



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



2022

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 2022. The report is prepared in accordance with the *Environmental, Social and Governance Reporting Guide* (《環境、社會及管治報告指引》, the "ESG Reporting Guide") set out in *Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* 《香港聯合交易所有限公司證券上市規則》, the "Listing Rules").

Reporting period

Unless otherwise specified, the report covers the period from 1 January 2022 to 31 December 2022.

Reporting language

This report is published in both Chinese and English. In case of any discrepancies, the Chinese version shall prevail.

Reporting guide

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

"Materiality": In preparing this report, the Company has identified key stakeholders and key ESG topics of their concerns, and made targeted disclosure according to the materiality of these topics.

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

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

Confirmation and approval

This report was approved by the Board of Directors on 29 March 2023.

STATEMENT OF THE BOARD OF DIRECTORS

As a leading enterprise in the environmental protection industry in China, the Group is committed to becoming a trusted and industry-leading digital intelligent urban operation integrated service provider, adhering to the values of "Being committed, creating value, and sharing with others", and actively undertaking environmental, social and governance responsibilities. The Board of Directors believes that establishing and improving the ESG governance system is conducive to the sustainable development of the Group. The Board of Directors is responsible for overseeing ESG matters, and for ESG strategies and reporting on an overall basis. The Audit Committee, a professional committee for supervising ESG governance, is responsible for reporting to the Board of Directors on major ESG matters regularly.

The Group promotes the Company's sustainable development by formulating effective strategies to balance the Company's impacts on the environment and society and the achievement of business goals. The Board of Directors is responsible for reviewing and assessing the Group's ESG strategies, while the management is responsible for the implementation of the ESG strategies and goals.

The Group regularly assesses the materiality of ESG topics, with the assessment processes and results detailed in the section of "Stakeholder communication and materiality analysis" in the Group's annual ESG report, and reviewed by the Board of Directors. The Audit Committee under the Board of Directors is responsible for proposing independent opinions on the effectiveness of the Group's risk management and internal control systems, including the material risks related to ESG, which are detailed in the section of Corporate Governance of the Group's Annual Report, and reviewed by the Board of Directors at regular intervals. During the reporting period, the Group has set environmental targets related to business operations, which have been reviewed and discussed by the Board of Directors.

In addition, this report has detailed the above-mentioned ESG matters, which have been reviewed and approved by the Board of Directors on 29 March 2023.

CHAIRMAN'S STATEMENT



MR. ZHOU MIN
Chairman

2022 is the first year of the second centenary goal and a crucial year for the 14th Five-Year Plan. We continued to strengthen ESG governance this year, focus on innovation facilitation, and build our core competitiveness. The Group invested in cities where we provide services, thereby improving citizens' urban environment through green development and actively repaying the supports from shareholders and all sectors of society.

Continue to optimize and improve management. We have always been adhering to the concept of "Reassure the government, satisfy the public, earn profits, benefit the employees, and win together with the partners". We improved the long-term mechanism, strengthened the system and process construction, implemented fine management, strengthened technological innovation, and, as a result, promoted business development. 2022 is the beginning year of the Company's commitment to realize the vision of "becoming a trusted and industry-leading digital intelligent urban service provider". We aim to improve office efficiency, promote administrative office digitization and standardization, and ensure that all supportive services for normal core business operations are provided. In the environmental hygiene services business, we have established a customer-centric concept, improved operation quality, upgraded smart systems, focused on identifying new technologies, new equipment, and cooperative resources, and gradually improved the technological innovation mechanism to support efficient market expansion. In the hazardous waste treatment business, we have been promoting the combination of digitalization and intelligence to realize the digital value, and we have implemented new hazardous waste recycling technologies and strengthened technical support to achieve substantial development.

Never forget our original purposes and undertake responsibility with courage.

We take on the mission of "making the living environment better", adhere to the core values of "being committed, creating value, and sharing with others", and work to continually improve the safe production responsibility system. We strictly adhere to the bottom line of safety through various means, including on-site safety control, hidden danger investigation, employee safety protection, and safety training, to ensure that the safety situation is stable and improving. We follow the national "carbon peaking and carbon neutrality" goals closely. We fully utilized our resource endowment in our environmental hygiene business, created beautiful living environment, optimized the energy structure, reduced resource waste, and contributed to improved environmental quality. In terms of hazardous waste treatment business, We strictly controlled the discharge of water, gas, noise, and solid waste, and improved the quality of our services, increased efficiency, and reduced costs from the five aspects of our core business operations, including human resources, machinery, raw materials, method and environment. We facilitate the lean principle of "eliminate waste, improve ceaselessly and reach perfection" by implementing consumption reduction, disposal efficiency improvement, waste management efficiency improvement, technological transformation, strict resource conservation, and other means.

Be people-oriented for joint development.

We continue to build a team with humanistic culture and care about the physical and mental health of employees, and we are committed to improving the sense of belonging, gain, and happiness of employees. We strengthen employee training in many aspects through building a comprehensive incentive system and providing a platform for employees to achieve their career dreams. Active in shouldering corporate social responsibilities, we provide professional services for optimizing urban environment and resource utilization through refined development. We also participate in social and public services when fulfilling the responsibilities of state-owned enterprises, to help achieve the all-round revitalization of rural areas, so that the people can enjoy more benefits from green development.

We will unswervingly forge ahead despite challenges. Standing at a new historical starting point, we will follow the development trend, capture market opportunities, strengthen the customer-centric service quality, and enhance the foundation for management and responsibility. We will move forward with the green and sustainable development, and realize the harmonious coalescence of the Company's development and social responsibility to hit a new high!



CEO'S STATEMENT



MR. ZHAO KEXI
CEO

In 2022, we put the business at a higher place through combination of business and brand, and we have always been focusing on "service" to support the front line of our business, in response to the country's advanced requirements for development of ecological civilization and ecological environmental protection. Faced with new challenges, we keep reflecting on the process and achieve self-growth when dealing with the difficulties.

Make consistent progress and march towards the future bravely. We make the most of self advantages, take multiple measures, and strive to write a new chapter in the Group's development. The Group's operating income was HK\$4,946 million by the end of 2022, with year-on-year increase of 11.1%. We continuously improve "digital intelligence, integration and professionalism" in the environmental hygiene business and are committed to improving customer satisfaction and operation quality management. We have operated 152 urban service projects, and the cleaning area is about 242 million square meters. We have achieved a total revenue of HK\$4,024 million, with year-on-year increase of 18.3%, and we were ranked first in the "Top 100 Cleaning Industry Brands in China", while we have been named "Top 50 Chinese Environmental Enterprises" and one of the "Top 10 Influential Enterprises of Sanitation". We have received 4 city-level honors and more than 10 county-level honors in 2022. In the hazardous waste treatment business, we have increased research on recycling technologies and markets by investigating recycling categories, improving the process flow and product sources of waste recycling projects. In 2022, the total treatment capacity of the hazardous waste treatment segment was 234.5 thousand tons, and the operating income was HK\$612 million.

Continue to improve with innovation being the engine of progress.

We have kept innovation and embarked on the path of technological development in the face of a changing market trend of capacity expansion and quality improvement. We increased enterprise competitiveness when satisfying the need of business, and obtained three invention patents and ten software copyrights in 2022. We insisted on technological innovation and development, set up research teams to boost technological research and innovation, and completed 7 technical research reports, involved in 6 national standards and conceptual schemes such as *Summary and Planning of Smart Sanitation System Application* (《智慧環衛系統應用情況總結和規劃》). We actively explored the construction of intelligent management platform, adopt the mode of IoT with "people, objects and things" established a digital and intelligent management system to realize the detailed, scientific and standardized operation and management of urban environmental health. To make the entire hazardous waste tracking process faster, more accurate, and intuitive, we innovated and developed a hazardous waste operation information management (ERP) system. We improved the long-term mechanism and focused on the Group's reform and innovation, as well as core businesses, conducted thematic and special audits in a scientific and rational manner, effectively promoted systemic problem resolution, created a good internal control environment, and reduced operational risks.

Take the lead in making difference under the guidance of mission.

We respect and protect nature when forging ahead to construct an all-around modern socialist country. We believe "lucid waters and lush mountains are invaluable assets", and try our best to launch the strategy of "Carbon Peaking and Carbon Neutrality" and address the climate change. We strengthened key project supervision, lean management, and control of key operational risks to reduce safety and environmental risks. We have improved emergency response systems for flood control, snow removal and anti-typhoon, and we have consistently avoided and resolved major natural disaster risks. To provide a clean environment for the Winter Olympics and Paralympics and ensure the smooth process of that, we adhered to the concept of "Green Winter Olympics" and built a smart waste cleaning management system that meets the standards of the Winter Olympics. We kept in mind the purpose of "people-oriented", improved the personal development platform of employees, vigorously encouraged talents to go to the front line, and enhanced the personal business ability of employees from all aspects. We were able to attract more talent to the Company while also strengthening human resource assurance through comprehensively improving the selection mechanism. We actively participate in social public welfare endeavors, promote environmental protection culture, and improve urban and rural living environments.

2023 is a year worth looking forward to. In order to better plan for development at the height of harmonious coexistence between man and nature, and to better build a beautiful China, we will continue to give full play to our corporate advantages, constantly explore the integrated development of urban production and life and ecological environment protection through management services featuring digital intelligence, integration and professionalism, and create a better living environment for urban residents!

ABOUT THE GROUP

We are an integrated waste management solution provider in China, focusing on providing environmental hygiene services, hazardous waste treatment services and waste electrical, electronic-equipment treatment services. The Group is headquartered in Beijing, China, with service areas covering 23 provinces, municipalities and autonomous regions in China, and 51,367 employees.

In terms of environmental hygiene business, we take the development direction of "leading development and promoting high-end industry" with four major goals. First, focusing on improving operation quality and continuously improving customer satisfaction. Next, using our innovative product design capabilities to provide systematic solutions and create value for customers. Then, promoting the development of an HSE management system, raising employee awareness of safe behavior, and reducing major safety and environmental accidents. Finally, cultivating project managers and professional management talents, introducing project managers and production operation managers through various channels, and meeting the long-term talent needs of all levels, professions, and talents. We unite knowledge and action, gather strength to face challenges, and promote the industry's national layout. We had operated and managed 152 service projects as of December 31, 2022, covering about 242 million square meters. By improving our digital intelligence, we continue to build the Group's own smart sanitation platform, strengthen smart sanitation's digital capabilities, and form a characterized "three-in-one" (production, life and ecology) urban development model. We will continue

to strengthen the integration of resources with specialized companies in various fields to adapt to the requirements for environmental hygiene business in the new era through continuous improvement and optimization of core business capabilities.

In terms of hazardous waste treatment and waste electrical, electronic equipment treatment services, we focus on analyzing the industry's development trends, clarifying the key development directions in the field of hazardous waste recycling, pursuing more favorable investment strategies, upgrading and transforming the technical equipment of existing projects, developing more robust risk prevention and control measures, upgrading the original project technology and equipment, researching on treatment technology, and forming a standard popularization technical scheme. As at 31 December 2022, the Group had 9 hazardous waste treatment projects in operation and 3 projects under construction. The total treatment facilities that engaged in hazard-free waste disposal had a total designed treatment capacity of 439,700 tons per annum and treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 270,000 tons per annum. As of 31 December 2022, the Group also had 2 revenue-generating waste electrical and electronic equipment treatment projects, which had a total designed treatment capacity of 2.15 million units per annum.

We fully exploit the advantages of brand, capital, technology, and operation management, and work towards the goal of "improving the overall image of the city, improving environmental sanitation, and improving the quality of life of residents" with a strong sense of social responsibility and mission, realizing the balance between social responsibility and company development.



Group's major honors and awards in 2022

- The "7th Huafu Excellent Investor Relations Award - Gold Award for Sustainable Development" issued by China Tonghai Investor Relations
- Certificate of "Five-star Environmental Health Service" issued by Beijing Oriental Zongheng Certification Center Co., Ltd
- Certificate of "Social Responsibility Management System Standard" issued by Beijing Oriental Zongheng Certification Center Co., Ltd
- One of the "Top 10 Cleaning Service Brands" by CNPP data research department
- First place in the "Top 100 Cleaning Industry Brands in China" issued by the National Cleaning Industry Entrepreneur Activity in 2022
- "Top 10 Influential Solid Waste Enterprises in 2022" by the 16th Solid Waste Strategy Forum in 2022
- "Top 50 Chinese Environmental Enterprises in 2022" by the Environmental Chamber of Commerce of the All-China Federation of Industry and Commerce
- "China's Excellent Employer Brand" issued by the 13th China (Beijing) Human resources Expo
- "ai Quality Workplace - Outstanding Value Co-creation Award" issued by People's Daily Online Shanghai, CIIC Shanghai and CIIC Care Tong
- "The Most Comfortable Workplace Conditions" issued by Shanghai Pudong International Talent Hub Forum

Group's major qualifications in 2022

- 5 system certifications: *Enterprise Standardization Management System Certification* (《企業標準化管理體系認證證書》), *Safety Risk Management System Certification* (《安全風險管理體系認證證書》), *Environmental Service Certification* (《環境服務認證證書》), *Information Security Management System Certification* (《信息安全管理体系認證證書》), *Energy Management System Certification* (《能源管理體系認證證書》)
- 10 software copyrights: *Environmental Hygiene Machinery Operation Management System V1.0* (《環衛作業機械運行管理系統V1.0》), *Environmental Hygiene Worker Scheduling Service Management Platform V1.0* (《環衛作業人員調度服務管理平台V1.0》), etc.
- 10 qualification certificates: *Pest Control (Treatment) Service Enterprise Qualification Certificate* (《有害生物防制(治)服務企業資質證書》), *Household Garbage Sorting Service Certification Certificate* (《生活垃圾分類服務能力認證證書》), etc.
- Personnel qualifications: "Waste removal engineer (senior) for smart sanitation informatization project", "Senior cleaning manager (project manager)", etc.



BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Our power

Total number of employees

51,367



Number of environmental hygiene services projects

152



Coverage of services

23

provinces,
municipalities
and autonomous regions



Area covered by
environmental
hygiene services

242

million square
meters



Designed treatment
capacity of
recycling business

270

thousand tons/year



Total designed treatment capacity of
hazard-free waste disposal

351

thousand tons/
year in operation

88.7

thousand tons/
year will be
operational



Approved treatment capacity
of electric dismantling

2.15

million units/
year

Our value

Intensity of greenhouse gas emissions

0.22

tons/HK\$10,000

▼ 4.2% from 2021



Intensity of energy consumption

0.66

MWh/HK\$10,000

▼ 7% from 2021

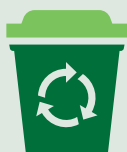


Hazardous waste per unit of operating revenue

0.06

tons/HK\$10,000

▼ 37.7% from 2021



The proportion of new energy sanitation vehicles to total of sanitation vehicles

12.7%



Our responsibility



Proportion of female employees

49%

▲ 1% from 2021



Average training time of employees

48 hours/person

▲ 2.2% from 2021



Charitable and other donations

HK\$ 562,000



ESG MANAGEMENT SYSTEM

ESG concepts

To sustain the living environment of cities, towns, and villages, which is a multifunctional organic complex, not only a clean space but also a high-quality ecological environment is required to ensure people's sense of gain and happiness. As a leading enterprise in China's environmental protection industry, we provide comprehensive urban services and operations to make people's living environments cleaner, more comfortable, safer, and more beautiful, improve people's quality of life, and help realize the vision of a better life.

We actively undertake our ESG responsibilities, and endeavor to contribute to the construction of a beautiful China. For the realization of our goals, we continued to improve the ESG work concept, implemented work in the four key ESG areas, gradually improved the Group's ESG governance level, guarded against ESG related risks, and improved the quality of operations.



Solidify ESG governance structure

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

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

Strengthen the environmental and safety risk management

Sound environmental and safety risk management system is the basic guarantee of long-term stable operation of the company. 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 services 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 treatment business ensures that waste water, waste gas and solid waste meet the standards of discharge, and gradually increases the recycling rate to reduce consumption of resources.

Ensure fulfillment of social responsibility

Devoted to the principle of "people-oriented", we strengthen caring for employees, solve difficult problems for employees and give them substantial help to make sure our employees have 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 rural revitalization projects; we passionately publicize environmental protection laws and policies, organize various environmental charity

publicity activities, spread scientific knowledge of environmental protection among the community, continuously gathering the power of environmental protection culture. In the future, we will boost the spread of environmental protection culture, continue to popularize environmental hygiene knowledge, create a beautiful environment, and practice the corporate mission of "making the living environment better".

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 various management systems. We continued to improve the

internal control and anti-fraud system to create a clean and upright atmosphere. We made full use of monitoring and auditing methods and continuously improved audit coverage, regulated the behavior of management and ordinary employees, so as to keep the bottom line of compliance.

Stakeholder communication and materiality analysis

(1) Stakeholder engagement

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

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

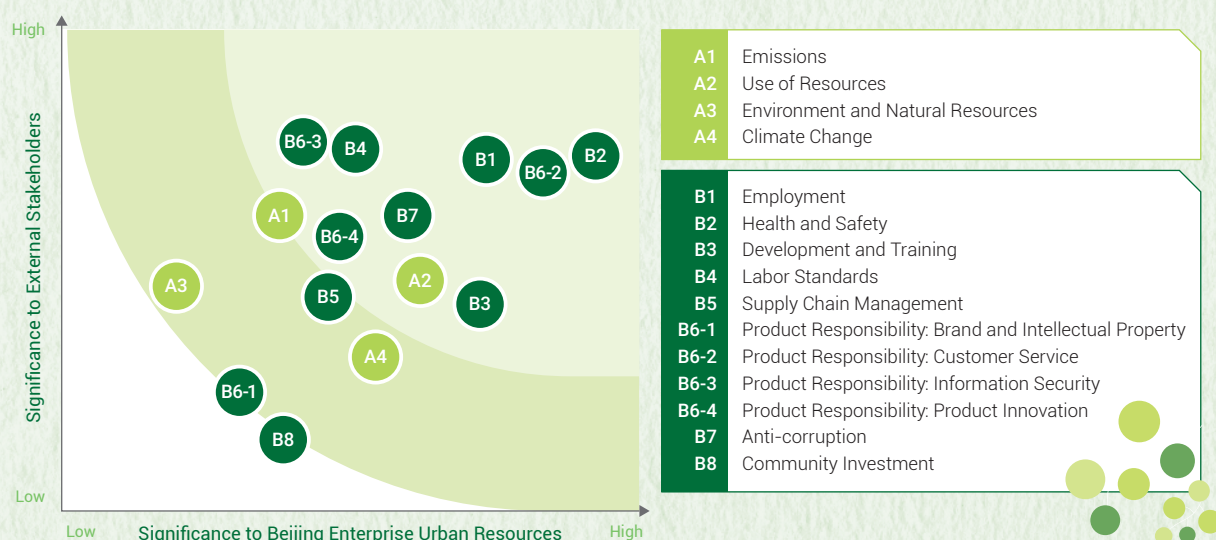
Stakeholders	Major communication channels	Key concerns
Government and regulators	<ul style="list-style-type: none">• Major meetings• Policy consultation• Event reporting• Institutional visits• Information disclosure	<ul style="list-style-type: none">• Compliance with laws and regulations• Pay tax on 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• Questionnaire surveys	<ul style="list-style-type: none">• Corporate governance• Financial performance• Stable returns• Risk management
Customers	<ul style="list-style-type: none">• Customer meetings• Customer satisfaction survey• Customer complaint channels• Questionnaire surveys	<ul style="list-style-type: none">• Customer service• Privacy protection
Suppliers and partners	<ul style="list-style-type: none">• Bidding and procurement activities• Assessment and evaluation• Field trips• Questionnaire surveys	<ul style="list-style-type: none">• Business ethics• Mutual benefit and win-win cooperation• Equal competition

Stakeholders	Major communication channels	Key concerns
Employees	<ul style="list-style-type: none"> Working meetings Staff meetings Performance appraisal Employee complaint channels Questionnaire surveys 	<ul style="list-style-type: none"> Compensation system Employee rights Health and safety Communication mechanism
Social organizations and local residents	<ul style="list-style-type: none"> Public service activities Public Open Day Questionnaire surveys 	<ul style="list-style-type: none"> Community investment Communication mechanism
News media	<ul style="list-style-type: none"> Performance briefings Press release Questionnaire surveys 	<ul style="list-style-type: none"> Technological innovation Ecological protection

(2) Analysis of material issues

In order to further clarify the key areas of corporate ESG practices and satisfy the needs of stakeholders, we learned about their opinions and expectations on the Group's response to ESG issues by means of questionnaire surveys, meetings, in-depth interviews, etc. Based on the feedback, we established an analysis matrix for 2022 ESG material issues on a total of 15 topics in the three aspects: environment,

social and governance. Material issues identified during the year included emissions, use of resources, employment, health and safety, development and training, labor standards, customer service, information security, product innovation and anti-corruption. Related topics identified included environment and natural resources, climate change, supply chain management, brand and intellectual property, and community investment.





GOOD GOVERNANCE TO BOOST HIGH-EFFICIENCY DEVELOPMENT



GOOD GOVERNANCE TO BOOST HIGH-EFFICIENCY DEVELOPMENT



With business development as the foundation, high efficiency and standardized management as the purpose, the Group continuously optimizes the management of business unit functions, promotes standardization construction, and enhances the organization and control capabilities. We adhere to the digital development concept of “intelligently creating the future” and gradually implemented smart operations, which improved operational management and control capabilities, as well as promoted industry innovation, resulting in a double win.

Establish compliance management

(1) Internal control and compliance

A sound risk prevention and control system lays the foundation for our long-term stable operation. The Group formed a closed-loop mechanism, which is continuously monitored and regularly reviewed by

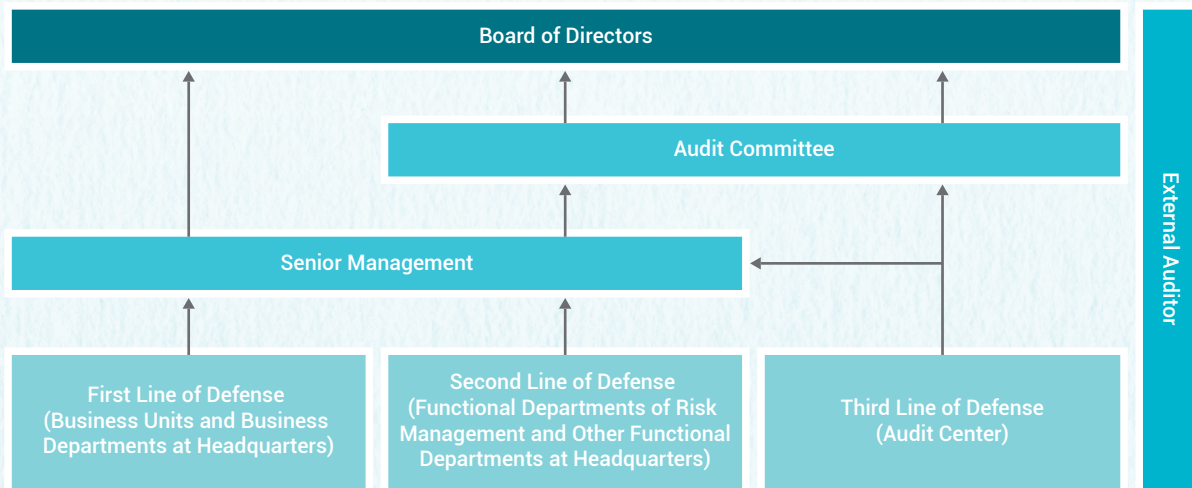
Board of Directors, and independently assessed by the Audit and Supervision Center, to ensure the internal control system is compliant and effective in the long term.

System construction

With reference to the Enterprise Risk Management Integrated Framework developed by COSO¹, the Group established a risk management structure of “three levels + three lines of defense”. The first line of defense: business units and business departments at headquarters, which are responsible for identifying, evaluating and monitoring their own risks; the second line of defense: functional department of risk

management and other functional departments at headquarters, which are responsible for developing a risk management mechanism that fits the corporate goals, to identify, control, determine and manage the risks faced by the Group; the third line of defense: the Audit Center, which is responsible for the independent review of the major business procedures and monitoring in accordance with relevant evaluation.

¹ COSO: Committee of Sponsoring Organizations of the Treadway Commission, also known as the Committee of Sponsoring Organizations of the Commission on Fraudulent Financial Reporting.



"Three levels + three lines of defense" risk management structure

The Group adheres to the basic principles of the *Five Elements of Internal Control* (《内部控制五要素》), establishes a correct concept of internal control and compliance from the design level, continuously improves management to establish various standardized processes and management systems, continuously optimizes governance, and builds a comprehensive risk management system that meets regulatory requirements. The risk management is carried out on the basis of the *Risk Management System of Beijing Enterprises Urban Resources Group Limited* (《北控城市資源集團有限公司風險管理制度》), and we standardize risk management objectives, principles, processes, organizational systems, and responsibilities; we carry out risk identification, supervision, evaluation, and response to promote the

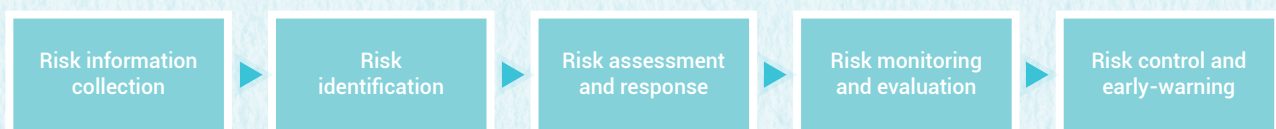
integration of risk management, internal control and compliance supervision system.

In 2022, the Group continued to focus on reform, innovation, and key business development, while also paying close attention to compliance control requirements, improving long-term internal control and compliance supervision system. In terms of strategic performance, security and supervision, supplier management, human resources, market investment, finance, operation management and other aspects, we should clarify the control content, improve the top-level design of the rule end and mechanism end, and effectively promote the solution of systemic problems.

Risk management

The Group Audit and Supervision Center actively implements the risk identification list system, which is based on the *Risk Management System of Beijing Enterprises Urban Resources Group Limited* (《北控城市資源集團有限公司風險管理制度》), to ensure the achievement of internal control and compliance

goals. We carry out risk identification work closely surrounded the principles of strategic orientation, comprehensiveness, grading and classification, and risk-income matching. The main procedure is as follows:



Good governance to boost high-efficiency development

In 2022, the Group's risk management department focused on customer management, new project entry, smart sanitation, and performance review in order to realize the implementation of risk management requirements on projects and ensure the stable and safe operation of the Group's business. The Group reasonably organized special audits based

on the level of risk, completed special tasks in key areas throughout the year, formed key results and outputted them in a timely and effective manner, and encouraged relevant departments to accurately analyze the causes of problems and formulate control measures to achieve closed-loop project risk management.

Compliance training

To help the Group create a good internal control environment, we strengthened the construction of internal control and compliance culture in 2022. Throughout the year, the Group organized a total of

22 internal control and compliance culture trainings, relying on new employee induction training and project compliance promotion.



Guizhou Qingzhen Project - compliance training



Guizhou Kaiyang Project - compliance training

(2) Investment management

The Group strictly abides by applicable laws and regulations related to project investment, such as the *Land Administration Law of the People's Republic of China* (《中華人民共和國土地管理法》), the *Urban Real Estate Management Law of the People's Republic of China* (《中華人民共和國城市房地產管理法》) and the *Foreign Investment Law of the People's Republic of China* (《中華人民共和國外商投資法》), and sticks to the control in the investment project risk line on the basis of the *Investment Management System* (《投資管理制度》), *Project Investment Review Management Measures* (《項目投資評審管理辦法》), *Investment*

Projects Post-evaluation Administrative Measures (《投資項目後評估管理辦法》), etc.

In 2022, the Group used project management as a starting point and standardized over ten relevant management document templates as a project management standardization tool to assist regional market investment management. Simultaneously, the Group optimized the project approval principles and standards, strictly controlled the project approval process, and significantly improved its investment management capabilities.

For environmental hygiene business, the Group uses a three-level review system for investment projects. With the help of internal and external expert resources, from the perspective of the project's full-cycle investment, construction and operation, it calculates the expected benefits of the project, proposes existing problems and risks, and promotes the rapid and stable implementation of the project in the early stage and high-quality lean operation throughout the process. In addition, the risk control center of the Group regularly carries out post-project evaluation, tracks, verifies, summarizes and evaluates the project operation situation in terms of compliance operation, income status, operational risks, etc., forms *Post-Project Investment Evaluation Report* (《項目投後評估報告》), and regularly summarizes and updates post-investment project information. The center forms a project database to provide data support for subsequent project expansion, financial budget, operation management and investment

review, providing environmental hygiene investment and regional project expansion with effective and powerful support. At present, the Group has completed the system construction of more than 30 smart sanitation projects, with the construction of the system and the efficiency and effect of system operation evaluated by the risk control center.

For hazardous waste treatment business, the Group adheres to the basic principle of "Quality First", and strictly abides by relevant laws, regulations and standards promulgated by the state, local government and industry authorities. We have put in place project quality management system, quality responsibility system and various quality management policies. Besides, quality management personnel are equipped with to implement the whole-process quality control in the project exploration and design, project purchase, project construction and other phases.

(3) Customer service

Strictly abiding by the *Consumer Rights Protection Law of the People's Republic of China* (《中華人民共和國消費者權益保護法》) and other laws and regulations, the Group actively collects consumer suggestions and feedback and responds in a timely manner, and provides customers with more premium, convenient and efficient service through ceaseless optimization of the service process, continuous improvement of refined management capabilities and levels as well as enhancement of customer satisfaction. The Group uses the CRM customer relationship management system to register basic customer information and establish a sound customer information sharing database, collect customer feedback through regular maintenance and regular visits, adjust relevant service plans in a timely manner, and 100% solve customer opinions and complaints, safeguard the rights and interests of both parties, and ensure a smooth cooperation.

The customers of Group's environmental hygiene business are mainly government departments. In 2022, in order to objectively grasp the service situation and continuously improve the operation

quality management level, we drafted, revised and improved the environmental hygiene project operation quality management method, from "establishing quality standards, conducting quality training, quality inspection, quality analysis, quality regular meeting, quality Improvement, quality assessment" and other multi-dimensional standardized project operation quality management procedures and methods, while strengthening the technical support of the professional line of operation, and in-depth implementation of project inspections on the front line, as well as implementing the rectification of important matters. For various types of customer complaints, we have clarified the work process, clarified the division of responsibilities, and quickly communicated and linked to form a unified and effective management, control and handling mechanism. According to the customer's regular or irregular on-site operation quality inspection or on-site assessment feedback, we have in-depth communication with the customer's representative or third party to grasp real needs of complainants, timely adjust the resource allocation according to the project operation quality standards, and resolve

Good governance to boost high-efficiency development

project management problems one by one through comprehensive measures such as rectification deployment through on-site operation, optimization of production operation plans, establishment of internal reward and punishment systems, and new investment, realize the sound operation of project compliance, prevent legal risks, and improve work efficiency. In 2022, we continued to carry out customer satisfaction surveys in the environmental hygiene business sector using questionnaires on a monthly basis. Focusing on the six dimensions of operation quality, emergency protection, safety and environmental protection, appeal response, project manager, and project team, we invited customers to evaluate the performance of the project for the month and based on customer feedback timely rectify the project operation optimization plan, track the implementation of the supervision plan, and realize the monthly improvement of customer evaluation. The number of projects with perfect performance rose from 19 in January 2022 to 54 in December 2022.

Waste-producing enterprises account for the vast majority of the Group's hazardous waste treatment business customers. In 2022, a new business opportunity module was added to the CRM system to accurately manage and supervise business personnel at different stages of business development. As of December 31, 2022, 4,800 hazardous waste treatment business customers have been recorded. In dealing with customer complaints, the market management department of the Group's hazardous waste treatment business focuses on actively taking management and preventive measures before receiving complaints, maintaining smooth communication channels with customers, and actively understanding their needs for service matters. For special cases such as delayed delivery due to production, we will communicate with customers in advance and take corresponding solutions. If a customer complaint is received, we will verify the relevant information as soon as possible and solve the problem in a timely manner,

as well as further investigate the responsibilities of relevant business personnel in the market to improve customer service. In 2022, the Yichang Branch was selected as the list of preferred suppliers for hazardous waste disposal for Huawei and other customers' factories, and received many letters of acknowledgement from customers in Hubei.

In 2022, there were no major complaints about product quality and services in the environmental hygiene and hazardous waste treatment business of the Group.

Zhongyan Property, a subsidiary of the Group, adheres to the service concept of "owners' needs first, owners' satisfaction first", and strictly implements the *Beijing Enterprises Zhongyan Property Citizen Service Hotline Management Measures* (《北控中燕物業市民服務熱線管理辦法》), the *Beijing Enterprises Zhongyan Property Complaint Management System* (《北控中燕物業投訴管理制度》), the *Owner Satisfaction Evaluation Management System* (《業主滿意度測評管理制度》), and the *Citizen Service Hotline Administrative Measures on Receiving Complaints* (《市民服務熱線「接訴即辦」管理辦法》). Specially-assigned commissioner shall be responsible for the work of the citizen service hotline, and take measures such as "visiting twice per day, finishing the work of the day before tomorrow", project manager responsibility system, and "handling the complaint immediately" work meeting. Measures have also strengthened work discipline, standardized the relevant procedures for resolving complaints, improved the three rates of hotline work orders (response rate, resolution rate, and satisfaction rate), and reduced the risk of public opinion among residents.

In 2022, a total of 61 customer service hotline work orders had been received in Zhongyan Property, which is significantly less compared to the number of complaints recorded in 2021. For these valid complaints, response rate, resolution rate and satisfaction rate were all 100%.

Case: Zhongyan Property implements "inspections before complaints" to improve service quality

In 2022, Zhongyan Property fully launched an active service management model that combines daily inspections and work inspections of all employees, actively carry out inspections and management of public facilities and equipment, and practice the service concept of "inspections before complaints". Throughout the year, a total of 30,575 repair requests were fulfilled, including 5,749 repairs for public lighting such as corridor lights, 1,393 repairs for unit security doors, and 2,107 repairs for sewer lines. To further strengthen the relationship with community residents, Zhongyan Property Management Co., Ltd. created and distributed "Property Manager Convenience Contact Cards" to over 43,000 households in conjunction with the local government's work requirements, with a 100% distribution rate. This measure improves communication among community residents, property managers, and property companies, and assists property companies in understanding residents' service needs in a timely and accurate manner, thereby improving the quality of property services.



Property Manager Convenience Contact Card

(4) Ethical practice

Upholding the code of ethics and industry standards, the Group strictly abides by relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》) and *Anti-Money Laundering Law of the People's Republic of China* (《中華人民共和國反洗錢法》), and has put in place the *Anti-fraud Management Regulation* (《反舞弊管理制度》), *Supervision and Audit Regulation* (《監察審計製度》), *Measures for the Administration of Rewards and Punishments in*

Auditing and Supervision (《審計監察獎懲管理辦法》) and *Prohibitive Provisions of the Group* (《集團禁止性規定》), which standardize the work procedures of audit and supervision and prohibit misconducts such as abusing power for personal gains, striving to create a clean and upright working environment.

The Group had no judicial litigation cases involving corruption, fraud and money laundering throughout the year of 2022.

Integrity risk prevention and control

To avoid damage to the company due to conflicts of interest, the Group strictly prevents integrity risks in all aspects of daily operations, develops a list of prohibitive regulations in important production levels such as procurement and capital transfer, and manages key personnel through interest declarations. The Group also performs internal audit work on a regular basis, such as management audits, irregular

fraud investigations, and other special internal audits. To strengthen the Group's audit supervision and management coverage, the Group established branches in Yunnan, Guizhou, and Sichuan to insisted promote "regional co-construction" of auditing and to empower projects in the region by analyzing typical cases and other forms of internal control to further strengthen supervision functions.

Good governance to boost high-efficiency development

Complaint and whistle-blowing procedures

In 2022, the Group continued to strengthen the daily supervision of anti-fraud activities, refined the reporting management work involved in the audit and supervision system, and released the *Management Measures for Complaints and Reporting* (《投訴舉報管理辦法》), in which reporting channels were specified. All Group employees can provide reporting information via a variety of reporting channels, including emails, reporting telephones, audit site announcements, letters, and interviews. Simultaneously, we clearly stipulated anti-fraud clauses and reporting channels in the contract terms to ensure that open, smooth, and multi-channel reporting methods can be implemented, and we increased publicity and implementation of anti-fraud and reporting methods during on-site audits to ensure grassroots employees know how to report. The Group maintains strict confidentiality over the informant's information

as well as the content of the report and complaint and includes the reporting materials in confidential management.

The Group would analyze and evaluate the complaints and reports received within five working days to determine whether the conditions for investigation were met. For reported matters that meet the investigation conditions, an investigation team was formed right away, and the investigation work was completed, followed by the release of an investigation report. The investigation findings were handled in accordance with the applicable company system and national laws and regulations, and in future operation and management audits, we will concentrate on projects with a history of fraud and perform more comprehensive and in-depth management audit work on them.

Supplier integrity management

The contract signed by the Group and the supplier clearly lists the "Prohibition of Fraudulent Behavior" clause, which states that neither party shall provide benefits outside the contract to the other party's handler or other personnel, and it also clearly defines the acceptance of reports by the Group

Department, reporting telephone number, reporting mailbox, and other information. This action makes supplier cooperation fairer and more transparent and effectively avoids integrity risks in the supply chain management process.

Trainings on integrity awareness

The Group places a high value on cultivating integrity awareness among employees at all levels. In 2022, the Group carried out trainings on the construction of an honest government for all employees using public notices and courses provided on the online platform. The Group urges all employees to conduct self-study and self-inspection, therefore training materials are provided, which mainly includes relevant

laws, regulations and system provisions on anti-professional fraud, cases of relevant companies in the industry, etc. For the Board of Directors, the Group has invited lawyers from Hong Kong to conduct relevant trainings with the focus on Hong Kong Stock Exchange listing rules to further strengthen directors' sense of integrity and responsibility.

(5) Information security

The Group strictly abides by the *Civil Code of the People's Republic of China* (《中華人民共和國民法典》), *Cybersecurity Law of the People's Republic of China* (《中華人民共和國網絡安全法》), *Personal Information Protection Law of the People's Republic of China* (《中華人民共和國個人信息保護法》), and other laws and regulations, and uninterruptedly pushes forward with the systematic operation of information security assurance work, and aims at safeguarding information security and protecting users' privacy through various measures, such as improving information security system, providing more trainings and enhancing technical support. Zhongyan Property, closely follows requirements in relation to customer privacy in the *Regulation of the Beijing Municipality on Property Management* (《北京市物業管理條例》) and strictly follows the rules to handle problems. In addition, Zhongyan Property signed *Employee Property Service Commitment 2022* (《2022年職工物業服務承諾書》) with its employees to protect the customer privacy comprehensively.

In terms of system security control, to comprehensively improve information security protection, the Group's data center continues to strengthen system access control in terms of identity authentication, account password management, access control, mobile application management and control, and so on, and incorporates intrusion prevention and system security testing into routine maintenance work. Simultaneously, in the early stages of our collaboration with cloud service providers, we investigate their capabilities in communication transmission, border protection, intrusion prevention, and other security mechanisms, as well as thoroughly evaluate cloud service providers' security compliance level, authority, and responsibility, in order to strengthen our information security management and control of cloud data and information system library. The Group has also set up an IT service mailbox where employees can report and provide feedback on information security risks.

In terms of technical means, to improve server security management, the group carried out technological upgrades in various aspects such as identity verification, access control, security audit, intrusion prevention, malicious prevention, and data integrity in 2022.

- Identity authentication: user identity identification is realized, and the security of identity authentication is improved by implementing unified identity authentication, strong password policy, multifactor authentication, etc.
- Access control: the servers of production system, test system and development system are divided into separate areas and isolated from each other. The access control of user behavior is carried out through the fortress machine, and the authority is allocated according to the minimum authorization principle.
- Security audit: through the audit function of the bastion host, based on the unique identification of the user's identity system, from the user's login to the system, the user's operation behavior in the system is recorded in the whole process, and all operations of management systems the user on the target resources are monitored and audited to realize real-time detection and early warning of security events.
- Intrusion prevention: develop a baseline inspection strategy to detect and update system vulnerabilities in a timely manner. Allow intrusion detection, which can detect account brute force cracking, process abnormalities, website backdoors, abnormal logins, malicious processes, and other intrusion behaviors, and detect security threats in assets in real time. Allow the web application firewall to recognize and block web trojan upload, command/code injection, sensitive file access, third-party application vulnerability attacks, malicious crawler scanning, and other attacks.

Good governance to boost high-efficiency development

- Malicious prevention: ensure that malicious programs are isolated, ensure that the identified malicious programs such as backdoors, trojans, worms are automatically isolated, and identify the security risks in the processing system automatically.
- Data integrity: the Group ensure to conduct daily backup of database and regular backup of server.

In terms of employee awareness training information security training is required for all Group employees upon their first day on the job, and employee behavioral norms in terms of information security are clarified. The Group actively assists employees in establishing information security awareness in order to strengthen the Group's information security.

(6) Intellectual property

The Group strictly abides by the relevant laws and regulations such as the *Patent Law of the People's Republic of China* (《中華人民共和國專利法》), *Rules for the Implementation of the Patent Law of the People's Republic of China* (《中華人民共和國專利法實施細則》) and *Anti-Unfair Competition Law of the People's Republic of China* (《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 our patent achievements in accordance with relevant laws.

The Group continues to enhance intellectual property management. Invention and creation achievements

generated during the project management process are subject to approval by the supervisor and review by the Technical Department, before we communicate with Intellectual Property Administration and patent agencies and timely complete the patent application. In order to prevent the risk of intellectual property infringement in the business process, the Group added intellectual property disclaimers in the procurement agreements, in a manner to avoid the potential risk of intellectual property infringement incidental to the procurement and utilization processes of the Group and its subsidiaries.

In 2022, the Group had no judicial litigation case related to intellectual property.

(7) Brand management

The Group places a high value on brand image and reputation, strictly adheres to laws and regulations such as the *People's Republic of China Advertisement Law* (《中華人民共和國廣告法》) and the *People's Republic of China Trademark Law* (《中華人民共和國商標法》), and develops the management systems, such as *Management Measures for VI Manual of Beijing Enterprises Urban Resources Group* (《北控城市資源集團VI手冊管理辦法》), *Management Measures for Correspondents of Beijing Enterprises Urban Resources Group* (《北控城市資源集團通訊員管理辦法》) and *Information Release Management System of Beijing Enterprises Urban Resources Group* (《北控城市資源集團信息發布管理制度》), which are used to promote and publicize in accordance with

regulations, convey to the public the company's service purpose, capability, and level, and enhance the company's image. The Group uses sustainable management to strengthen the organization of brand communication. We focus on developing a new media brand communication content system, an online matrix system, a local media communication system, and a correspondent management system, as well as closely following the group's strategic appeal points, focusing on industry development and social concerns, and striving to shape the group's brand and enhance the group's reputation. Moreover, The group aims to improve the sense of social responsibility and mission, and leads the industry to make common progress.

Good governance to boost high-efficiency development

Through publicizing highlight projects such as the Group's Winter Olympic achievements in 2022, the Group continued to expand its brand influence. This resulted in an improvement in the communication and penetration of the Group's brand. We plan to engage in interactive activities such as the Winter Olympics Prize Contest, Alipay Ant Forest Cloud Tree

Planting, and short time video marketing to spread the Group's business through multiple channels. The Group revised and improved the *Brochure of Beijing Enterprises Urban Resources Group* (《北控城市服務集團宣傳冊》) in 2022, standardized the publicity content, and displayed to the market its professional and reliable brand image.

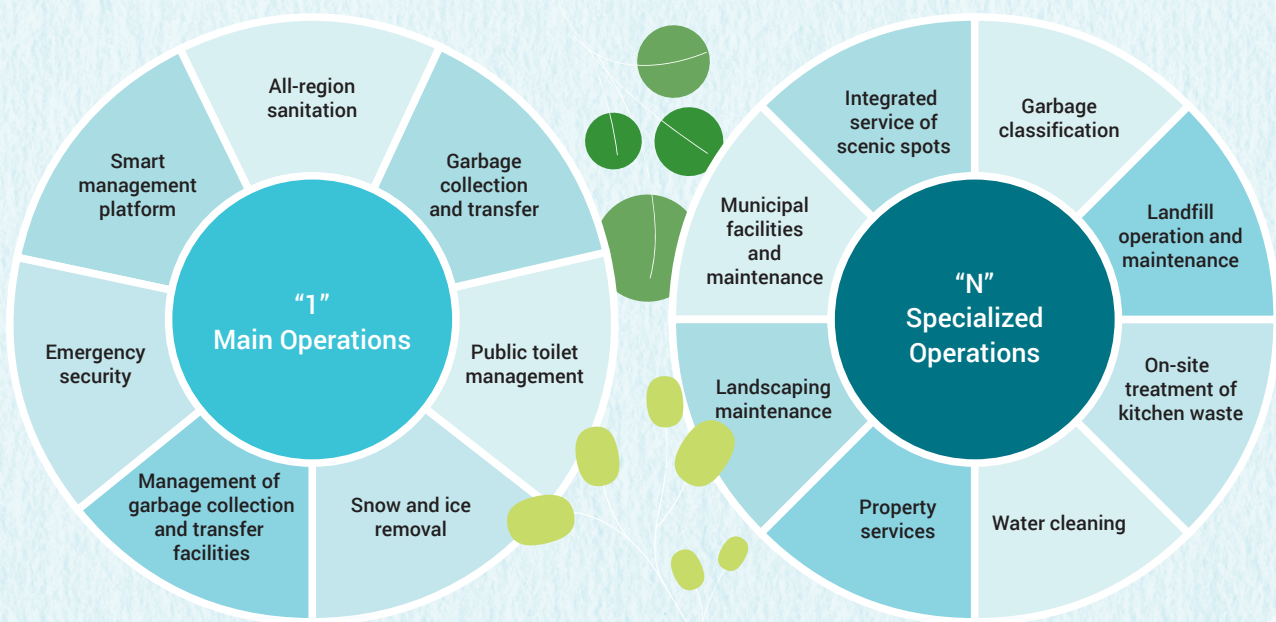
Innovation promotes development

(1) Innovative service model

The Group is dedicated to becoming a trusted and industry-leading digital intelligent urban service provider, with a focus on improving the living environment and providing integrated solutions to customers. We concentrate on customer problem areas in order to meet customer value propositions. With an open and honest working attitude, we provide solutions that meet the changing needs of our customers and earn their trust.

The Group remained committed to the coordinated development of the two major sectors of environmental hygiene services and hazardous waste treatment services in 2022. Simultaneously,

we focused on customer needs, actively expanded more service areas around various scenarios of living environment improvement, and deepened the "1+N" environmental hygiene business. We developed new business capabilities such as sanitation integration, environmental sanitation services, landscaping management, public property, city steward, smart parking, etc. We replaced the words "fragmentation" with "integration", and "coordinated management" with "decentralized governance", as we worked to improve the efficiency of urban management operations and the quality of urban living environments.

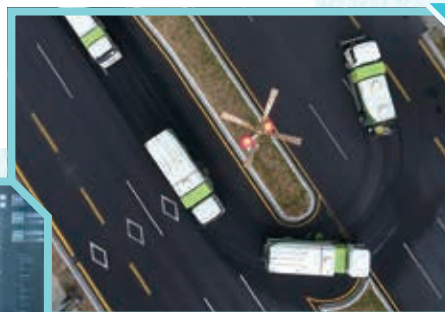


Schematic diagram of "1+N" model

Good governance to boost high-efficiency development

Case: Shenzhen City Steward Project, a innovative urban sanitation work mode

The Group promotes the lean management process of environmental sanitation, and plays a new role as a "city steward". The Group completed city steward projects on Bantian, Pinghu and Longgang Streets in Shenzhen. Through the "integrated" urban management model, we strengthened our overall service capabilities, integrated the industrial chain, and effectively integrated global cleaning, garbage classification, resource utilization, street lamp maintenance, and other government services. Using "city steward" as a starting point, this project actively investigates a new model of super-large city management, fully implements the intelligent management system, and creates a high-standard service benchmark of "mechanization + digital intelligence + integration" in the Greater Bay Area, as well as establish a "government-led, market operation, participation of all citizens, and benefit of people's livelihood" new urban service ecology. In 2022, the Bantian Branch, with its high-quality service results, ranked the second in the evaluation of the Shenzhen Environmental Sanitation Index in Longgang District, was highly praised by customers, and won the commendation from the Bantian Sub-district Office and the Bantian Sub-district Urban Environmental Quality Improvement Action Leading Group.



Shenzhen Bantian Street City Steward Project



Shenzhen Pinghu Street City Steward project

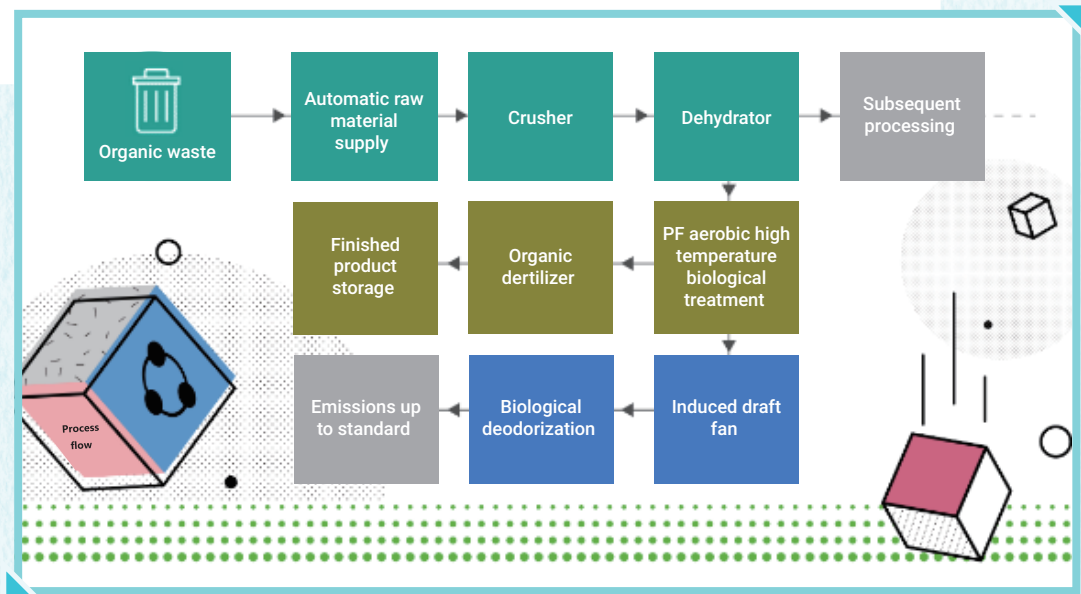
Letter of commendation from the Bantian Sub-District Urban Environmental Quality Improvement Action Leading Group



Letter of commendation from Bantian Sub-District Office

Case: Recycling organic waste, contributing to the smooth operation of the Winter Olympics

The Group used the innovative combination mode of “regional concentration + multi-material mixing + decentralized treatment” to build a complete set of waste disposal facilities for mixed treatment of organic waste in the Winter Olympics organic waste disposal project. This organic waste recycling and harmless treatment system, based on the National High Technology Research and Development Program (863 Program), employs patented equipment and an enhanced aerobic fermentation treatment process to convert organic waste into high-efficiency organic fertilizers, reducing costs and increasing efficiency, and realizing organic waste harmless treatment and resource utilization. Furthermore, the project can process 1,000 kilograms of organic waste per day, reducing the quality of organic waste by more than 90% after treatment, thereby resolving the issue of transporting organic waste for the Winter Olympics.



Process flow of organic waste recycling project

Good governance to boost high-efficiency development

(2) Help to build a smart city

With the increasing demand for comprehensive urban management and continuous improvement of urban governance, the organic integration of digitization and intelligence has become the future trend of environmental hygiene services industry development. We understand that digital intelligence is not only inevitable direction of industry transformation and upgrading, but also serves as a bridge between service providers and customers in order to achieve a win-win situation.

The Group actively develops a smart information management system under the new service mode of "Smart City Steward" by utilizing information technologies like mobile Internet, Internet of Things, AI, big data, cloud computing, and the advanced management mode of "system+technology+responsibility". In order to realize intelligent management and visual operation throughout the entire process, we develop the appropriate modules in strict accordance with customer assessment standards and our guiding ideology. We also carry out construction, operation,

and maintenance management of urban operation and management service platforms, as well as facilities, gardens, sanitation, law enforcement, and other intelligent business platforms, in order to achieve "intelligent" management of a game.

Urban operation management service platform, including business guidance, public service, supervision and inspection, command and coordination, operation monitoring, comprehensive evaluation, decision-making suggestions, data exchange, data aggregation, application maintenance, mobile terminal, industrial application, and other systems, the Group's construction goal in 2022. The platform develops useful modules that help people and increase productivity, and it is used in corporate contexts like municipal amenities, urban management, landscaping, and law enforcement. A new pattern of "one cloud bearing, one map presentation, one network management, and one end service" urban intelligent management is formed by the deployment of cloud servers, which further realizes the integration of systems, data, and related systems for urban management.

Case: Integrated management of smart cities, helping the high-quality development of Ba'nan

The Group actively promotes smart municipal administration in Ba'nan District, Chongqing City, as the first "City Steward" project of exemplary significance in Southwest China, by developing a smart city construction management plan and a smart city management service platform system construction management plan under the unified management of one network. Sanitation and cleaning, garbage collection and transportation, facilitation management and maintenance, greening management and protection, smart law enforcement, smart bridge, smart traffic light are among the major areas covered by the project. The project serves over 500,000 people, the service scope reaches 14 million square meters, improves urban management efficiency enormously, and assists Chongqing Ba Nan in developing high-quality services.



City operation management service platform

Intelligent application target	
Targets set in 2021	Target completion progress in 2022
We intend to establish and improve the use system, increase training efforts, and ensure the smart sanitation system's effectiveness and accuracy. All new projects in the environmental hygiene business field are expected to be fully integrated into the Group's smart sanitation system by 2022.	[Completed] In 2022, all new projects in the environmental hygiene business were fully connected to the Group's smart sanitation system.
Future target	
We will further integrate the use of Internet, Internet of Things, cloud computing, big data, artificial intelligence, 5G and other technologies to provide services for urban public space management, public security management, community services, property management, and emergency assistance. We plan to complete the construction of Phase II smart sanitation system in 2023 and put it into use in the pilot in South China.	

(3) Drive technological innovation

The Group is committed to developing a new type of "digital intelligence" business by applying technological innovations such as mobile Internet, Internet of Things, AI, big data, and cloud computing to business scenarios, as well as realizing the Intelligent management project's refinement and

standardization of people, objects, and things. In 2022, the Group emphasized digital construction and application in response to new business needs and developments, as well as actively exploring technological innovations and achieving high-quality business development.

Digital intelligence innovation promotes environmental sanitation

To provide sanitation operations, the Group actively investigates the development of a smart management platform, adopts the Internet of Things model related to "people, vehicles, objects and things", and establishes a digital and intelligent management system using such technologies as Internet of Things capability platform, visual AI intelligence platform, big data analysis platform. Sanitation elements at all levels, including personnel, sanitation operation vehicles, and sanitation service facilities, are outfitted with various sensing devices and smart terminals to

form an interconnected Internet of Things network, allowing for real-time dynamic monitoring of relevant personnel, vehicles, facilities, and equipment in the jurisdiction, as well as conducting a comprehensive perception, insight, prediction and decision-making of urban environmental sanitation operation and management. In addition, the Group provides positioning and other technical support for all-weather emergency support. The Group's effort of digital intelligence innovation integration results in more efficient and intelligent urban management.

Good governance to boost high-efficiency development

We gather, mine, and analyze management data using the intelligent management platform, present it using information model technology that combines data modeling and visualization, implement whole-process supervision of business

links, and realize "visualization of command and dispatch, standardization of quality supervision and inspection", refined operation management and control, and digitized information analysis" to aid in the smart and refined management of urban environments.

Efficient synergy

The group utilizes the 5G network, Internet of Things technology, and various intelligent sensing devices developed independently to create an integrated platform for smart city service management, achieving centralized management and control of all elements of people, vehicles, objects, and things, as well as sanitation operations in investment, collection, transportation, and processing

High level of automatization

Advanced artificial intelligence algorithms achieve high automation of task assignment, job scheduling, inspection and supervision, and emergency dispatch, reducing management complexity and increasing operational efficiency

Supervision refinement

The Group establishes a long-term management mechanism, and uses refined management, standardized management, and long-term management as a means of achieving balanced advancement and comprehensive coverage of city appearance and environmental sanitation management, eliminating blind spots and blind areas in management, and promoting overall environmental sanitation management improvement

Data visualization

The value of data is deeply mined through the big data engine in a picture of intelligent management, and accurate, easy-to-understand, and beautiful visual reports are generated to provide a reliable foundation for sanitation decision-making management

Intelligent decision-making

A mature machine learning mechanism and a powerful online optimization engine continue to provide supplementary decision-making for urban service management, improving management effectiveness and scientific decision-making

Case: The second phase of the smart sanitation system is equipped with an operation data analysis system to help improve overall operation management and control

On the basis of the first phase of smart sanitation, the Group accelerated construction of the second phase of smart sanitation in 2022, with the system expected to be put into pilot use in the first half of 2023. Its functions will progress from single production operation management to overall operation control over time. We recently launched an operation data analysis system in the second phase of the smart sanitation system, and set up production and operation data reports, as well as safety and environmental accident data reports, around key business areas, to standardize data collection, analysis, and management. The report on environmental sanitation production and operation data will be able to collect and summarize 14 different types of business data, such as road cleaning, garbage collection and transfer, garbage classification, public toilets, and transfer stations. Following data collection, the group and regions can query and export the data on a monthly, quarterly, and annual basis. The safety and environmental accident data report will be able to collect statistical data on safety and environmental accidents and require project, region, and group approval. Following the analysis, the two-dimensional ranking of the project and the month will be generated automatically. The system standardizes business data standards, unifies data standards, streamlines the approval process, implements online and standardized data reporting, reduces data statistics work, and boosts management efficiency.

Case: Innovative application of drones in the Xinhui Project use technology in facilitating urbanization

With the comprehensive development of smart sanitation, all types of advanced technology products are constantly being combined with the environmental hygiene business, becoming an important "assistant" for intelligent sanitation. Among these, the use of drones in the field of sanitation is becoming more common. In comparison to walking inspections, UAVs can not only survey and map terrain efficiently, accurately spray pesticides on pest and disease areas, but also combine AI and other technologies to analyze and identify hidden dangers such as fires and floods, allowing the project to take countermeasures ahead of time.

Good governance to boost high-efficiency development

Iteration of hazardous waste treatment standards

The Group has technical support forces such as hazardous waste disposal technology research and development, laboratory testing, and so on, and can classify and dispose of hazardous waste based on different hazard characteristics, types, and hazard characteristics of hazardous waste. We are able to reduce hazardous waste, dispose of it safely, and make full use of available resources through technical means such as hazardous waste incineration, physical-chemical, recycling and landfill.

In 2022, we insisted on disposing of hazardous waste starting from each level of production, combing and integrating to form a systematic standard, and with the continuous evolution and iteration of the standard, the management was able to further increase the scale of hazardous waste treatment, expand the scope of treatment, realize the "reduction", "harmless", and "recycling" of hazardous waste, and help our own business progress and social sustainable development.

In terms of project management, the Group published the *Environmental Protection Facilities Management System of the Hazardous Waste Division* (《危廢事業部環保設施管理制度》) and the *Soil Pollution Potential Examination System of the Hazardous Waste Division* (《危廢事業部土壤污染隱患排查制度》), which were based on the *Hazardous Waste Comprehensive Disposal Project Work Instruction Manual* (《危廢綜合處置項目工作指導手冊》), *Cement Kiln Cooperative Disposal Project Work Instruction Manual* (《水泥窯協同處置項目工作指導手冊》), *Medical Waste Disposal Project Work Instruction Manual* (《醫廢處置項目工作指導手冊》), and *Laboratory Work Instruction Manual* (《實驗室工作指導手冊》) respectively, to standardize the operation management of hazardous waste treatment business from the aspects of investment, construction, operation control, etc.

In terms of project design review, the Group organized design institutes and industry experts to conduct technical seminars several times based on the progress of each project, optimized the technical process and design, realized project standardization

and rationalization, and was committed to creating a design benchmark, and monitoring and controlling the entire process of hazardous waste project investment, construction, technology, and operation.

In terms of the disposal process, the Group organizes the projects to optimize and revise the parameters of the main line process and related main parts and equipment based on the on-site technical return visit and the iterative status of industrial technology development, resulting in the Group's standard complete technical process package. For example, in the second phase of the Yichang Project, the experiment of extracting copper from organic silicon waste was carried out in the laboratories of Yichang Branch, Xiyu Branch, and Zigong Branch, respectively, and obtained the relevant process conditions for the reaction, as well as compiled the organosilicon resource utilization process package, which can be used. It can be continuously updated and optimized in the construction and operation of the Group's other organic silicon projects as the industry evolves.

In terms of laboratory management, in 2022, the Group developed the *Implementation Plan for Standardized Management of Hazardous Waste Laboratories* (《危險廢物實驗室標準化管理規劃實施方案》) to manage laboratories in operation as well as newly-built projects from the construction and operation stages, and improve the standardized configuration from the aspects of management systems, testing methods, instrument configuration, and personnel allocation. In addition, personnel capabilities were also required to be improved through internal and external training, blind sample testing, and other means.

Simultaneously, in order to meet the Group's new requirements for the projects' equipment line management and to improve the standardization, systematization, and standardization of project operations, the Group developed and implemented the *Implementation Plan for Hazardous Waste Disposal and Resource Business Equipment Management Planning*

(《危廢處置與資源化業務設備管理規劃實施方案》). The projects' equipment management effectively improves the comprehensive utilization rate of the equipment, extends the service life of the equipment, and realizes the safe operation of the equipment; at

the same time, it trains a group of backbone talents for equipment maintenance and management, and contributes to the safety, stability, and long-term, full-load, high-quality operation has laid a solid foundation.

Exchanges on innovation to lead the industry

The Group is constantly optimizing the technological innovation mechanism, actively creating an innovative atmosphere, and mobilizing the initiative of all levels of innovation entities. The Group's innovation-driven effect continued to emerge in 2022. Through our own continuous research and practice, we have continued to strengthen strategic cooperation with enterprises and joint innovation with scientific research institutions, conduct numerous technical exchanges, and achieve remarkable innovation patent results. And take the lead in the compilation of standards and specifications, and is committed to guiding the industry as a whole to make progress.

In 2022, the environmental hygiene business of the Group actively carried out innovative exchanges inside and outside the industry, and cooperated with local technology companies in Shenzhen to compile the Shenzhen Municipal *Environmental Sanitation Smart Management Platform Construction and Evaluation Standards* (《環境衛生智慧管理平台建設和評價標準》). The Group's focus has remained on identifying new technologies and equipment, as well as gradually improving the technological innovation mechanism. The Group organized 35 technical exchange activities to strive to identify and reserve new technologies, including unmanned driving, unmanned ships, water cleaning equipment, and on-site kitchen waste treatment in conjunction, with the emerging new work scenarios of the environmental hygiene business. Furthermore, the group also completed 7 technical research reports and conceptual schemes, including *Summary and Planning*

of the Application of Smart Sanitation System (《智慧環衛系統應用情況總結和規劃》). The innovative exchange results of some projects are gradually being put to use. The Zibo Zhangdian greening Project and the Gaochun Project successfully piloted the application of plant growth regulators and initially met the implementation conditions. The successful landing of innovative exchange results has continuously pushed sanitation technology development to achieve new breakthroughs.

In the field of hazardous waste treatment business, Yichang Branch, a subsidiary of the Group, actively explored new technology areas, promoted the comprehensive development of harmless and resource utilization, and established the Yichang Branch Hazardous Waste Recycling Project. The project also carried out strategic cooperation with China Three Gorges University on core technologies, organized and declared the provincial enterprise-school joint innovation center, and built an advanced technology center at the same time, from planning to design, construction, and operation of the industry's first-class hazardous waste comprehensive utilization factory standards. All aspects provide strong technical support for the region's comprehensive hazardous waste utilization, aid in the green, circular, and intelligent development of Yichang's chemical industry, and contribute positively to the ecological environment, improvement of people's livelihoods, and economic development in Hubei. Yichang Branch had two invention patents in the acceptance stage as of 2022.

Good governance to boost high-efficiency development

Case: Replacing manual experiments with small machinery to help solve pain points in the sanitation industry

To investigate and address the industry's pain points, the Group dug deeply into the actual working environment. The cleaning job is still primarily done by hand in the urban villages, back streets, and alleys of Longgang District in Shenzhen City due to the topography. The burden of sanitation employees is heavy, and it is challenging to maintain the regional sanitation condition while also improving the quality and efficiency of operations. The Group conducted multi-scenario experiments in which small mechanical equipment was used in place of human labor, promoted the use of small mechanical equipment in environmental sanitation, further reduced the workload of environmental sanitation workers, and contributed to the resolution of issues with dispersed, disorganized, and disorderly garbage collection in back streets and alleys, as well as the aging of environmental sanitation workers and labor shortage. In order to support the development of small environmental sanitation machinery and equipment in Longgang District in the directions of technical standardization, equipment electrification, intelligent control, management informatization, and unified identification, the experiment of replacing humans with small machinery provides pertinent data support.



Replacing manual experiments with
small machinery

Improve supply chain management

Suppliers are important business partners to the group. We integrate the resources of both parties to achieve win-win results by establishing and maintaining long-term and close business relationships. To continuously strengthen the management of the environmental and social risks of the supply chain, the Group revised *Supplier Management System* (《供應商管理制度》), and

Tendering and Procurement Management System (《招標採購管理制度》), and formulated *Supply Chain Management System* (《供應鏈管理制度》) and *Inventory Material Management System* (《庫存物資管理制度》) and *Collected Material Acceptance Standards* (《集採物資驗收標準》) in 2022. Management is responsible for ensuring supply chain stability and business continuity.

(1) Advocate green supply

To achieve environmental and social risk management and control in all links of the supply chain, we strengthen and unify supplier management and develop a supplier registration system, qualified supplier system, supplier qualification post-examination system, and grading system for contractors, manufacturers, and service providers. Management systems include the annual cooperation system, the dynamic adjustment system, and other management systems.

During the shortlisting and selection stage, the Group fully implements the online registration and approval system of the recruitment system, and formulates shortlisting standards based on the basic operating conditions of different types of suppliers and in conjunction with the group's requirements. Suppliers with major quality issues, major safety production accidents, or other environmental and social risks will not be included in the qualified supplier database. Furthermore, the Group vigorously promotes the development of a green supply chain, giving priority to excellent suppliers who share the Group's green development concept and have ISO9001 quality management system certification, ISO14001

environmental management system certification, OHSAS18000 occupational health and safety management system certification, and SA8000 social responsibility certification. Suppliers with green credentials, which mentioned above, will receive audit bonus points and recommendations.

During the supplier cooperation stage, the Group irregularly collects data from multiple dimensions, scores and evaluates the actual cooperation performance of each supplier, and manages them according to the classification and classification of the supplier evaluation system, in order to strengthen supplier management and thus realize strategic cooperation and common development with high-quality suppliers. In 2022, the Group conducted an annual supplier evaluation to assess and evaluate suppliers of equipment, materials, engineering construction, technical consulting, and other types of subordinate projects, and all 213 suppliers participated in the evaluation. If the cooperative supplier does not participate in the annual evaluation, it will be excluded from the group company's subsequent procurement.

Good governance to boost high-efficiency development

Case: Promoting the digitalization of supply and improving the efficiency of the procurement supply chain

In 2022, the first phase of the Group's supply chain digitalization was completed and put online. Using efficient information management tools to transfer offline operation to online, including bidding inquiry and comparison, supplier price entry, contract signing, procurement plan management, order generation, logistics tracking, and purchase warehousing, picking and delivery, supplier reconciliation and evaluation and other business sectors. Moving offline business to online can save a significant amount of resources in generating and transmitting paper documents each year. During the implementation of digital supply chain construction, we managed the group's commonly used materials and equipment in a refined category, unified standards, specifications, and names, standardized the procurement process of hundreds of project companies in the Group, and transformed information technology into a link between the headquarters' management center and the field. The network nerves of the front-line execution of the member companies keep the entire group in sync, form a joint force, and improve procurement supply chain execution.

Supplier-related KPIs²

Indicator	2022
Total number of suppliers	213
Number of suppliers by region	
Number of suppliers in East China	69
Number of suppliers in Central China	48
Number of suppliers in North China	55
Number of suppliers in Northwest China	20
Number of suppliers in South China	15
Number of suppliers in Northeast China	6

² The statistical scope of supplier data is the headquarters of the Group, and the supplier area is subject to the registration place.

(2) Management of hazardous waste transportation

Logistics transportation is an important intermediate link for hazardous waste disposal. In order to further refine logistics transportation management and control environmental pollution risks and social risks, the Group has formulated rules and regulations such as the *Hazardous Waste Transfer Management Measures* (《危險廢物轉移管理辦法》), the *Management System for External Logistics Companies* (《外僱物流公司管理制度》) and the *Logistics Transportation Process Management System* (《物流運輸流程管理制度》) to strictly control logistics transportation management requirements and ensure logistics transportation links safe and controllable.

The Group has a strict auditing and management system, and we confirm our outsourcing partners in transportation periodically through public bids and comprehensive assessment. We require that carriers must have professional qualifications and licenses, the ability to guarantee transport quality, handle transport risks and compensate for loss of transported goods, and a strict cargo security protection system.

To avoid any types of social risk during transportation process, the Group requires the outsourcing company carry out regular traffic safety training and avoid transportation in extreme weather conditions, conduct targeted contingency plan and organize emergency drilling regularly. Meanwhile, the Group

conducts training on hazardous waste knowledge for carriers to ensure that drivers and escorts understand the general knowledge of hazardous waste and wear labor protective equipment correctly, urging carriers to effectively protect the occupational health of employees. In order to cope with the environmental risks in the transportation process, the Group has strict requirements for the outer packaging and the code of practice in the transportation process. For example, the hazardous waste labelling and target should be complete, and the loading and unloading process should strictly comply with the requirements for the hazardous waste transportation, loading and unloading, and the non-compliant operation should be firmly eliminated. In particular, before the transport or loading of hazardous waste, relevant devices should be installed in the vehicle bottom and necessary measures should be taken to avoid the hazardous waste dripping or secondary pollution.

In 2022, the Group organized hazardous waste transportation safety inspections in accordance with relevant laws and regulations, strengthened the connection of hazardous waste collection, transportation, storage, disposal, transfer, and other links, recorded and retained relevant records, and regularly reported the operation status to relevant departments, to improve the prevention and control of environmental and social risks.

SUSTAINABLE DEVELOPMENT TO MAINTAIN ECOSYSTEM HEALTH





SUSTAINABLE DEVELOPMENT TO MAINTAIN ECOSYSTEM HEALTH



Based on its environmental and safety responsibilities, the Group implemented comprehensive safety and environmental management and system improvement, strictly implemented safety production responsibilities, continued to make efforts to tackle with climate change and prevent and control pollution, and strengthened key project supervision and key risk control, assisting its own high-quality and sustainable development.

Strengthen HSE management

In order to strengthen the management of safety, environmental protection and occupational health management, the Group has established long-term management mechanism of Health, Safety and Environment (HSE). In 2022, to continue consolidating and strengthening institutional construction the Group's environmental hygiene business has formulated following regulatory documents to continue consolidating and strengthening institutional construction: *Guidelines for Safe Operations* (《安全行動準則》), *Interim Measures for the Management of Dangerous Operations* (《危險作業暫行管理辦法》), *Management System of Personal Labor Protective Equipment* (《個人勞動防護用品管理制度》), and *Management System of Production Safety Expenses* (《安全生產費用管理制度》). In the hazardous waste treatment business the following regulatory documents were formulated: *Hazardous Operations Safety Management Regulations* (《危險作業安全管理規定》), *Hazard Source Identification and Risk Assessment Management Regulations* (《危險源辨識與風險評價管理制度》), *Fire Safety Management Regulations* (《消防安全管理制度》), *Occupational health management regulations* (《職業衛生管理制度》), *Management Regulations for Environmental Protection Facilities* (《環保設施管理制度》), *Regulations for Hidden Danger of Soil Pollution* (《土壤污染隱患排查制度》). All of which resulted in the standardization of HSE management in project businesses and an effort to improve their capacity for autonomous control.

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

In the environmental hygiene business, the Group developed a safety production responsibility system for all employees in 2022, clarified safety responsibilities at all levels of the group, developed and implemented the "Personal Safety Action Plan for Project Leaders", and improved project leaders' safety leadership and demonstration capabilities to implement the responsibility of all employees for safe production. We strengthened the construction of the safety system in the form of institutions, and promoted risk identification and risk control of high-risk operation. We Increased safety investment, improved employees' personal safety protection capabilities, and completed equipment and facilities of safety protection.

We proposed improvements for the projects' defects in the establishment and implementation of the HSE system, which were regarded as key issues to be supervised and rectified. In 2022, the Group supervised and inspected 78 project companies, supervised and corrected 125 hidden dangers in the system within a time limit, and strengthened the management through the closed-loop method of "planning-inspection-supervision-improvement", emphasizing clean production, optimizing environmental, personal, and property safety requirements, to drive and urge the projects to consolidate the HSE management foundation.

In hazardous waste treatment business, in order to carry out intensively "safety and environmental management for all employees" and effectively implement "one post with two responsibilities", in 2022, the Group and the Company, the Company and the departments, the departments and the teams, and the team and the individuals signed the HSE Target Responsibility Letter with full coverage. In the safety management operation focusing on the

goal of safety management, crucial business and standardized construction of HSE during the whole year, 26 HSE inspection reports have been issued, and 99 management issues have been proposed, with 117 management requirements listed and 170 potential hazards revealed. The Group promotes the creation of emergency response cards, conducts targeted emergency drills and skill training, boosts the implementation of safety responsibility of the main body, and strengthens key risk management and control to ensure that safety management work is in place.

In 2022, we promoted the construction of the safety and environmental protection system unceasingly by performing publicity and implementation work with various forms according to project risks and management conditions, such as centralized publicity and system implementation, safety and environmental protection training for team leaders, on-site training for key projects covering all employees, and the "100-day safety and environmental protection work action".

Raise security awareness

Explained the risk management and control process and the key points, division of labor and coordination, preventive measures and precautions, etc., based on accident cases, to strengthen the safety awareness and skills of operating and management personnel.

Manage security risks

Enhanced operation approval and special operation management, as well as risk management and control throughout the operation process, and implemented safety disclosure and guardianship.

Strengthen hazardous waste management

Optimized hazardous waste and hazardous chemical management processes, completed safety production facilities and carried out more safety inspections for crucial spots.

Eliminate potential security risks

Improved facility maintenance, conducted all-around investigation of fire hazards, implemented the enterprise's primary responsibility, and reduced safety risks during production.

Based on fulfillment of the safety management requirements, the Group's project companies in hazardous waste treatment sector conduct an in-

depth identification of hazard sources and try their best to be precautionous beforehand enough to caution against any safety risk incidents.

Sustainable development
to maintain ecosystem health

Deepen green development

The Group diligently fulfills its corporate social responsibilities, pays attention to climate change challenges, actively responds to the national "carbon peaking and carbon neutrality" strategic goal, prevents and reduces environmental pollution and

ecological damage, adheres to energy saving and resource utilization, and fully exploits our business advantages to help improve ecological environment and accelerate the pace of building a beautiful China.

(1) Tackle with climate change

Climate change has a profound impact on social and economic development and business development while changing and affecting the global ecosystem and natural environment. The Group identifies,

assesses and manages climate change risks and opportunities, and integrates them into the operations. In 2022, the Group listed the key climate change risks and opportunities, and took measures to respond.

Physical risks	Potential influence	Responses
Increased frequency and magnitude of extreme weather events (e.g., typhoons, heavy snowfall, flooding, heavy pollution)	Increased risk of damage to construction equipment, resulting in property losses and delayed construction schedules	Pay attention to weather warnings and evacuate equipment in advance before the extreme weather (typhoons, rainstorms, etc.) Rebuild the walls with reinforced concrete and install drainage
	Increased risk in employees' health and safety	Formulate emergency plans for different extreme weather phenomena Pay attention to weather warnings, adjust working arrangements in time and evacuate personnel on site in advance Provide appropriate protective devices
	Frozen or cracked plumbing pipes in living area, affecting the normal life of residents Frost damage to or death of green plants, affecting the appearance of the community	Improve anti-freezing and anti-coagulation measures such as thermal insulation cotton and electric tracing, and carry out emergency plan drills for extremely cold weather Pay attention to weather warnings and take timely countermeasures

Sustainable development to maintain ecosystem health

Physical risks	Potential influence	Responses
	Clogged drainage in the plants due to floods and heavy rains, resulting in increased risk of siltation and leachate	Follow relevant standards and specifications in the site selection for plants, fully consider the environmental factors (such as the local "once in a century" flood stage, the intensity of heavy rainfall, etc.), take into account the climate impact based on the results of the follow-up survey, and take proper countermeasures, such as appropriately raise the level of the factory floor, supplement fire sand, customize flood control boards, etc.
	Increased risk of hazardous waste projects being shut down due to damage to hazardous waste treatment facilities	Select proper site for project by fully considering all climate change-related factors, locating the project higher than the highest water level of the once in a century flood Conduct flood prevention drills and provide flood prevention materials at project sites
Significant greenhouse effect resulting in gradual increase in temperature	Increased risk to the safety and health of employees on site due to influence of ambient temperature	Provide labor protective equipment, drinks, medicines, etc.
	Increased risk of odor, mosquitoes and flies in the landfill plant due to ambient temperature and increased damage to the occupational health of employees	Enhance deodorization and mosquito control measures such as fog cannons and insecticides Equip employees with appropriate labor protective devices and medicines, etc.
Tightening local policies on emission and energy use	Increased risk of project production reduction and shutdown due to local environmental protection and energy conservation measures	Strengthen the communication with various regulatory departments and take the initiative to adjust business planning based on policy and regulatory changes in a timely manner

Sustainable development to maintain ecosystem health

Transitional risks	Potential influence	Responses
Higher requirements of national and industry technical specifications	The new version of landfill construction specifications has higher requirements for the impermeability coefficient of the bottom of the landfill, resulting in difficulties in site selection and higher construction costs (e.g., many areas are not suitable for building flexible landfills, so we have to invest more in building rigid landfills)	Research and develop resource-saving and cost-saving construction programs
	The new version of hazardous waste incineration pollution control standards has higher requirements for incineration gas emissions, inlet standards, etc., resulting in increased pretreatment costs and waste gas treatment costs	Research and develop efficient pre-treatment technology and upgrade exhaust gas treatment facilities

Opportunities	Potential influence	Responses
Trend of Internet of Things, cloud computing, communication technology and big data in the context of climate change	Emerging trend of intelligence, informatization, refinement and integration in the environmental hygiene market	Monitor and analyze sanitation workers and vehicles based on big data to improve efficiency and emergency response capabilities
Frequent extreme weather events	The frequent occurrence of events such as blizzards and rainstorms provides direction of expansion of the Group's business scope	Carry out special services such as snow removal and ice shoveling in response to requirements of local government
Air quality control policies and standards continue to tighten	As the government's requirements for air quality continue to increase, the Group's efforts to improve the quality of human settlements in cities and towns are of great significance	Carry out work beneficial to the improvement of air quality in response to requirements of local government, such as sweeping and dust reduction, landscaping, etc.
The city carries out comprehensive measures of reducing and sorting waste at the source in order to cope with climate change	In order to improve the environmental quality of residential living areas, waste sorting is being actively carried out in all regions, providing a business expansion opportunity for the Group.	Develop waste sorting business for communities under the guidance of local government and increase investment in human resource, materials and financial resources
Changing market preferences in the context of climate change	The market prefers effective and sustainable waste treatment solutions	Optimize process flow, strengthen technological innovation, and create integrated systemic waste treatment service solutions

Case: Improving the emergency support system to deal with the impact of extreme weather

By establishing a flexible and efficient environmental sanitation emergency support system, the Group ensures the smooth implementation of various emergency work tasks in extreme weather such as snow removal, flood prevention and typhoon. The Group adopts the “people, objects and things” emergency mode and uses the intelligent sanitation management system to form an all-weather emergency team with practical skills, rich experience and excellent conduct; the Group also adopts “environmentally friendly, efficient, and safe” emergency equipment and measures to ensure all emergency operations are carried out effectively.

- **Heavy rainfall:** In response to the impact of heavy rainfall on the projects during the flood season, the Group issued the *Notice on Strengthening Urban Flood Control* (《關於加強城服防汛工作的通知》), requiring projects to increase their awareness of flood control responsibility, establish a flood control system of organization and guarantee, conduct emergency rehearsals in advance, prepare flood control material reserves, strengthen flood control on-duty, ensure the safety of flood control personnel, submit flood control information effectively, and ensure the implementation of measures from all aspects. In the face of the heavy rain in Dingxing County in July 2022, Dingxing project reacted quickly and dispatched more than 400 sanitation workers, 6 water trucks, 5 cleaning trucks, 7 trucks, thoroughly cleaned up the dirt and silt on the road with serious waterlogging, and removed roadblocks to ensure road traffic safety and restore the appearance of Dingxing.
- **Typhoon:** For typhoon in South China, the Group organized several projects in South China to cope calmly. During the passing of Typhoon “Siem ba”, the Maoming Project sent compression vehicles for more than 100 times, and removed more than 50 cars of broken branches, fallen leaves and more than 100 tons of household garbage caused by the typhoon. The Xinhui Project dispatched 3,804 person-time sanitation operation personnel, 612 maintenance vehicles and three-wheel electric cleaning vehicles, found and treated 347 fallen trees and broken branches, and cleared 754 manholes and 71 drains.
- **Heavy Snow:** In order to effectively complete the heavy snow clearing work and minimize the adverse impact of snow and ice weather on urban traffic, each project of the Group shall carry out the snow clearing and deicing work orderly according to the different snowfall amount, so as to minimize the impact of snowfall and ensure the smooth road. During the snow weather, the project is fully prepared to keep the communication of personnel at all positions, ensure that the mechanized snow clearing and snow melting equipment is in place, and carry out the snow clearing and deicing line drill before the snow. In 2022, Shenyang Huanggu Project made full use of the newly purchased small multifunctional electric snow remover, and for the first time adopted the continuous operation mode of “electric snow remover + manual combination” in back streets and alleys to improve the efficiency of snow removal. During the snowfall period, more than 800 people were dispatched, more than 80 vehicles were dispatched, and more than 30 tons of snow melting agent were used to ensure the safety and smooth travel of the general public in the morning rush hour.



Typhoon emergency rescue

Sustainable development to maintain ecosystem health

(2) Strictly control pollution emissions

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

The Group's projects strictly follow the latest version of *Pollution Control Standard for Hazardous Wastes Incineration* (《危險廢物焚燒污染控制標準》). In 2022, three subsidiaries of the Group have obtained ISO14001 Environmental Management System Certification.

In 2022, the Group strengthened project management in hazardous waste treatment business, strictly controlled pollutant discharge during the operation process, and managed hazardous waste transfer documents, hazardous waste label management, hazardous waste management plans, environmental protection facility management, environmental monitoring management, and emergency response. Simultaneously, the Group promoted the construction of environmental protection standardization, strengthened the operation and management of environmental protection facilities, ensured the concurrent operation of environmental protection facilities and production facilities, and provided guarantees for pollutant discharge that meets standards.

Air pollution control

The possible impact on the atmospheric environment during the operation of the Group mainly includes dust arising from the environmental hygiene cleaning and waste gas emissions from hazardous waste treatment facilities.

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

Road cleaning

- We efficiently use wet sweeping vehicles, high pressure washing vehicles, sprinklers, mist cannon trucks, road maintenance vehicles and electric washing vehicles to carry out comprehensive and deep cleaning of the main and secondary roads and outer ring roads in the urban area, and regularly wash the bus stands, bus stops, public service billboards, traffic guardrails and green belts to ensure that public facilities are free of dust and stains with the normalized operation standard of urban road cleaning of "the roads are clean and the markings are clear".

Scientific dust suppression

- We actively adopt technological means to suppress road dust, add environment-friendly dust suppressant in the sprinklers, and carry out sprinkling to reduce dust on the main streets, so as to enhance dust reduction by sprinkling and using mist cannons. Meanwhile, we make real-time adjustment to the frequency of sprinkling and rationally arranged the plan for sprinkling to reduce dust according to the weather conditions. We continuously carry out sprinkling and spraying within 500 meters of the urban core area to keep the roads moist and dust free to effectively reduce road dust.



Mist cannon trucks



High pressure washing vehicles

Sustainable development to maintain ecosystem health

In response to the air pollution in the hazardous waste treatment business, the Group strictly enforces the Pollution Control Standard for Hazardous Wastes Incineration (《危險廢物焚燒污染控制標準》) and local air pollutant emission standards in

the process of hazardous waste incineration and disposal. For incineration waste gas containing nitrogen oxides, sulfur dioxide and particulate matter, we adopt various control measures such as waste heat recovery, combined purification and online monitoring.

Waste heat recovery

The flue gas from the hazardous waste incineration line is fully combusted in the secondary combustion chamber at a temperature above 1,100°C and then fed into the waste heat boiler to recover the flue gas heat.



Flue gas purification

The flue gas is mainly treated through combined purification process which is “SNCR + Quenching + Dry Reactor + Bag Dust Remover + Wet Deacidification”.

Online monitoring

We set up online monitoring system at the discharge port to monitor exhaust emissions in real time, and transmit real-time monitoring data to the control room and the ecological environment supervision department to monitor and record data.

Fugitive emission control

In order to effectively control the fugitive emissions, projects strengthen the management on confinement of equipment and facilities and the hazardous waste packaging, install waste gas collection and disposal facilities in temporary storage of hazardous waste and production workshop, and treats the waste gas through combined treatment process which is “Alkali Washing + UV Photolysis + Activated Carbon Adsorption” to ensure the discharge up to the standard.

Case: Online monitoring of emission information and real-time disclosure for better management and control

As a project of key pollutant discharge units, the Group has set up standardized automatic monitoring stations and monitoring sampling ports in accordance with technical specifications, purchased and installed automatic monitoring facilities for pollutants and connected with the monitoring platform of the ecological environment department. In order to ensure the normal operation of the automatic monitoring equipment and the authenticity and accuracy of the data, the project entrusts a third-party operation and maintenance company to carry out operation and maintenance in accordance with the technical specifications. At the same time, the pollutant discharge information is disclosed to the public through the electronic display screen installed at the entrance of the factory.



*Environmental information disclosure of
project companies*

Case: Upgrading waste gas treatment technology to improve pollution control efficiency

Yichang Branch and Shandong Pingfu Branch actively used new environmental protection technology, reducing the risk of volatile organic gases escaping from the company's incineration workshop and material pit workshop. Yichang Branch collaborates with professional scientific research institutions to carry out advanced treatment projects for volatile organic gases, and investigates the use of alkali washing, dry filtration, zeolite molecular sieve rotor adsorption, catalytic combustion, and other processes to effectively reduce air pollutant emissions in the incineration pit plant. The concentration of volatile organic gases in the atmosphere was reduced from 120 mg/m³ to less than 60 mg/m³, and the annual emission of volatile organic gases was reduced by 15.6 tons.

Shandong Pingfu Project employs methods such as semi-dry deacidification, dry deacidification, bag dust removal, and two-stage wet deacidification to ensure that flue gas emissions are significantly lower than the standard value, and it adheres to the Group's strict pollutant emission requirements, to ensure the quality of the surrounding atmospheric environment.

Air pollution emission target

From 2023 to 2025, Yichang Branch is expected to reduce volatile organic gas emissions by 15 tons per year.

Water pollution control

The possible impact on the water environment during the operation of the Group's businesses mainly includes leachate generated in the hazardous waste treatment business and sewage discharged by projects, as well as leachate generated during the operation of the environmental hygiene business and sewage discharge from sweepers.

The Group's environmental hygiene business focuses on project leachate discharge and the establishment of sewage discharge points for washing and sweeping vehicles. It collaborates with the technical management department and the

operation management department to supervise the handling process, establishes a standardized management of key environmental protection data, and strictly supervises the closed-loop management of environmental protection data ledgers. In 2022, the Group managed to supervise the problems with leachate discharge and fixed-point sewage discharge from washing and sweeping vehicles in projects like Weicheng, Yongshou, Wugong, Yongshou, Zhangdian Sanitation in Zibo, Zhoucun, and Gaochun in Nanjing. The establishment of sewage discharge points has been approved by the government department in order to avoid environmental risks.

Sustainable development
to maintain ecosystem health

In terms of hazardous waste treatment business, the Group strictly adheres to the *Hazardous Waste Landfill Pollution Control Standards* (《危險廢物填埋污染控制標準》) during the landfill disposal process, manages the landfill in accordance with the regulations, and provides adequate daily coverage for non-landfill operation areas. The Group diverts rain and sewage to reduce leachate production. At the same time, we ensure that the pollutants in the waste liquid are gradually removed by fine-tuning each link of physical and chemical processes, and that the pollutant indicators of the treated waste water meet the discharge standards.

For the sewage generated by hazardous waste treatment projects, the project constructs its own sewage treatment plant and uses the “physical and chemical + biochemical” method to treat the self-generated sewage during operation, and discharges

it into the sewage treatment park after meeting the management standards of the *Water Quality Standards for Discharge of Sewage into Urban Sewers* (《污水排入城鎮下水道水質標準》). The Guigang medical waste project, for example, strictly treats all wastewater to ensure that indicators such as COD, BOD, suspended solids, total residual chlorine, and fecal coliforms are fully compliant with the *Water Pollutant Discharge Standards for Medical Institutions* (《醫療機構水污染物排放標準》), and invites a third-party professional testing agency to perform tests and generate test reports every month. The sewage of the project goes through the process of professional sewage treatment before discharge, and most of the sewage is discharged after meeting the *Urban Sewage Recycling and Utilization of Urban Miscellaneous Water Quality Standards* (《城市污水再生利用城市雜用水水質標準》) and other requirements.

Sewage discharge target		
Target set in 2021	Target completion progress in 2022	Future target
In 2022, at least one of the three new harmless disposal projects of hazardous waste will achieve 100% recycling and “zero discharge” of sewage containing heavy metals.	[Completed] A new harmless disposal project of hazardous waste, Zhejiang Xianju Hazardous Project, achieved “zero discharge” and 100 percent reuse of sewage containing heavy metals in 2022.	At least one new operation project will achieve 100% reuse of production wastewater and “zero discharge” by 2023.

Soil pollution control

The potential impacts on the soil environment during the Group's business operations include hazardous waste dust and particles falling on the soil surface and then entering the soil to pollute it; liquid and semi-solid hazardous waste spilling on the ground and infiltrating the soil, and so on.

In 2022, the Group took the troubleshooting of soil pollution hazards as one of its key tasks. Eight projects including Xianju Branch developed a management system for the troubleshooting of soil pollution hazards, and entrusted a professional third party to assist in the troubleshooting of soil

pollution hazards. Through data collection, personnel interviews, determination of key places, key facilities and equipment, and on-site troubleshooting, the Group conducted a comprehensive troubleshooting of key pollution hazards in the plant area, And determine the work plan for self-monitoring of soil and groundwater. Then prepare the soil hidden danger investigation report and implement the soil pollution prevention and control measures.

Hazardous waste treatment

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

After testing, waste that meets the requirements of direct landfill enter the landfill. In order to ensure the standardized operation of hazardous waste solidification and safe landfill, the Group has developed the *Solidification Operation Procedures*, (《固化操作規程》), *Safe Landfill Operation Procedures* (《安全填埋場操作規程》), *Solidification Workshop Emergency Response Measures* (《固化車間應急處理措施》) and other rules. Hazardous waste for landfill is sampled and tested when received by the plant,

and specific disposal plans are developed. Waste that meets the requirements of landfills is then treated by solidification and landfill workshop. Waste that does not meet the requirements of direct landfill are stabilized and solidified to meet the requirements for landfill.

In addition to landfill, combustible waste is sent to the incineration workshop for incineration. In order to ensure the stable operation of hazardous waste incineration and treatment process and the emission of pollutants up to the standard, the Group has formulated the *Industrial Waste Incineration Operation Procedures* (《工業廢物焚燒處理操作規程》), *Incineration Workshop Emergency Response Measures* (《焚燒車間應急處理措施》), *Special Waste Handling Procedures of Incineration Workshop* (《焚燒車間特殊廢物操作規程》), *Flue Gas Online Monitoring System Operation*

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Procedures (《煙氣在線監測系統操作規程》) and other systems. At the same time, the Group collects the scrap metal generated from the incineration and treatment process in accordance with the exemption list of the *National Catalogue of Hazardous Waste (2021 Edition)* (《國家危險廢物名錄(2021年版)》) and engages qualified metal smelting enterprises for the smelting, so as to release landfill storage capacity while recovering metal resources.

For hazardous waste liquid, the Group adopts the treatment method of Flocculation, and has

established *Instructions on Special Hazardous Treatments in physical and chemical workshop* (《物化車間特種廢物處置作業指導書》), *Instructions on Operating Systems of physicochemical reaction* (《物化反應系統作業指導書》), *Instructions on Three Effects Evaporating Operations* (《三效蒸發系統作業指導書》), *Instructions on Biochemical Operation for Wastewater*, (《廢水生化處理系統作業指導書》), *Instructions on Operating Systems for Tail-Gas* (《尾氣處理系統作業指導書》), etc. to standardize the flocculation for the hazardous waste.

Noise pollution control

In order to ensure that the noise generated does not affect the environment of the project operation area, the projects adopted targeted noise reduction measures at the beginning of construction, such as low noise machinery, installation of equipment soundproof facilities, reasonable arrangement of maintenance and construction time, and entrusted a third-party environmental technology company to

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

Emergency actions control

To prevent the potential accidents, such as fire explosion, hazardous waste leakage, poisoning and suffocation, electric shock, and high-altitude falling in the production process, which could cause significant environmental risks, the Group has established the *Emergency Act on Work Safety Accidents* (《生產安全事故應急預案》) and the *Emergency Act on Environmental Accidents* (《突發環境事件應急預案》), covering emergency material reserve, starting, processing and ending of emergency plans. The Group also organized emergency act orientations in order to minimize the damage of personnel and property losses, reduce

environmental damage and social influence when unexpected accidents take place.

Based on the hazardous waste storage and incineration disposal production characteristics, the Group has made specific arrangements for the emergency rescue management of a series of key positions, updated and improved the emergency response plan for accidents, clarified the emergency rescue responsibilities and requirements of personnel at all levels, and the emergency response capability was further improved by carrying out targeted emergency drills for accident resuscitation.

(3) Optimize resource saving

We have always adhered to the concept of sustainable development of resources and environment, and constantly promoted technical innovation to improve

the efficiency of resource use and optimize the structure of resource use.

Optimize energy structure

In order to reduce energy consumption, we continued to optimize the energy structure in 2022 according to the business characteristics of each project and in combination with the project development plan. We continued to invest in Shenzhen and other places to speed up the upgrading of operating vehicles, and

purchase a large number of new energy equipment such as electric tricycles and LNG vehicles to help enterprises comprehensively transform energy and promote green and sustainable development of enterprises.

Energy structure optimization targets	
Targets set in 2021	Target completion progress in 2022
In 2022, the Group's total procurement of new energy sanitation vehicles accounted for no less than 40% of the total procurement of sanitation vehicles.	[Completed] In 2022, the Group's total purchase amount of new energy sanitation vehicles accounted for 46.4% of the total purchase amount of sanitation vehicles.
In 2025, the Group's stock of new energy sanitation vehicles will account for more than 16% of all sanitation vehicles.	[In progress] In 2022, the Group's stock of new energy sanitation vehicles accounted for 12.7% of all sanitation vehicles.

Deepen energy conservation and consumption reduction

Since the beginning of project design, the Group has incorporated the concept of energy conservation and environmental protection, and has placed a premium on the scientific, rational, and efficient use of resources. We conduct a comprehensive analysis of the project's energy consumption and energy conservation measures in accordance with the Group's Measures for the *Examination of Energy Conservation in Fixed Assets Investment Projects* 《固定資產投資項目節能審查辦法》, national, local, and

industry energy conservation design specifications and standards, and demonstrate the advancement of the project's energy conservation measures and the level of energy efficiency.

In 2022, the Group continued to implement the lean principle of "elimination of waste, continuous improvement, and perfection", and promoted the refined management of each project and the normalized improvement mechanism. By finding and analyzing problems, the Group's energy conservation

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and consumption reduction are promoted in five dimensions, including human resources, machinery, raw materials, method and environment. The Group organized the projects to consider their own business characteristics in order to improve energy efficiency, production technology, and employee responsibility, and made concerted efforts to save energy and reduce consumption, as well as strive for weekly improvement and weekly output. Types of the improvement include production site operation management, equipment management of repairing the old and making good use of waste, 5S visualization, and so on. In 2022, a total of 261 optimizing items have been completed, all of which have obvious effects.

The first-phase single-line operation days of the Group's Shandong Pingfu Project reached a record-breaking 71 days, effectively reducing energy consumption while ensuring project operation. The

gas power was greatly reduced in the second phase of the project due to the integration of gas-fired fans and reasonable calorific value compatibility, saving 92,000 kWh of electricity saved per year. In 2022, the incineration workshop completed a number of energy-saving and consumption-cutting projects, and the actual consumption of natural gas per ton of products was 3.44 cubic meters per ton, which was only one-third of the expected consumption. By improving packaging methods and recycling jumbo bags, a total of 6,900 ton bags was saved and 11,220 ton bags was reused in 2022. Through the implementation of screen glass packaging improvement, Shaanxi Branch can save 1,500 tons bags and recycle 1,200 tons bags for every 100,000 CRT televisions disassembled. Every 100,000 sets of waste air conditioners can save 2,000 tons bags; 1,500 ton bags can be saved for every 100,000 waste refrigerators disassembled. The Group practices "eliminating waste and saving resources" with practical actions.

Case: Waste heat utilization, energy saving and consumption reduction

As the scale of hazardous waste incineration has grown in recent years, so has the size of incineration system equipment, the waste of thermal energy resources has become more serious. Air cooling or water cooling were traditionally used to cool and discharge the large amount of heat energy generated by incineration, which not only wastes heat energy but also increases water and electricity consumption. The use of waste heat recovery power generation technology for hazardous waste incineration is critical for energy conservation and consumption reduction. Shandong Pingfu Project generates electricity from waste heat generated by incineration and applies it to the project, effectively reducing approximately 3.48 million kWh of external power purchases and saving electricity costs. The steam produced by Yichang Branch's incineration device can not only meet the factory's heating needs, but it can also be used by two other businesses in the surrounding area. In 2022, approximately 4,300 tons of steam were reused, which effectively utilizes resources and avoids the consumption and waste of heat energy in the process of steam condensation and the waste of heat energy consumption in the process of steam condensation, contributing to the Group's goal of energy savings and consumption reduction.

Case: Technological transformation, practice of resource conservation

To promote resource conservation, the Group organizes projects to carry out technological transformations based on their own production conditions in order to reduce the consumption of various resources during the manufacturing process. By installing hose pumps and powder pumps at the kiln head, Yichang Branch solved the problem of material transportation and reduced production consumption. The Xuzhou Pingfu Branch installed a steam pipeline to the crusher to ensure the safety of general material crushing, and appropriately replaced the more expensive nitrogen crushing, effectively lowering the project operating costs. Shaanxi Branch altered the packaging method of TV screen glass, resulting in the use of fewer tons of packaging and the promotion of resource conservation.

Innovative conservation of water resources

The Group pays close attention to the updating of policies related to water consumption and water conservation, while also strengthening water resource management and striving to save water resource consumption in various business steps. The Group had no major issues obtaining suitable water sources in 2022.

The Group makes extensive use of digital and intelligent technologies in its environmental hygiene business. It can connect to smart cities, traffic management, and meteorological systems via the smart environmental sanitation platform, and scientifically predict and plan the operating time and routes of sanitation vehicles based on real-time road traffic congestion and past rules, which can improve operational efficiency, reduce energy consumption, and rationally arrange the frequency and process of watering and dust reduction operations in different regions and time periods based on changes in air humidity, surface temperature, and PM2.5 index to save water resources.

In the field of landscaping, the Group monitors plant growth environment parameters such as soil temperature and humidity, pH value, and fertility using an Internet of Things soil moisture sensor, combines that with local meteorological big data to provide a reference for refined management. The smart irrigation system activates the irrigation system automatically based on detailed information such as plant or green space types, plant planting environment, planting soil humidity, seasonal atmospheric humidity, and future weather forecasts, which can significantly reduce garden irrigation water and manual irrigation costs.

For hazardous waste treatment facilities, the Group's projects added sewage treatment facilities in accordance with the relevant requirements of local policies, and treated the factory's production wastewater, ground flushing water, and initial rainwater to meet the relevant reuse water standards. After membrane filtration, boiler feed water can be used in the circulating cooling water of the

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incineration system, reducing pollution caused by external discharge and reducing the use of fresh water sources in the plant.

To assist conserve water resources, a number of the Group's hazardous waste treatment projects actively support process innovation. Instead of using fresh water for the cooling spray water for the quench tower, the Yichang Branch reuses the high-salt wastewater produced during the production process.

While maintaining the quench tower's functionality, this procedure not only decreases the creation of wastewater but also conserves fresh water, saving 24,000 tons annually. Reclaimed water is used by Weifang Project to cut water consumption from 127 m³/day to 53 m³/day instead of reverse osmosis water. In 2022, the Group have accomplished its goal of conserving water resources thanks to the combined efforts of all projects.

Water conservation targets	
Target set in 2021	Target completion progress in 2022
We planned to optimize water resource allocation and reduce water consumption through smart garden and smart sanitation systems in 2022.	[Completed] In 2022, we optimized water resource allocation and improved utilization efficiency and recycling through smart garden and smart sanitation systems.
Future target	
In the future, the Group will continue to optimize water resource allocation through the smart sanitation platform, collect and summarize advanced water-saving technology and management experience, promote the application to a broader audience, improve utilization rate of water resources both in environmental hygiene and hazardous waste treatment business, to reduce water consumption.	

Resource recycling

The Group actively develops resource-based businesses with the goal of achieving as much progressive sublimation of resource recycling and value re-creation as possible. We uphold the concept of recycling in the hazardous waste treatment and environmental hygiene business, use resource-based means, research resource-based methods, and promote the green, sustainable, and refined operation of multiple businesses. The project in Yichang, Hubei, introduced organic silicon waste recycling modules to produce copper products with economic benefits, which significantly improved the value

attributes of process tailings, effectively improved the company's benefits, and promoted the sustainable development of the business. In Yichang, Hubei Province, the Branch introduced the organosilicon waste recycling module to create economically advantageous products like copper, silicon powder, ferrous sulfate solution, or ferrous chloride solution, which significantly increased the value attribute of the process tailings, significantly improved the company's benefits, and supported the sustainable development of the company's business.

Resource utilization targets	
Targets set in 2021	Targets completion progress in 2022
The total designed treatment capacity of the Yichang resource utilization project reached 20,000 tons per year in 2022, with organic silicon hydrolysis slag treatment capacity reaching 15,000 tons per year and etching solution wastewater treatment capacity reaching 5,000 tons per year.	[Completed] In 2022, the Yichang Recycling Project was completed and put into operation, with a resource utilization capacity of 20,000 tons/year, of which 15,000 tons/year of organosilicon hydrolysis slag and 5,000 tons/year of etching solution wastewater.
In 2022, the total processing capacity of the Group's recycling projects has increased to 270,000 tons per year.	[Completed] In 2022, the total processing capacity of all recycling projects of the Group has reached 270,000 tons/year. According to the business licenses obtained by the relevant projects, the design treatment capacity of Ningxia Ruiyuan Branch is 200,000 tons/year, that of Chongqing Branch is 50,000 tons/year, and that of Yichang Branch is 20,000 tons/year.
Future target	
In 2023-2025, the Group's Yichang Branch plans to achieve 100% recycling of hazardous waste and no secondary hazardous waste will be generated.	

(4) Build a beautiful ecology together

Every corporate citizen is responsible and obligated to protect natural water and mountains resources. The Group fully utilizes resources and technological advantages to continuously expand business boundaries, enhance greening service capabilities,

organize public welfare activities, improve ecological protection capabilities, strengthen ecological civilization construction, support biodiversity protection, and serve the people's growing needs for a beautiful ecological environment.

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Case: "Changchong Mountain remediation special action" to aid in the development of a beautiful ecology

Kunming Mayor Chongshan is a popular tourist attraction and ecological landscape in the surrounding area, but during the visit, trash is frequently left behind in the grass, on a wild road, between the hills such as empty water bottles, snack bags, toilet paper, plastic bags, cigarette butts. To improve Changchong Mountain's sanitation and cleaning, local Project requires operators and vehicles to carry out daily cleaning operations on Changchong Mountain and its surrounding areas, and asks the person in charge of the area to improve the cleaning of Changchong Mountain and surrounding roads and strengthen the cleaning of public toilets and surrounding road cleaning inspections. From October 2022, special environmental sanitation renovations were carried out twice a week to form a long-term environmental sanitation management mechanism, which helps create a clean and comfortable ecological environment for the residents and tourists, and contribute to the beauty of Changchong Mountain through practice.



*Workers perform daily cleaning
operations on Changchong Mountain*

Case: "Online + Offline" tree planting, protect the green homeland together

The Group fully utilized the benefits of various projects covering multiple sites and areas, vigorously carried out afforestation and greening activities, and contributed to desertification prevention and control, environmental greening, and carbon sink expansion.

The Gulang Project organized employees to participate in a "sand press afforestation activity" in March 2022, and the Quannan Project carried out a tree planting activity with the theme "planting a small tree, greening the environment", planting a total of 26 camphor trees. On the internet, the Group joined forces with all employees to participate in the "Alipay Ant Forest Colleague Planting Trees Online" activity, which fully embodies the company's social responsibility to create the most beautiful living environment, as well as the mission and responsibility of a state-owned enterprise.



Implementation greening work

(5) Standardize construction management

During the construction of all projects, the Group strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Soil Pollution* (《中華人民共和國土壤污染防治法》), the *Law of the People's Republic of China on Environmental Impact Assessment* (《中華人民共和國環境影響評價法》), the *Regulations on the Management of Pollution Discharge Permits* (《排污許可管理條例》), and the "14th Five-Year Plan" *National Standardized Environmental Management Evaluation of Hazardous Wastes* (《「十四五」全國危險廢物規範化環境管理評估工作方案》), *Guidelines for Soil Pollution Hazard Investigation of Key Regulatory Units (Trial Implementation)* (《重點監管單位土壤污染隱患排查指南(試行)》) and other laws and regulations, timely revises the system according

to the requirements of the regulations and publicize and implement them.

All the new construction, renovation and expansion projects of the Group strictly implement the national environmental protection "three simultaneous" system, and during the project approval stage, the Group conducts environmental impact assessment in accordance with the regulations. During the preliminary design of the construction project, the Group entrusts a design firm with corresponding qualifications to carry out environmental protection facilities design for the construction project, which must comply with the requirements of laws, regulations, standards and specifications, and adopt

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advanced and applicable technology, technics and reliable equipment and facilities as much as possible. In the construction stage of the project, a construction contractor with corresponding qualifications is entrusted to be responsible for strictly following the design drawings and relevant construction technical standards and specifications shall be carried out to ensure the quality is qualified. In the stage of project trial operation and completion acceptance, the supporting environmental protection facilities shall be checked and accepted at the same time as the main project, and put into use at the same time. In the production process, the Group tries to increase the integrity rate and utilization rate of environmental protection facilities, to make the most use of them.

In the process of building and rebuilding sanitation facilities such as garbage transfer stations and public toilets, the Group entrusts firms with corresponding

qualifications to carry out the preliminary design of the project, and at the same time carry out the design of environmental protection and energy-saving facilities for project construction according to government requirements. For example, when constructing a waste transfer station, the Group chooses low-decibel level compression equipment and new decorative materials such as sound-absorbing and sound-insulating materials to reduce noise, uses spray deodorizing equipment to reduce dust and odor, and sets up three-stage filtration to treat sewage to meet the discharge standards. When constructing and renovating some public toilets, the Group selects energy-saving sanitary ware and lamps, and provides a smart system for public toilets to monitor information such as water and electricity consumption in real time, to optimize the environment of public toilets.



Sound insulation and noise reduction materials are used at the garbage transfer station



Spray deodorization equipment is installed at the garbage transfer station



Energy-saving appliances are used in public toilets



Smart screens are used in public toilets

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Optimize the environment of public toilets

The Group not only strictly adheres to various management regulations during the construction process and implements various construction environmental protection measures, but also devotes itself to the construction of project factory areas with a high level of planning, construction, and environmental protection. The Group uses beautiful

facility layout, refined green supporting facilities and comprehensive environmental protection facilities, allowing the de-industrialized "garden-style" factory to integrate with the natural environment, and resulting in a harmonious natural landscape and enhancing the corporate image.



Garden factory from Zigong Project

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(6) Environmental KPIs³

GHG emissions⁴

Business	Indicator	Unit	2022
Environmental hygiene services	GHG Emissions (scope 1&2)	tons	80,229.79
	Direct GHG Emissions (scope 1)	tons	65,793.92
	Gasoline	tons	10,190.01
	Diesel	tons	54,256.18
	Nature gas	tons	1,347.73
	Indirect GHG Emissions (scope 2)	tons	14,435.87
	Purchased electricity	tons	14,435.87
Hazardous waste treatment business	GHG Emissions (scope 1&2)	tons	25,466.80
	Direct GHG Emissions (scope 1)	tons	3,597.88
	Gasoline	tons	75.52
	Diesel	tons	496.74
	Nature gas	tons	3,025.62
	Indirect GHG Emissions (scope 2)	tons	21,868.92
	Purchased electricity	tons	21,868.92
Waste electrical and electronic equipment treatment business	GHG Emissions (scope 1&2)	tons	1,310.80
	Direct GHG Emissions (scope 1)	tons	179.25
	Gasoline	tons	16.93
	Diesel	tons	162.32
	Indirect GHG Emissions (scope 2)	tons	1,131.55
	Purchased electricity	tons	1,131.55
Headquarters office building	GHG Emissions (scope 1&2)	tons	231.58
	Direct GHG Emissions (scope 1)	tons	3.83
	Nature gas	tons	3.83
	Indirect GHG Emissions (scope 2)	tons	227.75
	Purchased electricity	tons	227.75
Total	Total GHG emissions	tons	107,238.97
	GHG emissions per unit of operating revenue	tons/HK\$10,000	0.22

³ During the reporting period, due to the economic recession and shrank of market demand during FY2022, the upstream enterprises of the Group's hazardous waste treatment business projects and waste electrical and electronic equipment treatment business projects could only maintain limited operations. The reduction in operating scale of upstream enterprises caused a decrease in overall hazardous waste volume and waste electrical and electronic equipment volume treated by the Group. Meanwhile, the Group's environmental hygiene services increased. Therefore, there were corresponding changes in GHG emissions, Pollutant, Waste and Energy and water consumption in each of the Group's business.

⁴ Greenhouse gas emission data is presented by carbon dioxide equivalent, calculated based on the 2019 Emission Reduction Projects – Baseline Emission Factors for Regional Power Grids in China published by the Ministry of Ecology and Environment of the People's Republic of China and the 2019 Refinement to the IPCC 2006 Guidelines for National Greenhouse Gas Inventory published by the Intergovernmental Panel on Climate Change (IPCC). The direct GHG emissions of environmental hygiene services 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 direct GHG emissions of office building come from nature gas used in mensa, while the indirect GHG emissions of office building come from electricity consumption during the operation of the headquarter

Pollutant⁵

Business	Indicator		Unit	2022
Environmental hygiene services	Atmospheric pollutant	Sulfur dioxide	kg	352.95
		Nitrogen oxide	kg	352,780.71
Hazardous waste treatment business	Atmospheric pollutant	Sulfur dioxide	kg	475.00
		Nitrogen oxide	kg	24,930.00
		Hydrogen sulfide	kg	0.00
		Ammonia	kg	0.00
		Particulate matter	kg	287.00
		Carbon monoxide	kg	4,440.00
		Hydrogen chloride	kg	929.00
	Sewage		tons	75,976.91
Waste electrical and electronic equipment treatment business	Atmospheric pollutant	Sulfur dioxide	kg	0.11
		Nitrogen oxide	kg	10.96
		Particulate matter	kg	2,630.00

⁵ The atmospheric pollutant emissions of environmental hygiene services come from exhaust gas generated by environmental hygiene operation vehicles. The atmospheric pollutant emissions of hazardous waste treatment business come from exhaust gas generated from hazardous waste incineration and by official vehicles. The atmospheric pollutant emissions of waste electrical and electronic equipment treatment business come from exhaust gas generated by official vehicles. 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.

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Waste⁶

Business	Indicator	Unit	2022
Environmental hygiene services	Hazardous waste	tons	0.00
	Non-hazardous waste	tons	22,270.28
Hazardous waste treatment business	Hazardous waste	tons	23,962.45
	Non-hazardous waste	tons	62.30
Waste electrical and electronic equipment treatment business	Hazardous waste	tons	3,496.17
	Non-hazardous waste	tons	2,341.58
Headquarters office building	Hazardous waste	tons	0.00
	Non-hazardous waste	tons	41.04
Total	Total hazardous waste	tons	27,458.62
	Hazardous waste per unit of operating revenue	tons/HK\$10,000	0.06
	Total non-hazardous waste	tons	24,715.20
	Non-hazardous waste per unit of operating revenue	tons/HK\$10,000	0.05

⁶ 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 consumption⁷

Business	Indicator	Unit	2022
Environmental hygiene services	Total energy consumption	MWh	272,198.30
	Direct energy consumption	MWh	246,918.91
	Gasoline	MWh	39,912.81
	Diesel	MWh	200,706.95
	Natural gas	MWh	6,299.15
	Indirect energy consumption	MWh	25,279.39
	Purchased electricity	MWh	25,279.39
	Water consumption	tons	12,189,007.89
	Fresh water	tons	10,369,704.50
	Reclaimed water	tons	1,819,303.39
Hazardous waste treatment business	Total energy consumption	MWh	50,522.36
	Direct energy consumption	MWh	17,118.89
	Gasoline	MWh	295.08
	Diesel	MWh	1,856.05
	Natural gas	MWh	14,967.76
	Indirect energy consumption	MWh	33,403.47
	Purchased electricity	MWh	33,403.47
	Water consumption	tons	203,012.40
	Fresh water	tons	107,370.40
	Reclaimed water	tons	95,642.00
Waste electrical and electronic equipment treatment business	Total energy consumption	MWh	2,474.00
	Direct energy consumption	MWh	672.63
	Gasoline	MWh	66.14
	Diesel	MWh	606.49
	Indirect energy consumption	MWh	1,801.37
	Purchased electricity	MWh	1,801.37
	Water consumption	tons	6,093.00
	Fresh water	tons	6,093.00

⁷ The energy consumption data is based on the consumption of electricity and fuel and the relevant conversion coefficient provided by the General Principles on Calculation of Comprehensive Energy Consumption (GB/T 2589-2020) published by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Standardization Administration of the People's Republic of China for calculation.

The direct energy consumption of environmental hygiene services 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 direct energy consumption of office building comes from natural gas used in the mensa, while 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.

Sustainable development to maintain ecosystem health

Business	Indicator	Unit	2022
Headquarters office building	Total energy consumption	MWh	338.87
	Direct energy consumption	MWh	18.95
	Natural gas	MWh	18.95
	Indirect energy consumption	MWh	319.92
	Purchased electricity	MWh	319.92
	Water consumption	tons	4,287.00
	Fresh water	tons	2,779.00
	Reclaimed water	tons	1,508.00
Total	Total energy consumption	MWh	325,533.55
	energy consumption per unit of operating revenue	MWh/HK\$10,000	0.66
	Total water consumption	tons	12,402,400.29
	water consumption per unit of operating revenue	tons/HK\$10,000	25.08

Implement safe operation

The Group has established the idea of "people-oriented", and adhered to the principle of "safety first, mainly prevention and integrated treatment". We strictly abide by the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》), the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), the *Fire Protection Law of the People's Republic of China* (《中華人民共和國消防法》), and the *Regulations on the Safety Management of Hazardous Chemicals* (《危險化學品安全管理條例》), the *Regulations on Emergency Responses to Work Safety Accidents* (《生產安全事故應急條例》) and other laws and regulations related to occupational health and safety production. With reference to the *ISO 45001: 2018 Occupational Health and Safety Management System Requirements and Guidelines* (《ISO 45001 : 2018職業健康安全管理体系要求及使用指南》), we continuously improve the *Safety Management Manual for environmental hygiene Department of*

Beijing Enterprises Urban Resources Group (《北控城市資源集團環衛事業部安全管理手冊》), the *Personal Safety Labor Protection Management System* (《個人安全勞動防護用品管理制度》), the *Safe Production Expense Management System* (《安全生產費用管理制度》), the *Hazardous Operation Management System* (《危險作業管理制度》) and other safety management systems, to prevent and reduce production accidents, and safeguard the lives and health of employees and the safety of the company's property. The Group's Hazardous Waste Safety and Environment Department issued six new systems such as the *Regulations on the Management of Hazardous Source Identification and Risk Evaluation* (《危險源辨識與風險評價管理規定》), *Regulations on the Management of Hazardous Operation Safety* (《危險作業安全管理規定》), *Fire Safety Management System* (《消防安全管理制度》), *Occupational Health Management System* (《職業衛生管理制度》), *Environmental Protection Facilities Management System* (《環保設施管理制

度)), and *Soil Pollution Hidden Trouble Investigation and Management System* (《土壤污染隐患排查管理制度》) to further improve safety and environmental protection and promote standardization of safety and environmental risk management. By the end of 2022, four enterprises in the Group's hazardous waste

treatment sector have received standard certification. The Xiyu Branch received a third-level certificate of safety production standardization in 2022, and the Ruiyuan Branch received a second-level certificate of the safety production standard for hazardous chemical enterprises, as well as a special government safety award.

Case: "All-staff safety and environmental management", strengthening safe operations

In 2022, the Group's Guigang medical waste project continued to improve safety, environment, risk, and emergency response management in order to implement the full responsibility system, care about employee health, organize HSE education and training, and ensure safe operation.

Safety and environmental management of expansion projects

- To ensure compliance with laws and regulations, construction projects' safety facilities, environmental protection facilities, and occupational disease prevention facilities are implemented in strict accordance with the "three simultaneous" management requirements.

Strengthen risk management

- The company strengthened the risk prevention and control system's construction, conducted comprehensive and in-depth hazard source identification, fully identified major hazard sources of the Company and important safety and environmental protection spots, and completed the ledger.

Sustainable development to maintain ecosystem health

Strengthen emergency management

- The project revised the emergency plan according to the real situation, strengthened the construction of emergency teams and material support, actively organized emergency plan training and drills, and effectively improved emergency personnel's rapid response capabilities.

Responsibility system implementation

- At the start of the year, all employees have signed the HSE target responsibility letter, which decomposed the organization's safety and environmental management responsibilities at various levels, and management organizations at all levels (such as departments, teams) fully implemented the organization's safety and environmental responsibilities, ensuring double duty for one post.

Pay attention to employee health

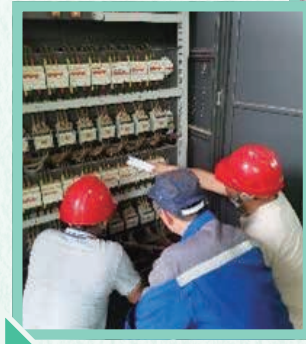
- The project equipped employees with labor protection and occupational disease protection products in accordance with regulations, conducted regular workplace inspections of occupational hazard factors, occupational health examinations, etc. established and improved occupational health files and health monitoring files.

Organize HSE education and training

- The project main person in charge, safety and environmental management personnel, special operation personnel, as well as special equipment operation personnel have all obtained the necessary qualification certificates.

This year, the hazardous waste disposal, pollutant discharge, accident hazard rectification, and workplace hazard detection of the Guigang medical waste project are all 100 percent inspected according to compliance requirements. The project

has no safety and environmental protection accidents, occupational disease incidence, traffic accidents outside the factory and illegal safety and environmental protection behaviors.



Equipment inspection



(1) On-site safety management and control

In 2022, the Group continued to strengthen the safety and environmental inspection and supervision of its subordinate projects, as well as provide guidance and support for significant improvements to project safety and environmental facilities, in order to continuously improve the project's safety management level and

prevent safety risks. Furthermore, by promoting communication and conducting accident case training, we have implemented the Group's safety management concepts and management requirements to improve the safety awareness of project management personnel at all levels.

Sustainable development to maintain ecosystem health

Case: Organize various emergency drills to improve grassroots on-site personnel's emergency response capabilities

In 2022, in order to improve the emergency management level of enterprises, 72 projects took actual business into account, and conducted emergency drills on fire prevention, flood prevention, heat prevention and terror prevention in key areas of production safety, high-risk business and weak points, with the focus on three fields of natural disasters, accidents and social security. More than 300 drills were disposed of on-site, 88 drills were conducted, and over 4,000 employees took part.



Flood control emergency drill



Snow and ice shoveling emergency drill



Fire drill

In terms of project construction, the Group strictly controls survey and design quality to ensure that survey and design units conduct survey and design in accordance with national laws, regulations, and mandatory engineering construction standards, thereby preventing accidents caused by unreasonable survey and design. During the construction process, the Group strictly implements the acceptance and inspection of raw materials, as well as the screw engineering acceptance system, to avoid rework and redo due to missed inspection and acceptance. Each

construction project is based on the Group's and the project department's safety production responsibility system and safety management objectives, and requires all participating units to formulate their own responsibility systems and management objectives, decompose and formulate various safety management objectives, and improve the project's safety production responsibility system in order to complete major projects. There have been no incidents involving safety.

(2) Enhance hidden danger investigation

The Group continues to emphasize the importance of risk prevention and control, and further promotes the identification of hazard sources by organizing the safety status evaluation of key projects and the acceptance of safety facilities, and focuses on the safety and environmental control of hazardous waste, facilities, and places, and the safety and environmental risks are effectively reduced through the implementation of full-process control. We

continued to strengthen the investigation and management of hidden threats in 2022. Throughout the year, the hazardous waste treatment business sector conducted over 3,800 different safety and environmental inspections, conducted in-depth investigations of safety and environmental hazards, and implemented rectifications for the hidden safety and environmental hazards discovered in the inspections.



Hidden danger investigation and handling

The Group actively constructed video surveillance system and improved security facilities in the factory area. An infrared monitoring system has been installed in key areas (incineration workshop material pit, hazardous waste temporary storage, unloading area), and professional firefighters are stationed in the fire protection control room 24 hours

a day to monitor the aforementioned areas; medical waste transport vehicles are equipped with GPS positioning systems. Furthermore, inspectors inspect the aforementioned key areas continuously every day, combining technology defense and people defense, so that key area monitoring is seamless.

Sustainable development to maintain ecosystem health

Case: "I am a safety whistleblower", preventing safety hazards from occurring

During the safe production month in 2022, the Group actively carried out the activity "I am responsible for safe production, I am a safety whistleblower" in order to further play the supervisory role of the majority of employees and strive to form a good situation of supervision by all staff. More than 20 projects, including Xishan, Lankao, Gulang, and Liquan, based on their own characteristics, posted safety posters, and set up safety warning signs in public areas to mobilize employees at all levels to pay attention to safety, find hidden dangers, and plug safety loopholes, creating an environment where everyone strives to be a "whistleblower" and prevent safety hazards from occurring. Statistics show that 72 projects reported more than 200 on-site hidden dangers.



Shanxi, Henan region Weicheng Company
- "I am a safety whistleblower" activity

Case: "Working Environment, Safe Action", focusing on increasing employees' awareness of safety and environmental protection

In 2022, the group organized and carried out the work of "Working Environment, Safety Actions - I am responsible for the environment" and made it a key task throughout the year in order to deepen the safety and environmental management of all employees, standardize employee behavior, and enhance employees' sense of safety. During the event, employees put forward suggestions for improving the working environment, which were summarized to form the *Working Environment Risk Table* 《工作環境風險表》 and *Safety Action Guidelines* 《安全行動準則》, so as to create a good atmosphere of "sharing safety responsibilities, jointly ensuring safe development, and sharing safety achievements".



Northeast region Nong'an Company-the project leader
leads a team for the inspection

(3) Implement safety precautions

The Group prioritizes production safety and employee health, invests continuously in safety and environmental protection, improves safety and environmental protection facilities, consolidates on-site production safety protection by increasing safety facilities and equipment, occupational health protection equipment, and so on, effectively reduces the likelihood of accidents, and effectively protects employees in terms of health and safety at work. To continuously strengthen the guarantee of the project's safety management personnel, the Group has established safety management organizational functions in each regional business department, operation center, and project, and allocates corresponding safety management personnel according to the scale of the project. The safety management personnel and grassroots safety personnel of the project are formed into a "safety management team", with a special working mechanism, under which safety management personnel are selected and trained to gradually expanding the strength of the team. The Group conducts multi-channel empowerment training and evaluation for project leaders and safety management line personnel in order to improve their professional capabilities. We strictly enforce the "no insurance, no work" policy, continue to optimize insurance application management, broaden the scope of public insurance coverage, and ensure employee safety.

The Group continues to prioritize employee health and strengthens the implementation of occupational disease prevention and screening. We require new employees to undergo physical examinations and submit physical examination reports before joining the Group, and we organize occupational health examinations for active employees on a regular basis. We improve occupational health management at each project site, continuously improve occupational disease prevention measures, equip various protective equipment, and improve employee labor protection equipment and wear management. Furthermore, in areas with high occupational health risks, we have added monitoring and alarm equipment to monitor toxic gases such as hydrogen chloride and hydrogen sulfide and to take deodorization and ventilation measures in a timely manner.

In 2022, the Group's top executives at all levels focused on implementing the new *Safety Production Law* (《安全生產法》) and used the *Personal Safety Action Plan of Project Leader* (《項目負責人個人安全行動計劃》) as a guide to improve various management actions and fully consolidate the main responsibility. At the same time, the Safety and Environmental Protection Department organized and reviewed the action plans submitted by the project leaders to ensure that the safety responsibilities of the project companies are fully covered without missing, thereby effectively improving employee personal safety management.

Sustainable development
to maintain ecosystem health

Case: Conscientious service on and off the field, helping in successful completion of the Winter Olympics

During the Winter Olympics, the Winter Olympic Village welcomed over 1,900 athletes and team officials from 126 national delegations, greatly complicating our service guarantee. To better carry out the Yanqing Winter Olympics project, we diligently implemented the government's manage measures, activated the emergency response mechanism. We went all out to ensure the Olympic event. We successfully completed the task during the service period because of prior trainings before the competition and strict implementation of procedures, and our efforts were recognized by the Olympic Organizing Committee.



Operation protection of kitchen waste treatment equipment in Winter Olympic Village

KPIs related to work-related fatalities and injuries⁸

Indicator	Data	
Number and rate of work-related fatalities in 2020	2 people	0.05‰
Number and rate of work-related fatalities in 2021	1 person	0.02‰
Number and rate of work-related fatalities in 2022	2 people	0.039‰
Total lost days due to work injury in 2022	5,043 days	

⁸ The number of working days lost due to work-related injuries is calculated based on the actual number of days off work of the injured person.

(4) Safety training and publicity

The Group has developed the *Safety Training and Education System* (《安全培训教育制度》) to carry out safety training with rich themes, detailed content, and various forms for all employees, promote the main person in charge to implement a sense of responsibility for safety production, consciously learn safety knowledge and skills, and strive to improve risk prevention awareness in order to help the Group's business develop in a stable, safe, and sustainable manner.

In the field of environmental hygiene services, in 2022, the Group devoted itself to developing the "Safety and Environment Micro-Sharing" platform and continuing to provide online HSE training. The Group assigned the project's person in charge of safety and environmental protection as the main body of teaching, with emphasis on the promotion of good HSE management experience and accident warning education, and the training covered more than 20 topics such as vehicle management, snow removal operation safety management, "three-level" education, sanitation equipment safety management, traffic accident prevention and improvement and risk assessment. with a total of 27 "micro-sharing" courses. We carried out in-depth summary and sharing of safety management experience, carefully prepared training courseware, strictly controlled the quality of teaching, organized regional and project

leaders, and safety and environmental management department leaders to conduct publicity and implementation, and promoted good experience in depth, thus, the safety learning channels for employees were greatly expanded, and the project's ability of independent management and control was enhanced. This year, the environmental hygiene business completed 27 special training courses totaling over 1,900 person-times of training, ensuring full coverage of regional and project leaders, as well as safety and environmental leaders. Simultaneously, the Group focused on promoting practical driver assessment to improve the skill level of special operation vehicle drivers, in order to promote the improvement of employees' autonomous safety capabilities through skill improvement.

The Group organized a number of activities in 2022, including "Special Safety Appraisal", "Safety Production Month", "Hundred Days of Safety", "Environmental Safety Guard", and "119 Harmonious Fire Protection". Each project took an active role in and organized themed activities. During the safety production month, over 20,000 managers at all levels and front-line employees attended the safety month's launching ceremony, and over 49,000 people took the safety oath, over 30,000 safety commitment letters were signed, and over 8,000 safety banners were displayed.

Sustainable development to maintain ecosystem health

Case: Face-to-face safety activities, careful consideration of employee opinions and suggestions

Each unit of the Group is guided by the 7 common problems listed by the safety and environment department, led by the project leader, discussing problems in groups, forming solutions, and learning from each other, in order to understand the status quo of production safety and collect opinions and suggestions. Statistics show that each unit held over 100 accident warning meetings, warned over 7,000 employees, and collected over 140 rationalization suggestions. Simultaneously, the Group's safety and environment department used the opportunity of on-site research to focus on the current situation of HSE all-factor management in various projects in the Shandong and Hunan-Hubei regions, and exchanged opinions and suggestions on improving safety management, totaling more than 30 items, to further improve the safety production awareness of all employees and safety culture quality, and create a good safety atmosphere.



Guizhou region Qingzhen project - face-to-face safety activities

Case: Conducting "Safety Publicity and Consultation Day" activities to increase citizens' and employees' safety awareness

To ensure a successful "Safety Publicity and Consultation Day", the Group's branches in various regions and projects set up safety production publicity and consultation stations to carry out safety publicity and consultation activities for the general public and employees, fostering a positive atmosphere of "focusing on safety and caring for life" among all employees. During the event, more than 49,000 promotional materials were distributed, as well as 106 promotional display boards and over 10,000 banners. Through safety publicity activities, the Group establishes the image of the Group's emphasis on safety development and increases citizens' and employees' safety awareness.



Binzhou Project - safety consultation day

Sustainable development to maintain ecosystem health

In the field of hazardous waste management, the Group officially launched the online office system in 2022. On this system, the Group's internal training platform was built, and online courses were shared via the online knowledge base. There are currently more than 100 cases of safety and environmental

protection. The database is supplemented by multimedia materials such as survey report texts, images, and videos, which are gradually shared within the group to enrich training channels and improve training efficiency.



Database of common environmental violations cases



Database of common production safety accidents cases

The Group's project companies have carried out training for operators in key positions, training on the use of safety facilities, training on emergency rescue knowledge in workshops, training on occupational disease prevention and control and prevention of occupational disease hazards, and training on Key Points for Standardized Management of Hazardous Wastes (《危險廢物規範化管理要點》) in accordance with the training plan developed at the beginning of the year. External experts were invited to conduct safety production training for the resumption of work and

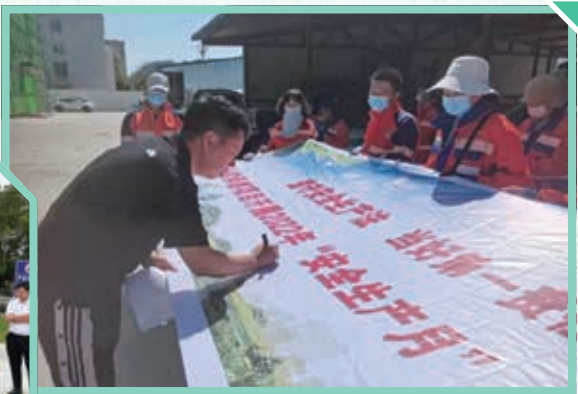
production, and the Red Cross Society provided first aid training. The total number of training participants exceeded 18,500 in 2022.

In 2022, under the theme "Obeying the Safety Production Law and Being the First Responsible Person", the Group organized "Safety Publicity and Consultation Day", safety commitment oath, safety knowledge contest, firefighting competition, hidden danger investigation, emergency drill, case warning education and theme promotional video broadcasting to improve employees' safety awareness and professional skills.



Beijing-Tianjin-Hebei region Winter Olympics Company, Yunnan Xishan Company - safety practice activities

Sustainable development
to maintain ecosystem health



Maoming Project (left), Chengde Project (right) – employees sign the safety commitment



Safety lecture for new employees



Safety and environmental protection knowledge contest



Signing of safety production responsibility target letter and training

Sustainable development to maintain ecosystem health



South China Longgang Company-traffic
safety training



Guizhou region-safety
knowledge competition



Accident case training



Cardiopulmonary resuscitation
practice examination



Wound dressing examination



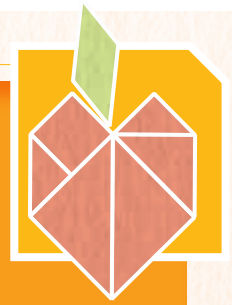
Emergency drills

CONCERTED EFFORTS TO IMPROVE PEOPLE'S WELL-BEING





CONCERTED EFFORTS TO IMPROVE PEOPLE'S WELL-BEING



The Group earnestly fulfils its corporate social responsibility. Sticking to the commitment of “reassure the government, satisfy the public, earn profits, benefit our employees, and win together with its partners” and adhering to the principle of “people-oriented”, we effectively protect employees’ rights and interests, pay attention to their all-round development, and strive to become an attractive employer and responsible corporate. In addition, we actively participate in public service activities and carry out rural revitalization projects to show our care to the livelihood and give back to the society.

Achieve employees’ development

The Group implements the “people-oriented” principle, pays attention to the construction of talent team to attract, cultivate and retain outstanding talents, and enhances employees’ sense of belonging. We advocate a diversified and inclusive corporate culture, fully protect employees’ rights and interests, provide fair and competitive salary and benefits, and create a healthy and safe working environment, broad career

development space and abundant development resources for our employees. In 2022, the Group further optimized the human resources management and control structure, improved the relevant systems for directly managed cadres, and actively promoted talent management informatization and the internal construction of the human resources management team to assist employees in developing.

(1) Employment interests and rights protection

In strict compliance with the *Labor Law of the People’s Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法》) and other laws and regulations, the Group formulated the *Recruitment and Employment Management System* (《招聘與錄用管理制度》), the *Employee Performance Management System* (《員工績效管理制度》), the *Employee Handbook* (《員工手冊》) and other

internal regulations to regulate the management of recruitment, employment, salary and benefits, attendance, performance, equal opportunity, anti-discrimination, workforce diversity, etc. For employees in Hong Kong, China, the Group also formulated the *Employment Contract* (《僱傭合同》) and *Employee Handbook* (《員工手冊》) in accordance with the *Hong Kong Labor Law* (《香港勞工法例》) and other local policies and regulations.

Recruitment and dismissal

The Group adheres to the values of "Being committed, creating value, and sharing with others". We advocate equal and diversified recruitment policies. During the recruitment process, we consider the candidate's business and personal qualities, and ensure that the candidate will not be discriminated against because of their race, nationality, skin color, religion, gender, age and other factors. In addition, since a large number of our positions are located in remote areas, and in order to promote local economic development and create more job opportunities, we pay special attention to local talents. During the reporting period, many new hires were from the place where the projects operated. According to the needs of its own development, the Group provides some jobs for disabled people based on their own conditions. In the process of employment, disabled people are treated equally. In combination with the principle of position and equal pay for equal work, disabled people enjoy the same treatment as normal employees.

In employee recruitment, we continue to use psychological methods such as "Enneagram Personality Test" and "Career Anchor Test" into job analysis, interview selection, interviewer training and talent development for some management positions, pushing ahead with the professionalization of the enterprise recruitment pattern and improve the

accuracy of talent selection. In order to standardize employment procedures and protect employees' rights and interests, in 2022, the Group has participated in 6 online trainings held by Wolters Kluwer, a professional human resources organization, including how to deal with the challenges of corporate rights and interests protection under the current judicial situation of non-competition disputes, effective response to labor disputes from the perspective of management, labor and tax compliance, etc., to further enhance human resource management ability through a series of professional courses.

Besides, we have set the "Talent Portrait" to precisely control the competency model of each position, to promote a scientific and visualized recruitment development. We conduct a systematic talent evaluation for on-duty employees at different levels and in different positions on an irregular basis, continuously driving their self-improvement, promoting their progress in professional abilities, and contributing to build a high-quality talent team.

In terms of employee dismissal, we have specified the labor contract termination clause in the *Labor Contract* (《勞動合同》) to ensure that the dismissal process is standardized and transparent, as well as to avoid any compliance risks and labor disputes.

Concerted efforts to improve people's well-being

Employment KPIs⁹

Indicator categories	Secondary indicators		2022	Unit
Number of employees	By employment type	Full-time employees	51,367	person
		Part-time employees	0	person
	By gender	Male employees	26,198	person
		Female employees	25,169	person
	By age group	Employees aged 30 and below	1,399	person
		Employees aged 31-50 (inclusive)	13,969	person
		Employees aged over 50	35,999	person
	By employment category	Administrative personnel and managers	1,574	person
		Sales and marketing personnel	154	person
		Technical personnel	209	person
		First-line production workers	49,430	person
	By geographical region	East China	6,462	person
		North China	12,893	person
		Central China	4,344	person
		Northeast China	2,224	person
		Northwest China	5,850	person
		Southwest China	7,068	person
		South China	12,526	person

⁹ The number of employees during the reporting period is counted by employment type, gender, age group, employment category (administrative personnel and managers, sales and marketing personnel, technical personnel, first-line production workers) and geographical region.

For statistic purpose, we divide China into East China (Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai, Jiangxi), North China (Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia), Central China (Hubei, Hunan, Henan), Northeast China (Liaoning, Jilin, Heilongjiang), Northwest China (Ningxia, Xinjiang, Qinghai, Shaanxi, Gansu), Southwest China (Sichuan, Yunnan, Guizhou, Tibet, Chongqing), South China (Guangdong, Guangxi, Hainan).

Concerted efforts to improve people's well-being

Indicator categories	Secondary indicators	2022	Unit
Employee turnover rate	Employee turnover	4,662	person
	Employee turnover rate	9.07	%
	By gender	Male employees	9.58
		Female employees	8.55
	By age group	Employees aged 30 and below	31.30
		Employees aged 31-50 (inclusive)	6.87
		Employees aged over 50	9.64
	By geographical region	East China	6.8
		North China	4.6
		Central China	9.37
		Northeast China	6.88
		Northwest China	7.92
		Southwest China	9.6
		South China	15.34

Labor standards

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

The Group prohibits any forced labor, does not force employees to work overtime, and strictly controls overtime work beyond normal working hours. The overtime work must be approved by relevant supervisors, and arrangements will be made to let the employees take time off after overtime working. During the reporting period, the Group did not receive any complaints about forced labor, nor violated laws and regulations related to prohibiting child labor and forced labor.

Concerted efforts to improve people's well-being

Salary and benefits

Strictly abiding 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》), the Group has further improved management systems including the *Employee Remuneration and Promotion Management Measures* (《員工調職調薪管理制度》) and the *Regulations for Employee Reward and Punishment* (《員工獎懲管理制度》) to provide employees with competitive opportunities in a fair and reasonable manner and create a positive working atmosphere.

In line with the principle of equal employment, the Group provides fair and competitive salary and benefits for our employees with adequate evaluation on their occupational competence and market conditions. The Group employee's remuneration consists of a fixed salary component and a performance-based component. Employees are entitled to statutory benefits under national regulations. The Group adjusted the performance

appraisal standards appropriately in 2022, and planned to implement on the floating portion of performance based on annual organizational performance and individual employee performance. The employee performance management system emphasizes the issues of professional integrity and anti-corruption, and makes it clear that the integrity problem will seriously affect the performance evaluation and salary of employees.

In order to fully guarantee employees' lives and arouse their enthusiasm, not only meeting the social security and welfare standards set by the country and the region where the Group operates, we also provide staff with additional benefits such as communication fee subsidies, meal subsidies, transportation subsidies, festival subsidies, heat prevention and cooling fees, heating fees, free breakfast and overtime dinner.

(2) Talent development and training

The Group adhering to the strategy of "strengthening enterprises with talents", is committed to making common progress and sharing development achievements with employees. We establish a training program for reserve talents, optimize

the training mode for in-service employees, and constantly strengthen the building of our talent team by attracting excellent talent, providing training for professionals and selecting and cultivating the reserves.

Management training

The Group adheres to the "capacity building" talent strategic goal. To strengthen the group's talent supply chain, realize forward-thinking talent training, and accelerate the selection and training of reserve talents, a number of reserve talent training projects were organized and carried out by the Group in 2022, including the reserve high-level management training project, the "Echelon Plan", the reserve middle-level

management training project, the "Talent Plan", the military cadre training project, the "Red Pine Plan", the management trainee project, the "New Power Plan", and others. These projects included more than 30 training sessions. More than 200 trainees were enrolled, and more than 20 talents have been assigned for crucial roles, providing talent support for the Group's rapid business expansion.

Case: Fully utilize the "Echelon Plan" platform to assist employees in empowering the Group

The Group's environmental hygiene technology department, with the help of the "Echelon Plan" and the management trainees' training platform, provides employees with knowledge popularization and management improvement training in the field of environmental hygiene business, including industry background analysis, "1+N" business model introduction, and project operation and technical support systems, assist each employee in developing a knowledge structure that is consistent with the Group's business system and aid in the Group's business development.

Specialty training

With 140 participants, the Group continued to carry out special training for core functions and organized special training for the operation line, finance line, and human resource line. Furthermore, each business

segment organized various training activities such as skills training, emergency drills, and knowledge contests based on core business content to further consolidate technical personnel's professional level.

Case: Holding emergency drills to improve snow and ice shoveling skills

The Group conducted annual snow removal and ice shoveling emergency drills in November 2022 to overhaul, maintain, and test equipment, as well as equipment operation training, manual snow removal standard training, snow melting agent use training, and safety training. In Beijing (Yanqing), Shenyang, Hohhot, Taiyuan, Zibo, Nong'an and 57 other project companies, the snow removal and ice emergency drills were conducted to improve the efficiency of man-machine cooperation and exercise the snow and ice rescue team's rapid response ability, to enhance the actual emergency response capability and actual emergency response ability of snow and ice shovelers, which has laid the groundwork to clear snow and shovel ice when harsh snow conditions are encountered.



Emergency drill for snow removal and ice shoveling

Concerted efforts to improve people's well-being

Case: Garden industry competition to improve employees' greening maintenance skills

The Landscaping Refinement Management Skills Competition and the Garden Industry Competition were held in October 2022 by the Comprehensive Administrative Law Enforcement Bureau of Zhangdian District, Zibo City. The competition took the form of field practice, in which the professional gardening skills of the competitors were tested in two categories: flower shrub pruning and street tree pruning. The Group's Zibo garden project team won the best organization award and the group's first prize after a fierce competitive competition. The project has created a good working environment of "comparison, learning, and catching up" through this competition, which has further improved the refined operation standard, standardized the maintenance operation process, and contributed to the creation of a beautiful urban green environment.



*Landscaping Refinement Management Skills
Competition and Garden Industry Competition*

Concerted efforts to improve people's well-being

Case: Staff's Fun Competition of Skills, refining ingenuity

The first Staff's Fun Competition of Skills was held in September 2022 by the Shenyang Company, a subsidiary of the Group. Individual and collective units competed in broomsticks, large self-unloading and clearing and reversing storage, single-person sweeping, hook-arm truck driver hooking boxes, and three-person combination sweeping at this sports meeting. The professional skills of each position were integrated into the sports meeting, and the enthusiasm of employees for professional skill improvement was increased in a pleasant environment.



the first staff skills sports meeting

Case: Skill contest among technical personnel to improve front-line professional competence

In 2022, the Group organized skill trainings and contests for technical personnel within the laboratory, aiming at improving front-line professional competence of technical personnel through practice training, exercise and contest.



Skill training and contest for laboratory technicians



Concerted efforts to improve people's well-being

Training KPIs

Indicator categories	Secondary indicators	2022	Unit
Number and proportion of employees covered in trainings	Total number of employees covered in trainings	51,367	person
	Number and proportion of employees by gender covered in trainings		
	Male	26,198 100	person %
	Female	25,169 100	person %
	Number and proportion of employees by employee category covered in trainings		
	Administrative personnel and managers	1,574 100	person %
	Investment and marketing personnel	154 100	person %
	Technical personnel	209 100	person %
	First-line production workers	49,430 100	person %

Concerted efforts to improve people's well-being

Indicator categories	Secondary indicators	2022	Unit
Per capita training hours	Average training hours among employees	48	hours/person
	By gender		
	Total training hours of male employees	1,258,977	hours
	Average training hours of male employees	48	hours/person
	Total training hours of female employees	1,207,150	hours
	Average training hours of female employees	48	hours/person
	By employment type		
	Total training hours of administrative personnel and managers	24,123	hours
	Average training hours of administrative personnel and managers	15	hours/person
	Total training hours of investment and marketing personnel	4,654	hours
	Average training hours of investment and marketing personnel	30	hours/person
	Total training hours of technical personnel	6,232	hours
	Average training hours of technical personnel	30	hours/person
	Total training hours of first-line production workers	2,431,118	hours
	Average training hours of first-line production workers	49	hours/person

(3) Care for employees

The Group places a high value on its employees' physical and mental health. Every year, the Group provides free physical examinations and occupational disease prevention inspections to employees, as well as comprehensive medical insurance for employees in the headquarter and their children. Supplemental medical insurance for employees, including employer liability insurance and employee accident insurance. The Group specifically increased the items of safety management expenses and purchased accidental casualty insurance for employees to deal with

accidents in the process of operation during the project review process.

The Group is committed to creating an open, authentic, and warm working environment, assisting employees in reducing work stress, strengthening team cohesion, and increasing employees' sense of belonging. We actively organized activities such as work-break exercises, reading sharing, quarterly birthday parties, and project photography work selection. At the same time, we plan afternoon tea breaks for everyone and are dedicated to making employees feel the "family culture".

Concerted efforts to improve people's well-being

Case: "Pairing and Co-construction for Success", optimizing on-site management

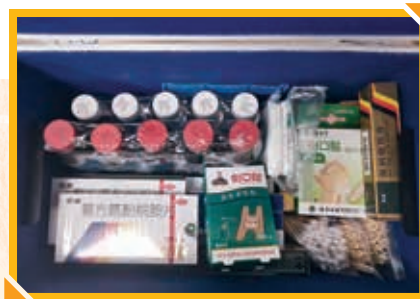
In 2022, the Group's subsidiary Yichang Branch organized and carried out a practical activity with the theme of "Pairing and Co-constructing for Success" between functional management departments and front-line workshops. Through the pairing between functional departments and front-line workshops, the company organized personnel to go deep into the front-line to provide some help and services to the front-line team. The pairing joint construction includes suggestions for on-site management optimization, assistance in sorting out workshop management materials, summer drinks in hot weather, helping beautify the scene environment and so on.



Pairing and co-construction for success

Case: Sending cool drinks to warm people's hearts while maintaining safety

The Group has equipped the office building with first aid kits and blood pressure monitors in 2022, including quick-acting heart reliever, Yunnan Baiyao Aerosol, Huoxiangzhengqi Capsules, cold medicine, gastrointestinal medicine, burn medicine, and other commonly used first aid medicines, to provide health protection for staff in the resident office. Furthermore, the Group's projects actively carried out the "Send Cooling" campaign, adjusted the working time for outdoor workers based on weather conditions, and avoided working under the scorching sun, demonstrating concern for front-line employees.



Staff first aid kits



"Sending cool drinks to warm people's hearts" activity

Case: Showing Group's care to employee's health and empowering front-line staff

The Xintian Branch welcomed the medical personnel of the Xintian County Hospital of Traditional Chinese Medicine to present a presentation on emergency rescue skills to the company's staff on May 19. This was done to increase awareness of health issues, first aid, and to enhance workers' capacity for safety protection. By deepening their understanding of emergency rescue and instructing them in the core concepts and skills of emergency rescue, all employees' safety awareness has been effectively raised and their capacity to deal with unintentional accidents and sudden disasters has been expanded.

In the training sessions, medical and nursing professionals conducted first-aid theoretical knowledge, and in-person demonstrations of common first-aid skills and misconceptions. The medical team then guided the workers in learning cardiopulmonary resuscitation. The personnel devoted themselves to the study of cardiopulmonary resuscitation, carefully observed, humbly sought advice, and actively participated in the application of first-aid techniques under the direction of doctors and nurses.

The production and operation department thoroughly went through the operation standards and daily operating requirements with the front-line operators at the safety training session. The safety, environment, and quality department conducted training in the areas of traffic safety knowledge, standard operating procedures, and safety protection. Special emphasis was placed on the precautions and operating requirements for carrying out work under severe weather conditions, such as a rainstorm. Front-line operators' safety responsibility awareness and self-protection awareness were also strengthened and improved.

Safety accident instances were addressed, the reasons of the accident were examined, preventive and corrective actions were suggested, and legal and practical suggestions for identifying the person(s) responsible for the accident were also presented at the sessions. This training encouraged everyone to draw lessons from the disaster in order to raise everyone's awareness of safety, legality, and rigorous adherence to laws and standards.



Xintian Branch – Safety training activities



Xintian Project – safety training activities

Concerted efforts to improve people's well-being

Case: Caring for employees' physical and mental health and allowing them to feel the warmth of the Group

Zhongyan Property organized the "Harmonious Endeavor Cup" table tennis trials to enrich employees' amateur cultural lives, promote employees' physical and mental health, and prepare for the Group's table tennis competition. The competition's goal was to reflect the cohesion of the entire company and to encourage employees to exercise. The top six men's and women's singles were determined after tense, intense, lively, and happy competitions, and prizes were awarded to all participants.



Table tennis trials

Case: Care for sanitation workers and pay tribute to city beauticians

In order to promote the dedication spirit of sanitation workers that "one person would rather be dirty, in return for thousands of people clean", strengthen the attention to sanitation workers, and let them feel the professional pride and warmth, the project companies in South China took the opportunity of the "Sanitation Workers' Day" to organize the sanitation workers' commendation conference, and invite the government leaders of the area, trade unions, people from all walks of life to attend, extending greetings and high respect to the workers working hard in the front line of environmental protection.



Sanitation workers' day

Promote community inclusion

The Group always keeps the corporate mission of "making the living environment better" in mind, actively assumes social responsibilities, aids rural revitalization, spreads the concept of environmental protection, makes creating social benefits the top priority of business operations, and considers creating a better environment to be the foundation of corporate development. The path leads to long-term success and win-win social and economic double benefits.

Through the use of high operational standards and prompt response in 2022, the project team for the Winter Olympic Games of the Group was able to successfully complete the emergency support task of snow removal for the Winter Olympic Games. This achievement received praise from all spheres of society and was acknowledged by the team in charge of maintaining the Winter Olympic venues.



Letter of commendation received by the Winter Olympics project team



Winter Olympic Games project team

Concerted efforts to improve people's well-being

(1) Carry out environmental protection activities

The Group upholds the responsibility of "clean city, resource recycling, and co-creation of lucid waters and lush mountains", and organizes various environmental protection public welfare activities, publicizes environmental protection laws and policies, and popularizes environmental protection knowledge; serves garbage classification, supervises and regulates behaviors, and deepens the concept of zero-waste urban environmental protection. We

continue to gather the strength of environmental protection culture while sublimating the ideal of urban civilization.

In 2022, Li Jiangbo, the staff of Yichang Wujiagang Branch, won the honorary title of "Excellent Sanitation Worker" in Hubei Province. Hu Yunling, Qin Zongping, Wang Kun'an, Wei Xinjian and Zhou Hua were awarded the honorary title of "Urban Sanitary Beautician" in Yichang in 2022.

Case: Stand guard in front of garbage cans, beautify the community and participate together

Zhongyan Property, the Group's subsidiary, focused on "focusing on household classification and strengthening household publicity", and conducted extensive waste classification promotional activities through online and offline channels. To effectively encourage garbage sorting, Zhongyan Property has effectively urged garbage classification by means of Star Life APP, property butler Wechat group, service hall LED display screen, garbage classification publicity cooling fan, conduct lectures on garbage classification and other means. At the same time, we continued to carry out the pre-drum duty activities with the theme of "stand guard in front of garbage cans, beautify the community and participate together". The team had completed a total of 5,382 person-times on duty before the barrel by the end of 2022. Following long-term supervision and standardization of waste classification, one community within the management scope of the Group's Zhongyan Property was designated as a waste classification demonstration community in Beijing in 2022, with remarkable results. Since the start of this project in 2020, a total of nine communities in Beijing have become garbage classification model communities.



Garbage classification

Case: Community waste sorting promotion to improve the quality of domestic waste sorting

To further promote the classification of domestic waste, the waste classification center of Renhua Company, a subsidiary of the Group, carried out a waste classification publicity campaign in the community in September 2022 with the theme of "garbage classification is easy, recycling waste into treasure". The event staff patiently popularized the importance of garbage sorting and related knowledge to the residents in attendance and encouraged them to continue garbage sorting. Simultaneously, they distributed garbage sorting leaflets, small sorting bins, and beautiful gifts to residents. They all actively signed the letter of commitment, pledging to actively participate in the implementation of garbage classification in their daily lives and to strive to be civilized citizens.



Garbage classification community publicity activities

Case: Waste classification and resource conservation

The Renhua Branch and Renhua County Chengbei Primary School jointly held the education activity with the "waste categorization, begins with me" event in March 2022. It helped students develop healthy lifestyle habits and an understanding of waste classification while also promoting their garbage classification publicity work in both. The presenter explained the current situation of waste and the benefits of garbage classification using photographs and videos. As a result, the students' awareness and ability to property separate garbage was enhanced, they were guided to extend the habit of waste separation to their families and to bring others around them to join the action of waste separation.



"Garbage classification, begins with me"
education activity

Concerted efforts to improve people's well-being

Case: City Steward Service to improve environmental hygiene

In 2022, according to the requirements of the local governments of each project for urban and health development, the Group made solid progress in road sanitation management. South China Bantian Project has continued to promote the new road cleaning model of refined cleaning, machine cleaning at regular intervals, high frequency washing, man-machine combined cleaning and full coverage of cleaning, which has helped Bantian Street take on a new look and ranked second in the assessment of the municipal sanitation index in Longgang district. Longgang Project promotes the "block system" management mode, extensively applies digital technology, and realizes multiple functional modules such as personnel management, vehicle management, site management and environmental assessment supervision at a glance on the large screen of the urban operation management service platform, which helped Longgang's street sanitation work ranking jump from 60th in the second quarter to 23rd in the third quarter, showing remarkable progress.



Urban steward service vehicle

Case: Carrying out the "Spring City Washing action" to improve the quality of environmental sanitation

The Group has carried out the Spring City Washing operation for each project in the Beijing-Tianjin-Hebei region to polish the new look of the city. Due to the mode of "sprinkler + machine sweep + washing + manual washing" adopted by Suning Project Company, 16 urban villages are intensively cleaned and renovated in 8 days to improve the level of rural environmental management in accordance with the requirements of the "Mobilization and Deployment Meeting for the Construction of Beautiful Countryside". Tangshan Project Company deployed 1 fog cannon, 1 guardrail cleaning car, 3 electric high-pressure washing cars, 6 sprinklers, 8 washing and sweeping cars to carry out comprehensive scouring and cleaning, remove dust and clean the road for the main and secondary roads in the city, the stone along the road, the green belt gap and the large mechanized vehicles can not work in the area. In order to improve the environmental quality of Hanfeng Industrial Park, the Hangu Project dispatched cleaning trucks, cleaning trucks and forklifts for a total of 28 times to carry out a comprehensive cleaning of the park.

Case: Improving residential urban environment and approach the "urban and rural sanitation integration"

The "Urban and Rural Sanitation Integration" program, which including trips to garbage sorting machines, waste compression transfer stations, sanitation photography exhibitions, etc., was successfully carried out by the Anyue Project Company in December 2022. The company organized the display of brand-new heavy equipment, vehicles with fog cannons, and vehicles for cleaning guardrails and for the representatives of front-line environmental employees, Anyue Branch presented the awards of 2022 "Excellent political and industry supervisor" and "Outstanding City manager" and other honorary certificates. This activity of "approaching the convergence of urban and rural sanitation" has significantly increased residents' awareness of environmental protection in addition to enhancing Anyue branch's brand recognition in the neighborhood.



"Urban and rural sanitation integration" activity

Case: Improving the environmental sanitation of the market

In June 2022, the Wanhui Agricultural Trade Market and the areas around it had a full environmental sanitation restoration thanks to the active cooperation of the Huimin Branch and the relevant authorities of the Huimin District. A number of work procedures are followed to ensure that the market and the areas around it are clean and orderly. The neighborhood resident was pleased with the work's outcomes. The work measures included increasing the frequency of cleaning by cleaners, inspecting closely for dead corners and promptly removing them, boosting cleaning quality, and escalating assessment and punishment levels. The market has undergone remodeling, making it and the surrounding area cleaner and more organized, and the sanitary conditions have much improved.



Improve the sanitation of the market

Concerted efforts to improve people's well-being

Case: Cleaning up the urban environment before the festival, created a clean and beautiful district environment

Huimin Branch launched a "pre-holiday cleaning" activity on the eve of National Day in 2022 with the goal of cleaning the major and subsidiary highways in the urban area, commencing by enhancing the level of fine management. On the one hand, we must uphold dynamic patrol cleaning, boost patrol and pick-up frequency, cast a wide net to check for blind spots of sanitary and management within the jurisdiction, mobilize the emergency forces for sanitation to clean up and rectify, and work to avoid blind spots. On the other hand, we expand the area and frequency of mechanized cleaning and watering activities, change the mode and timing of automated operations, and perform a good job of controlling road dust. To ensure that the standard of the natural color of the road is met, the sidewalk, curb, rainwater grate, and sanitary dead corner of the main roads are washed using the "manual+mechanical" cooperative operating mode.



Cleaning up before the festival

(2) Support rural revitalization

In accordance with the specific requirements of the construction of a new socialist countryside, such as "production development, life tolerance, rural customs and civilization, village appearance and cleanliness, and democratic management", the Group

has established and improved a long-term mechanism for the construction and protection of rural living environment, as well as comprehensively established a new pattern of beautiful village.

Case: Responding actively to rural revitalization and creating a bright village of environmental sanitation

The Group is committed to building “bright spot villages”, “upgraded villages”, and “standard villages” in response to rural revitalization efforts. Since entering the site, we have carried out more than 500 times of all kinds of security work for inspection activities. Taiyuan Jiancaoping Project, the Group subsidiary, serves 6 townships and a population of over 60,000 people. Its high-quality services helped Jiancaoping District pass the provincial-level civilized city acceptance, and it was recognized by leaders at all levels, winning honors such as “Advanced Collective” in the process, with its high-quality services, assisted Jiancaoping District to pass the acceptance of the provincial civilized city.



Jiancaoping District Rural Sanitation Service Project

Case: Waste sorting and resource utilization demonstration project, aiding in the promotion of beautiful village construction in Lankao County

The Kaifeng Lankao County Beautiful Rural Sanitation Project, one of the first demonstration projects in China to carry out rural domestic waste classification and resource utilization, serves 13 towns with a population of over 650,000. It realized refined management, professional operation and intelligent operation through “improving mechanical operation technology and sanitation operation standards”. The project adopted the combined operation process of “mechanical cleaning + sprinkling” to reduce the intensity of manual cleaning, reduced the load of dust on the road surface, added collection containers and collection and transportation vehicles, and ensured daily domestic garbage cleaning with airtight transportation prevents garbage from landing. It has helped promote the development of beautiful countryside in Lankao County, assisted Lankao County to pass the acceptance of civilized city, and has successively won awards such as “Excellent Unit for Smart Sanitation Application”, “Excellent Team”, and “Advanced Unit”.



Rural household garbage classification and resource utilization demonstration project

Concerted efforts to improve people's well-being

Case: Building a clean and healthy new countryside through national village cleaning action demonstration project

The project entrusted with the operation of market-oriented environmental hygiene services in ten towns of Nanxiong City, Guangdong Province, serves ten towns with a population of over 230,000 people. An operation mode combining general cleaning and rapid patrol cleaning is specified based on the different situations of the towns and markets at different times. The mode would combine with the progress of the "139 Towns and Markets Improvement Project", strengthen mechanized cleaning operations, promote the normalized management model of "enterprise operation + government supervision + citizen supervision". It assisted many towns in obtaining the title of "Health Town in Guangdong Province" with high-quality services, while also assisting Nanxiong City in successfully passing the "River Chief System" assessment in Guangdong Province and was selected into the list of "National Advanced Counties for Village Cleaning Action".



Mechanized cleaning operations

Case: Propagandize garbage sorting into rural areas and practice the new "integrated" management model

In Yongzhou, the domestic waste comprehensive treatment center invested and built by the Group is responsible for the treatment, sorting, and compression of organic waste in 13 villages throughout the town, with a daily processing capacity of more than 15 tons of domestic waste. The local town government and the project launched a waste sorting campaign with the theme "Garbage Sorting, Began with Me" in August 2022. Popularize garbage sorting knowledge among villagers through household publicity, delivery of trash cans, on-site distribution of promotional materials, knowledge explanations, and interactive games of "cards into bins", and actively innovate and practice rural household garbage sorting new model.



Garbage classification publicity
activities in the countryside

(3) Serve the public

While ensuring the work quality, the Group fully develops the spirit of dedication and actively fulfills our social responsibilities. We work with local sub-district offices to coordinate community public resources, focus on improving community capacity for natural disaster prevention and control, provide

professional services for urban environment construction with the highest standards, collaborate with local government departments to solve difficult problems, and strive to optimize the urban environment and build a harmonious community.

Case: Saving the drowning students and transmitting the positive social energy

A primary school pupil in Liupanshui, Guizhou Province, fell into the lake in July 2022 while attempting to retrieve a schoolbag that had also fallen into the water. When the Panzhou Project sanitation employees, who were nearby providing urban services, heard the shouts for assistance, they hurried to the lake and jumped in without hesitation. The personnel of the Group showed courage to help the drowning pupil. This accurately captures the positive dedication of the Group's employees and serves as an example for other workers to imitate.

Case: Renovate and repair community facilities, to provide practical assistance to residents

In 2022, the Group facilitated the construction of electric bicycle charging carports that residents had requested for many years, through careful research and in-depth investigations with local governments and community neighborhood committees. A total of 105 electric bicycle charging carports have been built in Yanshan area of Beijing, which has significantly reducing the potential fire hazard caused by residents' flying line charging.

Simultaneously, the Group performed regular inspections of 352 elevators in the Zhongyan Property jurisdiction, completed medium and overhaul work on 55 elevators, completed the operation and maintenance of the sewage lifting system and heating system as required. The 786 sets of street lighting systems in the community were maintained in a unified manner, the lightning protection detection inspections of 4,284 grounding points was completed, and over 10,000 facility inspections were organized to eliminate potential safety hazards.

Furthermore, the Group collaborated with the Yanshan Housing and Construction Commission to complete the overhaul waterproof project for 93 buildings in the Yanshan area and the water leakage repair for 3,114 residential houses, which solved the residents' living problems and was praised by the community.

Concerted efforts to improve people's well-being

Case: Strict deployment, all-encompassing flood control

During the summer flood control work, the Group actively responded to the deployment in a timely manner, conducted a comprehensive investigation of the key flood control parts in the jurisdiction's low-lying areas, inspected and cleaned up the jurisdiction's drainage facilities, and repaired the damaged facilities, which included cleaning up 1,026 rain grates, 194 manhole covers, and 229 rainwater pipes. Simultaneously, over 5,700 flood control sandbags were placed in key flood control areas and critical public facilities. In the process of work, we received over 3,000 repair reports from residents for rain leakage. We dispatched property stewards and maintenance personnel to investigate the rain leakage, appeased the residents, assisted with repairs, and worked together to create a stable and safe community environment.



Flood control inspection

Case: Harmless medical waste disposal aiding urban environmental health

Guigang Medical Waste Project, as the only professional company in Guigang City with the corresponding operating qualifications for centralized collection, transportation, storage, and harmless disposal of medical waste, has adopted high-temperature steam sterilization treatment technology to make the medical waste generated by local medical institutions which has greatly improved the quality of the local urban environment and resulted in significant environmental benefits. At the same time, it has reduced disease spread, improved the physical and mental health of city dwellers, and realized the "beautiful Guigang, beautiful Guangxi, beautiful China" ecological and environmental aspirations.



Guigang medical waste transfer and disposal

Case: The sanitation vehicle transforms into a “fire truck” in seconds, assisting the community in firefighting and disaster relief

In May 2022, a fire broke out in Zhangdian District, Zibo City. The Zhangdian Project, the Group's subsidiary, immediately dispatched personnel and 25 large-scale sanitation vehicles to arrive at the scene of the fire accident as soon as possible to provide water for firefighting and actively cooperate with the fire department in firefighting and disaster relief. A traffic accident occurred at a specific intersection in Zhangdian District in May as well. The accident vehicle smoked and was in danger of catching fire at any time. The night machine sweeping team of the Zhangdian Project quickly dispatched two sprinklers to join the on-site rescue. Under the command of the traffic police, the environmental sanitation operation of the Zhangdian Project was standardized and orderly, which quickly eliminated the hidden dangers of accidents and ensured the safety of people's lives and property.

Case: Do a good job in guaranteeing the test site for students' escort

In order to guarantee the quality of clean environment around the test site in Xishan main urban area in Kunming and create a comfortable environment for examinees to prepare for the test, Xishan Branch has made precise deployment around the test site and taken various measures to ensure the environmental protection. In response to the emergency of the student's ID card dropping into sewer just 20 minutes before the college entrance examination, the project staff quickly arrived, used the tools on the truck to open the floor tile, crawled into the waterway and rummaged for the student's ID card without hesitation in the sewage to finally let the student enter into the examination room without hindrance.

Concerted efforts to improve people's well-being

(4) Strengthen public welfare donation

The Group developed the *Donation Management Measures* (《捐赠管理办法》) in 2022, with the goal of strengthening donation management, standardizing donation behavior, and better fulfill corporate social responsibilities. In order to better fulfill our mission, we actively carry out relief donations to disaster-stricken areas, designated poverty alleviation areas, designated assistance areas, or disadvantaged

groups in difficult societies, as well as public welfare donations to social public welfare undertakings such as science, education, culture, health and sports, environmental protection, energy conservation, and emission reduction and other social welfare undertakings to better fulfill corporate social responsibility. In 2022, the Group made charitable and other donations amounting to HK\$562,000.

Case: "Cross-border" assistance, serving for forest fire rescue

A forest fire broke out in Kunming City's Xishan District in March 2022. The Group's project immediately launched an emergency plan, rushed vehicles and personnel to the scene of the fire accident, and worked with the fire department to fight the fire. Because sanitation sprinklers are distributed in many areas in large quantity and convenient to move, have many points, wide areas, and easy mobility, when a fire occurs, assigning the sanitation vehicle closest to the scene to rush to the fire scene as soon as possible can save valuable time for supporting fire rescue and protecting people's lives and property safety. A total of 53 personnel and 18 water trucks were dispatched for this emergency support, and the water supply was approximately 140 tons, effectively protecting the valuable forest ecosystem and contributing to natural resource protection.



Sudden wildfire, emergency rescue and disaster relief





Case: Transmit positive social energy and being a member of an "City steward"

In February 2022, a visitor to Shenzhen contacted the park security for assistance since his grandchild, who was over two years old, got lost in Jinshan Park. The captain quickly organized the personnel to start looking for the youngster, and after more than 30 minutes, he eventually found the child, for which the parents expressed their sincere gratitude. This not only illustrates the profound feeling of duty shared by Group staff members, but also the Group's genuine commitment to performing in the area of "urban stewardship"

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

In 2015, the United Nations Summit on Sustainable Development formally adopted 17 Sustainable Development Goals (SDGs), aiming to guide the global sustainable development work from 2015 to 2030. We


actively respond to various sustainable development goals, identify priorities, and take diversified actions to achieve sustainable development.

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Priorities		
	<ul style="list-style-type: none"> We established a solid HSE system, thoroughly implemented the safety production responsibility system, strengthened occupational disease prevention screening and safety protection, and implemented a variety of measures to effectively protect employees' health and safety. We can process 44 of the 46 major categories of hazardous waste on the National Hazardous Waste List, greatly reducing the health risks posed by hazardous waste exposure. 	Sustainable development to maintain ecosystem health-Strengthen HSE management
	<ul style="list-style-type: none"> We guarantee that no gender discrimination exists in the recruitment and employment processes. By 2022, 49% of our workforce is female. 	Concerted efforts to improve people's well-being-Achieve employees' development
	<ul style="list-style-type: none"> We strictly follow laws and regulations, as well as national and local standards, and treat the sewage and leachate generated during the operation process strictly to ensure that pollutant indicators of the treated wastewater meet discharge standards. We will hand over to a qualified third party for treatment for projects that do not have treatment conditions to maximize the avoidance of water pollution. A new harmless disposal project of hazardous waste, Zhejiang Xianju Hazardous Project, achieved "zero discharge" and 100 percent reuse of sewage containing heavy metals in 2022. 	Sustainable development to maintain ecosystem health-Deepen green development
	<ul style="list-style-type: none"> We are still optimizing the energy structure. We continue to invest in Shenzhen and other locations to accelerate vehicle upgrades, and purchase a large number of new energy equipment, such as electric tricycles and LNG vehicles, to accelerate the construction of a clean, efficient, safe, and sustainable energy supply system. In 2022, the Group's total purchase of new energy sanitation vehicles accounted for 46.4% of total sanitation vehicle purchases. 	Sustainable development to maintain ecosystem health-Deepen green development

Appendix: United Nations Sustainable Development Goals practice

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Priorities		
	<ul style="list-style-type: none"> • We adhere to the “people-oriented” goal, continuously attracting, cultivating, and retaining exceptional talent. • We thoroughly assess employees' individual working abilities and market conditions, to offer them fair and industry-competitive remuneration and benefits. • A large number of positions in the Group are in outlying areas. We pay special attention to local talents in order to promote the local economic development and employment. During the reporting period, many new employees were hired from the project locations. 	Concerted efforts to improve people's well-being-Achieve employees' development
	<ul style="list-style-type: none"> • We use information technologies such as the Internet of Things, big data, AI intelligence, and next-generation communications to implement the digital development concept of “digital intelligence” and steadily implement smart operations to build a data management and control platform to improve operational management capabilities. • We have consistently strengthened strategic cooperation with enterprises and joint innovation with scientific research institutions, conducted numerous technical exchanges, achieved remarkable innovative patent achievements through our own continuous research and practice, and took the lead in the preparation of standards and specifications, and are committed to leading the industry to mutual progress. 	Good governance to boost high-efficiency development-Innovation leads to development
	<ul style="list-style-type: none"> • We dedicate ourselves wholeheartedly to the comprehensive improvement of rural living conditions in order to improve rural living conditions. We are committed to improving the living environment in remote areas by establishing and improving the township cleaning system, as well as increasing management and supervision of township cleaning. 	Concerted efforts to improve people's well-being-Promote community inclusion
	<ul style="list-style-type: none"> • Our environmental hygiene business, as a professional municipal operator, mainly covers global comprehensive cleaning, sanitation facility management, city station (public toilet +) service system, garbage classification, water (sea) cleaning, landscaping, municipal facility management, public property, and urban emergency protection, all of which contribute to the sustainable development of cities and communities. 	Sustainable development to maintain ecosystem health-Deepen green development

Appendix: United Nations Sustainable Development Goals practice

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Priorities		
	<ul style="list-style-type: none"> • The Group adheres to customer-centricity, collects and responds to customer suggestions and feedback proactively, and continuously improves customer satisfaction. • There are no major complaints about product quality or services in the Group's hazardous waste treatment and environmental hygiene business in 2022. The citizen service hotline of the subsidiary Zhongyan Property has a perfect response rate, solution rate, and satisfaction rate. • We open some facilities to the public, bring some residents into the workshop to learn about hazardous waste disposal, production workflow, environmental protection facilities, and so on, demonstrate the hazardous waste disposal process, popularize industry knowledge, and keep the surrounding residents from misunderstanding the corporate environment. Misunderstandings are affected. • The pollutant discharge information is disclosed to the public by the project, which is a key pollutant discharge unit, via the electronic display screen installed at the factory area's entrance. 	<p>Good governance to boost high-efficiency development-</p> <p>Establish compliance management</p> <p>Sustainable development to maintain ecosystem health-Deepen green development</p> <p>Concerted efforts to improve people's well-being-Promote community inclusion</p>
	<ul style="list-style-type: none"> • To reduce harm and pollution to people and the environment, we tackle with to climate change by strictly controlling pollution emissions, advocating energy conservation and consumption reduction, and controlling dust, waste water, waste gas, noise, vibration, and construction lighting generated during project construction or operation. • We calculate and disclose greenhouse gas emissions data on a regular basis to assess the impact of our business activities on climate change. When compared to 2021, greenhouse gas emissions per unit of operating income was reduced by 4.2% in 2022. 	<p>Sustainable development to maintain ecosystem health-Deepen green development</p>

Appendix: United Nations Sustainable Development Goals practice

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Other related items		
 	<ul style="list-style-type: none"> The Group actively participated in rural revitalization efforts, establishing and improving a long-term mechanism for the construction and management of rural living environments, comprehensively establishing the village cleaning system, improving the rural environment, and shaping a new pattern of beautiful villages. The Group developed <i>Donation Management Measures</i> (《捐赠管理办法》) to actively carry out relief donations to disaster-affected areas, designated poverty alleviation areas, designated assistance areas, or disadvantaged groups, as well as to social welfare endeavors such as science, education, culture, health and sports, environmental protection, energy conservation, and emission reduction. Donations to public welfare to better fulfill corporate social responsibilities. In 2022, the Group made charitable and other donations amounting to HK\$562,000. 	Concerted efforts to improve people's well-being-Promote community inclusion
	<ul style="list-style-type: none"> We actively strengthen talent education, provide regular and comprehensive development training and career planning advice to employees, and contribute to the group's talent echelon's construction. In 2022, the Group's per capita training time was 48 hours. 	Concerted efforts to improve people's well-being-Achieve employees' development
 	<ul style="list-style-type: none"> We conduct an environmental impact assessment on the project in strict accordance with national laws and regulations, and we have stringent requirements on project site selection to avoid damage and impact on the habitat of surrounding organisms caused by project operation. We maintain the cleanliness of key areas of ecological protection such as scenic spots using our professional and resource advantages, actively participate in forest fire rescue, mobilize employees to plant trees, and contribute to the protection of ecology and biodiversity. 	Sustainable development to maintain ecosystem health-Deepen green development

Appendix: United Nations Sustainable Development Goals practice

SDGs	Actions taken by Beijing Enterprises Urban Resources	Chapter
Other related items		
	<ul style="list-style-type: none"> • We strictly adhere to national anti-corruption, anti-money laundering, and anti-fraud laws and regulations, adhere to responsible business principles, and are committed to maintaining the group's reputation and continuously improving market competitiveness. • There is no judicial proceedings related to corruption, fraud, or money laundering in the Group in 2022. 	<p>Good governance to boost high-efficiency development- Establish compliance management</p>
	<ul style="list-style-type: none"> • We collaborate with suppliers to achieve win-win outcomes and are dedicated to increasing the level of environmental and social risk management in the supply chain. • We vigorously promote the development of a green supply chain, giving preference to excellent suppliers who share the Group's vision of green development. 	<p>Good governance to boost high-efficiency development- Improve supply chain management</p>

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

Mandatory disclosure		Disclosure
Governance Structure	<p>A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board's oversight of ESG issues;</p> <p>(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.</p>	<p>ESG management system</p> <p>Statement of the Board of Directors</p>
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report (Materiality, Quantitative, Consistency).	About the report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the report

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
Environmental	A1 Emissions	<p>General Disclosure: Information on: relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p><i>Note:</i></p> <p><i>Exhaust emissions include nitrogen oxides, sulphur oxides and other pollutants subject to national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.</i></p> <p><i>Hazardous waste is defined by State regulations.</i></p>	Deepen green development
		A1.1 The types of emissions and respective emissions data.	Deepen green development - Environmental KPIs
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen green development - Environmental KPIs
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Deepen green development - Environmental KPIs
		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 - Environmental KPIs

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	Deepen green development - Strictly control pollution emissions
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Deepen green development - Strictly control pollution emissions, Optimize resource saving
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note:</i> <i>Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.</i>	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 - Environmental KPIs
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Deepen green development - Environmental KPIs
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Deepen green development - Optimize resource saving

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Deepen green development - Optimize resource saving
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials for finished products
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Deepen green development - Standardize construction management
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Deepen green development - Standardize construction management
	A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Deepen green development - Tackle with climate change
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Deepen green development - Tackle with climate change

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
Social	B1 Employment	General Disclosure: Information on: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:	Achieve employees' development - Employment and rights protection
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
	B2 Health and Safety	B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Achieve employees' development - Employment and rights protection
		B1.2 Employee turnover rate by gender, age group and geographical region	Achieve employees' development - Employment and rights protection
		General Disclosure: Information on: relating to providing a safe working environment and protecting employees from occupational hazards.	Implement safe operation
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	Implement safe operation – Implement safety precautions
		B2.2 Lost days due to work injury.	Implement safe operation – Implement safety precautions
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Implement safe operation

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Achieve Employees' Development - Training and talent development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Achieve Employees' Development - Training and talent development
		B3.2 The average training hours completed per employee by gender and employee category.	Achieve Employees' Development – Talent development and training
	B4 Labor Standards	General Disclosure: Information on: relating to preventing child and forced labor. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Achieve employees' development - Employment and rights protection
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	Achieve employees' development - Employment interests and rights protection
		B4.2 Description of steps taken to eliminate such practices when discovered.	Achieve employees' development - Employment interests and rights protection

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Improve supply chain management
		B5.1 Number of suppliers by geographical region.	Improve 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.	Improve supply chain management - Advocate green supply
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Improve supply chain management - Advocate green supply
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Improve supply chain management - Advocate green supply
	B6 Product Responsibility	General Disclosure: Information on: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Establish compliance management
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve the recycling of products sold or shipped

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
		B6.2 Number of products and service related complaints received and how they are dealt with.	Establish compliance management- Customer service
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Establish compliance management - Intellectual property and brand management
		B6.4 Description of quality assurance process and recall procedures.	The Group's business does not involve product recycling. For the process of service quality inspection, please refer to “Establish compliance management - Investment management”
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Establish compliance management- information security
	B7 Anti-corruption	General Disclosure: Information on: relating to bribery, extortion, fraud and money laundering. (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Establish compliance management- Ethical practice

Appendix: The Environmental, Social and Governance Reporting Guide Index Table by the Stock Exchange of Hong Kong Limited

“Comply or explain”			
Subject Areas	Aspects	Performance indicators	Disclosure
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Establish compliance management-Ethical practice
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Establish compliance management-Ethical practice
		B7.3 Description of anti-corruption training provided to directors and staff.	Establish compliance management-Ethical practice
	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Promote community inclusion
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Promote community inclusion
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Promote community inclusion



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