance incident response readiness.



In 2025, the Group continued to improve routine security operations and maintenance. We have enhanced our proactive defense capabilities through regular vulnerability scans of critical systems, specialized attack-and-defense drills, systematic domain name management, and the deployment of multi-factor authentication. Our vulnerability scanning efforts focused on in-depth detection of core business systems and application frameworks, leading to the identification and remediation of multiple medium- and high-severity security vulnerabilities. Guided by established priorities, we coordinated with technical teams to implement corrective actions such as version upgrades and configuration hardening, achieving effective closed-loop management of these risks. These practices not only reinforce the security of the systems but also provide a robust foundation for the continuous improvement of the Group's overall security posture.

STRENGTHENING CORPORATE GOVERNANCE

System Operation and Maintenance	<p>Comprehensive operation and maintenance management is performed for 20 systems, covering servers, operating systems, networks, storage, security and backup. Real-time monitoring and troubleshooting are conducted to ensure 24/7 stable operation of information systems.</p> <p>A full-cycle operation and maintenance system enables dynamic monitoring of core components across all systems, supporting continuous reliability of essential business operations.</p>
System Data	<p>Backups totaling 190TB of programs and data from 20 production systems are maintained to ensure data availability in emergencies. 2 disaster recovery drills were conducted during the year to verify business continuity readiness.</p>
Vulnerability Scanning	<p>Regular vulnerability scanning is conducted, and high-risk vulnerabilities are remediated. A total of 16 scans were completed, during which 20 high-risk vulnerabilities were identified and fixed.</p>
Attack-Defense Drills	<p>Guided by respective project companies, regular attack-defense drills were carried out to test and enhance practical protection and incident response capabilities. These exercises enabled teams to successfully manage simulated attack scenarios.</p>
Information Security Training	<p>All employees completed the cybersecurity awareness and anti-fraud training through the "e-Anxing" online learning platform between October and November 2025. This initiative strengthened organization-wide understanding of cybersecurity risks and response practices.</p>

Advancing Information Security Certification

The Group has obtained the ISO/IEC 27001:2022 Information Security Management System certification. Meanwhile, the Group's core systems are all hosted on a third-party cloud platform that has obtained ISO 27001 and ISO 27017 certifications. Relying on its advanced and reliable security architecture as well as standardized management processes, the platform has built a solid protective barrier for the Group's data and information security. At the same time, we uphold an open and rigorous approach by continuously engaging external professional audit resources to conduct independent audits of our IT infrastructure and information security management system. On this basis, the Group continuously optimizes its management processes and security measures to ensure that its information security management system consistently meets the highest industry standards.



STRENGTHENING CORPORATE GOVERNANCE

At the internal management level, Zhongyan Property Management, a subsidiary of the Group, strictly complies with the *Beijing Property Management Regulations* and other regulatory requirements. By having all employees sign confidentiality agreements and service commitment letters, it strengthens customer privacy protection awareness at the source. Zhongyan Property Management has obtained the Information Security Management System certification (ISO 27001) and ensures that customer privacy security requirements are implemented throughout the entire property management process. Meanwhile, the Group's subsidiary Shiny Glory Services in Hong Kong places great emphasis on personal data protection and has implemented comprehensive data protection mechanisms in accordance with relevant local laws. Through the establishment of a tiered protection framework, it has set up control mechanisms to prevent unauthorized access, allowing only approved designated personnel to access data, and has implemented a system of regular access rights reviews.

In 2025, the Group experienced no incidents of information leakage, hacker attacks or customer privacy data breaches, nor did it incur any losses as a result.

(4) Optimizing Intellectual Property Management

The Group continuously complies with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. Based on its internal policies, including the *Patent Management Measures* and the *Technology Management Measures*, it comprehensively protects its own patents and technological achievements while strictly preventing the infringement of others' intellectual property rights.

To strengthen intellectual property management, the Group implements a strict approval process for project inventions and collaborates with the Intellectual Property Office and patent agencies to accelerate patent applications. In terms of risk prevention and control, we include intellectual property indemnity clauses in procurement agreements to systematically mitigate potential infringement risks in the procurement and usage processes. At the same time, through regular special intellectual property training, we continuously enhance the intellectual property protection awareness and practical capabilities of all employees. Shiny Glory Services, the Group's subsidiary in Hong Kong, also requires its employees to strictly comply with internal intellectual property policies and applicable laws and regulations in force, ensuring that all software used by the Group is properly licensed and operated in strict accordance with supplier terms.

In 2025, the Group recorded no intellectual property violations or related judicial lawsuits, maintaining a zero-litigation record.

STRENGTHENING CORPORATE GOVERNANCE

(5) Deepening Brand Communication

The Group has systematically established a brand image and reputation management framework. It strictly complies with the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other laws and regulations, and fully implements internal management systems such as the *Brand Promotion and Public Sentiment Management System*, the *Management Measures for the Beijing Enterprises Urban Resources Group VI Manual*, the *Management Measures for Correspondents of Beijing Enterprises Urban Resources Group*, and the *Information Release Management System of Beijing Enterprises Urban Resources Group*, ensuring that promotional activities are carried out in a legal and compliant manner through standardized processes, and accurately conveying its service philosophy and professional image.

To continuously improve this framework, the Group revised the *Brand Promotion and Public Sentiment Management System* in 2025, clarifying the specific content divisions for media, new media, the official website and association management, and refining management processes and requirements for different communication methods. At the same time, by improving the tiered public sentiment management mechanism, it has defined the response principles for incidents at various levels and standardized the early warning and escalation procedures, so as to ensure that public sentiment incidents are resolved in a timely and effective manner, minimize negative impacts, and continuously enhance brand reputation.

Meanwhile, based on the concept of sustainable management, the Group continuously strengthens the organizational effectiveness of brand communication. In 2025, the Group actively participated in and hosted key industry events, fully demonstrating its accumulated experience and achievements in core areas such as smart environmental sanitation, integrated urban services and urban sustainable development, successfully conveying its innovative advantages to a broad audience and significantly enhancing the influence of brand communication.

Securing the Safety Foundation

The Group consistently upholds the core principle of "safety first, prevention-oriented, and comprehensive management", regarding workplace safety and occupational health protection as integral parts of its operational management. We fully comply with the requirements of the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and refer to the ISO 45001 standard to continuously improve the *Occupational Health and Safety Management System Handbook* and related supporting policies, thereby enabling systematic control over safety risks. In 2025, we reinforced our risk management by fully integrating risk prevention mechanisms into our core business management process. By embedding risk management and information security requirements into key areas such as performance evaluation and disciplinary procedures, we have established a full-cycle safety control framework encompassing prior prevention, in-process control, and post-incident review. This ensures that safety responsibilities are effectively implemented at every level of the organization. During the reporting period, the Group recorded no major work safety incidents or cases of occupational disease.



STRENGTHENING CORPORATE GOVERNANCE

In the urban services segment, the Group and its subsidiaries have obtained ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System and ISO 9001 Quality Management System certifications at multiple service locations. In the hazardous waste business segment, among the Group's subsidiary project companies, four have obtained ISO 14001 certification, three have obtained ISO 45001 certification, and four have obtained ISO 9001 certification.

(1) Intensifying Safety Control

To ensure the effective operation of the workplace safety accountability system, we have established a Workplace Safety Committee at the Group level as the highest deliberative and decision-making body for workplace safety, aiming to comprehensively strengthen the leadership, coordination and supervision of safety efforts. The Workplace Safety Committee is chaired by the Company's President and comprises senior management, heads of relevant departments and employee representatives. An office established under the Committee serves as the daily operating body responsible for promoting and implementing specific tasks. Through regular and ad hoc meetings, the Committee performs key functions such as reviewing safety plans, analyzing situations, deploying work, organizing and coordinating emergency response and accident investigations, and approving rewards and penalties, systematically enhancing overall safety governance capabilities.

Under the unified leadership and direction of the Workplace Safety Committee, the Group has steadily advanced comprehensive safety rectification efforts, focusing on key areas such as implementing safety and environmental responsibilities, identifying and rectifying equipment and facility hazards, and strengthening control over on-site operations and high-risk work procedures. We have actively organized and carried out special initiatives such as traffic management special campaigns and the identification and rectification of equipment and facility hazards, aiming to comprehensively identify and eliminate human-induced liability risks, prevent various types of safety incidents to the greatest extent possible, and resolutely implement all workplace safety work arrangements.

To consolidate the effectiveness of rectification efforts, the Group continues to conduct comprehensive supervision and inspection of its subsidiaries. By supervising and inspecting the implementation of risk prevention and control measures, we are committed to achieving closed-loop management of hazards from identification to rectification. During the reporting period, through the implementation of the above systematic efforts, the Group recorded no major safety accidents.

The Group continuously strengthens the bottom-line awareness of workplace safety, focusing on on-site safety and environmental management. By implementing measures such as fulfilling safety responsibilities for all employees, deepening special rectification campaigns, and strengthening inspection and supervision, we have comprehensively enhanced safe operation capabilities and the effectiveness of hazard elimination. In 2025, we further improved the safety risk control system, comprehensively reinforced the safety and environmental awareness of all employees, and the safety and environmental management situation continued to remain stable and positive.

STRENGTHENING CORPORATE GOVERNANCE

This year, by increasing inspection frequency and expanding coverage, we achieved 100% coverage across urban service business regions and hazardous waste business projects, as well as 100% coverage of key and early-warning projects. At the same time, we improved 11 process assessment indicators (all with target values of 100%):

- Personnel Qualifications: Completion rate of employee HSE education and training; Compliance rate for mandatory job-specific certifications
- Equipment Management: Regular inspection rate of special equipment; Intact rate of fire protection facilities; Intact rate and operation rate of environmental protection facilities
- System Implementation: Hazard rectification rate; Compliance rate of HSE records and ledgers; Compliance rate of pollutant disposal; Completion rate for pollutant discharge permit applications
- Resource Assurance: Allocation rate of dedicated safety and environmental personnel; Enforcement rate of investigation and punishment for “three violations”

Indicator	Total
Number of on-site safety and environmental inspection and supervision conducted in 2025	5,144
Reduction rate in accidents compared to the same period in 2024	7%

Deepening HSE Management

The Group places the integration, optimization and implementation of the HSE management system at the core of its operations. Through organizational restructuring and policy upgrades, we have strengthened long-term mechanisms to provide systematic safeguards for our employees, stakeholders and operational activities. By promoting a unified management structure and refining our policy framework, we systematically enhance risk control capabilities, ensuring all work and operations remain safe, stable, and compliant. To improve coordination and execution in HSE management, the Group restructured its HSE management system in 2025. This involved integrating relevant management functions from both the urban services and hazardous waste segments. Building upon this foundation, we comprehensively merged, adjusted, and revised existing safety, environmental protection, and occupational health management systems across different business units. This resulted in a unified and comprehensive system, comprising a total of 25 polices, including the *Work Safety Responsibility System*, the *HSE Education and Training System*, the *HSE Inspection Management System*, the *HSE Hidden Hazard Investigation and Management System*, the *Personal Protective Equipment Management System*, the *Dangerous Operations Management System*, the *Traffic Safety Management System*, the *HSE Management Policy for Special Operations and Special Equipment*, and the *Fire Safety Management System*. This system further clarifies the systematic management responsibilities of all units within the Group in the areas of safety, environmental protection and occupational health. It is designed to strengthen overall safety risk control and provide a robust policy framework to support stable business operations.



STRENGTHENING CORPORATE GOVERNANCE

Based on this integration of policies and clarified accountability, we are making efforts to ensure the on-the-ground implementation of HSE requirements. We conduct regular HSE inspections and hazard identification and rectification activities to achieve closed-loop management of operational risks. This year, on-site inspections covered 9 operating regions, 46 urban service projects and 10 operating hazardous waste treatment projects, achieving full coverage of all hazardous waste disposal projects. Through systematic on-site inspections and management reviews, we continuously identify and strive to eliminate potential risks all operational stages. This effort consolidates the operational foundation of each business segment and ensures safety and compliance throughout the entire work process.

This year, the Group achieved a 100% signing rate for the *2025 HSE Target Responsibility Agreement* and established clear safety performance assessment targets. During the assessment period, we conducted a comprehensive review of the safety accident frequency and the implementation of management measures of each business unit and project company. Meanwhile, we established a corresponding reward and punishment system, integrating the assessment results directly into the performance evaluation and remuneration systems for managers at all levels.

2025 Work Safety Targets:

- "Zero" work safety accident
- "Zero" major traffic accident
- "Zero" environmental pollution accident
- "Zero" incidence rate of occupational disease
- "Zero" concealed or underreported incident

Preventing Safety Risks

The Group continues to deepen its work safety improvement initiatives by strengthening the implementation of safety and environmental responsibilities, rigorously monitoring the operational status of equipment and facilities, and optimizing on-site management and high-risk work procedure controls. A key focus remains on enhancing hazard identification and risk control mechanisms. As such, we have conducted comprehensive supervision and inspection across all project companies.

STRENGTHENING CORPORATE GOVERNANCE

The Group adheres to a regular risk reporting mechanism, employing a semi-quantitative evaluation method for risk assessment, and formulates and implements differentiated prevention and control measures based on a five-tier risk rating system (Levels 1 to 5). We have developed a dedicated Risk Prevention and Control Manual and enhance employees' risk prevention awareness and capabilities through targeted training. To ensure continuous improvement, the Group organizes unscheduled safety inspections to rigorously supervise the implementation of risk control measures at all units, establishing a full-cycle, closed-loop management system encompassing risk and hazard identification, rectification, and verification.

In 2025, the Group conducted over 70 supervisory inspections on 56 project companies, supervising and urging the rectification of more than 350 various types of hazards within specified timeframes. All identified issues were resolved in a timely and effective manner through the supervision mechanism. At the same time, the Group actively introduced AI technology and innovatively established a hazard identification AI assistant. This tool leverages advanced AI image recognition technology to assist in hazard identification and rectification. Employees can achieve intelligent hazard diagnosis through a "snap-and-report" feature, significantly enhancing the efficiency of identifying potential risks and employees' own hazard identification capabilities.

(2) Strengthening Safety Protection

The Group attaches great importance to employee health and safety. By continuously improving various safety facilities, equipment and occupational health protection measures, it builds and maintains a safe and healthy working environment for all employees. At the same time, we are committed to fostering a healthy, motivating and growth-oriented organizational atmosphere, and have focused this year on establishing a three-tier honor incentive system at the "Group-Region-Project" levels. This system aims to strengthen the exemplary and leading role of benchmarks, while being supported by diversified incentive measures, so as to more comprehensively reflect and convey the Group's core values of "being committed, creating value, and sharing with others".

Deepening Occupational Health and Safety Risk Prevention and Control. The Group continuously carries out occupational health and safety risk assessments, systematically identifying and controlling potential hazards in the workplace, while simultaneously strengthening occupational disease prevention and screening mechanisms. We strictly implement the employee occupational health and safety medical examination system, fully implement the "no work without insurance" requirement, and continuously improve the insurance protection system, building a comprehensive safety protection network for employees.



STRENGTHENING CORPORATE GOVERNANCE

Enhancing On-Site Occupational Health and Safety Management. The Group continuously improves occupational disease protection measures. Based on the characteristics of the hazardous waste business, it precisely equips professional protective equipment such as protective suits, gas masks and dust masks. For tunnel and night-time operation scenarios in the urban services business, we provide employees with safety protection equipment such as reflective safety vests and warning shoulder lights. In high-risk occupational health areas, additional gas monitoring and alarm devices are installed to achieve real-time monitoring of harmful gases such as hydrogen chloride and hydrogen sulphide, while simultaneously strengthening rapid odor elimination and ventilation measures to systematically prevent occupational health hazards. In 2025, the Group further incorporated management requirements for personal safety protection, heatstroke prevention and cooling-related expenses and supplies into the work safety expense and labor protection equipment management systems, and included them in annual budget management, providing clear compliance basis for each project. During the high-temperature season, the Group issued a total of two early warning notices, requiring each region and project to implement heatstroke prevention and cooling measures according to local conditions, effectively reducing the occupational health risks of high-temperature operations.

Meanwhile, Shiny Glory Services, the Group's subsidiary in Hong Kong, holds the OHSAS 18001 Occupational Health and Safety Management System certification and strictly complies with the *Occupational Safety and Health Ordinance* of Hong Kong. Through dynamically revising safe operating procedures, it ensures that employees promptly grasp the regulatory requirements. Protective equipment is mandatory before operations, with on-site supervisors supervising the compliant use of equipment. Regular safety training, fire drills and emergency evacuation drills are conducted, and a risk assessment and employee suggestion feedback channel is established.

STRENGTHENING CORPORATE GOVERNANCE



Case: Implementing Security Renewal to Achieve Full-Process Controllability

In 2025, to continuously enhance the safety management level of transfer stations, the Zhangdian project company in the Shandong region of the Group carried out safety management upgrade work. In terms of infrastructure, we conducted systematic inspection and renewal of equipment and facilities, achieving mechanized and enclosed operations throughout the waste treatment process. Waterproof sealing devices and leakage protection systems were added to power control boxes, and damaged boxes were replaced and reinforced, eliminating hidden risks such as cable immersion and box electrification at the hardware level. For safety signage, warning lines and signboards were uniformly designed and replaced in accordance with national standards, using reflective materials to ensure visibility at night. The combination of graphics and text enhanced visual warning effects and standardized operating procedures. For personal protection, next-generation equipment such as GPS safety badges, shoulder lights and reflective vests were distributed; safety fences, turnstiles and fall prevention ropes were installed; and monitoring and blind spot detection alarm devices were added to vehicles. These measures improved operational safety and visibility, and achieved real-time attention to employee status and emergency response through technical means, further building a safe environment at the transfer station.



Zhangdian District Transfer Station and Project Maintenance Site



STRENGTHENING CORPORATE GOVERNANCE

Implement Closed-loop Management for Accident Investigation. The Group strictly follows the *HSE Incident Management System* and the *Urban Services Incident Management System*. We continuously optimize incident reporting procedures and the standard for accident grade classification, thereby perfecting the closed-loop management mechanism for accident investigation, resolution, experience summary, and accountability.

The data on work-related fatalities and injuries among the Group's employees from 2023 to 2025 is detailed in the table below.

KPIs related to work-related fatalities and injuries²

Indicator	Data	
Number and rate of work-related fatalities in 2023	2 people	0.0035%
Number and rate of work-related fatalities in 2024	2 people	0.0030% ³
Number and rate of work-related fatalities in 2025	2 people	0.0031%
Working day loss due to work-related injuries in 2024	8,715 days	
Working day loss due to work-related injuries in 2025	5,613 days	
Proportion of working day loss due to work-related injuries in 2024	0.05%	
Proportion of working day loss due to work-related injuries in 2025	0.04%	

² In accordance with the standards for fulfilling the procedures of work-related injuries, the number of working days lost due to work-related injuries is calculated based on the actual number of days off work of the injured person. The proportion of workdays lost due to work-related injuries refers to the ratio of workdays lost during medical treatment periods (resulting from work-related injuries) to the total actual working days during the same statistical period, expressed as a percentage.

³ Due to improvements in this year's statistical methods, the 2024 data has been restated to enhance accuracy.

STRENGTHENING CORPORATE GOVERNANCE

(3) Organizing Safety Training and Publicity

The Group has formulated and implemented the *HSE Education and Training System*, delivering safety training activities with diverse themes and innovative formats to all employees, with the aim of continuously enhancing their safety protection awareness and accident prevention capabilities.

In safety training, we actively explore innovative forms, breakthroughs in models and expansion of content:

- Upgrading the interactive training platform: We have upgraded and optimized the “HSE Micro-Sharing” platform by introducing a live training function, which has significantly strengthened training interactivity and effectively improved learning effectiveness. In 2025, the Group’s urban services segment completed the production of 28 specialized training courses, with a total of 11,500 attendances, achieving full coverage of leaders from regional and project companies, as well as safety and environmental leaders.
- Deepening the tiered training system: We have established a three-tier hierarchical training mechanism of “Group-Region-Project” to provide precise empowerment for employees at different levels. By signing the Target Responsibility Agreement covering all personnel “from project managers to frontline employees”, we have clarified the safety responsibilities for each position.
- Enriching the training content system: More than 20 training courses have been designed, covering such key areas as the implementation of work safety responsibilities, emergency plan formulation and response, the application of safe operating procedures, and the use of AI technologies.
- Promoting excellent practical experience: We have comprehensively summarized and refined best practices in safety management, developed high-quality training courseware, and strictly controlled the quality of instruction. We also organized special promotion sessions for responsible persons of regional and project companies as well as heads of HSE management departments to facilitate the sharing of outstanding management experience.
- Organizing themed safety activities: A number of themed activities, such as “Work Safety Month”, “HSE Guardians”, and “119 Harmonious Fire Protection”, have been successfully organized. In 2025, these activities accumulated over 123,500 participants.
- Building a safety culture platform: Guided by the philosophy of “Life First, Environmental Protection Priority”, the *Building Safety* HSE journal has been established as a platform for conveying concepts, building consensus, and sharing knowledge. A total of 7 issues of the journal were published in 2025.

STRENGTHENING CORPORATE GOVERNANCE

In addition, the Group has continued to deepen its diversified safety training system by collaborating with professional institutions such as traffic management authorities, the Red Cross, and fire brigades. Centering on key thematic events including Fire Prevention Month, Work Safety Month, and National Traffic Safety Day, we have organized a series of specialized activities. Through a variety of formats such as themed education sessions, reward-based quizzes, and on-site visits to fire safety education bases, we have systematically promoted the popularization of traffic safety knowledge, safety warning education, first-aid skills training, fire safety knowledge lectures, and emergency evacuation drills. In 2025, the Group continued to intensify the coverage of specialized training, organizing approximately 10,457 person-times in total, which has continuously improved employees' safety literacy and emergency response capabilities.



On-site Promotion of Safety Culture

STRENGTHENING CORPORATE GOVERNANCE



Case: “Work Safety Month” Series Activities to Reinforce Group-Wide Safety Awareness

During the 2025 Work Safety Month, the Group carried out in-depth workplace safety initiatives to comprehensively enhance employees’ safety awareness and emergency response capabilities.

Centered on the theme “Everyone Prioritizes Safety, Everyone Knows How to Respond – Spot Hazards Around You,” we integrated and leveraged modern technological tools such as artificial intelligence to conduct a thorough investigation and rectification of safety hazards. These activities reinforced line management and promoted the long-term operation of the mechanism addressing the Three Types of Violations. By focusing on both proactive and reactive risk control, the initiatives promoted the implementation of primary safety responsibilities of project companies and the safety accountability of all employees. This approach effectively improved capabilities in risk identification, hazard investigation and governance. In total, approximately 67,600 person-times participated in the activities, and 9,397 safety training sessions were organized.

During the Fire Prevention Publicity Month, the Group focused on the theme “Fire Safety for All, Life First – Safe Use of Fire and Electricity”. In active response to the directives from relevant authorities, the Group organized all business units to conduct widespread awareness campaigns. A strong atmosphere was fostered through diverse approaches including banners and electronic screen displays. In total, 1,327 publicity events were held, with the participation of 55,900 person-times.

For the National Traffic Safety Publicity Day, the Group centered its efforts on the theme “Civilized Traffic, Courteous Travel” and launched targeted improvement initiatives, including in-depth internal safety warning education and awareness activities. Across the Group, 628 warning banners were put up, 2,192 thematic meetings were convened, and 938 special inspections were carried out, which effectively heightened traffic safety awareness among all employees.



Safety Awareness Session



STRENGTHENING CORPORATE GOVERNANCE

(4) Implementing Emergency Response to Accidents

The Group has systematically improved its emergency response plan system and continuously refined systems such as the *Production Safety Accident Emergency Plan*, the *Emergency Plan for Road Transportation of Dangerous Goods*, and the *Emergency Plan for Sudden Environmental Incidents*, so as to effectively prevent and control major risks such as fires, explosions and hazardous waste leaks. Our institutional documents cover the entire process, including the stockpiling of emergency supplies, plan activation and execution, handling procedures, and post-incident reviews, and clearly define the responsibilities and requirements of personnel at all levels in emergency rescue operations. In 2025, the Group organized systematic learning and training as well as practical emergency drills to ensure that employees can efficiently and orderly implement emergency response measures in response to sudden safety and environmental incidents, thereby effectively minimising casualties and property losses, and reducing environmental damage and social impacts.



Case: Enhancing Emergency Preparedness Through Drills and Training

Zhongyan Property Management, a subsidiary of the Group, has continuously strengthened its capacity to respond to various emergencies by strictly implementing its annual emergency management plan and organizing multi-scenario, regular emergency drills and response activities, thereby providing solid support for ensuring safety in the areas under its jurisdiction and safeguarding the rights and interests of residents.

In 2025, Zhongyan Property Management organized a total of 9 company-wide emergency plan drills and response activities covering scenarios such as fire protection, flood control, snow and ice removal, and extreme gale response. Throughout the year, its subsidiary units completed a total of 135 emergency drills and response activities, involving 2,738 employee participants, effectively strengthening the team's practical response and coordinated handling capabilities.

In parallel with regular drills, Zhongyan Property Management established an efficient emergency command and response mechanism through its emergency management working group. Upon receiving warning notices from higher authorities such as municipal and district-level departments, the company immediately issued emergency response directives, and the relevant units promptly activated their emergency plans, with unit leaders personally overseeing the on-site command to ensure a swift and orderly emergency response process. During the special periods this year, such as the extreme gale in April and the red rainstorm warnings from July to August, the relevant units successfully completed all emergency response and on-site handling tasks, effectively ensuring the safe and stable operation of the areas under their jurisdiction.

STRENGTHENING CORPORATE GOVERNANCE



Case: Enhancing Emergency Preparedness Through Drills and Training (Continued)

To address seasonal risks, Zhongyan Property Management strengthened anti-freezing measures for facilities and equipment before winter. Through various measures such as installing cotton door curtains on high-rise residential buildings, laying electric heat tracing systems on exposed water supply pipelines, and covering greening pipe wells with insulation materials, the company effectively prevented and reduced the impact of and damage caused by extreme cold weather on facilities and equipment.

In addition, to comprehensively protect residents' rights and interests, Zhongyan Property Management has continuously maintained public liability insurance, establishing an effective risk transfer and compensation mechanism. In 2025, compensation for 27 losses caused by extreme gale weather and 13 losses caused by summer flooding was obtained through insurance claims, effectively safeguarding the legitimate rights and interests of residents.



Conducting multi-scenario emergency drills

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

The Group sees innovation as central to progress and adheres to a development philosophy where technology enables service improvements, and quality experiences build lasting client trust. We are reengineering our operational and management models with cutting-edge digital and intelligent systems, transforming work practices through smart equipment, and leveraging industry expertise via an open ecosystem for industry-academia-research collaboration. Meanwhile, we use client satisfaction as a key benchmark to continually refine our end-to-end service system and quality standards. Powered by the dual engines of technological innovation and service innovation, the Group is continuously pioneering new frontiers of smart, high-quality development, laying a solid foundation for our vision of becoming a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation.

Driving Development Through Innovation

(1) Digital Intelligence Empowers Urban Service Reform

The Group is committed to becoming a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation. We continue to deepen the “1+N” innovative service model, leveraging smart platforms such as the “One Network Unified Management” and the Urban Operation Management Service Platform to promote the deep integration of online and offline services. We actively explore the application of new energy equipment and unmanned machinery, accelerating the transformation and upgrading of the urban service’s business to achieve dual improvements in service quality and operational efficiency.

In 2025, the Group has made digital-intelligent operations a key task for its core development and high-quality transformation, and fully advanced the three key tasks under the theme of “Digitalization for Lean Operations”. We have completed the foundational construction of the core business data platform and promoted the deep integration and application of digital capabilities in key scenarios such as quality management, safety and environmental protection control, and lean operations.

In terms of digital-intelligent management innovation, three core systems – the Urban Services Lean Operation System, the Work Object Management System, and the Vehicle and Machinery Operation Data Automatic Collection System – work together in synergy. The Urban Services Lean Operation System focuses on three core areas: machinery, labor, and material consumption. Building on the online management of all operating vehicles across the Group, it establishes a three-tier data authority control at the Group, regional, and project levels. Covering various types of vehicles, all operating scenarios, and frontline employees, it builds a unified database encompassing vehicle information, maintenance and repair, production operations, personnel attendance and costs, and the full lifecycle of materials, thereby building the data foundation for standardized management and decision support of mechanical operations.

As the core carrier for “digitalization of work objects”, the Work Object Management System integrates multi-source information such as satellite remote sensing imagery, street view photos, and road network data, applying geospatial analysis, computer vision, and big data technologies. Its 2025 objective is to achieve online management and visualization of spatial data for work objects such as roads, parks, squares, and green spaces, overcoming GIS positioning limitations and establishing digital mapping capabilities for cleaning and greening operations, providing precise support for personnel and vehicle calculation, personnel and vehicle efficiency analysis, operational planning, and investment calculation.



IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

The Vehicle and Machinery Operation Data Automatic Collection System automatically and unobtrusively captures core data throughout the machinery operation process through technologies such as onboard intelligent devices, vehicle bus, and T-BOX, ensuring the authentic, complete, and accurate recording of the operation process, and laying a data foundation for dynamic lean operation management and future intelligent scheduling. The three systems together form a data system and intelligent decision-making basis supporting the Group's operation and management, helping the Group move towards an efficient digital-intelligent management model.

In the residential property service scenario, Zhongyan Property Management, a subsidiary of the Group, has fully launched the "Beijing Enterprises Zhongyan Property Smart Community Property Management System" in five residential areas, enabling real-time handling of various matters from PC to mobile terminals. The system standardizes and simplifies the entire process from repair reporting, inspection, handling, to supervision and assessment, significantly improving service management efficiency. Through data analysis, the system can accurately identify service deficiencies and potential needs, driving service optimization and intelligent upgrading. The system's real-time monitoring and closed-loop management of work order processing and inspection task completion effectively improve the timeliness of work order responses and the completion rate of inspection tasks, eliminating missed and inaccurate inspections.

- **Deepening Lean Operations and Accelerating Business-Finance Integration:** We have established a full-scope indicator analysis system for mechanical operations, forming a core data asset pool. By focusing on the online management of fuel costs, we have promoted the integration of service revenue with full-chain cost data covering vehicle maintenance, labor, and materials, achieving the unification of business and financial accounting. In addition, we have established an online closed-loop management and automatic scoring mechanism for operational quality. Through the promotion of digital tools such as the "Today Watermark Camera" and quality management mini-programs, we have achieved real-time recording, precise traceability, and transparent rectification of service issues, significantly improving quality control efficiency and service response levels.
- **Digital Upgrading of Personnel Efficiency Management:** We have initiated the development of a personnel efficiency management system to address the lack of standardization in workforce management and issues with data accuracy, achieving visual digital oversight of work plans, execution, and quality assessments across all scenarios.
- **Deep Empowerment Through AI Scenarios:** By integrating the financial, comprehensive budgeting, human resources, and supply chain systems, we have established a business analysis indicator system. The deployment of AI-driven dynamic dashboards enables real-time data analysis (reduced from a previous lag of 3 days to real-time), and the efficiency of extracting and analyzing financial data for project companies has been improved from one week to half a day.
- **Innovative Practices in Unmanned Operations:** We have carried out a pilot program for full-scenario unmanned operations in the Qianhai area of Nanshan, Shenzhen, focusing on breakthroughs in automated operation models for high-risk and high-intensity scenarios, effectively reducing the occupational risks of frontline employees. The pilot also validates the feasibility of this model in terms of cost reduction, efficiency improvement, and safety assurance.

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE



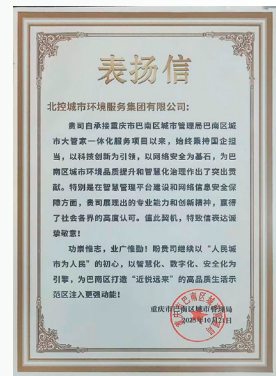
Case: Strengthening Integrated Urban Operations, Setting a Benchmark for Smart Governance

In Chongqing's Banan District, the Group has continued to enhance the City Operation Management Service Platform. By integrating seven core functions, including command and coordination, operations monitoring, and business guidance, the platform enables efficient, closed-loop management of diverse urban issues such as environmental sanitation and municipal services. A clear architecture underpins the platform's effective operation. Technologically, it relies on data aggregation and exchange, video AI analytics, and connectivity with IoT devices such as surveillance cameras, forming an intelligent foundation that provides ongoing support for urban governance. At the application level, the platform comprehensively covers environmental sanitation, municipal affairs, parks and landscaping, law enforcement, and construction waste management. Specifically, the Smart Environmental Sanitation system has achieved full online process management of operations, the Smart Municipal Affairs system is operational and being continuously refined, and the Smart Parks and Landscaping system has attained comprehensive coverage of basic static data.

The Group has always upheld its state-owned enterprise responsibility and commitment, and operates the project with technological innovation as the guide and cybersecurity as the cornerstone. The project team efficiently drove implementation and stable operations while reinforcing network and data security protections. This has enabled end-to-end smart integration from data to business collaboration, reflecting the deep service commitment of an "Urban Butler." The success of the smart management platform has gained broad recognition from various sectors and positive media attention. The Urban Management Bureau of Banan District formally commended the Group in writing, recognizing the project's active contribution in improving the quality of the regional urban environment and advancing smart governance.



City Operation Management Service Platform
for Banan District



Received a letter of
commendation from the
City Administration Bureau

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

(2) Intelligent Networking, Reconfiguring the Urban Service Space

In equipment innovation, the Group actively pursues cooperation and application of new-energy and autonomous sanitation equipment to help build a cleaner, smarter sanitation ecosystem. We have launched comprehensive, all-scenario autonomous operation pilots in established demonstration areas such as Nanshan, Pinghu, Baoan, and Longgang in Shenzhen. These sites use autonomous sweepers capable of performing unmanned charging, water replenishment, and waste disposal, representing a breakthrough in deploying unmanned solutions for high-risk and labor-intensive tasks, effectively easing physical burdens on frontline staff. At the same time, we apply technologies including 5G, AI, and the Internet of Things (IoT) to enable real-time monitoring and management of sanitation activities. We are exploring integrated operational models that contribute to “Dual Carbon” goals and support urban sustainable development.



Case: Building a Full-Scenario Intelligent Unmanned Network, Setting a New Standard for Smart Sanitation

The Group has deepened the full-scenario unmanned operation pilot in the Qianhai area of Nanshan Subdistrict, Shenzhen. Centered around 77 municipal roads in Qianwan and Guiwan communities within the area, it has built an intelligent cleaning system covering 1,792,500 square meters of roads and 1,149,100 square meters of green spaces. To enhance operational efficiency, we ultimately deployed approximately 49 driverless washing and sweeping robots on a large scale, including large, medium and small specifications, forming an efficient intelligent equipment echelon.

We continuously optimized the “scenario-adapted, precision cleaning” model, developing flexible operation methods such as “vehicle-vehicle coordination”, “single-vehicle operation” and “human-vehicle coordination”, establishing an integrated intelligent operation system featuring “human-machine collaboration” covering diverse scenarios such as major municipal roads, auxiliary roads, pedestrian walkways and squares, thereby enhancing safety and adaptability in complex environments. By integrating 5G, AI and IoT technologies, we achieved real-time visual management of the entire sanitation process, reduced manual labor intensity and safety risks.



Artificial Intelligence Sanitation Robot Competition



Autonomous Sweeper Truck

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

**Case: Empowering with Smart Governance, Safeguarding the City's Appearance**

The Group's Lintao project company closely followed the governance requirements of integrated smart governance and efficient coordination, taking digital reform as the guide to actively explore the "path of digital intelligence" and establish a comprehensive urban management smart system. We introduced the province's first fully automatic pure electric large, unmanned sweeper to replace traditional manual cleaning on main roads, and built a smart city management platform to enable real-time monitoring and intelligent dispatching of operational vehicles and waste bin status. Frontline sanitation workers were equipped with smart badges featuring SOS and heart rate monitoring functions. Unmanned aerial vehicles were also deployed for "aerial patrols" to automatically identify nearly 20 types of urban management issues, forming a three-dimensional supervision closed loop.

Through the above measures, we have achieved the mechanized and intelligent upgrading of sanitation operations. The unmanned sweeper has reduced the cleaning time for a single main road from most of a day to 40 minutes, while improving cleaning quality. The smart platform has enabled the timely collection and transportation rate of waste to reach over 98%, with vehicle empty running reduced by approximately 20%. The efficiency of aerial patrols can be more than eight times that of manual patrols, with a cumulative total of 625 issues collaboratively resolved. As a result, the mechanized cleaning rate in the urban area has remained stable at over 96%, the average response time for urban management issues has been shortened by 58% year-on-year, and public satisfaction with the urban environment has consistently remained at a high level of 97.5%.



Operational site of a large-scale unmanned sweeper

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE



Case: Mechanical Blowing Demonstrates Efficiency, Innovative Approaches for Seasonal Challenges

In 2025, facing the peak season of environmental sanitation operations, the Feicheng Project Company in the Group's Shandong region actively explored new models of mechanized and refined operations, fully deploying high-powered professional blowers to enhance operational quality and efficiency through technological empowerment.

During autumn leaf clearing, we shifted from the previous reliance mainly on manual labor, deployed over 80 blowers, established a collaborative operating model of "mechanical blowers clearing the way, manual labor following up for collection," and conducted specialized training to ensure standardized operation. Entering winter, we further expanded the functionality of the blowers, applying them to clear "light snow layers, thin ice sheets, and corner snow accumulations," especially in blind spots of large equipment such as sidewalks and platforms. Through the above measures, we achieved significant results. In autumn, the powerful airflow of the blowers rapidly gathered fallen leaves scattered in hard-to-clean areas such as the edges of green belts and brick crevices, improving cleaning efficiency by approximately 40%, significantly reducing the manual workload, minimizing dust pollution, and forming a closed loop of "immediate blowing, immediate collection, rapid removal, and rapid transport." In winter, the blowers effectively compensated for the operational blind spots of large equipment, improved the coverage and precision of snow removal, and formed an efficient collaborative network with personnel and vehicles, effectively driving the transformation of sanitation operations toward mechanization, refinement, and multifunctionality.



Using blowers for leaf sweeping



IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

(3) Innovation and Exchange, Steering Industrial Development

The Group has upgraded its scientific and technological innovation mechanism to mobilize the innovation enthusiasm of all employees. By deepening strategic cooperation with industry associations, research institutions and enterprises, we have advanced industry-university-research collaboration projects and strengthened our industry research capabilities. We closely track industry development trends, actively participate in industry exchange platforms, and grasp market innovation trends, providing support for the Group's long-term development.

At the market innovation level, we explore the application of large model technology in hazardous waste incineration operations to enhance the standardization and professionalization of hazardous waste disposal processes. We comprehensively apply technical pathways such as incineration, physicochemical treatment, resource conversion, and safe landfill to achieve volume reduction, harmless treatment, and resource conversion of hazardous waste. Feasibility studies on the resource utilization of hazardous waste have been successfully advanced, accelerating its integration into the circular economy system. The Group's relevant innovative practices and achievements have gained broad recognition from the industry, fully reflecting our continuous exploration and leading value in the field of sustainable development of urban resource services.

In 2025, the Group systematically presented its innovative practice experience at industry forums, deepening collaboration with government, academic institutions, and industry partners to promote the modernization of urban services.

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE



Case: Active Participation in Industry Development, Sharing Innovative Thinking and Practices

The Group participated in the third “10+N” City Management Bureau Chiefs Joint Conference, where we presented our practices and insights in urban environmental services to over 50 directors of city management departments and industry experts from 18 provinces and municipalities across China. Our representative delivered a keynote speech titled “Thoughts and Practices on High-Quality Development in Market-Based Environmental Services.” The address analyzed the current state and future direction of the industry, and detailed our practical approach to promoting high-quality development through the “Urban Butler” model. By showcasing a successful project case implemented in Nanjing, we engaged in in-depth exchanges with industry peers.

At the 23rd China International Urban Construction Expo, the Group further strengthened industry exchange and brand presence. The Expo centered on the theme “Building Modern, Livable, Beautiful, Resilient, Civilized, and Smart People-Centered Cities.” We maintained a professional booth in the main exhibition hall. Through curated displays and materials, we showcased our explorations and achievements in urban services to officials from the Ministry of Housing and Urban-Rural Development, representatives of local governments, and numerous industry professionals. By taking part in this high-level industry dialogue, which brought together stakeholders from housing and construction authorities, local governments, and leading enterprises, the Group helped advance modern urban service concepts on a national platform. We jointly explored pathways for high-quality urban development, broadening our network and reinforcing collaboration across the industry ecosystem.



Booth at the Expo

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE



Case: Partnering with Tsinghua GMBA, Researching Commercial Pathways for Unmanned Sanitation

The Group continues to deepen its industry-education collaboration with Tsinghua University's School of Economics and Management through its Global Master of Business Administration (GMBA) program. Within the 2025 Integrated Practice Project (IPP), we worked closely with a Tsinghua student-faculty team to examine the feasibility of commercializing unmanned operation robots in municipal sanitation. This research explores an emerging field and seeks to deliver innovative solutions that can help move beyond traditional urban service models and drive intelligent transformation.

In this collaboration, the Group and the project team, based on industry policies and market realities, focused on the core challenges such as the limited adaptability of unmanned cleaning vehicles in standard road conditions and the unclear cost structure throughout their entire lifecycle. Together, we developed a cost-benefit-based refined operation analysis model. It systematically establishes a lifecycle cost calculation framework covering equipment procurement, infrastructure, energy consumption, and maintenance, built on quantified relationships among environmental parameters, equipment performance, and staffing rules. Using site-specific data and operational efficiency targets, the model can dynamically generate optimized equipment fleet sizing, human-machine collaboration plans, and patrol-cleaning route schedules.

By introducing a dynamic cost-deviation feedback mechanism, the Group and the Tsinghua team conducted multiple rounds of simulation to optimize cost structures, including operational time windows and human-machine ratios. The final output is a closed-loop operational solution designed to lower cost per unit area while raising overall equipment utilization. This joint effort offers a replicable decision-making framework and a risk management plan for expanding the commercial use of unmanned cleaning equipment in smart sanitation scenarios. By addressing both cost control and efficiency enhancement, the project contributes valuable academic insight and practical momentum to the intelligent advancement of urban environmental services.



Tsinghua MBA Program Team Conducts Field Visit at the Group

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE



Case: Founding a Vocational Skills School, Cultivating Professional Talent for Urban Services

In South China, the Group founded a Vocational Skills Training School, creating a novel approach to cultivating industry talent. The school provides free and standardized training for frontline employees, who receive nationally recognized certificates upon passing examinations. It also welcomes external trainees to foster market-oriented operations, thereby promoting professionalism, standardization, and overall progress of the urban services sector.

The Group supported and co-hosted the “Skills Revitalize Zibo” Urban Management Industry Vocational Skills Competition in Zibo City, where our employees secured the Team First Prize for Zhangdian District. At the Shandong Environmental Sanitation Industry Skills Competition, representatives from our Zibo team earned an Individual Second Prize and a Team Third Prize, demonstrating our professional competence and dedication. In alignment with our digital-intelligent transformation strategy, the Group conducts a series of training programs for management teams. These efforts facilitate a shift from traditional management methods to digitally empowered approaches, building a stronger talent foundation for the Group’s medium – to long-term high-quality development.



Classroom Scene at Vocational School



Awards Ceremony for the Sanitation Skills Competition

Delivering Excellent Services

Adhering to the mission of “Making our living environment better”, the Group is actively building and improving a service system that delivers “Reassure the government, satisfy the public, earn profits, benefit its employees, and win together with its partners”. In terms of customer service, we consistently uphold the high-quality service concept of “being responsible, creating value, and sharing benefits”, continuously optimizing service processes and effectively enhancing customer experience through the establishment of systematic internal control standards and service evaluation systems.



IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

In 2025, the Group strengthened its customer service management mechanism, focusing on core customer needs and a return to the essence of service. We completed the sorting of customer profiles and project profiles simultaneously and developed tailored service plans for different types of customers. Through a standardized in-depth interview process, we accurately analyzed customer needs and achieved 100% customer visit coverage through a three-tier collaborative mechanism at the Group, regional, and project levels.

On this basis, we established a comprehensive set of indicators covering customer quality scores, regional rankings, complaints, and other information by clarifying the linkage mechanism between customer management, quality management, and contract renewal management. In addition to the Group's own customer complaint channels, we established a results-oriented customer complaint collection pathway. As of the end of 2025, the Group's urban services and hazardous waste businesses had not experienced any major complaints arising from product quality or service issues. In terms of service improvement, the Group continues to strengthen its internal control system, with a focus on building an operational quality control system covering the entire process, and implementing responsibilities at each level through a three-tier hierarchical management system at the Group, regional, and project levels to ensure service quality control.

The Group's urban services business primarily serves government clients. This year, we improved operational management systems such as the *Urban Services Operation Quality Management Measures* and the *Standardized Team Management Measures for Urban Services*, consistently adhering to quality management standards that exceed client requirements and closely integrating clients' individual needs with specific business operations to ensure continuous improvement in service quality. At the same time, we engage deeply in on-site project operations and proactively maintain good client relationships.

From the perspectives of methodology and systematic management, the Group has implemented a revolutionary optimization and upgrade of its operational quality management work, re-examined the entire process of operational management and developing new *Urban Services Operation Quality Management Measures*. We have established a three-tier quality management system at the Group, regional, and project levels, providing systematic specifications for the establishment of the quality management organization, definition of functions and responsibilities, staffing, and operational mechanisms. We have also established multiple working mechanisms, including an operational quality management work planning mechanism, an operational quality training mechanism, an operational quality self-inspection and self-correction mechanism, and an operational quality special inspection mechanism, achieving a full-cycle, closed-loop, systematic restructuring of operational quality management. Through this revolutionary restructuring and optimization, we aim to effectively standardize all aspects of operational quality management, accurately respond to customer needs, identify the root causes of operational quality issues, and match corresponding effective solutions for different customer needs and operational quality issues, thereby ensuring solid and effective management of operational quality processes, driving continuous improvement in customer satisfaction, and supporting the Group in achieving high-quality, sustainable development. At present, this new operational quality management system is being gradually implemented across all regions and projects under the Group.

IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

The Group carries out operational quality special improvement work for key projects. We have implemented targeted special optimization initiatives for certain projects in regions such as South China. Through on-site research, data analysis, and discussion and deduction, we formulate special optimization and improvement plans, and monitor the implementation of the plans on a weekly basis to ensure effective implementation and tangible results.



Case: High-Quality Service Earning Client Recognition

The Group has earned high recognition from relevant local government departments and units with its stable and excellent operation and service quality. Throughout 2025, the Group received numerous commendation letters, gratitude letters, and awards from units including the Emergency Management Bureau of Yizhou District, Hami City, the Logistics Support Center of the Zibo Municipal Committee Office, the Comprehensive Administrative Law Enforcement Bureau of Lanzhou City, the Party Committee of Buyong Community, the Comprehensive Administrative Law Enforcement Bureau of Feicheng City, and the Urban Management and Law Enforcement Committee of Liqun County. Recognitions included the Urban Management Contribution Award, the Outstanding Urban Management Service Unit, and the Enterprise with Outstanding Performance. These acknowledgements fully reflect our outstanding contributions and high-quality services in providing emergency environmental sanitation support for tasks such as building civilized and hygienic cities, snow and ice clearance, emergency rescue and disaster relief, and post-disaster urban restoration.



Commendation Letters and Awards



IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE

The Group's subsidiary, Zhongyan Property Management, consistently upholds the core service concept of "customer demand first, customer satisfaction first", and strictly follows a series of internal policies such as the *Beijing Enterprises Zhongyan Property Management Citizen Service Hotline Management Measures*, the *Beijing Enterprises Zhongyan Property Management Complaint Management System*, and the *Owner Satisfaction Evaluation Management System*, ensuring service quality through systematic systems. To continuously optimize customer service experience and response efficiency, Zhongyan Property Management has established dedicated personnel and posts responsible for citizen service hotline affairs, and has fully implemented the "double visit, daily clearance" service response mechanism, the project manager responsibility system, and the "complaint-immediate action" meeting coordination mechanism. By enforcing strict work discipline, standardizing complaint handling procedures, and strengthening assessment and accountability, it has effectively improved the response speed of service work orders, the problem resolution rate, and owner satisfaction, achieving effective control over resident public opinion. In the 2025 property project performance evaluation organized in the Yanshan area, Zhongyan Property Management achieved an excellent ranking with its outstanding service quality and management level, earning widespread recognition from residents, once again validating its solid service management and execution capabilities. In 2025, Zhongyan Property Management received only one service work order from the Citizen Service Hotline, and achieved the three 100% targets of response rate, resolution rate, and satisfaction rate. Meanwhile, the four subdistrict offices it serves consistently ranked among the top in the "complaint-immediate action" work rankings for subdistricts and towns in Beijing.

The Group's subsidiary, Hong Kong Shiny Glory Service, is always committed to providing excellent services, having obtained ISO 9001:2015 certification in the fields of cleaning, pest management, and waste management, demonstrating our professional standards in quality management. We continue to invest resources in multiple dimensions such as talent pipelines, data governance, infrastructure, and professional capabilities, while iteratively updating our operational systems to ensure service experience with higher efficiency, providing clients with reliable, timely, and beyond-expectation service experiences.

The Group's hazardous waste business primarily serves waste-generating enterprises as clients. We continuously improve our customer complaint handling and prevention mechanisms, maintaining smooth and effective communication channels to respond accurately and promptly to customer needs. For special circumstances such as transportation delays that may arise from production issues, we insist on communicating with customers in advance to jointly discuss and formulate emergency plans. In terms of customer complaint handling, we have established standardized handling procedures to ensure that upon receiving feedback, we can promptly verify the facts, resolve the issues in a timely manner, and pursue and implement relevant responsibilities, while using this as an opportunity to continuously optimize service quality.

Based on the solid service experience described above, during the reporting period, the Group received positive feedback from customers in multiple regions, fully reflecting their recognition of our professional capabilities and service quality.

ADDRESSING CLIMATE CHALLENGES

As global warming intensifies, addressing climate change has become a shared mission for humanity. The Group regards climate change response as an integral part of its own sustainable development, committing to reducing carbon emissions and enhancing climate resilience throughout its business operations. In accordance with the HKEX's climate-related disclosure requirements, the Group has established a climate-related disclosure system covering the four elements of "governance – strategy – risk management – metrics and targets". By integrating industry characteristics with the Group's strategic planning, we systematically identify climate-related risks and opportunities, formulate and implement corresponding response measures, and continuously enhance our climate change management capabilities.

Addressing Climate Change

(1) Governance

The Group continues to strengthen its climate governance by organically integrating the oversight and management of climate change into its ESG management system, thereby establishing a coordinated and clearly defined ESG management framework. Under the overall supervision of the Board's Sustainability Committee, with leadership from management and cross-departmental collaboration, the Group comprehensively enhances its climate change management efforts.

The Board's Sustainability Committee assumes overall coordination responsibility, oversees the formulation of climate change strategies and targets, receives reports on the assessment findings of climate risks and opportunities, response strategies, target establishment and implementation progress at least once annually, and provides corresponding recommendations. It also focuses on identifying the Group's potential climate change-related risks and opportunities, assessing the magnitude of their impact on the Group's operations, ensuring all material relevant risks are integrated into the Group's risk management framework, and conducts a comprehensive review of the effectiveness of climate change-related risk management and control on an annual basis. The management is responsible for formulating and advancing climate change strategies and targets, and conducting the identification and assessment of climate-related risks. All relevant departments and project companies of the Group actively implement management measures to address climate change within their respective business scopes in light of the actual conditions of their respective regions.

The management and the Sustainability Committee receive specialized training on ESG and climate-related topics at least once every year. The Group provides board member training covering climate change-related themes to ensure the governance body keeps abreast of the latest trends in climate-related risks and opportunities and is competent to perform relevant duties including overseeing the effectiveness of the Group's formulated strategies for addressing climate risks and opportunities.

The Group has set business-aligned climate-related targets such as energy conservation and greenhouse gas emission reduction, the progress of which is reviewed and examined annually by the Sustainability Committee. In addition, the Group links the remuneration of the management to climate-related performance indicators, which serve as important reference indicators affecting the performance evaluations of executive directors and senior management. Such indicators cover risk management (climate-related risks and opportunities), greenhouse gas emission reduction, comprehensive energy consumption, among others.

ADDRESSING CLIMATE CHALLENGES

(2) Strategy

The Group closely follows the national unified planning and the “Dual Carbon” goals strategy, closely integrating these with its own development context. It thoroughly implements the concept of green development and robustly promotes the widespread application of new energy equipment and facilities. Starting from five key dimensions – personnel management, equipment upgrades, material control, process optimization, and environmental maintenance (“people, machinery, materials, methods, and environment”) – comprehensively advances energy conservation and consumption reduction efforts, actively expands resource recovery operations, continuously improves resource utilization efficiency, and supports the enterprise in achieving a comprehensive energy transition.

Assessment and Identification of Climate-Related Risks and Opportunities

Combining external trends and internal business planning, the Group systematically analyzes the impact of key climate risks and opportunities on its business model and value chain across different time horizons. By dynamically adjusting climate change management strategies and response measures, the Group will continuously enhance its adaptability and resilience to climate change.

Risk Categories	Significant Climate Risks	Potential Impact	Time Horizon of Impact ⁴	Financial Impact
Acute Physical Risks	Typhoons	Typhoons may increase safety hazards such as falling branches and uprooted trees, thereby posing increased health and safety risks to employees; Typhoons may cause damage to construction equipment and landscaping facilities (such as fences and irrigation systems), increasing property losses and facility maintenance costs.	Short-term	Operating Costs ↑
	Heavy Snowfall	Snowfall may cause frost damage and death to greenery, detracting from the community’s aesthetic appeal, and may also cause water and heating pipes in residential areas to freeze and burst, disrupting residents’ daily lives; Snowfall may lead to increased costs for purchasing snow removal equipment and manual snow clearing, thereby raising emergency response costs.	Short-term, Mid-term	Labor Costs ↑ Equipment Expenditure ↑

⁴ Based on extensive external information and in consideration of the Group’s business operations, we have defined the time horizons for the impacts of climate risks and opportunities as follows: within one year after the end of the reporting period, inclusive of one year (short-term); from one to five years after the end of the reporting period, inclusive of five years (medium-term); and more than five years after the end of the reporting period (long-term).



ADDRESSING CLIMATE CHALLENGES

Risk Categories	Significant Climate Risks	Potential Impact	Time Horizon of Impact ⁴	Financial Impact
	Flooding and Heavy Rain	<p>Flooding and heavy rain may damage hazardous waste treatment facilities, thereby increasing the risk of project shutdowns;</p> <p>Flooding and heavy rain may cause drainage difficulties on the plant premises, increasing the risk of blockages and leaks, which in turn raises maintenance costs for equipment and facilities.</p>	Mid-term	Maintenance Costs ↑ Revenue ↓
Chronic physical risks	Gradually Rising Temperatures	Gradually rising temperatures may exacerbate odor issues at landfills, further endangering employee occupational health, accelerating equipment aging, and causing a continuous increase in workplace risks, ultimately leading to higher corporate expenditures on medical care and protective measures.	Long-term	Operating Costs ↑
Transition Risks	Regulatory Impact	Tighter regulations on emissions and energy consumption, along with the implementation of local environmental and energy-saving measures such as electricity conservation, may increase the risk of reduced production or shutdowns, ultimately leading to higher operational costs and financial pressure for the company.	Long-term	Operating Costs ↑ Revenue ↓
	Technical Specification Requirements	<p>The new landfill construction standards have raised requirements for impermeability coefficients, making site selection more difficult for the Group and increasing construction costs (e.g., investment in rigid landfills is higher than in flexible landfills);</p> <p>At the same time, the new Hazardous Waste Incineration Pollution Control Standards impose stricter requirements on flue gas emissions and feed-in standards, increasing pretreatment and exhaust gas treatment costs, thereby raising overall financial expenditures.</p>	Long-term	Construction Costs ↑ Financial Expenditures ↑



ADDRESSING CLIMATE CHALLENGES

Risk Categories	Significant Climate Risks	Potential Impact	Time Horizon of Impact ⁴	Financial Impact
	Reputational Impact	Hazardous waste treatment companies may face project delays, public backlash, rising financing costs, and lower market valuations due to community protests against facilities or market misperceptions regarding their operations. Ultimately, this leads to damage to the company's reputation and a decline in operating revenue.	Long-term	Revenue ↓
	Market Impact	As customer demands for solid waste treatment shift from "compliant disposal" to comprehensive needs for "resource recovery + intelligent management + customization," the Group's service capabilities lag behind, resulting in customer attrition and a decline in renewal rates for existing business; expansion of new business is hindered, and growth momentum is insufficient	Mid-term, Long-term	Revenue ↓

We also note that business scenarios driven by climate change are continuously expanding, which is expected to bring climate opportunities to the Group in terms of technology, climate, policy, and the market.

Significant Climate Opportunities	Potential Impact	Time Horizon ⁵	Financial Impact
Technological Opportunities	Against the backdrop of climate change, smart technologies such as the Internet of Things (IoT), cloud computing, communications technology, and big data are gradually becoming mainstream, driving the urban services market toward intelligent, information-driven, refined, and integrated development, ultimately optimizing operational efficiency and reducing financial costs.	Long-term	Financial Costs ↓
Policy Opportunities	In regions prone to natural disasters, governments may seek partnerships with capable landscaping and maintenance companies, increasing opportunities for government collaboration and ultimately driving business growth and optimizing financial returns.	Mid-Term	Revenue ↑

⁵ Based on extensive external information and in conjunction with the Group's business operations, we have defined the time horizons for the impacts of climate risks and opportunities as follows: within one year after the end of the reporting period, including one year (short-term); from one to five years after the end of the reporting period, including five years (medium-term); and more than five years after the end of the reporting period (long-term).

ADDRESSING CLIMATE CHALLENGES

Significant Climate Opportunities	Potential Impact	Time Horizon ⁵	Financial Impact
	To address climate change, cities are comprehensively implementing waste reduction and sorting initiatives at the source and actively improving the environmental quality of residential areas. This provides new directions for the Group's business expansion, ultimately driving business growth and optimizing financial returns.	Mid-Term	Revenue ↑
	Tighter local policies regarding vehicle emissions and energy consumption, coupled with the promotion of local environmental and energy-saving measures, are driving rapid upgrades in the equipment supply industry. Deploying low-energy-consumption vehicles reduces fuel, electricity, and labor costs, further enhancing corporate cost-efficiency and leading to lower operating costs and increased financial returns.	Long-term	Operating Costs ↓ Revenue ↑
Market Opportunities	The frequent occurrence of extreme weather events has provided direction for the Group's business expansion. By accumulating response experience, we are enhancing our capabilities in safety and emergency response, snow and ice removal services, and landscaping maintenance.	Short-term, Mid-term, Long-term	Revenue ↑
	The market's growing demand for efficient and sustainable waste management solutions is driving the Group to optimize its technologies and services, enhance competitiveness, and simultaneously reduce operating costs, ultimately leading to a significant improvement in financial performance.	Short-term, Mid-Term	Operating Costs ↓ Revenue ↑

Financial Position, Financial Performance, and Cash Flow

Based on years of practical experience and systematic analysis, the impact of climate change on urban services remains within manageable limits, and all types of fluctuations can be effectively addressed through routine management mechanisms. Emergency response measures implemented by each region in coordination with government departments are integrated into the local emergency management system. As climate change impacts intensify, stricter external regulatory requirements and the continued tightening of relevant policies may pose challenges to the Group's hazardous waste resource recovery projects. Project revenue and their respective proportions are as follows:

ADDRESSING CLIMATE CHALLENGES

2025 Hazardous Waste Revenue and Cost Data for Resource Recovery and Recycling Projects

Businesses Vulnerable to Climate Risks	Revenue (RMB10,000)	Operating Costs (RMB10,000)	Share of Business (%)
Hazardous Waste Resource Recovery and Recycling Project	15,459.47	13,253.95	2.46

Through continuous data analysis and dynamic assessment, the potential financial impact of other significant climate-related physical risks⁶, including potential asset losses and operational costs, did not result in any material financial impact during the current period. Additionally, given the Group's stable and standardized business operations, and the implementation of routine preventive measures and response strategies for all significant climate-related risks, no material financial impact is expected.

Climate Resilience

The Group has systematically integrated the outcomes of climate scenario analysis into daily operational management to provide effective support for business decision-making. This approach also offers forward-looking guidance for mid- and long-term strategic planning and business model optimization, ensuring that our overall development strategy is highly aligned with climate trends. We comprehensively evaluate the financial impacts of physical and transition risk⁷ by considering factors such as risk concentration, magnitude of impact, and data availability to assess the Group's ability to address climate risks under various scenarios. We apply the results of our climate scenario analysis to the development of climate response measures and transition plans to enhance our climate resilience.

1. Physical Risks

The Group uses the (Intergovernmental Panel on Climate Change) Sixth Assessment Report, and utilize the Climate and Disaster Risk Analysis Tool (GRI Risk Viewer) developed by the Global Reporting Initiative (GRI) and the Water Risk Filter developed by the World Wide Fund for Nature (WWF) to conduct climate scenario analysis of acute and chronic physical risks.

⁶ Regarding climate-related opportunities, we will maintain dynamic tracking and assessment and gradually establish a scientific and robust financial impact analysis model.

⁷ Our key assumptions include: no significant changes in the future regarding mitigation measures taken for climate-related physical risks; and accelerating the transition to low-carbon energy to address transition risks.

ADDRESSING CLIMATE CHALLENGES

Under various climate scenarios, we selected Physical Value-at-Risk⁸ to analyse the climate-related financial impacts. By assessing the Group's geographical regions, facilities, and asset distribution, we evaluated the potential impact of physical risks on the Group's operations and finances across different time horizons, excluding insurance coverage and asset-specific mitigation measures.

Selected Scenario ⁹	Current Trends	High Emissions Scenario
	SSP2-RCP 4.5	SSP5-RCP 8.5
Scenario Description	Under this scenario, greenhouse gas emissions peak around 2040 and then decline, with policy-driven actions to control the global average temperature to about a 2.5°C increase by 2100.	Under this scenario, greenhouse gas emissions increase rapidly in this century and double by 2050; the global average temperature rises by more than 4.0°C compared to pre-industrial period by 2100.
Temperature Rise Intensity	Approximately 2.5°C	Higher than 4.0°C
Scenario Source	IPCC's Sixth Assessment Report	

According to the analysis results, the Group's current asset portfolio faces low climate change risks across all four physical risks under both climate scenarios, meaning that the probability of loss for each risk is below 1%, demonstrating resilient risk management.

Assessment of financial impacts of physical risks	Current Trends		High-Emissions Scenario	
	SSP2-RCP 4.5	SSP5-RCP 8.5	SSP2-RCP 4.5	SSP5-RCP 8.5
Assessment Target Year	2030	2050	2030	2050
Typhoons	Low risk	Low risk	Low risk	Low risk
Heavy Snowfall	Low risk	Low risk	Low risk	Low risk
Flooding and Heavy Rain	Low risk	Low risk	Low risk	Low risk
Temperatures gradually rising	Low risk	Low risk	Low risk	Low risk

⁸ Physical Value-at-Risk (Physical VaR) is used to estimate the percentage of asset value lost or gained due to physical risks.

⁹ In SSPx-y, "SSPx" refers to the Shared Socio-Economic Pathway describing the baseline socio-economic trends of the scenario, while "y" refers to the approximate level of radiative forcing (in watts per square meter) resulting from that scenario in 2100; the projected temperature rise refers to the average increase in global surface temperature by 2100.



ADDRESSING CLIMATE CHALLENGES

2. Transition risk

The Group has selected Net Zero 2050 and Current Policies scenario pathways published by the NGFS (Central Banks and Supervisors Network for Greening the Financial System) to conduct a climate scenario analysis that encompasses both transition risks and opportunities.

Select Scenario	Net-Zero Scenario	Current Policies Scenario
	Net Zero 2050	Current Policies
Scenario Description	Achieve global net zero carbon dioxide emissions around 2050 through stringent climate policies and innovation, limiting global warming to below 1.5°C.	Assuming only current policies are implemented, carbon emissions are expected to continue to rise by 2080.
Temperature Rise	Lower than 1.5°C	Higher than 3.0°C
Scenario Source	NGFS	

According to the analysis, the Group faces multiple transition risks, including tightening energy and emissions policies, stricter environmental standards, market perception biases, and evolving customer demands. The Group has established effective risk mitigation mechanisms through improvements to its management structure and investments in technological innovation.

Assessment of financial impacts of transition risks	Net-Zero Emissions Scenario		Current Policy Scenario	
	Net Zero 2050		Current Policies	
Target Year for Assessment	2030	2050	2030	2050
Regulatory Risk	Low risk	Low risk	Low risk	Low risk
Technical risk	Low risk	Low risk	Low risk	Low risk
Reputational risk	Low risk	Low risk	Low risk	Low risk
Market Risk	Low risk	Low risk	Low risk	Low risk

ADDRESSING CLIMATE CHALLENGES

3. Transformation Opportunities

The Group is simultaneously facing multiple opportunities for transformation. On the technological front, smart technologies are driving the refinement of urban services operations. On the policy front, increased demand for emergency services, the comprehensive rollout of waste sorting, and stricter energy consumption standards are creating new business opportunities. On the market front, demand for extreme weather response and sustainable waste management continues to grow. The Group has established effective risk mitigation mechanisms through the refinement of its management structure, forward-looking strategic planning, and investment in technological innovation, and is actively capitalizing on the benefits of the climate transition.

Assessment of financial impacts of transition opportunities	Net-Zero Emissions Scenario		Current Policy Scenario	
	Net Zero 2050		Current Policies	
Assessment Target Year	2030	2050	2030	2050
Technology Opportunities	Low Opportunity	Low Opportunity	Low Opportunity	Low Opportunity
Policy Opportunities	Low Opportunity	Low Opportunity	Low Opportunity	Low Opportunity
Market Opportunities	Moderate opportunity	Low Opportunity	Moderate opportunity	Low Opportunity

4. Summary of Climate Scenario Analysis

Neither climate-physical risks nor transition risks have had a material impact on the Group's financial condition to date. Moreover, by 2030 and 2050, the financial impacts of climate risks are projected to remain at a low-risk level, indicating that the Group possesses strong resilience and adaptability in the face of climate-related risks. Based on the assessment of transition opportunities, it is evident that market opportunities will bring new prospects for the Group's future development under both the net-zero emissions scenario and the current policy scenario. The Group will effectively transform short – to medium-term opportunities into sustainable competitive advantages through proactive planning and resource allocation.

At the same time, the Group clearly recognizes that the frequency and intensity of changes in physical and transition risks and opportunities remain uncertain over the long term. We will continue to conduct climate scenario analysis and continuously build a more climate-resilient management system.

ADDRESSING CLIMATE CHALLENGES

Climate Risk Response

Although losses caused by extreme weather cannot be entirely avoided, the Group enhances its climate resilience and adaptability by advancing green operations, reducing greenhouse gas emissions, and strengthening climate risk management. Based on the assessment results of physical and transition risks, we have identified targeted response measures and have actively implemented various mitigation measures, demonstrating strong climate adaptability.

Risk Categories	Significant Climate Risks	Key Risk Mitigation Measures
Acute Physical Risks	Typhoons	<p>Monitor weather alerts, establish emergency communication protocols, evacuate equipment and personnel in advance of extreme weather, and strengthen safety guidance and training for employees.</p> <p>Rebuild perimeter walls using reinforced concrete and install drainage facilities, while reinforcing landscaping structures to reduce the risk of damage to equipment and facilities.</p> <p>Integrate the digital management of the smart sanitation platform into the climate risk management mechanism. A localized weather information integration system covering all operational projects has been established, displaying key meteorological data such as temperature, precipitation, and wind speed in real time at each project site, providing immediate climate information support for daily operations scheduling and emergency response.</p>
	Heavy Snowfall	<p>Monitor weather alerts, plan ahead, and optimize costs; while ensuring operational effectiveness and personnel safety, develop contingency plans for various extreme weather conditions;</p> <p>Enhance anti-freezing and anti-icing measures, such as installing insulation blankets and electric heat tracing systems, and conduct emergency drills for extreme cold weather to comprehensively improve response capabilities;</p> <p>Leveraging AI prediction models, the platform conducts dynamic analysis and trend assessments of annual snow conditions across regions, providing early warnings on snowfall timing, intensity, and impact areas. This delivers scientific and detailed decision-making support for material stockpiling, personnel deployment, and operational planning for winter emergency tasks such as snow removal and de-icing</p>



ADDRESSING CLIMATE CHALLENGES

Risk Categories	Significant Climate Risks	Key Risk Mitigation Measures
	Flooding and Heavy Rain	<p>During site selection for plant construction, environmental factors (such as 100-year flood levels and heavy rainfall intensity) are fully considered in accordance with standards and regulations. Based on survey results, measures are implemented, including raising ground elevation, increasing flood-control sand and sandbags, and installing custom flood barriers;</p> <p>Flood control supplies are stocked on-site, and flood prevention drills are conducted to enhance employees' flood response capabilities;</p> <p>Take out insurance, such as all-risk construction insurance, for ongoing construction projects to mitigate the risk of asset loss caused by unforeseen incidents resulting from extreme weather.</p>
Chronic Physical Risks	Gradual rise in temperature	<p>Adjust work schedules during periods of high temperatures to avoid hours when adverse effects on human health are most likely;</p> <p>Provide employees with personal protective equipment, beverages, and first-aid supplies, while implementing odor control and mosquito control measures such as fog cannons and insecticides to comprehensively safeguard employee health and safety.</p>
Transition Risks	Regulatory Risks	Maintain close communication with regulatory authorities, stay abreast of policy and regulatory developments, and flexibly optimize business operations.
	Technical Risks	Develop resource-efficient construction plans and high-efficiency pretreatment technologies to improve facility energy efficiency and comprehensively reduce operating costs.
	Reputational Risk	Monitor market sentiment and public opinion, prioritize climate change as a key issue, and engage with stakeholders through channels such as ESG reporting.
	Market Risk	Drive business transformation and promptly launch services that adapt to climate change and market demands.

ADDRESSING CLIMATE CHALLENGES

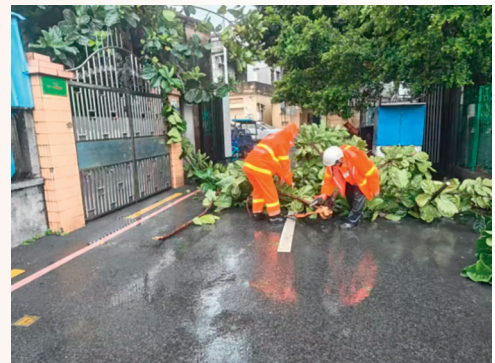


Case: Ensuring Unimpeded Traffic Through United Efforts in Extreme Weather, Safeguarding the City's Operational Lifeline

In 2025, the Group promptly activated its emergency response mechanism to address extreme weather events, efficiently completing various support tasks, securing urban safety, and ensuring smooth travel for citizens.

- **Typhoon Conditions**

In September 2025, during the passage of Typhoon “Hua Jia Sha”, strong winds and heavy rain severely affected areas such as Baoan, Nanshan, and Dongxiao in Shenzhen, leading to issues including fallen trees, clogged drainage grates, waterlogging on roads, and accumulated waste. The Group’s South China region responded immediately to the deployment of government authorities, swiftly activating the post-disaster emergency response plan, organizing all personnel to engage in emergency rescue and recovery work. They promptly cleared road surfaces, unclogged drainage facilities, and removed waste, effectively ensuring the urban appearance and resident travel safety after the disaster.



Organizing employees for emergency rescue and recovery work

- **Heavy Snowfall:**

During the snowfall in December 2025, the Zibo project in the Group’s Shandong region tracked snow conditions in real-time through a meteorological monitoring system, convened a special snow and ice removal meeting in advance, and clarified safety protocols and scientific snow-clearing procedures. We coordinated the deployment of 43 large snow removal machines and 1,300 sets of auxiliary tools, stockpiled over 500 tones of de-icing agents, and all equipment was stationed at operational points in advance, standing by 24 hours. Following the snowfall, scientific dispatching was carried out through the “One Network Unified Management” platform, implementing an operation model of “machinery as the primary approach, manual as supplementary”, and conducting snow removal in accordance with the priority principle of “viaducts first, roads later”. This operation involved a total of over 2,000 cleaning personnel, deployed 35 snow rollers, 11 spreaders, and over 20 small snow rollers, consumed more than 190 tones of de-icing agents, and efficiently completed snow removal tasks on main and secondary roads, pedestrian walkways, and other areas, effectively ensuring smooth urban roads and safe travel for citizens.

ADDRESSING CLIMATE CHALLENGES



Case: Ensuring Unimpeded Traffic Through United Efforts in Extreme Weather, Safeguarding the City's Operational Lifeline *(Continued)*



Snow removal operations in the Shandong region

- **Heavy Rainfall:**

In July 2025, the Banan project experienced torrential to exceptionally heavy rainfall. The Group immediately activated its flood control emergency response plan and actively cooperated with the Banan District Urban Management Bureau to carry out emergency rescue. All members of the departmental emergency response teams were on duty, conducting comprehensive inspections of street trees, drainage outlets, and municipal facilities, and implementing emergency measures for issues such as fallen trees, blocked sewers, waterlogged roads, and damaged facilities.



Manual silt cleaning operations

At the same time, 43 sprinkler trucks, 31 mechanical sweepers, 13 dump trucks, 9 waste compression trucks, 4 forklifts, and 50 small high-pressure washing trucks were deployed. Employing a "human-machine collaboration" model, approximately 160 tones of waste were processed, 60,000 square meters of silt were cleared, and over 1 million square meters of emergency sweeping were carried out during the flood season, saving valuable time for the rapid restoration of traffic.

ADDRESSING CLIMATE CHALLENGES



Case: Ensuring Unimpeded Traffic Through United Efforts in Extreme Weather, Safeguarding the City's Operational Lifeline *(Continued)*

- Persistent High Temperatures:**

In July 2025, the Pizhou project implemented a systematic internal control enhancement action based on the high-temperature emergency response plan to cope with persistent high temperatures. We strengthened workers' heatstroke awareness through special training, enabling them to master heatstroke self-rescue methods. We continuously distributed heatstroke prevention supplies such as Huoxiang Zhengqi liquid, cooling oil, purified water, and ice cream, ensuring that the air conditioning, drinking water, and supplies at sanitation worker stations were adequately available. At the same time, we implemented pre-shift health monitoring, suspending work for workers experiencing symptoms such as dizziness and nausea. We dynamically increased the frequency of mechanical sweeping to reduce the time workers were exposed to high temperatures. Through systematic protective measures and scientific operational scheduling, the Group effectively reduced the risks of working in high-temperature conditions, safeguarding the health and safety of sanitation workers and ensuring the stability of urban environmental services.



Sanitation workers participating in heatstroke prevention safety training



Case: Mitigating Potential Climate Risks Through Insurance

To comprehensively manage climate-related risks, the Group has secured All Risks Construction Insurance (2009 Edition) for all ongoing construction projects. This insurance covers a wide range of climate-related risks, including earthquakes, tsunamis, lightning strikes, torrential rain, floods, storms, tornadoes, hail, typhoons, hurricanes, sandstorms, blizzards, ice jams, sudden landslides, collapses, mudslides, sudden ground subsidence, and other force majeure risks. This enhances the projects' resilience against climate uncertainties and demonstrates the Group's forward-looking commitment to green development and risk management.



ADDRESSING CLIMATE CHALLENGES

Seizing Climate Opportunities

The Group actively embraces the climate transition, leveraging innovation to enhance management efficiency, strengthening its capacity to respond to extreme weather, expanding green business operations in response to environmental policies, and continuously optimizing its waste management system to drive cost reduction, efficiency improvements, and business growth.

Significant Climate Opportunities	Potential Impacts	Key Measures to Address Opportunities
Technological Opportunities	Against the backdrop of climate change, smart technologies such as the Internet of Things (IoT), cloud computing, communication technologies, and big data are gradually becoming mainstream, driving the urban services market toward intelligent, information-driven, refined, and integrated development, ultimately optimizing operational efficiency and reducing financial costs.	Leveraging big data technology to monitor and analyze the real-time movements of sanitation workers and vehicles enhances work efficiency and emergency response capabilities, enabling refined management and the optimal allocation of resources.
Policy Opportunities	In regions prone to natural disasters, governments may seek partnerships with capable landscaping and maintenance companies, increasing opportunities for government collaboration and ultimately driving business growth and optimizing financial returns.	By maintaining close coordination with regulatory authorities and staying abreast of policy and regulatory developments, we can flexibly optimize our business layout.
	To address climate change, cities are comprehensively implementing waste reduction and sorting initiatives at the source, actively improving the environmental quality of residential areas. This provides new directions for the Group's business expansion, ultimately driving business growth and optimizing financial returns.	Under the guidance of local governments, actively expand community waste sorting services, increase investment in human, material, and financial resources, support the efficient implementation of waste sorting, and promote environmental governance and sustainable development.
	Tighter local policies regarding vehicle emissions and energy consumption, along with the promotion of local environmental and energy-saving measures, are driving rapid upgrades in the equipment supply industry; deploying low-energy – consumption vehicles can reduce fuel, electricity, and labor costs, further enhancing the company's cost-saving and efficiency-boosting capabilities, thereby lowering operating costs and increasing financial returns.	The introduction of advanced machinery and equipment increases the rate of mechanized operations, effectively reducing the workload on personnel, improving quality and efficiency, and optimizing operational efficiency and service capabilities.



ADDRESSING CLIMATE CHALLENGES

Significant Climate Opportunities	Potential Impacts	Key Measures to Address Opportunities
Market Opportunities	The frequent occurrence of extreme weather events has provided a direction for the Group's business expansion. By accumulating response experience, we can enhance business scenarios such as snow and ice removal services and landscaping maintenance.	By establishing a diversified service model and adopting strategies of early deployment, efficient handling, and precision operations tailored to the weather characteristics of different regions, we provide specialized services such as snow and ice removal, rapid post-rain debris cleanup, comprehensive cleaning and dredging, and urban restoration and reconstruction, thereby comprehensively enhancing our response capabilities and service quality.
	The market's growing demand for efficient and sustainable waste management solutions drives the Group to optimize its technologies and services, enhance competitiveness, and simultaneously reduce operational costs, ultimately achieving significant improvements in financial performance.	By optimizing process flows and strengthening technological innovation, we will build integrated, systematic comprehensive waste treatment solutions to comprehensively improve service efficiency and resource utilization.

1. Actively Responding to Policy Initiatives

The Group actively responds to national and local green transportation policies, strictly adheres to regulatory requirements for vehicle energy conservation, emissions reduction, and dual-control of energy consumption, and continuously promotes the low-carbon transformation of environmental sanitation equipment. The Group fully aligns with environmental emission standards, effectively reduces energy consumption by improving the utilization efficiency of existing vehicles and gradually adopting low-energy-consumption and new-energy operational vehicles, thereby optimizing operational costs and significantly enhancing business performance.

New Energy Vehicle Purchases	FY 2024 (RMB10,000)	FY 2025 (RMB10,000)
Capital Expenditures for New Energy Vehicle Purchases	8,164.50	1,660.00

ADDRESSING CLIMATE CHALLENGES

2. Continuous Expansion of Business Scenarios

The Group actively responds to the demand for climate-resilient business expansion and continues to explore development directions in extreme weather emergency response and the circular economy. Aligning fully with urban disaster prevention and mitigation requirements, the Group advances the implementation of waste resource recycling projects in tandem with the deployment of specialized snow removal equipment and the enhancement of operational capabilities, thereby effectively optimizing its business structure and strengthening its resilience to climate risks.

I. New Snow and Ice Removal Business	2024-2025 Snow Removal Season (RMB10,000) ¹⁰	
Revenue		3,231.50
Capital Expenditures for Snow Removal Vehicles and Equipment		554.00
Expenses for Vehicle Leasing and De-icing Agent Purchases		1,953.51
II. Resource Recycling Projects	FY 2024 (RMB10,000)	FY 2025 (RMB10,000)
Operating Revenue	17,158.40	15,459.47

(3) Risk Management

The Group closely monitors the potential impacts of climate-related risks and opportunities. It has drafted and issued the *Notice on Strengthening Climate Risk Management*, requiring all project companies to incorporate the *Special Environmental Emergency Plan for Extreme Weather* into the latest version of the *Emergency Plan for Sudden Environmental Incidents*, strictly enforce Group requirements, and enhance awareness of climate risk management. All project companies have responded proactively, continuously refining processes for identifying, assessing, addressing, and monitoring climate-related risks and opportunities. They have integrated climate risk management into routine management processes and are continuously improving their comprehensive risk management framework.

¹⁰ Due to the unique nature of the snow removal season, the data here refers to financial data related to snow and ice removal operations that can be separately measured during the snow removal period from November 2024 to April 2025.

ADDRESSING CLIMATE CHALLENGES



This year, the Group conducted climate scenario analysis, systematically evaluating the potential impact of physical and transition risks with widespread implications under various climate scenarios on business strategy and financial planning. Moving forward, the Group will continue to refine the routine management mechanisms for climate-related risks, enhancing the systematic and forward-looking nature of risk management.

(4) Metrics and Targets

The Group has established corresponding management indicators and targets focused on key areas such as energy structure optimization and extreme weather response, and conducts annual evaluations to systematically advance related work.

Climate-Related Indicators

To strengthen the data foundation for climate management and enhance the effectiveness of climate action management and tracking, the Group routinely collects greenhouse gas emissions data and continuously improves its accuracy. For details on climate-related indicators, please refer to the "Key Environmental Performance Indicators" section.



ADDRESSING CLIMATE CHALLENGES

Climate-Related Targets and Progress

In alignment with our business operations and development plans, the Group is committed to continuously managing and effectively reducing greenhouse gas emissions generated during production processes, thereby mitigating the negative impact of the greenhouse effect on the global climate system. Based on our sustainability strategy and actual business developments, we will continuously review and optimize the setting of climate change-related targets, and actively track and evaluate progress toward achieving these goals.

Climate Change Response

Extreme Weather Response Targets	Progress of Targets Completion in 2025	Future Targets
In 2025, the Group's project companies will establish a more systematic emergency response plan for extreme weather events.	<p>Completed</p> <p>The Group's project companies have systematically completed the development of production safety and emergency response plans for unexpected incidents. In response to the specific characteristics of extreme weather risks in different regions, specialized emergency response plans have been formulated, covering flood prevention during heavy rainfall, extreme heat, and snow and ice removal. Concurrently, a special notice on climate change response has been issued to comprehensively deploy risk prevention and control measures, as well as emergency response protocols, for extreme weather conditions.</p>	We have further refined the Group's institutional documents, such as the Extreme Weather Risk Management Guidelines, and provide timely weather warnings and safety precautions based on current weather conditions.
Greenhouse Gas Emission Targets	Progress of Targets Completion in 2025	Future Targets
The Group's total greenhouse gas emissions per unit of revenue (Scope 1 and Scope 2) are gradually decreasing.	<p>In Progress</p> <p>In the Urban Services operations segment, promote the use of large-scale new energy sanitation vehicles and continue to optimize the energy mix. In the hazardous waste treatment segment, improve resource utilization efficiency through technological innovation and reduce greenhouse gas emissions via waste heat power generation projects.</p>	By 2028, total greenhouse gas emissions per unit of revenue (Scope 1 and Scope 2) will decrease by 5% compared to 2025.

As of 2025, we have not yet incorporated carbon pricing into our existing decision-making framework. In the future, we will continue to monitor carbon pricing policies and market changes. Based on industry practices and our own stage of business development, we will assess the necessity and feasibility of incorporating carbon pricing into our decision-making framework at an appropriate time to ensure that sustainable development goals and business strategies advance in tandem. For more details on practices implemented to achieve climate-related goals, please refer to the "Optimizing Resource Conservation" section.



ADDRESSING CLIMATE CHALLENGES

Strict Control of Pollutant Emissions

The Group fully complies with environmental protection laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and conducts all business operations in accordance with these regulations.

Hong Kong Shiny Glory Services, a subsidiary of the Group and a professional cleaning and pest management organization, relies on a large-scale fleet and related machinery for its operations, with vehicles being the primary source of air emissions during operations. The company places high importance on the management of air and greenhouse gas emissions as well as waste control in these operations, strictly adhering to local environmental regulations. Shiny Glory Services optimizes its fleet structure by adopting high-efficiency, environmentally friendly vehicle models and ensures equipment operational efficiency through a professional maintenance system, guaranteeing that all vehicle emissions comply with the standards set by Hong Kong's *Air Pollution Control Ordinance*. In addition, Shiny Glory Services (Hong Kong) holds ISO 14001 Environmental Management System certification and maintains ISO 9001:2015 Quality Management System certification across its cleaning, pest control, and waste management operations, demonstrating its professional service standards in these fields.

Regarding hazardous waste management, the Group has established an environmental management system centered on the Hazardous Waste Operations Center, facilitating information sharing and coordinated collaboration between the safety and environmental protection division and other business units. This supports project companies in strengthening safety and environmental controls, conducting risk identification, and refining disposal plans, emergency response protocols, and accountability systems. Consequently, high-risk materials are kept under secure control throughout the entire process – from entry into the site, storage, and pretreatment to final disposal. The Group has systematically established and implemented a series of processes, including hazardous waste transfer manifests, labelling management, management plans, environmental facility management, environmental monitoring, and emergency management. At the same time, it has strengthened monitoring of fugitive emissions and material leaks to ensure that pollutant emissions consistently meet standards and prevent environmental incidents.

The Group's three hazardous waste project companies – Shandong Pingfu Project, Jiangxi Project, and Yichang Project – all maintain ISO 14001 Environmental Management System certification, consolidating the Group's standardized management standards in the hazardous waste operations sector.

ADDRESSING CLIMATE CHALLENGES

(1) Environmental Management Framework

At the operational level of our urban services business, we have established a three-tier safety and environmental management framework comprising “Group Headquarters – Regional Centers – Project Companies.” By creating a closed-loop process for safety and environmental improvement – comprising “training and awareness campaigns, on-site support, systematic review, and continuous optimization” – we clarify the safety and environmental responsibilities of each region and project company to ensure comprehensive accountability. Additionally, we have organized all units to standardize job-specific safety operating requirements and promoted the implementation of the Group’s *Compilation of Safety Operating Procedures* at all levels, thereby helping regional and project companies enhance their autonomous safety and environmental management capabilities.

Regarding the environmental management mechanism for hazardous waste operations, we have designated the Hazardous Waste Operations Center as the environmental management coordination hub. We have established a cross-departmental information-sharing and collaborative mechanism between the safety and environmental protection division and other business units to assist project companies in strengthening safety and environmental controls. Simultaneously, we systematically conduct environmental risk assessments and refine emergency response plans, contingency protocols, and environmental accountability systems to ensure that high-risk materials remain under secure control throughout the entire process – from entry into the facility, through storage, pretreatment, to final disposal.

(2) Implementation of Air Quality Remediation Measures

Air pollutants generated during the Group’s operations primarily originate from dust generated during sanitation operations and exhaust emissions from hazardous waste treatment facilities. We have formulated and implemented the *Solid Waste, Wastewater, Exhaust Gas, and Noise Management System*, which clearly defines the primary environmental responsibilities of units at all levels. This system standardizes the full-process control requirements for pollutants such as solid waste, wastewater, exhaust gas, and noise generated during production, ensuring that collection, storage, transportation, utilization, and disposal comply with current environmental regulations. By reducing the risk and severity of environmental incidents, we promote the Group’s sustainable development.

In the urban services sector, we continue to deepen our dust control practices. Building on standardized operational procedures, we prioritize the application of mechanized wet sweeping and high-frequency water sprinkling for dust suppression. For key road sections in built-up areas and dust-prone zones, we implement targeted measures to enhance control precision, significantly reducing dust generation and continuously improving air quality in operational areas.



ADDRESSING CLIMATE CHALLENGES

Road Cleaning

We systematically deploy professional equipment including wet sweeping vehicles, high-pressure washing vehicles and fog cannon vehicles to conduct in-depth cleaning of sections from urban main roads to the outer ring road. At the same time, in accordance with standardized cycles, we carry out meticulous washing and maintenance of public facilities such as public transit facilities, public interest billboards and traffic barriers, to ensure that no dust residue remains on the surfaces of these facilities, thereby achieving the normalized cleaning goal of “the original color of the road surface is restored, and the markings are clearly visible”.

Scientific Dust Suppression

We actively promote scientific dust suppression measures. By applying environmentally friendly dust suppressants during water sprinkling operations, we significantly enhance the dust suppression efficiency on main streets. We dynamically optimize the water sprinkling plan based on regional characteristics and meteorological conditions, and focusing on the area within a 500-meter radius of the urban core, we carry out all-day circular water sprinkling and spraying operations to ensure the road surfaces remain continuously moist, thereby systematically reducing the level of road dust pollution.

In our hazardous waste incineration operations, we strictly adhere to the *Pollution Control Standards for Hazardous Waste Incineration* and local air pollutant emission standards to manage air pollutants. Internally, we have issued and implemented the *Notice on Further Strengthening the Management of Pollutant Emission Compliance* and the *Environmental Monitoring and Information Disclosure Management System* to clarify and enforce environmental protection responsibilities at all levels and strengthen source control of pollution. Regarding nitrogen oxides, sulphur dioxide, and particulate matter generated by incineration, we implement effective management of exhaust gas emissions through a series of technical measures – including combined purification and online monitoring – in conjunction with waste heat recovery systems. This ensures that emissions are not only consistently compliant with standards but are further reduced. Relevant environmental monitoring data will be disclosed via websites, information disclosure platforms, electronic display screens, or other channels accessible to the public in a timely manner, in accordance with local environmental protection regulations. Compliance assessments of the monitoring data will be conducted in accordance with established procedures. Concurrently, we are enhancing environmental emergency management to continuously improve the standardization and responsiveness of project management. We also provide employees with training on waste reduction to ensure that all staff clearly understand their responsibilities in pollution prevention and control, thereby driving the effective implementation of environmental protection measures across our subsidiary project companies.



ADDRESSING CLIMATE CHALLENGES

Waste Heat Recovery

Flue gas from hazardous waste incineration undergoes full combustion in a secondary chamber above 1100°C before entering the waste heat boiler system for efficient energy recovery.

Flue Gas Purification

A combined purification process, including “SNCR + quench + dry reactor + bag filter + wet acid removal,” achieves comprehensive purification.

Online Monitoring

Continuous real-time monitoring of emissions is ensured via devices installed at discharge points. Data is transmitted to the control room and environmental authorities and recorded for reference.

Control of Fugitive Emissions

To effectively control fugitive emissions, the Group has implemented a dual management strategy. On the one hand, efforts are focused on enhancing equipment sealing and strictly controlling hazardous waste packaging. On the other hand, additional exhaust gas collection and treatment facilities (utilizing a combined process of alkali washing, UV photolysis, and activated carbon adsorption) have been added in hazardous waste temporary storage and production areas, ensuring all emissions comply with regulations.

Air Pollution Emission Targets

2025 Targets

In 2025, the VOCs deep treatment project at the Yichang Project Project’s incineration facility will be completed and put into operation, achieving a reduction of approximately 15 tons in volatile organic compound emissions.

Progress of Targets Completion in 2025

Completed

Future Targets

From 2026 to 2028, the Yichang Project Project’s Incineration Workshop VOCs Advanced Treatment Project will continue to achieve an annual reduction of approximately 15 tons in VOC emissions.

ADDRESSING CLIMATE CHALLENGES

**Case: Special Dust Control Campaign to Ensure Urban Cleanliness**

In 2025, in response to strong winds and sandstorms, the Group's North China Region and Shun Project immediately activated emergency response plans, intensifying cleaning and dust suppression efforts to ensure a clean urban environment. We deployed 3 water sprinkler trucks and 3 street sweeper-washers to conduct 3 rounds of wet sweeping and 6 rounds of dust suppression operations on the main streets of the county's urban area. Through back-and-forth patrols using water sprinkler trucks and wet sweepers, and by deploying all available water-carrying sanitation vehicles, we intensified mechanized operations such as dust suction, street sweeping, misting, and washing to minimize the impact of sand and dust to the greatest extent possible. These operations effectively suppressed road dust, accelerated the settling of sand and dust, and created a clean and comfortable living environment for citizens. In the future, our Group will continue to adjust operation frequencies based on temperature and weather changes, adopt a combination of manual and mechanical methods, and intensify high-density water spraying and dust suppression in key areas to promote continuous improvement in air quality.



Water Sprinkling and Dust Suppression Operations
at the Heshun Project

ADDRESSING CLIMATE CHALLENGES

(3) Strengthening Water Quality Control

The Group treats leachate from urban services operations, wastewater from street-sweeping vehicles, as well as leachate and project wastewater from hazardous waste operations as key targets for water environment management.

In the urban services sector, the Group continues to strengthen management of discharge points throughout the operational process:

- For collected leachate, we ensure that all of it is transported to compliant wastewater treatment plants for final disposal by engaging professional third-party contractors or mobilizing internal resources.
- Regarding the management of wastewater from street-sweeping vehicles, we adhere to a three-stage sedimentation process, requiring that wastewater undergo sedimentation and pass compliance testing before being discharged at designated locations.
- We have further strengthened process controls over environmental data. By improving record-keeping, implementing regular monitoring and verification mechanisms, and ensuring timely closed-loop feedback, we guarantee the accuracy and reliability of data, as well as full traceability throughout the process, ensuring that all discharge activities consistently meet regulatory requirements.

In 2025, the Group's Safety and Environmental Protection Department completed environmental inspections across regions and projects in the North, Guizhou, South China, Central China, East China, Southwest China, and Hunan-Hubei, focusing on on-site leachate and street sweeper wastewater discharge. For identified issues, we provided on-site guidance to ensure timely rectification.



ADDRESSING CLIMATE CHALLENGES

The Group continues to prioritize leachate control in the hazardous waste sector, as well as the treatment of waste liquids and project wastewater:

- We strictly adhere to the *Standards for Pollution Control of Hazardous Waste Landfills* in our operations. By standardizing landfill management, implementing rainwater-sewage separation, and covering non-operational areas, we effectively reduce leachate generation.
- We implement precise controls during the physical-chemical treatment phase to progressively remove pollutants from various waste liquids and wastewater, ensuring that all post-treatment indicators meet discharge standards.
- For wastewater generated during operations, each project company utilizes its own on-site wastewater treatment plants, employing a combined “physical chemical + biological” treatment process to ensure the wastewater meets discharge standards. Notably, the Shandong Pingfu project has consistently implemented the “zero discharge” standard required by the environmental impact assessment, achieving the goal of 100% wastewater reuse. In addition, projects such as Weifang Project, Xuzhou Pingfu Project, and Zigong Project are also committed to reducing the total volume of wastewater discharged and the consumption of fresh water resources by actively increasing reuse rates.

Wastewater Discharge Targets

2025 Targets	Progress of Targets Completion in 2025	Future Targets
In 2025, the Yichang Phase II Organosilicon Hazardous Waste Resource Utilization Project and the Shandong Pingfu Project will continue to employ wastewater recycling technologies to ensure “zero discharge” of operational wastewater.	Completed	From 2026 to 2028, the Yichang Phase II Organosilicon Hazardous Waste Resource Utilization Project and the Shandong Pingfu Project will continue to utilize wastewater recycling technology to ensure “zero discharge” of operational wastewater.

ADDRESSING CLIMATE CHALLENGES

(4) Advancing Soil Remediation

The potential impacts on the soil environment resulting from the Group's operations primarily fall into two categories. First, the dispersion and deposition of solid hazardous waste, which gradually seeps through the surface into deeper soil layers. Second, leaks of liquid and semi-solid hazardous waste during storage, leading to migration into the soil.

In 2025, the Group continued to conduct routine inspections for soil pollution risks in accordance with the *Soil Pollution Risk Identification System*. Several project companies further refined their soil pollution risk assessment management mechanisms and engaged professional third-party technical agencies to assist in conducting systematic inspections. During the assessment process, standardized procedures – including data collection, staff interviews, identification of key sites and facilities, and on-site surveys – were employed to conduct a comprehensive investigation of potential pollution hotspots within the plant premises. Based on this, a soil pollution risk assessment report was compiled, outlining self-monitoring plans for soil and groundwater, and the implementation of relevant prevention and control measures was continuously advanced.

Building upon the completion of routine internal and external hazard inspections, the Group will conduct a special inspection of the impermeable systems in key pollution control areas in 2025 to further strengthen source control capabilities.



ADDRESSING CLIMATE CHALLENGES

(5) Hazardous Waste Management

The hazardous waste generated during the Group's operations primarily includes categories such as furnace slag, fly ash, waste packaging materials, and filter press residue. To enhance management and disposal efficiency, we employ a comprehensive approach combining landfill disposal, incineration, and physical-chemical treatment to optimize the management of newly generated hazardous waste.

Landfill

Procedures like the *Safe Landfill Operating Procedures* and *Emergency Response Measures for the Solidification Workshop* standardize solidification and landfilling. Waste is sampled and tested before acceptance, with disposal plans based on results. Waste meeting acceptance standards is landfilled directly; other waste undergoes pre-treatment to meet standards before landfilling.

Incineration

The Group follows the *Operating Procedures for Industrial Waste Incineration Treatment* and *Emergency Response Measures for the Incineration Workshop*, ensuring stable incineration of combustible waste and compliant emissions. Pursuant to the *National Hazardous Waste Catalogue*, recovered scrap metal from incineration is sent to qualified smelters for resource recovery, achieving metal recycling and reducing landfill burden.

Physicochemical Treatment

Guided by management systems like the *Operation Guide for Special Waste Disposal in the Physicochemical Workshop* and the *Operation Guide for the Physicochemical Reaction System*, the Group adopts physicochemical treatment processes to realize resource utilization of waste liquid. All related operations are carried out in compliance with system guidelines.

ADDRESSING CLIMATE CHALLENGES

• **Hazardous Waste Transportation Management**

In managing hazardous waste transportation, the Group strictly adheres to internal logistics management systems such as the *Hazardous Waste Transfer Management Measures*, *Management System for Outsourced Logistics Companies*, and *Logistics Transportation Process Management System*. We continuously refine our detailed control system to effectively manage environmental and social risks and ensure the safety and reliability of the entire transportation process.

- In selecting outsourced carriers, we employ a bidding process and enforce strict review and management procedures to verify that carriers possess the professional qualifications, permits, and operational capabilities required by law.
- To ensure seamless coordination across the collection, transportation, storage, disposal, and transfer of hazardous waste, we strengthen process inspections and record-keeping to ensure traceability of information at every stage. We also regularly report operational data to the competent authorities as required, thereby achieving closed-loop management of environmental risks throughout the transportation process.
- We conduct regular specialized safety inspections of our contracted carriers. Carriers found to have safety hazards during these inspections are required to complete corrective actions within a specified timeframe.
- To prevent secondary pollution during the loading and unloading of hazardous waste, we strictly enforce relevant management regulations to ensure that waste packaging is intact and clearly labelled. We also provide necessary protective materials to carriers to prevent the risk of leakage during transport.

(6) Noise Pollution Control

All project companies within the Group continuously carry out noise pollution prevention and control efforts. We enhance occupational health protection for on-site personnel by strengthening noise protection training for employees and providing personal protective equipment such as earplugs. At the same time, we focus on source control and strengthen equipment maintenance to reasonably reduce operational noise. To systematically assess noise impacts, we regularly commission qualified third-party agencies to monitor the acoustic environment around our facility boundaries each year. According to the monitoring results, the noise levels at the boundaries of all project companies meet the relevant national and local standard limits.



ADDRESSING CLIMATE CHALLENGES

Optimizing Resource Conservation

The Group is committed to promoting energy conservation, reducing consumption, and advancing resource recycling. Our efforts focus on three key areas: optimizing the energy mix, conserving water resources, and recycling waste materials, with the aim of continuously improving energy and resource utilization efficiency.

(1) Improving Energy Structure

The Group is upgrading its energy system toward a greener and more efficient model, pursuing two core strategies: first, the promotion and application of clean energy to continuously optimize the energy mix; second, the implementation of the lean principle of “eliminating waste and continuous improvement,” establishing a mechanism for refined management and routine improvement centered on the five dimensions of “people, machinery, materials, methods, and environment. “Through targeted measures such as optimizing energy efficiency, upgrading production technology, and strengthening employees’ sense of responsibility, we systematically advance energy conservation and consumption reduction, achieving weekly improvements and results, and continuously enhancing resource utilization efficiency.

➤ Use of Clean Energy

We actively align with national policy directives by phasing out high-emission, outdated vehicles to continuously reduce the fleet’s overall emissions. Simultaneously, we are accelerating the transition to new energy vehicles such as electric and LNG models, and utilizing idle new energy vehicles to replace fuel-powered ones, thereby further increasing the proportion of clean energy usage. This year, new energy vehicles accounted for 23% of the total procurement value for newly purchased large vehicles, and the proportion of new energy vehicles in the existing fleet rose to 40%, with large sanitation vehicles comprising 16% of that total. Hong Kong Shiny Glory Services, a subsidiary, prioritizes environmental performance as a core criterion in vehicle procurement, giving preference to models with high fuel efficiency and low pollutant emissions (over 90% of vehicles during the reporting period met Euro 5 or higher standards). Through a professional maintenance system, the company continuously optimizes operational efficiency to ensure all emissions comply with the standards of Hong Kong’s *Air Pollution Control Ordinance*.

➤ Energy Conservation and Consumption Reduction

The concept of energy conservation is implemented throughout the entire project lifecycle, strictly adhering to national and industry energy efficiency standards. A scientific management system has been established by creating dedicated energy management positions, implementing dynamic energy consumption plans, and conducting in-depth energy consumption analyses. In the construction sector, we select compliant energy-saving materials, systematically design and configure smart metering devices and automated control technologies, and prioritize high-efficiency, energy-saving processes when selecting equipment. Hong Kong Shiny Glory Services focuses on controlling office electricity and water consumption, achieving intensive resource utilization through technical upgrades and employee behaviour guidance (such as regular energy-saving training and environmental practice guidance).



ADDRESSING CLIMATE CHALLENGES

Energy Structure Optimization Targets

2025 Targets	Progress of Targets Completion in 2025	Future Targets
<p>In 2025, at least 85% of the Group's existing diesel-powered hook-lift trucks in Shenzhen will be replaced with LNG-powered hook-lift trucks.</p>	<p>Completed</p> <p>The Group has been progressively replacing existing diesel hook-lift trucks with LNG models in its Shenzhen projects, replacing a total of 30 vehicles throughout the year, with over 85% of diesel hook-lift trucks now replaced by LNG models.</p>	<p>In the future, the Group will continue to use LNG hook-lift trucks in its Shenzhen projects.</p>
<p>In 2025, the Group's Shandong Pingfu Waste Heat Power Generation Project is expected to generate approximately 4 million kWh of electricity; the Weifang Project Photovoltaic Power Generation Project is expected to generate approximately 1.8 million kWh of electricity.</p>	<p>Partially completed¹¹</p> <p>The Group's Shandong Pingfu Waste Heat Power Generation Project generated 3.49 million kWh of electricity in 2025; Weifang Project Photovoltaic generated 1.94 million kWh of electricity in 2025.</p>	<p>From 2026 to 2028, the Group's Shandong Pingfu Waste Heat Power Generation Project is expected to generate approximately 3 million kWh of electricity annually.</p> <p>The Group's Shandong Weifang Project Photovoltaic Power Generation Project generates approximately 1.8 million kWh of electricity annually.</p> <p>From 2027 to 2028, the Group's Yichang Project Steam Power Generation Project is expected to generate approximately 3.8 million kWh of electricity annually.</p>
<p>In 2025, the proportion of the Group's existing large-scale new energy sanitation vehicles among all sanitation vehicles will exceed 16%.</p>	<p>Completed</p> <p>The proportion of the Group's existing large-scale new energy sanitation vehicles in the total sanitation vehicle fleet has reached 16.44%.</p>	<p>By 2028, the proportion of the Group's existing fleet of new energy sanitation vehicles to the total number of sanitation vehicles will exceed 42%.</p>

In 2025, we achieved 2,881.16 tons of carbon dioxide emission reductions through waste heat power generation and photovoltaic power generation. Additionally, the replacement of diesel hook-lift trucks with LNG-powered ones in Shenzhen projects achieved a further 52.28 tons of carbon dioxide emission reductions during the year.

¹¹ Power generation at the Group's Shandong Pingfu project decreased compared to 2024, primarily due to the scheduled replacement of refractory materials in the rotary kilns of both Phase I and Phase II of the incineration facility in 2025. Phase II experienced multiple shutdowns for maintenance, resulting in reduced annual steam production; meanwhile, the increased volume of materials requiring evaporation treatment in the physical-chemical processing workshop led to higher steam consumption in that workshop compared to 2024.

ADDRESSING CLIMATE CHALLENGES



Case: Green Technology Innovation Drives Low-Carbon Development

The Group continues to deepen the integrated application of green energy and clean technologies. Through operational optimization and technological innovation, we provide sustained momentum to advance the implementation of the “Dual Carbon” goals and fulfill our commitment to sustainable development.

- Promotion of New Energy Vehicles and Smart Management:

In our Shenzhen projects, we are continuously expanding the scale of new energy sanitation vehicle deployment and comprehensively advancing the low-carbon transformation of sanitation operations. Leveraging technologies such as China Mobile 5G, artificial intelligence, the Internet of Things (IoT), and big data cloud computing, we have achieved round-the-clock intelligent scheduling and monitoring of personnel, vehicles, equipment, and tasks. By exploring integrated operation models and refined workflow planning, we are driving the transformation of sanitation services toward greater efficiency and resource optimization. By the end of 2025, over 85% of the originally used fuel-powered hook-lift trucks in the Shenzhen project have been replaced with LNG hook-lift trucks, further enhancing the environmental sustainability of cleaning operations.

- Energy Substitution and Efficiency Improvement for Incineration Systems:

In the operation of the Zigong project, we implemented technical upgrades to the incineration system burners and adopted natural gas as an alternative fuel, effectively reducing fuel costs. Natural gas combustion primarily produces carbon dioxide and water, with significantly reduced emissions of sulphur oxides, nitrogen oxides, and particulate matter, strongly supporting pollution control efforts and national clean energy policy requirements. Additionally, natural gas combustion leaves no residue, helping to reduce nozzle clogging and equipment corrosion, which extends equipment service life while lowering maintenance costs.

- Application of Energy Storage Systems and Grid Coordination Optimization:

At the Xuzhou Pingfu project, the commissioning of energy storage systems has enabled flexible allocation and efficient utilization of electrical resources. The system stores energy during off-peak hours and discharges it during peak hours, helping to smooth out fluctuations in grid load and reduce electricity costs. In the event of grid instability or failures, the energy storage system provides emergency backup power to ensure the project’s stable operation. This initiative not only reduces reliance on traditional energy sources but also offers a viable pathway for carbon reduction and energy conservation, serving as a practical reference for our efforts to promote green and low-carbon operations.

ADDRESSING CLIMATE CHALLENGES



Case: Application of Energy-Saving and Emission-Reduction Products to Improve Resource Utilization Efficiency

In new construction and renovation projects for public restrooms, our Group actively implements energy-saving and emission-reduction measures. We have taken the lead in advancing smart restroom upgrades in the Nanming District and Butuo projects, having completed renovations on more than 30 facilities to date. We utilize operational data to continuously optimize the functional layout of restroom spaces and focus on selecting advanced water-saving and energy-efficient equipment to enhance management efficiency. We have fully equipped our facilities with sensor-activated faucets to enable automatic on/off control, effectively preventing water wastage. Additionally, we have installed sensor-activated urinal flush systems, significantly reduced water consumption and lowering the risk of pathogen transmission. Regarding lighting system upgrades, the Kunming Wuhua and Xisan projects have adopted high-brightness, low-power-consumption LED energy-saving lamps, complemented by 5W touch-sensitive mirror lights, which have substantially reduced electricity consumption. Through these technological applications, we have not only conserved water resources and reduced electricity costs while improving resource utilization efficiency, but we have also upheld the concept of green operations while ensuring the quality of public services, thereby achieving dual improvements in both economic and environmental benefits.



Renovated public restrooms



ADDRESSING CLIMATE CHALLENGES

(2) Promoting Water Recycling

The Group continuously monitors trends in water conservation and water-related regulations and policies. By leveraging digital and intelligent technologies, we have deepened the refined management of water resources while simultaneously conducting water conservation training for employees to continuously improve water utilization efficiency and recycling rates. While ensuring normal project operations and hygiene safety, we focus on reducing water consumption across all business processes. In 2025, the Group did not encounter any significant issues regarding the procurement of applicable water sources.

Going forward, the Group will continue to leverage its smart sanitation platform to systematically summarize and promote water-saving technologies and management practices. Through integrated applications across our urban services business, we will comprehensively improve water resource utilization, further reduce water consumption, and promote the efficient use of resources and the optimization of water resource allocation.

➤ Water Resource Management Practices in Urban Services

In environmental sanitation services, we dynamically optimize the methods and frequency of water sprinkling and dust suppression operations based on changes in indicators such as PM2.5 levels, air humidity, and surface temperature across different regions and time periods, thereby achieving intensive use of water resources.

In landscaping services, the Group leverages intelligent, data-driven management approaches to implement precise maintenance operations, improve water utilization efficiency, and provide support for the sustainable advancement of urban greening.



ADDRESSING CLIMATE CHALLENGES

Smart Irrigation Technology Support System

- We utilize IoT technology to collect real-time environmental data – such as soil moisture content, temperature, and humidity – via soil moisture sensors and weather stations, which is then uploaded to a smart control platform to inform the automatic optimization of irrigation schedules.
- By deploying equipment such as solenoid valves and water pumps, and utilizing automated control technology, the system receives instructions from the platform to perform scheduled, metered automated irrigation, ensuring timely and precise water supply to plants.
- Leveraging cloud computing and big data technologies, we store and analyse data related to soil, weather, and plant growth to continuously optimize irrigation strategies and improve water resource utilization efficiency.
- At the communication level, we utilize wireless technologies such as LoRa, Wi-Fi, and 4G/5G to enable remote monitoring and centralized management of irrigation equipment, effectively reducing reliance on manual labor.

Smart Management Model

- We implement personalized irrigation strategies, setting irrigation parameters by zone based on differences in plant species, seasons, and growth stages to achieve the goal of precise water supply.
- The system supports real-time remote monitoring of soil moisture, weather data, and equipment status via computers or mobile devices, enabling rapid response to abnormal conditions.
- When abnormal soil moisture levels or equipment malfunctions are detected, the system automatically triggers an alert mechanism to promptly notify management personnel for resolution.
- Irrigation operations can automatically adjust water volume and start/stop times based on real-time data, meeting plant growth needs while achieving water conservation goals.
- The system visualizes data through charts and other formats, assisting managers in analyzing plant growth conditions and providing a basis for optimizing irrigation plans.

Application Benefits

- This system achieves water conservation and improved efficiency, significantly reducing water waste through precision irrigation.
- The system's remote monitoring and automated operation reduce the need for manual intervention, helping to save labor costs and alleviate the workload.
- Scientific irrigation management promotes healthy plant growth, thereby enhancing the overall quality of the landscape and contributing to the improvement of the urban environment and residents' quality of life.



ADDRESSING CLIMATE CHALLENGES

In mechanized operations, the Group adheres to the operational philosophy of “prioritizing the use of reclaimed water and using tap water only as an emergency backup.” Through systematic water resource management, the Group has achieved significant cost reductions and efficiency gains while simultaneously conserving water and reducing consumption. In numerous projects across Southwest China, South China, and Guizhou, we actively collaborate with local specialized water treatment plants and sewage treatment plants to comprehensively promote the use of purified reclaimed water as a substitute for tap water, thereby effectively conserving water resources and continuously advancing the greening of our operations.

➤ Comprehensive Water Resource Management and Recycling Practices in Hazardous Waste Operations

In the operation of our hazardous waste business, the Group strictly requires all project companies to fully comply with relevant local policies and regulations. By enhancing on-site water treatment capabilities, we effectively treat production wastewater, ground wash water, and initial stormwater to ensure the treated water meets reuse standards. To reduce fresh water consumption, boiler feedwater is filtered through reverse osmosis membranes and then used in the incineration system. Additionally, collected rainwater undergoes a combined physical-chemical and biological treatment process and is reused in strict accordance with environmental impact assessment requirements, thereby systematically improving water resource utilization efficiency.

Continued Deepening of Reclaimed Water Utilization

The Group continues to deepen the efficient utilization of reclaimed water, viewing it as a key pathway to water conservation and emissions reduction. For project companies located near the reclaimed water treatment plant, we reasonably apply reclaimed water in daily operations – while ensuring environmental safety – to effectively reduce the consumption of fresh water resources. For operations such as vehicle washing, transfer station management, and public restroom maintenance, tap water is still used based on operational requirements and public health standards. Thanks to these refined management measures, by 2025, cumulative water savings reached 22%, amounting to approximately 1.27 million tons of water saved and approximately RMB3 million in water bill savings. This has achieved dual benefits of economic efficiency and environmental protection, contributing to the construction of a resource-conserving and environmentally friendly society.

ADDRESSING CLIMATE CHALLENGES

(3) Promoting Waste Reuse

The Group continues to build a green management system covering the entire lifecycle of hazardous waste. Relying on technological innovation and process optimization, we are comprehensively advancing the development of resource recovery operations. Adhering to the principles of “reduction, resource recovery, and harmless disposal,” we have formulated and implemented resource recovery plans, focusing on achieving comprehensive recycling and high-value utilization of waste materials, thereby enhancing resource utilization benefits and overall efficiency.



Case: Industrial Continuous Pyrolysis Technology Supports Low Emissions

This year, our Group has advanced the research, development, and practical application of pyrolysis technology. We employ industrial continuous pyrolysis processes to treat hazardous waste, yielding gaseous, liquid, and solid products. Through advanced industrial continuous pyrolysis production lines, we have achieved the reduction, resource recovery, and safe disposal of hazardous waste, ensuring the safety, efficiency, and consistent quality of project operations. Notably, the liquid byproduct (pyrolysis oil) generated during the process can be supplied as feedstock to downstream refining and petrochemical enterprises, significantly reducing the final emissions of waste throughout the entire process.



Case: Resource Recovery Copper Extraction Technology Enables Value Regeneration of Hazardous Waste

This year, the Group’s Shandong Pingfu Project subsidiary deepened its resource recovery strategy by commissioning Phase I of its resource recovery project for sludge and copper-containing hazardous waste. With a total designed treatment capacity of 10,000 metric tons per year, the project leverages mature copper extraction technology to efficiently recover and refine copper-containing hazardous waste, converting it into sponge copper products and achieving both the harmless disposal and resource recovery of hazardous waste. By 2025, the project had cumulatively received and disposed of 5,235 tons of various copper-containing hazardous wastes in compliance with regulations. Through core extraction processes, it ultimately produced 426 tons of sponge copper, which entered the downstream metal refining cycle. The Group continues to ensure the project’s safe, environmentally sound operation and maximized benefits through stable process control and continuous technological adaptation.



ADDRESSING CLIMATE CHALLENGES

Resource Utilization Targets

2025 Targets	Progress of Targets Completion in 2025	Future Targets
In 2025, the Group's Yichang Resource Recovery Project will achieve 100% recycling of hazardous waste, with no secondary hazardous waste generated.	<p>Completed</p> <p>The Group's Yichang Resource Recovery Project has commenced operations, achieving 100% recycling of hazardous waste with no secondary hazardous waste generated. Its designed processing capacity is 20,000 tons per year.</p> <p>Phase I of the Shandong Pingfu Pulp Sludge and Copper-Containing Hazardous Waste Resource Recovery Project has commenced operations, with a total designed processing capacity of 10,000 tons per year.</p>	From 2026 to 2028, both the Group's Yichang Resource Recovery Project and the Shandong Pingfu Resource Recovery Project will continue to achieve 100% recycling of hazardous waste, with no secondary hazardous waste generated.
From 2025 to 2027, the Shandong Pingfu thermal cracking project will reach a designed capacity of 5,000 tons per year	<p>In progress</p>	From 2026 to 2027, the Shandong Pingfu pyrolysis project will have a designed capacity of 5,000 tons per year

Building a Beautiful Ecological Environment

A healthy natural ecosystem is the cornerstone of society's long-term stable development. The Group adheres to policies regarding ecological protection red lines, actively responds to the *Convention on Biological Diversity*, and has formulated and implemented the *Biodiversity Conservation Management Policy*, continuously strengthening the management of biodiversity-related risks across all business operations.

■ Full-Cycle Ecological Management of Hazardous Waste Treatment Projects

In the early stages of hazardous waste treatment projects, we rigorously conduct feasibility studies on site selection and spatial layout, focusing on analyzing the potential impacts of facility construction on regional vegetation cover, land ecological functions, and biodiversity. During project implementation, we consistently prioritize the protection of natural habitats, wetlands, forests, wildlife corridors, and agricultural land, minimizing disturbances to the surrounding environment and communities. Through specialized monitoring and assessment, we continuously verify the integrity of ecosystems within the ecological protection red line to ensure that all projects fully comply with ecological protection red line management regulations.

ADDRESSING CLIMATE CHALLENGES

■ Systematic Environmental Impact Prevention and Control for Hazardous Waste Incineration Projects

For hazardous waste incineration projects, we systematically assess the impact of fuel consumption and exhaust emissions on the local natural environment and resources, and implement targeted emission and waste reduction measures to minimize the ecological burden during operations.

Leveraging our resources, technology, and industry expertise, the Group continuously expands its business scope and enhances service capabilities in landscaping and greening. By the end of 2025, the Group will manage approximately 49.48 million square meters of landscaped areas and maintain approximately 105 million square meters of water bodies. At the same time, we organize various environmental awareness campaigns and practical activities to promote eco-friendly concepts, support biodiversity conservation and ecological civilization development, and jointly strengthen the ecological foundation for sustainable development.



Case: Comprehensive Renovation Brings New Life to Wetland Park

In April 2025, to enhance the level of refined management and maintenance and create a cleaner and more beautiful urban public environment, the Group's Banan Project Company launched a comprehensive improvement campaign to enhance the quality of Yangchun Wetland Park. Building upon our routine cleaning protocols, we strictly followed a combined process of "sweeping, hosing down, scrubbing, washing, and wiping" to conduct meticulous deep cleaning of hard-to-reach areas such as park pathways, drainage ditches along green belts, tree rings, and brick joints. We also carried out concentrated scrubbing and wiping of trash bins, facilities, guardrails, benches, and signage. Concurrently, we carried out a special environmental sanitation campaign along Babin Road. This initiative ensured the park was "free of trash, stains, and dust, revealing its original colors and presenting a fresh new look." A total of over 100 person-shifts were deployed to clean approximately 1,000 square meters of sidewalks, roadways, and green belts, removing about 0.2 tons of trash, trimmed 6,000 square meters of shrubs, cleared 11,500 square meters of weeds, mowed 5,500 square meters of lawn, replenished 480 square meters of lawn soil, and hosed down approximately 3,000 square meters of pavement.



Environmental Improvement

ADDRESSING CLIMATE CHALLENGES



Case: Precision Maintenance of Winter Landscaping

During the critical winter maintenance period of 2025, our Group's Shandong region has been systematically advancing precision maintenance work at the Zibo landscaping project. We organized staff to remain on duty, conducting safety inspections across the managed areas with a focus on clearing flammable materials such as dead branches and fallen leaves to strictly prevent fires. At the same time, we seized the optimal window for winter pruning to perform scientific shaping and trimming on evergreen plants and various flowering shrubs, removing diseased and weak branches while sculpting attractive forms in accordance with the plants' natural growth patterns. Through these measures, we effectively eliminated fire hazards in green spaces, ensuring the safety of landscaping and the integrity of the landscape during the holiday season. The pruning work has enhanced the plants' cold resistance and improved the overall aesthetic quality of the landscape, laying a solid foundation for the plants to survive the winter and thrive in the coming year.



Landscape maintenance staff at work

Standardized Construction Management

In all construction activities, our Group strictly adheres to national laws, regulations, and policy requirements, including the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution*, the *Work Plan for the Assessment of Standardized Environmental Management of Hazardous Waste during the 14th Five-Year Plan Period*, and the *Guidelines for Identifying Soil Pollution Risks at Key Supervised Entities (Trial)*. We also promptly revise, disseminate, and implement internal regulations in accordance with these legal updates. This year, we further optimized the *Engineering Management System*. By integrating existing business models and distinguishing between different project types, we clarified the responsibilities and management requirements of relevant departments and personnel through improved project assessment and post-evaluation management. This initiative aims to strengthen environmental protection responsibilities and enhance the entire workforce's awareness of sustainable development.

ADDRESSING CLIMATE CHALLENGES

During the early stages of a project, the Group conducts comprehensive due diligence on each project, including on-site assessments of factors such as safety, environmental protection, and the impact of extreme weather conditions. We also actively visit peer companies and engage in discussions with industry experts. By integrating industry data with our own production conditions, we systematically identify various potential risks and changes, clarify key control areas, and thereby provide a solid basis and a reasonable timeline for comprehensive evaluations of project feasibility and environmental impact, effectively mitigating project risks.

The Group fully implements the national “Three Simultaneities” system for environmental protection, ensuring that this system covers all new construction, renovation, and expansion projects.

- During the project approval phase, we conduct environmental impact assessments in accordance with the law.
- Upon entering the design phase, we commission qualified design firms to strictly adhere to laws, regulations, and technical standards, selecting advanced processes and technologies to complete the design of environmental protection equipment and facilities.
- During the construction phase, we select fully qualified contractors to organize construction strictly in accordance with design drawings and technical standards, ensuring the quality of the construction work.
- During the trial operation and final acceptance phases, the supporting environmental protection facilities are accepted simultaneously with the main project and put into operation at the same time.
- During subsequent production and operation, we continuously strengthen the maintenance and management of environmental protection facilities to improve their integrity and operational rates, ensuring they function continuously and stably.



ADDRESSING CLIMATE CHALLENGES

During the construction and renovation of sanitation facilities such as waste transfer stations and public restrooms, our Group has systematically formulated and implemented a range of environmental protection measures.

Regarding the construction of waste transfer stations:

- Low-noise compression equipment and new sound-absorbing and sound-insulating decorative materials are used to effectively control operational noise.
- We installed mist-based deodorization systems to reduce dust and odor emissions.
- We have installed a three-stage wastewater filtration and treatment system to ensure that discharged water meets regulatory standards.

Regarding the construction and renovation of public restrooms:

- Select high-efficiency lighting fixtures and related accessories.
- Prioritize the use of water-saving sanitary fixtures, improve the water recycling system, and increase water reuse rates.
- Use new building materials such as hollow bricks, fly ash blocks, and lightweight insulated panels to reduce energy consumption.
- Install PVC-coated steel windows with excellent airtightness and thermal insulation to further enhance the building's energy efficiency.

During the construction process, our Group not only implements the above environmental measures but also strives to create project sites with rational layouts, meticulous construction, and high environmental standards. By optimizing facility planning, enhancing greening levels, and upgrading environmental protection equipment, we are dedicated to building "garden-style" factories that coexist harmoniously with nature and leave no obvious industrial footprint, thereby achieving coordinated development between the factory premises and the surrounding environment.

ADDRESSING CLIMATE CHALLENGES

Environmental Key Performance Indicators¹²

(1) Greenhouse Gas Emissions¹³

Business Segment	Indicator	Unit	2025
Urban Service Business	Greenhouse Gas Emissions (Scope 1 and Scope 2)	Ton	107,508.71
	Direct Greenhouse Gas Emissions (Scope 1)	Ton	91,839.10
	Gasoline	Ton	8,208.25
	Diesel	Ton	78,934.58
	Natural Gas	Ton	4,696.27
	Indirect Greenhouse Gas Emissions (Scope 2)	Ton	15,669.61
	Purchased Electricity	Ton	14,235.05
	Purchased Heat	Ton	1,434.56

¹² During the reporting period, due to changes in the status, quantity, and scale of the Group's urban services business and hazardous waste treatment projects, along with an increase in vehicle operations and a decline in the quality of materials received for hazardous waste treatment, there were certain variations in greenhouse gas emissions, pollutant discharges, waste generation, energy consumption, and water usage across the Group's various business segments compared to the previous year.

¹³ Greenhouse gas emission data are presented in carbon dioxide equivalent (CO₂e) and are calculated based on the 2021 Emission Reduction Project Baseline Emission Factors for Chinese Regional Grids published by the Ministry of Ecology and Environment of the People's Republic of China, as well as the IPCC Guidelines for National Greenhouse Gas Inventories 2006, Revised Edition 2019 published by the Intergovernmental Panel on Climate Change (IPCC). Direct greenhouse gas emissions from the urban services business primarily stem from the consumption of natural gas, gasoline, and diesel by vehicles during the operation of project companies. Indirect greenhouse gas emissions arise from electricity and heat consumption during the operation of project companies. Direct greenhouse gas emissions from the hazardous waste treatment business come from the consumption of natural gas, gasoline, and diesel during the operation of project companies. Indirect emissions are attributed to electricity and heat consumption during the operation. Direct greenhouse gas emissions from the waste electrical and electronic equipment treatment business originate from the consumption of gasoline and diesel during the operation of project companies. Indirect emissions result from electricity consumption during operation. Direct greenhouse gas emissions from the headquarters office building are generated by natural gas used in the canteen and gasoline consumed by office vehicles during operation. Indirect emissions are due to electricity consumption during the operation of the headquarters.



ADDRESSING CLIMATE CHALLENGES

Business Segment	Indicator	Unit	2025
Hazardous Waste Treatment Business	Greenhouse Gas Emissions (Scope 1 and Scope 2)	Ton	47,564.30
	Direct Greenhouse Gas Emissions (Scope 1)	Ton	4,536.36
	Gasoline	Ton	161.36
	Diesel	Ton	1,115.31
	Natural Gas	Ton	3,259.69
	Indirect Greenhouse Gas Emissions (Scope 2)	Ton	43,027.94
	Purchased Electricity	Ton	15,084.80
	Purchased Heat	Ton	27,943.14
Shiny Glory	Greenhouse Gas Emissions (Scope 1 and Scope 2)	Ton	822.06
	Direct Greenhouse Gas Emissions (Scope 1)	Ton	822.06
	Gasoline	Ton	8.55
	Diesel	Ton	813.51
	Natural Gas	Ton	–
	Indirect Greenhouse Gas Emissions (Scope 2)	Ton	–
	Purchased Electricity	Ton	–
	Purchased Heat	Ton	–

ADDRESSING CLIMATE CHALLENGES

Business Segment	Indicator	Unit	2025
Headquarters Office	Greenhouse Gas Emissions (Scope 1 and Scope 2)	Ton	227.58
	Direct Greenhouse Gas Emissions (Scope 1)	Ton	9.87
	Gasoline	Ton	2.78
	Diesel	Ton	–
	Natural Gas	Ton	7.09
	Indirect Greenhouse Gas Emissions (Scope 2)	Ton	217.71
	Purchased Electricity	Ton	217.71
	Purchased Heat	Ton	–
	Group Level	Value Chain Greenhouse Gas Emissions (Scope 3)	Ton
Purchased Goods ¹⁴		Ton	5,517,609.34
Capital Goods ¹⁵		Ton	7,665.18
Fuel and Energy-Related Activities		Ton	50,384.55
Total	Total Greenhouse Gas Emissions (Scope 1 and Scope 2)	Ton	156,122.65
	Total Greenhouse Gas Emissions (Scope 1, 2 and 3)	Ton	5,731,781.72
	Greenhouse Gas Emissions Per Unit of Operating Revenue	Ton/ RMB 10,000	0.25

¹⁴ Purchased goods by the Group include operating vehicles, workwear, waste bins, tires, and lubricants. The methodology for calculating greenhouse gas emissions and the associated emission factors are based on the *China Products Life Cycle Greenhouse Gas Emission Coefficient Collection*.

¹⁵ Capital goods of the Group comprise machinery and equipment, electronic devices, transportation equipment, and office furniture. The methodology for calculating greenhouse gas emissions and the associated emission factors are based on the *China Products Life Cycle Greenhouse Gas Emission Coefficient Collection*.



ADDRESSING CLIMATE CHALLENGES

(2) Pollutant Emission¹⁶

Business Segment	Indicator		Unit	2025
Urban Service Business	Exhaust Emissions	Sulfur Dioxide	kg	531.24
		Nitrogen Oxides	kg	252,738.49
	Wastewater	Ton	731,132.06	
Hazardous Waste Treatment Business	Exhaust Emissions	Sulfur Dioxide	kg	2,464.36
		Nitrogen Oxides	kg	68,803.40
		Hydrogen Sulfide	kg	94.29
		Ammonia	kg	10,605.70
		Particulate Matter	kg	4,402.86
		Carbon Monoxide	kg	10,904.88
		Hydrogen Chloride	kg	2,237.88
	Wastewater	Ton	103,895.39	
Shiny Glory	Exhaust Emissions	Sulfur Dioxide	kg	5.12
		Nitrogen Oxides	kg	1,862.01
		Particulate Matter	kg	–
	Wastewater	Ton	–	
Headquarters Office	Exhaust Emissions	Sulfur Dioxide	kg	0.02
		Nitrogen Oxides	kg	0.09

¹⁶ The exhaust emissions from the urban services business come from sanitation operation vehicles; exhaust emissions from the hazardous waste treatment business originate from the incineration of hazardous waste; exhaust emissions from the waste electrical and electronic equipment treatment business are generated by office vehicles; and exhaust emissions from the headquarters office building are produced by office vehicles. The emission volumes of exhaust gases from vehicles are calculated in accordance with *the Technical Guidelines for the Compilation of Emission Inventories of Atmospheric Pollutants from Road Vehicles (Trial)* issued by the Ministry of Environmental Protection of China.

ADDRESSING CLIMATE CHALLENGES

(3) Waste¹⁷

Business Segment	Indicator	Unit	2025
Urban Service Business	Total Hazardous Waste	Ton	1,152.96
	Total Non-hazardous Waste	Ton	7,861.55
Hazardous Waste Treatment Business	Total Hazardous Waste	Ton	42,098.84
	Total Non-hazardous Waste	Ton	62.63
Shiny Glory	Total Hazardous Waste	Ton	–
	Total Non-hazardous Waste	Ton	228.74
Headquarters Office	Total Hazardous Waste	Ton	–
	Total Non-hazardous Waste	Ton	25.73
Total	Total hazardous waste	Ton	43,251.80
	Total Amount of Hazardous Waste Per Unit of Operating Revenue	Ton/ RMB 10,000	0.07
	Total Non-hazardous Waste	Ton	8,178.65
	Total Amount of Non-hazardous Waste Per Unit of Operating Revenue	Ton/ RMB 10,000	0.01

¹⁷ Based on its operational characteristics, the Group's hazardous waste primarily consists of fly ash, boiler ash and slag generated from hazardous waste incineration projects, as well as sludge produced from wastewater treatment in hazardous waste treatment and urban services operations. After being treated in compliance with regulatory standards, such fly ash, boiler ash, slag and sludge are either landfilled at the Group's own landfills or transferred to other qualified entities for compliant disposal. Non-hazardous waste mainly consists of domestic waste generated during the Group's operation, and its estimation is based on the Manual of Emission Coefficients for Urban Life Sources from the First National Pollution Source Census issued by the State Council.



ADDRESSING CLIMATE CHALLENGES

(4) Energy and Water Consumption¹⁸

Business Segment	Indicator	Unit	2025
Urban Service Business ¹⁹	Total Energy Consumption	MWh	378,534.57
	Direct Energy Consumption	MWh	346,346.04
	Gasoline	MWh	32,128.17
	Diesel	MWh	291,355.47
	Natural gas	MWh	22,557.50
	Photovoltaic and Waste Heat Power Generation (Self-generated and Self-used)	MWh	304.90
	Indirect Energy Consumption	MWh	32,188.53
	Purchased Electricity	MWh	28,565.61
	Purchased Heat	MWh	3,622.92
	Water Consumption²⁰	Ton	24,349,131.66
	Fresh Water	Ton	22,898,294.34
	Reclaimed Water	Ton	1,450,837.32

¹⁸ The energy consumption data is calculated based on the consumption of electricity and fuel, using the relevant conversion factors provided in the General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Standardization Administration of China.

¹⁹ The direct energy consumption of the urban services business primarily comes from the natural gas, gasoline, and diesel consumed by vehicles during the operation of project companies. Indirect energy consumption comes from the purchased electricity and heat consumed during the operation of project companies. The direct energy consumption of the hazardous waste treatment business comes from the natural gas, gasoline, and diesel consumed during the operation of project companies, as well as the electricity generated through photovoltaic and waste heat power generation. Indirect greenhouse gas emissions come from the purchased electricity and heat consumed during the operation of project companies. The direct energy consumption of the waste electrical and electronic equipment treatment business comes from the gasoline and diesel consumed during the operation of project companies. Indirect energy consumption comes from the electricity consumed during the operation of project companies. The direct energy consumption of the headquarters office building comes from the natural gas used in the canteen and the gasoline consumed by office vehicles during operation. Indirect energy consumption comes from the electricity consumed during the operation of the headquarters. Fresh water consumption primarily comes from the purchased municipal tap water and self-extracted water during the Group's operation. Reclaimed water consumption primarily comes from the purchased municipal reclaimed water during the Group's operation.

²⁰ During the year, water consumption increased compared to the same period last year, primarily due to the growth in water consumption resulting from new projects.



ADDRESSING CLIMATE CHALLENGES

Business Segment	Indicator	Unit	2025
Hazardous Waste Treatment Business	Total Energy Consumption	MWh	123,210.81
	Direct Energy Consumption	MWh	25,495.75
	Gasoline	MWh	631.14
	Diesel	MWh	4,140.85
	Natural gas	MWh	15,293.76
	Photovoltaic and Waste Heat Power Generation (Self-generated and Self-used)	MWh	5,430.00
	Indirect Energy Consumption	MWh	97,715.06
	Purchased Electricity	MWh	27,145.93
	Purchased Heat	MWh	70,569.13
	Water Consumption	Ton	244,187.90
	Fresh Water	Ton	157,628.40
	Reclaimed Water	Ton	86,559.50
	Shiny Glory	Total Energy Consumption	MWh
Direct Energy Consumption		MWh	3,035.46
Gasoline		MWh	33.41
Diesel		MWh	3,002.05
Natural gas		MWh	–
Photovoltaic and Waste Heat Power Generation (Self-generated and Self-used)		MWh	–
Indirect Energy Consumption		MWh	–
Purchased Electricity		MWh	–
Purchased Heat		MWh	–



ADDRESSING CLIMATE CHALLENGES

Business Segment	Indicator	Unit	2025
	Water Consumption	Ton	–
	Fresh Water	Ton	–
	Reclaimed Water	Ton	–
Headquarter Office	Total Energy Consumption	MWh	423.27
	Direct Energy Consumption	MWh	81.01
	Gasoline	MWh	10.86
	Diesel	MWh	–
	Natural Gas	MWh	70.15
	Photovoltaic and Waste Heat Power Generation (Self-generated and Self-used)	MWh	–
	Indirect Energy Consumption	MWh	342.26
	Purchased Electricity	MWh	342.26
	Purchased Heat	MWh	–
	Water Consumption	Ton	3,701.00
	Fresh Water	Ton	2,029.00
	Reclaimed Water	Ton	1,672.00
Total	Total Energy Consumption	MWh	505,204.11
	Energy Consumption Per Unit of Operating Revenue	MWh/ RMB 10,000	0.80
	Total Water Consumption	Ton	24,597,020.56
	Water Consumption Per Unit of Operating Revenue	Ton/ RMB 10,000	39.08

OPTIMIZING TALENT ECOSYSTEM

The Group holds that talent is our most valuable asset. We have established a cohesive and competitive modern talent management framework by reinforcing rights protection, expanding career growth opportunities, and fostering an inclusive and supportive workplace culture. In an environment built on diverse, equitable and inclusive, we strive to safeguard every employee's rights, continually unlock their potential, and genuinely support their well-being. Through this commitment, we aim to build a shared-growth community where the organization and its people co-create value, advance together, and enjoy mutual success.

Encouraging Employee Development

Guided by the "people-oriented" principle, the Group actively incorporates ESG priorities into its operations and drives human resource management advancement through systematic initiatives. Through measures such as reinforcing rights safeguards, refining talent recruitment and development frameworks, enhancing compensation and benefits, and ensuring occupational health and safety, we cultivate an inclusive and collaborative talent environment. This approach fosters close alignment between employee growth and corporate strategy, providing robust support for the Group's sustainable, high-quality development.

(1) Protection of Employee Rights

The Group strictly adheres to national laws and regulations including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, while continuously improving its system of rules and regulations with the Labor Contract Management System at its core. Through measures such as optimizing labor contract versions, the Group strengthens the management foundation for safeguarding employees' legitimate rights and interests. For our employees in Hong Kong SAR, China, we strictly follow local regulations including Hong Kong labor laws and the Employment Ordinance and implement a tailored *Employee Handbook* and contract management framework to ensure equal and lawful protection of rights across regions.

In performance and incentive management, the Group consistently applies the *Employee Performance Management System*, emphasizing results-driven evaluation and reinforcing structured performance processes and positive motivation measures. Additionally, we enforce the *Retirement and Re-employment Management System* to standardize daily administration and entitlements for relevant personnel, ensuring compliance and standardized management in management.

Through institutionalized measures, the Group affirms its commitment to safeguarding the rights of all staff in critical areas such as prohibiting forced labor, maintaining zero tolerance for child labor, opposing workplace discrimination and harassment, protecting female employee rights, ensuring equal pay for equal work, respecting freedom of association, upholding privacy and establishing whistleblowing channels. These efforts aim to foster a fair, safe, respected, and inclusive workplace for everyone.



OPTIMIZING TALENT ECOSYSTEM

Recruitment and Dismissal

Guided by strategic objectives, the Group has built an advanced recruitment system grounded in “proactive talent planning, precise candidate profiling, and AI-enabled tools,” consistently strengthening the acquisition of critical talent. Through forward-looking talent planning, we develop annual recruitment strategies and maintain a talent pipeline, align role requirements with detailed competency profiles, and leverage AI tools to improve hiring efficiency and precision. These efforts collectively enhance the scientific rigor and transparency of our human resource management practices.

Talent Recruitment and Development

- **Proactive Planning and Precision Matching:** Through systematic identification of talent gaps across the Group and analysis of current person-job fit, we develop forward-looking talent reserve plans and establish candidate pools for key positions to effectively manage staffing needs. We continuously enhance and refine our talent profiling system, particularly for regional management and functional roles, by further specifying industry capability requirements to improve selection accuracy.
- **Intelligent Tools and Standardized Processes:** We actively integrate artificial intelligence into recruitment, with comprehensive application of AI-powered interview recording and assessment, AI-based resume screening and invitation functions. This enables us to expand evaluation dimensions through technological means and improve overall efficiency. At the same time, we have refined the interview question bank and incorporated a combination of diverse career assessment tools such as the Enneagram, Career Anchors, 4D Leadership, and MBTI in the analysis and selection of management positions, as well as in interviewer training. By leveraging third-party background check platforms alongside internal background checks, we continue to ensure the professionalism and standardization of recruitment.
- **Full-Cycle Management and Institutional Guarantees:** The Group Headquarters has pioneered the implementation of the *Three-Stage Full-Cycle Management Process SOP for New Employees*, which standardizes management from onboarding guidance and on-the-job development to performance calibration, significantly enhancing the new employee experience and retention rate. We strictly implement the *Retirement and Re-employment Management System* to standardize relevant management procedures, thereby maximizing talent value and safeguarding the legitimate rights and interests of retired rehires.

OPTIMIZING TALENT ECOSYSTEM

Internal Talent Mobility and Incentives

- To promote rational talent allocation and activate internal value, the Group has established and implemented a regular internal job bidding mechanism based on “Group-led coordination with regional collaboration.” In 2025, job bids were conducted at the Group level for strategic priorities including the Xinjiang Hami Project and the Luanzhou Project Cluster in the northern region; simultaneously, over 20 internal job bids were held across the Central, Southwest, South, and East China regions, covering project leadership teams and mid-level frontline management positions. This initiative has not only identified a group of outstanding professionals with both strong expertise and business acumen, enabling efficient allocation of talent to key areas, but has also fostered an “open, fair, and just” environment of healthy competition internally, effectively boosting employee motivation and organizational vitality.

Employee Dismissal

- In the formulation of *Labor Contracts*, we strictly adhere to applicable laws and regulations, including the *Labor Contract Law of the People’s Republic of China*, and clearly specify the termination clauses to ensure the compliance and transparency of the dismissal process, effectively mitigating potential compliance risks and labor disputes.

OPTIMIZING TALENT ECOSYSTEM

Key Performance Indicators for Employment²¹

Indicator Category	Second-level Classification	2025	Unit	
Number of Staff	Classified by Type of Employment	Self-owned Full-time Employees	63,533	Person
		Self-owned Part-time Employees	0	Person
		External Labor Dispatch Employees	2,230	Person
	Full-time Employees classified by gender	Male Employees	29,804	Person
		Female Employees	33,729	Person
	Full-time Employees classified by Age	Employees Under 30 Years Old	1,282	Person
		Employees Aged 31-50 (Inclusive)	15,628	Person
		Employees Over 50 Years Old	46,623	Person
	Full-time Employees Classified by Ethnicity	Minority Employees	4,679	Person
		Non-minority Employees	58,854	Person
	Full-time Employees Classified by Physical Condition	Disabled Employees	372	Person
		Non-Disabled Employees	63,161	Person
	Full-time Employees Classified by Functional Level	Management Staff	236	Person
		Among Them: Female	21	Person
Headquarters and Regional Project Functional Department Staff		1,668	Person	

²¹ During the reporting period, the total number of employees was categorized by type of employment. Among them, own full-time employees were classified by gender, ethnicity, age, physical condition, functional level (management staff, headquarters and regional project functional department staff, front-line production and operation staff), functional category (administrative and managerial staff, sales and marketing staff, technical staff, front-line production and operation staff), and region.

OPTIMIZING TALENT ECOSYSTEM

Indicator Category	Second-level Classification	2025	Unit
	Among Them: Female	854	Person
	Front-line Production and Operation Staff	61,629	Person
	Among Them: Female	32,852	Person
	Full-time Employees Classified by Functional Category		
	Administrative and Managerial Staff	1,629	Person
	Sales and Marketing Staff	164	Person
	Technical Staff	111	Person
	Front-line Production and Operation Staff	64,266	Person
	Full-time Employees Classified by Region		
	Domestic Regions	60,842	Person
	Overseas Region (Hong Kong)	2,691	Person
Composition of Management Staff	Divided By Management Level		
	Senior Management	30	Person
	Middle Management	205	Person
	Divided By Gender		
	Male	215	Person
	Female	21	Person
Number of New Hires	Divided By Gender		
	Male	11,692	Person
	Female	14,444	Person
	Divided By Recruitment Channels		
	Social Recruitment	26,109	Person
	Campus Recruitment	27	Person
	Internal Selection	357	Person
Employee Turnover Rate	Employee Turnover Rate²²	41.59	%
	Divided By Gender		
	Male Employees	44.48	%
	Female Employees	38.88	%

²² This year, due to organizational restructuring and project changes, there was a significant amount of recruitment and turnover among front-line employees, resulting in an increase in employee turnover rate compared to last year.



OPTIMIZING TALENT ECOSYSTEM

Indicator Category	Second-level Classification	2025	Unit
Divided By Ethnicity	Minority Employees	32.03	%
	Non-minority Employees	43.02	%
Divided By Age	Employees Under 30 Years Old	43.64	%
	Employees Aged 31-50 (Inclusive)	26.57	%
	Employees Over 50 Years Old	46.35	%
Divided By Business Functional Category	Management Staff Turnover Rate	4.45	%
	Headquarters Functional Department Staff Turnover Rate	7.66	%
	Regional and Project Functional Department Staff Turnover Rate	21.27	%
	Front-line Production and Operation Staff Turnover Rate	43.21	%
Divided By Region	Domestic Regions	41.56	%
	Overseas Region (Hong Kong)	54.45	%

OPTIMIZING TALENT ECOSYSTEM

Human Rights Protection

This year, the Group has continued to foster an equal, respectful, and inclusive workplace environment. It strictly complies with laws and regulations including the *Law of the People's Republic of China on the Protection of Minors* and the *Provisions on the Prohibition of the Use of Child Labor*, while internally developing the *Employee Rights Declaration*. It regards safeguarding employees' basic rights and interests, promoting diversified development, and deepening democratic management as the cornerstone of its operations. Through strengthened institutional processes, enhanced risk controls, and improved communication channels, we systematically implement these commitments to support sustainable business growth and shared progress with our employees.

Preventing Child Labor and Forced Labor

The Group strictly verifies identity documents and employs systematic procedures to screen candidate age at the source, preventing the employment of child labor under the age of 16. At the same time, we fully respect employees' willingness to work, prohibit all forms of forced labor, and safeguard employee rights through reasonable work arrangements and leave policies. During the Reporting Period, the Group received no complaints concerning child labor or forced labor.

Anti-discrimination and Anti-harassment

The Group firmly believes that equal employment and freedom from discrimination are fundamental rights to which every employee is entitled. In strict compliance with legal requirements, we prohibit all forms of discrimination based on ethnicity, race, gender, religious belief, or any other factors across all stages of recruitment and employment management. We maintain zero tolerance for any discrimination or harassment that may occur in the workplace and encourage employees to file complaints by establishing and promoting multi-channel reporting mechanisms. During the Reporting Period, no incidents of discrimination or harassment were identified within the Group.



OPTIMIZING TALENT ECOSYSTEM

Diversity and Equal Employment

The Group actively advocates for and practices workforce diversity. Committing to providing equal employment and development opportunities for candidates from diverse backgrounds. In the process of recruitment and employment, we consistently take candidates' qualities and competencies as the core criteria.

- **Supporting Regional Development and Promoting Local Employment:** We actively fulfill our social responsibilities by prioritizing the recruitment of local personnel at project locations, thereby promoting regional employment and economic development. For example, in our operations in Yunnan, Guizhou, Sichuan, and other regions, we continue to implement localized recruitment policies.
- **Promoting Ethnic Integration and Facilitating Community Harmony:** In the operation of projects in areas with concentrations of ethnic minorities, such as Hami in Xinjiang and Butuo in Sichuan, we have implemented more targeted diversified workforce policies. We not only prioritize the recruitment of local personnel at project locations but also place emphasis on selecting and appointing ethnic minority cadres. In 2025, the proportion of ethnic minority employees reached 97% in the Butuo Project and 87% in the Hami Project. We maintain close coordination with local governments, respect and integrate into ethnic cultural customs, and foster a "respect for differences and inclusive coexistence" workplace culture through specific measures such as organizing cultural exchange activities and optimizing bilingual communication mechanisms. We have also established clear career development pathways for ethnic minority employees, achieving a win-win outcome for enterprise development, employee growth, and local social stability.
- **Ensuring Equal Employment Rights for Persons with Disabilities:** The Group continues to provide open employment opportunities for people with disabilities, ensuring equal pay for equal work and other equal treatment and respect.

OPTIMIZING TALENT ECOSYSTEM

Building Democratic Management Systems

Ensuring employees' rights to information, participation, and oversight is central to the Group's democratic management. In 2025, the trade union membership rate among eligible employees at the Group headquarters and project companies was 56.58%. We have established an employee communication and democratic management mechanism led by the trade union and supported by employee representative conferences.

- **Improving the Closed-Loop Communication System:** In 2025, building on existing communication channels, we systematically reviewed the results of the previous year's employee satisfaction survey, formulated and implemented a series of improvement measures addressing topics of concentrated concern to employees, and further established and implemented an employee communication system based on "survey – analysis – improvement – feedback." The Group conducts its annual employee satisfaction survey using an online anonymous survey method. The survey covers work environment, responsibilities and processes, management evaluation, promotion fairness, compensation and benefits, career development, cultural identification, and feedback on issues requiring attention. The survey scope includes employees at all levels across the headquarters and regional projects, further advancing the Group's democratic management process. During the year, we received 5,792 satisfaction survey questionnaires. We actively summarize the feedback reflected in the survey questionnaires and take appropriate measures to address employees' concerns and needs, striving to promote continuous improvement in employee care and management within the Group.
- **Deepening the Proposal and Survey Mechanism:** We continue to extensively collect employee proposals through channels such as employee representative conferences, promptly responding to employees' opinions and needs. Through a combination of online and offline survey methods, we continuously expand survey coverage, with a particular focus on listening to the voices of front-line employees, ensuring that management optimization and care measures precisely align with employees' actual needs, thereby promoting the continuous deepening of the Group's democratic management process.

Human Rights Risk Management

To systematically prevent human rights risks in its operations, the Group conducts regular self-assessments of human rights risks, while simultaneously establishing a system for improvement and remediation. The self-assessment covers special reviews on the payment of compensation to employed personnel, with a focus on the implementation of compliance requirements related to forced labor, human trafficking, freedom of association, collective bargaining rights, discrimination, and equal pay. Additionally, to fundamentally safeguard employees' physical and mental health and reduce employment risks, the Group has established clear standards for job health suitability, preventing employees from being assigned to positions incompatible with their physical condition.

OPTIMIZING TALENT ECOSYSTEM

**Case: Conducting Diverse Activities to Cultivate Ethnic Unity**

In 2025, the Group's Hami Project Company undertook the operation of the integrated reform project for municipal, landscaping, and sanitation services in Yizhou District, Hami City. Given the large workforce and the fact that 87% of employees belong to ethnic minorities, we actively explored innovative approaches and established a "1+3+3+4+N" "Solidifying Ethnic Unity" work mechanism, deeply integrating reform efforts with ethnic unity initiatives.

- We have taken building a distinctive brand as the focus, launched the brand initiative "Red Pomegranate Blossoms Adorn Beijing Enterprises; Exquisite Craftsmanship Beautifies Urban Services", built integrated communication platforms such as pocket parks and trade union stations, and cultivated "Pomegranate Seed Public Speakers". We have innovatively launched the "Two Courses, Two Micro-platforms, One Competition and One Conference" program for the learning of standard spoken and written Chinese, raising the participation rate from 35% to 98%. Meanwhile, we have fostered ethnic minority backbone talents through the "Prairie Fire Program", implemented salary incentives, established an all-round support system covering "healthcare, welfare and development", and regularly carried out activities including honoring advanced models and pairing assistance.



Launch of Ethnic Unity Learning and Exchange Activities

OPTIMIZING TALENT ECOSYSTEM



Case: Conducting Diverse Activities to Cultivate Ethnic Unity (Continued)

- During the Double Ninth Festival, we organized a volunteer campaign under the theme “Party Building Leads with Warmth; Double Ninth Volunteers Forge Unity”, integrating Party building guidance with traditional virtues. Over 130 employees visited Hami Social Welfare Institute to carry out volunteer services. The campaign improved the welfare compound’s environment by adopting a closed-loop collaborative model of “general sweeping as the foundation + mechanized deep cleaning + precise verification by a re-inspection team”, realizing efficient coordination between mechanical and manual cleaning. In addition, management donations totaling RMB4,600 were raised to purchase 118 cases of milk for the elderly. Employees of all ethnic groups participated enthusiastically and all departments coordinated closely in the activity, which vividly practiced the traditional virtue of “Treat others’ elders as your own”, demonstrating corporate responsibility and humanistic care.



Double Ninth Festival Volunteer Activity

OPTIMIZING TALENT ECOSYSTEM

**Case: Conducting Diverse Activities to Cultivate Ethnic Unity
(Continued)**

- To further strengthen employees' awareness of ethnic unity and enhance their proficiency in standard spoken and written Chinese, we organized over 30 frontline sanitation and landscaping employees to carry out an ethnic unity-themed learning activity by utilizing the staff library of Xihe Sanitation Station. This activity selected books such as Ethnic Unity: One Family as learning materials, and themed stories on ethnic unity were recited on site, vividly showcasing the touching scenes of mutual assistance and joint efforts to overcome difficulties among employees of all ethnic groups. The Group will conduct such activities on a regular basis to guide employees in strengthening language learning and motivate them to devote themselves to work with greater unity and enterprise.



Special Learning Activity on Stories of Ethnic Unity

OPTIMIZING TALENT ECOSYSTEM



Case: Conducting Diverse Activities to Cultivate Ethnic Unity (Continued)

- To address the complex communication demands in the operations of the special vehicle fleet, we have implemented a series of integrated training measures oriented toward dual improvement of “language proficiency and technical skills”. We have innovatively adopted a training model of “standard Chinese as the primary language supplemented by ethnic minority languages”, disassembled and explained contents including machinery operation and safety protocols to ensure key procedures are “understandable, memorable and clearly expressible”. Furthermore, we have encouraged speeches in standard Chinese at weekly safety meetings, and imparted technical experience and standard Chinese for professional use simultaneously through mentor-trainee pairing. The training has enabled team members to achieve smoother and more efficient performance in protocol comprehension, emergency communication and collaborative operations. More team members are now capable of reading technical materials and participating in reform discussions, fostering a stronger sense of ownership. Shared language has promoted technical exchanges and emotional integration, helping team members of all ethnic groups transform from “operators” to “skilled modern industrial workers”, and further strengthening the sense of community for the Chinese nation in pursuit of common career goals.



Launch of Integrated “Technical Skill + Language Proficiency” Training

Through the above series of initiatives, ethnic unity within the project company has been increasingly enhanced, with employee satisfaction reaching 96%. Reform efficiency has also been unlocked, urban environmental hygiene has been significantly improved, and public satisfaction has risen to 98%, achieving synchronized progress of reform-driven development and unity-inspired cohesion.

OPTIMIZING TALENT ECOSYSTEM

Compensation and Benefits

The Group strictly complies with laws and regulations including the *Social Insurance Law of the People's Republic of China*, adheres to the philosophy of fair employment, and continuously improves its internal management system centered on the *Employee Position and Salary Adjustment Management System*, the *Employee Reward and Punishment Management System*, and other core systems. We are committed to building a compensation, benefits, and incentive system that is both market-competitive and deeply integrated with the concept of responsibility, to attract, motivate, and retain outstanding talent, ensuring that employees are provided with fair, stable, and secure rewards.

The Group implements a compensation structure consisting of fixed salary and variable performance-based components. We set differentiated fixed-to-variable ratios according to job levels, with the variable performance-based component strictly linked to the achievement of organizational performance and individual employee performance. To further enhance the timeliness and effectiveness of performance management, we have established and continuously optimized a regular evaluation mechanism, consistently adjusting and enriching the evaluation dimensions and methods based on actual circumstances. Adhering to the principle of fairness, the Group comprehensively considers employees' individual performance, professional competence, and market dynamics when determining compensation, ensuring fairness and competitiveness. Based on a comprehensive assessment, in 2025, wages for employees across all levels of the Group were generally higher than the locally prescribed minimum wage standards. We also closely monitor the alignment between employees' actual income and living needs, using this as an important basis to continuously optimize the compensation system, providing employees with stable and competitive income security.

The Group drives the implementation of its sustainable development strategy through its compensation and performance system. In the assessment of management, the performance evaluations of directly supervised leaders include key ESG indicators such as workplace safety, environmental protection, and integrity. These indicators are linked to organizational performance and are assessed on an annual basis. In 2025, we further explicitly incorporated climate-related goals, such as green operations and energy conservation, into the performance evaluation scope of a broader range of departments and project companies, guiding all employees to actively embrace the concept of green development through institutional design. In addition, we consistently emphasize professional integrity and anti-corruption requirements in the performance management system for all employees and have established compliance with information security and confidentiality agreements as a fundamental code of conduct for employees.

(2) Talent Development and Cultivation

The Group places emphasis on the systematic development of employee capabilities and long-term workforce construction, consistently adhering to the "Talent-Powered Enterprise" strategy. In 2025, we further reinforced the top-level design of talent planning, and strategically iterated and upgraded the overall training system based on business development needs and talent inventory results. In addition, by establishing a training matrix covering employees' full career cycle and expanding diversified training pathways such as university-enterprise cooperation and professional certification, we systematically enhanced the professional depth and strategic alignment of our talent reserve, providing strong talent assurance for the Group's sustainable development.

OPTIMIZING TALENT ECOSYSTEM

Systematic Talent Development System Construction

To achieve a dynamic balance between talent supply and business needs, the Group comprehensively upgraded its training system in 2025 and established a systematic talent development framework, promoting a more scientific and refined approach to talent cultivation.

- **Strategic and Forward-Looking Talent Planning:** Based on the Group's market expansion objectives, talent inventory results for existing projects, and findings from person-job fit optimization, we proactively formulated an overarching plan for all directly managed leaders across the Group. This plan provides a clear and evidence-based foundation for subsequent external recruitment and internal development initiatives, ensuring the strategic foresight of talent development.
- **A Matrix of Core Training Programs Covering the Full Career Cycle:** Through four flagship programs, we have established a training system that spans employees at different levels and stages of their careers.

Leadership Program: Focusing on talent reserves for project general managers, this program provides a customized one-year development plan for high-potential deputy project general managers and project assistants. Through diverse formats such as in-person intensive training, external visits, practical sand table simulations, and collaborative topic development, the program focuses on enhancing core competencies in business negotiation, integrated project management, and operations, with the goal of building a high-quality team of project leaders.

Tier Plan: We successfully conducted the selection and development of the fifth cohort of this program. Building on the established model, we innovatively introduced practical training methods such as sand table simulations, enriching participants' project management experience through a "learning by doing" approach, ensuring the continuity and effectiveness of core management talent supply.

Young Talent Cultivation Program: For high-potential employees born in the 1990s and later, we continue to implement a customized development pathway featuring "selection – rotation – dual mentoring," supported by targeted incentive measures to accelerate their growth. At the same time, we actively promote initiatives such as the "AI Maker" project, providing young employees with a platform for AI technology learning and application, guiding the transformation of innovative thinking from tool learning to deep empowerment and value creation in business scenarios, thereby fostering an innovation-driven organizational culture.

New Dynamics Program: This year, we successfully completed the recruitment and onboarding training for the 2025 cohort of management trainees. Through a dual-mentor system combining business mentors and HR mentors, along with periodic assessments and interviews, we develop personalized rotation plans for each management trainee, facilitating their rapid integration and growth.

OPTIMIZING TALENT ECOSYSTEM

- **A Platform to Support Talent Mobility and Development:** Based on the aforementioned talent planning and the four core programs, we have focused on building an internal talent mobility platform that spans different regions and organizational levels. This platform aims to facilitate the rational allocation and orderly flow of talent, ultimately achieving synergy between organizational development needs and individual career growth paths.

Empowering Professional Competence

In line with the specific requirements for the Group's core business development and the implementation of our ESG strategy, in 2025 we placed a strong emphasis on specialized training and practical empowerment in key professional fields.

- **Conducting Specialized Training Programs:** We organized multiple specialized training sessions on key topics such as the circular economy, green and low-carbon operations, and energy and water conservation. By inviting industry experts to deliver lectures and incorporating in-depth analysis of real-world project cases, we effectively enhanced the green development awareness and technical expertise of employees in relevant positions.
- **Deepening Industry-Academia Collaboration Mechanisms:** To broaden talent recruitment and development channels, the Group has deepened cooperation with multiple institutions to jointly establish talent training bases and launch targeted recruitment and customized training programs. For example, in collaboration with Shenzhen City Vocational College, we launched a "Modern Apprenticeship" class using a "hire first, enrol later" model, with an initial intake of 30 students. This model enables employees identified for priority development to pursue higher education through a work-study program, allowing them to earn a full-time associate degree upon graduation, thereby achieving a deep integration of vocational education and on-the-job practice.
- **Supporting Professional Certification and Organizing Skills Competitions:** We prioritize supporting employees in core business areas, such as hazardous waste management, to participate in continuing education for professional certifications like Registered Safety Engineer. This not only aids employees' personal career development but also continuously strengthens the Group's talent advantage in core business sectors. Additionally, through a "training-through-competition" model, we organize various business skills competitions, using competition to drive learning, which effectively enhances employees' professional service capabilities and the standardization of on-site operations.

OPTIMIZING TALENT ECOSYSTEM

**Case: Actively Promoting Vocational Skills Certification to Enhance Employee Competence**

To advance vocational skills certification, the Group has actively implemented the “Skills Certification” program. We have successfully obtained authorization for vocational skills certification from provincial-level authorities and facilitated the smooth passage of our affiliated testing centers through social evaluation reviews. Through this system, employees can obtain vocational skills certificates bearing the Group’s official seal, which are verifiable on the official website of the Ministry of Human Resources and Social Security.

In 2025, we successfully organized two batches of vocational skills social evaluation examinations. The first assessment in October involved 393 candidates, with 292 passing; the second batch on December 13 attracted 419 applicants. Notably, the second round of exams drew participation from six organizations outside the Group’s system. This initiative has not only systematically enhanced employees’ skill levels and promoted industry-wide standards for certification-based employment but has also significantly expanded the Group’s social influence and brand credibility within the professional sector.



Professional Certification Exam Venue

Professional Skills Training

The Group continues to deepen capacity building across all business lines and systematically advances specialized training initiatives. By establishing a team of professional instructors and mentors, conducting trainer certification programs, and offering coaching-style guidance courses, we have laid the foundation for a high-quality training system. In 2025, the Group conducted over 50 professional training sessions, significantly enhancing employees’ practical operational capabilities.

OPTIMIZING TALENT ECOSYSTEM

**Case: Deepening Training to Empower and Enhance Practical Business Skills**

In the hazardous waste sector, we fully support employees' participation in continuing education for Registered Safety Engineers and specialized training to consolidate our talent advantage in the industry. Concurrently, we organize participation in training programs hosted by national-level industry associations to deepen understanding of industrial policies and technological trends, thereby building a knowledge base for resource recovery research. Additionally, Hong Kong Shiny Glory Services, a subsidiary of the Group, has established a diversified training system encompassing internal courses, workshops, knowledge-sharing sessions, and on-the-job training. We conduct specialized training in pest management – a key business focus – where industry experts teach professional skills such as regulatory compliance, hazardous waste disposal, and first-aid protocols. We also encourage employees to participate in external training courses and have established a knowledge-sharing mechanism to facilitate the transfer of expertise.



Implementing Diversified Training

In addition to the aforementioned training, we regularly organize various leadership development and cultural education activities to continuously enhance strategic leadership and cultural heritage capabilities. Furthermore, for frontline operational staff, we have specifically launched specialized training on digital and intelligent transformation to help employees master new skills and adapt to business upgrade requirements. In terms of training models, we integrate online learning platforms with offline learning teams, utilizing various formats such as video courses and team exchanges to support employees' professional growth.

OPTIMIZING TALENT ECOSYSTEM

Training Key Performance Indicators

Indicator Category	Second-level Classification	2025	Unit
Number and Proportion of Employees Covered in Training	Total Number of Employees Covered in Training	63,533	Person
	Number and Proportion of Employees by Gender Covered in Training		
	Male Employees	29,804	Person
		100	%
	Female Employees	33,729	Person
		100	%
	Number and Proportion of Employees by Employee Category Covered in Training		
	Management Staff	236	Person
		100	%
	Headquarters and Regional Project Functional Department Staff	1,668	Person
	100	%	
Front-Line Production and Operation Staff	61,629	Person	
	100	%	
Average Training Hours Per Employee	Average Training Duration Per Employee	79	hours/person
	By Gender		
	Total Training Hours of Male Employees	2,430,672	hours
	Average Training Duration for Male Employees	82	hours/person
	Total Training Hours of Female Employees	2,618,870	hours
	Average Training Duration for Female Employees	78	hours/person



OPTIMIZING TALENT ECOSYSTEM

Indicator Category	Second-level Classification	2025	Unit
	By Employee Type		
	Total Training Hours of Management Staff	17,970	hours
	Average Training Duration for Management Staff	76	hours/person
	Total Training Hours for Headquarter and Regional Project Department Staff	150,542	hours
	Average Training Hours of Headquarters and Regional Project Functional Department Staff	90	hours/person
	Total Training Hours for Front-Line Production and Operation Staff	4,881,030	hours
	Average Training Duration for Front-Line Production and Operation Staff	79	hours/person

(3) Caring for Employee Well-Being

To foster a healthy and positive work environment, the Group's headquarters and regional project companies actively organize and encourage employees to participate in a wide variety of cultural and recreational activities. We continuously host themed events such as holiday care initiatives, walking events, and sports competitions to encourage employees to enhance communication and relieve stress through diverse and healthy activities. At the same time, we have thoroughly implemented seasonal signature care initiatives such as "Spring Care Packages, Summer Cooling Kits, Autumn Education Assistance, and Winter Warmth Campaigns." We also organize special care initiatives during holidays, pandemic prevention, flood control, and heatwave periods. These efforts have cumulatively reached over 800 employees throughout the year, conveying the organization's warmth to our staff.

OPTIMIZING TALENT ECOSYSTEM



Seasonal Care Event Venue



Yichang Project Winter "Warm Orange" Benefits



Sports Competition Event



Distribution of Care Allowances

Building upon the provision of statutory social insurance and existing welfare programs, the Group undertook a systematic upgrade of its welfare system in 2025, tailored to the operational realities of each region, with a commitment to ensuring the precise delivery and efficient implementation of care initiatives.

- Optimization and Upgrade of the Welfare System: We are committed to promoting the precision and digitalization of our welfare programs. Notably, employer's liability insurance now provides full coverage for all frontline employees, significantly strengthening their protection against occupational risks. In terms of work arrangements, we offer employees the option of working from home and flexible work schedules to support a healthy work-life balance. We have established an online well-wishing platform that automatically sends real-time greetings for milestones such as birthdays and work anniversaries. Throughout the year, we sent over 400 personalized greetings, making organizational care more timely and heartfelt.

OPTIMIZING TALENT ECOSYSTEM

- Comprehensive Welfare Protection: Our welfare system comprehensively covers multiple aspects of employees' work and personal lives
 1. In terms of living support, we provide employees with various subsidies for communication, meals, transportation, heatstroke prevention, and heating, as well as free breakfast and dinner for overtime work. We also continue to build and improve on-site convenience facilities such as "Care Stations" for frontline employees. At the same time, we fully implement the employee condolence and congratulatory system for weddings, funerals, and childbirth, ensuring that care measures cover important life milestones and continuously enhancing employees' sense of belonging and well-being.
 2. In terms of trade union support, we distribute birthday and holiday gifts through the union and provide timely financial assistance when employees face financial hardships or serious illnesses. This year, we have conducted "Warmth Delivery" outreach activities at 12 subsidiary project companies, disbursing a total of RMB225,000 in assistance funds and helping them apply for relevant mutual aid funds to build a robust mutual support network. Additionally, the trade union of Zhongyan Property Management, a subsidiary of our Group, has consistently implemented holiday benefits for members. Throughout the year, it applied for Sunshine Fund subsidies on behalf of members facing financial difficulties and extended support to employees who were ill, suffering from serious illnesses (or had lost family members), working away from home, or on duty during holidays. In 2025, employee satisfaction with the trade union reached 95.85%.
 3. In terms of risk protection, in addition to statutory social insurance, we provide employees with supplementary commercial insurance, such as employer's liability insurance and accidental injury insurance, to create a multi-tiered protection system.
 4. In terms of health management, we organize annual free health checkups and occupational disease screenings for employees and provide health insurance plans covering supplemental medical care and critical illnesses. We further increase coverage limits for employees in high-risk positions to systematically safeguard their physical and mental well-being.
 5. Regarding support for female employees, we focus on their specific needs. Through the provision of maternity and infant care facilities, the establishment of a maternity support fund, and the implementation of measures such as prenatal checkup leave, breastfeeding leave, and paternity leave, we provide concrete, specialized support for female employees.

The Group remains committed to the working environment and well-being of frontline employees. We strive to enhance team cohesion and a sense of belonging by improving relevant service facilities to provide practical logistical support and humanistic care. In 2025, we continued to advance the implementation and maintenance of employee welfare facilities, ensuring the smooth operation of various rest stations and activity areas to provide employees with convenient and comfortable spaces for relaxation during work breaks.

OPTIMIZING TALENT ECOSYSTEM



Case: Building Heartwarming Rest Stations to Demonstrate Humanistic Care

In 2025, the Group's Zhangdian Project Company in Shandong, in collaboration with local authorities and philanthropic enterprises, spearheaded the transformation of sanitation "collection points" – the city's "pollution control hubs" – into "warmth stations." Adopting a needs-based approach, we established 32 sanitation workers' rest stations equipped with air conditioning, microwaves, first-aid kits, and other essentials, offering round-the-clock hot water, hot meals, and rest facilities. To address seasonal challenges, we distributed heatstroke prevention supplies to over 2,000 frontline workers in the area. During high-temperature periods, we implemented a "mechanization-first, manual-second" approach, while in winter, we provided over 8,200 sets of cold-weather gear to ensure employees could stay warm. Additionally, we established "Community Service Stations" offering health consultations and complimentary haircuts, organized "Sanitation Workers' Day" events to recognize outstanding contributors, and conducted outreach visits in October.

The Group continues to provide comfortable rest areas for sanitation workers. Through a series of services and activities, it has inspired employee enthusiasm, conveyed the city's warmth, enhanced professional dignity and social recognition, and successfully transformed from a "pollution control hub" into a "warm-hearted station."



Sanitation Workers' Home

OPTIMIZING TALENT ECOSYSTEM

**Case: Focusing on the Workforce, Promoting Corporate Culture**

This year, we successfully launched two phases of a nationwide corporate culture campaign involving top-down and bottom-up collaboration, enhancing all employees' sense of participation and cultural identity. The first phase was held during the May Day Labor Day and May Fourth Youth Day holidays, centered on the theme "Labor Builds Dreams and Achieves Excellence; Youth Strives Forward and Demonstrates Responsibility." We coordinated efforts across seven regions nationwide to organize selections for Model Workers and Youth Pioneers, honoring a total of 113 May Day Model Workers and 49 Youth Pioneers. Concurrently, local project companies conducted diverse activities such as frontline employee visits, skills competitions, youth forums, and public sanitation volunteer services. This ensured high-level participation from management to frontline staff, significantly strengthening the organization's cultural awareness.

The second phase of activities, themed "Saluting Urban Beauticians, building a Clean and Happy Home Together," was launched simultaneously across nearly 100 project companies nationwide. In collaboration with local subdistricts, trade unions, and other organizations, we jointly organized themed events for Sanitation Workers' Day, featuring public health checkups, professional skills competitions, and commendations for outstanding performers. These activities not only promoted a social ethos of respecting labor and caring for frontline employees but also profoundly demonstrated our Group's sense of responsibility as urban service providers.



Scene from the Employee Skills Competition

OPTIMIZING TALENT ECOSYSTEM



Case: Diverse Employee Cultural and Sports Activities to Strengthen Organizational Cohesion

This year, we actively organized cultural and sports activities to strengthen employee cohesion. In March 2025, to honor female employees' contributions to the Group's development and enrich their spiritual and cultural lives, the Group organized a walking event at Beijing Chaoyang Park. Through outdoor exercise, participants relieved mental and physical stress and improved their physical fitness, while simultaneously igniting enthusiasm for excellence in their roles and fostering innovation, thereby uniting female employees in their commitment to high-quality development.

In April 2025, to strengthen strategic synergy between our Group and Beijing Chaoyang Environmental Group, the two parties jointly hosted a friendly basketball match. On the court, players demonstrated a fighting spirit and teamwork; off the court, they fostered mutual trust and consensus through interaction. This event used sports and cultural activities to reinforce cooperative relationships, effectively enhancing team collaboration and laying a solid foundation for long-term cooperation.



Outdoor Walking Event



Basketball Competition

Through continuous refinement of our human resources management system, the Group has advanced the digital transformation of talent management and deepened the professional development of our HR management team. Thanks to our sustained investment in talent development, we were honored with the "2025 Best Employer Brand" award at the 16th China HR Expo and the "2025 China Employer of the Year – Best Employer Nomination Award" presented by Zhaopin.



BUILDING A HARMONIOUS FUTURE

Upholding the principles of “Responsibility First” and “Shared Values,” the Group steadfastly implements a sustainable development strategy. We are committed to building a safe, green, and mutually beneficial supply chain system, actively fulfilling our corporate social responsibilities, and deeply engaging in community co-construction. We continuously strengthen supply chain resilience, dedicate ourselves to public welfare initiatives, and actively respond to societal expectations. The Group strives to create shared value through supply chain collaboration and convey corporate warmth through community engagement. By joining hands with partners and all sectors of society, we drive the enhancement of sustainable performance and jointly build a sustainable future.

Sustainable Supply Chain System

The Group regards suppliers as key business partners and is committed to building stable, mutually beneficial relationships. Through resource integration and enhanced service capabilities, we collaborate with suppliers to advance the development of a green supply chain.

(1) Standardized Green Procurement

In our procurement activities, the Group strictly adheres to laws and regulations such as the *Bidding Law of the People’s Republic of China* and the *Implementation Regulations of the Bidding Law of the People’s Republic of China*, as well as internal management regulations including the *Supplier Management System*, *Supply Chain Management System*, and *Bidding and Procurement Management System*. We have established joint working groups with our core strategic suppliers to jointly develop more energy-efficient and environmentally friendly new equipment and processes for sanitation and hazardous waste treatment. Concurrently, we have launched a supply chain information system to transform supply chain collaborative innovation into industry competitiveness, driving supply chain management toward standardization, digitalization, and greening.

Supplier System Development

The Group consistently strengthens supplier management and improves the green supply chain management mechanism in a systematic and standardized manner. We categorize suppliers into three primary categories: qualified, reserve and blacklisted. By upgrading the ESG assessment system, we have increased the weightings and scoring requirements for environmental performance (e.g., environmental protection, green certifications), social responsibility (e.g., labor rights, safe production) and corporate governance (e.g., business ethics, anti-corruption) in both supplier admission and annual assessment. Through ongoing communication and on-site investigations, we regard their ESG performance as one of the key focuses, continuously encourage suppliers to enhance their ESG management capabilities, and promote the deep integration of ESG factors into the full lifecycle management of suppliers.

We have explicitly incorporated relevant requirements including energy conservation and emission reduction, biodiversity conservation, zero deforestation and land protection into our publicly available Supplier Code of Conduct.



BUILDING A HARMONIOUS FUTURE

Full Lifecycle Management

The Group adheres to internal policies such as the *Supplier Management Policy* and the *Implementation Rules for Quality Management of Centrally Procured Materials* to continuously standardize environmental and social risk management across all stages of the supply chain.

Supplier Onboarding Stage:

- We implement an online registration and approval process. We have established differentiated onboarding standards for different types of suppliers and require them to provide supporting documentation regarding Environmental, Health, and Safety (EHS) management, green production practices, and quality control.
- We explicitly require suppliers to commit to optimizing resource use, avoiding the use of prohibited substances, and properly managing waste, while strictly adhering to regulations regarding labor standards, human rights protection, occupational health and safety, environmental protection, and business ethics. Verification is conducted through on-site inspections and other methods; suppliers may only obtain eligibility to participate in bidding after passing the review.

Supplier Collaboration Phase:

- During the supplier partnership, the Group conducts regular annual supplier evaluations to ensure ongoing compliance with our procurement requirements and the provisions of the *Supplier Management Policy*. We collect data on suppliers' environmental, social, and governance (ESG) performance through online channels and organize relevant departments to conduct on-site evaluations. For suppliers found non-compliant during evaluations, we initiate a closed-loop management mechanism of "Identification-Assessment-Remediation-Verification" to drive the implementation of improvements and track verification until relevant risks are effectively controlled. If a supplier fails to meet the Group's basic ESG requirements within the specified timeframe, its eligibility as a candidate supplier will be revoked.
- Based on the assessment results, we reclassify and grade suppliers and implement differentiated management measures. At the same time, we encourage suppliers to continuously improve and optimize their operations, systematically reducing operational, environmental, and social risks in supply chain partnerships. We are committed to establishing long-term strategic partnerships with high-quality suppliers to achieve mutual development.
- In 2025, we conducted systematic assessments primarily of centralized procurement suppliers in the urban service and self-procured hazardous waste suppliers, evaluating a total of 193 suppliers. During the reporting period, the Group did not identify any suppliers with significant actual or potential negative impacts.



BUILDING A HARMONIOUS FUTURE

Supplier Termination Process:

- When a partner supplier experiences significant quality issues, receives administrative penalties, has a record of dishonesty, or is involved in major work safety accidents – or other situations involving environmental and social risks – the Group will, following approval by the review panel, place the supplier on a blacklist for management and control. Blacklisted suppliers are subject to tiered management, specifically categorized into “Frozen Suppliers” and “Permanently Blacklisted Suppliers.”

Building a Digital and Intelligent Supply Chain

This year, the Group fully launched its supplier information management system, covering core modules such as intelligent quotation and price comparison, end-to-end tender management, online contract approval, and supplier file management, thereby promoting the digitization and standardization of procurement and supply chain operations. The online reconciliation feature has effectively enhanced the efficiency and accuracy of supply chain management, increasing operational transparency while reducing errors in information transmission. Additionally, the widespread adoption of electronic contracts has reduced the consumption of paper documents and printing. By minimizing travel and courier deliveries, it has further cut carbon emissions, supporting the Group’s efforts to build a green supply chain.

Green Supply Chain Development

The Group is deeply committed to advancing green supply chain development, prioritizing ESG performance in supplier selection. During the supplier onboarding and evaluation process, suppliers holding certifications such as the ISO 9001 Quality Management System, ISO 14001 Environmental Management System, OHSAS 18000 Occupational Health and Safety Management System, and SA 8000 Social Responsibility Standard receive corresponding bonus points in evaluations and are recommended as priority partners.

In the course of supplier management, we have incorporated sustainable supply chain management into the meeting agenda of the Sustainable Development Committee. The Board of Directors of the Group regularly receives reports and supervises the implementation of relevant work to systematically advance the development of supply chain responsibility. Within this framework, we continuously refine our supplier evaluation mechanisms by integrating desk reviews and on-site audits into existing processes, while exploring the introduction of third-party assessments to enhance the objectivity and credibility of our evaluations. We publicly disclose our supplier management policies, clearly stating our use of industry-recognized assessment standards and methods. We provide multi-dimensional support to suppliers through information sharing, two-way communication, high-level exchanges, and incentive programs. At the same time, we regularly conduct ESG capacity-building training for suppliers, advocating for and supporting their participation in ESG-related training and certification to enhance their sustainability capabilities. Furthermore, the Group conducts specialized ESG training and examinations for internal procurement personnel. We also maintain active communication with suppliers regarding ESG management improvements, jointly driving comprehensive enhancements in technology, costs, service quality, response efficiency, and ESG performance to achieve the co-creation of ESG value.



BUILDING A HARMONIOUS FUTURE

Key Performance Indicators About Suppliers²³

Indicators	2025
Total Number of Suppliers	193
Number of Suppliers by Region	
Suppliers in East China	85
Suppliers in Central China	30
Suppliers in North China	32
Suppliers in Northwest China	9
Suppliers in South China	29
Suppliers in Northeast China	8
Number of Suppliers by Grade	
Number of Strategic Suppliers	28
Number of Grade A Suppliers	144
Number of Grade B Suppliers	21
Number of Suppliers by Procurement Category	
Number of Direct Procurement Suppliers	141
Number of Indirect Procurement Suppliers	52

²³ The scope of supplier data statistics covers the contract suppliers of the Group, with the supplier's region based on their registration location.



BUILDING A HARMONIOUS FUTURE

Indicators	2025
Number of Suppliers by Risk Identification	
Number of Suppliers Identified with High ESG Risks and Significant Business Impact in Direct Procurement	18
Percentage of the Suppliers Participating in Online/On-Site Evaluations	100%
Number of the Suppliers Assessed as Having Significant Actual/Potential Negative Impacts	0
Number of the Suppliers Subject to Corrective Actions/Termination of Cooperation	0
Number of Suppliers Identified with High ESG Risks and Significant Business Impact in Indirect Procurement	3
Percentage of the Suppliers Participating in Online/On-Site Evaluations	100%
Number of the Suppliers Assessed as Having Significant Actual/Potential Negative Impacts	0
Number of the Suppliers Subject to Corrective Actions/Termination of Cooperation	0

Promoting Community Inclusion

The Group keeps its corporate mission of “Making our living environment better” in mind and sustainably engages in the maintenance of the community environment and the improvement of urban and rural environments. In terms of fulfilling social responsibility, we leverage scientific planning, refined operation, and strict management to strive for creating a green, harmonious, and livable living environment for residents.

(1) Promoting Environmental Practices

The Group consistently upholds its mission of “Clean city, resource recycling, and restoring lucid waters and lush mountains together.” Relying on its professional strengths, it converts environmental protection ideas into practical actions. In the process of enhancing environmental quality, it proactively collaborates with various parties to drive the development of a green growth model with shared governance and benefits, sustainably providing residents with clean, safe, ecological, and livable living environments, and facilitating the coordinated enhancement of urban civilization and ecological service capacities.

BUILDING A HARMONIOUS FUTURE



Case: Launching the Clean City Campaign to Refresh the City for New Year's Day

In December 2025, on the eve of New Year's Day, the Longkou Project under our Group conducted comprehensive pre-holiday safety inspections and environmental sanitation improvements. We focused on inspecting the hydraulic systems, seals, and operational stability of equipment at transfer stations and pumping stations, while also checking water, electrical, and lighting facilities. Concurrently, we inspected anti-slip measures in public restrooms, building safety in older residential areas, and fire safety equipment to ensure the safe operation of all facilities. At the same time, we organized simultaneous large-scale cleanups in both urban and rural areas: conducting deep mechanical washing and sweeping on primary and secondary roads in the city center, and intensifying cleaning efforts in key areas such as around bus stations and shopping malls; while in townships, we comprehensively cleared accumulated garbage from roads, ditches, and areas in front of and behind houses. Through systematic safety inspections and comprehensive environmental improvements, we have solidified the foundation for safe urban operations, significantly improved the environmental hygiene of both urban and rural areas, created a safe and tidy festive environment for Longkou residents, and effectively enhanced the city's image and resident satisfaction.



Inspection in Progress

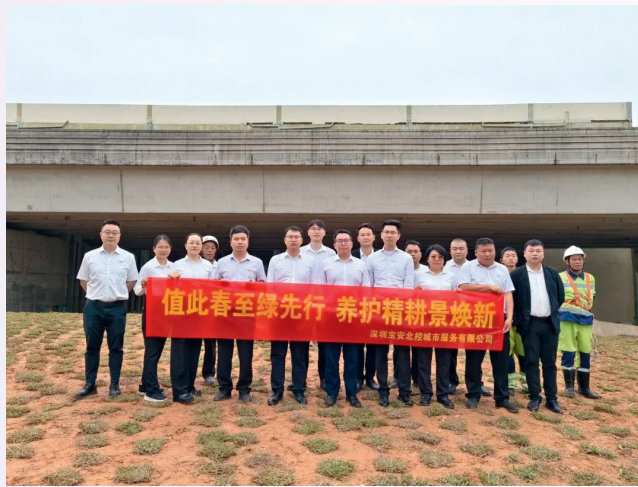


BUILDING A HARMONIOUS FUTURE



Case: Greening Initiative Enhances Urban Ecological Service Capacity

During Arbor Day in March 2025, our Group's South China region collaborated with government, businesses, and communities to jointly launch a themed tree-planting campaign. We scientifically selected species based on local ecological needs, planting native trees such as camphor trees and golden trumpet trees, as well as flowering shrubs. We organized a vanguard team of Party members from the Baoan project to conduct volunteer maintenance deep within communities, promoting the integration of urban agriculture and ecology. Simultaneously, in Xinqiao Subdistrict, we established a technical system encompassing pruning and shaping, biological pest control, and precise nutrient regulation to scientifically manage and maintain distinctive tree species and seasonal flowers, creating multi-layered landscape corridors. Projects in Longchuan, Xinhui, and Quannan selected tree species for community formation based on site condition analyses, achieving a dual-benefit structure that combines ecological benefits with aesthetic value. Furthermore, we successfully hosted the 35th Annual Conference of the Chinese Society of Landscape Architecture, establishing a collaborative platform for industry, academia, and research, and were consequently awarded the "Special Contribution Award for Urban Management" by the Guangming District People's Government. This initiative enhanced the ecological connectivity of the green space system, activated the effectiveness of grassroots governance through the "Party Building + Ecology" model, promoted the transformation of urban greening toward multi-stakeholder co-governance, and established a replicable model for ecological service practices.



Urban Greening Initiative

BUILDING A HARMONIOUS FUTURE



Case: Safeguarding the Race Course, Promoting Cleanliness

In December 2025, during the marathon event, the Group's Lvrn Project Company carried out comprehensive support operations to ensure the sanitation of the racecourse and surrounding areas. One month prior to the event, we formulated a specialized plan and conducted a thorough "carpet-style" cleanup along the racecourse, including cleaning road surfaces and green belts as well as trimming vegetation. Early on the morning of the event, cleaning staff and vehicles were deployed in advance. Through segmented responsibility assignments and flexible waste removal, they cleared trash in real time and established emergency response teams to handle unexpected situations. After the race, personnel were quickly organized to conduct comprehensive sweeping, waste removal, and road surface washing, restoring the environment to a clean state within a short period.

A total of 238 staff members and multiple vehicles and pieces of equipment were deployed for this operation. Through pre-event preparation, dynamic maintenance during the event, and rapid post-event restoration, we ensured a clean and orderly environment throughout the entire event, contributing to the smooth execution of the marathon.



Event Venue

BUILDING A HARMONIOUS FUTURE

(2) Building Harmonious and Beautiful Villages

The Group sustainably deepens the management of the rural living environment, practices the national strategy of “livable, business-friendly, harmonious and beautiful villages”, refines the long-term operation system for the construction and maintenance of the rural living environment, and creates a new image of beautiful villages.



Case: Rural Environmental Governance to Refresh Livable Appearance

The Longkou Project in the Group’s East China Region, with the value orientation of “making villages more livable and life better”, has implemented systematic environmental improvement initiatives to deepen the national construction practice of “livable, business-friendly, and harmonious and beautiful villages”, and strives to enhance the quality of the rural living environment.

For areas such as narrow village roads, tree pits along roadsides, and areas around trash bins, the sanitation team of the Longkou Project has carried out full-coverage and refined operations, conducting in-depth cleaning. This practice fully highlights the effectiveness of the long-term management and maintenance mechanism in implementation. Through regular and systematic environmental maintenance, it has promoted the transformation of villages from chaos to cleanliness, order, and ecological livability, offering strong support for the development of harmonious and beautiful villages.

By virtue of the continuous operation of the long-term management and maintenance mechanism, the regional environment of the Longkou Project has undergone systematic improvement: the once messy streets now show a neat and orderly scene, the overall rural outlook has been completely refreshed, and a solid foundation has been laid for the achievement of the livable and business-friendly goals.



Cleaning Site

BUILDING A HARMONIOUS FUTURE

(3) Co-Creating Better Communities

The Group proactively fulfills its social responsibilities, cooperates with project-located subdistrict offices in their work, fully leverages its own capabilities and resource advantages, actively coordinates community public resources, and optimizes the level of community environmental services.



Case: Deepening Community Co-construction to Lead the New Trend of Green Lifestyle

This year, through the continuous implementation of diverse waste sorting awareness campaigns and practical activities throughout the year, our Group has effectively raised residents' environmental awareness and contributed to the creation of a green and tidy community environment.

- Fengrun Project Company

To raise residents' awareness rate, participation rate and accurate disposal rate of domestic waste sorting, the publicity team of our Group's Fengrun Project Company has carried out the following series of publicity and training initiatives:

- Community Publicity Campaigns

We jointly launched a waste sorting-themed publicity campaign at the Activity Center of Tangche Community, Fengrun District, in collaboration with municipal and district-level urban management and law enforcement bureaus. During the campaign, we worked closely with law enforcement officers and community volunteers to set up three functional zones, namely policy promotion, knowledge quiz and hands-on practice. We also prepared supporting materials including popular science display boards, brochures and waste sorting bin models in advance, and explained waste sorting policies, standards and values in plain language. During the knowledge quiz and hands-on practice sessions, we actively guided residents to participate and promptly corrected non-standard operations. The joint publicity campaign effectively attracted wide participation from community residents. Residents responded that the campaign was innovative in form and practical in content. Through immersive learning, they strengthened their comprehensive understanding of waste sorting and expressed their willingness to take the initiative in practicing it.



Waste Sorting Community Publicity Campaign

BUILDING A HARMONIOUS FUTURE

**Case: Deepening Community Co-construction to Lead the New Trend of Green Lifestyle (Continued)****➤ Waste Sorting Campaign on Campus**

To further expand the reach of our promotional activities, we extended the campaign to school campuses and successfully held a “Waste Sorting into Campus” themed publicity event at several primary schools. Through illustrated PPT presentations and easy-to-understand explanations, the event systematically introduced the significance of waste sorting, the specific methods for distinguishing the four types of waste, and key points for disposal, with a particular focus on educating participants about the types of hazardous waste and safe handling procedures. We also arranged fun interactive Q&A sessions and game-based challenges such as the “Waste Sorting Wheel of Fortune”, encouraging students to actively raise their hands to answer. In addition, we organized mock sorting exercises where students were provided with simulated waste bins and waste cards to practise hands-on and apply what they had learned. The event was met with a lively atmosphere and active participation from both teachers and students. It not only firmly established the concept of “everyone is responsible for waste sorting” in the students’ minds, but also effectively enhanced young people’s understanding of waste classification, laying a solid foundation for cultivating a new generation of environmentally responsible citizens and contributing to the development of a beautiful and well-facilitated Fengrun district.



Waste Sorting Campus Publicity Campaign

BUILDING A HARMONIOUS FUTURE

**Case: Deepening Community Co-construction to Lead the New Trend of Green Lifestyle (Continued)****➤ Special Training for Frontline Sorting Personnel**

In response to the actual needs of frontline sorting personnel, we conducted special training sessions at the waste sorting stations of the Fourth Community and the Fifth Community in Fengrun District. Focusing on the three core principles of “practicality, efficiency and safety”, we helped sorting personnel master standardised procedures. In accordance with the latest waste sorting policies, we elaborated on the sorting standards for recyclables, kitchen waste, hazardous waste and other waste, and addressed issues prone to confusion. We focused on training bag-breaking sorting techniques, such as how to quickly open garbage bags and use tools to reduce hand contact, so as to improve efficiency and reduce risks. In addition, we illustrated the value of sorting work through real cases and data – for instance, correct sorting of kitchen waste can reduce carbon dioxide emissions and recycling waste paper can save trees – thereby strengthening their professional identity.



Waste Sorting Training for Frontline Employees

Through a series of publicity activities covering different groups including community residents, teachers and students, and frontline sorting personnel, we have effectively raised the awareness and practical capabilities of the community in waste sorting, laying a solid foundation for the sustained promotion of waste sorting work.

BUILDING A HARMONIOUS FUTURE

**Case: Deepening Community Co-construction to Lead the New Trend of Green Lifestyle (Continued)**

- Zhongyan Property Management

To actively fulfill its community service responsibilities, Zhongyan Property Management, a subsidiary of our Group, proactively participates in various community-benefiting and resident-convenience activities in accordance with the *Beijing Residential Property Management Service Standards*. Every month, we collaborate with subdistrict offices, community organizations, and other entities to conduct Environmental Sanitation Cleanup Days. We organize employees to pick up litter in public areas and clear debris from green spaces. While beautifying the community environment, these efforts also foster harmonious relationships with subdistricts, communities, and residents, facilitating the smooth operation of our daily work.

Continuing under the theme “I’ll Take the Lead at the Bin, Let’s All Participate in Beautifying the Community,” we mobilized all employees to staff waste collection stations and guide residents in proper waste sorting. In 2025, a cumulative total of 3,552 staff members participated, effectively improving the quality of waste sorting in the community. We conducted waste sorting awareness campaigns in all residential complexes under our jurisdiction, educating residents on sorting methods and distributing informational materials. To address residents’ needs for disposing of unused household items, we partnered with the community and professional recycling organizations to launch an innovative exchange program for unused items. This initiative not only facilitated resource recycling and reuse for residents and beautified the community environment but also helped foster sustainable living habits among residents.



Zhongyan Property Management staff and community residents jointly manning waste collection stations

BUILDING A HARMONIOUS FUTURE

**Case: Deepening Community Co-construction to Lead the New Trend of Green Lifestyle (Continued)**

- Nanpi Project Company

In response to the call for the Third National Waste Sorting Awareness Campaign, our Group's Nanpi Project Company, under the theme "Join the Sorting Effort, Embrace the Low-Carbon Lifestyle," collaborated with the Nanpi County Urban Management Bureau to conduct waste sorting awareness campaigns at Fujia Garden and Gucheng Rongfu residential communities.

We have carefully prepared practical cloth bags printed with waste sorting promotional graphics and illustrated brochures that use plain language and vivid visuals to explain sorting standards, disposal guidelines, and processing procedures in detail. During the event, we organized our employees and staff from the Urban Management Bureau to serve as outreach volunteers, moving through crowded areas of the residential community to proactively engage with residents, distribute brochures and cloth bags, and explain the key points of waste sorting. In the future, we will launch the "Double Enhancement" Improvement Plan. We will innovate our outreach efforts through educational short videos and community presentations and establish a regular coordination mechanism with the Urban Management Bureau. Through joint patrols and dynamic supervision, we will build a long-term management system to drive the transformation of waste sorting from "passive compliance" to "public awareness."

(4) Enhancing Public Welfare Services

The Group continuously improves the *Donation Management Measures*, strengthens the donation management mechanism, and standardizes full-process operations to deepen the practice of corporate social responsibility. We continuously provide targeted relief donations to socially vulnerable groups, while actively supporting public welfare projects such as science, education, culture, health, and sports undertakings, as well as environmental protection and energy conservation and emission reduction. In 2025, the Group's trade union achieved a consumption-based assistance amount of RMB42,300 through poverty alleviation procurement, contributing to rural economic development. In 2025, the Group's charitable donations amounted to RMB1.5933 million. Through institutionalized and regular public welfare initiatives, the Group diligently fulfills its social responsibilities and continuously conveys the enterprise's warmth and responsibility.

BUILDING A HARMONIOUS FUTURE



Case: Donating Raincoats to Aid Flood Prevention; Government and Enterprise Join Forces to Protect the Front Lines

In July 2025, during the critical phase of flood prevention and control in Tuoketuo County, the Group actively responded to the local government's call and deepened the government-enterprise coordination mechanism. We immediately mobilized all employees at the Tuoketuo project to join the front lines of emergency rescue and disaster relief. The Group's trade union also urgently allocated flood control supplies, providing 320 raincoats to the project. This supported the orderly conduct of emergency rescue operations and effectively safeguarded flood control safety.



Flood Relief Site



Case: Awarded the "Caring Company" Certification for Sustained Contributions to Community Service

Shiny Glory Services (Hong Kong) Limited, a subsidiary of the Group, upholds its mission as a responsible enterprise and continuously encourages employees and stakeholders to participate in community development. It takes pride in serving the community and strengthening social connections, fulfilling its responsibilities through diversified forms such as public fundraising, targeted donations, and volunteer services. In 2025, we organized employees to participate in 24-hour volunteer service and donated approximately HKD6,400 to the community. Based on its sustained commitment to the community, employee well-being, and the environment, it has been awarded the "Caring Company" Award by the Hong Kong Council of Social Service since 2007.

BUILDING A HARMONIOUS FUTURE



Case: Scholarships Fueling Growth, Compassion Spreading Warmth

In August 2025, the Hami Project of the Group held the scholarship award ceremony for employees' children who had taken the national college entrance examination, themed "Beijing Enterprises Student Assistance Unites Strength, Nurturing Talents to Fulfill Dreams". A total of 107 beneficiary students, parent representatives, and employee representatives attended the ceremony. At the event, the project leader reported on the overall situation of employees' children participating in the 2025 national college entrance examination, and distributed scholarships to the 107 students in turn, with a total donation of RMB139,500. The ceremony included speech sessions where student representatives and parent representatives shared their heartfelt thoughts, expressed gratitude, and conveyed their aspirations. This scholarship program has effectively eased the financial burden on employee families, earned recognition from both employees and their children, demonstrated the Group's commitment to education and talent development, and fostered a positive public welfare atmosphere of unity and mutual support.



Scholarship Award Ceremony

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE





In 2015, the United Nations Summit on Sustainable Development formally adopted 17 Sustainable Development Goals (SDGs), aiming to guide global sustainable development efforts from 2015 to 2030. We actively align with SDGs, identify priorities, and take targeted actions to achieve sustainable development.

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Priorities		
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> We have established a comprehensive HSE system, thoroughly implemented the work safety accountability system, strengthened occupational disease prevention, screening, and safety protection measures, and taken various steps to effectively safeguard the health and safety of our employees. We have the capacity to treat 44 out of the 46 major categories of hazardous waste listed in the National Hazardous Waste Catalogue, significantly reducing the health risks the public faces from exposure to hazardous waste. 	<ul style="list-style-type: none"> STRENGTHENING CORPORATE GOVERNANCE – Securing the Safety Foundation
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> We ensure that no form of gender-based discrimination occurs during recruitment or in the workplace. In 2025, women accounted for 53.09% of our total workforce. 	<ul style="list-style-type: none"> OPTIMIZING TALENT ECOSYSTEM
 <p>6 CLEAN WATER AND SANITATION</p>	<ul style="list-style-type: none"> We strictly adhere to laws, regulations, and national and local standards to rigorously treat wastewater and leachate generated during operations, ensuring that all pollutant indicators in the treated wastewater meet discharge standards. For project companies lacking treatment facilities, we will entrust qualified third parties to handle the treatment, thereby minimizing water pollution to the greatest extent possible. By 2025, 12 operational projects have achieved 100% reuse of production wastewater. 	<ul style="list-style-type: none"> ADDRESSING CLIMATE CHALLENGES – Strict Control of Pollutant Emissions
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> We continue to optimize our energy structure. In Shenzhen and other locations, we are continuously investing to accelerate the upgrade of our operational vehicles, procuring a large number of new energy vehicles and equipment such as electric and LNG vehicles to expedite the establishment of a clean, efficient, safe, and sustainable energy supply system. In 2025, the proportion of large-scale new energy sanitation vehicles in the Group's fleet will account for 16.44% of the total sanitation vehicle fleet. 	<ul style="list-style-type: none"> ADDRESSING CLIMATE CHALLENGES – Optimizing Resource Conservation

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> We uphold a “people-oriented” philosophy to attract, develop, and retain top talent. We thoroughly evaluate employees’ individual performance, work capabilities, and market conditions to provide fair and industry-competitive compensation and benefits. 	<ul style="list-style-type: none"> OPTIMIZING TALENT ECOSYSTEM
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<ul style="list-style-type: none"> We are restructuring our operational management model with cutting-edge digital and intelligent systems, driving operational transformation through smart equipment, and leveraging industry insights through an open ecosystem of industry-academia-research collaboration. At the same time, we use customer satisfaction as our benchmark to continuously optimize our end-to-end service system and quality standards. By deepening strategic partnerships with industry associations, research institutions, and enterprises, we advance industry-academia-research collaboration projects and strengthen our industry research capabilities. We closely monitor industry trends, actively participate in industry exchange platforms, and stay abreast of market innovation trends to provide a solid foundation for the Group’s long-term development. 	<ul style="list-style-type: none"> IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> We proactively fulfill our social responsibilities by collaborating with local subdistrict offices. Leveraging our capabilities and resource advantages, we actively coordinate community public resources to enhance the quality of community environmental services. 	<ul style="list-style-type: none"> BUILDING A HARMONIOUS FUTURE – Promoting Community Inclusion
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<ul style="list-style-type: none"> As a professional municipal services operator, our urban services business primarily encompasses comprehensive cleaning and sanitation across the entire region, management of sanitation facilities, the Urban Station (Public Restroom+) service system, waste sorting, waterway (marine) cleaning, landscaping, maintenance of municipal facilities, public property management, and urban emergency support, contributing to the sustainable development of cities and communities. 	<ul style="list-style-type: none"> ADDRESSING CLIMATE CHALLENGES – Building a Beautiful Ecological Environment

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
	<ul style="list-style-type: none"> The Group adheres to a customer-centric approach, proactively collecting and promptly addressing customer suggestions and feedback to continuously enhance customer satisfaction. In 2025, the Group's urban services and hazardous waste management operations received no major complaints related to product quality or service. Our subsidiary, Zhongyan Property Management, achieved a 100% response rate, resolution rate, and satisfaction rate for its citizen service hotline throughout the year. 	<ul style="list-style-type: none"> IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE – Delivering Excellent Services
	<ul style="list-style-type: none"> We address climate change by strictly controlling pollution emissions and promoting energy conservation and reduced consumption. We manage dust, wastewater, exhaust gases, noise, vibration, and construction lighting generated during project construction or operations to minimize harm and pollution to people and the environment. We regularly calculate and publicly disclose greenhouse gas emissions data, and assess the impact of our business activities on climate change. 	<ul style="list-style-type: none"> ADDRESSING CLIMATE CHALLENGES
Related Items		
	<ul style="list-style-type: none"> We continuously refine the "Donation Management Measures," strengthen donation management mechanisms, and standardize the entire operational process to deepen our corporate social responsibility practices. We continue to provide targeted relief donations to socially vulnerable groups, while actively supporting public welfare projects in science, education, culture, health, sports, environmental protection, and energy conservation and emissions reduction. 	<ul style="list-style-type: none"> BUILDING A HARMONIOUS FUTURE – Promoting Community Inclusion
	<ul style="list-style-type: none"> In 2025, the Group's charitable and other donations amounted to RMB1.5933 million 	

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> We adhere to a “talent-driven enterprise” strategy, strengthen the top-level design of employee training, and further promote the systematic development of talent throughout their entire career lifecycle by optimizing on-the-job training models and establishing talent development programs for future leaders. In 2025, the Group’s average training duration per employee was 79 hours. 	<ul style="list-style-type: none"> OPTIMIZING TALENT ECOSYSTEM
 <p>14 LIFE BELOW WATER</p>	<ul style="list-style-type: none"> We strictly conduct environmental impact assessments for projects in accordance with national laws and regulations, and maintain rigorous requirements for project site selection to prevent damage to or impact on the habitats of surrounding wildlife caused by project operations. 	<ul style="list-style-type: none"> ADDRESSING CLIMATE CHALLENGES
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> We fully leverage our resources, technology, and industry strengths to continuously expand our business scope. We maintain cleanliness and hygiene in key ecological conservation areas such as scenic spots, mobilize employees to plant trees, and contribute to the protection of ecosystems and biodiversity. 	
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> We strictly comply with national laws and regulations regarding anti-corruption, anti-money laundering, and anti-fraud, adhere to responsible business principles, and are committed to safeguarding the Group’s reputation and continuously enhancing our market competitiveness. The Group has no major litigation cases involving corruption, fraud, or money laundering. 	<ul style="list-style-type: none"> STRENGTHENING CORPORATE GOVERNANCE – Fortifying Compliance Framework
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<ul style="list-style-type: none"> We collaborate with our suppliers to achieve mutual success and are committed to enhancing environmental and social risk management across our supply chain. We actively promote the development of green supply chains and prioritize suppliers with strong ESG performance. 	<ul style="list-style-type: none"> BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure	Disclosure Sections	
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, priorities and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG related goals and targets with an explanation of how they relate to the issuer’s businesses. 	STATEMENT OF THE BOARD OF DIRECTORS
Reporting Principles	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p>Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	ABOUT THE REPORT
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	ABOUT THE REPORT

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"			
Aspect	Topic	Performance Indicators	Disclosure Sections
Environmental	A1 Emissions	General Disclosure: Information on:	ADDRESSING CLIMATE CHALLENGES
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
		<i>Note:</i> <i>Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i>	
		<i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i>	
		<i>Hazardous wastes are those defined by national regulations.</i>	
		A1.1 The types of emissions and respective emissions data.	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING
CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"			
Aspect	Topic	Performance Indicators	Disclosure Sections
		A1.5 Description of emission target(s) set and steps taken to achieve them.	ADDRESSING CLIMATE CHALLENGES – Strict Control of Pollutant Emissions
		A1.6 Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ADDRESSING CLIMATE CHALLENGES – Strict Control of Pollutant Emissions
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> <i>Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	ADDRESSING CLIMATE CHALLENGES
		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).	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	ADDRESSING CLIMATE CHALLENGES – Optimizing Resource Conservation
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ADDRESSING CLIMATE CHALLENGES – Optimizing Resource Conservation
		A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Group's operations do not involve the use of packaging materials for finished products

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"			
Aspect	Topic	Performance Indicators	Disclosure Sections
	A3 The Environment and Natural Resources	<p>General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.</p> <p>A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<p>ADDRESSING CLIMATE CHALLENGES – Building a Beautiful Ecological Environment, Standardized Construction Management</p> <p>ADDRESSING CLIMATE CHALLENGES – Building a Beautiful Ecological Environment, Standardized Construction Management</p>
Social	B1 Employment	<p>General Disclosure: Information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</p> <p>B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.</p> <p>B1.2 Employee turnover rate by gender, age group and geographical region.</p>	<p>OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights</p> <p>OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights</p> <p>OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights</p>

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING
CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"

Aspect	Topic	Performance Indicators	Disclosure Sections
	B2 Health and Safety	<p>General disclosure: information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p> <p>B2.2 Lost days due to work injury.</p> <p>B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.</p>	<p>STRENGTHENING CORPORATE GOVERNANCE – Securing the Safety Foundation</p> <p>STRENGTHENING CORPORATE GOVERNANCE – Securing the Safety Foundation</p> <p>STRENGTHENING CORPORATE GOVERNANCE – Securing the Safety Foundation</p> <p>STRENGTHENING CORPORATE GOVERNANCE – Securing the Safety Foundation</p>
	B3 Development and Training	<p>General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p> <p><i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p> <p>B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p> <p>B3.2 The average training hours completed per employee by gender and employee category.</p>	<p>OPTIMIZING TALENT ECOSYSTEM – Talent Development and Cultivation</p> <p>OPTIMIZING TALENT ECOSYSTEM – Talent Development and Cultivation</p> <p>OPTIMIZING TALENT ECOSYSTEM – Talent Development and Cultivation</p>

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"

Aspect	Topic	Performance Indicators	Disclosure Sections
B4 Labor Standards		General Disclosure: Information on:	OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights
		B4.2 Description of steps taken to eliminate such practices when discovered.	OPTIMIZING TALENT ECOSYSTEM – Protection of Employee Rights
B5 Supply Chain Management		General Disclosure: Policies on managing environmental and social risks of the supply chain.	BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System
		B5.1 Number of suppliers by geographical region.	BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	BUILDING A HARMONIOUS FUTURE – Sustainable Supply Chain System

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING
CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"

Aspect	Topic	Performance Indicators	Disclosure Sections
	B6 Product Responsibility	<p>General disclosure: information on:</p> <p>(1) the policies; and</p> <p>(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p> <p>B6.2 Number of products and service-related complaints received and how they are dealt with.</p> <p>B6.3 Description of practices relating to observing and protecting intellectual property rights.</p> <p>B6.4 Description of quality assurance process and recall procedures.</p> <p>B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	<p>STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework</p> <p>The Group's operations do not involve the recall of products that have been sold or shipped.</p> <p>IGNITING A JOURNEY OF EXCELLENCE WITH INTELLIGENCE – Delivering Excellent Services</p> <p>STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework</p> <p>The Group's operations do not involve product recycling.</p> <p>STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework</p>

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

"Comply or explain"

Aspect	Topic	Performance Indicators	Disclosure Sections
B7 Anti-corruption		General disclosure: information on:	STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework
		(1) the policies; and	
		(2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	
B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.			STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework
			STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework
			STRENGTHENING CORPORATE GOVERNANCE – Fortifying the Compliance Framework
B8 Community Investment		General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	BUILDING A HARMONIOUS FUTURE – Promoting Community Inclusion
		B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	BUILDING A HARMONIOUS FUTURE – Promoting Community Inclusion
		B8.2 Resources contributed (e.g. money or time) to the focus area.	BUILDING A HARMONIOUS FUTURE – Promoting Community Inclusion

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
Governance	Governance Body and Processes	<p>19. An issuer shall disclose information about:</p> <p>(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.</p> <p>(b) An issuer shall disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.</p>	ADDRESSING CLIMATE CHALLENGES – Governance
Strategy	Climate-related Risks and Opportunities	<p>20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and</p> <p>(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	ADDRESSING CLIMATE CHALLENGES – Strategy

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
	Business Model and Value Chain	<p>21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	ADDRESSING CLIMATE CHALLENGES – Strategy
	Strategy and Decision-Making	<p>22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on the issuer's strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	ADDRESSING CLIMATE CHALLENGES – Strategy

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
		23 An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	ADDRESSING CLIMATE CHALLENGES – Strategy
	Financial Position, Financial Performance and Cash Flows	24 An issuer shall disclose qualitative and quantitative information about:	ADDRESSING CLIMATE CHALLENGES – Strategy
		(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	
		(b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
		25 An issuer shall provide qualitative and quantitative disclosures about:	ADDRESSING CLIMATE CHALLENGES – Strategy
		(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and	
		(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
	Climate Resilience	<p>26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date;</p> <p>(b) how and when the climate-related scenario analysis was carried out.</p>	ADDRESSING CLIMATE CHALLENGES – Strategy
Risk Management	Risk Management	<p>27 An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks;</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	ADDRESSING CLIMATE CHALLENGES – Strategy, Risk Management



APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
Metrics and Targets	Greenhouse Gas Emissions	28 An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as: <ul style="list-style-type: none"> (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions 	ADDRESSING CLIMATE CHALLENGES – Environmental Key Performance Indicators
		29 An issuer shall: <ul style="list-style-type: none"> (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011). 	

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
	Climate-related Transition Risks	30 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	ADDRESSING CLIMATE CHALLENGES – Strategy
	Climate-related physical Risks	31 An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	ADDRESSING CLIMATE CHALLENGES – Strategy
	Climate-related Opportunities	32 An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	ADDRESSING CLIMATE CHALLENGES – Strategy
	Capital Deployment	33 An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	ADDRESSING CLIMATE CHALLENGES – Strategy
	Internal Carbon Prices	34 An issuer shall disclose: (a) an explanation of whether and how the issuer is applying carbon pricing in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply carbon pricing in decision-making.	ADDRESSING CLIMATE CHALLENGES – Strategy
	Remuneration	35 An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	ADDRESSING CLIMATE CHALLENGES – Governance

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
	Industry-based Metrics	36 An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	There are no applicable industry-based metrics at present.
	Climate-related targets	37 An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: <ul style="list-style-type: none"> (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and 	ADDRESSING CLIMATE CHALLENGES – Strategy

APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
		(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
		38 An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	As of the end of this year, the Group has not engaged a third-party organization to verify its emissions targets or the methodology used to set them.
		(a) whether the target and the methodology for setting the target has been validated by a third party;	
		(b) the issuer's processes for reviewing the target;	
		(c) the metrics used to monitor progress towards reaching the target; and	
		(d) any revisions to the target and an explanation for those revisions.	
		39 An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	ADDRESSING CLIMATE CHALLENGES – Strategy
		40 For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, the issuer shall disclose:	ADDRESSING CLIMATE CHALLENGES – Strategy
		(a) Which greenhouse gases are covered by the target;	As of the end of this year, the Group has not yet achieved carbon reduction through carbon credits.
		(b) Whether the target covers Scope 1, Scope 2, or Scope 3 greenhouse gas emissions;	
		(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If it is a net greenhouse gas emissions target, the issuer must separately disclose the relevant gross greenhouse gas emissions target;	



APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

Aspect	Disclosure Content	Disclosure Requirements	Corresponding Section
		(d) Whether the target is derived using an industry decarbonization methodology; and	
		(e) Whether the issuer plans to use carbon credits to offset greenhouse gas emissions in order to achieve any net greenhouse gas emission targets.	
	Applicability of Cross-Sectoral and Sector-Specific Metrics	41 In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	ADDRESSING CLIMATE CHALLENGES – Strategy



北控城市資源集團有限公司

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED