



北京控股環境集團有限公司

BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Stock Code 154)

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT

2022



ABOUT THIS REPORT

The board of directors (the “Board”) of Beijing Enterprises Environment Group Limited (the “Company”, together with its subsidiaries, the “Group”) hereby presents this environmental, social and governance (the “ESG”) report for the year ended 31 December 2022.

The Board assumes full responsibility for the Company’s ESG strategy and ESG reporting and is responsible for evaluating and determining the ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control system are in place.

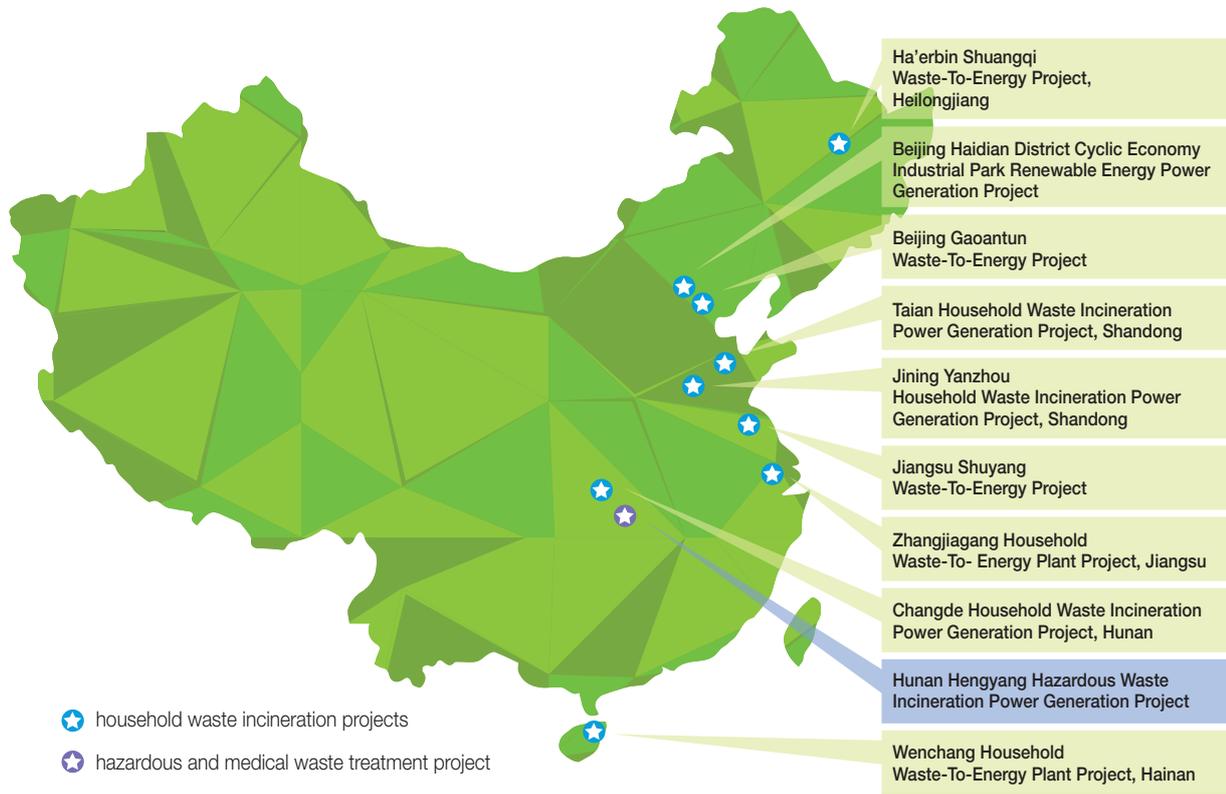
The Board supports the Company’s commitment to fulfilling the ESG responsibility by formulating the Company’s ESG management policies and strategies, identifying, prioritising and managing important ESG-related issues in combination with stakeholder communication and materiality assessment results, as well as setting ESG performance objectives and reviewing the completion progress regularly.

The Board is involved in the materiality assessment and prioritisation of ESG-related issues that may have significant influence on the Company’s long-term sustainability. Key ESG risks have been incorporated into the Company’s risk management system and the Company has formulated risk response measures by considering the possibility, impact and trends of key ESG risks.

The Board is of the opinion that good environmental conditions, social influence and governance structure are crucial to the development of the Group. As such, while seeking to pursue growth in its performances, the Group has also been constantly striving for excellence in such areas as environmental protection, social responsibility and corporate governance. The principles and benchmarks contained in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited have been adopted by the Group as its standards which, together with the experience it has gathered, form the basis towards the establishment of a sound ESG framework.

The data collection of this report encompasses the Group’s principal businesses based in the People’s Republic of China (the “PRC”) (i.e. the solid waste treatment and ecological construction services) and operations of offices in Beijing and Hong Kong. Covering the businesses operated by the Group, this report sets out its strategies and practices in relation to environmental protection, social responsibility and operational governance in 2022, thereby allowing shareholders, investors as well as the general public to gain a more comprehensive and in-depth understanding of the Group’s ESG issues and culture. This report has been prepared in accordance with the ESG Reporting Guide. The standards, methodologies, assumptions and conversion factors used for the reporting of emissions and energy consumption are with reference to “Reporting Guidance on Environmental KPIs” set out in Appendix 2 to the guideline, “How to prepare an ESG report”, published by The Stock Exchange of Hong Kong Limited.

The Group will publish its ESG reports annually informing our stakeholders and concerned parties of the latest information on the Group’s relevant work on ESG. We welcome any constructive suggestions or comments. This report is available in electronic version which can be viewed and downloaded on the website of HKEXnews (www.hkexnews.hk) and the website of the Company (www.beegl.com.hk).



Projects

Processing capacity

Household waste incineration projects

– Beijing Haidian District Cyclic Economy Industrial Park Renewable Energy Power Generation Project	2,100 tonnes per day
– Beijing Gaoantun Waste-To-Energy Project	1,600 tonnes per day
– Jining Yanzhou Household Waste Incineration Power Generation Project	1,500 tonnes per day
– Ha'erbin Shuangqi Waste-To-Energy Project	1,200 tonnes per day
– Changde Household Waste Incineration Power Generation Project	1,200 tonnes per day
– Taian Household Waste Incineration Power Generation Project	1,200 tonnes per day
– Jiangsu Shuyang Waste-To-Energy Project	1,200 tonnes per day
– Zhangjiagang Household Waste-To- Energy Plant Project	900 tonnes per day
– Wenchang Household Waste-To-Energy Plant Project	225 tonnes per day

Hazardous and medical waste treatment project

– Hunan Hengyang Hazardous Waste Treatment Centre Project	35,000 tonnes per day
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STAKEHOLDER INVOLVEMENT AND MATERIALITY ASSESSMENT

The involvement of stakeholders represents an essential component of the Group's business development and of the performance of its social responsibility. The Group maintains an open communication with its stakeholders through a number of channels in order to understand and respond to their comments and demands in a timely manner, devoting itself to ongoing constructive, win-win interactions for promoting the sustainable development of the enterprise. Our communication channels include but are not limited to general meetings.

Through collecting and sorting the stakeholders' comments and issues of concern, the Group has determined the key parameters, which are disclosed in this report, with tracking of performance results and strategic planning regarding the work of ESG.

Based upon the aggregated results of the communication with the stakeholders, the Group has decided that the following shall be its key ESG tasks:

- 1 Emissions management
- 2 Use of resources
- 3 Environment and natural resources
- 4 Climate change
- 5 Employment and labour practices
- 6 Occupational health and safety
- 7 Staff development and training
- 8 Labour standards
- 9 Supply chain management
- 10 Product responsibility
- 11 Anti-corruption
- 12 Contribution to the community

A. ENVIRONMENTAL

Environmental protection is a cornerstone of the Group’s long-term sustainable development. Through adopting practicable measures, the Group performs management over its emissions and use of resources in the course of its specific activities. The Group closely followed the national policies of “peak carbon emissions” by 2030 and “carbon neutrality” by 2060, actively implemented and strived for deep decarbonisation, and fully leveraged the efficient management and extensive practices of listed companies to build more “low-carbon” factories. We actively propelled our efforts in “carbon emission reduction” to achieve reduction in greenhouse gas emission, adopted the basic approaches of green development, low-carbon development, and circulating development, which have promising development prospects and demonstrate the responsibility undertaking of state-owned enterprises.

The Group is principally engaged in solid waste treatment business and ecological construction service business. During the reporting period, there was no material breach of any applicable rules and regulations that have a significant impact on the Group in relation to the environment.

1. Emissions Management

The solid waste treatment projects of the Group are located in major cities or provincial capitals of the PRC and possess a sound track record of grate furnace technology and a talented and seasoned management team. In strict compliance with the Environmental Protection Law of the PRC, the Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste and other environmental protection laws, regulations and emission standards, the Group continued to monitor the emission issues during its production and operation to control various types of emissions to the greatest possible extent, comply with the requirements of relevant environmental regulations and endeavour its endurance in optimising the environmental performance of the Company.

During the reporting period, the principal emissions arising in the course of the Group’s production include liquid waste and exhaust. In order to ensure that the relevant emission standards are met, the Group has formulated an internal pollutant emissions management program in accordance with the requirements of the national environmental regulations of the PRC, key elements of which are as follows:

- Monitoring data information disclosure system.
- Researching and developing different environmental protection technologies.
- Implementing source discharge classification and tiered management.

Liquid waste discharge (tonnes)	2022	2021
Chemical oxygen demand	51.46	7.15
Ammonia nitrogen	1.62	0.61
Phosphorus	0.88	0.06

The main sources of liquid waste are leachate from domestic waste accumulation and domestic sewage, etc. The Group has adopted the following measures to deal with liquid waste discharge:

- In the water treatment plant, chemicals were reasonably added according to the testing indices, so as to improve the water quality of the cooling water tower, and discharge water diligently and sparingly to ensure the water quality while reducing the discharge volume.
- The water production rate of anti-osmosis is adjusted to reduce the discharge of concentrated water in the water treatment plant.
- The generated effluent is reused for production, reducing the amount of effluent discharged and saving the amount of water purchased.
- Used for plant greening and watering of plant roads.

Air emissions	2022	2021
Nitrogen oxides (tonnes)	1,786	1,935
SO ₂ (tonnes)	364	225
Dioxin (mg)	247	175
Smoke (tonnes)	62	53
CO (tonnes)	162	174

The main sources of waste gas are dioxins, carbon monoxide, nitrogen oxides, sulphur dioxide, and soot, etc. produced by domestic waste incineration. The Group always monitor waste gas emissions, and adopts stringent operating procedures during the incineration process to ensure the waste gas discharge process has complied with national emission standards and relevant environmental laws and regulations, so as to reduce the impact on the environment and residents' livelihood nearby. If problems are discovered, they will be reported, solved and marked immediately to ensure the normal operation of pollution prevention and monitoring facilities, and meet relevant standards when discharge. During the year, the total amount of direct and indirect emissions of Green House Gases (GHGs) for the Group was 26,800 tCO₂e, and GHGs emission intensity was 0.011 tCO₂e/HK\$1,000 of revenue.

The Group has taken the following measures to deal with waste gas emissions:

- Remove rust from the dust collector and identify and replace leaks during the shutdown period.
- Ashes are chelated and solidified at ash solidification workshop, and then transport to domestic waste landfill after stabilisation.
- Raw ashes are transported to cement kilns for disposal through qualified service providers.
- Monitor flue gas emissions in real time to ensure exhaust gas meet the discharge standards.
- Inspect and maintain surveillance systems in a regular manner, and replace parts of the equipment that have hidden problems.

Total hazardous waste produced	2022	2021
Total hazardous waste produced (tonnes)	108,450	111,473
Intensity of hazardous waste (tonnes/HK\$1,000 of revenue)	0.042	0.046

The hazardous waste produced by the Group mainly consisted of ash.

Accordingly, the Group has adopted the following measures to achieve the target:

- For areas prone to particulate matters, fixed deodorant cannons were equipped with corresponding proportion of deodorant, and control measures were implemented in the above-mentioned areas by conducting atomisation spraying.
- A smart deodorising spray system was installed on the surrounding walls of the entire plant, which greatly curbed the scattering of particulate matters.
- Deploy water dispenser to spray water uninterruptedly in factory boundary area.
- Complete close-loop treatment is adopted in ash temporary storage room before transporting them for disposal and maintain negative pressure indoor to prevent ash from overflowing.

Total non-hazardous waste produced	2022	2021
Total non-hazardous waste produced (tonnes)	3,397,885	4,053,648
Intensity of non-hazardous waste (tonnes/HK\$1,000 of revenue)	1.33	1.68

The non-hazardous waste produced by the Group mainly consisted of slag and sludge from treatment. Sludge are dealt with by qualified environmental protection companies.

The non-hazardous waste mainly consisted of slag and sludge from treatment. The Group has taken the following measures to deal with non-hazardous waste emissions:

- Controlling the dwelling time in the burn-out area grate to reasonably adjust the speed of the dry area and combustion area grate.
- Adjusting the air volume ratio in the burn-out area to ensure that unburned waste is further burned completely and reducing the scorching rate.
- The sludge is treated by qualified environmental protection companies.

During the reporting period, the Group achieved the ignition loss rate of incineration residues by controlling the incineration process, and the measures taken to reduce emissions have been effective in reducing waste.

2. Use of Resources

As an advocate of green and environmental protection notions, the Group adheres to the principle of treasuring and making the best use of resources, striving to reduce its consumption of resources and lessen its environmental impact.

To achieve the targets, the Group has adopted the following energy conservation measures:

- Exercising stringent control over the energy consumed in the course of the production for the continuous enhancement of its energy use efficiency.
- Employing a circulating water system for its production steps, whereby the wastewater generated in the course of the production of purified water was reused for, among others, industrial park greening and cleaning purposes, so as to boost the use efficiency of, and reduce the consumption of, water resources.
- Strengthening inspection at job shops (i.e. production workplaces) and equipment maintenance so as to uncover additional losses resulting from improper operation or malfunction of equipments in time.
- Sewage and clean water generated during operation were recycled for cooling boiler flue gas, flushing garbage storage areas and production machines.
- According to the water quality index of the boiler, determined the opening degree of boiler continuous blowdown and the frequency of periodic blowdown to reduce the amount of demineralised water replenishment.
- Using intelligent sound and light sensor switches to reduce resources consumed in offices.
- Encouraging employees to use less personal transportation and take public transport or carpool as much as possible.
- Using solar-powered lighting on non-major roads and locations in factories.
- Proactively switching to conference calls and online video conferences for lowering the frequency of business trips undertaken by employees and lessening the greenhouse gas emissions caused by such trips.

The Group also promotes green office practices and formulates guidelines on behavioural standards to raise employees' awareness of environmental protection, reduce energy and resource consumption in office areas, and continuously promote paperless, energy-efficient and low-carbon office practices.

During the Reporting Period, Wenchang Project Company reduced water demand for industrial production by setting up a water conservation leadership team to formulate specific water conservation measures including capital investment in production hardware, changing production processes or adopting water-saving or even water-free production processes, and rationalising industrial production layouts. The company improved the production water system efficiency and established a water inspection system to carry out irregular inspections and maintenance of each water-use site so that problems are found and dealt with in a timely manner, and strongly committed to eliminating the occurrence of water running, bubbling, dripping and leakage. It established a sound water consumption management account, conducted monthly statistical accounting, analysis and appraisal of water consumption at each water-use site, and implemented a reward and penalty system.

Direct and indirect energy consumption by type in consumption and intensity	2022	2021
Electricity consumption (kWh)	210,929,700	226,850,600
Electricity consumption intensity (kWh/HK\$1,000 of revenue)	82.3	93.8
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Water consumption in total and intensity	2022	2021
Water consumption in total (tonnes)	466,100	6,174,700
Water consumption intensity (tonnes/HK\$1,000 of revenue)	0.18	2.55

During the reporting period, the Group has no issue in sourcing water that is fit for purpose, and did not involve the consumption of packaging materials for finished products.

3. Environment and Natural Resources

With the goal of mitigating the negative impact of its operations on the environment, the Group took appropriate measures in waste management, use of resources, and greenhouse gas emissions in daily operations, and practiced the concept of energy conservation and emission reduction. In accordance with relevant environmental protection laws and regulations, and in light of its actual situation, the Group adopted regulated measures for the environmental affairs of each department and each project company, including the operation and management system of environmental protection facilities, the management system of hazardous waste, monitoring data information disclosure system, environmental risk hidden hazard investigation and rectification system and other environmental protection management systems in respect of, among others, related emissions, effective use of resources and environmental protection responsibility system. Meanwhile, the Group is committed to reducing the adverse impact on the environment through the research and development of various environmental protection technologies. During the Reporting Period, the Zhangjiagang Project Company served prior notice to the public around the construction area during the construction process to use advanced machinery and low-noise equipment for construction, arranged an appropriate time to avoid construction during mid-day hours and at night, and conducted daily cleaning and water sprinkling at the construction site, and adopted water spraying and suppression measures for dust on soil and slag disposal. It adopted a closed method to store or cover cement, mortar, sand and gravel and other fine particulate materials that are prone to dust emissions to reduce the noise and pollution generated during the construction process to the surrounding public.

In the actions of the “peak carbon emissions” and “carbon neutrality” policies, the Group actively promoted its member companies to carry out various work on carbon emission reduction, deeply explored the potential of internal energy conservation and emission reduction to reduce the overall carbon emission cost and enhance the benefit of systematic emission reduction. In particular, by taking Changde Project Company as a representative, our member companies have conducted a number of technical research and development in energy saving and emission reduction, and have carried out high-tech research and development and transformation of fluidised bed waste incinerators. Through a series of management measures such as strengthening personnel training and optimising combustion, which greatly reduced the coal usage ratio of fluidized bed waste incinerator, further established the green and low-carbon image for the Group, and contributed our efforts to the national low-carbon strategy.

Looking forward, the Group will continue to further develop its carbon asset management capabilities, closely follow the national carbon trading policy, actively build a green and low-carbon industrial chain and participate in carbon trading through multiple channels as so to increase its income, facilitate carbon emission reduction, play a responsible role as a socially responsible state-owned enterprise and play an important role in achieving the “peak carbon emissions and carbon neutrality” goal.

4. Climate Change

The Group understood the challenges posed on its operations due to global climate change, fully aligned with the PRC government's policies of "peak carbon emissions" by 2030 and "carbon neutrality" by 2060, and actively explored how to enhance our risk-resistance capacity in climate change and reduce carbon emissions in those places where our operating projects were located.

The Group has formulated the Comprehensive Emergency Response Plans and Measures, which provides comprehensive response plans for environment and climate-related matters in terms of emergency work principles and organisational structure, emergency response agency responsibilities, early warning and response, post-processing, and emergency support.

Judging from the current trend, the global climate issue has been given full attention by many countries. With changing climate conditions, the Group has seen growing impacts on its operation from the increasing requirements of reducing greenhouse gas emission. The continuous increase in carbon emission cost has brought opportunities to the waste incineration power generation industry that the Group is belonging to. Therefore, the Group actively prepares itself to participate in carbon trading. Based on project characteristics, the Group conducts the exploration and practice of carbon quota for key polluting enterprises, domestic and international voluntary emission reduction. In May, we successfully traded carbon quotas in the national carbon emissions trading market. In addition, with the increasing requirements for carbon emission reduction, the emission restrictions faced by the waste incineration power generation industry that the Group is engaged in are also becoming more and more stringent. The cost of upgrading and technical transformation of the Group's projects is getting higher and higher, bringing a lot of pressure to its operation. In tackling this problem, the Group actively researches and explores advanced technology, which has been applied in many fluidized bed waste incinerator projects to reduce the coal blending ratio, the Group has effectively coped with the pressure brought by the escalating emission standards.

B. SOCIAL

1. Employment and Labour Practices

The Group regards human resources as one of the important assets, and we offer competitive remuneration packages to our employees while adhering to the principle of “equality and fairness (同工同酬)”. The Group complies with the relevant laws and regulations, including but not limited to the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China and the Provisions on the Prohibition of Child Labour. Individuals’ background, including their ethnicity, race, nationality, gender, religion, age, political affiliation and marital status, has no bearing on our decision to employ, promote or transfer them nor on the compensation and benefits offered to them. We uphold the notions of equality, willingness, and agreement based upon negotiations, and provide all our staff members with equal advancement opportunities under an equitable platform.

The Group follows the principle of openness and fair competition in recruitment, and takes ability and suitability for the position as the criteria for recruitment and promotion, and ensures that the recruitment process is transparent and open. At the same time, the Group offers a variety of career development paths and encourages employees to strive to develop their abilities through internal recruitment, transfer and promotion opportunities. In addition, the Human Resources Department is mainly responsible for the dismissal of the Group, and organise an exit interview with those who was dismissed.

In order to fully motivate our staff and enhance their sense of belonging, we attach importance to the establishment of a fair and equitable remuneration and benefits system. The staff remuneration offered by the Group is adjusted with reference to indicators such as market levels and the relevant staff member’s capabilities, work outcomes etc., such that the contribution made to the Group by its staff is duly recognised. The Group constantly refines its remuneration and staff welfare policies to allow its staff to share in the performance results associated with its development. In addition, in order to enhance the protection extended to its staff, the Group maintains various kinds of insurance for them in accordance with the relevant laws and regulations.

Apart from their entitlement to national statutory festivals and holidays, the Group’s employees are also entitled to paid annual leave, marriage leave and bereavement leave, etc. The wages, subsidies and awards, etc. in respect of paid leave are offered in accordance with the relevant national policies.

The employees of the Group are mainly located in the PRC. As of 31 December 2022, the Group had 1,324 full-time employees in total, including 282 female employees (of which 30 of them held managerial positions). In 2022, the employee turnover rate was 7% (2021: 12%).

Staff structure	2022	2021
By age group		
30 and below	268	293
31-40	629	692
41-50	284	273
51 and above	143	141
Total	1,324	1,399
By gender		
Male	1,042	1,100
Female	282	299
Total	1,324	1,399
By rank		
Senior Management	61	79
Middle Management	68	123
General Staff	1,195	1,197
Total	1,324	1,399
Turnover rate of employees	2022	2021
By age group		
30 and below	11%	19%
31-40	6%	11%
41-50	5%	10%
51 and above	8%	10%
By gender		
Male	6%	12%
Female	11%	13%

2. Health and Safety

The Group insisted on developing the safety work policy with scientific concepts, established the concept of safety and environmental protection, adhered to the development concept of “production safety is our profit, meeting environmental protection standards are our benefits”. In strict compliance with the Labour Law of the PRC, the Fire Protection Law of the PRC and other relevant Laws and regulations, we formulated production safety related rules to carry out various safety production management, conduct safety education training for employee every year, improve the level of on-site safety management and employee safety awareness in all respects, ensure the personal safety of employees, and prevent and reduce production safety accidents. We also assigned designated department to oversee the training.

The Group entered into letters of responsibility for the targets of safety, health and environmental protection with project companies, and formulated the targets of safety production and occupational health supervision covering all employees and contractors. In 2022, the Group’s overall annual safety, health and environment works were aimed at “no incident, no casualty, no pollution”, including the goals of no fatal incidents, no serious casualties, no serious equipment safety incidents; no serious fire or explosion incidents; no serious environmental pollution incidents; 100% safety education and training; 100% special operations with permits; 100% passing rate of dangerous operation; 100% passing rate of work and operation; and no occupational patients. During the year, the Group carried out various activities in an orderly manner as planned, including works on fire prevention, special equipment and occupational health, as well as the orderly development of various training programs, such as occupational disease checkups, professional training and the provision of various types of labor protection products after considering and tackling the weaknesses of our own management.



Safety, Health and Environment-related Drills

In the past three years, there was one worker fatality incident due to workplace accident in 2021. According to the relevant laws and regulations on production safety, the investigation team determined that such accidents were general production safety-related liability accidents, and the project companies has paid compensation to the deceased and injured. Different levels of punishment were imposed on accountable personnel. After the accidents, the Group has formulated comprehensive emergency response plans and measures, and encouraged project companies to enter into emergency cooperation agreements with surrounding enterprises, communicated the requirements of higher-level units in a timely manner, and used instant messaging software and other flexible and convenient methods to arrange, implement and respond to relevant work in a timely manner to ensure on-site rescue work during emergency can be carried out in a quick, accurate and effective manner, so as to prevent accident from expanding and reduce the casualties of accident and ensure personnel safety and avoid the recurrence of similar incidents. The number of lost days due to work injury for the Group was 21 days in for the year.

3. Development and Training

The Group emphasises on employee growth and development and offers them many opportunities for personal promotion and career development to help them grow rapidly. For management staff, we fully utilise internal and external training resources to strengthen their training, and incorporates, among others, legal knowledge and safety management knowledge and management system publicity in their trainings, so as to accelerate the development of primary-level management team, enhance the professional quality and management skills of existing executives, and secure a strong talent pool for the Company. For business staff, we strengthen special training works, integrate the resources of professional institutions and the Company, enhance the professional skills standard of the Company’s business staff, improve the professional ability of technical personnel. We adopt the fine tradition of “mentorship” system, which enables core technical employees to share their work experience, learn and exchange interactively, and enhances the competence of business staff.

The Group establishes a long-term employment mechanism based on strategic development goals, develops a career plan for employees, and maps out a scientific and reasonable development plan by refining the remuneration system, emphasises on the career design of employees. We organically combine education and training with employee assessment, improvement and promotion, offer talents with career development opportunities in a timely manner in a bid to provide talents with potential for growth and development.

Key performance indicators

Category		Percentage of employees trained	Average training hours of employees
By gender	Male	100%	55
	Female	100%	36
By rank	Senior Management	100%	8
	Middle Management	94%	38
	General Staff	100%	54



Training workshop

4. Labour Standards

Complying with relevant laws and regulations, including but not limited to the Labour Law of the People’s Republic of China, the Labour Contract Law of the People’s Republic of China and the Provisions on the Prohibition of Using Child Labour, the Group respects the legitimate rights and interests of employees, and does not use forced labour in the recruitment process to rigorously ban child labour practices. In the event of a forced labour and child labour incident, the forced labour or child labour can file a complaint with the human resources department and the Group will coordinate and handle it internally. If necessary, the Group may request the assistance of the relevant human resources department of the government.

5. Supply Chain Management

The suppliers of the Group are located in Mainland China and mainly provide raw materials such as coal and construction services. The Group regards every supplier as an important partner. And during the year, the Group mainly received supplies of products and services from over 300 suppliers. In respect of procurement management, the Group compiled the “Procurement Management Regulations (Trial)”, “Implementation Rules for Procurement Management of Group Headquarters (Trial)”, “Implementation Rules for Procurement Management of Project Companies (Trial)” and “Management Rules for Suppliers (Trial)” during the year. At present, the Group has carried out inspection and inventory work, and evaluation of materials suppliers. During the year, the Group initially established a supplier database and had established a corporate regional supplier database for each project company. When procuring supplies of construction, equipment, materials and production, the Group requires suppliers to equip quality system certification, and possess environmental and occupational health system certification as a ramp-up item. We also require suppliers to provide pieces of equipment that are low energy consumption products and are able to meet the corresponding national or industry standards, if any. In the event that a supplier has significant financial problems affecting its performance or is otherwise unable to supply properly, the Group will issue an advance warning to each unit company to suspend the Group’s procurement from that supplier.

The Group has formulated safety management measures for contractors’ safety, such as conducting safety-related qualification examinations before entering the site, including enterprise qualification and personnel qualification, etc., and can only enter the site after passing the examination; signing a safety management agreement to clarify the respective safety management responsibilities; conducting entrance safety education and training for all employees of contractors and outsourcing units; performing safety briefing before an operation, and at the same time achieving safety supervision during the entire operation.

The Group has construction, service and equipment suppliers for engineering and construction, as well as service, materials and equipment suppliers for the production and operation stage. As the Group’s production does not involve a supply chain, there are no upstream and downstream processing relationships, no downstream products processing to increase added value, and no single source of supply. Any supplier who stops supplying can be replaced by others, and therefore, there is no need to manage a supply chain.

Going forward, the Group will assess the environmental and social risks in its supply chain and formulate policies to manage related risks, including practices on how to identify environmental and social risks in each link of the supply chain, and relevant implementation and monitoring methods. At the same time, the Group will also formulate relevant procedures to promote the practice of using more environmentally friendly products and services when selecting suppliers.

6. Product Responsibility

The Group has upheld the principle of “applying the most suitable technology to the targeted project”, and come up with optimal solutions to household waste treatment for targeted regions according to their actual demand and features of local waste from an international perspective.

Through enhancing environment-friendly production management, the waste treatment plants of the Group have reached top industrial level in terms of emission, safety and reliability. The Group abided by the “Pollution Control Standards on Incineration of Household Wastes” (GB18485-2014), “Pollution Control Standards on Incineration of Hazardous Waste” (GB18484-2001) and other relevant environmental protection laws and regulations, and assured the waste incineration burnout rate and achieved up-to-standard discharge of flue gas under the premise of stable production operation, and thus truly achieved the purposes of reduction and harmless incineration treatment.

The Group is committed to providing quality, efficient and safe services by maintaining relevant standards in production safety and environmental protection, and has established operational management practices and a series of policies on product liability to govern its operational processes. The Group has developed a production safety management system and is responsible for the implementation of production safety management. During the reporting period, the Group did not receive any material complaints from the government authorities regarding the operation of the Company.

The Group respects the intellectual property rights of any partner or other business, and to abide by the intellectual property confidentiality agreements and comply with all relevant national or local laws and regulations. In addition, the Group only allows the use of licensed software.

The Group actively carried out research and development and technological innovation, and developed a sludge back-injection and mixed-burning system. It is a pioneering process equipment that “uses waste to treat waste” after continuous exploration and testing. It can avoid the impact of high moisture content sludge on the ignition speed of domestic waste for drying to the greatest extent, and make full use of high temperature smoke and high-temperature flame to dry the surface of the sludge, and the heat that needs to be absorbed during the intense combustion stage would not affect the normal combustion of domestic waste, which ensures that the sludge and the domestic waste can be completely burned, and greatly improves the co-processing ability of sludge, and accomplished harmless disposal of sludge so as to achieve good social benefits, and establish a good demonstration role for the co-processing of domestic sludge in the domestic waste incineration industry.

The Group will involve information in its daily operations including customer information, commercial secrets and financial information. The Group attaches great importance to customer privacy and is committed to complying with relevant laws and regulations such as the Archives Law of the People’s Republic of China, requiring employees to strictly abide by all the Group’s rules and policies related to confidentiality, and shall not disclose such information to third parties without consent.

7. Anti-corruption

Integrity, and upstanding are important elements comprising the operation of the Group’s business. The Group is committed to promoting cleanliness and strictly abides by relevant laws and regulations such as the Anti-Unfair Competition Law of the People’s Republic of China, the Anti-Money Laundering Law of the People’s Republic of China, the Criminal Law of the People’s Republic of China, and the Interim Provisions on Banning Commercial Bribery. Through daily training, we standardise the professional behaviour of management and all employees, and prohibit all behaviours that are fraudulent, dishonest, unethical or damage the reputation of the Group. All personnel in positions with corruption risks have signed a letter of responsibility for integrity. All employees are prohibited from soliciting or receiving any personal benefits and gifts, such as rebates, under-the-table commissions and cash, by taking advantage of their work, position or status in the Group.

We provided online and offline anti-corruption training to directors and employees, including reading relevant anti-corruption laws and regulations, watching alert videos, which have further strengthened the compliance awareness of directors and employees, promoted corporate compliance and anti-corruption culture, and improved directors and employees’ awareness in commercial bribery manifestations and legal responsibilities.

We encourage employees to report any violation of business ethics to the Group. Employees can report to the office by either email or letter. The Group undertakes that all informers will be protected by the Group regarding their personal data to ensure that they will not be treated unfairly due to whistleblowing.

During the year, there was no case involving any violation of laws that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering being brought against the Group or its staff.



Reporting Seminar for Anti-Corruption Study

8. Community Investment

A good external community setting represents an essential condition for the growth and development of an enterprise. While pursuing its business development, the Group has been proactively giving back to society so as to enable the harmonious development of the Group and the society. Apart from waste-to-energy operations, public education is also an important part of sustainable development. The Group regularly arranges open days for the public and conducts educational activities on waste separation and disposal.

During the year, we organised a safety publication and consultation day for the Haidian Project to distribute safety brochures to the public and set up an on-site question-and-answer session. We offered gifts to the public while answering production safety questions.



Community Activities

APPENDIX: INDEX FOR ESG REPORTING GUIDE

ASPECT	REQUIREMENTS	PAGE
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