



北控城市資源集團有限公司

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED

(Incorporated in Cayman Islands with limited liability)

Stock code : 3718



2019

Environmental, Social and
Governance Report



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ABOUT THE REPORT

Introduction to the report

This report sets out to present the performance of Beijing Enterprises Urban Resources Group Limited ("Beijing Enterprises Urban Resources", the "Company") and its subsidiaries (collectively referred to as the "Group", "we") on Environmental, Social and Governance ("ESG") in 2019. The report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (《環境、社會及管治報告指引》 the ESG Reporting Guide) set out in Appendix 27 of The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》 "Listing Rules") to promote stakeholders to have a better understanding about the Company. The reporting scope and calculation method of the data involved in this report have been marked in the report.

Reporting period

Unless otherwise specified, the report covers the period from January 1st, 2019 to December 31st, 2019.

Reporting guide

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

Confirmation and approval

This report was approved by the Board of Directors on July 7th 2020.



CHAIRMAN'S STATEMENT



Mr. Zhou Min

Chairman

Chairman's Statement

In 2019, China celebrated its 70th anniversary. Overlooking the great land of China, various businesses are flourishing, reform and development are booming, and the construction of ecological civilization has entered a new stage of development. Building a "Beautiful China" has become the goal of the people of the whole country. "Lucid waters and lush mountains are invaluable assets" has become the consensus of the general Chinese population, and ecological and environmental protection has also become deeply-rooted in the hearts of our people. In this year, the Group adhered to the lofty vision of "guarding green homes and creating a beautiful environment", and focused on the development goal of becoming "a leading service provider of comprehensive urban environment and resource utilization", maintained its strategic determination, accelerated the pace of development, and paid more attention to the harmonious development of business, economy, society and environment while improving its enterprise value. We strive to exert a positive impact on social development and environmental construction, and in return provide support to shareholders and all sectors of society.

In the past year, we devoted to our original intentions through concrete actions. We firmly followed the path of green development, adhered to the principles of "protecting the environment, focusing on prevention, comprehensive governance, public participation, and accountability for damage", and practiced the concept of "clean city, resource recycling, and creating lucid waters and lush mountains together". We continuously improve the efficiency of resource use, advocate for the use of new energy, and devote to the reduction and harmless disposal of hazardous waste, and comprehensive utilization of resources, and is committed to the comprehensive improvement of human settlement environment to further enhance the urban and rural human settlement environment. Through these efforts, we made positive contributions to urban environmental hygiene and hazardous waste recycling and disposal, promoted environmental protection and green development, and accelerated the pace of building a beautiful China.

In the past year, we devoted into creating a smart future. We continued to improve the level of governance, improved the corporate governance mechanism, and incorporated ESG governance concepts to prevent various risks and improve the quality of standardized operations. We focused on innovation-driven development, adhered to the digital development concept of "creation of a smart future", and gradually implemented smart operations; in hygiene business, many smart hygiene projects have been built, and have been continuously upgraded and renovated during our course of development. Technologies such as 5G, automation, big data have been applied to promote data integration management and optimize resource allocation; in terms of hazardous waste business, taking the industrial Internet of Things as the cornerstone and industrial big data as the engine, through big data analysis methods, we achieved automation and refinement of the production process and improved the operational management and control capabilities.

In the past year, we warmed the world with our hearts. Adhering to the strategy of "people-oriented, culture strengthens the enterprise" and the business philosophy of "reassuring the government, satisfying the public, earning profits and benefiting our employees", we attached great importance to and

cared about employee development, safeguarded employee rights and interests, protected employee health and safety, and strived to give employees a sense of gain, belonging, and honor. We cultivated and innovated a distinctive corporate culture, cared employees and united employees with our culture, created a positive environmental atmosphere, and gathered all the powerful forces of employees to promote corporate development. We fulfilled corporate social responsibility by responding to the national call for precise poverty alleviation, assisting poverty alleviation, spreading environmental protection culture, popularizing environmental sanitation knowledge, and promoting integration with community.

Despite the eventful old days, "Lucid waters and lush mountains" can be expected. 2020 is the year of completion of the building of a moderately prosperous society in all respects and the 13th Five-Year Plan. As the country attaches greater importance to ecological and environmental protection and places more emphasis on combating pollution, the environmental protection industry will usher in a new period of development opportunities. We will give full play to our leading advantages in capital operation and investment and financing, continue to improve our own capabilities to lead the construction of ecological civilization and assist the construction of a beautiful China.



Mr. Zhao Kexi

CEO



CEO's Statement

In 2019, the State Council issued the Opinions on Reinforcing Ecological Environmental Protection and Fighting the Pollution Prevention and Control War (《關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》). The policy on ecological environmental protection has been strengthened, the industrial development policy has been increasingly improved, and the development of ecological civilization has ushered in a new development, which provides an important period of strategic opportunities and provides a broad blue ocean market for the development of environmental protection enterprises.

Develop the layout according to the situation, and forge ahead to create value. 2019 was the year for the Group to enhance its system and promote efficient development. We gave full play to our own advantages in technology, brand, operation, management, etc., to improve the internal control system and the level of lean management, increased market development efforts, and greatly improved our operational capabilities and profitability. As of the end of 2019, we achieved operating revenue of HK\$2,711.2 million, a year-on-year increase of 45.6%. In terms of environmental hygiene business, we focus on the expansion of urban environmental hygiene projects in large-scale and medium to large-sized cities, promoting the nationwide layout of the industry, and achieving 97 environmental hygiene projects with a total contracted area of approximately 150,336,000 square meters. In terms of hazardous waste treatment business and other businesses, we focused on strengthening the technological upgrade and transformation of existing projects and optimizing the construction cycle of projects under construction and projects planned. We had 6 active projects and 2 projects in trial operation and 5 projects under construction. Treatment facilities of our projects that engaged in hazard-free waste disposal

had a total designed treatment capacity of 370,396 tons per annum. Treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum.

Follow the trend and seek long-term, unite and take responsibility. We always practice the national green development concept, adhere to the basic national policy of environmental protection, minimize environmental pollution and ecological damage, and continue to promote technological innovation, increase clean energy utilization rate and optimize the structure of resource use in accordance with the concept of "clean city, resource recycling, and creating "lucid waters and lush mountains together". We use Internet, Internet of Things, big data, cloud computing and other information technologies to accelerate the creation of a "smart environmental management platform" to open up new paths for sustainable development of enterprises. We adhere to the concept of "talent is the core competitiveness", pay attention to the construction of talent team, improve the human resources development system, and strive to turn the Company into a broad platform for the long-term development of employees and entrepreneurship. We actively engage in social welfare undertakings, fulfilling the responsibility of state-owned enterprises by contributing to targeted poverty reduction, actively spreading environmental protection culture, guiding communities to carry out garbage classification, and further improving urban and rural living environment.

Taking advantage of the situation to embark on a new journey, we boost our spirit and restart. In 2020, we will not forget our original intentions, dedicate ourselves to move forward, seize the opportunities of the times, and continue to create sustainable value for the country, industry, clients and various stakeholders.

ABOUT THE COMPANY

We are an integrated waste management solution provider in China, currently focusing on providing environmental hygiene services and hazardous waste treatment services. The Group is headquartered in Beijing, China, with service areas covering 23 provinces, municipalities and autonomous regions in China, and 33,242 employees.

2019 was the year for the Group to enhance its standard and promote efficient development. During the year, we fully utilized our own advantages to promote the strength of market expansion and expedite the development of our business chains. Moreover, we optimized the internal management and control system and enhanced the standard of refined management, thereby greatly increasing the operation capacity and efficiency level.

In the aspect of environmental hygiene business, we continue to increase our efforts on promoting urban environmental hygiene projects in large-scale and medium to large-sized cities. Taking the ecological service system as the core, we aim to achieve overall cleaning, integrated treatment of solid and water pollution, and resource circulation and promote industrial aggregation, environmental improvement, and drive the deployment of our industrial layout across the country. As of December 31st, 2019, we had 97 environmental hygiene projects with a total contracted area of approximately 150,336,000 square meters. Adhering to the digitalized development concept of "creation of a smart future", we progressively implemented smart operation to construct a data management and control platform to enhance operational management and control capabilities, forming a "three (production, life and ecology)-in-one" urban development model and

characteristics. Through continuous improvement and optimization of core business capabilities and the integration of resources with specialized enterprises in various fields, we strive to adapt to the development requirements of the hygiene business in the new era.

In terms of hazardous waste treatment business and other businesses, we focused on strengthening the technological upgrade and transformation of existing projects and optimizing the construction cycle of projects under construction and projects planned. As of December 31st, 2019, we had 6 active projects and 2 projects in trial operation, 5 projects under construction and 4 planned construction projects. Treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 370,396 tons per annum. Treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum, as of the same date. We have two revenue-generating waste electrical and electronic equipment treatment projects. We procure waste electrical and electronic appliances mainly from local waste electrical and electronic appliances recycling stations. Types of equipment we dismantle include computers, refrigerators, television sets, washing machines and air conditioners. We gave priority to technology development and strengthened the effort in technological breakthroughs, set up the technology management standard system and optimized technology management process in a bid to enhance operational efficiency. Moreover, we accelerated the progress of establishing the ERP system and progressively promoted the effective integrated management of data, thereby providing support for scientific decision-making.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICES

In 2015, the UN Sustainable Development Summit formally adopted 17 Sustainable Development Goals (SDGs), which are designed to guide the global sustainable development work from 2015 to 2030.

We actively respond to each of the sustainable development goals, identify priorities and take diversified actions to achieve sustainable development.

SDGs	Actions by Beijing Enterprises Urban Resources
Priorities	
	<ul style="list-style-type: none"> ■ We attach great importance to occupational health and safe production, established a solid HSE¹ system, and adopted various measures to effectively protect the health and safety of employees. Meanwhile, we pay attention to the mental health of employees and conducted various activities to protect the health and well-being of our employees. ■ In addition, we have the ability to deal with 38 out of the 46 major hazardous wastes in the National Hazardous Waste List, which greatly reduces the health risks faced by the public due to exposure to hazardous waste.
	<ul style="list-style-type: none"> ■ We ensure that in the recruitment and work process, we do not adopt any kind of unequal treatment of employees based on their gender. In 2019, our female employees accounted for 50.09% of the total.
	<ul style="list-style-type: none"> ■ We strictly abide by laws and regulations and national and local standards to treat sewage and leachate generated during operation. For project companies that have no treatment capacities, we hire qualified third parties for treatment to avoid water pollution as much as possible.
	<ul style="list-style-type: none"> ■ We have gradually selected new energy sanitation vehicles to replace traditional gasoline vehicles in project operations to speed up the construction of a clean, efficient, safe and sustainable energy supply system.
	<ul style="list-style-type: none"> ■ We uphold the purpose of “people-oriented” to attract, nurture and retain outstanding talents. ■ We implemented a fair and competitive salary system and a well-established employee welfare system.

¹ HSE Health, Safety & Environment

United Nations Sustainable Development Goals Practices

SDGs	Actions by Beijing Enterprises Urban Resources
	<ul style="list-style-type: none"> ■ Adhering to the digital development concept of “creation of a smart future”, we have gradually implemented smart operations to build a data management and control platform and improved operational management capabilities by utilizing Internet, Internet of Things, big data, cloud computing and other information technologies. ■ We continuously promote technological innovation, set up a technological management standard system and optimized technological management process to improve operational efficiency.
	<ul style="list-style-type: none"> ■ A large number of our projects are located in underdeveloped remote areas. In order to promote local economic development and increase employment opportunities, we give preference in recruitment to localized talent. Many new hires of the Company this year came from project locations.
	<ul style="list-style-type: none"> ■ As a professional municipal operator, our environmental hygiene business mainly covers comprehensive road cleaning, garbage classification, garbage collection and transportation, garbage transportation station management, public toilet management, manure collection and transportation, greenway maintenance, river cleaning services and property management services, which contribute to the sustainable development of cities and communities. ■ We established and improved the township cleaning system and enhanced the management and supervision of township cleaning. We achieved the “completely sweeping” of urban and rural garbage, effectively solved the prominent problems of “garbage rebound”, and prevented and reduced environmental pollution and ecological damage.
	<ul style="list-style-type: none"> ■ We insist on being customer-centric, strive to improve customer service, ensure customer information security, safeguard intellectual property rights, and meet ever-increasing customer expectations and changing market environment. ■ We opened some facilities to the public to display environmental protection technological processes and carried out science popularization and shared industry knowledge.
	<ul style="list-style-type: none"> ■ We actively responded to climate change by strictly controlling pollution emissions, advocating energy conservation and consumption reduction, and exercising control and management on dust, wastewater, exhaust gas, noise, vibration, and construction lighting generated during project construction or operation to effectively reduce environmental pollution and harm to people. ■ We regularly calculate greenhouse gas emissions to assess the impact of our business activities on climate change and disclose the data to the public.

United Nations Sustainable Development Goals Practices

SDGs	Actions by Beijing Enterprises Urban Resources
Other related items	
 	<ul style="list-style-type: none"> ■ We actively fulfilled our social responsibilities and carried out various forms of poverty alleviation activities to help eliminate poverty. ■ By donating clean equipment and high-quality agricultural products to aid targets, we assisted the economic development of poor areas.
	<ul style="list-style-type: none"> ■ We earnestly invested in talent training, provided employees with regular and all-around development training and career planning suggestions, thereby contributing to the construction of the Group's talent teams. ■ We created environmental protection education practice classes for youth groups through environmental lectures, interactive games, and live demonstrations.
 	<ul style="list-style-type: none"> ■ We strictly carried out environmental impact assessment for our projects per national laws and regulations, and set strict requirements for project site selection to avoid damage and impact on the habitat of surrounding creatures arising from project operation.
	<ul style="list-style-type: none"> ■ We strictly abide by applicable national laws and regulations on anti-corruption, anti-money laundering and anti-fraud, abide by responsible business code of conduct, and are committed to maintaining the reputation of the Group and continuously improving our market competitiveness.
	<ul style="list-style-type: none"> ■ We regard suppliers as important business partners, work with suppliers to achieve win-win results, and are committed to improving the environment and social risk management across the supply chain.

ESG MANAGEMENT SYSTEM

ESG Concepts

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

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

Vision

Guarding green homes and creating a beautiful environment

Business Philosophy

Reassuring the government, satisfying the public, earning profits and benefiting our employees

Development Concept

A leading whole industrial chain urban environment service provider



Core Values

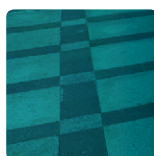
Being committed, creating value, and sharing with other

Development Goal

Environment first, shared rights and responsibility

We abide by the lofty vision of "guarding green homes and creating a beautiful environment", embrace the core value of "being committed, creating value, and sharing with others" and uphold the business philosophy of "reassuring the government, satisfying the public, earning profits and benefiting our employees". In its development, the Company has always practiced the development concept of "environment first, shared power and responsibility", and pursued and endeavored to achieve the development goal of "a leading whole industrial chain urban environment service provider". In order to support the realization of our goals, we continued to improve the ESG work concept, implemented work in the four key ESG areas, gradually

improved the Company's ESG governance, guarded against ESG-related risks, and improved the quality of operations.





Improve ESG governance structure

Under the guidance of the ESG Reporting Guide of the Hong Kong Stock Exchange, we plan to gradually improve our ESG governance structure and establish an ESG management system under the responsibility of the Board, led by the management with cross-departmental coordination and smooth up-down linkage. The Board is responsible for the formulation of the company's ESG strategy and goals; the management is responsible for the specific implementation of the ESG strategy and goals

whereas the ESG working group comprised of multiple departments at the headquarters and is responsible for the specific ESG work in their respective work areas. Under the guidance of the ESG working group, each subsidiary company carries out local ESG work. The establishment of ESG governance structure ensures that the environmental and social risks involved in various businesses are properly managed, and ESG concepts and strategies are effectively implemented.



Strengthen environmental and safety risk management

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

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

Ensure fulfillment of social responsibility

We uphold the business philosophy of "reassuring the government, satisfying the public, earning profits and benefiting our employees", strengthen caring for employees, solve difficult problems for employees and do practical things to ensure that the purpose of "people-oriented" is achieved. We make sure our employees feel a sense of gain, belonging and honor and promote the creation of corporate value through the realization of employee value. We actively fulfill social responsibilities and carry out poverty alleviation projects; we actively popularize environmental

protection laws and policies, organize various environmental charity publicity activities, spread scientific knowledge of environmental protection to the community, continuously gathering the power of environmental protection culture. In the future, we will deepen the spread of environmental protection culture, continue to popularize environmental hygiene knowledge, create a beautiful environment, and practice the lofty vision to "guard green homes and create a better environment".

Guarantee compliance operation

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

reciprocal control and supervision among various systems, departments, and employees to create a clean company environment. We make full use of monitoring and auditing methods and continuously improve audit coverage, standardize the behavior of management and ordinary employees, so as to keep the bottom line of compliance.

Responsible Communication and Materiality Analysis

(1) Stakeholder Engagement

As an enterprise engaged in environmental hygiene services and hazardous waste treatment services, we are fully aware of the need for deep stakeholder engagement in our business development process. Our main external stakeholders include government and regulators, shareholders and investors, customers, suppliers and partners, community organizations and local residents, news media and future talents, whereas

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

STAKEHOLDERS	MAIN COMMUNICATION CHANNELS	KEY CONCERNS
Government and regulators	<ul style="list-style-type: none"> Major meetings Policy consultation Event reporting Institutional visits Information disclosure 	<ul style="list-style-type: none"> Compliance with laws and regulations Pay taxes on time Legal compliance Energy conservation and emission reduction Safe production
Shareholders and investors	<ul style="list-style-type: none"> Investors' meetings Shareholders' meetings Corporate announcements and circulars Investor relations column 	<ul style="list-style-type: none"> Corporate governance Financial performance Stable returns Risk management
Customers	<ul style="list-style-type: none"> Customer meeting Customer satisfaction survey Customer complaint channels 	<ul style="list-style-type: none"> Customer service Privacy protection

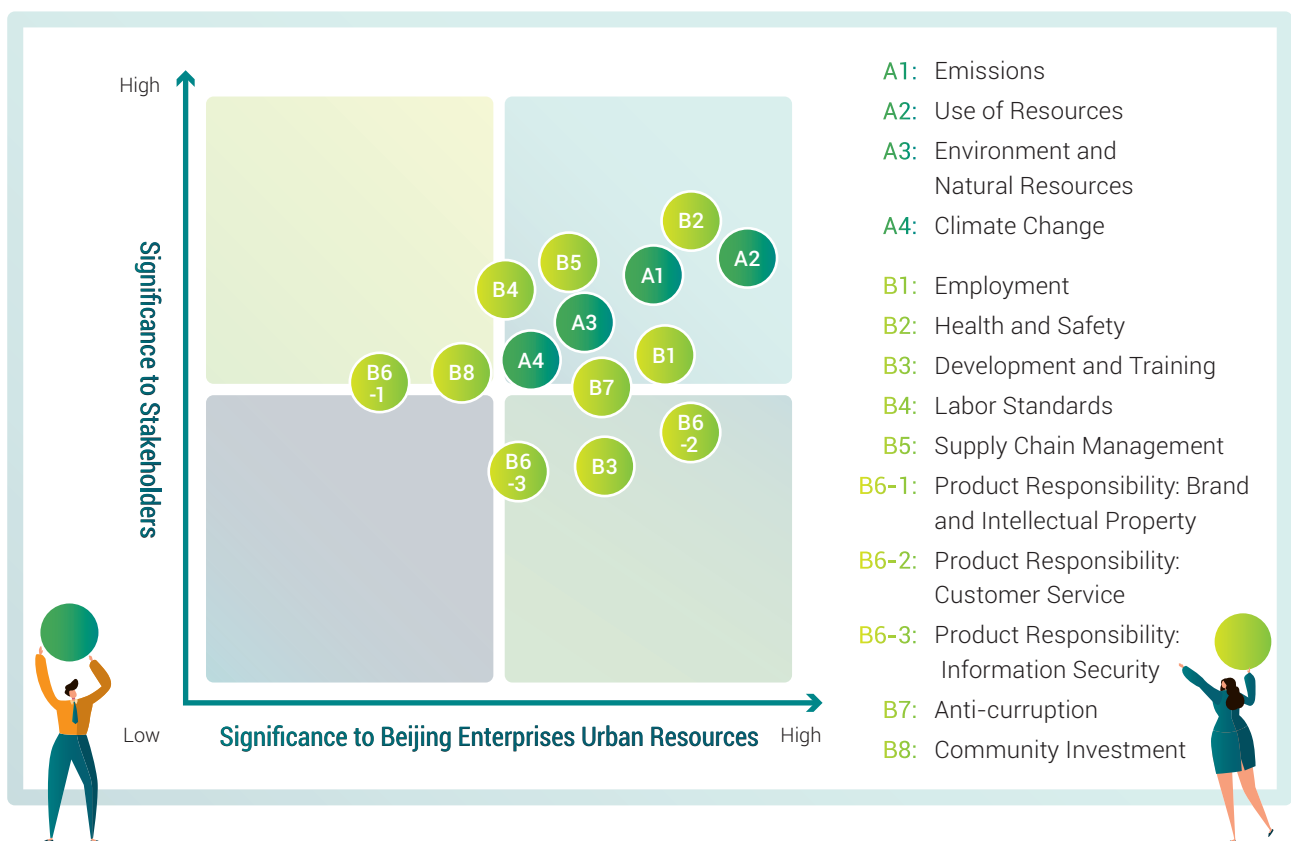
STAKEHOLDERS	MAIN COMMUNICATION CHANNELS	KEY CONCERNS
Suppliers and partners	<ul style="list-style-type: none"> Bidding and procurement activities Assessment and evaluation Site visit 	<ul style="list-style-type: none"> Business ethics Mutual benefit and win-win cooperation Fair competition
Employees	<ul style="list-style-type: none"> Working meeting Staff meeting Performance appraisal Employee complaint channels 	<ul style="list-style-type: none"> Compensation system Employee rights Health and safety Communication mechanism
Community organizations and local residents	<ul style="list-style-type: none"> Public service activities Public Open Day 	<ul style="list-style-type: none"> Community investment Communication mechanism
News media	<ul style="list-style-type: none"> Performance briefings Press release 	<ul style="list-style-type: none"> Technological innovation Ecological protection
Future talents	<ul style="list-style-type: none"> Recruitment seminar Campus recruitment activities 	<ul style="list-style-type: none"> Job opportunity School-enterprise cooperation



(2) Analysis of Material Issues

In order to further clarify the key areas of corporate environmental, social and governance practices and meet the needs of stakeholders, we conducted a survey on ESG materiality analysis in 2019, and distributed survey questionnaires to main internal and external stakeholders to understand their key concerns on

ESG-related issues. The survey selected a total of 14 issues in environmental and social aspects. Based on the feedback of stakeholders and the analysis and suggestions of internal and external experts, we have established an analysis matrix for 2019 ESG material issues.



Based on the analysis results, we have identified the material issues of this year as "Emissions", "Use of Resources", "Environment and Natural Resources", "Employment", "Health and Safety", "Supply Chain Management", and "Labor Standards". Other issues include "Development and Training", "Product

Responsibility: Brand and Intellectual Property", "Product Responsibility: Customer Service", "Product Responsibility: Information Security", "Anti-corruption" and "Community Investment". We take reference to this survey and analysis to determine the focus of this report and our future actions.



FOCUS ON DEVELOPMENT AND PROMOTE INNOVATION AND WIN-WIN COOPERATION



FOCUS ON DEVELOPMENT AND PROMOTE INNOVATION AND WIN-WIN COOPERATION

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

Strengthen Management

(1) Business Capabilities

The Group is principally engaged in environmental hygiene services, hazardous waste treatment services and waste electrical and electronic products treatment services.

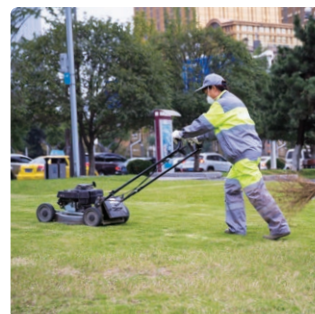
Environmental hygiene service

Environmental hygiene services refer to services in relation to environmental hygiene maintenance and management. We utilize existing public facilities (including garbage transportation stations and public toilets) to provide comprehensive environmental hygiene services. Our environmental hygiene services primarily cover comprehensive road cleaning, garbage sorting, garbage collection and transportation, garbage transportation station management, public toilet management, manure collection and transportation, greening maintenance, river cleaning services and property management services. With our ability and rich experience in the field of environmental hygiene services, we can undertake diverse types of environmental health services.

In 2019, the share of the enterprise sector (as opposed to the government agency sector) in the environmental hygiene service industry accounted for 47.3% of the total market, and it is expected to further increase to 74.9% in 2024. We manage most of the environmental hygiene service projects under Operation and Maintenance ("O&M") model. Under this model, our

customers outsource the municipal projects whose construction has been completed or nearly completed to us. We act as third-party professional municipal operators for operation and maintenance. As of December 31st, 2019, we had 91 projects under O&M. In addition, we also operate three environmental hygiene service projects under each of the Build-Transfer-Operate ("BTO") and Transfer-Operate-Transfer ("TOT") models respectively.

In recent years, our environmental hygiene services have grown rapidly. In selecting projects, we strategically look for projects located in areas where we have established similar projects or in adjacent areas so that we can make good use of our knowledge of the local areas and business advantages. We aim to standardize the operation of environmental hygiene service projects, and apply the experience we have gained from existing projects to new projects to continuously increase our operating efficiency. As of December 31st, 2019, we had a total of 97 environmental hygiene service projects, covering 21 provinces, municipalities and autonomous regions.



Environmental hygiene services

Hazardous waste treatment business

Under our hazardous waste treatment business, we process and safely dispose of hazardous waste for industrial companies and medical institutions and charge them waste treatment fees. Our business mainly cover collection, transportation, storage and disposal of wastes such as industrial hazardous waste and medical waste. Before 2018, our hazardous waste treatment services focused primarily on hazard-free waste disposal. Starting from 2018, we have gradually extended our services to the recycling of materials obtained from industrial waste.

Hazard-free waste disposal aims to eliminate or minimize negative effect that hazardous waste may have on the environment. Landfill and incineration are two of the most common treatment methods for solid hazardous waste. For liquid hazardous waste, the common treatment methods include physical-chemical method and purification. Hazardous waste needs to undergo certain pretreatment methods based on its nature. Common pretreatment methods include physical-chemical method and solidified stabilization.

We can handle 38 of the 46 major hazardous wastes in the National Hazardous Waste List. With our capabilities and management experience, we have a good track record of complying with environmental and safety requirements in all material aspects. As of December 31st, 2019, the Group had six hazardous waste treatment projects in operation and two hazardous waste treatment projects in trial operation. As of December 31st, 2019, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 370,396 tons per annum (2018: 252,050 tons); treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 250,000 tons per annum (2018: 140,000 tons); and the actual treatment capacity of the Group's hazardous waste treatment projects was 162,339 tons per annum (2018: 128,034 tons) as of the same date. Currently, we also have five projects under construction and four projects planned for future construction.



Hazardous waste treatment business

Focus on Development and Promote Innovation and Win-win Cooperation

Other business

Our other business represents waste electrical and electronic equipment treatment business. We procure waste electrical and electronic appliances mainly from local waste electrical and electronic appliances recycling stations. Types of equipment we dismantle

include computers, refrigerators, television sets, washing machines and air conditioners. As of 31 December 2019, we had two revenue-generating waste electrical and electronic equipment treatment projects.

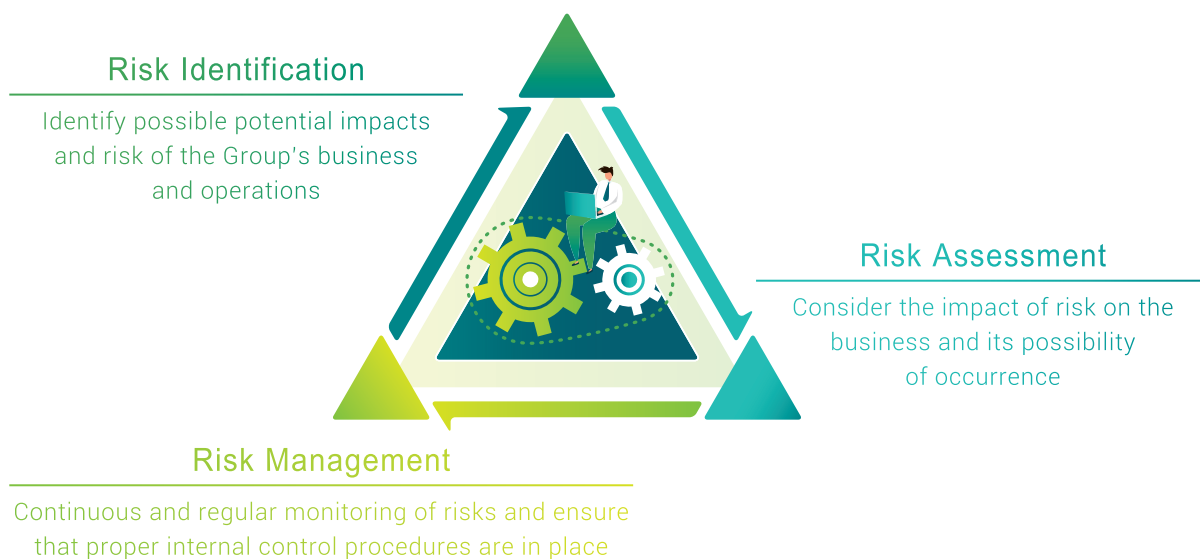


Waste electrical and electronic equipment treatment business

(2) Internal Control Compliance

Taking business development as the core, high efficiency and standardization as purpose, the Group has continuously improved its internal control system this year. 37 processes regarding organizational management, process management and control, performance management, etc. have been established or optimized; 56 business and functional policies and regulations have been formulated or revised. We carried out special training for each process to effectively strengthen the management and control of all types

of risks affecting business operations. The Board of the Group is responsible for continuous monitoring of the risk management and internal control system and reviewing the risk management and internal control system of the Group at least annually to ensure its effectiveness. We have established procedures for identifying, evaluating and managing significant risks. In addition, the Company may engage independent consultant to review the internal monitoring system and risk management of the Group where necessary.



(3) Investment Management

The Company has built a comprehensive risk prevention and control system, enhanced compliance risk management capabilities, and controls project investment risks from a full life cycle perspective. We strictly abide by applicable laws and regulations and regulatory policies involved in the project investment process, such as The Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》), Urban Real Estate Management Law of the People's Republic of China (《中華人民共和國城市房地產管理法》) and The Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), and organized training for relevant departments according to practical situations.

We consider the environmental, labor and other factors

in the risk assessment and due diligence process in the early stage of project investment and strengthen pre-investment management to avoid major risks. All types of new construction, reconstruction, expansion projects and technical transformation projects must strictly abide by applicable national and local laws and regulations on environmental protection for project construction. For post-investment projects, we carry out post-project evaluation work according to the status of the project from three levels: investment decision-making execution feedback, operation and management self-evaluation, and special post-evaluation. Through the control of the pre-investment and post-investment risks, a comprehensive project risk management system is set up.

Independent technical review of environmental hygiene projects

In order to avoid technical risks, and promote the rapid and stable landing of projects and high-quality operations, on the basis of following the Company's project risk management policies, the Group's environmental hygiene service segment has comprehensively sorted out the key points of environmental hygiene technology review, improved the review basis, and standardized the review system, processes and templates. An independent technical review system for environmental hygiene investment estimation was established in 2019. The system uses a three-level review system, with the help of internal and external experts, from the perspective of full-cycle project construction and operation, to ensure the smooth landing of the project, providing efficient and powerful support for environmental hygiene investment and regional project development. In 2019, independent technical assessments were completed for 66 comprehensive projects including Kaiyang Hygiene, Zhongyan Property, Nanxiong River Conservation, and Qingzhen Landscaping, involving environmental hygiene, garbage sorting, renewable resources, river maintenance, landscaping, and property management and other business areas.

Management of hazardous waste treatment project construction

The Group adheres to the basic principle of "quality first". All new hazardous waste treatment projects must strictly abide by relevant laws, regulations and standards promulgated by the state, local government and industry authorities, and a project quality management system, quality responsibility system and quality management policy have been formulated and equipped with quality management personnel to strictly control quality risks. From project survey and design, equipment purchase and manufacturing delivery, on-site construction to project completion and acceptance, the whole process of quality control is implemented.



Project Purchase Stage

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



Project Exploration and Design Stage

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

Project Construction Stage

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

(4) Customer Service

Adhering to the principle of customer-centric, the Group strictly abides by the Consumer Rights and Interests Protection Law of the People's Republic of China (《中華人民共和國消費者權益保護法》) and other relevant laws and regulations to effectively protect the security and privacy of customer information, and strives to prevent the leakage of customer personal information and improve customer service. Different operation and maintenance programs have been formulated to meet customers' increasing expectations and

changing market environment. Meanwhile, we conduct customer satisfaction surveys to assess customer satisfaction level with the Group's service process, and identify areas for improvement in the service process to continuously improve customer satisfaction. In 2019, the Group's environmental hygiene division conducted a survey on customer satisfaction, covering 21 directly managed projects in 7 regions. Customers gave evaluations with high satisfaction level to each company of the Group undertaking projects.

Case: Home quarantine caused problems for garbage disposal, door-to-door collection solved the worries

In the prevention and control of the COVID-19 epidemic in early 2020, how to clean up the garbage produced during home quarantine became a problem for many people. In order to solve this problem, the Beijing Resources Shenyang City Huanggu District Project of Beijing Enterprises Urban Resources actively maintained daily information exchange with the street office in its operation area, updated the list of person in quarantine observation in time, and collected garbage door-to-door to ensure that there was no omission.

Since the start of the work, the Beijing Enterprises Urban Resources Shenyang City Huanggu District Project designated staff to supervise and guide collectors to properly wear protective equipment and conduct post-disinfection work to prevent the possibility of transmission, and to prevent themselves from becoming a mobile source of infection. Following the quarantine list provided by the community, we strictly abided by the operation specifications and assigned designated people and vehicles to collect the domestic garbage of the observation objects in quarantine on a daily basis. The count shows that in Beijing Enterprises Urban Resources Shenyang Huanggu District project operation area, imported cases were separated and quarantined in 12 communities, covering a total of 70 households and about 100 person-times. About 0.15 tons of waste was generated per day. A total of more than 3.5 tons of domestic garbage was disposed and transported.



Garbage collection during the epidemic

Case: "Owner's Needs First, Owner's Satisfaction First", Zhongyan Property focuses on improving customer service

Beijing Enterprises Zhongyan Property adheres to the service concept of "owner's needs first, owner's satisfaction first", strictly implements immediate action upon receiving complaints, and pays attention to communication with local governmental departments, practice joint governance, and strives to improve the quality of property services. In 2019, Beijing Enterprises Zhongyan Property established and revised five policies including Complaint Management Measures (《投訴管理辦法》), Service Reception and Return Visit Management Regulation (《服務接待及回訪管理制度》), Owner Satisfaction Evaluation Management Regulation (《業主滿意度測評管理制度》), Citizen Service-Hotline Management Measures (《市民服務熱線管理辦法》), Citizen Service-Hotline Evaluation Rules (《市民服務熱線考核細則》). In the complaint management work, a normalized supervision and inspection mechanism of "all-weather, all-round, and full coverage" was formed. According to the property service standards and service contracts, Beijing Enterprises Zhongyan Property carries out a community residents' satisfaction survey every year. In the residents' satisfaction survey in 2019, a total of 400 questionnaires were issued and 400 were returned. The average satisfaction rate of residents on property service management reached 98.3%.



Zhongyan Property

(5) Honest Practice

The Company strictly abides by relevant laws and regulations such as the Criminal Law of the People's Republic of China (《中國人民共和國刑法》), the Anti-Unfair Competition Law of the People's Republic of China (《中國人民共和國反不正當競爭法》), and the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), and is committed to maintaining the good reputation of the Group and enhancing its competitiveness. With the rapid development of the Company and the rapid expansion of business, the number of project companies and employees continues to increase. The Group has formulated the Anti-fraud Management Regulation (《反舞弊管理制度》) and Supervision and Audit Regulation

(《監察審計制度》), which prohibit the misconduct of the Company's internal and external personnel to obtain their interests by violating laws and regulations and damaging the legitimate economic interests of the Company and shareholders. At the same time, the work procedures of audit and supervision and the severity of accountability etc. have been standardized.

The Company strictly guards against corruption risks in all aspects of daily operations, lists prohibitive regulations in important links such as procurement and capital flow, and conducts an internal audit annually for work processes where fraud risks were found in the past. Meanwhile, we continue to strengthen the

daily supervision of fraud, set up multiple channels for reporting such as emails, phone, letters and interviews and stipulate anti-fraud clauses and reporting channels in the contract terms. We increased the depth and intensity of the investigation on reporting cases to make sure reports and complaint on anti-fraud are investigated thoroughly. The audit and supervision center of the Group designated a post responsible for recording and filing all complaints and reports, and submitting it to the person in charge of the audit and supervision center. Audit supervisors work independently and issue audit opinions objectively and fairly. For the complaint cases received, the Group will investigate and confirm within five working days and take corresponding actions.

At the same time, the Group attaches great importance on anti-fraud publicity and training to strengthen the prevention and control of various types of misconduct. We have formulated the Project Company Manager's Manual (《項目公司經理手冊》), which stipulates "Ten Prohibitions", and conducted special training for project managers. In 2019, the Group's Audit and Supervision Center conducted three special anti-fraud training sessions for new employees. Through the training, our employees learned about fraud-related knowledge and risks, which guided how to handle problems encountered in their future work and lower risks of illegal and anti-fraud cases. In 2019, the Group had no judicial litigation cases involving corruption, fraud or money laundering.

(6) Intellectual Property Protection

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

director. After the preliminary examination of the patent application documents, the Technical Department further revises the application documents and communicates with the Intellectual Property Office and the patent agency to complete the patent application.

As of the end of 2019, the Group applied for 5 patents, including 3 invention patents and 2 utility model patents covering technological innovation and application during the operation of hazardous waste treatment projects. The Group applied for 6 computer software copyright registrations, mainly include the key code protection of the hazardous waste treatment project ERP management system. In 2019, the Group had no judicial litigation case related to intellectual property.

(7) Brand Management

The Group attaches great importance to brand image and reputation, and strictly abides by applicable laws and regulations such as the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) in external publicity. The Company has also formulated the Outbound

Publicity and Public Sentiment Management Regulation (《對外宣傳與輿情管理制度》) to clarify the respective functions of the Group's headquarters and regional operation centers, platform companies, and project companies in external publicity to improve publicity effectiveness, enhance corporate image, build group brand, avoid production and operation risks and protect the Group's image and reputation.

Innovation Leads to Development

(1) Help Build a Smart City

Adhering to the digital development concept of “creation of a smart future”, the Company improves the construction of the data management and control platform on the basis of implementation of intelligent operation management, and gradually improves the operation management capabilities. Through the use of mobile Internet, Internet of Things, big data, cloud computing and other information technologies, the Company actively builds a “smart hygiene management platform”, adopts the interrelation model of “people, vehicles, objects, things”, comprehensively covering

operation subjects such as operators, managers, vehicle equipment and management objects including garbage collection stations, garbage transportation stations, and hygiene landfills. At the same time, we conduct online supervision of environmental hygiene operations, send online alarms for violations, and assess hygiene operations results to achieve refined, scientific, and standardized urban environmental hygiene operation management, improve environmental hygiene operations, and ensure the quality of environmental hygiene services.



Build the “smart hygiene management platform”



Establish a flexible and efficient environmental hygiene emergency support system

Utilizing the smart environmental hygiene management system, we created an all-weather emergency team with “technical excellence, expertise, experience, and a fine style of work”. Following the thinking of “alerting in advance, grading preparation, highlighting key points, grasping the overall situation”, we adopted “green, energy-saving, efficient, and safe” emergency

equipment and measures to ensure that all emergency measures are carried out effectively and technical support and positioning for sudden all-weather emergency are provided. In 2019, “Beijing Enterprises Urban Resources Group Smart Hygiene Platform” was awarded the “2019 China Smart Hygiene Typical Demonstration Case”.

Case: 5G application debuts, unmanned sweeping works wonders

In face of the multiple challenges such as increasing unit cost of road cleaning, aging of sanitation workers, lack of young labor force, excessive market and shortage of manpower, Beijing Enterprises Urban Resources Shenzhen City Project introduced unmanned operation vehicles into mechanized cleaning, including the first TSM automatic following vacuum cleaner equipped with an automatic driving system. Integrates automatic driving, intelligent cleaning, and intelligent backstage, the AI smart road sweeper helps the entire environmental hygiene industry to upgrade intelligently and sets a new benchmark for the establishment of a smart city.



Dark Blue AI smart road sweeper

(2) Promote Technological Innovation

The Group continues to promote technological innovation by optimizing technology management processes through the establishment of a technology management standard system to improve operational efficiency. At the same time, we accelerated technological innovation, committed to building the Group's hazardous waste technology brand, and completed 2 invention patents, 3 utility model patents, and 6 software copyright applications.

In February 2019, in cooperation with the National Environmental Protection Hazardous Waste Disposal Engineering Technology (Shenyang) Center, we established the "National Environmental Protection Hazardous Waste Disposal Engineering Technology

Center Beijing Enterprises Urban Resources Group Innovation Platform", which is meaningful for exploring the possibility of cooperation in the field of hazardous waste engineering. Utilizing new technologies, new processes, new equipment and new materials, the two parties carried out original innovation, integrated innovation, introduction-digestion-absorption and re-innovation, led the technological progress of the industry and solved the technical difficulties in the operation of the Group's hazardous waste treatment projects. Focusing on cutting-edge technology research in the field of hazardous waste, the two parties jointly applied research subjects within the national or regional scope to fully support the Group's hazardous waste business.

Case: Shandong Pingfu incineration and tail gas system technology improvement

In 2019, Shandong Pingfu Project Company carried out technological renovation projects on incineration and exhaust treatment systems of hazardous waste. After conducting technical renovation project in 5 aspects: namely using optimized refractory materials to improve the continuous operation time of the incinerator, increasing the system's anti-fluctuation capacity of the flue gas purification equipment, expanding the capacity to increase the system processing capacity, upgrading the automatic control to reduce labor intensity, and setting up infrared monitoring equipment to improve system safety, the incineration system driving rate in 2019 increased prominently compared to 2018. The emission of acid gases (SO₂ and HCl) and particulate matter in the tail gas pollutants also saw a considerable decrease.

(3) Help Create a Civilized and Clean City

With the experience of operating more than 70 large-scale environmental hygiene projects in Beijing, Shenzhen, Nanjing, Kunming, Shenyang, Hohhot, Guiyang and other central cities, the Group has already possessed comprehensive environmental hygiene emergency support experience and capabilities in all-weather, multiple weather and complex environments; through the 48 projects in 6 major categories including the building of civilization, hygiene and park and other city-building tasks that have been completed during the projects, the Group has accumulated rich experience in city-building. On the basis of continuing to contribute to urban emergency guarantee and the creation of culture

and cleanness, we actively introduce advanced urban management models, absorb and transform the mature and successful operating experience of other urban management projects, and comprehensively improve the quality and effectiveness of urban comprehensive services. As of the report released, affiliated project companies of the Group have helped 19 cities to win the title of "National Sanitary City", 14 cities have won the title of "National Civilized City", 6 cities have won the title of "Provincial Sanitary City", and 5 cities have won "Provincial Civilized City" title, 2 cities won the title of "National Garden City", and 2 cities won the title of "Provincial Garden City".

Promote Supply Chain Management

The Group has always regarded suppliers as important business partners and is willing to cooperate with suppliers for a win-win situation and share sustainable development achievements, which will promote the improvement of the supply chain environment and social risk management.

The Group established a list of qualified suppliers and implemented graded management of qualified suppliers. Suppliers from various channels fill in the qualification materials on the Group's bidding and purchasing information system, and enter the review and evaluation stage after passing the preliminary review. The Group's qualified supplier review team will conduct a comprehensive review and assessment of the shortlisted suppliers. The review includes basic information, industry performance, technical capabilities, quality levels, safety production, service

reputation, etc. After the review, suppliers who had been reviewed can enter the reserve supplier directory. The review team conducts selective on-site inspections of the reserve suppliers, and then enters the list of qualified suppliers after passing the internal approval after forming the supplier inspection report.

The Group scores and evaluates the actual cooperation performance of suppliers from time to time, collecting data and evaluating from multiple dimensions such as professional qualifications, service prices, technical level, product quality, delivery efficiency, service intention, safety and environmental management. Suppliers with serious problems will be frozen or put on a permanent blacklist. The permanent blacklisted suppliers will be publicized around the Group and shall not enter the list of qualified suppliers again.



Focus on Development and Promote Innovation and Win-win Cooperation

Supplier-related key performance indicators

Indicators	2019
Total number of suppliers	35
Number of suppliers by region	
Number of suppliers in east China	16
Number of suppliers in central China	6
Number of suppliers in north China	6
Number of suppliers in northwest China	1
Number of suppliers in southwest China	1
Number of suppliers in south China	3
Number of suppliers in northeast China	2



(1) Advocating Green Supply

The Group has always advocated a green supply chain. Based on the principle of win-win cooperation, it hopes to jointly shoulder more social responsibilities through cooperation with suppliers. In terms of supplier selection, the Group prioritizes the head suppliers that share the same green development philosophy with the Group and each segment. In the supplier access review, the Group values the green qualifications of suppliers with ISO 9001 quality management system, ISO 14001 environmental management system, OHSAS 18000 occupational health and safety management system and SA 8000

social responsibility management standard, and offers audit points and key recommendations. At the same time, safety, environmental, social responsibilities and other requirements have been added to the supplier's regular assessment to ensure that relevant content is continuously concerned. If a supplier has a major safety production responsibility accident or violates relevant laws and regulations on environmental protection, the supplier will be required to make rectification immediately. Those with serious problems will be released from cooperation and placed on a permanent blacklist.

(2) Management of Hazardous Waste Transportation

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

The Company conducts hazardous waste knowledge training to outsourced carriers from time to time to ensure that drivers and escorts understand the general knowledge of hazardous waste, how to properly wear labor protection equipment, and implement occupational health protection for employees. In addition, the Group's external packaging and transportation process has strict requirements. The marks and signs of hazardous wastes must be complete. During the loading and unloading process, we must strictly abide by the hazardous waste transportation loading and unloading system requirements and resolutely prevent illegal operations. In particular, it is necessary to ensure that appropriate safeguards are placed on the bottom of the vehicle before transporting hazardous waste to load the vehicle to avoid leakage of hazardous waste and secondary pollution.

The Group has a strict audit and management mechanism, and determines outsourcing carriers through regular bidding and comprehensive evaluation. The compliant carrier must be a professional legal entity engaged in the transportation of dangerous goods, and have the relevant statutory relevant qualifications for road transportation operations, and have the effective Dangerous Goods Road Transport License (《危險品道路運輸許可證》) issued by the state. Carrier must has the ability to guarantee transportation quality, to transport anti-risk ability and to compensate for the loss of cargo. Furthermore, it has to have sufficient performance capacity and a strict cargo safety guarantee system. All employees of outsourcing carriers must hold certificates to perform their duties. Secondly, in order to ensure the traffic safety of hazardous waste transportation process, outsourced carriers need to regularly carry out traffic safety training, through effective methods such as watching traffic accident video cases to deeply implement the concept of safe driving and turn passive missions into active actions. In the process of various social risks, outsourcing carriers need to formulate targeted emergency plans and conduct regular emergency drills, so as to avoid unnecessary impacts on enterprises caused by improper handling of emergencies.



BUILD A SOLID FOUNDATION AND PROTECT BEAUTIFUL CHINA



BUILD A SOLID FOUNDATION AND PROTECT BEAUTIFUL CHINA

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

HSE Management System

In order to strengthen the requirements of safety, environmental protection and occupational health management, the Group follows Quality Management System Requirements (GB/T 19001-2016) (《品質管制體系要求 (GB/T 19001-2016)》), Environmental Management System Requirements and Guidelines (GB/T 24001-2016) (《環境管理體系要求及使用指南 (GB/T 24001-2016)》), and Occupational Health and Safety Management System Specification (GB/T 28001-2011) (《職業健康安全管理体系規範 (GB/T 28001-2011)》) and has established long-term management mechanism of Health, Safety, and Environment (HSE) to prevent and reduce production safety accidents and unexpected environmental incidents.

In order to effectively protect the safety and health of employees during production and operation activities, we set up a Safety Production Committee ("Safety Committee"), with the Company's president as the

director, the vice president as the deputy director in charge of environmental sanitation and hazardous waste, and the responsible personnel of departments serve as members. The Company established an executive office under the Security Committee. The director of the office is concurrently served as the vice president in charge of environmental sanitation and hazardous waste, and the members are served by the safety management related personnel of the environmental hygiene business division and the hazardous waste business division. Each project company of the Group establishes an HSE management team equipped with HSE management personnel, and establishes an HSE responsibility system, an HSE management system, and relevant policies to manage HSE matters at all stages of project construction and operation.

(1) HSE Management Practices

Comprehensive rules and regulations of HSE management are the guarantee for the safe operation of the enterprise, and the code of conduct which all employees of the Group comply with in their daily production. The Group formulated rules and regulations including Interim Provisions for HSE Comprehensive Management (《HSE綜合管理暫行規定》), HSE Inspection Management Regulation (《HSE檢查管理制度》), HSE Accident Management Regulation (《HSE事故管理制度》), HSE Standardization Management Regulation (《HSE標準化管理制度》), HSE Training Management

Regulation (《HSE培訓管理制度》), HSE Hidden Danger Shooting and Rectification Management Regulation (《HSE隱患排查整改管理制度》), and Three Simultaneous Management Systems for Construction Projects (《建設項目三同時管理制度》) in accordance with relevant laws, regulations and standards, covering employees' safety education and training, labor protection supplies management, special operations management, key devices and areas management.

The Safety and Environmental Department of the Group set up the working goals as "safety, environmental protection and occupational hygiene" and decomposed the target tasks on levels. According to the management concept of "one post with two responsibilities, and local management", the Group signed the 2019 HSE Target Responsibility Letter (《2019年HSE目標責任書》)

respectively with each level of project companies, and conducted the safety and environmental protection management throughout the year focusing on three aspects, namely the safety and environmental protection management system, safety and environmental protection training, and safety and environmental protection technical measures.

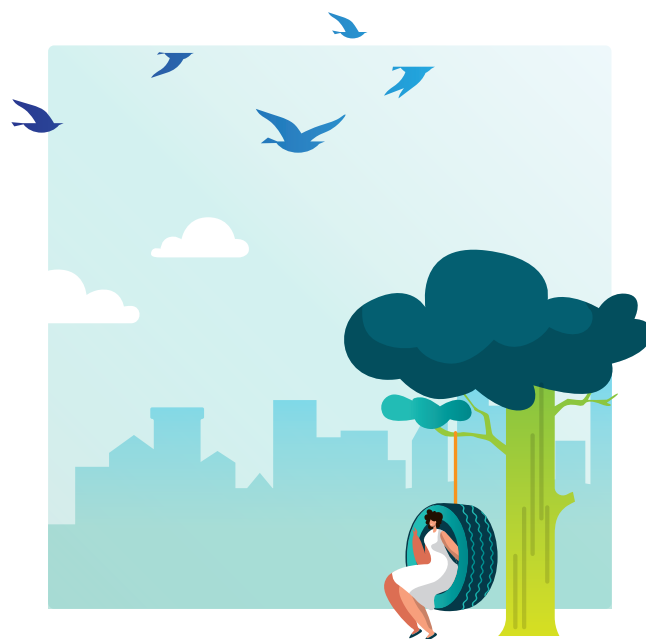
(2) HSE Assessment Management

The Group identified seven A-level elements in the HSE Standardization Management Regulation (《HSE標準化管理制度》), including target responsibility, institutionalization, education and training, site, risk, emergency, and accident management. We decomposed these elements and prepared corresponding score sheets, requiring the affiliated project companies to improve their safety, environmental protection and occupational health work according to the elements and requirements. The scoring sheets are used as the basic standard for

HSE management assessment and inspection. The Group conducts inspection and assessment at the end of each year. Each project company attaches great importance to the relevant work required by the Group, and enhances its management regulations, procedures, work records and other basic management and on-site management according to the requirements of HSE standardization, effectively improving the overall safety and occupational health management and control, and ensuring the safe production.

Deepen Green Development

The Group attaches great importance to environmental protection, adheres to the national policy for environmental protection and the principles of "protecting the environment, focusing on prevention, comprehensive governance, public participation, and responsibility for damages" to prevent and reduce environmental pollution and ecological damage. We always implement the concept of "clean city, resource recycling, and creating lucid water and lush mountains together", earnestly fulfill corporate social responsibilities, actively participate in social utilities, uphold the business philosophy of "reassuring the government, satisfying the public", and devote ourselves to the comprehensive improvement work of the living environment, in order to further enhance the urban and rural living environment and accelerate the construction of a beautiful China.



(1) Standardize Environmental Protection Management

The Group strictly abides by and carries out various businesses in accordance with the environmental protection laws, regulations, and relevant standards including Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》), Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》), Measures for the management of hazardous waste transfer and receipt (《危險廢物轉移聯單管理辦法》), Pollution Control Standard for Hazardous Wastes Incineration (《危險廢物焚燒污染控制標準》), Pollution Control Standard for Hazardous Waste Landfill (《危險廢物填埋污染控制標準》), and Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》).

The Group has formulated environmental protection work plans, targets and responsibility targets. We decompose and implement the responsibility targets into project companies, and require pollutant emissions to meet or surpass the control indicator requirements issued by the local government. We have established an environmental monitoring system to strengthen environmental monitoring on the production site. We regularly measure emission monitoring data, timely grasp the changes in emissions, and adjust process parameters, in order to ensure total pollutant emissions under control.

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



Environmental hygiene service

In 2019, the Group's Environmental Sanitation Department completed the review and assessment of the Project Company's New Sedimentation Tank Program (《項目公司新建沉澱池方案》) and the Responsible Environmental Protection Survey Form for Various Projects (《負責各項目環保狀況調研表》). The department provided technical comments and suggestions on environmentally-compliant disposal of sewage sludge collected by sweepers, facility sewage, and public toilet waste to avoid environmental risks. In addition, the department completed the review and assessment of the Management Measures for Vehicles of the Environmental Hygiene Business Division (《環衛事業部車輛設備管理辦法》) to guide the rational use

and maintenance of vehicles, reduce cost and improve efficiency.

The Group established a comprehensive township cleaning system, strengthened management and supervision of township cleaning, and enhanced coordination with various government levels. We made use of Internet platform to grasp the environmental conditions of each village in a timely manner and respond effectively. We realized the "sweeping thoroughly" of urban and rural garbage, effectively solved the outstanding problems of garbage reappearing, and prevented and reduced environmental pollution as well as ecological damage.

Hazardous waste treatment business

As a leading comprehensive service provider of urban environment and resource utilization, the Group has advanced hazardous waste disposal technology and rich experience in operation and management of disposal facilities, as well as technical support for the development of hazardous waste disposal technology

and laboratory testing. According to the different characteristics, types and features of hazardous wastes, we implement classification treatment and disposal to achieve reduction, harmless disposal and comprehensive utilization of hazardous wastes.



Build a Solid Foundation and Protect Beautiful China

Incineration

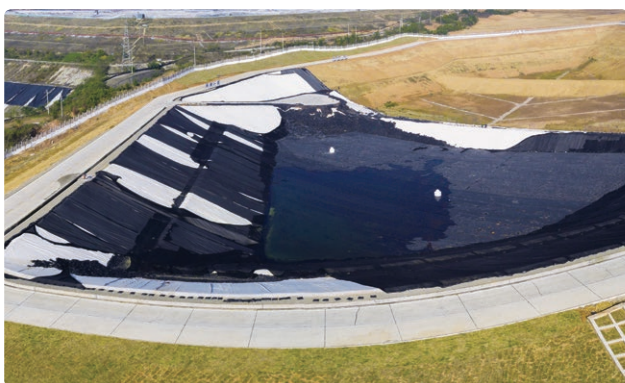
In terms of hazardous waste incineration, in order to stabilize the operation of various processes, the Group set relevant requirements and each project company formulated regulations in accordance with the requirements, including Operation Regulation and Procedures of Industrial Waste Incineration Treatment (《工業廢物焚燒處理操作規程》), Emergency Treatment Measures of Incineration Workshop (《焚燒車間應急處理措施》), Operation Regulation and Procedures of Incineration Workshop Special Waste (《焚燒車間特殊廢物操作規程》), and Operation Regulation and Procedures of Flue Gas Online Monitoring System (《煙氣線上監測系統操作規程》) etc., strictly implementing the national and local standards for hazardous waste incineration during the disposal processes. The various pollutant indicators of incineration flue gas meet the emission requirements.



Incinerator

Landfill

In order to standardize the solidification and secure landfill of hazardous waste, the Group has set relevant requirements and each project company formulated regulations in accordance with the requirements such as the Operation Regulation and Procedures for Solidification (《固化操作規程》), Operational Regulation and Procedures for Secure Landfills (《安全填埋場操作規程》), and Emergency Treatment Measures for the Solidification Workshop (《固化車間應急處理措施》). Production Technology Department sample the landfill hazardous waste after its entering the plant, and issues a disposal plan after testing. Later, the



Secure landfill

waste is handed over to the solidification and landfill workshop for disposal. The process of landfill disposal strictly implements the national and local standards for hazardous waste landfill during the disposal processes, and do day-to-day coverage for non-landfill operation areas to achieve rainwater and sewage diversion and reduce leachate produce.

Project companies improve environmental protection management in accordance with relevant laws and regulations, requirements of local government and the Group, and carry out relevant management of hazardous waste transfer receipt, hazardous waste label, hazardous waste management plan, environmental protection facilities, online monitoring facility operation, and emergency. The project companies carry out environmental protection standardization, strengthen the management of environmental protection facilities, ensure the simultaneous operation of environmental protection facilities and production facilities, and ensure pollutant emission compliance.

Physical and chemical purification of wastewater and waste liquid

In order to standardize the disposal of hazardous wastes of physicochemical type, the Group set relevant requirements and each project company formulated regulations in accordance with the requirements, including Guidelines for the Disposal of Special Wastes in Physical and Chemical Workshops (《物化車間特種廢物處置作業指導書》), Guidelines for the Operation of Physical and Chemical Reaction System (《物化反應系統作業指導書》), Guidelines for the Operation of Three-effect Evaporation System (《三效蒸發系統作業指導

書》), and Guidelines for the Operation of Wastewater Biochemical Treatment System (《廢水生化處理系統作業指導書》). After the physicochemical and biochemical treatment, wastewater that can be disposed of is reused for production water or discharged through the sewage pipe network. The wastewater and waste liquid disposal process strictly implements the national and local standards for wastewater disposal, and some projects achieve “zero discharge” of production wastewater.



Wastewater treatment



Accident emergency response

In order to response to the major risks of fire and explosion, leakage, poisoning and suffocation, electric shock, falling from heights, etc. in the production process, as well as the major environmental risks that may be caused by such events, we formulated relevant emergency response plan, covering emergency material reserves, starting, handling, and ending

processes of emergency plans, and organized training and emergency drills so as to be able to follow the emergency plans when encountering unexpected safety and environmental accidents, implement emergency response and rescue to minimize casualties and property losses, and reduce environmental damage and social impact.



Emergency training

(2) Strict Control of Discharge Management

During the construction of all the projects of the Group, we strictly abide by the requirements of the national, industrial and local environmental protection laws, regulations and standards, and manage the contractors. All projects of the Group implement 5S management during the construction process. Construction materials and wastes are classified and stored in prescribed locations. We prohibit to litter, pile up, and discharge flammable, explosive, toxic and hazardous materials on site. After the construction, wastes are disposed in accordance with local regulations. Meanwhile, during the construction of all projects, the Group requires contractors to take measures such as timely washing of vehicles, sprinkling, noise control, centralized collection and discharge of sewage and wastewater, in order to prevent and reduce the pollution of dust, wastewater, exhaust gas, noise, vibration, and construction lighting and their impact on people and the environment.

We attach great importance to the management of emissions during the operation of projects, and comprehensively implement the prevention and control measures of exhaust gas pollution. We carry out sewage treatment and recycling according to the principles of rainwater and sewage diversion, clean water and sewage diversion, and classified disposal, use low-noise equipment, and take anti-seepage measures to ensure that the Company's pollutants are discharged up to standard. We have installed online pollutant monitoring facilities, and opened our pollutant discharge information. We entrust qualified units to perform regular maintenance on the online monitoring equipment to ensure its normal operation. We have formulated an environmental monitoring plan, and entrust external qualified units to carry out environmental monitoring regularly and issue monitoring reports in accordance with the monitoring plan.

Atmospheric pollutant

The Group strictly controls exhaust emissions. The flue gas of the hazardous waste incineration line is treated through combined purification process which is "Denitration + Quench + Dust Removal + Deacidification". We set up online monitoring system at the discharge port to monitor exhaust emissions in real time, and transmit real-time data to the control room and environmental protection department to monitor and record data. We installed waste gas collection and

disposal facilities in temporary storage and production workshop, and treat the waste gas through combined treatment processes which is "Deacidification + Decomposition + Adsorption" to discharge up to the standard. At the same time, we have strengthened the airtightness of the equipment and the management of hazardous waste packaging materials to effectively control the unorganized emissions.

Wastewater

The Group's hazardous Waste Integrated Treatment Plant adopts the drainage system of "rainwater and sewage diversion, clean water and sewage diversion, sewage and sewage diversion" to classify and treat wastewater according to different water qualities. Among them, the high-salt wastewater is treated by the three-effect evaporation process, and the evaporated

condensate is reused for production; pretreated production wastewater and the initial rainwater are sent to the integrated sewage treatment system at the plant area and are treated by the process of "Physical Chemistry + Biochemistry", and discharged through the sewage pipe network or reused for production.

Hazardous waste

Material saving and waste reduction is an important part of the Group's work. The Group strives to carry out green management of hazardous waste, and implement recycling programs to reduce pollutions to the air, water and soil. The newly generated hazardous wastes during the operation of the Group mainly include slag, fly ash, waste packaging materials and solidified dust. For various newly generated hazardous wastes, the Group takes corresponding measures

to ensure that the hazardous wastes are effectively controlled and properly disposed. After testing, waste that meets the requirements of direct landfill enter the landfill; waste that does not meet the requirements of direct landfill are stabilized and solidified to meet the requirements for landfill. Combustible waste is sent to the incineration workshop for incineration. Waste liquid is sent to the physical and chemical workshop for treatment.

Noise

The production equipment of the Group adopts sound insulation and noise reduction measures to reduce the impact of production noise on the boundary, and meet the requirements of relevant limits in the Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排放標準》). We take effective

measures such as shock absorption, sound insulation, and noise reduction to reduce the noise of equipment, and evenly arrange the equipment with large noise in the room. In addition, we adopted shock absorption for the equipment foundation, set greening reasonably, and reduce the impact of noise.

(3) Optimize Resource Saving

Environmental hygiene service

The Group continuously pursues the reduction of natural resource consumption and emission, and energy conservation. We promote technological innovation, increase the use of clean energy, optimize the structure of resource use, and apply new technologies to intelligently manage construction projects, in order to provide new ideas for a sustainable environmental management.

Shenzhen Environmental Sanitation Project ("The Shenzhen Project") officially won the bid on February 23rd, 2020. The project leads the trend of the times, and closely follows the reform concept of "Early and Pilot Implementation" of Guangdong Province in promoting sustainable urban development. The Shenzhen project applies new energy operation vehicles on a large scale, which reduces energy consumption; actively uses

5G new technologies and explores the application prospects of unmanned sweepers; and realizes the implementation of the Internet of Things and big data in environmental sanitation services. The Shenzhen project chooses new energy vehicles. The ratio of new energy sanitation vehicles to traditional fuel trucks is 10:1, and the scale is leading in the industry nationwide. Except for hook arm trucks, forklifts, and vehicles for management, the rest are all new energy vehicles. The new energy sanitation vehicles have the advantages of low noise, low energy consumption, zero emissions, convenient operation, and high comfort. The use of new energy sanitation vehicles greatly reduces the atmospheric pollutants and the noise problem during operation, and accelerates the construction of an efficient, safe and sustainable modern energy system.



New energy operation vehicles

Hazardous waste treatment business

Since the beginning of the project design, the Group has integrated the concept of energy conservation and environmental protection, hired professional organizations to prepare project energy conservation reports, and organized experts to review. In accordance with the Measures for the Energy Conservation Examination of Fixed-Asset Investment Projects (《固定資產投資項目節能審查辦法》), we analyzed and demonstrated the advanced nature of the project's energy-saving measures through national, local, and industrial energy conservation design codes and standards, as well as the energy efficiency level by using the index comparison method. We conducted a comprehensive analysis of the project's energy consumption status and energy-saving measures. Controlling from four aspects of equipment selection and energy conservation, system design energy conservation, water saving measures and building energy conservation measures, we have strengthened energy-saving management of industrial fixed asset investment projects, promoted scientific and rational use of energy, eliminated energy waste from the source, and improved energy efficiency.

During operation, the Group has adopted a series of measures to control the use of resources and materials. By strengthening the analysis of wastes, we ensure the stability of the calorific value of the feed materials to meet the needs of the normal operation of the incinerator, which can achieve the effect of reducing or eliminating auxiliary fuel under normal circumstances. We reduce heat loss of pipes and equipment by adopting different heat preservation measures. We use waste heat boiler to recycle waste flue gas and produce steam. Except for heating process equipment, the rest



Heat generation from waste heat boiler

of the steam is converted into hot water by the heat exchange station for domestic heating in the plant in the case of compliant disposal of waste flue gas.

At the same time, the Group closely follows relevant national water use and water conservation policies and strives to reduce water consumption of projects.

Case: The introduction of wastewater treatment process in Pingfu, Shandong

The treatment objects of the sewage station are wastewater after physical and chemical treatment, initial rainwater and domestic sewage. We implement the biochemical process of "hydrolysis acidification + anaerobic + anoxic + aerobic + MBR" and advanced process of "sand filtration + carbon filtration + ultrafiltration + reverse osmosis" to make the effluent meet the Reuse of Urban Recycling Water – Water Quality Standard for Urban Miscellaneous Water Consumption (GB/T 18920) (《城市污水再生利用 城市雜用水水質 (GB/T 18920)》). The final effluent is used for production, greening and road spraying, without discharging. For example, the condensate through three-effect evaporative in the physical and chemical workshop can be used for production water such as pharmaceutical preparation water and quench water. While realizing the reuse of water resources, we have achieved zero discharge of wastewater from the plant, reduced the consumption of fresh water, and implemented the requirements of clean production.

(4) Environmental Key Performance Indicators

GHG emissions

BUSINESS	INDICATOR	UNIT	2019
Environmental hygiene service	GHG emissions (Scope 1&2)	tons	54,997.78
	Direct GHG emissions (Scope 1)	tons	49,212.39
	Natural gas	tons	439.00
	Gasoline	tons	4,429.03
	Diesel	tons	44,344.36
	Indirect GHG emissions (Scope 2)	tons	5,785.39
	Purchased electricity	tons	5,785.39
Hazardous waste treatment business	GHG emissions (Scope 1&2)	tons	6,927.12
	Direct GHG emissions (Scope 1)	tons	1,141.73
	Natural gas	tons	611.56
	Gasoline	tons	149.62
	Diesel	tons	380.55
	Indirect GHG emissions (Scope 2)	tons	5,785.39
	Purchased electricity	tons	5,785.39

BUSINESS	INDICATOR	UNIT	2019
Waste electrical and electronic equipment treatment business	GHG emissions (Scope 1&2)	tons	1,340.56
	Direct GHG emissions (Scope 1)	tons	177.71
	Gasoline	tons	42.87
	Diesel	tons	134.84
	Indirect GHG emissions (Scope 2)	tons	1,162.85
	Purchased electricity	tons	1,162.85
Office building	GHG emissions (Scope 1&2)	tons	172.75
	Indirect GHG emissions (Scope 2)	tons	172.75
	Purchased electricity	tons	172.75
Total	Total GHG emissions	tons	63,438.21
	Intensity of GHG emissions	tons/ HK\$10,000	0.23

Note:

- Greenhouse gas (GHG) emissions are measured in carbon dioxide equivalents and are calculated based on the 2017 Baseline Emission Factors of Regional Power Grids in China for Emission Reductions (《2017年度減排項目中國區域電網基準線排放因子》) issued by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (《IPCC 2006年國家溫室氣體清單指南2019修訂版》) issued by the Intergovernmental Panel on Climate Change (IPCC).
- The direct GHG emissions of environmental hygiene service mainly come from natural gas, gasoline and diesel consumed by vehicles during the operation of project companies, while the indirect GHG emissions mainly come from electricity consumption during the operation of project companies.
- The direct GHG emissions of hazardous waste treatment business come from natural gas, gasoline and diesel consumption during the operation of project companies, while the indirect GHG emissions mainly come from electricity consumption during the operation of project companies.
- The direct GHG emissions of waste electrical and electronic equipment treatment business come from gasoline and diesel consumption during the operation of project companies, while the indirect GHG emissions mainly come from electricity consumption during the operation of project companies.
- The indirect GHG emissions of office building come from electricity consumption during the operation of the headquarter.

Atmospheric pollutant

BUSINESS	INDICATOR	UNIT	2019
Environmental hygiene service	Sulfur dioxide	tons	0.31
	Nitrogen oxides	tons	199.73
Hazardous waste treatment business	Particulate matter	tons	0.33
	Sulfur dioxide	tons	0.65
	Nitrogen oxides	tons	12.97
Waste electrical and electronic equipment treatment business	Sulfur dioxide	tons	0.0012
	Nitrogen oxides	tons	0.13

Note:

■ The atmospheric pollutant emissions of environmental hygiene service come from exhaust gas generated by environmental hygiene operation vehicles, which mainly includes sulfur dioxide and nitrogen oxides. The atmospheric pollutant emissions of hazardous waste treatment business come from exhaust gas generated from hazardous waste incineration and by official vehicles, which mainly includes particulate matter, sulfur dioxide and nitrogen oxides. The

atmospheric pollutant emissions of waste electrical and electronic equipment treatment business come from exhaust gas generated by official vehicles, which mainly includes sulfur dioxide and nitrogen oxides.

■ The exhaust gas generated by vehicles is calculated based on the Technical Guide for the Compilation of Air Pollutant Emission List of Road Vehicles (Trial) (《道路機動車大氣污染物排放清單編制技術指南(試行)》) issued by Ministry of Environmental Protection of China.

Waste

INDICATOR	UNIT	2019
Hazardous waste	tons	8,023.55
Intensity of hazardous waste	tons/HK\$10,000	0.030
Non-hazardous waste	tons	2,064.64
Intensity of non-hazardous waste	tons/HK\$10,000	0.010

Note:

■ On the basis of the operation of the Company, hazardous waste mainly comes from the fly ash, furnace ash and bottom ash produced by the hazardous waste incineration project, as well as the the sludge produced by sewage treatment in the hazardous waste treatment business. The fly ash, furnace ash, bottom ash and sludge are disposed into the auto-landfill after reaching the standards with compliance treatment.

■ Non-hazardous waste mainly comes from the domestic waste generated during the operation of the Group, which is estimated according to the Manual of Production and Discharge Coefficients of Urban Domestic Sources for the First National Census of Pollution Sources (《第一次全國污染源普查城鎮生活源產排污系數手冊》) issued by the State Council.

Energy and water consumption

BUSINESS	INDICATOR	UNIT	2019
Environmental hygiene service	Total energy consumption	MWh	198,017.69
	Direct energy consumption	MWh	188,991.27
	Natural gas	MWh	2,245.11
	Gasoline	MWh	18,092.67
	Diesel	MWh	168,653.49
	Indirect energy consumption	MWh	9,026.42
	Purchased electricity	MWh	9,026.42
	Water consumption	tons	8,471,761.44
	Fresh water	tons	7,105,226.16
	Reclaimed water	tons	1,366,535.28
Hazardous waste treatment business	Total energy consumption	MWh	19,217.30
	Direct energy consumption	MWh	5,186.15
	Natural gas	MWh	3,127.61
	Gasoline	MWh	611.22
	Diesel	MWh	1,447.32
	Indirect energy consumption	MWh	14,031.15
	Purchased electricity	MWh	14,031.15
	Water consumption	tons	193,026.30
	Fresh water	tons	179,668.00
	Reclaimed water	tons	13,358.30
Waste electrical and electronic equipment treatment business	Total energy consumption	MWh	2,585.77
	Direct energy consumption	MWh	687.97
	Gasoline	MWh	175.14
	Diesel	MWh	512.83

BUSINESS	INDICATOR	UNIT	2019
	Indirect energy consumption	MWh	1,897.80
	Purchased electricity	MWh	1,897.80
	Water consumption	tons	4,551.00
	Fresh water	tons	4,551.00
Office building	Total energy consumption	MWh	242.32
	Indirect energy consumption	MWh	242.32
	Purchased electricity	MWh	242.32
	Water consumption	tons	2,073.00
	Fresh water	tons	2,073.00
Total	Total energy consumption	MWh	220,063.08
	Intensity of energy consumption	MWh/ HK\$10,000	0.81
	Total water consumption	tons	8,671,411.74
	Intensity of water consumption	tons/ HK\$10,000	31.98

Note:

- Energy consumption data is calculated based on the consumption of electricity and fuel, and according to the conversion factors provided in the General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008) 《綜合能耗計算通則(GB/T 2589-2008)》 issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Standardisation Administration of the People's Republic of China.
- The direct energy consumption of environmental hygiene service mainly comes from natural gas, gasoline and diesel consumed by vehicles during the operation of project companies, while the indirect energy consumption mainly comes from electricity consumption during the operation of project companies.
- The direct energy consumption of hazardous waste treatment business comes from natural gas, gasoline and diesel consumption during the operation of project companies, while the indirect energy consumption mainly comes from electricity consumption during the operation of project companies.
- The direct energy consumption of waste electrical and electronic equipment treatment business comes from gasoline and diesel consumption during the operation of project companies, while the indirect energy consumption mainly comes from electricity consumption during the operation of project companies.
- The indirect energy consumption of office building comes from electricity consumption during the operation of the headquarter.
- The consumption of fresh water mainly comes from purchased municipal tap water and self-extracting water during the operation of the Group.
- The consumption of reclaimed water mainly comes from purchased municipal reclaimed water during the operation of the Group.
- Packaging materials are not available for the Group's business.

Solid the Safety Responsibility

The Group complies with the relevant laws and regulations of occupational health and safety production, such as the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》), Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》), Regulation on Emergency Responses to Work Safety Accidents (《生產安全事故應急條例》) etc. We established the idea of "people-oriented", and adheres to the principle of

"safety first, prevention first and integrated treatment".

We adhere to implement the safety production responsibility system, implement the safety goal management, improve various rules and regulations, and enhance the supervision mechanism. We promote safety training and education, continue to implement the safety inspection and hidden danger investigation, ensure the input of safety production, and increase the rectification of hidden danger and the monitoring of major hazard sources. In addition, we adopt advanced and applicable safety and environmental protection technology and equipment, and comprehensively improve the safety management.

(1) On-site Safety Management and Control

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

The project construction site implements general contracting, and the general contractor is responsible for the HSE management of the site. We have established on-site HSE management organization and HSE management system, conduct HSE education, training and safe confirmation to employees before the entrance. We prepare special construction plans and supervise the implementation of the projects that reach a certain scale with more risks, carry out major safety inspections and daily inspections, and make timely corrections to eliminate hidden dangers.

Each project company carried out safety duty officer mechanism, "anti-three violations", review of hidden danger and rectification, and hidden danger investigation of all employees, strengthened safety management of outsiders, conducted "safe production month", fire safety inspection and drill activities, and implemented various safety measures for major festival, achieving zero accident of safety and environmental protection in the current period. At the same time, each project company has prepared an emergency management plan, established an on-site emergency management system and emergency rescue organization and team, and is equipped with emergency rescue equipment and facilities. Regular emergency drills are conducted to improve the ability of employees to respond to crises, so that they can start the emergency plan quickly and efficiently.



(2) Enhance Hidden Danger Investigation

The Group has set infrared monitoring systems in key areas of project companies (incineration plant pits, hazardous waste temporary storage, unloading areas), and arranged professional firefighters in the central control room to monitor these areas 24 hours a day. Meanwhile, we uploaded the online monitoring images to the ERP system to facilitate the responsible personnel to conduct online monitoring and inspection. While improving technical prevention and control, patrolling staff conducts continuous inspections of the above key areas every day, combining technology

and civil air defense, so as to formulate a seamless connection of monitoring at key areas.

In 2019, the Group conducted hidden danger investigation, safety and environmental inspection, training and short-term on-site assistance to the project companies, and carried out short-term on-site assistance to key project companies for nearly 30 times to find, assist, guide and supervise the resolution of hidden safety and environmental hazards before driving and during operation, effectively reducing accident rate.



Hidden danger investigation

(3) Implement Safety Precautions

The Group attaches great importance to the investment in the health and safety of employees. We mainly invest in labor protection supplies, warning signs, safety equipment, emergency supplies, firefighting facilities, occupational disease prevention facilities and equipment, special equipment inspection and testing, equipment and facilities maintenance and inspection, on-site rectification of hidden dangers, education and training, etc. By increasing safety facilities and equipment and improving occupational health protection equipment for on-site employees, we have improved the on-site production safety and reduced accidents.

In response to the occupational hazards that may exist on the site, we hired qualified third parties to conduct occupational health hazard testing for the company,

and organized employees to participate in occupational health examination. According to the identification results of occupational health hazards and risk factors of the post, we clarified occupational health protection and safety protective equipment, and provided employees with all-round protection.



Protection of safety facilities

(4) Safety Training and Publicity

In 2019, project companies carried out on-site training on safety management knowledge, covering laws, regulations, and accountability requirements, analysis of accident causes, and HSE management of the enterprise, which effectively improved the safety awareness and ability of employees. In order to ensure targeted training and improve training effectiveness, each project company formulated a safety education and training plan at the beginning of the year. Different

participants attended different trainings according to the content. For example, team leaders and above attended safety management-related training, while operators participated in the training for warning education and on-site safety precautions. At the same time, the Group formulated and issued various safety training materials to promote the safety training and warning education of the project companies.

Case: Safety Production Month

During the "Safe Production Month" in 2019, the Group carried out various forms of publicity, education and training activities about safety production, and strengthened emergency drills, safety inspections and rectification of hidden dangers, creating an excellent safety production atmosphere and realizing the goal of zero accident. In the form of mobilization meetings, oaths or banners, each project company launched the "Safe Production Month" ceremony, and successively carried out emergency drills, including hazardous chemical leakage drills, tank farm leakage drills, fire skill competition, and fire emergency response training etc. We also held three competitions on safety knowledge, squirt gun erection, and use of fire extinguishers, and awarded to the departments with excellent performance.



Activities in "Safety Production Month"



Fire emergency drills in "Safety Production Month" of Renhua project





FULFILL RESPONSIBILITIES AND BUILD A HARMONIOUS SOCIETY



FULFILL RESPONSIBILITIES AND BUILD A HARMONIOUS SOCIETY

The Group earnestly fulfills its corporate social responsibility and adheres to the strategy of strengthening the enterprise with talents to promote high-quality development of the enterprise. Adhering to the business philosophy of “reassuring the government, satisfying the public, earning profits and benefiting our employees”, we are committed to providing employees a sense of gain, belonging, and honor, and strengthening community communication and integration through poverty alleviation, public welfare, and public participation projects.

Adhering to the People-oriented Principle

(1) Employment and Rights Protection

The Group pays attention to the construction of talent team, formulates a perfect human resources management policy, and continuously updates the policies and related management methods to maintain the competitiveness of the Group, implement the

“people-oriented” principle, and attract, cultivate and retain excellent talents. In 2019, we were awarded the “China Good HR Employer” of 2019 by the Organizing Committee of 10th Beijing Human Resources Expo Conference.

Staff recruitment and equal opportunities

The Group strictly abides by the Labor Law of the People's Republic of China (《中華人民共和國勞動法》) and Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other laws and regulations. The Group also formulated and implemented the Recruitment and Employment Management System (《招聘與錄用管理制度》). Regarding to company's strategy, we internally and externally select and recruit qualified employees, and systematically promote the construction and development of the talent team. At the same time, the Group has set out the terms of termination of the employee's labor contract in the Labor Contract (《勞動合同》), to ensure that the dismissal process is standardized and transparent, and to avoid any risk of non-compliance or labor disputes.

We advocate equal and diversified recruitment policies. During the recruitment process, we consider the candidate's work experience, work ability, familiarity with the business and enthusiasm for work and other personal qualities to ensure that the candidate will not be based on race, nationality, skin color, religion,

gender, age and other factors suffered discrimination, and stated in the Employee Handbook (《員工手冊》), emphasizing the establishment of a fair and open employment platform for employees. In addition, a large number of our projects are located in remote areas that are not yet developed. In order to promote local economic development and employment opportunities, we pay special attention to local talents. Many of the new employees hired during the reporting period were from the local area.

In order to attract and cultivate excellent young talents, we actively carry out campus recruitment work while carrying out social recruitment and internal promotion, and constantly strengthen the construction of talent teams. In 2019, the Group carried out the recruitment of 2020 management trainees. Through the campus lectures of 11 colleges and universities in the country, nearly 70 preliminary and second-round examinations, 6 management trainees were finally recruited, which also played a role in the company's employer brand promotion.



Campus recruitment



Cooperation with universities

Number of employees

INDICATORS	2019	
	HEADCOUNT	PROPORTION
Total employees	33,242	100%
Number of employees by gender		
Female	16,652	50.09%
Male	16,590	49.91%
Number of employees by age		
Under 30	937	2.82%
30 to 40	11,143	33.52%
50 and above	21,162	63.66%

Labor standards

The Group strictly abides by the Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》) and the Provisions on the Prohibition of the Use of Child Labor (《禁止使用童工規定》), strictly verifies the identity certificates of candidates during the recruitment process, and resolutely does not employ child labor under the age of 16. During the reporting period, the Group did not violate laws and regulations related to preventing child labor and having a significant impact on the Group.

The Group prohibits any forced labor, strictly monitors overtime work outside normal working hours, and requires employees to work overtime subject to approval by relevant supervisors, and does not force employees to work overtime. At the same time, we ensure that employees can arrange for rest after working overtime. During the reporting period, the Group did not receive any complaints about forced labor.

Salary and benefits

The Group strictly abides by the laws and regulations such as the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》), has formulated the Remuneration Management Measures (《薪酬管理辦法》) and Employee Promotion Management Measures (《員工晉升管理辦法》), and implements a fair and competitive salary system and a comprehensive employee welfare system.

The Group has a comprehensive and meticulous performance appraisal management system. Employee compensation is calculated and determined based

on employee qualifications, experience, job nature, performance and market conditions, and actively creates equal employment opportunities. In order to fully reflect the protection, care and motivation of employees' lives, we provide employees with competitive market-based compensation in addition to the reality, providing communication fee subsidies, meal subsidies, transportation subsidies, and holiday savings, the company's welfare items other than statutory benefits such as heatstroke prevention and cooling fees and heating fees.

(2) Training and Career Development

In order to promote the common development of the Group and employees and share the achievements, Beijing Enterprises Urban Resources actively invests in personnel training, and is committed to combining the long-term development of the company with the development of each employee to realize the potential of each employee. The Group has a comprehensive and objective employee assessment system to effectively improve the quality of work, competitiveness and motivation of employees. In 2019, all employees received constructive feedback and career planning suggestions from their respective performance assessments, which set a solid foundation for the talent retention and sustainable development of the enterprise.

By providing regular and comprehensive development training for employees, the Group has built a complete talent training and improvement mechanism, incorporated employee training into normal management, and formulated the Employee Education and Training Management System (《員工教育培訓管理制度》) to fully understand the needs of employees at all positions in their career development and provide specialized training and professional training for them. The Group formulated a "monthly training plan" to encourage grassroots operation and management

personnel to enter the Group's functions and business departments for professional and management skill training, in order to improve the overall employees' ability and business skills, establish a learning organization, enhance the company's competitiveness, and support the Company's long-term strategy.

The Group focuses on strengthening exchanges and cooperation with scientific research institutes, universities and professional companies in subdivided fields. By carrying out industry-university-research cooperation, we strengthened talent training and enhanced our competitiveness. By collaborating with external companies, we obtained business development information and advanced technologies, which provides technical support for the implementation and operation of our projects. In 2019, the Group revised and improved the basic, professional and practical courses of the Smart Environmental Hygiene Talent Training Program (《智慧環衛人才培養方案》) in cooperation with Hebei University of Environmental Engineering. We proposed the goals, positioning, needs and development direction of smart environmental hygiene technical personnel, motivated students to attend the Group's management trainee interviews, and actively contributed to the talent construction of the Group.

■ *Mentoring Training Plan*

The mentoring training plan was officially launched in 2019. Through program formulation, talent inventory, data analysis etc., the Group's key employees coached potential new employees, effectively passed on valuable business knowledge, and assisted them to develop a viable career plan. Through the "mentor with apprenticeship" mechanism, we have further improved the quality, ability and business of our operation and management personnel, and continue to cultivate talent for our projects.

■ *The Integrated Management Training of Environmental Hygiene Project Company*

In 2019, the Company conducted integrated management training for 30 projects nationwide with 60 person-times attendees. The training adopted on-site teaching method, mainly covering basic management knowledge and risks of human resources. Meanwhile, we carried out on-site experience sharing in conjunction with the common problems found during the inspection process.

■ *Onboarding Training of Hazardous Waste Technology*

The Group continues to conduct technical training for new employees, and implements the laws and regulations of the hazardous waste disposal industry and hazardous waste disposal process technology theory to every employee. In 2019, we organized production management and front-line operators of project companies to attend the pre-production skills training, and to visit industrial peers in China. Each training included theoretical and operational skill exams, and all participants passed the exams.

■ *Training and Exchange of Environmental Hygiene Technology*

In 2019, the Group's environmental hygiene business division organized technology trainings including Technical Guidance for Waste Separation Business (《垃圾分類業務技術指導》), Landscape Greening Business Training (《園林綠化業務培訓會》) and New Energy Technology Exchange (《新能源技術交流會》), participated in industry conferences such as the 2019 China Smart Sanitation Forum and other environmental sanitation industries, and attended 14 technical exchange trainings with outstanding industrial peers. Through the technical communication method of "coming out and going out", we further improved the employees' technical ability and comprehensive quality.



Environmental hygiene technology training

(3) Solicitude and All-round Health

Employee caring

The Group attaches great importance to the physical and mental health of employees, and provides free physical examination and occupational disease examination for employees every year. Meanwhile, the Group provides comprehensive medical insurance for regular employees and their children, including accident insurance, medical insurance, maternity insurance, and medical insurance for major diseases. In 2019, we took the lead in the introduction of traditional Chinese medicine health clinics at the Group headquarters to provide employees with targeted physiotherapy services and formulate health regimens.

We hope that the Group not only become a platform for employees to develop themselves, but also a place for them to enjoy life. In 2019, we organized setting-up exercises during work-break, held quarterly birthday parties, and prepared afternoon tea for everyone, committed to making employees feel like home and promote the balance of life and work.

Case: "Activating BEURers" health lecture

In order to improve the health of employees and create a positive and energetic working atmosphere, the Group held a health lecture on the theme of "Activating BEURers" in September 2019. In particular, we invited the director Yao Jun of Beijing Ruici Group as the speaker. More than 30 employees from various departments participated in the event. At the end of the lecture, participants communicated their health questions with experts. This health lecture not only enabled employees with scientific knowledge of disease prevention and health maintenance in the office, but also enhanced their health awareness and played a positive role in developing healthy working habits.



Health lecture

Caring for frontline sanitation workers

Caring for every front-line employee, giving every front-line employee a sense of belonging, and making sanitation workers respected are the constant goals of Beijing Enterprises Urban Resources. Sanitation workers have low incomes, long working hours, and high labor intensity, and often need to work overtime on holidays. Therefore, every year on October 26th, the Group carries out the "Sanitation Workers' Day" for caring frontline employees nationwide. By providing sanitation workers with a place to drink water, holding employees' birthday parties, distributing heatstroke prevention and winter warmth protection supplies, we have expressed our care for front-line employees and effectively improved their working and

living environment. Meanwhile, we provide common medicines and medical devices for sanitation workers in their daily work, monitor their heart rate in real time through the smart bracelet and set a one-click call for help, creating a safe working environment for employees and providing reliable health protection.

As of the end of 2019, the "Sanitation Workers' Day" was launched across 23 provinces, municipalities and autonomous regions across the country. Projects in more than 100 cities co-organized various activities, with more than 30,000 frontline sanitation workers participated.



Caring for the "Road Angel"

Case: "Sanitation Workers' Day" of Yunnan regional business unit

In Yunnan region, the 2nd Sanitation Workers' Festival - the 1st Employee Skills Contest of Beijing Enterprises Urban Resources were held in Xishan District, Kunming City. More than 200 first-line sanitation workers gathered together to fight for their skills and celebrate their holiday. The skill competition included 6 events: road sweeper, truck, sanitation theory and knowledge, garbage classification, driver skill and tug of war. The event also commended the "Environmental Sanitation Advanced Demonstration Area of Beijing Enterprises Urban Resources", "Top Ten City Beauticians of Beijing Enterprises Urban Resources" and the "Most Beautiful Sanitation Workers of Beijing Enterprises Urban Resources" involving 7 areas and more than 120 people, fully demonstrating the work style and spirit of sanitation workers of Beijing Enterprises Urban Resources.



"Sanitation Workers' Day" of Yunnan
regional business unit

Case: "Sanitation Workers' Day" of Operations Center in South China region

The Nanxiong project of Beijing Enterprises Urban Resources held the "Sanitation Workers' Day" in Shangshuo Auditorium Square, Youshan Town, Nanxiong City. The project company distributed holiday gifts for sanitation workers, and provided free medical consultations for sanitation workers. Sanitation workers also shared the idea of maintaining environmental sanitation and correct waste classification to the general public through interesting interactive games, so that the sanitation workers experienced the company's care and social recognition, and increased the pride and responsibility of sanitation workers.



"Sanitation Workers' Day" of Operations Center
in South China region

Promoting Community Inclusion

The Group actively undertakes social responsibilities and is always committed to giving back to society. We always keep in mind the public welfare attributes of environmental hygiene, regard creating social benefits as the priority of business management, and spread environmental protection culture, popularize environmental hygiene knowledge, and create a beautiful environment as the fundamental way of enterprise development. We aim to achieve "Not-In-

My-Back-Yard effect", "public welfare effects" and "aggregation effects", as well as the win-win of social and economic benefits through continuous efforts, fully embodies the core value of the enterprise of "environment first, power and responsibility sharing". As of December 31st, 2019, the Group's charitable donations and other donations worth nearly RMB1 million.

(1) Assist Poverty Alleviation

The Group actively fulfills its responsibility for poverty alleviation. During the Spring Festival of 2019, the leaders of the group went to Guizhou, Shaanxi and other project companies to console front-line employees in difficulties and caring for front-line workers. In October 2019, we donated RMB330,000 worth of cleaning equipment to Xibailianyu Village, Fengjiayu Town,

Miyun District, a paired aid target in "One Enterprise, One Village" project, to help build a clean and beautiful livable village environment. In 2019, the Company's headquarters purchased a total of 30 high-quality agricultural products from paired aid areas in Xiqing, totaling RMB29,940.

(2) Carry out Environmental Protection Activities

The Group organized various environmental charity publicity activities, distributed environmental publicity materials, and conducted environmental questionnaire surveys. Starting from environmental protection concepts such as garbage sorting and waste-free city construction, the Group promulgates and abides by environmental protection laws and regulations, popularizes scientific knowledge on environmental protection, and continuously gathers environmental protection cultural power, continues to sublimate the ideal of urban civilization, and practices the corporate mission of "guarding green homes and creating a beautiful environment".

By organizing environmental protection activities such as cleaning up dead ends, picking up white garbage and cigarette butts, and removing illegal propaganda materials, we achieved comprehensive environmental improvement and environmental protection for heavily polluted weather. By taking environmental protection measures such as noise reduction, dust control,

and deodorization, we strive to arouse the public's awareness of environmental protection and civilization to jointly contribute to maintaining a clean and neat city and creating a clean, comfortable and beautiful working and living environment.



Beijing Enterprises Urban Resources actively promotes environmental protection

Case: Boosting environmental protection education

Environmental protection education needs to start from children. Beijing Enterprises City Resources carried out environmental protection education activities such as "Environmental Hand in Hand, Beijing Enterprises Urban Resources Campus Trip", "Little Hand in Hand, Environmental Protection Follow Me", providing vivid environmental education practice classes for teenagers.



"Environmental Hand in Hand" activity

Case: Employee environmental team building activities

In July 2019, the Group held an environmental protection team building activity themed "Never forgetting the original intention of ecological and environmental protection, and committed to the mission of lucid waters and lush mountains". A total of more than 200 people from the headquarters and subsidiaries of the Group came to the Yudu Mountain Scenic Area and started a two-day team building activity with team tasks. Each team member had an environmentally friendly backpack that could be recycled and DIY painted; each group was assigned a set of garbage collection tools, including gloves, garbage bags, clips, etc., thus admiring the scenery while collecting garbage, which positively affected surrounding tourists and was conducive to popularize the knowledge of garbage sorting.

(3) Serve the Public

Case: "Cloud Tour" of environmental protection facilities

The Group regularly opens some environmental protection facilities to the public to effectively promote community inclusion. During the COVID-19 epidemic in early 2020, the Group continued to explore and enrich the activity forms of opening up its environmental protection facilities to the public, and utilized the Internet to further open more environmental protection facilities, so that citizens could have access to environmental protection science popularization remain within doors, which meets the public's understanding of opened facilities. These efforts encouraged the public to jointly become participants, builders and witnesses of ecological environment work. The Medical Waste Disposal Center of Guigang conducted scientific popularization on the environmental protection facilities and technological processes of the treatment of epidemic-related medical waste to the public through short video online broadcast, which achieved the purpose of demonstrating our ecological and environmental protection work and eliminating environmental concerns of the public.

Case: The vanguard of urban emergency

As an all-weather urban environmental emergency support team with "excellent technical skills and rich experience", Beijing Enterprises Urban Resources has provided an important guarantee for the rapid recovery of the urban environment and the normal travel of residents with practical measures in the emergency protection of flood control, snow removal, ice shoveling, and fire rescue. In 2019, Beijing Enterprises Urban Resources successively supported firefighting actions of Nanxiong Hardware Building, Shenyang Qipan Mountain, Kunming Changchong Mountain, Yu'an Mountain and Cuihu Club Building, etc., which effectively ensured the safety of citizens and property and won the local government and citizens unanimous praise.

Case: Contribute to prevention and control of the COVID-19

During the outbreak of COVID-19 in early 2020, the Group actively assisted in the prevention and control of the epidemic through various means, and donated a total of over RMB77,000. Xinjiang Xiyu Beikong Environmental Engineering Co., Ltd. donated 115 sets of protective clothing, 330 masks and 30 pairs of gloves to the 13th Division Epidemic Prevention Headquarters. Beijing Enterprises Urban Resources (Yichang) Co., Ltd. donated 30,000 thermometers. Shenzhen Baoan Beijing Enterprises Urban Resources donated 100,000 masks to front-line hygiene workers.



Prevention and control of the epidemics

APPENDIX: INDEX TABLE

Subject Area	Aspect	Description	Disclosure Chapter(s)
Environmental	A1 Emissions	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listed company relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Deepen Green Development
		A1.1 The types of emissions and respective emissions data.	Deepen Green Development
		A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen Green Development
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen Green Development
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen Green Development
		A1.5 Description of measures to mitigate emissions and results achieved.	Deepen Green Development
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Deepen Green Development
	A2 Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Deepen Green Development
		A2.1 Direct and/or indirect energy consumption by type (e.g. Electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Deepen Green Development
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Deepen Green Development
		A2.3 Description of energy use efficiency initiatives and results achieved.	Deepen Green Development
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Deepen Green Development
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable
	A3 The Environment and Natural Resources	General Disclosure Policies on minimising the listed company's significant impact on the environment and natural resources.	Health, Safety, and Environment Management System
		A3.1 Policies on minimising the listed company's significant impact on the environment and natural resources.	Health, Safety, and Environment Management System

Subject Area	Aspect	Description	Disclosure Chapter(s)
Social	B1 Employment	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listed company relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Adhering to the People-oriented Principle
		B1.1 Total workforce by gender, employment type, age group and geographical region.	Adhering to the People-oriented Principle
		B1.2 Employee turnover rate by gender, age group and geographical region.	–
	B2 Health and Safety	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listed company relating to providing a safe working environment and protecting employees from occupational hazards.	Solid the Safety Responsibility
		B2.1 Number and of rate work-related fatalities.	–
		B2.2 Lost days due to work injury.	–
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Solid the Safety Responsibility
	B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Adhering to the People-oriented Principle
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	–
		B3.2 The percentage of employees trained by employee category and gender (e.g. senior management, middle management).	–

Appendix: Index Table

Subject Area	Aspect	Description	Disclosure Chapter(s)
	B4 Labor Standards	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listed company relating to preventing child and forced labor.	Adhering to the People-oriented Principle
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	Adhering to the People-oriented Principle
		B4.2 Description of steps taken to eliminate such practices when discovered.	Adhering to the People-oriented Principle
	B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Promote Supply Chain Management
		B5.1 Number of suppliers by geographical region.	Promote Supply Chain Management
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Promote Supply Chain Management
	B6 Product Responsibility	General Disclosure Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the listed company relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Strengthen Management
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Applicable
		B6.2 Number of products and service related complaints received and how they are dealt with.	Strengthen Management
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Strengthen Management
		B6.4 Description of quality assurance process and recall procedures.	Not applicable
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Strengthen Management

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