

(Incorporated in the Cayman Islands with limited liability) Stock code : 3718







CONTENTS

- 2 ABOUT THE REPORT
- **3** STATEMENT OF THE BOARD OF DIRECTORS
- 4 CHAIRMAN'S STATEMENT
- 6 CEO'S STATEMENT
- 8 ABOUT THE GROUP
- 12 BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS
- 14 SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

38

19

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

85

- 126 APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE
- 130 APPENDIX: THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE (《環境、社會及管治報告守則》) INDEX TABLE BY THE STOCK EXCHANGE OF HONG KONG LIMITED

ABOUT THE REPORT

INTRODUCTION TO THE REPORT

This report sets out to present the performance of Beijing Enterprises Urban Resources Group Limited ("Beijing Enterprises Urban Resources", the "Company") and its subsidiaries (collectively referred to as "the Group", "we") on Environmental, Social, and Governance ("ESG") in 2024. The report is prepared in accordance with the *Environmental, Social and Governance Reporting Code* (《環境、社會及管治報告守則》, the "ESG Reporting Code") set out in *Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (《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, this report covers the period from 1 January 2024 to 31 December 2024 ("this year").

REPORTING LANGUAGE

This report is published in both Chinese and English versions, and 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 *ESG Reporting Code*《ESG 報告守則》) issued by the Hong Kong Stock Exchange in accordance with the principles of materiality, quantitative, balance and consistency. The content index is set out in the appendix of this report.

"Materiality": In preparing this report, the Group has identified key stakeholders and key ESG 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, sources of conversion coefficients for the KPIs are explained in their respective places.

"Balance": This report is an objective, neutral and comprehensive description of the Group's sustainable practices and related performance in 2024.

"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 submitted by the Sustainability Committee to the Board of Directors for review and approval on March 25, 2025.

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

STATEMENT OF THE BOARD OF DIRECTORS

As a leading enterprise in China's environmental protection industry, the Group is committed to becoming a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation. We have always adhered to the values of "being committed, creating value, and sharing with others", actively fulfilling environmental, social, and governance responsibilities. We believe that a sound ESG management system is of great significance for the Group's sustainable development.

The Board of Directors has established a Sustainability Committee¹ responsible for supervising the implementation and effectiveness of ESG management, determining major ESG matters, assessing climate change risks and opportunities, and reviewing the completion of environmental goals. At the same time, the Sustainability Committee evaluates the impact of the Group's ESG performance on stakeholders (employees, shareholders, customers, suppliers, business partners, and local communities), examines other sustainability-related matters as required by the Board of Directors, and reports on them.

The Group regularly assesses the importance of environmental, social, and governance issues, with the relevant process and results detailed in the "Stakeholder Communication and Materiality Analysis" section of the annual ESG report, and reviewed by the Board of Directors. ESG risk management has been integrated into the daily risk management system to effectively identify and prevent major ESG risks during operations. The Sustainability Committee is responsible for reviewing these risks and regularly reporting to the Board of Directors. This year, the Group has established environmental goals related to our business, which have been reviewed and discussed by the Board of Directors, and the progress of last year's goals has also been reviewed.

This report thoroughly discloses the aforementioned environmental, social, and governance-related matters, which have been presented to the Board of Directors by the Sustainability Committee on March 25, 2025, for review and approval.

CHAIRMAN'S STATEMENT

In 2024, it was a crucial year for achieving the goals and tasks of the "14th Five-Year Plan", a year to seize the momentum, grab opportunities, and a year when the Group accelerated the implementation of the strategic plan. Faced with many external adverse factors such as the slowdown of the global economy and the fierce market competition, the Group adhered to the strategic objectives and firmly promoted development. We fully utilized the driving forces of regional deepening and collaborative driving, calmly responding to new situations and changes. This year, the Group actively practiced the national concept of "building a green, intelligent, and digital ecological civilization", continuously deepened ESG governance, strengthened digital innovation, maintained a stable development momentum in a complex and changing market environment, and contributed positively to the sustainable development of the industry and the overall progress of the economy and society.

Empowering with Digital Intelligence, Enhancing Quality and Efficiency. The Group deeply understands and implements the national strategic deployment on "building a digital China", actively responds to the planning requirements of various local governments regarding the construction of digital and smart cities, takes technological innovation as the guide, accelerates the promotion of digital transformation, and is committed to building an efficient operational system adapted to the development of future cities, providing a solid support for the sustainable development of cities. In 2024, we jointly build smart management platforms with local governments, achieve organic integration of online and offline, and significantly improve the scientific, intelligent, and refined levels of urban management and services. At the same time, we continue to promote the digitalization upgrade of management, develop task recognition and data collection systems, urban services lean operation management systems, and other systems, providing strong support for the Group to build core competitiveness. In addition, we upgrade core intelligent management systems such as financial management and supply chain management, realizing lean operation and smart management. Looking to the long term, we closely follow the intelligent and unmanned development trend of the sanitation industry, cooperate deeply with leading enterprises in the industry, jointly promote digital innovation, and help the high-quality development of the industry.

Improving Efficiency Step by Step, Operating with Lean Management. We adhere to the principle of risk orientation, continuously deepen the adjustment of the authorization system for business management, focus on the implementation of the Group's strategic plan, and continuously improve the quality of internal control audit, further consolidate the organizational management capabilities of the enterprise. At the same time, we continuously improve our safety and environmental management level as well as emergency response capabilities, achieving comprehensive control of safety and environmental responsibilities at the group, regional, and project levels. By carrying out risk identification and implementing control measures, we always maintain persistence and constant efforts. We continuously optimize the green supply chain and digital supply chain, promote the intelligent upgrade of the supply chain, and improve operational efficiency and sustainability. At the same time, we deepen the application of the customer relationship management system, optimize the process of customer feedback handling through digital means, ensure that 100% of customer opinions and complaints are resolved, and further consolidate the harmonious and win-win cooperative relationship. We continuously strengthen integrity education and compliance culture training, optimize the complaint and reporting handling mechanism, improve the reporting channels and ensure the security of reported information, strengthen the integrity management of the supply chain, deepen anti-fraud measures, and lay a solid foundation for the stable operation of the Group.

CHAIRMAN'S STATEMENT

5

With Dual Carbon Goals as the Guide, Empowering Progress. We actively respond to the national "Dual Carbon" strategy, leading with green and low-carbon transformation and fully implementing the new development concept. We closely follow policy guidance, promoting the Group's production and operation towards efficiency and low-carbon direction, and contributing to the continuous improvement of urban and rural ecological environment. We continuously promote the renewal and application of new energy operation vehicles and mechanized equipment, driving the transformation of operation machinery towards electrification and intelligence. At the same time, we continuously optimize the hazardous waste disposal process, introduce technologies such as air cannon for incineration system and organic matter pyrolysis, and promote the engineering demonstration of new treatment technologies such as hazardous waste incineration fly ash. In addition, we accelerate the transformation of energy consumption structure through measures such as distributed photovoltaic, waste heat recovery, and steam optimization, improve energy utilization efficiency, and help achieve the goals of peak carbon dioxide emissions and carbon neutrality.

People-oriented, **Jointly Promoting Growth.** Adhering to the "people-oriented" concept, we focus on the physical and mental health of employees, improve the rights and interests protection mechanism, strengthen the talent attraction, cultivation, and retention system, and effectively enhance the employees' sense of identity, value, and satisfaction. We comprehensively strengthen team and talent construction to meet the Group's development needs. For this purpose, we have formulated a series of talent development plans such as the "1+1+N Leadership Plan" and the "New Power Management Implementation Plan", actively building the Group's talent supply chain, and achieving full coverage of talent cultivation through a digital management system. We actively fulfill our social responsibilities, deeply participate in public welfare undertakings, empower rural revitalization with high-quality services, and work together with all sectors to build a better future.

Embracing diversity like the sea, striving for excellence on the grand path. We will continue to adhere to the concept of "high-quality development", driving innovation, continuously optimizing business layout, enhancing service quality, strengthening team building, and deepening digital transformation. We will remain resolute, forge ahead, and compose a new chapter for creating a living and working environment that is both livable and prosperous.

CEO'S STATEMENT

In 2024, we have implemented comprehensive strategies, taken solid steps, and fully pushed forward the orderly progress of all work. Amidst the surge of economic recovery and digital innovation, we have actively seized new opportunities, achieved stable and positive business development, consolidated and enhanced safety management, accelerated the progress of digital construction, achieved outstanding team building, and optimized and innovative overall management. These achievements have injected new vitality into driving industry transformation and development.

Steady Progress Leads to Widespread Success, Service Upgrade Heralds New Chapter. Relying on our own advantages, we are fully embarking on a new chapter of the Group's development. In terms of urban services business, we broke through with the transformation of business standardization, through "strengthening foundations, filling gaps, improving weaknesses, and highlighting strengths", completing all key tasks to build momentum and empower the high-quality development of urban services business. By the end of 2024, we operated 231 urban services projects, with cleaning and sanitation covering an area of approximately 459 million square meters. In 2024, the Group received several prestigious awards, including "Top Ten Influential Enterprises in Environmental Sanitation" "Special Contribution Award for the First Shenzhen International Artificial Intelligence Environmental Sanitation Robot Competition" and "Top 100 Brands in Cleaning and Sanitation Environmental Industry". In the hazardous waste business, we actively support project companies in continuously reducing costs and increasing efficiency, fully utilizing existing resources and applying technology, and have basically established the capability for comprehensive disposal and resource utilization of hazardous waste in the silicone industry.

Adapt to Change and Lead with Innovation. In a rapidly evolving market environment, we adhere to the principle of innovation, and fully strive to break through the bottlenecks of service and technology. We follow market trends and continuously enhance the core competitiveness of our enterprise. In 2024, we obtained 1 patent and 4 software copyrights. We optimized the innovation platform, improved the operation of the innovation mechanism, strengthened technical research and innovation, and actively participated in the formulation of industry standards. We focused on the dual requirements of "improving operational quality and reducing operational costs", and actively promoted the digital upgrade of operation management, providing strong support for the Group to build core competitiveness. In the field of innovative hazardous waste disposal, we are committed to researching and reserving organic thermal pyrolysis technology, providing solid technical support for the Group's new pyrolysis project. We improved the operational effects of new projects. We continued to deepen the management and operation audit, strengthened the application of audit results, put forward various cost-reduction and efficiency-improving audit suggestions, and promoted the implementation of audit rectifications. By building an internal control mechanism that emphasizes prevention and combines punishment with prevention, we effectively reduced potential risks and hazards.

CEO'S STATEMENT

7

Devote Ourselves to the Distant Goal, Assume Prominent Responsibilities. We are fully committed to the implementation of the national "peak carbon dioxide emissions" and "carbon neutrality" goals, closely tracking the dynamics of climate change and deeply analyzing the challenges and potential growth points it brings to the Group's business. We are dedicated to expanding the clean energy field, optimizing energy portfolio allocation, accelerating the implementation of resource recycling projects, and leading the Group towards a profound transformation to a green and low-carbon development model. We comprehensively strengthen environmental and safety management, based on a "group-region-project" three-tiered control safety management model, further deepening the requirements of "small headquarters, large region", ensuring that safety and environmental protection work can be accurately executed and continuously optimized at all levels, and promoting the overall safety and environmental management level of the Group to a new level. We adhere to the core value of "people-oriented", comprehensively strengthen team and talent building, striving to improve the professional capabilities and professional quality of employees in multiple dimensions, and promoting the comprehensive development of the workforce. We actively participate in public welfare actions, actively promote green living concepts, dedicated to optimizing the urban and rural living ecology, improving the quality of residents' living environment, and demonstrating the social responsibility and positive value impact of enterprises through practical actions.

Rallying forward, achieving quality shines in the future. In 2025, the Group will continue to adhere to the concept of "high-quality development", driven by innovation, continuously optimize business layout, enhance service quality, strengthen team building, and deepen digital transformation. Faced with a complex and ever-changing environment and fierce market competition, the Group will anchor strategic resolve, maintain firm confidence, rally forward, create a new chapter in residential services, create more value for shareholders, contribute more to society, and make the vision of "becoming a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation" shine even brighter as we embark on the new journey of high-quality development.

Beijing Enterprises Urban Resources Group Limited is a leading urban service enterprise and hazardous waste disposal in China, with its headquarters located in Beijing. Its business spans 25 provinces, municipalities autonomous regions and 1 special administrative region across the country, employing nearly 70,000 people.

In the field of urban service, we aim to "lead the development and promote the high-end transformation of the industry", build urban operation and management platforms, provide integrated environmental sanitation services through the "Urban Butler Integrated Service" model, and promote the sustainable development of urban and rural areas. By the end of 2024, we managed 231 urban service projects, covering approximately 459 million square meters, and formed a "Three-in-One" (i.e., production, life, ecology) urban development model. In the field of waste classification services, our daily collection and transportation volume reaches approximately 45,700 tons, with 628 transfer stations and 7 landfills. By optimizing core business capabilities and integrating professional resources, we continue to adapt and meet the development needs of urban services business in the new era.

In the field of hazardous waste treatment and electronic waste, we closely follow national policies and market trends, strengthen the lean management of projects, optimize operational processes, and effectively improve operational quality. At the same time, we promote the research of small-scale resource utilization projects, explore the path of hazardous waste resource utilization, and promote the sustainable development of the business. As at 31 December 2024, the Group had 10 hazardous waste treatment projects in operation. As of 31 December 2024, treatment facilities of our projects that engaged in hazard-free waste disposal had a total designed treatment capacity of 419,716 tons per annum and treatment facilities of projects that engaged in recycling and reuse had a total designed treatment capacity of 280,000 tons per annum. As of the end of 2024, the Group also has 2 operational waste electrical and electronic equipment treatment projects, with an approved treatment capacity of 2.15 million units per year.

We rely on brand, capital, technology, and operational advantages, uphold the mission of "making the living environment better", and promote urban services and hazardous waste treatment businesses with high quality and efficient innovation, achieving a balance between corporate development and social responsibility, and creating a high-quality ecological and social environment for humanity.

9

The Group's Major Honors and Awards in 2024:



"2024 Shenzhen (International) City Appearance and Environment Industry Expo – City Appearance and Environment Industry

Innovation Award (in the field of Environmental Sanitation and Garbage Classification)" issued by the Organizing Committee of the Shenzhen (International) City Appearance and Environment Industry Expo



"Outstanding Excellent Environmental Sanitation Service Enterprise" issued by Environmental Sanitation Home and Environmental Sanitation Online



"Special Contribution Award" issued by the Organizing Committee of the Shenzhen International AI Sanitation Robot Competition

"2024 Jiangmen Landscape Architecture Association Garden Engineering Award (Maintenance Category) Gold Award and Silver Award" issued by the Jiangmen Landscape Architecture Association



"2024 Top 30 Most Innovative Values" award issued by the Organizing Committee of the China Electronics Information Expo ビビビビン
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"2024 Top Ten Influential Enterprises in the Sanitation Industry" selected by the E20 Environmental Platform

"2024 Top Ten Influential Enterprises in the Sanitation Industry" selected by the Environmental Sanitation Technology Network "2024 Excellent Sanitation Enterprise in Hubei Province" awarded by the Hubei Provincial Department of Housing and Urban-Rural Development

10

The Group's ESG Ratings in 2024:



An "A" grade for the 2024 ESG comprehensive score in the Wind ESG rating system



A "C" grade for the 2024 comprehensive score in the CDP Climate Change Questionnaire rating

S&P Global ESG Score

52

A score of 52 points for the 2024 comprehensive assessment in the S&P Global rating system

S&P Global

52/100 7分目期 2025年3月31日

北控城市资源集团有限公司 商业服务与用品行业

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《可持续发展年鉴 (中国版) 》 入选企业

中国企业标普全球CSA 2024评分

52/100 市分目期 2025年3月31日 有关使用条款,请该问 www.spglsbol.com/p Be selected into the list of S&P Global's *Sustainable Development Yearbook* 2025 (China Edition)

11

The Group's Major Qualifications in 2024:

- System Certifications (24 items): Certification of Comprehensive Management Services for City Appearance and Environmental Sanitation, Certification of Corporate Social Responsibility Management System, Certification of Public Safety Emergency Management System, Certification of Supplier Comprehensive Strength Evaluation System, Certification of Customer Satisfaction Evaluation System, Certification of Information Technology Service Management System, etc.
- Invention Patent (1 item): Cigarette Butt Extinguishing Device
- Software Copyrights (4 items): Urban Butler Mobile Application Platform V1.0, Urban Village Property Management Data Analysis System V1.0, Smart Sanitation Supervision System V1.0, Smart Sanitation Integrated Management System V1.0
- Qualification Certificate (1 item): Level 1 Certification of Cleaning Industry Enterprise Grade
- Personnel Qualifications (multiple items): "Senior Waste Classification and Disposal Management Specialist", "Senior Sanitation Management Specialist", etc.

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Green Operation		
Greenhouse Gas Emissions	Greenhouse gas emissions per unit of operating revenue: 0.30 tons/10,000 RMB	
Energy Management	Energy consumption per unit of operating revenue: 0.97 MWh/10,000 RMB The waste heat power generation project of Shandong Pingfu of the Group has generated 4,237,700 kilowatt-hours of electricity The photovoltaic power generation of the Weifang project of the Group throughout the year is approximately 1.85 million kilowatt-hours	
Waste Treatment and Resource Utilization	The in-depth treatment project of VOCs in the incineration workshop of the Yichang project of the Group has reduced the emission of volatile organic gases by approximately 15 tons The Shandong Pingfu Hazardous Waste Harmless Treatment and Resource Utilization Project of the Group has achieved 100% water circulation utilization The Group's Yichang Phase II Organosilicon Hazardous Waste Resource Utilization Project achieved 100% circulation utilization of production wastewater Capacity for handling discarded electrical and electronic products: 2.15 million units/year Total designed processing capacity for harmless disposal projects: 419,700 tons/year Total harmless waste per unit of operating revenue: 0.03 tons/10,000 RMB Designed processing capacity for resource utilization business: 280,000 tons/year The Group's Yichang Resource Utilization Project achieved 100% recycling of hazardous waste, with no secondary hazardous waste generated. Its designed processing capacity is 20,000 tons/year	
Environmental Management	Number of urban service projects: 231 Urban service area: 459 million square meters Water area cleaning: approximately 39.67 million square meters Greening maintenance area: approximately 47.95 million square meters Operated public toilets: 3,747, transfer stations: 628, landfills: 7 Daily garbage clearance volume: approximately 45,700 tons Proportion of existing new energy large-scale sanitation vehicles in all sanitation vehicles: 15%	

BEIJING ENTERPRISES URBAN RESOURCES GROUP LIMITED: STATISTICS & FACTS

Synergistic	Synergistic Development	
Employees	Total number of employees: 67,219	
Diversity and Inclusion	Proportion of female employees: 50.43% Proportion of female functional personnel: 49.05% Proportion of women in senior executives: 25% Proportion of women in STEM technical fields: 55.38% Proportion of women in sales: 26.98%	
Talent Development	Average training hours per employee: 79 hours/person	
Social Contribution	Charitable and other donations: RMB262,000	

Sound Gove	rnance
Business Development	Service coverage: 26 provinces, municipalities, and autonomous regions (19 provinces, 4 autonomous regions, 2 municipalities directly under the central government, and 1 special administrative region)
Board Diversity	Proportion of independent directors: 37.5% Proportion of female directors: 12.5%

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Sustainable Development Concepts

The living environment is a comprehensive system for the life and residence of city, town and rural residents, the core of which is a clean and orderly space and a high-quality ecological environment. We are committed to creating a digital, intelligent, and professional urban service system, making the living environment of the people cleaner, more comfortable, safer, and more beautiful, and enhancing the people's sense of gain and happiness in a more effective manner.

We actively fulfill environmental, social, and governance responsibilities, continuously optimize the ESG work concept, closely focusing on the four key ESG fields, and solidly carry out management work. By improving the ESG governance structure and process, we steadily enhance the Group's ESG governance and management level, effectively prevent ESG risks, and promote the high-quality development of the Group.



Improve ESG Governance Structure

We have constructed a systematic ESG governance structure covering the governance layer, management layer, and implementation layer. The board of directors has established a sustainability committee responsible for supervising the implementation and effectiveness of ESG management work such as climate change, employee safety and health, business ethics, and sustainable supply chain construction. This committee is responsible for determining major ESG issues, identifying ESG opportunities and risks, assessing the impact of the Group's ESG work on stakeholders, and reporting regularly to the board of directors. The management is responsible for implementing ESG strategies and goals. The various ESG functional departments at the headquarters form an ESG working group to carry out specific work in their respective fields. Each project company, under the guidance of the ESG working group, promotes ESG-related affairs locally.

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Strengthen the Environmental and Safety Risk Management

A well-improved environmental and safety risk management system is the foundation for the company to achieve long-term stable operation. We continuously optimize the HSE (Occupational health, safety and environment) management system, strengthen environmental protection capabilities, prevent environmental risks, and strictly identified and rectified hidden dangers. In the field of urban service, we accelerate the application of new energy and unmanned driving vehicles, increase the rate of recycled water usage, and reduce the environmental footprint. In the field of hazardous waste treatment, we ensure the standard discharge of "three wastes", increase the resource recycling utilization rate, and reduce resource consumption and waste.

Ensure Fulfillment of Social Responsibility

We adhere to the philosophy of "people-oriented", continuously carry out employee care work, effectively get things done well and address the practical difficulties of employees, enhance employees' sense of gain, belonging, and honor, and help employees realize their own value to achieve the common growth of employees and the Group. We actively promote rural revitalization projects, contribute to rural development, and make contributions to rural revitalization. At the same time, we actively carry out public awareness campaigns on environmental protection laws and policies, organize various types of environmental protection public welfare activities, popularize environmental science knowledge to the community public, and gather social environmental protection consensus. In the future, we will further increase the efforts to spread environmental culture, promote the enhancement of the public's environmental awareness, and implement the corporate mission of "making the living environment better".

Guarantee Compliance Operation

We continuously improve risk control capabilities, promote a balance between business development and risk control, create a risk management culture, ensure the achievement of goals and the implementation of systems. We optimize internal control and anti-bribery systems, strengthen supervision and audit, improve audit coverage, regulate employee behavior, maintain compliance bottom line, and foster a corporate culture of integrity and righteousness.

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Stakeholder Communication and Materiality Analysis

Stakeholder Communication

Our external stakeholders primarily include government and regulatory agencies, shareholders and investors, customers, business partners, suppliers and subcontractors, the public (welfare organizations), news media, and community residents; internal stakeholders are mainly board members, senior management, and employees. We establish effective communication channels and actively collect and respond to the concerns of all stakeholders regarding the Group's ESG issues.

Stakeholders	Main Communication Channels	Key concerns
Government and Regulators	 Major Meetings Policy Consultation Event Reporting Institution Inspection Information Disclosure 	 Observing Discipline and Law Paying Taxes on Time Lawful and Compliant Energy Conservation and Emission Reduction Safety in Production
Shareholders and Investors	 Investors' Meetings General Meetings Company Announcements and Circulars Investors' Relations Column Questionnaires 	 Corporate Governance Financial Performance Stable Returns Risk Management
Customers	 Customer Meetings Customer Satisfaction Surveys Customer Complaint Channels Questionnaires 	Customer ServicePrivacy Protection
Business Partners	EvaluationOn-site InspectionsCooperation MeetingsQuestionnaires	Business EthicsMutual BenefitsFair Competition
Suppliers and Sub-contractors	 Bidding and Procurement Activities On-site Inspections Regular Assessments Questionnaires 	Business EthicsMutual BenefitsPayment Process

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Stakeholders	Main Communication Channels	Key concerns
Members of the Board of Directors	 Board Meetings Committee Meetings Annual Report of the Company Questionnaires 	 Strategic Planning Risk Management Financial Performance Moral Norms
Senior Management	 Meetings and Discussions Employee Activities Telephone/E-mail Work Reports Questionnaires 	 Strategic Implementation Financial Performance Operational Efficiency Public Relations
Employees	 Work Meetings Staff Congress Performance Assessment Employee Complaint Channels Questionnaires 	 Salary System Employee Rights Health and Safety Communication Mechanism
Members of Public/Public Welfare Organizations	Public Welfare ActivitiesPublic Open DaysQuestionnaires	Community InvestmentCommunication Mechanism
News Media	Results Press ConferenceNews ArticlesQuestionnaires	Technological InnovationEco-environmental Protection
Community Residents	Public Open DaysCompany Announcements and Circulars	Community InvestmentObserving Discipline and Law

Materiality Analysis

The Group incorporates material issue assessment into the overall risk management process. To accurately identify the key focus areas in our environmental, social, and governance practices, aligning with the expectations of stakeholders, we utilize a diversified approach including surveys, meetings, and in-depth interviews to widely collect the views and expectations of all stakeholders. At the same time, we consider the impact of our business operations on the environment and society, conducting materiality assessments on various issues as the key basis for determining the extent and scope of issue disclosure.

Beijing Enterprises Urban Resources Group Limited Environmental, Social and Governance Report 2024

SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM

Based on the feedback, we have extracted 19 material issues from the aspects of environment, society, and governance, and constructed the 2024 ESG material issues matrix. Core issues include health and safety, labor standards, employment, customer service, anti-corruption, environment and natural resources, information security, product innovation, emissions; other issues include development and training, supply chain management, biodiversity, ESG risk management, use of resources, ESG Supervision by the board of director, climate change, brand and intellectual property, ESG stakeholder communication and community investment.



18

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

The Group has always adhered to the principles of fair, transparent, and honest operation and cooperation, continuously strengthening the compliance defense line, using innovation as the engine, continuously optimizing service quality, and continuously building customer lifecycle management, providing comprehensive protection for the excellence and consistency of services, creating a new height of development, and helping the Group embark on a new journey of high-quality development.

Strengthening the Compliance Defense Line

Internal Control and Compliance Management

A sound risk prevention and control system as a solid guarantee for the company's stable progress. The Group has developed a closed-loop management mechanism, with the board of directors continuously supervising and periodically reviewing, and the audit supervision center independently conducting assessment work, thereby ensuring the compliance and efficient operation of the internal control system.

Internal Control System Construction

The Group, guided by the COSO internal control framework², has established a comprehensive risk management system of "three levels + three defense lines". The first line of defense consists of business units and headquarters business departments, with the core responsibility of identifying, assessing, and monitoring their own business risks; the second line covers the risk management functional departments and other related functional departments of the headquarters, with the main task of formulating targeted risk management mechanisms in accordance with the overall strategic objectives of the Group, including the identification, control, confirmation, and management of risks; the third line is the audit supervision center, responsible for conducting in-depth assessment and supervision of the Group's key business processes and internal control in strict accordance with established procedures.

The Group attaches great importance to the duties and compliance management of directors, regularly conducting professional training covering listing rules and risk control management, and continuously enhancing the performance capabilities and sense of responsibility of the board team. At the same time, the audit committee composed of independent non-executive directors holds two meetings annually, focusing on the review of the Group's internal control evaluation report, ensuring the effective operation and continuous optimization of the internal control system.

² COSO: Committee of Sponsoring Organizations of the Treadway Commission, also known as the Committee of Sponsoring Organizations of the Commission on Fraudulent Financial Reporting

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

	The Board of Directors	
Senior M	anagement	Audit Committee
First line of defense	Second line of defense	Third line of defense
'arious business nits, 11 regions and latform companies, and eadquarters business lepartments	The risk and compliance management function department and other functional departments at headquarters	Independent supervision and evaluation function (audit and monitoring)
Responsible for establishing process control measures, continuously improving processes, assessing and identifying risks. Evaluate risks in business processes, identify risks, and independently take necessary control measures. When necessary, communicate and report to the department or higher- level management.	Responsible for developing a risk management mechanism tailored to the enterprise's objectives, to identify, control, validate, and manage the risks faced by the Group. This involves establishing a risk management system plan that supports the business end, including risk identification, assessment, monitoring, and reporting, and maintaining close communication and training with the first line of defense to ensure the effective implementation of the system and the operation of the mechanism. Assist management in monitoring and controlling risks.	Responsible for verifying compliance with and implementation of regulations and mechanisms related to internal control; ensuring the completeness of risk control mechanisms in the first and second lines of defense. Responsible for independently assessing key business processes and controls in accordance with procedures.
ocalized governance"	"standardized management" + "supportive services"	"supervision + evaluation"

"Three Levels + Three Defense Lines" Risk Management System

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Deepening Internal Control Measures

The Group, guided by the "Five Elements of Internal Control", strengthens the awareness of internal control compliance from top to bottom, promotes the management to improve standard processes and management systems, continuously optimize the governance structure, and build a comprehensive compliance internal control system. At the same time, the Group follows the *Audit and Supervision System, Implementation Measures of the Audit and Supervision System, Economic Responsibility Audit Management System, Management System for the Rectification of Audit and Supervision Findings* and *Supervisory Regulations* to orderly carry out internal control work and implement various measures.

The Group takes multiple measures to continuously strengthen internal control management. We actively promote the digital construction of audit business, optimize audit procedures. By utilizing the audit rectification system, we strengthen the execution of internal control audit and the follow-up work of audit rectification, laying a solid data foundation for subsequent audit result analysis and regional risk assessment, etc.

Risk Management

The Group takes the relevant systems for risk management as the cornerstone, adhering to the four major principles of strategic orientation, comprehensiveness, classification, and risk-reward matching, and solidly carries out risk identification work. Every year, we extensively collect risk information from the main responsible departments of the company and its subsidiaries, and with the help of data analysis tools, accurately assess the probability of risk occurrence and the extent of its impact, and scientifically carry out risk importance scoring and ranking. On this basis, we formulate targeted response measures and regularly report the risk identification, assessment, and solutions to the audit committee of board of directors.

At the same time, the Group attaches importance to risk identification and early prevention, regularly organizing relevant departments to carry out comprehensive and in-depth risk management inspections in key areas, specifying rectification and treatment deadlines for identified risks, and continuously tracking the progress of their rectification, continuously promoting the optimization and improvement of the Group's risk management system. This year, the Group's Risk Control Center revised and improved the *Rules for Making Investment Decisions*, the *Management Measures for Establishing and Evaluating Hazardous Waste Projects*, the *Management Measures for Evaluating Project Investments* and the *Management Measures for Post-Investment Projects*, thus further strengthening risk management in project investment and operation processes.



GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

The Group fully integrates climate change and other ESG risk factors into the overall risk management process, achieving a deep integration of ESG concepts with business operations.

Risk Identification and Assessment	 In the regular internal control reports, classify various ESG risks such as health and safety, extreme weather, etc. Evaluate from both qualitative and quantitative dimensions based on the impact of these risks on the Group's strategic and operational objectives and the probability of risk occurrence.
Risk Response and Control	• In the project vehicle and equipment selection phase, vigorously select new energy vehicles to reduce emissions and lower environmental risks.
Risk Monitoring and Improvement	 Establish the <i>Incident Management System</i> to standardize the identification, reporting, and response processes for risks; For identified risks, clearly define the time nodes for rectification and handling, and the risk management function department supervises the progress of rectification by the primary responsible department for risks.

Practice the Way of Integrity

The Group strictly abides by the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations, and internally formulates and implements the *Audit and Supervision Rewards and Punishments Management Measures*, the *Anti-Fraud Management System*, the *Supervision and Audit System*, the *Conflict of Interest Declaration System*, the *Code of Business Conduct* and other rules and regulations, to standardize the audit and supervision process, and effectively prevent abuse of power, internal transactions, money laundering and conflicts of interest.

In 2024, there were no judicial litigation cases related to corruption, bribery, money laundering, internal transactions and conflicts of interest in the Group.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Strict Adherence To Integrity

The Group continues to strengthen the management of key matters including morality and integrity, bribery and interests, gifts and hospitality, insider trading and fraud, to ensure compliant operations. For those responsible for violating the regulations, we will take corresponding measures in accordance with the *Audit and Supervision Rewards and Punishments Management Measures*, including but not limited to warning, salary reduction, demotion, dismissal, retention and inspection, termination of labor contracts, etc., and carry out corresponding penalties according to the remuneration regulations. If their behavior constitutes a crime, we will hand them over to the judicial authorities for handling in accordance with the law.

The Group pays great attention to integrity risk prevention and control, run it through all levels of daily operation. Especially in key links such as procurement and capital flow, we have formulated a set of comprehensive and detailed list of prohibited regulations, to eliminate the occurrence of violations from the source. We have implemented a strict interest declaration system, and clearly require directors, senior managers and key employees in the project process to submit the *Conflict-of-Interest Declaration Form* on time every year, to encourage them to fully and truthfully disclose potential conflicts of interest, so as to avoid damage to the company due to conflicts of interest.

This year, we continued to strengthen our anti-fraud supervision of project companies. We conducted seven unannounced surprise audits to thoroughly investigate potential fraud issues within the project companies. After the audits, we promptly communicated with the project companies and, based on the audit results, jointly discussed and formulated targeted corrective measures in terms of risk prevention, cost reduction and efficiency improvement, standardized management, and customer management. We also clarified who would be responsible for implementing the corrective measures within a specified timeframe. In the subsequent work, we strictly supervised the implementation of the rectification measures in accordance with the relevant provisions of the *Audit and Supervision Issue Rectification Management System* to ensure that each rectification task was completed on time and with high quality, thus further strengthening the Group's integrity defense line.

Complaint and Whistleblowing Management Mechanism

The Group has deepened its daily anti-fraud supervision efforts by establishing the *Complaint and Whistleblowing Management Regulations* and the *Anti-Fraud Management System*, which clarify the reporting and handling processes within the auditing and supervision system. At the same time, we have actively expanded reporting channels by publicizing various methods, such as e-mail, whistleblowing hotline, mail address, and interview locations, to facilitate feedback from internal employees and external persons.

The Group strictly adheres to the principle of protecting the privacy of whistleblowers, and has established a comprehensive information confidentiality mechanism that implements hierarchical control over the identity information and content of whistleblowers to ensure the security and anonymity of reporting channels, and provides full legal protection and safety guarantees for whistleblowers.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT



Complaint Handling and Whistleblower Protection

The Group has established an efficient complaint and whistleblower handling mechanism. For complaints and whistleblowing information received, we commit to completing a preliminary analysis and evaluation within five working days to determine whether it meets the investigation criteria. For whistleblowing matters that meet the investigation conditions, the Group will form a special investigation team to conduct an independent and impartial in-depth investigation and issue a detailed investigation report after the investigation is completed. Based on national laws and regulations as well as company policies and procedures, we will take appropriate measures to ensure accountability and thorough rectification. In addition, for project companies with a history of fraud, we will focus on monitoring them in subsequent management and operational audits, and strengthen risk prevention and control by expanding the scope of audits and increasing the frequency of audits.

The Group always prioritizes the protection of whistleblowers' rights and explicitly prohibits any obstruction of whistleblowing or retaliation. We will take stern action in accordance with the *Audit and Supervision Rewards and Punishments Management System* for conduct that violates the rights and interests of whistleblowers and personnel who assist in investigations, and will not tolerate such violations. If necessary, we will refer the case to judicial authorities in accordance with the law to ensure that violators receive appropriate legal sanctions.

Integrity Management for Suppliers

The Group and our suppliers strictly adhere to the "Prohibition of Fraud" clause in the contract, and neither party may provide benefits outside the contract to the other party's agents or other personnel, in order to maintain a fair and honest cooperative relationship. This year, the Group has updated and improved key management documents such as *Supplier Management System*, *Supply Chain Management System* and *Implementation Rules for Quality Management of Centrally Procured Materials*, with the aim of further strengthening the complete process management of supplier selection, evaluation, cooperation and supervision, and improving the overall efficiency and transparency of the supply chain.

When conducting business management audits, the Group lists integrity management, compliance with laws and regulations, and implementation of anti-corruption policies as key inspection contents for suppliers, and strictly controls the compliance of cooperation partners. At the same time, the Group proactively publishes the contact phone number and e-mail of the complaint handling department to facilitate feedback from all relevant parties at any time.

After a comprehensive review by the Group, we did not identify any supplier-related risks this year.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Cultivate Integrity Awareness

The Group continuously implements a comprehensive anti-corruption training program. In 2024, the company innovated its training model by adopting various forms, including offline classroom training, an online platform dedicated to building integrity, and self-study materials to conduct integrity training for all employees. This approach promotes anti-fraud regulations and corporate policies and raises integrity awareness among employees at all levels through the analysis of industry cases.

All members of the Group's Board of Directors always maintain a proactive attitude and actively participate in various professional trainings. By studying anti-corruption and integrity training materials from the Hong Kong Independent Commission Against Corruption and attending training sessions on directors' fiduciary duties and listing rules organized by Hong Kong law firms, they continuously deepen their understanding of integrity responsibilities and provide solid leadership support for the Group's integrity governance and compliant operations.

In addition, the Group continuously strengthens the construction of an internal control and compliance culture. Throughout the year, we held 18 integrity and compliance training sessions in 8 regions, with a regional coverage rate of 72%, and 280 key managers from regional/project companies participated. At the same time, we use online platforms, training videos, and other channels to fully promote the Group's compliance culture concept, compliance system, and integrity management requirements, comprehensively implementing the compliance concept and laying a solid foundation for building a comprehensive integrity and compliance culture.





Compliance Training for Managers in 2024

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Safeguarding Information Privacy and Security

The Group strictly adheres to the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other relevant laws and regulations, and continuously improves and refines our information security management system. This year, the Group has further strengthened the institutional construction by formulating various systems, including the *Information Security Management System*, the *Account and Access Control Security Management Rules*, the *Information Security Incident Management System*, the *Information System Emergency Response Plan* and the *Information System Data Backup and Recovery Management System*, to fully ensure comprehensive information security. In the management of subsidiaries, Zhongyan Property Management strictly adheres to the *Beijing Property Management Regulations* and other laws and regulations, and always upholds the concept of customer privacy protection. Starting from human resources management, we sign non-disclosure agreements and service commitment letters with employees to comprehensively ensure customer privacy security in property management services.

In 2024, the Group did not experience any incidents of information leakage, hacking or customer privacy data breaches.

Optimizing Information Security Governance

The Group attaches great importance to information security and has established a management structure with clear rights and responsibilities. The Group's management is deeply involved in reviewing and approving the construction of information security planning and management systems, comprehensively supervising the strict implementation of various management systems, and promptly assuming command and coordination responsibilities in the event of information security emergencies. At the operational level of information security, the supervisors and expert teams of the information management department utilize their professional advantages to be in charge of the specific implementation of various security measures. To further enhance the effectiveness and precision of information security management, they collect potential security risk points reported by employees in their daily work through collaborative office platforms and other channels, and propose improvement suggestions for information security management, fully mobilizing the enthusiasm of all employees to participate in information security management. For employees who violate information security and safety regulations, the Group will take measures such as lowering their performance ratings in accordance with regulations to strengthen information security governance.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Implementation of Information Security Measures

To enhance the information security protection capabilities of our systems and ensure the stable operation of the infrastructure, the Group has implemented multi-layered security reinforcement measures. We have optimized the web application firewall protection strategy to accurately intercept network attacks. At the same time, we have adjusted the configuration of host security event alerts to achieve real-time threat monitoring and rapid response. In addition, we strengthened security settings for sensitive operations to ensure operational compliance.

The Group focuses on ensuring the availability and security of core business systems such as the OA system, official website, master data platform, messaging platform, unified identity authentication, and single sign-on, providing a solid guarantee for the Group's digital transformation.

In 2024, we actively carried out information security work such as system operation and maintenance, vulnerability scanning, and attack-defense drills to ensure stable system operation, reliable data security, and robust business operations.

System operation and maintenance	Comprehensive operation and maintenance management of 20 systems, covering key areas such as servers, operating systems, networks, storage, security, and backups, with real-time monitoring and problem resolution to ensure the stable operation of the information system 24/7.
System data	Backup of programs and data totaling 190TB on 20 production systems to ensure data availability in case of emergency. Two data recovery tests have been completed to date.
Vulnerability Scanning	Regular vulnerability scans are conducted to remediate high-risk vulnerabilities. A total of 16 scans have been completed, with 20 high-risk vulnerabilities identified and remediated.
Attack-Defense Drills	Under the leadership of the Group, several attack-defense drills were conducted to improve technical protection and institutional norms.
Information Security Training	All employees of information department were organized to participate in online learning of cybersecurity knowledge from the Municipal State-owned Assets Supervision and Administration Commission from September 2 to 20, 2024, covering laws and regulations related to the protection of personal information, such as the <i>Anti-Telecom Fraud Law</i> , the <i>Personal Information Protection Law</i> , and the <i>Data Security Law</i> . This strengthened the knowledge of the Group's cybersecurity policies and raised employees' cybersecurity awareness. By periodically sending security reminder emails to employees, we remind them to guard against viruses, phishing, and fraudulent emails, and help them improve their risk response capabilities in practice.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Advancing Information Security Certification

The Group's systems are deployed on a third-party cloud platform that has obtained ISO 27001 Information Security Management System certification and ISO 27017 Cloud Services Information Security Management System certification. With its mature and well-established security architecture and strictly regulated management processes, this platform has built a solid protective barrier for our data information security. At the same time, the Group adopts an open and rigorous attitude and actively introduces external professional auditors to regularly conduct relevant audits on the Group's IT infrastructure and information security management system. Based on the audit feedback results, we continuously optimize management processes and improve various information security management measures to ensure that the Group's information security management work meets the highest standards in the industry.

Optimizing Intellectual Property Management

The Group strictly complies with the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations. Based on systems such as *Patent Management Measures* and *Technology Management Measures*, we protect our own patents and technological achievements and avoid infringing the intellectual property rights of others.

To strengthen intellectual property management, the Group implements a rigorous approval process for project invention achievements, and cooperates with the intellectual property office and patent agency companies to efficiently promote patent applications. To reduce infringement risks, we include intellectual property indemnity clauses in procurement agreements, effectively avoiding potential risks in the procurement and use phases. At the same time, the Group regularly conducts IP-related training to comprehensively raise the IP protection awareness of all employees.

In 2024, the Group did not experience any legal disputes related to intellectual property.

Deepening the Path of Brand Communication

The Group pays great attention to brand image and reputation management, strictly observes laws and regulations such as the *Advertising Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and formulates internal management rules such as the *Management Measures for VI Manuals*, the *Management Measures for Correspondents*, and the *Information Release Management System*, to ensure that promotion and publicity activities are conducted in a legal, compliant and orderly manner, accurately communicating the Company's service concept, professional expertise and industry status to the public and continuously enhancing the brand image.

At the same time, based on the concept of sustainable management, the Group continuously strengthens the organizational capacity for brand communication. In 2024, the Group hosted and participated in a series of important industry events, focusing on core business areas such as smart sanitation, integrated urban services and sustainable urban development. By fully sharing our accumulated valuable experience and significant achievements, we have successfully communicated our advantages and innovative results to a wider audience, further expanding the influence of our brand communication.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Innovation Drives Development

Digital Intelligence Empowers Sanitation Reform

The Group actively responds to the national "Digital China" strategic plan and continuously deepens the "1+N" innovative service model. By building intelligent platforms such as the "One Network for Unified Management" urban operation and management service platform, we achieve the integration of online and offline services. At the same time, we are actively exploring the application of new energy sanitation equipment and unmanned sanitation machinery, accelerating the transformation and upgrading of the sanitation business, achieving double improvements in service quality and operational efficiency, and striving to become a reliable, industry-leading and comprehensive service provider for digital and intelligent urban operation.



Schematic diagram of "1+N" model

In terms of digital and intelligent management innovation, the Group focuses on the digital construction of lean operation management in urban services, which includes two core parts: the lean operation management system and the automatic object recognition system. These two systems work together to provide solid data support and intelligent decision-making basis for the Group's operation and management, helping the Group to build an efficient digital and intelligent management model.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Lean Operation Management System

Automatic Recognition System for Work Objects

Focusing on the three core areas of machinery, labor, and material consumption, we establish unified databases across the group for vehicle information, maintenance and repair, production operations, personnel attendance and costs, and the full lifecycle of materials. This solidifies the data foundation and achieves standardization and normalization of management. It provides a basis for indepth business analysis, operational analysis, and annual business plan budgeting, offers a grip for daily production and operational management, and supports decisionmaking for group executives as well as regional and project-level operational decisions. By integrating multi-source data (such as satellite remote sensing images, street view photos, road network data, map POIs, and open municipal data), and applying geospatial analysis, computer vision, and big data technologies, we identify and obtain spatial data on sanitation work objects. This achieves the digitization and visualization of work objects, providing precise data support for personnel and vehicle calculations, analysis of human and vehicle efficiency, work planning, and project investment estimation.

In terms of service model innovation, this year we have made breakthroughs in the "1+N" innovative service model, upgraded to an integrated "urban butler" service model, and jointly built smart platforms such as the "One Network for Unified Management" urban operation and management service platform with local governments to achieve the organic integration of online and offline services, promote the efficient transformation of urban services, and improve the scientific, intelligent and refined level of urban management and services.

In the field of equipment innovation, the Group continuously promotes the cooperation and application of new energy and autonomous driving sanitation equipment, jointly building a clean and intelligent sanitation industry ecosystem. This year, we have introduced unmanned aerial vehicle (UAV) cleaning vehicles to promote the intelligent upgrading of sanitation operations, improve operational efficiency and coverage, and realize real-time monitoring and management of sanitation operations through technologies such as 5G, AI and the Internet of Things, exploring composite operation modes to support the "dual-carbon" goals and provide strong support for urban sustainable development. In projects such as Nanshan, Baoan, Longgang, and Maluan in Shenzhen, we have deployed autonomous cleaning vehicles in parks, sidewalks, and other application scenarios, realizing functions such as unmanned charging, unmanned water refilling, and unmanned garbage dumping, and reducing manual labor intensity to some extent.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT



Case: Digital Intelligence Empowers the Full Chain Management of Household Waste, Enhancing Refinement and Intelligence

In Baoan District, Shenzhen, based on the existing visual supervision of vehicles, personnel, and venues, as well as the automatic detection and closed-loop processing system for sanitation issues, the Group has further expanded the application of the full-chain IoT perception system for household waste. By integrating advanced technologies such as RFID³, smart cameras and weighing sensors, we realize full-chain traceability of household waste from collection, transportation, transfer to final disposal, as well as 24-hour real-time video monitoring and AI-automated identification of abnormal operations, greatly improving the refinement and intelligence of urban management.

Meanwhile, in the Nanshan Urban Butler Integrated Service Project in Shenzhen, the Group has set up a pilot project for Automated cleaning vehicles, and introduced a large number of advanced Automated cleaning vehicles to promote the intelligent upgrading of sanitation operations, improve operation coverage and accuracy, and reduce the blind spots of traditional manual cleaning. In addition, the Group has closely cooperated with local government departments to successfully apply for UAV regional pilot sites in Shenzhen, promoting the in-depth application of UAV technology in the public service sector.



³ RFID (Radio Frequency Identification): A wireless communication technology that automatically identifies target objects and acquires related data through radio wave signals.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Case: Building an Urban Management Platform, Revitalizing the Governance of Banan District

In Banan District, Chongqing, the Group has helped build an urban management platform, forming a unified and efficient urban service system and truly becoming an "urban butler". Through real-time data monitoring and analysis, the "urban butler" can accurately allocate resources, quickly respond to urban management needs, standardize sanitation work processes and efficiently handle problems. The platform has aggregated about 94.55 million data resources, operates about 980,000 "urban components", and connects thousands of IoT devices, giving strong impetus to urban management.

In March 2024, the Group was invited to participate in the Shenzhen (International) City Appearance and Environment Industry Expo, where we showcased our innovative achievements in urban environmental services and advanced practices using digital and intelligent technologies. We shared the advanced experience of the urban butler integrated service model with industry partners, demonstrated urban butler business products created by integrating cutting-edge technologies such as AI intelligent detection inspection and diversified sanitation operation scenario algorithms, and showcased the comprehensive intelligent management of urban sanitation facilities and operation effects.



The Urban Operation and Management Service Platform of Banan District



The Group participated in the Shenzhen (International) City Appearance and Environment Industry Expo



The keynote speech titled "Digital and Intelligent Leadership in Urban Butler Management for Jointly Building a Better Living Environment"



The keynote speech titled Digital "Empowering the Future with Intelligence"

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Process Innovation Drives Hazardous Waste Transformation

The Group is actively exploring the application of large-scale model technology in hazardous waste incineration operation plans, with the aim of improving the professionalization and standardization of hazardous waste disposal. At the same time, we are applying incineration, physicochemical treatment, resource recovery and landfill technologies to reduce, render harmless and recycle hazardous waste, and actively exploring the feasibility of hazardous waste resource utilization to more effectively integrate it into the circular economy system.

Innovation Exchange, Leading Industry Development

Focusing on business needs, the Group has improved the technological innovation mechanism, inspired full participation in innovation, and fully unleashed the effectiveness of innovation drive. We have strengthened strategic cooperation with industry associations, research institutions and enterprises, actively carried out joint innovation projects, and enhanced industry research capabilities. Meanwhile, we continuously monitor industry dynamics, actively participate in industry events, and accurately grasp market trends in technological innovation, providing solid support for the Group's long-term development.

This year, we have continuously improved our industry research capabilities, actively engaged in in-depth cooperation with industry associations, government departments and regional authorities, compiled various industry development documents, and promoted the steady progress of the industry.

- Industry association cooperation: We were responsible for drafting the *15th Five-Year Plan Outline for Urban Sanitation* for the China Environmental Protection Industry Association, providing solid planning guidance for the development of the environmental protection industry.
- Urban management services: We were responsible for the *Research on Urban Renewal Policies and Cooperation Models* for relevant departments in Xinxiang City, Henan Province, helping to optimize the spatial layout and functional quality of the city.
- Regional capacity building: We compiled a series of practical guides, including the *Kitchen Waste Collection and Treatment Project Plan, Marketing Manual*, and *Urban Butler Integrated Management Service Manual*, providing strong support for the standardized and efficient development of relevant regional enterprises.

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

In 2024, the Group participated in various industry forums and events, actively sharing innovative practices and experiences of the "urban butler integrated management service" model, deepening cooperation with governments, academia and industry partners, and providing new impetus for the modernization and high-quality development of the urban service industry.

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34

Case: Collaboration with Tsinghua GMBA IPP Project to Promote Innovation in Urban Environmental Services

The Group once again collaborated with the Global MBA (GMBA) program at Tsinghua University's School of Economics and Management to carry out the 2024 IPP Integrated Practice Project, jointly exploring innovative ways to break the traditional urban service model. Through various forms such as seminars and field research, the Group and the project team jointly determined expansion plans in the fields of waste recycling business, campus environmental sanitation services and elderly care services, and proposed improvements to the working routes of waste recycling vehicles, providing new ideas and solutions for the urban environmental service sector.





The Group conducted on-site research with the program team and discussed innovative solutions

GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

Providing Excellent Services

Adhering to the mission of "making the living environment better", the Group is actively building and improving a service system that ensures "government reassured, citizens satisfied, enterprises profitable, employees benefited, partners win-win". In terms of customer service, we always adhere to the high-quality service concept of "being committed, creating value, and sharing with others", continuously optimize service processes, and comprehensively improve customer experience by establishing systematic internal control standards and service evaluation systems.

We are continuously optimizing customer lifecycle management, clarifying the full-cycle management requirements of "identifying customers – managing customers – operating customers", and through strengthened tracking mechanisms, regularly visiting customers and collecting feedback, accurately analyzing and controlling customer needs, and providing differentiated services for different types of customers. In 2024, our visit rate for key customers has increased to over 90%, further ensuring the quality of customer service. At the same time, we have formed a unified and effective complaint handling mechanism by clarifying complaint workflows, defining responsibilities, and strengthening prompt communication and coordination. As of the end of 2024, there were no major complaints related to product quality and service issues in the Group's urban services and hazardous waste business.

In terms of service improvement, the Group is continuously using digital and intelligent means to provide customers with high-quality and refined services. Taking the Yichang project as an example, we have achieved full-process intelligent traceability of household waste collection, transportation and disposal by installing RFID devices and vehicle weighing equipment, which has significantly improved operational efficiency and transparency.

The Group's urban services business primarily targets government customers. This year, we have improved the *Urban Services Operation Quality Management Measures*, always adhering to quality management standards higher than customer requirements, and closely integrating customers' personal needs with specific businesses to ensure continuous improvement in service quality. At the same time, we are deeply involved in on-site project operations and proactively maintain good customer relationships.
GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT



Case: Insisting on Excellent Service and Winning Customer Praise

With excellent operation and service quality, the Group has won high recognition from relevant local government departments. In 2024, the Group successively received letters of commendation and thanks from the Zibo City Urban Management Bureau, the Anyue County People's Government, the Nongan County Urban Management Committee and Urban Management and Law Enforcement Bureau, the Dingxing County Urban Management Integrated Law Enforcement Bureau, and the Kang County Urban Management Integrated Law Enforcement Bureau, and the Kang County Urban Management Integrated Law Enforcement Bureau. These letters fully recognized our outstanding contributions and high-quality services in environmental sanitation emergency relief work, such as building civilized and hygienic cities, ice and snow removal, emergency rescue and disaster relief, and restoring the appearance of cities after disasters.



GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT

The Group's subsidiary, Zhongyan Property Management, always adheres to the service concept of "customer demand first, customer satisfaction first", strictly implements the *Beijing Enterprises Zhongyan Property Management Citizen Service Hotline Management Measures*, the *Beijing Enterprises Zhongyan Property Management Complaint Management System*, the *Owner Satisfaction Evaluation Management System* and other systems. Zhongyan Property Management assigns dedicated personnel to handle citizen service hotline affairs, implements the "double visits, daily clearance", project manager responsibility system, and the "immediate response upon receiving complaints" meeting mechanism. At the same time, it strictly enforces work discipline, standardizes the complaint handling process, strengthens evaluation efforts and responsibility implementation, significantly improves the response rate, resolution rate and satisfaction rate of a total of 3 citizen service hotline work orders throughout the year, with a response rate, resolution rate and satisfaction rate of 100%. This year, Zhongyan Property Management achieved excellent performance in the 2024 Yanshan District Property Project Performance Evaluation conducted by the Yanshan Housing and Urban-Rural Development Commission, and was ranked well overall.

The subsidiary, Shiny Glory Services Limited, acquired by the Group in 2024, has always been committed to providing excellent services and has obtained ISO 9001:2015 certification in the fields of cleaning, pest control and waste management, demonstrating our professional standards in quality management. To continuously improve service quality, we invest resources in human resources, data management, infrastructure and equipment, professional skills and techniques, and other areas, and constantly refine the operating system to ensure efficient and reliable service experiences for customers.

The Group's hazardous waste business primarily serves waste-producing enterprise customers. We have established a sound customer complaint handling and prevention mechanism to ensure smooth communication channels for timely understanding of customer needs. For special situations, such as transportation delays caused by production problems, we consult with customers in advance and formulate response plans. In the event of customer complaints, we will promptly review the situation, handle the issue in a timely manner, hold relevant responsible parties accountable, and continuously improve the quality of customer service. During the period under review, several of the Group's project companies received positive feedback from local customers, fully reflecting the high level of customer recognition of our services.

The Group prioritizes environmental protection, deepens the implementation of responsibility, strengthens the supervision of key projects and the control of key risks, while promoting the reduction of pollution and carbon emissions and addressing climate change. We continuously deepen green procurement, build a sustainable supply chain, and practice the concept of sustainable development through practical actions, contributing wisdom and strength to promote the green transformation of the industry.

Deepening Green Development

The Group is fully determined and confident in green and low-carbon development, actively responding to the national "dual carbon" strategic goals. In accordance with the *Basic Guidelines for Enterprise Sustainability Disclosure (Trial)* jointly issued by the Ministry of Finance and nine other ministries and commissions, we are making efforts from the four dimensions of governance, strategy, risk management, as well as metrics and targets. We constantly pay attention to the dynamics of climate change, fully utilize our business advantages, and strive to push the ecological environmental quality to a new height, contributing to the country's goals of carbon peaking and carbon neutrality.

Environmental Management Framework

In order to prevent pollution, protect the environment and promote ecological civilization construction, the Group focuses on strengthening the construction of the environmental management system and improving the control of pollutant emissions. The Group employs a dedicated environmental protection manager who is responsible for comprehensively coordinating the construction of environmental protection standards, implementing environmental protection policies, guidelines, laws and regulations, and establishing an environmental protection responsibility system, emergency response plans and an environmental management system.

Environmental Management System for Urban Services Business: We have established a three-level safety and environmental protection control mechanism of "Group – Region – Project Company" to promote the construction of HSE system control capabilities. Through the establishment of a safety and environmental protection improvement cycle of "thematic training – on-site support – system review – continuous improvement", we clarify the safety and environmental protection functions of regions and project companies, and continuously promote the 100% implementation of the HSE responsibility system. In addition, we have organized various units to improve safety operating procedures, promote the implementation of the Group's *Compilation of Safety Operating Procedures*, and enhance the ability of regions and project companies and environmental protection.

Environmental Management System for Hazardous Waste Business: With the Hazardous Waste Operation Center as the environmental management command center, we have established an environmental management system with cross-departmental information sharing and coordinated cooperation between the safety and environmental protection line and other lines, which helps project companies strengthen safety and environmental protection control. At the same time, we conduct environmental risk identification, improve disposal plans, emergency response plans and environmental protection responsibility systems to ensure the safety of high-risk materials in all aspects, such as reception, storage, pre-treatment and processing.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Addressing Climate Change

Climate change is having a profound impact on the global ecosystem, the natural environment, and socio-economic development. Based on this situation, the Group is actively responding with a more systematic governance structure, more comprehensive strategic layout, more refined risk management measures, and clearer goal orientation, effectively embedding climate change management into the Group's business development process, and striving to effectively adapt to and mitigate the multiple impacts of climate change.

The Group has issued the *Notice on Strengthening Climate Risk Management*, which requires hazardous waste project companies to conduct relevant work and enhance their awareness of climate risk management. Project companies have responded positively and implemented the requirements promptly. Taking the Jiangxi Project as an example, it has proactively incorporated the *Special Environmental Emergency Plan for Extreme Weather* into the latest version of the *Emergency Plan for Sudden Environmental Incidents*, strictly implementing the Group's requirements and effectively improving emergency response capabilities for extreme weather.

In 2024, based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Group worked on climate change from four aspects: governance, strategy, risk management, and metrics and targets.

At the governance level, the Group has established a hierarchical and collaborative ESG system to promote climate change management across the entire chain and systematically control risks and opportunities.

At the strategic level, the Group closely aligns with the "dual carbon" strategy, advancing energy conservation, consumption reduction, and resource utilization from the aspects of "people, machinery, materials, methods, and environment" to address climate risks and facilitate energy transition. Meanwhile, we have systematically sorted out the impacts of climate change, accurately identified 12 risks and opportunities, including 4 physical risks, 2 transition risks, and 6 development opportunities, and formulated special response measures.

At the risk management level, the Group has deeply integrated climate change risks into the overall risk management system. Through a proactive and forward-looking strategy, we have systematically completed risk identification, assessment, monitoring, and disposal, demonstrating efficient response capabilities in the face of actual climate risks.

At the indicators and objectives level, we have set climate management objectives centered around energy transition and extreme weather response. Through dynamic monitoring and control, we promptly mitigate the negative impacts of climate risks on business operations and continuously track the progress towards achieving our objectives.

Governance

The Group has established a comprehensive ESG management system with clear roles and responsibilities, with overall Board oversight, management team leadership, and cross-departmental collaboration to comprehensively improve climate change management. The Board of Directors is responsible for overseeing the formulation of climate change strategies and targets; the management team is responsible for formulating and promoting climate change strategies and targets, and for identifying and assessing climate-related risks. Relevant departments and project companies of the Group actively implement management measures to address climate change within their respective business scopes based on the actual situation in their regions. The Sustainable Development Committee established under the Group focuses on identifying potential risks and opportunities related to climate change for the Group, assessing their impact on the Group's operations, ensuring that significant related risks are included in the Group's risk management framework, and conducting a comprehensive review of the effectiveness of climate change risk management on an annual basis.

Strategy

The Group closely follows the national unified planning and "dual carbon" strategy, deeply integrates its own development status, thoroughly implements the concept of green development, and vigorously promotes the widespread application of new energy equipment and facilities. Based on the five key dimensions of personnel management, equipment upgrading, material control, method optimization, and environmental conservation ("people, machines, materials, methods, and environment"), we comprehensively promote energy conservation and consumption reduction, actively expand resource-based businesses, continuously improve resource utilization efficiency, and help enterprises achieve comprehensive energy transformation, thus striving to achieve the "dual carbon" goals.

In our business operations, we pay close attention to the negative impact of production and operations on the environment, identify and assess physical and transition risks related to climate change and their significant impact on the Group's operations, and formulate and implement targeted response measures.

Risk Category	Major Climate Risk	Potential Impact	Time Range of Impact	Financial Impact	Response Measures
Acute Physical Risk	Typhoons	Typhoons may increase safety hazards such as falling high branches and uprooted trees, thereby increasing the health and safety risks	Short-term	Operating Costs †	Pay attention to weather warnings and evacuate equipment and personnel in advance before extreme weather arrives;
		to employees; Typhoons may damage construction equipment and green facilities (such			Use reinforced concrete to rebuild fences and install drainage facilities, while reinforcing green facilities to reduce the risk of equipment
		as fences, irrigation systems, etc.), increasing property losses and maintenance costs.			and facility damage; Establish an emergency communication mechanism and strengthen safety guidance and training for employees;
					Employees are generally not required to report to work during typhoons to ensure safety in response to extreme weather.

Risk Category	Major Climate Risk	Potential Impact	Time Range of Impact	Financial Impact	Response Measures
	Heavy Snowfall	Heavy snowfall may cause green plants to freeze and die, damage the appearance of the community, and may also cause water and heating pipelines in residential areas to freeze and crack, affecting the normal lives of residents; Heavy snowfall may increase the cost of purchasing snow removal equipment and manual snow removal, thereby increasing emergency business costs.	Short-term, Medium- term	Labor Costs † Equipment Expenditure †	Pay attention to weather warnings, plan and optimize costs in advance, and develop emergency plans for different extreme weather conditions while ensuring the effectiveness of operations and the safety of personnel; Improve frost and condensation prevention measures, such as installing thermal insulation and electric heating facilities, and carry out emergency drills for extremely cold weather to comprehensively enhance response capabilities.
	Floods and Heavy Rain	Floods and heavy rains may cause damage to hazardous waste treatment facilities, increasing the risk of project shutdown; Floods and heavy rains may cause difficulties in drainage in the plant area, increasing the risks of blockage and leakage, thereby increasing the maintenance costs of equipment and facilities.	Mid-term	Maintenance costs ↑ Revenue ↓	When selecting the location for establishing the plant, fully consider environmental factors (such as the water level of a once-in-a-century flood and the intensity of heavy rain) according to standards and specifications, combine the investigation results, and take measures such as raising the ground level, adding flood control sand and sandbags, and customizing flood control boards; Hold flood prevention drills at the project site and equip with flood prevention materials, comprehensively improving the flood prevention capabilities of employees.

Risk Category	Major Climate Risk	Potential Impact	Time Range of Impact	Financial Impact	Response Measures
Chronic physical risk	The temperature gradually rises	As the temperature gradually rises, it may exacerbate the odor and mosquito and fly problems in the landfill, further harming the occupational health of employees, and ultimately increasing the medical and protective cost expenditure of enterprises.	Long-term	Operating costs ↑	Adjust working hours during high-temperature periods to avoid periods that have adverse effects on the body; Provide labor protection supplies, drinks, and medicine for employees, and increase deodorization and mosquito control measures such as fog cannons and insecticides, comprehensively ensuring the health and safety of employees.
Transition risk	Policy impact	The tightening of policies on emissions and energy use, as well as the implementation of energy-saving measures such as local environmental and electricity conservation, may increase the risk of reduced or halted production for the project, ultimately increasing the operating costs and financial pressure of the enterprise.	Long-term	Operating costs↑ Revenue↓	Closely connect with regulatory authorities, keep up with the dynamics of policies and regulations, and flexibly optimize business layout.

Risk Category	Major Climate Risk	Potential Impact	Time Range of Impact	Financial Impact	Response Measures
	Technical specification requirements	The new landfill construction specifications have raised the requirements for the prevention of seepage coefficient, resulting in difficulties in site selection for the Group and increased construction costs (such as investments in rigid landfills being higher than flexible landfills). At the same time, the new hazardous waste incineration pollution control standards have imposed higher requirements on incinerator gas emissions and standards, increasing the costs of pretreatment and waste gas treatment, thereby increasing overall financial expenditures.	Long-term	Construction costs † , financial expenditures †	Research and develop resource-saving construction plans and efficient pretreatment technologies, improve the standards of waste gas treatment facilities, and comprehensively reduce construction and operation costs.

Major Climate Opportunities	Potential Impacts	Time Range of Impact	Financial Impact	Response Measures
Technological opportunities	Under the background of climate change, intelligent technologies such as the Internet of Things, cloud computing, communication technology, and big data are gradually becoming mainstream, driving the urban services market towards intelligent, informatized, refined, and integrated development, ultimately optimizing operational efficiency and reducing financial costs.	Long-term	Financial costs↓	Relying on big data technology, real-time monitoring and analysis of sanitation workers and vehicle dynamics, improve work efficiency and emergency response capabilities, achieve refined management and optimized resource allocation.
Climate opportunities	Frequent extreme weather events provide a direction for the expansion of the Group's business, through accumulating experience in response, improving the quality and efficiency of green maintenance services; In areas prone to disasters, the government may seek cooperation with green maintenance companies with capabilities, increasing government cooperation opportunities, ultimately driving business growth and optimizing financial returns.	Medium-term	Revenue †	Establish a diversified service model, catering to the weather characteristics of different regions, by adopting early deployment, efficient handling, and refined operation strategies. This includes specialized services such as snow and ice removal, rapid cleanup of garbage after rain, comprehensive cleaning and dredging, and urban recovery and reconstruction, to comprehensively enhance response capabilities and service quality.
Policy Opportunities	With the continuous tightening of air quality control policies and the continuous improvement of standards, the importance of improving the living environment in cities and towns has become increasingly prominent. This not only responds to policy requirements but also promotes business development and optimizes financial returns.	Long-term	Revenue †	Actively respond to the requirements of local governments to carry out special work such as sweeping dust and greening, helping to improve air quality and optimize the effectiveness of urban environmental governance.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Major Climate Opportunities	Potential Impacts	Time Range of Impact	Financial Impact	Response Measures
	In response to climate change, cities are implementing comprehensive measures for source reduction and classification of waste, actively improving the environmental quality of residential areas, providing new directions for the expansion of the Group's business, ultimately driving business growth and optimizing financial returns.	Mid-term	Revenue †	Under the guidance of local governments, actively expand community waste classification business, increase the input of human resources, materials, and financial resources to facilitate the efficient implementation of waste classification, and promote environmental governance and sustainable development.
	The tightening of local policies on vehicle emissions and energy consumption requirements, as well as the promotion of local environmental and energy-saving measures, has prompted the equipment supply industry to accelerate the update and replacement; equipping with low-energy-consuming vehicles can reduce oil, electricity, and labor consumption, further enhancing the level of cost reduction and efficiency improvement, achieving the reduction of operating costs and the increase of financial returns.	Long-term	Operating costs↓ Revenue↑	Introducing advanced machinery and equipment, improving the rate of mechanized operations, effectively reducing the workload of personnel, achieving quality and efficiency improvement, and optimizing operational efficiency and service capabilities.
Market Opportunities	The demand for efficient and sustainable waste treatment solutions is growing in the market, driving the Group to optimize technology and services, enhance competitiveness, and reduce operational costs, ultimately achieving a significant improvement in financial returns.	Long-term	Operating costs↓ Revenue↑	By optimizing process flows and strengthening technological innovation, building an integrated, systematic comprehensive waste treatment solution, and comprehensively enhancing service efficiency and resource utilization.

Risk Management

The Group incorporated climate change-related risks into the key links of the overall risk management process, maintaining a proactive attitude and conducting comprehensive identification, assessment, monitoring, and responded to potential risks associated with climate change.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Risk Identification

Conduct in-depth analysis of global climate change trends, based on business characteristics, use scientific methods and tools to accurately identify potential risk points such as extreme weather events, resource scarcity and ecological damage.

Risk Assessment

Perform qualitative and quantitative assessments for each risk based on its impact on the achievement of the Group's strategic and business objectives, combined with the likelihood of the risk occurring.

Risk Monitoring

Establish a comprehensive risk monitoring mechanism using real-time monitoring and regular reporting to ensure dynamic tracking of climate change-related risks. If risks are found to be escalating or new risk points emerge, we will immediately activate the emergency response mechanism and take prompt countermeasures.

Risk Response

We develop detailed climate risk response strategies that clearly define the responsibilities of organizations and employees at all levels, and back them up with specific action plans. We emphasize cross-departmental and cross-business collaboration to jointly address the challenges posed by climate change. At the same time, we vigorously promote risk mitigation and adaptation efforts, using technological innovation, resource optimization, and other means to minimize the impact of risks on our operations.

In the face of extreme snowfall, we seize the opportunity presented by "snow" and ride the wave to open a new chapter in business development. We coordinate and promote snow removal work, develop and revise snow removal emergency plan templates, organize special kick-off meetings, establish emergency liaison mechanisms, and urge all projects to strictly implement emergency operation requirements. At the same time, we are promoting the implementation of a new model of refined management in various regions. By visiting project sites in Tieling, Shenyang, Nongan and Hushi in the northern part of the Group, we conduct snow removal operation inspections and reviews to ensure that snow removal work is carried out efficiently and orderly, providing a solid guarantee for the stability and safety of the Group's operations.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Case: United Against the Storm and Snow, Safeguarding Urban Safety and Smooth Traffic

In 2024, facing the challenge of extreme weather, the Group responded quickly, efficiently carrying out emergency support work to ensure urban safety and the smooth flow of citizens' travel.

• Cold rain and snow freezing weather:

In the Xiuwen, Dali and Linyao projects, the Group immediately activated contingency plans and adopted a mode of "machine based, manual support and man-machine integration" to comprehensively clear snow from the roads. The Xiuwen project dispatched three emergency vehicles, allocated shovels, snow-melting agents and other materials, and organized staff to fully engage in snow removal operations, ensuring that "roads are passable during snowfall and cleared after the snow stops" to ensure the safe and stable operation of the urban area. The Dali Project, based on the *Dali Project 2023-2024 Snow Removal and Ice Clearing Plan*, focused on clearing bus stops, hospitals, supermarkets, schools and other areas to ensure road safety and smoothness. The Linyao Project ensured the smooth flow of the city's main roads and key areas through mechanical snow removal and the application of thawing agents.



Dali project's staff are clearing snow at the scene



Linyao project's staff are clearing snow at the scene



The snow removal and ice clearing work in the Shenyang area



The snow removal site of the Yanqing winter Olympic project

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Case: United Against the Storm and Snow, Safeguarding Urban Safety and Smooth Traffic *(Continued)*

Typhoon weather:

At the Xinhui project in Southern China region, the Group pre-deployed and adopted a scientific wind defense strategy to ensure urban safety. The sanitation and park departments jointly cleared and unblocked urban drainage outlets and channels, trimmed and strengthened tall trees, and eliminated potential safety hazards. In September 2024, as Typhoon "Mojie" approached, we initiated the emergency plan 10 days in advance, conducted safety inspections, strengthened emergency material reserves, and organized emergency rescue teams. After the typhoon landed, sanitation workers cleared debris on the road, and garden workers dealt with fallen trees, quickly restoring urban order.



Trim trees before the typhoon arrives



Clean the road after the typhoon arrives

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Case: United Against the Storm and Snow, Safeguarding Urban Safety and Smooth Traffic *(Continued)*

Heavy rain weather:

In the northwestern region, facing severe storms, the Group quickly initiated the emergency mechanism to ensure citizens' smooth travel. The Longnan project arranged for 300 sanitation workers to be on duty, using a "mechanical + manual" model to stage-clear road surface waterlogging, mud, and garbage, utilizing loaders, sweeping vehicles, and other equipment for efficient operations, and conducting special unblocking of drainage outlets. After the sudden attack of heavy rain and hail, the Linyao project organized over 400 sanitation workers to carry out cleaning work in the rain, and jointly deployed sludge removal vehicles, loaders, and other machinery, clearing 42 tons of tree branches and leaves in just 3 hours to restore road traffic, and restored the smooth flow of traffic on the road.



clearing sludge in Longnan project



Using loader to clear waterlogging on the road surface in Linyao project

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY



In August 2024, to combat the high incidence of dengue fever season, the Xinhui project company in the Southern China Region launched a "100-Day Attack" campaign for mosquito prevention and elimination. We aim to prevent the occurrence and spread of dengue fever from its source. Every day, we carry out disinfection in more than 2,000 key areas such as waste transfer stations, parks, squares, and community green belts, blocking the pathways of dengue fever transmission. At the same time, we carry out the "Waste House Duty Guidance" action, arranging management personnel to guide residents in the peak hours to properly dispose of waste, creating a positive atmosphere for active participation in environmental sanitation improvement and joint prevention and control of dengue fever.



Mosquito Control

Manning the Garbage House

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Metrics and Targets

The Group sets targets related to climate change in the fields of energy structure transformation and emergency weather response, and annually evaluates the progress of target implementation.

Energy Structure Optimization Targets	Progress of Targets Completion in 2024
By 2025, the proportion of large-scale new energy sanitation vehicles in the Group's existing sanitation	In progress
vehicle fleet will exceed 16%, and by 2028, it will exceed 25%.	In 2024, the proportion of large-scale new energy sanitation vehicles in the Group's total sanitation vehicle fleet reached 15%.
By 2025, at least 85% of the existing fuel-powered hook arm trucks in the Group's Shenzhen projects will be	In Progress
replaced with LNG-powered hook arm trucks.	In 2024, the Group gradually carried out the LNG replacement of the existing fuel-powered hook arm trucks in the Shenzhen project, replacing a total of 54 vehicles throughout the year, achieving 80% replacement.
It is estimated that in 2024, the Group's Shandong Pingfu waste heat power generation project will generate	Completed
approximately 3 million kilowatt-hours of electricity.	In 2024, the Group's Shandong Pingfu waste heat power generation project generated 4.2377 million kilowatt- hours of electricity, saving approximately RMB3.23 million in external grid electricity costs.
	In 2024, the Group's Weifang Project photovoltaic power generation project produced about 1.85 million kilowatt-hours of electricity throughout the year, saving approximately RMB420,000 in electricity costs.
Future Targets	

It is expected that from 2025 to 2027, the Group's Shandong Pingfu waste heat power generation project will generate approximately 4 million kilowatt-hours of electricity annually.

It is anticipated that from 2025 to 2027, the Group's Shandong Weifang Project photovoltaic power generation will produce approximately 1.8 million kilowatt-hours of electricity annually.

Extreme Weather Response Targets

Progress of Targets Completion in 2024

By 2025, the Group's project companies will develop more comprehensive emergency response plans for extreme weather conditions. In 2024, all the Group's project companies have formulated production safety and emergency response plans, and according to the different situations in each region, have developed special plans for flood prevention, snow removal and ice clearing, high temperature, and fire emergencies. At the same time, we have issued notices on responding to climate change, strengthening relevant emergency measures for climate change.

Strict Control of Pollution Emissions

The Group strictly abides by the *Environmental Protection Law of the People's Republic of China, Solid Waste Pollution Control Law of the People's Republic of China, Water Pollution Control Law of the People's Republic of China, and other relevant environmental protection laws and regulations, and carries out various business activities on the basis of law-abiding and compliance.*

Environmental Management System for Hazardous Waste Business: We take the hazardous waste operation center as the command post for environmental management, build an environmental and safety line for cross-departmental information sharing and coordinated cooperation, and help the project company strengthen safety and environmental control, identify environmental risks, and improve disposal plans, emergency plans, and environmental protection responsibility systems to ensure the safety of high-risk materials in all stages, such as entry, storage, pretreatment, and treatment. We have established procedures for hazardous waste transfer joint form, identification management, management plan, environmental facilities management, environmental monitoring, and emergency management, while strengthening supervision over unorganized emissions and spills, ensuring the standard discharge of pollutants, and preventing environmental pollution incidents.

The subsidiaries under the Group strictly comply with the Group's requirements, strictly controlling pollution emissions, and actively practicing environmental protection responsibilities. Shiny Glory, as a service company engaged in cleaning and pest management, relies on the operation of large fleets and machinery, and automobiles are a major source of air emissions. During operations, Shiny Glory attaches importance to the effective control of gas emissions generated by business operations, strictly adheres to relevant environmental protection laws and regulations, and ensures environmentally friendly operations. In the vehicle procurement process, Shiny Glory prioritizes the selection of automobiles with high fuel efficiency and low pollutant emissions. Through regular maintenance and repair services conducted by qualified personnel, we enhance the fuel consumption efficiency of our vehicles. At the same time, we ensure that all vehicle emissions comply with the emission standards stipulated in the *Air Pollution Control Ordinance* (Cap. 311) of the Laws of Hong Kong, thus fulfilling our environmental responsibility.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

During the reporting period, Shiny Glory, along with two subsidiary hazardous waste project enterprises of the group (Shandong Pingfu Environmental Services Limited and Jiangxi Beijing Enterprises Urban Mineral Co., Ltd.), successfully obtained ISO 14001 Environmental Management System certification. Yichang Project was selected as the benchmark enterprise for emission permit management in Yichang City in 2024.

Implementation of Air Pollution Rectification

The main air pollutants generated by the Group come from dust raised during road sweeping and exhaust emissions from hazardous waste treatment facilities.

In the urban services business, we have made dust control a routine task, and on the basis of regular operations, we have further promoted measures such as mechanical wet sweeping and sprinkling, focusing on the control of roads in and around developed areas and road sections prone to dust generation, effectively reducing the amount of dust and lowering the degree of air pollution.

Road cleaning

We fully utilize wet sweeping vehicles, high-pressure washing vehicles, water sprayers, fog cannons, road maintenance vehicles, and electric washing vehicles to perform comprehensive and thorough cleaning of major and minor roads in the city and the outer ring road. At the same time, we wash and maintain bus shelters, stop signs, public interest billboards, traffic barriers, and green belts in accordance with the established schedule to ensure that the surfaces of various public facilities are free of dust and stain residue, thereby maintaining the urban road cleaning at a normalized operating standard where "the original color of the road is visible and the markings are clear".

Scientific Dust Suppression

We actively adopt technological means to prevent and control road dust. By adding environmentally friendly dust suppressants to water sprinklers, we improve the effectiveness of water sprinkling and dust reduction on major roads. We make reasonable water sprinkling plans and flexibly adjust the frequency of water sprinkling based on regional characteristics and real-time weather conditions. Especially within a 500-meter radius of the city center, we conduct continuous circular water sprinkling and spraying operations to ensure that the roads remain wet and dust-free, effectively reducing road dust pollution.

Regarding the atmospheric pollution issues caused by the hazardous waste business, during the process of hazardous waste incineration and disposal, we strictly follow the *Hazardous Waste Incineration Pollutant Control Standard* and the local air pollutant emission standards stipulated by the local regulations, issue the *Notice on Further Strengthening the Control of Pollutant Emission Standard Compliance, Environmental Monitoring and Information Disclosure Management System*, and put forward requirements for strengthening source control, implementing the responsibility of environmental protection at each post, carrying out environmental monitoring and compliance determination of monitoring data, and strengthening the project management of emergency response. For nitrogen oxides, sulfur dioxide, and particulate matter contained in the incineration waste gas, we use a series of means such as waste heat recovery, combined purification, and online monitoring to control the emissions of waste gas, and continue to reduce waste gas emissions on the basis of meeting the emission standards. Relevant environmental monitoring data shall be disclosed through information disclosure platforms, websites, electronic displays, or other means that facilitate timely and accurate public access to information, in accordance with the requirements of the local environmental protection authority.

Waste Heat Recovery

The flue gas generated by the hazardous waste incineration line undergoes a thorough incineration process at a temperature above 1100° in the secondary combustion chamber, and then enters the waste heat boiler to recover and utilize the thermal energy of the flue gas.

Flue Gas Purification

For flue gas treatment, a combined purification process of "SNCR + quench + dry reactor + bag filter + wet acid removal" is mainly used.

Online Monitoring

An online monitoring system is installed at the emission point to track and monitor the status of waste gas emissions in real-time. The realtime monitoring data obtained is simultaneously transmitted to the control room and the ecological environment regulatory authorities. At the same time, the monitoring data is also recorded, stored, and archived.

Control of Fugitive Emissions

To effectively control fugitive emissions, the project company adopts a dual approach. On the one hand, it significantly enhances the tightness of equipment and facilities and strictly manages hazardous waste packaging materials. On the other hand, it adds waste gas collection and treatment equipment in the hazardous waste temporary storage warehouse and production plant, using a combined process of "alkali washing + UV photolysis + activated carbon adsorption" to ensure that waste gas emissions comply with standards.

Targets of Air Pollution Emission

In the period of 2023-2025, the Yichang project of the Group is expected to reduce volatile organic gas emissions by 15 tons annually.

Progress of Targets Completion in 2024

In Progress

In 2024, the VOCs deep treatment project in the incineration workshop of the Yichang project of the Group was completed and put into operation, achieving a reduction of approximately 15 tons in volatile organic gas emissions.

Case: Organizing Spring City Washing Campaign to Prevent and Control Dust Pollution

In response to the dust pollution caused by the sandy weather, the Group's Binzhou Project promptly launched a city washing campaign. Adopting a round-the-clock "watering-mist-washing" operation mode, and through manually holding hoses to carry out washing, the streets, roads, public facility signs and the dust accumulation on the litter bins were thoroughly cleaned to effectively suppress dust pollution and create a cleaner and healthier living environment for citizens.



Washing Campaign in Binzhou project

Strengthen the prevention and control of water bodies

During the operation of the business, the urban services business of the Group may generate leachate and cleaning vehicle wastewater emissions, and the hazardous waste business may generate leachate and project wastewater emissions, which are potential influencing factors on the water environment.

In the field of urban services business, the Group focuses on the reasonable setting of leachate discharge from projects and wastewater discharge points from sweeping vehicles:

- For the leachate generated, entrust a third-party unit with professional qualifications, or arrange member enterprises to be responsible for transportation, to deliver it to the wastewater treatment plant for proper disposal;
- The wastewater produced by sweeping vehicles is first treated through three-stage sedimentation, and after detection meets standards, it is discharged at designated locations;
- For key environmental data, a regular management model is implemented. A detailed data ledger is established, regular monitoring and verification work is carried out, and timely feedback is provided, ensuring the accuracy and traceability of the records, and ensuring that emissions fully comply with relevant regulations.

In 2024, the Group's Environment and Safety Department conducted environmental inspections of regions and projects in Beijing-Tianjin-Hebei, Guizhou, South China, Shanxi, East China, Southwest China, North China and Hunan-Hubei, focusing on the inspection of on-site leachate, waste unloading by sweeping vehicles and other related issues. For the issues identified, we provided on-site guidance and issued HSE supervision and rectification confirmation forms to ensure timely rectification of the issues.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

In the field of hazardous waste business, the Group focuses on leachate, waste liquid treatment, and project wastewater treatment:

- Strictly implement the *Standard for Pollution Control of Hazardous Waste Landfill*, cover non-landfill operation areas, standardize landfill management, implement rainwater and sewage separation, and reduce the generation of leachate;
- By refining the control of the physical disposal process, gradually removing pollutants from waste liquid and wastewater, and ensuring that all indicators meet the discharge standards;
- For wastewater generated by hazardous waste projects, the project company establishes its own wastewater treatment station and adopts the "physical + biochemical" process for treatment to ensure that the wastewater meets the standards before discharge. Among them, the Shandong Pingfu project strictly complies with the "zero emission" standard specified in the environmental impact assessment documents, promoting 100% reuse of wastewater. The Weifang Project, Xuzhou Pingfu, Zigong Project, and other projects also take active measures to maximize the reuse rate of wastewater to reduce the amount of wastewater discharged and the consumption of fresh water.

Wastewater Discharge Targets	Progress of Targets Completion in 2024	Future Targets
In 2024, the Yichang Phase II silicone organic silicon hazardous waste resource recovery project will achieve 100% wastewater recycling and realize "zero emission".	Completed In 2024, the Yichang Phase II silicone organic silicon hazardous waste resource recovery project will achieve "zero emission" of wastewater.	In 2025, the Yichang Phase II silicone organic silicon hazardous waste resource recovery project and the Shandong Pingfu project will continue to adopt wastewater recycling technology to ensure the achievement of "zero emission".

Promoting Soil Remediation

The Group's potential impact on soil environment during business operations mainly manifests in two aspects. First, dust and particulates from hazardous waste fall onto the soil surface and gradually infiltrate the soil, causing pollution; second, liquid and semi-solid hazardous waste leaks during storage on the ground, subsequently seeping into the soil.

In 2024, the Group conducted regular soil pollution hazard identification in accordance with the *Potential Soil Pollution Hazard Identification System*. Several project companies, including Shandong Pingfu, established potential soil pollution hazard identification management systems and engaged professional third-party agencies to assist in the work. Through a series of work processes, including data collection, interviews with relevant personnel, identification of key sites and facilities, and on-site inspections, comprehensive identification of major potential pollution hazards on the factory premises was conducted. Potential soil hazard identification reports were prepared, soil and groundwater self-monitoring work plans were established, and soil pollution prevention and control measures were implemented.

In 2024, in addition to routine soil and external risk investigations, the Group conducted special risk investigations on the anti-seepage measures in key areas.

Implementing Hazardous Waste Treatment

The hazardous waste generated during the Group's operation mainly includes slag, fly ash, waste packaging, and filter residues. In order to manage and dispose of the newly generated hazardous waste rationally and effectively, we have taken measures to optimize the process flow, including landfilling, incineration, and physicochemical treatment.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Landfill

The Group has established regulations such as *Safe Landfill Operating Procedures* and *Emergency Response Measures for the Solidification Workshop* to ensure the standardization of hazardous waste solidification and landfill operations. Hazardous waste must be sampled and tested, and a disposal plan is formulated based on the results. Waste that meets the landfill standards is directly landfilled, while waste that does not meet the standards before being landfilled.

Incineration

The Group has established regulations such as *Operating Procedures for Industrial Waste Incineration Treatment* and *Emergency Response Measures for the Incineration Workshop* to ensure the stability of the incineration process for combustible waste and to achieve compliant pollutant emissions. At the same time, we collect incinerated scrap metals in accordance with the exemption list in the *National Hazardous Waste Catalogue* and entrust them to compliant smelting enterprises for processing, thus achieving the dual benefits of recovering metal resources and reducing the burden on landfills.

Physicochemical Treatment

The Group has established regulations such as the *Operation Guide for Special Waste Disposal in the Physicochemical Workshop* and the *Operation Guide for the Physicochemical Reaction System* to adopt physicochemical treatment methods for the resourceful treatment of waste liquids.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Hazardous Waste Transportation Management

The Group strictly abides by regulations and systems such as the *Management Measures for the Transfer of Hazardous Waste, Management System for Outsourced Logistics Companies*, and *Management System for Logistics Transportation Processes*, further strengthening the refined management of logistics transportation to control environmental pollution and social risks, ensuring the safety and controllability of all links in logistics transportation.

- For the selection of outsourced transportation units, we implement the bidding system and adopt strict audit and management mechanisms to ensure that the transportation units have professional qualifications and permit certificates, as well as the corresponding capabilities and safety assurance systems.
- In terms of the connection between the collection, transportation, storage, disposal, and transfer of hazardous waste, we strengthen inspections and retain complete relevant records, regularly report business situations to relevant departments, and achieve closed-loop environmental risk management in the transportation process.
- Regular safety production special inspections are conducted on outsourced carrier units. Companies found to have safety hazards are required to complete rectifications within a specified time limit.
- For the prevention of secondary pollution during the loading and unloading process of hazardous waste, we strictly comply with system requirements, standardize external packaging, ensure complete labeling, and provide protective materials such as PE film to carrier units to avoid leakage.

Noise Pollution Control

This year, all project companies have continuously strengthened equipment maintenance, reasonably controlled noise intensity, enhanced noise safety training for staff, and provided noise reduction products such as earplugs. At the same time, we regularly entrust third-party institutions to conduct noise intensity testing around the factory boundary to ensure that the noise from the project operation does not affect the local environment. The testing results show that the noise levels of all project companies has met the standard.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Optimizing Resource Conservation

The Group vigorously promotes energy-saving and consumption reduction and resource recycling. Specific actions are carried out from three perspectives: optimizing energy structure, conserving water resources, and resource recovery, helping the Group steadily improve the efficiency of energy and resource utilization.

Improving Energy Structure

The energy system of the Group is upgrading towards green and efficient directions, primarily realized through two core paths. Firstly, the promotion and application of clean energy optimize the energy structure; secondly, based on the lean principle of "eliminating waste and continuous improvement", focusing on the five dimensions of "people, machines, materials, methods, and environment", a fine management and routine improvement mechanism is established. Through targeted measures such as optimizing energy use efficiency, upgrading operation technology, and strengthening the sense of responsibility among employees, we systematically promote energy-saving and consumption reduction efforts, achieving continuous improvement and effectiveness, and continuously enhancing resource utilization efficiency.

Clean Energy Use

We actively respond to national policies, promote the large-scale application of new energy vehicles (such as electric vehicles, LNG vehicles, etc.), and accelerate the clean transformation of the energy structure through measures such as formulating preferential policies. In 2024, the proportion of new energy vehicle procurement in the Group's new vehicle purchases is approximately 30%, and the proportion of new energy vehicles in existing projects is about 15%.

> Energy-saving and Consumption Reduction

In the project design phase, we strictly follow national and industry energy-saving specifications, and integrate the concept of energy conservation and environmental protection throughout the process. By establishing energy management positions, formulating and implementing energy use plans, and conducting energy consumption analysis, we have built a comprehensive energy-saving management system. In terms of equipment selection, we prioritize advanced, energy-efficient equipment and processes. In system design, we configure metering devices and automatic control technology to optimize energy use. In terms of building materials, we reasonably select energy-saving materials that meet standards.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Case: Green Energy and Clean Technology Applications, Promoting the Achievement of "Dual Carbon" Goals

The Group actively promotes the application of green energy and clean technology, contributes to the implementation of "dual carbon" goals through innovative practices, and works towards sustainable development.

• Large-scale application of new energy vehicles:

In all projects in Shenzhen, we have comprehensively selected new energy cleaning vehicles to achieve green and low-carbon cleaning operations. Through technologies such as mobile 5G, AI, the Internet, the Internet of Things, big data, and cloud computing, we achieve real-time management and monitoring of people, vehicles, things, and events throughout the process, explore cooperative operation models, refine the cleaning operation process, and promote the efficient transformation of cleaning services. By the end of 2024, 80% of the fuel tank-based detachable garbage trucks in the project companies in Shenzhen have been replaced with LNG vehicles.

• Refiner burner modification:

In the Zigong project, we significantly reduced fuel consumption costs by modifying the incinerator's burners to use natural gas instead of diesel. After combustion, natural gas primarily produces carbon dioxide and water, emitting almost no sulfur compounds, nitrogen oxides, or particulate matter, thereby significantly reducing environmental pollution, in line with the national clean energy policy and environmental protection standards. Moreover, as natural gas combustion leaves no residues, it reduces issues of nozzle clogging and equipment corrosion, extending the lifespan of the equipment and further lowering maintenance costs.

• The deployment of energy storage devices:

In the Xuzhou Pingfu project, we achieved optimized utilization of electricity resources through the introduction of energy storage devices. This facility charges during low electricity demand periods and discharges during peak times, effectively balancing the power grid load and significantly reducing electricity consumption costs. Additionally, the energy storage device provides backup power during grid fluctuations or failures, ensuring the continuity of project operations. Through this measure, the project has reduced its reliance on conventional energy sources, further lowering carbon emissions, and providing a practical example for green and low-carbon development.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Promoting Water Resource Circulation

The Group closely monitors relevant laws and policies on water use and water conservation, and carries out fine management of water resources through digital and intelligent technologies to enhance the utilization and recycling efficiency of water resources. While ensuring the normal operation and hygiene safety of projects, we strive to reduce water consumption in all business processes. In 2024, there were no major issues in seeking suitable water sources for the Group.

Enhancing the use of reclaimed water

The Group has always been committed to fully utilizing reclaimed water resources as an important approach for water conservation and emission reduction. For project companies near the reclaimed water plant, we appropriately use reclaimed water in our daily operations while ensuring environmental protection, effectively reducing the consumption of freshwater resources. For activities such as vehicle cleaning, transfer station operations, and toilet hygiene maintenance, which require public health standards, tap water is used. Through this meticulous management, we achieved a cumulative water saving of 20% throughout the year, which amounts to approximately 1.21 million tons of water saved, resulting in a cost savings of about 3 million yuan in water expenses, and achieved a win-win situation of economic benefits and environmental protection, contributing to the construction of a resource-saving and environmentally friendly society.

> Water Resource Application Management in Urban Services Business

In the field of environmental health services, we adjust the frequency and technology of sprinkling and dust suppression operations based on changes in air humidity, surface temperature, and PM2.5 index in different regions and time periods, to achieve the efficient use of water resources.

In the field of landscaping, the Group implements fine management of landscaping through intelligent and data-driven management systems and methods, making efficient use of water resources and providing strong support for the sustainable development of urban greening.

Intelligent Irrigation Technology	• Internet of Things Technology: Real-time monitoring of environmental data (such as soil moisture content, temperature, humidity, etc.) through soil moisture sensors, weather stations, and other equipment, and transmission to an intelligent control platform for automatic adjustment of irrigation plans.
	 Automatic Control Technology: Equipped with solenoid valves, pumps, and other equipment, it realizes timed and quantitative irrigation according to platform instructions to ensure timely supply of plant moisture.
	 Cloud Computing and Big Data: Utilize cloud computing to store and analyze soil, meteorological, and plant growth data to optimize irrigation strategies and improve water resource utilization.
	• Wireless Communication Technology: Adopt LORA, WIFI, 4G/5G, and other technologies to achieve remote monitoring and management of equipment, reducing labor costs.
Irrigation Modes	• Personalized Irrigation: According to the needs of different plants, seasons, and growth stages, set irrigation parameters in zones to achieve precise water supply.
	 Remote Monitoring: Support real-time viewing of soil moisture, meteorological data, and equipment status through computers or mobile phones, facilitating timely handling of abnormal situations.
	 Intelligent Warning: When soil moisture is abnormal or equipment fails, the system will automatically alarm and notify the management personnel.
	 Automated Irrigation: Adjust irrigation time and water volume automatically based on real-time data to ensure that plant irrigation requirements are met while saving water resources.
	• Data Visualization: Display data in chart form to help managers analyze plant growth conditions and optimize irrigation plans.
Technical Advantages	• Water-saving and Efficient: Accurate irrigation, reduce water resource waste, and significantly improve irrigation efficiency.
	Reduce Labor Costs: Implement remote monitoring and automated operations to reduce manual intervention and labor intensity.
	• Enhancing Garden Quality: Scientific management, promoting plant healthy growth, improving urban environment and residents' quality of life.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Case: Construction of Smart Irrigation System to Achieve Efficient Utilization of Water Resources

Our Chongqing Banan project has achieved intelligent irrigation management through the construction of a smart irrigation system. The system monitors soil moisture, meteorological conditions, and other parameters in realtime, and combines advanced algorithms and intelligent decision-making systems to precisely control the timing and amount of irrigation. This intelligent irrigation method effectively resolves common problems of over-irrigation and insufficient irrigation in traditional irrigation methods, significantly reducing water consumption by 30% to 60%, greatly improving the efficiency of water resource utilization.

In addition, the Banan Smart Garden System deeply integrates IoT technology with soil moisture sensors to monitor changes in soil moisture in real time. At the same time, based on the plant growth cycle database and dynamic algorithm models, the system automatically matches the water requirements of plants, precisely regulates the amount and frequency of irrigation, and provides the optimal growth environment for plants. This innovative solution not only enhances the intelligence level of urban garden management, but also provides strong technical support for the development of green cities.



Utilize the Internet of Things and soil moisture sensors to monitor soil conditions

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

> Water Resource Application Management in Hazardous Waste Business

In the hazardous waste business, we require all project companies to strictly comply with local policies and regulations, and treat production wastewater, ground washing water, and initial rainfall through the addition of wastewater treatment facilities, ensuring that they meet the standard for recycled water. After passing through reverse osmosis membranes, the boiler feedwater is used for incineration systems to reduce freshwater consumption. At the same time, we subject collected rainwater to physical and biochemical treatment, and the treated rainwater is reused according to environmental assessment requirements to further enhance the efficiency of water resource use.

Water Resource Conservation Targets

In the future, the Group will continue to rely on the intelligent sanitation platform to optimize water resource allocation, systematically summarize and promote advanced water-saving technology and management experience. Through synchronized application in the urban services business sector, we will comprehensively enhance water resource utilization, further reduce water consumption, and promote resource-efficient use and sustainable development.

Promote Waste Recycling

The Group is committed to building a green management system for the whole life cycle of hazardous waste, fully promoting the resource-based business through technological innovation and process upgrading. Guided by the principles of "reduction, harmless treatment, and resource utilization", we have proposed and implemented plans for resource utilization, fully recycling waste materials, achieving high-value utilization, and enhancing the value and efficiency of resource use.



Case: Construction of Pyrolysis Project, Treatment of Hazardous Waste

This year, we initiated the pyrolysis project, treating hazardous waste through industrial continuous pyrolysis technology to produce gaseous, liquid, and solid products. With advanced industrial continuous pyrolysis production lines, we achieve the reduction, resource utilization, and harmless treatment of hazardous waste, ensuring the project's safety, efficiency, and high-quality operation. The liquid products produced by pyrolysis (pyrolysis oil) can be used as raw material oil for downstream refining and chemical enterprises, and the entire utilization process achieves low emissions of waste.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Resource Utilization Targets

Progress of Targets Completion in 2024

From 2023 to 2025, the Yichang resource recovery project of the Group has achieved 100% recycling and utilization of hazardous waste, with no secondary hazardous waste produced.

Completed

The Yichang resource recovery project of the Group has been put into operation, achieving 100% recycling and utilization of hazardous waste, with no secondary hazardous waste produced, and its designed processing capacity (20,000 tons/year).

In 2024, the first phase of the Shandong Pingfu pulp residue and copper-containing hazardous waste recycling project has been commissioned and is operational, with a total designed processing capacity of 10,000 tons per year.

Future Targets

From 2025 to 2027, the design scale of the Shandong Pingfu thermal cracking project will reach 5,000 tons/year.

Building a Beautiful Ecosystem

A good natural ecological environment is the foundation for the long-term stable development of society. Based on the policy guidelines of ecological protection red lines, respecting the *Convention on Biological Diversity*, we have issued *Biodiversity Conservation and Management Policy*, in the process of carrying out business activities, we have continuously strengthened the risk management and control of biodiversity.

- For the construction of hazardous waste treatment projects, in the preparation stage, we strictly demonstrate the feasibility of project location and spatial layout, focusing on evaluating the potential impact of facility land on regional vegetation coverage, land ecological functions, and biodiversity. After entering the construction stage, we always prioritize the protection of natural habitats, wetlands, forests, wildlife corridors, and agricultural land, minimizing the impact on the surrounding environment and communities. At the same time, we conduct special inspections to test the integrity of ecosystems within the protection red line, ensuring that all projects meet 100% of the requirements for ecological protection red lines.
- For hazardous waste incineration projects, we systematically evaluate the adverse effects of fuel consumption and waste gas emissions on the local natural environment and resources, and take targeted waste reduction measures.

The Group fully utilizes resources, technology, and industry advantages to continuously expand business boundaries and enhance the service capabilities of our landscape gardening business. By the end of 2024, the total area of landscape gardening maintenance and management undertaken by the Group is approximately 47.95 million square meters, and the water area cleaned up is approximately 39.67 million square meters. At the same time, the Group also promotes environmental-friendly ecological concepts through environmental protection activities, supports biodiversity conservation, strengthens the construction of ecological civilization, and jointly builds the foundation of ecological civilization.



Case: Combat the Pomacea Canaliculata and Protect the Aquatic Ecosystem

Faced with the ecological challenge of the Pomacea canaliculata destroying river channel scenery and threatening water quality safety, the Group's Xishan project took quick action, forming a special team who patrolled the river around the clock. Through daily efficient removal of over 20 kilograms of Pomacea canaliculata, we effectively promoted the recovery of aquatic plants, significantly improving their growth conditions. At the same time, staff members conducted a dragnet-style investigation, strictly preventing the spread of the Pomacea canaliculata, and effectively guaranteeing the safety of the Dianchi aquatic ecosystem.



The site for the collection of Pomacea Canaliculata and the removal of their eggs



Case: Fine Management, Improving Greening Scenery

The Group has always adhered to high standards and strict requirements, promoting the fine management of greening and maintenance. The Xinhui project adopts the "addition, subtraction, multiplication, and division" management method for greening and maintenance. By means of supplement one plant for each missing one, scientific pruning and shaping, seasonal fertilization, and pest and disease control, the green landscape along the roads is enhanced. The Gulang project focuses on seasonal maintenance and ecological restoration, adopting different green plant maintenance measures in different seasons, constructing a full-cycle greening management system, and continuously improving the quality of urban green landscapes.



The urban road greening landscape of the Xinhui project



The urban greening landscape of the Gulang project

Standardize Construction Management

Throughout the construction process of all projects, the Group strictly complies with laws and regulations such as the *Soil Pollution Prevention and Control Law of the People's Republic of China*, the *Implementation Plan for the Assessment of the Standardization of Environmental Management of Hazardous Wastes in the 14th Five-Year Plan*, and the *Guidelines for Soil Pollution Risk Investigation of Key Supervisory Units (Trial)*. According to the requirements of the laws and regulations, we promptly revise the system and promote its implementation. This year, we introduced the *Urban Services Environmental Management System* to guide and regulate project companies in fulfilling their primary responsibility to protect the environment, reduce environmental pollution, and promote sustainable corporate development.

In the preliminary stage of each project, the Group will conduct due diligence on each project, including safety, environmental protection, and extreme weather impact assessments of the project site, and visit peer enterprises and communicate with professionals. We combine industry data and the production conditions of our own enterprises to identify various types of risks and changes, clarify the key control points, provide sufficient materials and time for comprehensive review of project feasibility and environmental effect, and effectively prevent project risks.

The Group strictly implements the national "Three Simultaneity" system for environmental protection and ensures its coverage of all new, reconstructed, and expanded projects.

- During the project approval stage, environmental impact assessments are conducted in accordance with regulations;
- During the project design stage, qualified design units are entrusted to design and adopt environmentally friendly equipment and facilities with advanced technology and processes based on laws, regulations, and standards;
- During the project construction stage, contractors with complete qualifications are entrusted to strictly follow the design drawings and technical standards to ensure the quality of the project;
- During the trial operation and acceptance stage of the project, the matching environmental protection facilities and the main project are simultaneously accepted and put into use;
- During the production process, the integrity and utilization rate of environmental protection facilities are continuously improved to ensure that the environmental protection facilities fully play their role.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

In the process of constructing and reconstructing waste transfer stations and public toilets, and other environmental sanitation facilities, the Group has also formulated relevant environmental protection measures.

When constructing waste transfer stations:

- Low-noise compressors and new-type noise-absorbing and sound-insulating materials are selected to reduce noise
- Spray-type deodorizing equipment is used to reduce dust and odor
- Three-level filtration treatment of sewage is set up to ensure that the effluent meets the standard

When constructing or renovating public toilets:

- Energy-efficient lighting equipment and accessories are applied
- Water-saving sanitary fixtures are preferably selected, and the recycling water system is improved to increase the water reuse rate
- Selecting hollow bricks, fly ash blocks, and lightweight thermal insulation boards as new building materials to reduce energy consumption
- Install plastic steel windows with good airtightness and insulation properties to strengthen building energysaving measures

The Group has not only implemented a number of environmental protection measures during the construction process, but also fully strives to create a project factory area that is scientifically planned, well-constructed, and high in environmental protection standards. Through measures such as optimizing facility layout, improving greening quality, and updating environmental protection facilities, we are striving to create a "garden-style" factory that harmonizes with nature and leaves no industrial traces, in order to achieve a harmonious coexistence between the factory and the natural environment.
GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Environmental Key Performance Indicators⁴

Greenhouse Gas Emissions⁵

Business segment	Indicator	Unit	2024
Urban service business	Greenhouse gas emissions (Scope 1 and Scope 2)	Ton	126,631.48
	Direct greenhouse gas emissions (Scope 1)	Ton	109,557.84
	Gasoline	Ton	12,718.98
	Diesel	Ton	95,550.41
	Natural gas	Ton	1,288.45
	Indirect greenhouse gas emissions (Scope 2)	Ton	17,073.64
	Purchased electricity	Ton	16,516.36
	Purchased heat	Ton	557.28

- ⁴ During the reporting period, due to changes in the status, quantity, and scale of the Group's urban services business and hazardous waste treatment projects, along with an increase in vehicle operations and a decline in the quality of materials received for hazardous waste treatment, there were certain variations in greenhouse gas emissions, pollutant discharges, waste generation, energy consumption, and water usage across the Group's various business segments compared to the previous year.
- ⁵ Greenhouse gas emission data are presented in carbon dioxide equivalent (CO₂e) and are calculated based on the *2021 Emission Reduction Project Baseline Emission Factors for Chinese Regional Grids* published by the Ministry of Ecology and Environment of the People's Republic of China, as well as the *IPCC Guidelines for National Greenhouse Gas Inventories 2006, Revised Edition 2019* published by the Intergovernmental Panel on Climate Change (IPCC). Direct greenhouse gas emissions from the urban services business primarily stem from the consumption of natural gas, gasoline, and diesel by vehicles during the operation of project companies. Indirect greenhouse gas emissions arise from electricity and heat consumption during the operation of project companies. Direct greenhouse gas emissions from the hazardous waste treatment business come from the consumption of natural gas, gasoline, and diesel during the operation of project companies. Indirect emissions are attributed to electricity and heat consumption during the operation. Direct greenhouse gas emissions from the waste electrical and electronic equipment treatment business originate from the consumption of gasoline and diesel during the operation of project companies. Indirect emissions result from electricity consumption during operation. Direct greenhouse gas emissions from the headquarters office building are generated by natural gas used in the canteen and gasoline consumed by office vehicles during operation. Indirect emissions are due to electricity consumption during the operation of the headquarters.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Business segment	Indicator	Unit	2024
Hazardous waste treatment business	Greenhouse gas emissions (Scope 1 and Scope 2)	Ton	50,285.78
	Direct greenhouse gas emissions (Scope 1)	Ton	6,491.01
	Gasoline	Ton	381.94
	Diesel	Ton	1,559.29
	Natural gas	Ton	4,549.78
	Indirect greenhouse gas emissions (Scope 2)	Ton	43,794.77
	Purchased electricity	Ton	15,215.07
	Purchased heat	Ton	28,579.70
Shiny Glory	Greenhouse gas emissions (Scope 1 and Scope 2)	Ton	2,168.48
	Direct greenhouse gas emissions (Scope 1)	Ton	2,168.48
	Gasoline	Ton	7.67
	Diesel	Ton	2,160.81
	Natural gas	Ton	_
	Indirect greenhouse gas emissions (Scope 2)	Ton	-
	Purchased electricity	Ton	_
	Purchased heat	Ton	_

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Business segment	Indicator	Unit	2024
Headquarters Office	Greenhouse gas emissions (Scope 1 and Scope 2)	Ton	191.36
	Direct greenhouse gas emissions (Scope 1)	Ton	8.49
	Gasoline	Ton	3.85
	Diesel	Ton	_
	Natural gas	Ton	4.64
	Indirect greenhouse gas emissions (Scope 2)	Ton	182.87
	Purchased electricity	Ton	182.87
	Purchased heat	Ton	_
Total	Total Greenhouse Gas Emissions	Ton	179,277.10
	Greenhouse Gas Emissions Per Unit of Operating Revenue	Ton/ 10,000 RMB	0.30

Pollutant Emissions⁶

Business Segment	Indicator		Unit	2024
Urban Services Business	Exhaust Emissions	Sulfur Dioxide	kg	652.58
		Nitrogen Oxides	kg	328,565.26
	Wastewater		Ton	1,260,438.04

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

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Business Segment	Indicator		Unit	2024
Hazardous Waste	Exhaust Emissions	Sulfur Dioxide	kg	3,806.14
Treatment Business		Nitrogen Oxides	kg	81,339.25
		Hydrogen Sulfide	kg	91.29
		Ammonia	kg	23,876.97
		Particulate Matter	kg	8,245.93
		Carbon Monoxide	kg	15,884.66
		Hydrogen Chloride	kg	3,715.12
	Wastewater		Ton	126,316.71
Shiny Glory	Exhaust Emissions	Sulfur Dioxide	kg	11.89
		Nitrogen Oxides	kg	8,331.60
		Particulate Matter	kg	698.16
	Wastewater		Ton	_
Headquarters Office	Exhaust Emissions	Sulfur Dioxide	kg	0.03
		Nitrogen Oxides	kg	0.46

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Waste⁷

76

Business Segment	Indicator	Unit	2024
Urban Services Business	Total Harmful Waste	Ton	2,346.10
	Total Non-Harmful Waste	Ton	16,140.88
Hazardous Waste Treatment	Total Harmful Waste	Ton	44,226.86
Business	Total Non-Harmful Waste	Ton	69.11
Shiny Glory	Total Harmful Waste	Ton	_
	Total Non-Harmful Waste	Ton	222.36
Headquarters Office	Total Harmful Waste	Ton	_
	Total Non-Harmful Waste	Ton	11.29
Total	Total Harmful Waste	Ton	46,572.96
	Total Amount of Hazardous Waste Per Unit of Operating Revenue	Ton/ 10,000 RMB	0.08
	Total Non-Harmful Waste	Ton	16,443.64
	Total Amount of Non-hazardous Waste Per Unit of Operating Revenue	Ton/ 10,000 RMB	0.03

⁷ Based on the company's operational characteristics, hazardous waste primarily comes from fly ash, boiler ash, boiler slag generated by hazardous waste incineration projects, and sludge produced from wastewater treatment in the hazardous waste treatment business. After being properly treated and meeting the standards, fly ash, boiler ash, boiler slag, and sludge are landfilled in compliant landfills. Non-hazardous waste mainly consists of domestic waste generated during the Group's operation, and its estimation is based on the *Manual of Emission Coefficients for Urban Life Sources from the First National Pollution Source Census* issued by the State Council.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Energy and Water Resource Consumption⁸

Business Segment	Indicator	Unit	2024
Urban Services Business ⁹	Total Energy Consumption	Megawatt-hours	443,258.92
	Direct Energy Consumption	Megawatt-hours	408,937.55
	Gasoline	Megawatt-hours	49,865.90
	Diesel	Megawatt-hours	352,693.69
	Natural Gas	Megawatt-hours	6,037.87
	Photovoltaic, Waste Heat Power Generation (Self-generated and Used)	Megawatt-hours	-
	Indirect Energy Consumption	Megawatt-hours	34,321.38
	Purchased Electricity	Megawatt-hours	32,246.63
	Purchased Heat	Megawatt-hours	1,407.39
	Water Consumption	Tons	13,675,851.65
	Fresh Water	Tons	10,967,050.93
	Reclaimed Water	Tons	2,708,800.72

- ⁸ The energy consumption data is calculated based on the consumption of electricity and fuel, using the relevant conversion factors provided in the *General Principles for Calculation of Comprehensive Energy Consumption (GB/T 2589-2020)* issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Standardization Administration of China.
- ⁹ The direct energy consumption of the urban services business primarily comes from the natural gas, gasoline, and diesel consumed by vehicles during the operation of project companies. Indirect energy consumption comes from the purchased electricity and heat consumed during the operation of project companies. The direct energy consumption of the hazardous waste treatment business comes from the natural gas, gasoline, and diesel consumed during the operation of project companies, as well as the electricity generated through photovoltaic and waste heat power generation. Indirect greenhouse gas emissions come from the purchased electricity and heat consumed during the operation of project companies. The direct energy consumption of the waste electrical and electronic equipment treatment business comes from the gasoline and diesel consumed during the operation of project companies. Indirect energy consumption comes from the electricity consumed during the operation of project companies. The direct energy consumption of the headquarters office building comes from the electricity consumed during the operation of project companies. Indirect energy consumption comes from the natural gas used in the canteen and the gasoline consumed by office vehicles during operation. Indirect energy consumption comes from the electricity consumed during the operation of the headquarters. Fresh water consumption primarily comes from the purchased municipal tap water and self-extracted water during the Group's operation. Reclaimed water consumption primarily comes from the purchased municipal reclaimed water during the Group's operation.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Business Segment	Indicator	Unit	2024
Hazardous Waste Treatment	Total Energy Consumption	Megawatt-hours	132,733.74
Business	Direct Energy Consumption	Megawatt-hours	33,955.55
	Gasoline	Megawatt-hours	1,493.01
	Diesel	Megawatt-hours	5,801.72
	Natural Gas	Megawatt-hours	22,403.91
	Photovoltaic, Waste Heat Power Generation (Self-generated and Used)	Megawatt-hours	4,256.91
	Indirect Energy Consumption	Megawatt-hours	98,778.18
	Purchased Electricity	Megawatt-hours	26,601.46
	Purchased Heat	Megawatt-hours	72,176.72
	Water Consumption	Tons	309,443.20
	Fresh Water	Tons	195,776.30
	Reclaimed Water	Tons	113,666.90
Shiny Glory	Total Energy Consumption	Megawatt-hours	8,003.88
	Direct Energy Consumption	Megawatt-hours	8,003.88
	Gasoline	Megawatt-hours	29.96
	Diesel	Megawatt-hours	7,973.91
	Natural Gas	Megawatt-hours	-
	Photovoltaic, Waste Heat Power Generation (Self-generated and Used)	Megawatt-hours	-
	Indirect Energy Consumption	Megawatt-hours	-
	Purchased Electricity	Megawatt-hours	-
	Purchased Heat	Megawatt-hours	_

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Business Segment	Indicator	Unit	2024
	Water Consumption	Tons	_
	Fresh Water	Tons	-
	Reclaimed Water	Tons	_
Headquarter Office	Total Energy Consumption	Megawatt-hours	307.88
	Direct Energy Consumption	Megawatt-hours	37.99
	Gasoline	Megawatt-hours	15.04
	Diesel	Megawatt-hours	_
	Natural Gas	Megawatt-hours	22.95
	Photovoltaic, waste heat power generation (self-generated and self-used)	Megawatt-hours	_
	Indirect energy consumption	Megawatt-hours	269.89
	Purchased electricity	Megawatt-hours	269.89
	Purchased heat	Megawatt-hours	-
	Water consumption	Ton	4,477.00
	Fresh water	Ton	2,681.00
	Recycled water	Ton	1,796.00
Total	Total energy consumption	MWh	584,304.42
	Energy Consumption Per Unit of Operating Revenue	MWh/10,000 RMB	0.97
	Total water consumption	Ton	13,989,771.85
	Water Consumption Per Unit of Operating Revenue	Ton/10,000 RMB	23.21

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Building a Sustainable Supply Chain

The Group always treats suppliers as important business partners and is committed to establishing good, win-win close business relationships with suppliers. By integrating resources and enhancing service quality, we work together with suppliers to build a green supply chain.

Standardized Green Procurement

The Group strictly complies with relevant laws and regulations on procurement such as the *Law of the People's Republic of China on Tendering and Bidding* and the *Implementation Regulations of the Law of the People's Republic of China on Tendering and Bidding*, and the Group's relevant management systems, and has revised and improved management systems such as the *Suppliers Management System, Supply Chain Management System* and *Bidding and Procurement Management System* this year, continuously promoting the sustainable development of the supply chain and strengthening the standardization, digitalization, and greening process of supply chain management.

Supplier System Construction

The Group strengthens and unifies supplier management, improving the supply chain management system. We categorize suppliers into three major categories: qualified, reserve, and blacklist, and further divide them based on factors such as supplier qualifications, quality management, labor employment, environmental protection, and safety risks. We highly focus on the ESG performance of suppliers, encourage them to improve their ESG management level, and strictly control the full lifecycle management from entry to elimination of suppliers.

Full Lifecycle Management

The Group adheres to the internal system requirements such as the *Supplier Management Policy* and *Detailed Implementation Measures for the Quality Management of Bulk Procurement Materials*, deepening the regulation of environmental and social risks in all links of the supply chain.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Supplier Entry Phase:

- Implement online registration and approval procedures, formulate targeted qualification standards based on the different categories of suppliers, and require suppliers to provide materials related to environmental health and safety (EHS) management capabilities, green production, and quality control.
- Clearly require suppliers to adopt measures such as optimizing the use of natural resources, avoiding the use of
 prohibited substances, and proper waste management, and they must comply with labor standards, human rights
 protection, health and work safety, environmental protection, and business ethics. After further verification through
 on-site inspections and approval, they will obtain the qualification for bidding.

Supplier Cooperation Phase:

- Carry out supplier annual evaluations on a regular basis to ensure they meet the Group's procurement needs and the requirements of the *Supplier Management Policy*. Online, collect data from various dimensions of suppliers irregularly, and on-site evaluations are conducted by relevant departments offline. If suppliers fail to meet the minimum ESG requirements within the specified time, they will be excluded from the list of alternative suppliers.
- Based on the evaluation results, suppliers will be reclassified and graded, and targeted management strategies will be implemented for different categories and levels. At the same time, suppliers are urged to timely improve and optimize their products, comprehensively reduce supply chain cooperation risks and environmental and social risks, thereby achieving strategic cooperation and joint development with high-quality suppliers.
- In 2024, we mainly conducted evaluations on centralized procurement suppliers for urban services and selfprocurement suppliers for hazardous waste treatment business, with a total of 289 suppliers participating in the evaluation (237 suppliers in the hazardous waste treatment sector and 52 suppliers in the urban services sector). This year, the Group did not find any suppliers with significant actual/potential negative impacts.

Supplier Exit Phase:

For cooperative suppliers with major quality issues, administrative penalties and credit records, major safety
production responsibility accidents, and other environmental and social risks, after the review committee's
approval, we will implement blacklist control for the supplier. Among them, blacklist suppliers are divided into two
control categories: "frozen suppliers" and "permanent blacklist".

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Intelligent Supply Chain Construction

In 2024, the Group fully constructed a supplier management system, achieving online reconciliation and cooperation of collective procurement materials and green application of electronic contracts. The online reconciliation function of the system improves the efficiency and accuracy of supply chain management, significantly enhancing the transparency of the supply chain, and effectively reducing errors in the process of information transmission. The application of electronic contracts reduces paper and printing costs, reduces carbon emissions generated by personnel traffic and express delivery transportation, and further promotes the construction of a green supply chain.

Green Supply Chain Construction

The Group vigorously promotes the construction of a green supply chain, prioritizing suppliers with good ESG performance. During the supplier shortlisting or evaluation process, suppliers with green qualifications such as ISO 9001 quality management system certification, ISO 14001 environmental management system certification, OHSAS 18000 occupational health and safety management system certification, and SA 8000 social responsibility standard certification will receive additional audit points and key recommendations.

We encourage suppliers to participate in ESG training and obtain relevant certifications. Through measures such as information sharing, two-way communication, high-level dialogue, and incentives, we provide comprehensive support for suppliers. In addition, we also conduct ESG training for procurement department staff, actively communicate with suppliers on ESG management improvement suggestions, and improve the comprehensive capabilities of both parties in terms of technology, cost, service, response efficiency, and ESG performance, working with suppliers to create ESG value.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Key Performance Indicators About Suppliers¹⁰

Indicators	2024
Total Number of Suppliers	289
Number of Suppliers by Region	
East China	114
Central China	44
North China	54
Northwest China	12
South China	55
Northeast China	10
Number of Suppliers by Grade	
Strategic Suppliers	30
Grade A Suppliers	224
Grade B Suppliers	35

¹⁰ The scope of supplier data statistics covers the contract suppliers of The Group, with the supplier's region based on their registration location.

GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY

Indicators	2024
Number of Suppliers by Procurement Category	
Direct Procurement Suppliers	185
Indirect Procurement Suppliers	104
Number of Suppliers by Risk Identification	
	00
Number of Suppliers Identified with High ESG Risks and Significant Impact on Business in Direct Procurement	30
Percentage of Suppliers Participating in Online/Onsite Evaluation	100%
Number of Suppliers Assessed as Having Significant Actual/Potential Negative Impacts	0
Number of Suppliers Assessed as naving Significant Actual/Potential Negative impacts	0
Number of Suppliers Subject to Corrective Actions/termination of Cooperation	0
Number of Cumplices Identified with Link 500 Dick and Cimilicent Duciness Import in	-
Number of Suppliers Identified with High ESG Risk and Significant Business Impact in Indirect Procurement	5
Proportion of Suppliers Involved in Online/Onsite Assessments	100%
Number of Suppliers Assessed as Having Significant Actual/Potential Negative Impact	0
Number of Suppliers Assessed as naving Significant Actual/Potential Negative impact	0
Number of Suppliers Subject to Corrective Actions/termination of Cooperation	0

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

The Group practices the core values of "being committed, creating value, and sharing with others", implements the corporate philosophy of "government reassured, citizens satisfied, enterprises profitable, employees benefited, partners win-win", pays attention to employee needs, strengthens rights protection, cultivates highly skilled personnel, and strives to build an attractive employer brand. As a responsible corporate entity, we actively contribute to society, participate in various public welfare undertakings, and strive to create greater value for society.

Facilitating Employee Development

The Group always regards employees as the core force driving the Group's development, upholding the "people-oriented" philosophy, and advocating a diverse, equitable and inclusive corporate culture. We fully safeguard employees' rights and interests, provide fair and competitive remuneration and benefits, and focus on the construction of a talented team, committed to attracting, cultivating, and retaining outstanding talents, and enhancing employees' sense of belonging. In 2024, the Group further optimized the human resource management system, actively promoted the informatization of talent management, strengthened the internal construction of the human resource management team, and facilitated the all-round development of employees. In 2024, we were honored with the "2024 Greater China Excellent Employer Brand Award" at the 15th Beijing Human Resources Expo, as well as the "Excellent Happy Workplace Growth and Win-Win Award" and the "Excellent Happy Workplace Value Co-Creation Award" of quality workplace.

Employee Rights Protection

The Group strictly abides by the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and other laws and regulations, formulates the *Labor Contract Management System* and other rules and regulations, to safeguard the legitimate rights and interests of employees. In addition, we continue to optimize the *Employee Performance Management System* and the *Incremental Commission Reward Method*, and strengthen performance management and positive incentives with performance as the guidance. We have newly established the *Retirement and Rehiring Management System*, clearly specifying the benefits that rehired retirees can enjoy, and standardizing daily management. For employees in the Hong Kong Special Administrative Region, the Group strictly refers to the local policies and regulations such as the *Hong Kong Labor Ordinance* and the *Hong Kong Employment Ordinance*, formulating the *Employment Contract* and *Employee Handbook*, and is committed to creating an inclusive and open talent cultivation environment.

In addition, the Group focuses on the release of the *Employee Rights Declaration*. On a series of key issues concerning employee rights, such as forced labor, child labor, anti-workplace discrimination and harassment, protection of female employees, equal pay for equal work, freedom of association, safe and healthy working environment, protection of employee privacy and reporting procedure, explicitly states its commitments and responsibilities to the rights and interests of all employees.

Recruitment and Dismissal

According to the Group's strategic needs, we identify talent gaps, combine with the existing talent structure, clarify and standardize recruitment plans, and strengthen the introduction of key talents. Through "talent portraits", we precisely locate the job competency model, promoting the scientization and visualization of human resource management. At the same time, to standardize retirement and rehiring management, the Group further clarifies rehiring conditions, approval procedures, and treatment standards to fully utilize talent value and protect the rights and interests of retirees.

Employee Recruitment

- Optimize the interview question bank to enhance the compatibility of candidates with the company culture and job positions;
- Use a combination of tools such as the Enneagram, Career Anchors, 4D Leadership, MBTI, etc., as references in job analysis, interview selection, interviewer training, and talent development;
- Standardize the hiring process, improve hiring capabilities, through a series of professional human resources empowerment training courses, to enhance skills in resume screening and interviewer interviews; establish a three-party background check platform, combining self-background checks, to enhance the professionalism and standardization of group hiring, ensuring candidate quality;
- Newly added *Retirement and Rehiring Management System* to standardize retirement and rehire management, ensuring work opportunities and benefits for rehired retirees.

Employee Dismissal

 In drafting the Labor Contract, strictly comply with relevant laws and regulations, clearly list the termination clauses, ensuring a compliant and clear termination process, effectively avoiding compliance risks and labor disputes.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Key Performance Indicators for Employment¹¹

Indicator Category	Second-level Classification		2024	Unit
Number of Staff	Classified by type of employment	Self-owned full-time employees	67,219	Person
		Self-owned part-time employees	0	Person
		External labor dispatch employees	2,205	Person
	Full-time employees classified	Male employees	33,320	Person
	by gender	Female employees	33,899	Person
	Full-time employees classified	Employees under 30 years old	1,665	Person
	by age	Employees aged 31-50 (inclusive)	15,642	Person
		Employees over 50 years old	49,912	Person
	Full-time employees classified	Minority employees	2,446	Person
	by ethnicity	Non-minority employees	64,773	Person
	Full-time employees classified	Disabled employees	470	Person
	by physical condition	Non-disabled employees	66,749	Person

¹¹ Note: The total number of employees during the reporting period is classified by employment type. Among them, full-time employees are further categorized by gender, ethnicity, age group, physical condition, functional level (management personnel, headquarters functional department personnel, regional and project functional department personnel, front-line production and operation personnel), job category (administrative and management personnel, sales and marketing personnel, technical personnel, front-line production and operation personnel), and region. In China, regions are divided 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), and South China (Guangdong, Guangxi, Hainan).

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Indicator Category	Second-level Classification		2024	Unit
	Full-time employees classified by job level	Managers	269	Person
		Among them: Female	23	Person
		Headquarter and regional project department staff	1,998	Person
		Among them: Female	980	Person
		Front-line production and operation staff	64,952	Person
		Among them: Female	32,896	Person
	Full-time employees classified by job category	Administrative and managerial staff	1,948	Person
		Sales and marketing staff	189	Person
		Technicians	130	Person
		Front-line production and operation staff	64,952	Person
	Full-time employees classified by region	Domestic region	64,601	Person
		Overseas Region (Hong Kong)	2,618	Person
Composition of Management Staff	Divided by Management Level	Senior Management	32	Person
		Middle Management	237	Person
	Divided by Gender	Male	246	Person
		Female	23	Person
Number of New Hires	of New Hires Divided by Gender	Male	14,430	Person
		Female	14,748	Person

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Indicator Category	Second-level Classification		2024	Unit
Employee Turnover Rate	Employee Turnover Rate ¹²		31.35	%
	Divided by Gender	Male Employees	32.49	%
		Female Employees	30.22	%
	Divided by Age	Employees Under 30 Years Old	41.74	%
		Employees Aged 31-50 (inclusive)	23.13	%
		Employees Over 50 Years Old	33.58	%
	Divided by Region	Domestic Region	30.45	%
		Overseas Region (Hong Kong)	53.40	%

Human Rights Protection

The Group strictly abides by laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors* and the *Prohibition of Using Child Labor Regulations*, formulates the *Employee Rights Declaration*, and is committed to building an equal and diverse working environment for employees, ensuring human rights from all dimensions.

Avoid Child Labor and Forced Labor

The Group strictly verifies the identity documents of candidates and resolutely refuses to employ child labor under the age of 16. This year, we have optimized our human resources information system, which will automatically block the employment approval process if an applicant is not of legal age, thus preventing the employment of child labor. We respect employees' willingness to work, prohibit any forced labor practices, reasonably control overtime, and arrange compensatory time off.

¹² This year, due to organizational restructuring and project changes, there was a significant amount of recruitment and turnover among front-line employees, resulting in an increase in employee turnover rate compared to last year.

Oppose Discrimination and Harassment

The Group strictly adheres to legal regulations to effectively protect employees' rights to equal employment and independent career choice. Through a series of measures such as implementing reasonable prevention, actively accepting complaints, and properly investigating and handling cases, we resolutely prohibit any form of discrimination against job applicants based on differences in ethnicity, race, gender, physical condition, religious beliefs, marital status, etc. during the recruitment and hiring process. At the same time, the Group maintains a zero-tolerance attitude toward discrimination and harassment in the workplace and provides employees with hotlines, e-mail addresses and other reporting channels, and handles reported incidents in strict accordance with relevant regulations. In 2024, the Group did not identify incidents of discrimination or harassment.

Diversity and Equal Employment

The Group advocates for a diversified recruitment philosophy, comprehensively considering candidates' quality and ability to ensure equal employment opportunities for people from different backgrounds. We pay attention to talents in remote areas, give priority to hiring personnel from the project location, recruit local employees in Yunnan, Guizhou, Sichuan, and other places, boost regional employment rates, and promote local economic development. At the same time, we also provide employment opportunities for people with disabilities, ensuring they have equal treatment and equal pay.

Building Democratic Management System

The Group constructs a smooth communication channel for employees, establishes an employee exchange system with a trade union characteristic. In 2024, the proportion of age-appropriate employees at the Group's headquarters and project companies joining the trade union reached 59.31%. The Group attaches great importance to employees' right to be informed and to supervise, and has established a democratic management operation mechanism based on the Employee Congress or Employee Representative Congress. By widely collecting concentrated proposals put forward by trade union delegates, we promptly understand the opinions, suggestions, and actual needs of employees.

In 2024, the Group innovatively adopted a "online questionnaire + offline co-creation and research" mixed research model to conduct employee satisfaction surveys. The survey content covers multiple fields such as work environment, promotion, welfare, salary, system specifications, career development, and cultural identity. In addition, we expanded the scope of the survey to frontline sanitation workers, covering more than 4,200 people, with 60% of the population being over 50 years old, further promoting the Group's democratic management process. This year, we received a total of 4,726 satisfaction survey questionnaires, of which 4,065 were valid. We actively pay attention to the situations reflected in the survey questionnaires, address employees' concerns and needs, and strive to make continuous progress in employee care and management optimization.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Risk Management of Human Rights

The Group regularly carries out self-assessment and evaluation activities on human rights risks, including the selfcorrection of the timely payment of wages for migrant workers. In addition, the Group closely monitors whether there are any human rights risks related to women, minors, and alien workers in its operations, supply chain, and cooperative partners, as well as compliance with regulations on equal pay and differential treatment. To reduce employment risks and protect the physical and mental health of employees, the Group further clarifies employment standards, combining physical examinations to prevent employees from engaging in unsuitable positions.

During the reporting period, the Group did not receive any complaints related to child labor or forced labor, nor did it find any serious incidents of discrimination or harassment, or violations of equal opportunity and diversity.

Compensation and Benefits

The Group strictly abides by laws and regulations such as the *Law of the People's Republic of China on Social Insurance* and has formulated internal management systems such as the *Employee Position and Salary Adjustment Management System*, *Employee Reward and Punishment Management System*, *Solution Personnel Star Rating Method*, and the *Incentive Measures for Incremental Achievements in Urban Services Projects (Trial Implementation)* to build an attractive compensation and benefits system and incentive mechanism to attract, encourage, and retain outstanding talents.

The Group adheres to the concept of fair employment, fully considering employees' individual performance, professional quality, and market dynamics, providing fair and industry-standard salary and welfare benefits, as well as legal protections. Employee compensation consists of fixed wages and variable performance parts, and the floating performance evaluation is linked to some ESG indicators.

- Employee compensation is divided into fixed wages and variable performance parts, with different fixed and variable ratios set for different positions, and the variable performance part is settled based on organizational performance and individual performance;
- The performance evaluation of all directly supervised cadres includes indicators related to safety production, environmental protection, and honest performance (ESG), which are linked to organizational performance and set different organizational performance weights for different levels, with quarterly assessments;
- The employee performance management system emphasizes professional integrity and anti-corruption issues, and treats information security and confidentiality agreement as a basic code of conduct for employees;
- Regularly assess whether employee income meets their living needs, ensuring that wages are higher than the local minimum standard.

After evaluation, the wages of all employees at all levels of the Group this year are higher than the minimum wage standard set by the local labor and social security department, enabling them to earn a stable income that meets their living needs.

On the basis of providing social security benefits that meet the requirements of the country and operating regions, the Group also provides a variety of additional benefits for employees based on actual conditions.

- Welfare Benefits: Provide subsidies for communication expenses, meal expenses, transportation expenses, holiday bonuses, heat prevention and temperature reduction expenses, and heating expenses, as well as free breakfast and overtime dinner; build convenience facilities such as love stations for front-line employees.
- Union Care: Distribute birthday cards and mutual aid funds, provide condolence money during employee difficulties or serious illnesses, and offer the opportunity to apply for relevant fund assistance.
- Supplementary Insurance: Insure employer liability and employee accident insurance, etc., to improve the security system.
- Health Care: Provide free physical examinations and occupational disease prevention checks for employees annually, offer supplementary medical care, major and critical illness coverage, and increase insurance coverage amount for high-risk positions.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Talent Development and Cultivation

The Group upholds the "talent strengthens the enterprise" strategy and attaches great importance to the cultivation of employees' professional abilities and the construction of teams. We strengthen the top-level design of talent planning, sorting out talent labels for direct-managed cadres according to project types. At the same time, we optimize the training model for employed employees, conducting systematic talent inventory at different levels and positions on an irregular basis to promote accurate matching between people and posts. In addition, we further optimize the training system and training courses, expand the training model and scope, enhance the qualifications of training lecturers, and strengthen the effectiveness of training.

General Skills Training

The Group adheres to the talent cultivation policy of "capacity building" and attracts and nurtures composite professionals through the "Tier Program" and "Leadership Program" talent development initiatives, thereby empowering employees to achieve self-improvement and fostering a high-caliber talent pool.

This year, we focused on strengthening the systematic development and multi-channel training models for talents through initiatives such as the "Leadership Program" "Tier Program" and "New Dynamics Program", thereby establishing a comprehensive talent development system across the Group.

- Job-Person Fit Project: We have established a job-person fit model that incorporates both qualitative and quantitative indicators and uses regional assessments, 360-degree feedback evaluations, and tripartite review meetings to complete the assessment and preliminary inventory of some project leaders. This helps identify competency gaps and promotes accurate job-person matching and improved management efficiency.
- Leadership Program: We have formulated and implemented the "1+1+N Leadership Program", which is tailored to address the competency gaps identified in talent and job fit assessments for project deputy general managers and general manager assistants, to build a foundation for the full-process management of the growth and development of directly supervised cadres. It also aims to close these gaps, improve job fit, and increase the quality and supply of project leadership talent through offline training, external visits, real-world simulation exercises, and collaborative project development.
- **Tier Program:** We launched the fifth phase of talent selection and cultivation efforts, aiming to achieve continuous talent supply through systematic talent development and management.

- Young Talent Cultivation Project: Targeting high-potential post-90s employees, we implemented targeted selection, job rotation, and a dual-mentor system for customized cultivation. We have also introduced supporting measures and incentives to encourage and accelerate the growth of young talents.
- University-Business Cooperation and Management Trainee Program: We comprehensively upgraded the
 management trainee cultivation plan and formulated the "New Dynamics" management implementation plan. We
 have recruited, trained, and cultivated management trainees, and retained outstanding talents for job rotation and
 learning phases through staged assessments and fit validation, thus laying a solid foundation for cultivating highcaliber management talents for the Group.

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Case: "New Dynamics" Program, Cultivating Future Leaders

In July 2024, the Group launched the fifth "New Dynamics" program to help trainees achieve role transformation and improve professional skills. We have designed a "comprehensive and multi-dimensional" induction training system, covering business learning, on-the-job practice, and discussions between new and old employees. The Group's senior management engages in in-depth exchanges with trainees, imparting them with experience and insights on career growth, and arranges trainees to join the front-line work, experiencing various processes and deepening their understanding of urban service business. The Group continuously summarizes the practical experience and existing issues related to the management and cultivation of management trainees, promoting actual improvements in the effectiveness of related systematic work.





Management Trainee Program

Dive into front-line business operations

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Professional Skill Training

The Group always attaches great importance to the capability building of various functional lines, continuously organizing special training activities. In 2024, the Group focuses on building an excellent lecturer and mentor team, organizing TTT certification training¹³ and coaching-style guidance training, laying a solid foundation for creating a high-quality training teacher team. In terms of business line training, market, operation, safety and environmental protection, and other key business lines have successively carried out various training sessions over 50 times, covering more than 1,000 personnel, further enhancing the professional business and practical capabilities of talents in each line of the Group.

In addition, we also pay attention to improving the professional skills and professional quality of employees. In the field of hazardous waste business, we fully encourage employees in participating in the continuous education and various training and learning of registered safety engineers, helping employees pass the examination smoothly, further consolidating the talent advantage of the Group in the hazardous waste business sector. At the same time, the Group also organized employees to participate in the home appliance disassembly training hosted by the China Material Recycling Association, deeply understanding the national "two new" policies and industry trends, to enhance employees' professional skills, and provide knowledge reserves for the Group's research on the resource utilization.

¹³ TTT Certification Training (Training the Trainer to Train): A professional development program specifically designed for trainers, aimed at enhancing their teaching skills, course design capabilities, and training effectiveness evaluation abilities.

Case: Strengthening Training to Empower, Enhancing Employees' Business Skills

In 2024, the Group conducted a variety of training activities across multiple fields to comprehensively enhance employee business skills, strengthen safety, and lay a solid foundation for providing high-quality services.

In the training work on the standardization reform of urban services machinery operations, the Group has actively promoted, hosting 51 online training and Q&A sessions, covering project management teams, production management teams, mechanical operation centers, and the statistical team. We adopted a comprehensive, one-by-one training and auditing approach to ensure that the training effect is implemented in every aspect and for every relevant personnel. Such training has achieved remarkable results, with data quality steadily improving and error rates successfully reduced to below 10%.

Simultaneously, the Group's Shiny Glory has opened special training courses for pest management, inviting senior experts to explain pest management knowledge, ensuring that employees master practical skills and comprehensively enhance their pest management capabilities and professional safety literacy. This type of training not only strengthens employees' professional abilities but also lays a solid foundation for providing high-quality services.

Through systematic and professional training empowerment, the Group has achieved significant results in improving business skills and ensuring safety, providing strong support for the high-quality development of enterprises.

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Case: Substitute Competition for Training, Improve Professional Service Ability and Operational Level

In 2024, the Group will hold labor competitions and skill comparison activities to comprehensively enhance the professional service capabilities and operational levels of employees, promoting the construction of property brand and the standardized development of cleaning operations.

In the property management field, the Group holds the "Welcome National Day, Create Excellent Property Brand" Property Management Service Labor Competition, covering property knowledge competition and corridor hygiene cleaning contests. We commend the winners, effectively enhancing the practical skills and labor enthusiasm of the cleaning staff, and showcasing the good spirit and style of the property management company. In addition, the Group organizes employees to participate in the Beijing Municipal Housing and Construction Commission's property knowledge training and visit the China International Property Expo, further understanding the development prospects and advanced concepts of the national property management industry.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

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Case: Substitute Competition for Training, Improve Professional Service Ability and Operational Level *(Continued)*

In the field of environmental sanitation operations, the Longchuan project held a workers' skills competition in April 2024, setting up five practical projects: general sweeping operation skills, electric tricycle skills, road maintenance vehicle, road sweeping vehicle skills, and garden and greenery pruning. The participating sanitation workers demonstrated their professional skills through timed sweeping and precise operations, and finally, 8 winners were selected for the first prize, 17 for the second prize, and 22 for the third prize. Through the competition, the standardization level of environmental sanitation operations and the workers' skills level were effectively enhanced, providing strong support for the improvement of environmental sanitation service quality.

By adopting the competition as training method, the Group has achieved remarkable results in the fields of property management and environmental sanitation operations, laying a solid foundation for creating a high-quality brand and improving service levels.



The property management knowledge contest held by Zhongyan Property Management Company



General Cleaning Skills Competition



Award-winning sanitation worker

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Training key performance indicators

Indicator Category	Second-level Classification	2024	Unit	
Number of employees trained and percentage	Total Number of Employees Trained	67,219	People	
	Number and Percentage of Employees Trained by Gender			
	Male employees	33,320	People	
		100	%	
	Female employees	33,899	People	
		100	%	
	Number of trained employees and percentage by employee category			
	Management personnel	269	People	
		100	%	
	Headquarter and regional project department personnel	1,998	People	
		100	%	
	Front-line production operation personnel	64,952	People	
		100	%	
Average training hours per employee	Average training duration per employee	79	Hours/person	
employee	By gender			
	Total training hours for male employees	2,459,712	Hours	
	Average training duration for male employees	74	Hours/person	
	Total training hours for female employees	2,836,343	Hours	
	Average training duration for female employees	84	Hours/person	

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Indicator Category	Second-level Classification	2024	Unit
	By employment type		
	Total training hours for management personnel	16,350	Hours
	Average training duration for management personnel	61	Hours/person
	Total training hours for headquarter and regional project department personnel	136,696	Hours
	Average training duration for headquarter and regional project department personnel	68	Hours/person
	Total training hours for front-line production operation personnel	5,143,009	Hours
	Average training duration for first-line production personnel	79	hours/person

Concern for Employee Well-Being

The Group is committed to creating an open, authentic and warm work environment to reduce employee stress and enhance team cohesion and a sense of belonging. This year, the Group's headquarters and various regional project companies actively organized a wide range of employee activities, such as a women's day care activity on the theme of "Making Aromatherapy Products", walking events, work break exercises, basketball games, book sharing sessions, and project photo contests, guiding employees to participate in diverse and healthy cultural and sports activities. At the same time, we deeply implemented the "Send Condolences In Spring, Send Coolness In Summer, Help Students In Autumn and Send Warmth In Winter" initiatives, and conducted a total of festivals, epidemic prevention, flood control, high temperature, and other condolence activities involving more than 800 people, thereby enhancing employees' sense of belonging.



PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE



"Send Coolness In Summer" activity



Walking event



Women's Day event scene



Distribution of welfare funds to employees in difficult circumstances

In 2024, the Group actively promotes the construction of relevant facilities, caring for frontline sanitation workers and staff. We have built a sanitation workers' station at the Sha Jing project, providing a warm and comfortable resting place for frontline sanitation workers. At the same time, we have also set up 13 Employee Care Stations and 3 Employee Homes in our projects in the Beijing-Tianjin-Hebei region, further improving the layout of employee care facilities, providing more convenience and warmth for staff, and comprehensively enhancing a sense of belonging and happiness.



Employee Care Stations and Employee Homes

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Case: Caring for Sanitation Workers, Paying Tribute to the Urban Beautifiers

To celebrate the Sanitation Workers' Day, the Group's regional and project companies in Shanxi Region, South China Region, Northwest Region, etc., fully launched a series of Sanitation Workers' Day activities to express respect for all sanitation workers.

- Organize cultural and artistic performances and award ceremonies to commend and recognize the hard work
 of sanitation workers;
- Hold welfare distribution activities, distribute welfare gifts to all sanitation workers, and visit and comfort families of employees in difficult circumstances;
- Collaborate with local governments to carry out loving substitute post activities, allowing employees and volunteers to experience the hard labor of sanitation workers firsthand;
- Conduct interesting sports events and diverse knowledge and skill competitions, such as rapid sweeping and dustbin cleaning skills comparison activities, to allow sanitation workers to relax their minds and bodies in a relaxed and pleasant competition atmosphere.



Welfare distribution site in Shanxi region



Loving substitute post activities in South China



Interesting sports events in the northwest region



Visited the needy workers in Quannan project





Case: Enriching Cultural and Sports Life, Caring for Employees' Health

In 2024, the Group enriched the lives of employees through diverse activities, relieved employee pressure, and promoted employee physical health.

- In July 2024, Zhongning Company organized a rehabilitation and rest activity for more than 300 first-line sanitation workers, visited scenic spots, visited memorials, and held a bonfire party, promoting physical and mental health and inspiring patriotic sentiment.
- In August 2024, the Guizhou region held a corporate sports meeting, setting relay races, badminton, group skipping rope, and tug of war, and other diverse competition projects, stimulating the enthusiasm of employees to participate and enhancing team spirit.
- November 2024, the Baoan project held a team-building activity. Over 100 management staff deepened their understanding of the company culture and relieved work stress through motivational speeches, Q&A sessions in a circle, and leisure activities.



Zhongning Company's recuperation and rest activity



Collective tug-of-war project in Guizhou



Baoan project's team-building activity



Case: Carry Out Disease Prevention Training to Enhance Health Management Awareness

In November 2024, the Group's Changwu Project Company conducted special training on disease prevention knowledge and blood pressure measurement activities to reduce the high risk of cardiovascular and cerebrovascular diseases among employees during the winter season. We invited professional doctors to give on-site lectures on the prevention of hypertension, myocardial infarction, cerebral infarction and other diseases to all drivers and employees over the age of 60, popularized emergency response skills, and provided free blood pressure testing services to all employees, thereby strengthening their awareness of personal health management.



Special training on disease prevention knowledge



Blood pressure measurement activity



Establishing a Safety Bottom Line

The Group attaches great importance to production safety, strictly controls and manages in detail, and always adheres to the safety policy of "safety first, prevention-oriented, and comprehensive management". We continuously strengthen the safety protection and management of employees' occupational health and safety. We strictly comply with relevant laws and regulations such as the *Safety Production Law of the People's Republic of China* and the *Prevention and Treatment of Occupational Diseases Law of the People's Republic of China*, and refer to the ISO 45001 standard to continuously improve the *Occupational Health and Safety Management System Handbook* and other internal safety management systems, strictly implement safety production management, and ensure the health and safety of employees.

By the end of 2024, the certification status of the Group in the hazardous waste business segment is as follows:

ISO 14001 certification for 2 companies

ISO 45001 certification for 1 company

1 subsidiary company	6 subsidiary companies		
Passed the ISO 45001 Occupational Health and safety management	Passed the safety production standardization certification		
system certification	2 of them passed the safety production standardization level 2	4 of them passed the safety production standardization level 3	

This year, the Group organized all levels of management personnel to sign the *2024 HSE Target Responsibility Statement* and set safety performance assessment targets. During the assessment period, we comprehensively reviewed the frequency of accidents and the implementation of management measures in each business unit and project company, and established corresponding reward and punishment systems, directly integrating the assessment results into the performance evaluation and remuneration systems of all levels of management personnel.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Safety production targets in 2024:

- > Production safety responsibility accidents to "zero"
- > Major traffic responsibility accidents to "zero"
- > Environmental pollution accidents are "zero"
- > Occupational disease incidence rate is "zero"
- > Conceal or underreport accidents are "zero"

Strengthen Safety Control

The Group always considers safety production as an unbreakable bottom line, focusing on on-site safety and environmental management. By implementing comprehensive safety responsibilities, deepening the three-year special rectification of safety production, conducting on-site inspections and supervision, we have significantly improved the safety operation capabilities of our staff, effectively eliminated hidden hazards, and ensured the smooth achievement of all levels of safety production goals. In 2024, the Group continued to deepen the construction of safety risk control system, fully established the safety and environmental protection awareness of all employees, and the safety and environmental management situation was generally stable, with the fundamentals continuously improving, providing a solid guarantee for high-quality development.

	Urban services sector	Hazardous waste sector
Number of on-site safety and environmental inspection and supervision conducted in 2024	1,035 times	26 times
Reduction rate in accidents compared to the same period in 2023	18.04%	-



Deepening HSE Management

The Group attaches great importance to safety, environmental protection and occupational health and safety management, and fully implements a long-term HSE management mechanism. In 2024, within the urban services business segment, we revised and improved the *Urban Services HSE Education and Training System*, *Urban Services HSE Inspection and Hidden Danger Investigation and Management System*, *Urban Services Personal Protective Equipment Management System*, *Urban Services Dangerous Operations Management Regulations*, among others. We also introduced new systems such as the *Urban Services Related Parties Safety Management System* and the *Compliance Guidelines for Key Aspects of Employment in Sanitation Projects*, which aim to clarify the safety management responsibilities of all relevant parties, strengthen the control of safety risks, and ensure the safe and stable operation of production and work activities. In the hazardous waste business, we are conducted safety and environmental inspections in accordance with *HSE Inspection Management System*, *Hazardous Waste Business Related Parties Safety Management System* and other relevant provisions. This year, we issued a total of 19 HSE inspection forms, identified and eliminated 174 on-site hazards, and proposed 90 management requirements, further guaranteeing safety and compliance in the hazardous waste business.

In order to effectively ensure the safety and health of employees in production and business activities, and to implement the *Law of the People's Republic of China on Work Safety* and other relevant laws and regulations, as well as a series of major policy decisions on production safety responsibilities made by the State, the Group has established a Safety Production Committee (SPC), with the President and Vice President of the Company as directors, and other senior managers, heads of relevant departments and employee representatives as members. The SPC has an office as its operational body under the responsibility of the Safety and Environmental Management Center. The SPC holds regular and ad-hoc meetings to review the Group's safety work plan, evaluate the implementation of safety production work in each unit, outline key work points, and oversee the rectification of problems.

The Group has strengthened comprehensive safety rectification, created standardized safe workplaces, eliminated accidents caused by human error, and minimized the occurrence of various safety accidents. This year, we have carried out key tasks such as special traffic safety initiatives and special campaigns to identify and address equipment and facility hazards, with the goal of achieving zero major safety accidents. As of the end of 2024, the Group had not experienced any major safety accidents.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Safety Risk Prevention

The Group actively promotes the special rectification work of safety production, focusing on key areas such as the implementation of safety and environmental responsibility, the operation status of equipment and facilities, on-site management, high-risk operation links, hidden danger investigation and risk control, and conducts comprehensive supervision and inspection of all project companies.

In the urban services business field, the Group implements a regular risk reporting mechanism and adopts a semi-quantitative evaluation method to assess risks, dividing risk levels into 1 to 5. For risks of different levels, we formulate corresponding prevention and control measures and compile a risk identification and prevention manual. At the same time, we also carry out special training to enhance the risk prevention awareness and ability of employees. In addition, the Group organizes safety inspections at irregular intervals to continuously supervise the implementation of risk prevention and control measures of all units, ensuring the formation of a full-process closed-loop management of risk and hidden dangers. In 2024, the Group conducted more than 40 supervision and inspection times for 35 project companies, cumulatively supervised and required the rectification of 216 types of hidden dangers. All identified hidden dangers or issues are rectified within the deadline through supervision, ensuring that hidden dangers are resolved in a timely and effective manner.




In the hazardous waste business, the Group assesses and determines the risk level of safety hazards in accordance with the *HSE Hidden Danger Identification and Rectification Management System*. We also establish a hidden hazard management book. We urge project companies to fully implement hazard rectification tasks by clarifying the rectification plan, responsible parties, funding guarantees, time limits and temporary disposal measures, while adhering to the requirements of "Five Implementations". Meanwhile, based on the *Hazard Identification and Risk Assessment Management Regulations*, the Group is guiding project companies in the implementation of hazard identification and tiered control work, and promoting the "Two Improvements and One Carry" initiative. This initiative aims to improve the overall awareness and effective response capabilities of all employees with regard to safety and environmental risks, and to help new employees (including laborers and those who have changed positions) establish good safety habits and ensure that they wear protective equipment correctly.

Strengthening Safety Protection

The Group considers employee health and safety to be an important foundation for its own development. Through continuous optimization of safety facilities and equipment, enhancing occupational health and safety protection levels, and other measures, we build a safe and healthy working environment for employees.

Conducting occupational health and safety risk assessments. The Group's project companies detect and assess occupational hazards present in the workplace through methods such as job risk identification, safety status evaluation, and occupational disease hazard factor testing. We also strengthen the prevention and screening of occupational diseases. At the same time, we regularly organize occupational health and safety check-ups for employees and strictly implement the requirement of "no work without insurance", purchasing accidental injury and death insurance for employees. On this basis, we continuously improve the insurance management system, expand public liability coverage, and provide comprehensive safety guarantees for employees.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Strengthen on-site occupational health and safety management. The Group continuously optimizes preventive measures against occupational diseases, according to the actual situation of the project, accurately equipping staff of hazardous waste business with various protective equipment such as protective suits, anti-toxic masks, dust masks, etc. In response to tunnel operations and special night scenarios in the urban services business, we provide staff with safety protective equipment such as warning sign-laden shoulder lamps and protective jackets. At the same time, in areas with high occupational health and safety risks, we have added monitoring and alarm equipment, conducting real-time monitoring of toxic gases such as hydrogen chloride and hydrogen sulfide, and implementing protective measures such as rapid deodorization and enhanced ventilation to comprehensively prevent the occurrence of occupational health and safety hazards.

Implement closed-loop management of accident investigation. The Group has formulated the *HSE Accident Management System* and updated the *Urban Services Incident Management System*, optimizing the accident reporting process and the standard for accident grade classification, further improving the closed-loop management mechanism for accident investigation, resolution, experience summary, and accountability and reward and punishment.

From 2022 to 2024, traffic accidents were the main cause of work-related deaths among the Group's employees, with specific data detailed in the following table.

Key Performance Indicators for Workplace Injuries and Work-Related Deaths¹⁴

Indicator	Data	
Number of workplace deaths and ratio in 2022	2 people	0.039‰
Number of workplace deaths and ratio in 2023	2 people	0.035‰
Number of workplace deaths and ratio in 2024	2 people	0.031‰
Number of workdays lost due to workplace accidents and the proportion of workdays lost due to work-related injuries in 2024	8,715 days	0.05%
Number of workdays lost due to workplace accidents and the proportion of workdays lost due to work-related injuries in 2023 :	5,670 days	0.04%

¹⁴ According to the standards for fulfilling the work-related injury procedures, the number of workdays lost due to a work-related injury is calculated based on the actual number of rest days taken by the injured employee. The proportion of workdays lost due to work-related injuries refers to the ratio of workdays lost during medical treatment periods (resulting from work-related injuries) to the total actual working days during the same statistical period, expressed as a percentage.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Safety Training and Publicity

The Group has formulated the *HSE Training and Education System*, which conducts theme-rich and diverse safety training for all employees. This further promotes the awareness of safety production protection and enhances their ability to prevent accidents.

In the area of safety training for urban services, the Group explores new forms, breaks through new models, and expands new content.

- We upgraded and iterated the "Safety Environment Micro-sharing" platform to create the "QHSE Micro-sharing" platform, introduced live training functions, enhanced training interactivity, and further improved learning effectiveness. In 2024, the Group's urban services business sector completed the production of 27 special training courses, with a total of 17,004 participants in special training, achieving full coverage of regional and project company leaders, and safety and environmental protection leaders.
- We adopted a three-level hierarchical training model of "Group Region Project" to provide precise empowerment for employees at all levels, achieving full coverage from "project general manager to frontline employees" in the target responsibility statement, and clarifying safety responsibilities for each position.
- We have set up over 20 training modules, including risk identification and hazard investigation and management, new project onboarding, landscaping operations, accident analysis, and more.
- We fully refined and shared safety management practical experiences, meticulously compiled training teaching materials, strictly controlled teaching quality, and organized training publicity for regional and project company leaders as well as safety and environmental protection department leaders to promote excellent management experiences.
- We organized various activities such as "Safety Production Month", "100 Days of Safety", "Safety and Environmental Guardian" and "119 Harmonious Fire Protection". In 2024, the total number of participants reached 60,726.



In the field of hazardous waste business, the Group relies on internal training platforms, using the safety and environmental protection accident case library and knowledge base as carriers, to carry out a variety of safety training activities. At the same time, our project companies also hold a variety of trainings covering topics such as safety management, standardized management of hazardous waste, dangerous operations, emergency response and evacuation, traffic safety, and accident case education. A total of 16,673 people have participated in the training, effectively enhancing the safety awareness and skills of employees.

In 2024, based on the specialized training plan established at the beginning of the year, the Group conducted a total of 12 training sessions through hierarchical instruction at the Group and regional levels. To further empower the regions and project companies, The Group collaborated with a regional lecturer team (comprising a total of 9 internal lecturers) to organize relevant business personnel to participate in training focusing on risk identification and hidden hazard investigation and management, newly revised and newly issued policies, and other content. A total of approximately 5,040 people were trained.

In addition, the various units under the Group combined the Fire Safety Month, Safety Month, Traffic Safety Day, and Traffic Safety Special Action campaigns to invite professional institutions such as traffic management departments, Red Cross organizations, and fire brigades to conduct training. We conducted safety training through various forms such as thematic education, award-winning quiz, visits to fire bases, covering traffic safety knowledge, safety warning education, medical first aid knowledge, fire safety instructions, and emergency evacuation, with a total of approximately 10,457 training sessions organized.



Pictures of safety training

Case: Carrying Out "Safety Production Month" Activities to Improve the Safety Literacy of All Personnel

In 2024, during the Safety Production Month, the Group carried out in-depth safety production activities to comprehensively enhance safety awareness and emergency response capabilities.

The Shanxi region reinforced employees' safety concepts by displaying safety knowledge exhibition boards, distributing promotional materials, screening safety education warning videos, conducting various emergency drills, and hosting safety debate competitions.

The Longnan project conducted safety hazard inspections, organized a promotion and consultation day, provided fire safety training and first aid training, and strengthened the implementation of safety responsibilities. It also popularized traffic regulations and promoted the certification of three-wheeled electric vehicle drivers to reduce accident rates.

The Ganhe project organized a "Spring Fire Prevention Drill" to simulate fire emergency responses and strengthen fire safety and self-rescue skills. Combining the characteristics of the sanitation industry, it also conducted emergency drills for traffic accidents and heatstroke, simulating scenarios of electric cleaning vehicle accidents and workers suffering from heatstroke, to enhance the safety awareness and emergency response capabilities of all staff.





Fire drills organized by Ganhe project

Fire training in Shanxi region



Longnan Project Organizes Staff to View Traffic Regulations Promotion Video



Emergency Drills for Heatstroke in Ganhe Project

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE



To enhance staff's awareness of traffic safety and prevent and reduce road traffic accidents, the Group's Lankao project invited traffic police educators to conduct knowledge training on road traffic safety for the staff. The educators emphasized the importance of safe driving and the severity of drunk driving through real-life cases, advocating for staff to strictly abide by traffic rules and always adhere to safe driving. At the same time, the Lankao project established a detailed vehicle safety file, strengthen vehicle safety inspections and regular maintenance, and continuously carry out safety training for drivers to ensure the safe operation of vehicles and the safety of driver's lives.



Road traffic safety knowledge training in Lankao project

Emergency Response to Accidents

To effectively respond to major risks such as fire and explosion during the production process and the leakage of hazardous waste, the Group has formulated and continuously improved the *Production Safety Accident Emergency Plan, Emergency Plan for the Transportation of Dangerous Goods by Road,* and *Emergency Plan for Sudden Environmental Incidents* and other systems. Our system documents cover the whole process of emergency material reserves, plan initiation, handling, and conclusion, and clearly define the responsibilities and requirements of personnel at all levels in emergency rescue. In 2024, the Group organized relevant training and emergency drills to ensure that employees can carry out rescue work in an orderly manner when encountering sudden safety and environmental accidents, thereby minimizing personnel and property losses, and reducing environmental damage and social impact.



Case: Multi-scenario Emergency Drills, Comprehensively Improve Emergency Response Ability

In 2024, the Group carried out multi-scenario emergency drills to comprehensively enhance the ability to respond to emergencies, making full preparations to prevent various safety risks.

To respond to potential flood prevention emergencies, the Yunnan project company organized flood prevention emergency drills, simulating flood prevention, rescue, and disaster relief scenarios under extreme weather conditions. The drill content covers all key aspects of flood prevention work, including flood prevention material preparation, sandbag transportation, road mud clearance, river course danger inspections, and power equipment inspections. Through actual simulation operations, the project company not only improved the emergency response speed of various flood prevention measures but also made full preparations to prevent flood safety risks.

Meanwhile, Zhongyan Property Management of the Group carries out whole-staff emergency drills every month, strictly implements the emergency response system of the emergency plan through the company's emergency management group, covering various scenarios such as strong winds, large-scale water and electricity outages, rainfall and high-temperature alerts. Upon receiving early warning information, relevant units immediately activate the plan, with unit leaders personally on the scene to command and handle the situation, ensuring the entire process is conducted in order. To cope with the cold weather in the Beijing area, we strengthen the freeze prevention work of facilities, effectively reducing the impact and damage of extreme cold weather on facilities and equipment.

Through multi-scenario, regular emergency drills, the Group has comprehensively improved the ability to deal with emergencies, providing a solid guarantee for preventing various safety risks and ensuring the safety and property of citizens and employees.



Flood control emergency drill



Emergency drill site

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Promoting Community Integration

The Group always remembers the corporate mission of "making the living environment better" and actively participates in community environmental maintenance and urban and rural environmental improvement. We adhere to the fulfillment of social responsibilities, creating a green, harmonious, and livable living environment for residents through scientific planning, meticulous operations, and strict management.

Promoting Environmental Protection Practices

The Group always practices the mission of "cleaning the city, resource recycling, and jointly creating green waters and green mountains", relying on the industry concept and business advantages, vigorously promoting environmental protection laws and policies, carrying out diversified environmental protection public welfare activities, spreading environmental protection knowledge, gathering the strength of environmental protection culture, and continuously promoting the construction of urban civilization.

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Case: Efficient Sanitation Support to Ensure the Successful Holding of Urban Events

In 2024, the Group provided solid environmental protection through professional and efficient sanitation services for multiple large-scale city events, demonstrating excellent execution and service capabilities.

The Group efficiently fulfilled the environmental sanitation assurance tasks for multiple marathon events throughout the year. In April 2024, the Kangxian project provided full support for the "Qinglong Mountain Half Marathon", cleaning the city before the event, ensuring no litter on the ground during the race, and restoring the environment to a high standard after the event. In September, the Jinyuan project provided phased assurance for the Taiyuan Marathon, with coordinated maintenance through the collaboration of manual labor and machinery. In December, the Xinhui project of the South China region provided support for the Jiangmen Marathon Xinhui section, such as fully cleaning the course, adding more trash bins, and quickly clearing up after the event. A total of 735 people and 257 vehicles were deployed, collecting 16.5 tons of garbage, effectively ensuring the smooth progress of the event.

Additionally, the Group efficiently completed the sanitation support for other large-scale events. During the Labor Day holiday, the Jinyuan project provided support for the Shanxi Sports Center concert, efficiently clearing the road litter after the concert through increased bin placement and adjusted working hours, ensuring a clean environment. Before the National Day, the Gulang project took charge of cleaning the racecourse for the "Celebrating the National Day of the Motherland Together" city circuit race to ensure a clean and tidy environment, which was highly recognized by the participants, demonstrating the company's professional service capabilities.

Case: Efficient Sanitation Support to Ensure the Successful Holding of Urban Events (*Continued*)

The Group has provided solid sanitation support for various urban large-scale events through precise scheduling and scientific management, helping to ensure the successful hosting of these events and also contributing significantly to the beautification of the urban environment.



Group photo of cleaning staff in Kangxian Project



Road Cleaning in Jinyuan Project



Greening and Sweeping in Xinhui Project



Cleaning the track in Gulang County



The clean-up operation after the concert



Case: Comprehensive Cleaning, Welcoming the New Year Cleanly and Tidily

In order to create a fresh and tidy urban environment and welcome the New Year, the Group's Chengde and Nanpi projects conducted a large-scale cleaning campaign with the theme of "Welcome the New Year Clean and Tidy". We increased the intensity of mechanized operations, carried out multi-frequency rotary mechanical sweeping operations on the main and secondary roads within the jurisdiction, and adopted deep cleaning measures to ensure that there are no blind spots in environmental hygiene. At the same time, we strengthened the scheduling and management of waste collection vehicles, increasing the number of collection rounds for streets and communities with a high accumulation of garbage, and promptly clearing a large amount of domestic waste generated before and after the Spring Festival.

In this large-scale cleaning campaign, the Chengde project mobilized more than 5,800 sanitation workers and more than 420 vehicles, wiped over 7,500 meters of traffic separation barriers, and cleared more than 2,450 tons of garbage, creating a clean and comfortable urban environment for the general public.



Manual work, deep cleaning



Garbage clearance

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE

Case: Launching Tree Planting Actions, Demonstrating Green Responsibility

In 2024, the Group's projects across various regions implemented the "Green mountains and clear waters are as valuable as gold and silver" concept, joining hands with children, employees, and other enterprises to actively participate in tree-planting activities. Our Zibo Garden Project organized the activity "Big hands hold little hands, welcoming spring and adding new greenery", leading children to experience the joy of tree planting. The Longchuan Project responded to the call of Green and Beautiful Guangdong, planting 1,000 purple osmanthus seedlings to add greenery and color to Longchuan. The Ganhe Industrial Park Project, in cooperation with the park and enterprises, organized over 300 people to participate in voluntary tree-planting activities, providing professional guidance and material support throughout the process.



Tree-planting activity in Longchuan Project



Voluntary tree-planting activity

Constructing a harmonious and beautiful countryside

The Group actively responds to the national call for "Create livable, business-conducive and harmoniously beautiful countryside", vigorously promotes the improvement of rural living environment, establishes and improves the long-term mechanism for rural living environment construction and maintenance, and constructs a new look of beautiful villages.



Case: Environmental Improvement, Creating a New Look for Rural Areas

In response to the national "Hundreds of Millions Project" campaign, the Group has carried out a series of environmental remediation works in Lankao, Xinhui in South China and other project companies, committed to improving the living environment in towns and creating an ecologically beautiful rural landscape.

In the Lankao project, frontline employees are responsible for educating villagers on proper garbage classification methods and providing guidance on incorrect classification behaviors, encouraging villagers to actively maintain their living environment. At the same time, the Lankao project also organizes cleaning workers to clear and trim weeds along the main roads, enhancing the cleanliness of the village and the aesthetic appeal of the roads, and eliminating road safety hazards, thereby creating a more livable, safe and beautiful living environment for villagers.

In August 2024, the Group's Xinhui project company in the South China region conducted environmental remediation in Tangang Village and Hengtou Village of Luokeng Town. We dispatched nearly 30 operatives who were divided into groups to clean both sides of village roads, green belts, and blind spots, focusing on removing fallen leaves, weeds, and scattered garbage. We also deployed 6 operation vehicles and 2 grass cutters to complete tree trimming, weed clearing, and deep cleaning of the ground, significantly improving the village's appearance and contributing to the creation of an ecologically beautiful rural environment.



Operation site of green pruning



Jointly Create a Harmonious Community

The Group actively fulfills its social responsibilities, cooperates with the work of the sub-district office in the project's location, fully utilizes its own capabilities and resource advantages, actively coordinates community public resources, and optimizes the level of community environment service.



Case: Jointly Manage Community Environment, Improve Living Environment

To address the environmental issues feedback by community residents, the Group's Xishan Project has collaborated with the sub-district office to carry out sanitation improvement work. The Xishan Project dispatches at least 10 cleaning workers every day to collect garbage from the designated collection points in the area at least twice a day. Additionally, mechanical sweeping vehicles operate once in the morning and once in the afternoon each day to ensure that garbage is collected and disposed of daily. In response to the problem of garbage accumulation on vacant land near the Aochen Center, the Xishan Project actively assisted the Qianwei Sub-district Office in thoroughly cleaning up the garbage, significantly improving the living environment quality for nearby residents.



Cleanup and removal of street garbage from the site

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE



Case: Internal and External Coordination, Promoting Waste Sorting and Green Home Construction

In 2024, the Group, through full participation and educational entertainment, vigorously carried out waste sorting activities, promoted the beautification of the community environment, and contributed to building a green home.

The Group's Zhongyan Property Management Company has organized all employees to participate in the bucket guarding work with the theme of "I take the lead in bucket guarding, and beautify the community together". Since the activity started, we have organized 4,015 staff members, effectively improving the quality of garbage classification disposal. The Group's Renhua project company has actively carried out garbage classification promotion activities, covering kindergartens, primary and secondary schools, and communities. In kindergartens, we guide children to correctly dispose of garbage through micro-classes, game interactions, and knowledge quizzes. In primary and secondary schools, we strengthen students' awareness of garbage classification through PPTs, videos, and fun games. In communities, we popularize garbage classification knowledge to residents, distribute promotional materials and two-classification bins, and promote residents to develop classification habits. Through various forms of garbage classification activities throughout the year, we aim to enhance residents' environmental awareness and contribute to building a green home.



Guarding for Garbage Bucket



Kindergarten Garbage Classification Education Activities



Garbage sorting campaign in primary school



Garbage Classification Activities in community



Enhancing Public Welfare Services

The Group continues to participate in charitable public welfare activities, has formulated the *Donation Management Measures*, to strengthen donation management, standardize the donation process, and more effectively fulfill corporate social responsibility. We actively carry out relief donations to earthquake-affected areas in Gansu Linxia, villages and towns in Tuoketuo County, and vulnerable social groups in difficulties, and carry out public welfare donations to the causes of science, education, culture, health, sports, environmental protection, and energy conservation and emission reduction. In 2024, the total amount of charitable donations and other donations of the Group was 262,000 yuan. In 2024, the Group carried out two poverty alleviation procurement projects, with a total procurement amount of 58,800 yuan.



Case: Emergency Rescue, Fight Against Typhoon "Mojie"

In September 2024, in the face of the severe typhoon "Mojie" that hit Hainan Province, the Group quickly carried out on-site rescue work and donated 200 garbage bins to the Hainan Provincial Housing and Urban-Rural Construction Department to support garbage clearance and environmental improvement work in the disaster area. At the same time, the Group's Xinhui project quickly established a volunteer rescue team, cleared roadblocks, cleared roads, and transported and disposed of domestic garbage, helping Chengmai County restore normal production and living order.

For our generous donation and timely rescue operations, the Jiangmen Urban Management and Comprehensive Law Enforcement Bureau, as well as the Wenchang Environmental Sanitation Management Center and other departments, have issued letters of appreciation to express their gratitude, and highly praised our spirit of social responsibility displayed in this rescue.

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE



Case: Emergency Rescue, Fight Against Typhoon "Mojie" (Continued)



Donated materials



Letter of Appreciation from the Jiangmen Urban Management and Comprehensive Law Enforcement Bureau



Letter of Appreciation from the Wenchang Municipal Party Committee and Municipal Government

スパメロシャル大変によるいで、 名は、市内市人村大学ための気防爆素をたべるはまでも 線が自然に考わせたではなど、されなた点が展示した。 スタンビアルシームス実現の特別にない、ないにない、ものなどで ながれかからやありたった大学、丸化一次等や手口と思う、 、 ま実表が定応。 この、まなく気気を生化ないたました。それたこう体化 ス・ダンドレーン



Letter of Appreciation from the Wenchang Environmental Sanitation Management Center





Case: Carrying Forward "Business Community Show Concern," Writing a New Chapter in Community Service

In 2024, the Group's Shiny Glory actively organized employees to participate in the charity activities of The Salvation Army in Hong Kong, contributing a total of 24 hours of volunteer service to spread warmth and care. At the same time, we donated HK\$5,000 during the reporting period, demonstrating our support for community development through concrete actions. Since 2007, we have been honored with the "Caring Company" award by the Hong Kong Council of Social Service for more than a decade, which not only recognizes our unremitting efforts in caring for the community, employees, and the environment, but also serves as a source of motivation for us to continue fulfilling our social responsibilities.

As the Double Ninth Festival approaches, our Xianyang project, upholding the traditional virtues of respecting, honoring, and loving the elderly, visited the "Laolaile" Nursing Home to carry out a heartwarming and caring activity for the elderly. The visitation team arrived at the nursing home, delivering daily necessities such as eggs, fruits, bread, and milk to the elderly to ensure their basic living needs were met. At the same time, the team engaged in cordial conversations with the elderly, listened to their stories, and conveyed warmth and happiness, making them feel the care of society.



The visiting and comforting activity at the nursing home



Case: Join Hands to Build, Light Up the Career Dream of Mental Retardation Students

In November 2024, the Group's Xinhui project company in the South China region has collaborated with the Xinhui District Community Rehabilitation Center for the Disabled to provide a community cleaning vocational experience program for students with intellectual disabilities. We have equipped professional instructors to systematically teach cleaning skills through "oneon-one" instruction, covering everything from tool usage to safety regulations. After five days of training, the students progressed from following for practice to completing tasks independently, not only mastering vocational skills but also regaining confidence in life, contributing to the construction of an inclusive and harmonious social environment.



On-site cleaning work of disabled students

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.



APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs



We adhere to the "people-oriented" goal, continuously

Actions taken by Beijing Enterprises Urban Resources

- attracting, cultivating, and retaining exceptional talent.
 We thoroughly assess employees' individual performance, 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.
- We are committed to developing a new type of "digital intelligence" business by applying technological innovations such as mobile Internet, IoT, AI, big data, and cloud computing to business scenarios, as well as realizing the refinement, standardization and intelligent management of people, objects, and things in projects.
- We have consistently strengthened strategic cooperation with enterprises and joint innovation with scientific research institutions, conducted numerous technical exchanges, and achieved remarkable innovative patent achievements through our own continuous research and practice. We also take the lead in the preparation of standards and specifications, and are committed to leading the industry to mutual progress.
- Heading for beautiful villages, we have established and improved a long-term mechanism for the construction and protection of rural living environment. We have stepped up efforts to improve and manage rural living environment, and comprehensively improved the overall quality of the rural environment to create a new pattern of beautiful village.
- Our urban services business, as a professional municipal operator, mainly covers all-region sanitation, 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.

Chapter

- PEOPLE-ORIENTED, HARMONIOUS PROGRESS
 FOR A BETTER FUTURE – Facilitating Employee
 Development
- GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT – Innovation Drives Development

- PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE – Promoting Community Integration
- GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY – Deepening Green Development











APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

2002



- Actions taken by Beijing Enterprises Urban Resources
- The Group adheres to customer-centricity, collects and responds to customer suggestions and feedback proactively, and continuously improves customer satisfaction.
- There were no major complaints about product quality or services in the Group's hazardous waste treatment and urban services business in 2024. The citizen service hotline of the subsidiary Zhongyan Property Management achieved a 100% response rate, solution rate, and satisfaction rate.
- 13 ACTION
- To reduce harm and pollution to people and the environment, we tackle climate change by strictly controlling pollution emissions, advocating energy conservation and consumption reduction, and controlling dust, wastewater, 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.

Other Related items





- The Group actively participated in rural revitalization efforts, establishing and improving a long-term mechanism for the construction and management of rural living environments, and comprehensively establishing the village cleaning system, to improve the rural environment, and shape a new pattern of beautiful villages.
- The Group has developed the *Donation Management Measures*《捐贈管理辦法》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, in a bid to better fulfill corporate social responsibilities.
- In 2024, the Group made charitable and other donations amounting to RMB262 thousand.

Chapter

- GOVERNANCE LEADERSHIP, INTELLIGENT OPERATION PROMOTES DEVELOPMENT – Strengthening the Compliance Defense Line
- PEOPLE-ORIENTED, HARMONIOUS PROGRESS
 FOR A BETTER FUTURE – Establishing a Safety
 Bottom Line

PEOPLE-ORIENTED, HARMONIOUS PROGRESS FOR A BETTER FUTURE – Promoting Community Integration

APPENDIX: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SD	Gs
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4 QUALITY EDUCATION









Actions taken by Beijing Enterprises Urban Resources

- We adhere to the strategy of "strengthening enterprises with talents", and improve the top-level design of staff training. We optimize the training mode for in-service employees, and establish a training program for reserve talents to further promote the systematic build-up of the whole lifecycle of talents.
- In 2024, the Group's per capita training time was 79 hours.
- 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 continue to expand our business boundaries by leveraging our resources, technologies and industry strengths. We maintain the cleanliness of key areas of ecological protection such as scenic spots, actively participate in forest fire rescue, mobilize employees to plant trees, and contribute to the protection of ecology and biodiversity.
- We strictly adhere to national laws and regulations on anticorruption, anti-money laundering, and anti-fraud, adhere to responsible business principles, and are committed to maintaining our reputation and continuously improving market competitiveness. There are no judicial proceedings related to corruption, fraud, or money laundering in the Group in 2024.
- 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 suppliers who present the well ESG performance.

Chapter

- PEOPLE-ORIENTED, HARMONIOUS PROGRESS
 FOR A BETTER FUTURE – Facilitating Employee
 Development
- GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY – Deepening Green Development
- GOVERNANCE
 LEADERSHIP, INTELLIGENT
 OPERATION PROMOTES
 DEVELOPMENT –
 Strengthening the
 Compliance Defense Line
- GREEN COMMITMENT, SUSTAINABLE DEVELOPMENT DEMONSTRATES RESPONSIBILITY – Building a Sustainable Supply Chain

Mandatory disclosure			Disclosure sections
Governance structure	A st	atement from the board containing the following elements: a disclosure of the board's oversight of ESG issues;	SUSTAINABLE DEVELOPMENT MANAGEMENT SYSTEM
	(ii)	the board's ESG management approach and strategy, including the process used to evaluate, priorities and manage material ESG-related issues (including risks to the issuer's businesses); and	STATEMENT OF THE BOARD OF DIRECTORS
	(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.	
Reporting Principles		escription of, or an explanation on, the application of the owing Reporting Principles in the preparation of the ESG report:	ABOUT THE REPORT
	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.		
	ass con	antitative: Information on the standards, methodologies, umptions and/or calculation tools used, and source of version factors used, for the reporting of emissions/energy sumption (where applicable) should be disclosed.	
	cha	nsistency: The issuer should disclose in the ESG report any nges to the methods or KPIs used, or any other relevant cors affecting a meaningful comparison.	
Reporting Boundary	and ope the	arrative explaining the reporting boundaries of the ESG report describing the process used to identify which entities or trations are included in the ESG report. If there is a change in scope, the issuer should explain the difference and reason for change.	ABOUT THE REPORT

Category	Торіс	Performance Indicators	Disclosure Sections
Environment	A1 Emissions	General Disclosure: Information on:	Deepening Green Development
		(a) the policies; and	2010100
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
		relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
		Note: Air emissions include NOx, Sox, and other pollutants regulated under national laws and regulations.	
		Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.	
		Hazardous waste is defined by State regulations	
		A1.1 The types of emissions and respective emissions data.	Deepening Green Development – Key Environmental Performance Indicato
	A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Deepening Green Development – Key Environmental Performance Indicato	
		A1.3 Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Deepening Green Development – Key Environmental Performance Indicato
		A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Deepening Green Development – Key Environmental Performance Indicato

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

"Comply or exp	lain"		
Category	Торіс	Performance Indicators	Disclosure Sections
	A3 Environmental and Natural Resources	General Disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Deepen Green Development – Jointly Building a Beautiful Ecosystem, 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 – Building a Beautiful Ecosystem, 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 – Addressing Climate Change
		A 4.1 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 – Addressing Climate Change
Society	B1 Employment	General Disclosure: Information on:	Facilitating Employee Development –
		(a) the policies; and	Employee Rights Protection
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Facilitating Employee Development – Employee Rights Protection

"Comply or exp	blain"		
Category	Торіс	Performance Indicators	Disclosure Sections
		B1.2 Employee turnover rate by gender, age group and geographical region.	Facilitating Employee Development – Employee Rights Protection
	B2 Health and Safety	General Disclosure:	Establishing a Safety Bottom Line
		Information on:	
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		relating to providing a safe working environment and protecting employees from occupational hazards.	
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years (including the reporting year).	Establishing a Safety Bottom Line – Strengthen Safety Control
		B2.2 Lost days due to work injury.	Establishing a Safety Bottom Line – Strengthen Safety Control
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Establishing a Safety Bottom Line
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Facilitating Employee Development – Talent Development and Cultivation
		Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Guitivation
		B3.1 The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Facilitating Employee Development – Talent Development and Cultivation

"Comply or expl	ain"		
Category	Торіс	Performance Indicators	Disclosure Sections
		B3.2 The average training hours completed per employee by gender and employee category.	Facilitating Employee Development – Talent Development and Cultivation
	B4 Labor Standards	General Disclosure:	Facilitating Employee Development –
		Information on:	Employee Rights Protection
		(a) the policies; and	FIOLECTION
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		relating to preventing child and forced labor.	
		B4.1 Description of measures to review employment practices to avoid child and forced labor.	Facilitating Employee Development – Employee Rights Protection
		B4.2 Description of steps taken to eliminate such practices when discovered.	Facilitating Employee Development – Employee Rights Protection
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	Building a Sustainable Supply Chain
		B5.1 Number of suppliers by geographical region.	Building a Sustainable Supply Chain
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Building a Sustainable Supply Chain – Standardized Green Procurement
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Building a Sustainable Supply Chain – Standardized Green Procurement
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Building a Sustainable Supply Chain – Standardized Green Procurement

"Comply or ex	xplain"		
Category	Торіс	Performance Indicators	Disclosure Sections
	B6 Product Responsibility	General Disclosure:	Strengthening the Compliance Defense
	Responsibility	Information on:	Line
		(a) the policies; and	
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
		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 recall of products sold or delivered.
		B6.2 Number of products and service-related complaints received and how they are dealt with.	Providing Excellent Service
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Strengthening the Compliance Defense Line – Optimizing Intellectual Property Management, Deepening the Path of Brand Communication
		B6.4 Description of quality assurance process and recall procedures.	The Group's business does not involve product recycling.
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Strengthening the Compliance Defense Line – Safeguarding Information Privacy and Security

"Comply or exp	olain"		
Category	Торіс	Performance Indicators	Disclosure Sections
	B7 Anti-Corruption	General Disclosure: Information on: (a) the policies; and	Strengthening the Compliance Defense Line – Practice the Way of Integrity
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer.	
		relating to bribery, extortion, fraud and money laundering.	
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Strengthening the Compliance Defense Line – Practice the Way of Integrity
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Strengthening the Compliance Defense Line – Practice the Way of Integrity
		B7.3 Description of anti-corruption training provided to directors and staff.	Strengthening the Compliance Defense Line – Practice the Way of Integrity
	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.	Promoting Community Integration
		B8.1 Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, sport).	Promoting Community Integration
		B8.2 Resources contributed (e.g., money or time) to the focus area.	Promoting Community Integration

