



北京控股環境集團有限公司

BEIJING ENTERPRISES ENVIRONMENT GROUP LIMITED

(Stock Code 154)



# 2025

## Environmental, Social and Governance Report

Beijing Enterprises Environment Group Limited

# CONTENTS

About the Report	01	About Us	04
Message from the Executives	02	Response to SDGs	05
Board Statement	03	APPENDIX	44

## 01 Ensuring Compliant Operations

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Improve Corporate Governance	07
Strengthen ESG Management	10
Adhere to Business Ethics	13
Maintaining Information Security	14

## 02 Deepen Sustainable Management

---

Casting Excellent Quality	16
Ensuring Safe Production	16
Driving Technological Innovation	18
Implement Responsible Supply	20

## 03 Fulfilling Ecological Commitments

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Deeply Cultivate Green Industries	22
Respond to Climate Change	24
Protecting a Beautiful Ecology	30

## 04 Nurturing Employee Wellbeing

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Safeguard Employee Rights	36
Unleash Talent Potential	40
Protect Health and Safety	42
Jointly Building a Beautiful Community	43

## About the Report

This report is the Environmental, Social and Corporate Governance report of Beijing Enterprises Holdings Environment Group Limited together with its subsidiaries (collectively referred to as the "Group", "the Group", "we", "BE Environment"). The Board of Directors of the Group (the "Board") hereby presents the annual Environmental, Social and Governance ("ESG") report for the year ended December 31, 2025.

The data collection in the report covers the Group's primary operations in the People's Republic of China (the PRC), specifically solid waste treatment, and the operations of the offices in Beijing and Hong Kong. The Report details the Group's strategies and practices in environmental protection, social responsibility, and operational governance for 2025 across all its operations. Shareholders, investors, and the general public will find the report valuable for a comprehensive and in-depth understanding of the Group's ESG issues and culture.

The Report is aligned with Appendix C2 of *Environmental, Social and Governance Reporting Code* to the Main Board Listing Rules (HKEX ESG Guidance) of the Stock Exchange of Hong Kong Limited (HKEX). The criteria, methodology, assumptions, and conversion factors used to report emissions and energy consumption are based on *How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs* issued by HKEX. To make the disclosure more comprehensive, the Report has also been prepared with reference to the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Reporting Initiative (GRI) in 2021.

All data and information disclosed in the Report are from official documents, internal statistical systems and financial reports of the Company and have been collected, aggregated and reviewed by relevant departments. Where not otherwise stated, the figures shown in the Report are shown in RMB (Yuan).

The Group will publish its ESG report annually to update all stakeholders on the Group's ESG-related efforts. Constructive suggestions or comments are welcome. The Report is available in electronic form and can be viewed and downloaded from the HKEX news website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Group's website ([www.beegl.com.hk](http://www.beegl.com.hk)).



# Message from the Executives

2025 is a pivotal year for the successful conclusion of the 14th Five-Year Plan and the strategic planning of the 15th Five-Year Plan. Against the backdrop of continuously deepening environmental policies and accelerating green transformation in the industry, the solid waste treatment sector faces both rigid demands for technological iteration and compliance upgrades, as well as strategic opportunities arising from resource recycling and low-carbon development. As a state-owned enterprise deeply engaged in the environmental protection sector, Beijing Enterprises Environment Group Limited (hereinafter referred to as "BE Environment") remains committed to its mission of "creating a beautiful environment and building a waste-free home together." It deeply integrates the ESG philosophy into strategic decision-making and the entire operational process, continuously enhances environmental governance capabilities and resource recycling efficiency, and contributes to the green transformation of society while promoting the high-quality development of the enterprise.

## Guided by green development, we remain steadfast in fulfilling our mission of ecological conservation.

BE Environment consistently commits itself to serving the national "carbon peaking and carbon neutrality" strategy, upholding the mission of "dedicating to a beautiful environment and jointly building a waste-free home." We deeply integrate the concept of sustainable development into corporate strategy and management. Throughout the green transformation process, we continuously leverage our professional expertise in solid waste treatment and resource recycling. We deepen practical initiatives for resource recycling, and through multiple pathways such as waste-to-energy, resource utilization, and intelligent operations, we promote the coordinated advancement of ecological environment governance and clean energy development.

## Driven by technological innovation, we enhance our green and low-carbon operational capabilities.

BE Environment consistently regards technological innovation as a crucial force driving industry advancement and the sustainable development of the enterprise. During the reporting period, we continued to strengthen investment in research and development focused on artificial intelligence, robotics, and intelligent environmental protection. We prioritized the development and application of an intelligent incineration system, an intelligent flue gas purification control system, an intelligent security system, and an intelligent inspection system. By empowering the entire solid waste treatment operation process with digital technologies, we have significantly improved environmental compliance standards and operational efficiency.

## Built on a foundation of sound governance, establishing a sustainable management system.

BE Environment consistently incorporates ESG management as a key component of its corporate governance framework. The Board of Directors, serving as the supreme decision-making body for the Group's ESG matters, is responsible for deliberating on sustainable development strategies and management policies, and regularly reviews the progress of ESG initiatives. Focusing on critical areas such as business ethics, environment and resource management, occupational health and safety, and product responsibility, the Group continuously refines its mechanisms for risk identification and management. Through regular risk monitoring and specialized training programs, it enhances its capabilities to control and address risks.

## Adhering to safety and responsibility as our foundation, we safeguard the value of our employees and society.

BE Environment consistently upholds the principle of "Safety First, Prevention Foremost," treating occupational health and safety as a cornerstone of the Group's development. By establishing a systematic work safety management system, conducting emergency drills and specialized training, we continuously strengthen our risk prevention and control capabilities. We keep optimizing the employee care and talent development framework, promoting the construction of platforms for talent cultivation and career growth. Through initiatives such as the enterprise annuity plan, occupational health examinations, and various employee welfare measures, we enhance the well-being of our workforce. Furthermore, the Group actively engages in philanthropic practices, organizing community open days and environmental awareness campaigns, while continually advancing public welfare projects in education and environmental protection. Through these concrete actions, we fulfill the social responsibilities inherent to a state-owned enterprise.

The year 2025 marks the conclusion of the 14th Five-Year Plan and the groundwork for the 15th Five-Year Plan. Amidst intertwining transformations of the century and industrial shifts, the nation is advancing the green transition of its economic and social development in an all-round manner. Against this backdrop, BE Environment will proactively embrace the "New Environmental Era," driving Chinese Modernization with the "Green Engine," and adhering to the business philosophy of "Environment First, Win-Win Sharing." We will contribute the "BE" solutions to building a Beautiful China and creating Waste-Free City.

# Statement of the Board of Directors

BE Environment positions sustainable development as a key aspect of corporate governance, fully integrating sustainability considerations into the entire process of strategic decision-making and operational management. We are committed to promoting the synergistic development of the Group's long-term value and responsible practices.



## Oversight of ESG Matters

The Board of Directors serves as the ultimate decision-making body for the Group's ESG-related matters. It is fully responsible for reviewing and approving management policies, strategic objectives, and medium-to-long-term development plans related to the Group's sustainable development, as well as hearing reports from the President's Office on sustainability affairs. Under the Board, the President's Office and the Sustainable Development Working Group oversee the progress of the Group's sustainable development work and are responsible for the daily management and coordination of sustainability-related matters.



## ESG Management Policy and Strategy

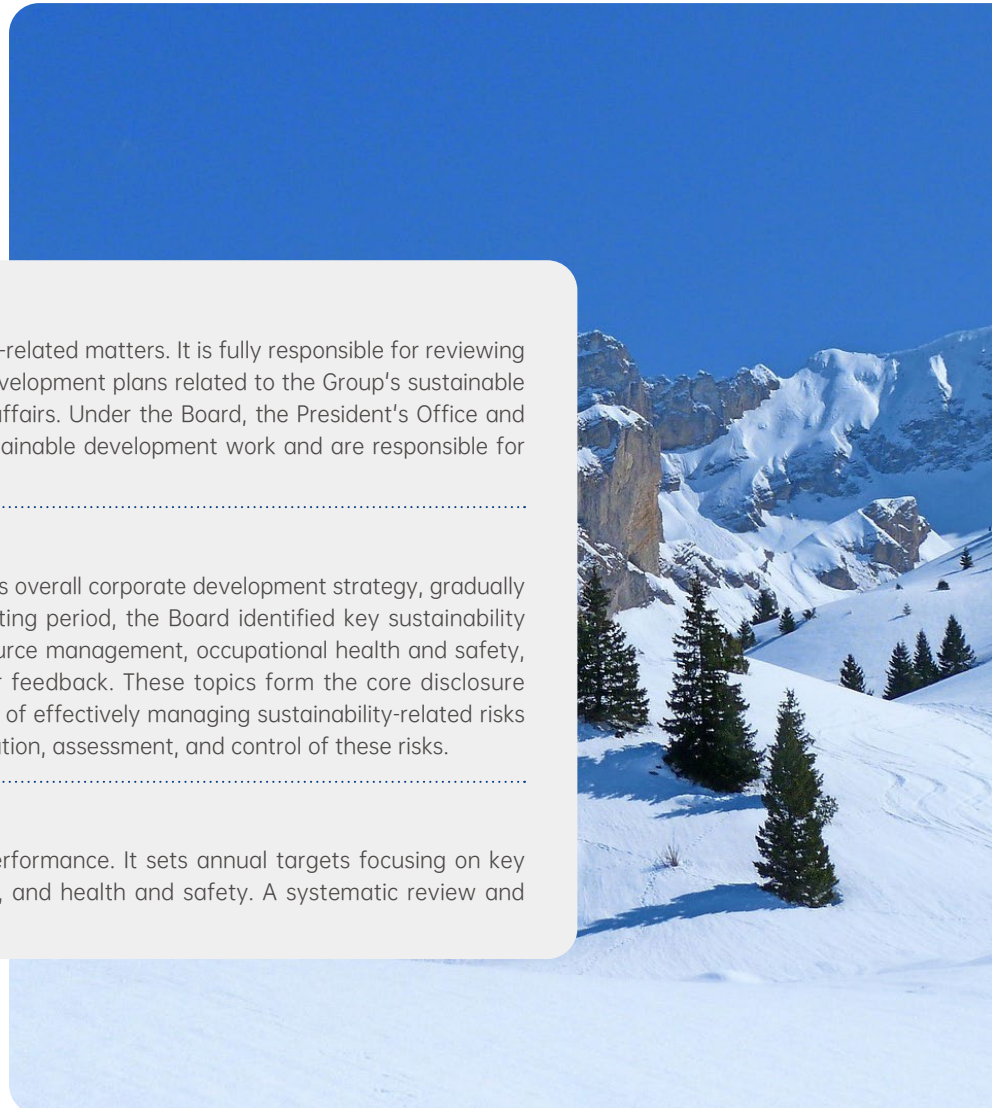
BE Environment has integrated the UN Sustainable Development Goals (UN SDGs) into its overall corporate development strategy, gradually forming a sustainable business system with its own characteristics. During the reporting period, the Board identified key sustainability topics—encompassing business ethics, corporate governance, environmental and resource management, occupational health and safety, and product responsibility, among other dimensions—based on relevant stakeholder feedback. These topics form the core disclosure content of this Sustainability Report. Furthermore, we deeply recognize the importance of effectively managing sustainability-related risks and seizing corresponding opportunities. We are systematically advancing the identification, assessment, and control of these risks.



## ESG Target Review

The Board regularly receives dedicated reports from the President's Office on ESG performance. It sets annual targets focusing on key areas such as environmental protection, resource utilization, emissions management, and health and safety. A systematic review and assessment of the achievement of the previous year's targets is also conducted.

This report was reviewed and approved by the Board of Directors on April 30, 2026. The Board of Directors and all Directors warrant that the content of this report is true, accurate, and complete, contains no false records, misleading statements, or material omissions, and accepts corresponding legal responsibility thereof.













# About Us

Beijing Enterprises Environment Group Limited is listed on the Main Board of the Hong Kong Stock Exchange (stock code: 154). It is a subsidiary of Beijing Enterprises Holdings Limited (BEHL) (a company listed on the Main Board of the Hong Kong Stock Exchange, stock code: 392). Beijing Enterprises Environment Group Limited is engaged in environmental protection and solid waste treatment in mainland China, representing one of the four main business segments of Beijing Enterprises Holdings Limited. Since entering the environmental protection sector, the Group has pursued its mission of "creating a beautiful environment and building a waste-free home together" through continuous technological innovation, strengthening its professional talent development, and delivering high-quality projects to fulfill its responsibilities as a state-owned enterprise. Building on its well-established business segments, the Group has established a solid foundation in the waste-to-energy sector, with operations spanning multiple provinces and municipalities including Beijing, Heilongjiang, Shandong, Jiangsu, Hubei, Hunan, and Hainan.



# Response to SDGs

SDGs	Corresponding chapters	Annual Highlights Performance
	Ensuring Compliant Operations	<ul style="list-style-type: none"> <li>4 specialized risk management training sessions were organized. The cumulative number of attendances reached 786.</li> <li>12 anti-corruption training sessions for management were conducted. The average training duration for board members is 2.5 training hours. 135 integrity-building training sessions were held for general staff. Coverage of all employees achieved 100%.</li> <li>The signing rate of integrity responsibility agreements for key position personnel reached 100%.</li> </ul>
   	Deepen Sustainable Management	<ul style="list-style-type: none"> <li>The daily processing capacity for waste-to-energy incineration reached 13,400 tons per day.</li> <li>The total volume of waste received by all projects reached 4.59 million tons, representing a year-on-year increase of 5.0%. The electricity delivered to the grid amounted to 1.498 billion kWh, a growth of 3.4% compared to the previous year.</li> <li>Annual R&amp;D investment reached 71 million yuan. A total of 83 patents were applied. A total of 58 patent authorizations were obtained.</li> <li>No major risk events caused by supplier management.</li> </ul>
 	Fulfilling Ecological Commitments	<ul style="list-style-type: none"> <li>The incoming household waste reached 4.59 million tonnes. Hazardous and medical waste reached 6,300 tonnes. Generated electricity reached 1.805 billion kWh.</li> <li>A total of 1.805 billion kWh were generated from renewable energy, equivalent. Equivalent to saving 221,834.5 tonnes of standard coal. Equivalent to reducing emissions by 1,236,425 tonnes of carbon dioxide equivalent.</li> </ul>
  	Nurturing Employee Wellbeing	<ul style="list-style-type: none"> <li>No compliance incidents involving discrimination, harassment, child labor, or forced labor have occurred.</li> <li>We provided assistance to 23 employees in need, with a total disbursement of RMB 68,000.</li> <li>A total of 200 hours to public welfare projects were dedicated. The number of participants reached 320. A total of RMB 1.07 million were donated.</li> <li>A total of 10 subsidiaries obtained ISO 45001 occupational health and safety management certification.</li> </ul>

# 01

## Ensuring Compliant Operations

BE Environment premises its operations on stability, integrating the concept of sustainable development throughout the entire business process, establishing a comprehensive compliance operation system, adhering to business ethics norms, and fortifying information security defenses. This lays a solid foundation for the long-term, healthy development of the Group.

Major issues addressed in this chapter:

- Corporate Governance
- Adhere to Business Ethics

This chapter responds to SDGs' objectives:



# Improve Corporate Governance

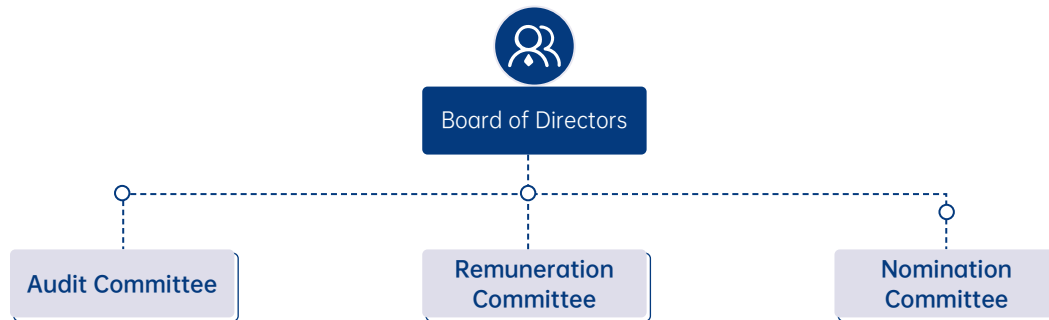
BE Environment is committed to establishing a well-defined governance system to ensure transparent, scientific, and rational decision-making for the Group. While strengthening internal controls, we monitor external risks to ensure the Group can navigate steadily and sustainably within a constantly evolving business environment.

## Governance Structure

BE Environment adheres to the provisions of the *Company Law of the People's Republic of China* and the relevant listing rules of the stock exchange, building a governance system with clearly defined responsibilities and rights and highly efficient operations.

The Board of Directors of the Group has established three specialized committees—the Audit Committee, the Remuneration Committee and the Nomination Committee—to ensure scientific management and democratic decision-making for the Group's affairs. The Board is composed of ten Directors, including five independent non-executive directors, accounting for 50% of the Board membership. This structure strongly safeguards the independence and scientific rigor of the Group's decision-making. During the year, we convened four Board meetings.

### Structure of the BE Environment Board



We attach importance to the construction of board diversity. When selecting and appointing Board members, we fully consider candidates' industry background, professional competence, skills, experience and other factors, and do not discriminate against candidates based on gender, ethnicity, or other such factors. Among BE Environment's total of ten Directors, three are female directors.

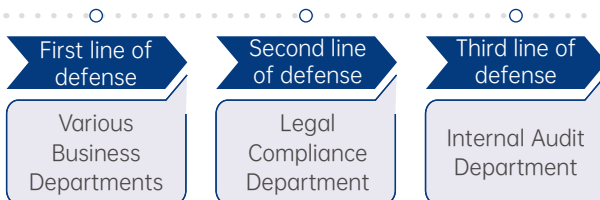


## Internal Control and Risk Management

As a crucial safeguard for the Group's long-term development, internal control and risk management are core tasks in BE Environment's daily operations. We have formulated internal documents such as the *Internal Control Management Measures*, the *Internal Control Assessment Manual*, the *Risk Management Measures*, and the *Compliance Management Measures (Revised)* to establish a policy framework that effectively standardizes the workflows for internal control and risk management.

The Group has established a Risk Management Leading Group, chaired by the CEO, with the executive responsible for risk management serving as the deputy chair, and other senior management members as part of the group. This structure ensures clear responsibilities and efficient operation of risk monitoring and management mechanisms, laying a solid foundation for the sustainable development of the Group. In addition, we have established and refined a comprehensive risk management framework, supported by a three-tier defense system, to provide robust support for the sustainable growth of the Group.

### Three Lines of Defense for Risk Management in BE Environment



To continuously enhance the level of risk prevention and control, BE Environment strictly manages relevant risks through a refined risk management process. The Group has established a closed-loop management mechanism comprising identification, assessment, response, monitoring, and evaluation.

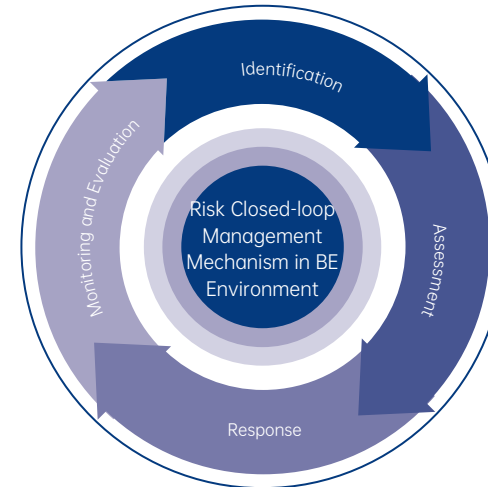
### Risk Closed-loop Management Mechanism in BE Environment

#### Risk Identification

- ▶ Conducting risk identification and regularly compiling semi-annual and annual risk management reports to comprehensively present the Group's risk profile
- ▶ Monitoring external developments and tracking emerging risks that could significantly impact on the environment and solid waste business
- ▶ Building a well-functioning risk database and dynamically updating it based on risks identified

#### Risk Monitoring and Evaluation

- ▶ Continuously tracking risk status, evaluating the effectiveness of response measures, and making necessary adjustments based on actual developments



#### Risk Assessment

- ▶ Conducting annual assessments of major risks to identify key risks

#### Risk Response

- ▶ Developing and implementing major risk control plans to reduce risk probability or mitigate impacts via targeted responses

Through the closed-loop risk management mechanism, we have established a normalized process for risk identification, quantitative assessment, and dynamic monitoring, achieving end-to-end control over various risks and minimizing the enterprise's risk exposure level. In 2025, we continue to advance the quantitative risk monitoring mechanism. In accordance with the quantitative risk monitoring plan and tools, we analyze the quantitative indicator aspects of major risks, thereby enhancing the capability and proficiency in addressing significant risks and building a solid foundation for the stable operation of the enterprise.

To continuously enhance risk response capabilities, we regularly conduct specialized risk management training sessions, effectively improving the competency levels of relevant personnel.

In 2025

BE Environment organized

**4** specialized risk management training sessions

with cumulative participation reaching

**786** attendances

The training content covered areas including **legal risks, procurement risks, and environmental risks**, which helped strengthen the risk management culture across the Group and elevate the professional expertise of the involved staff



### | Case | BE Environment Conducts Legal Compliance Specialized Training

In July 2025, BE Environment conducted specialized legal and compliance training for management personnel at all levels and provided special explanations in the field of job-related crimes. The training focuses on the core risk points in the operation, management, and job behavior of state-owned enterprises. By analyzing typical cases and deeply interpreting relevant laws and regulations, it deepens the systematic understanding of the essential characteristics, serious hazards, and prevention and control points of job crimes among trainees and deeply integrates legal thinking and compliance requirements into all aspects of group operation and management.

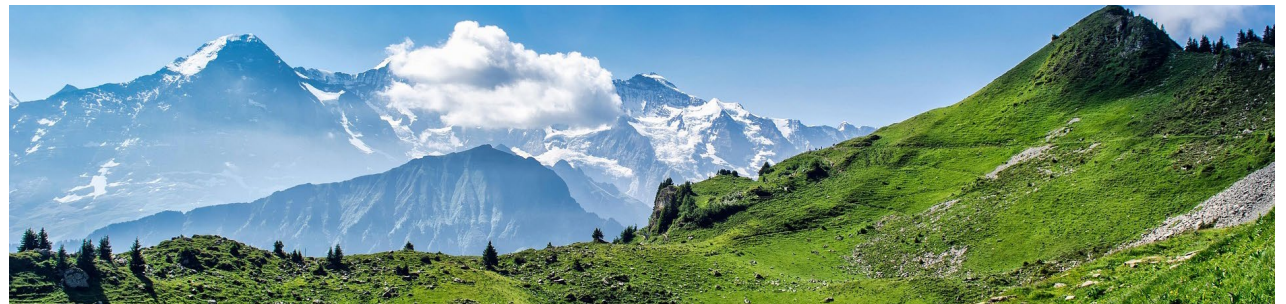


Specialized Training on Legal Compliance

In accordance with the internal audit regulations, BE Environment standardizes the execution of audit tasks and regularly implements project audit and supervision, achieving 100% coverage of all operational sites every three years. During the reporting period, in compliance with internal system requirements, we completed a round of specialized audits covering operational management, economic responsibility, and internal control supervision evaluation for the headquarters and all subsidiaries. Identified audit issues were promptly reviewed, and relevant units were urged to implement corrective actions, continuously improving the Group's internal audit and oversight system.

BE Environment standardizes the execution of audit tasks and regularly implements project audit and supervision, achieving

**100%** coverage of all operational sites every three years



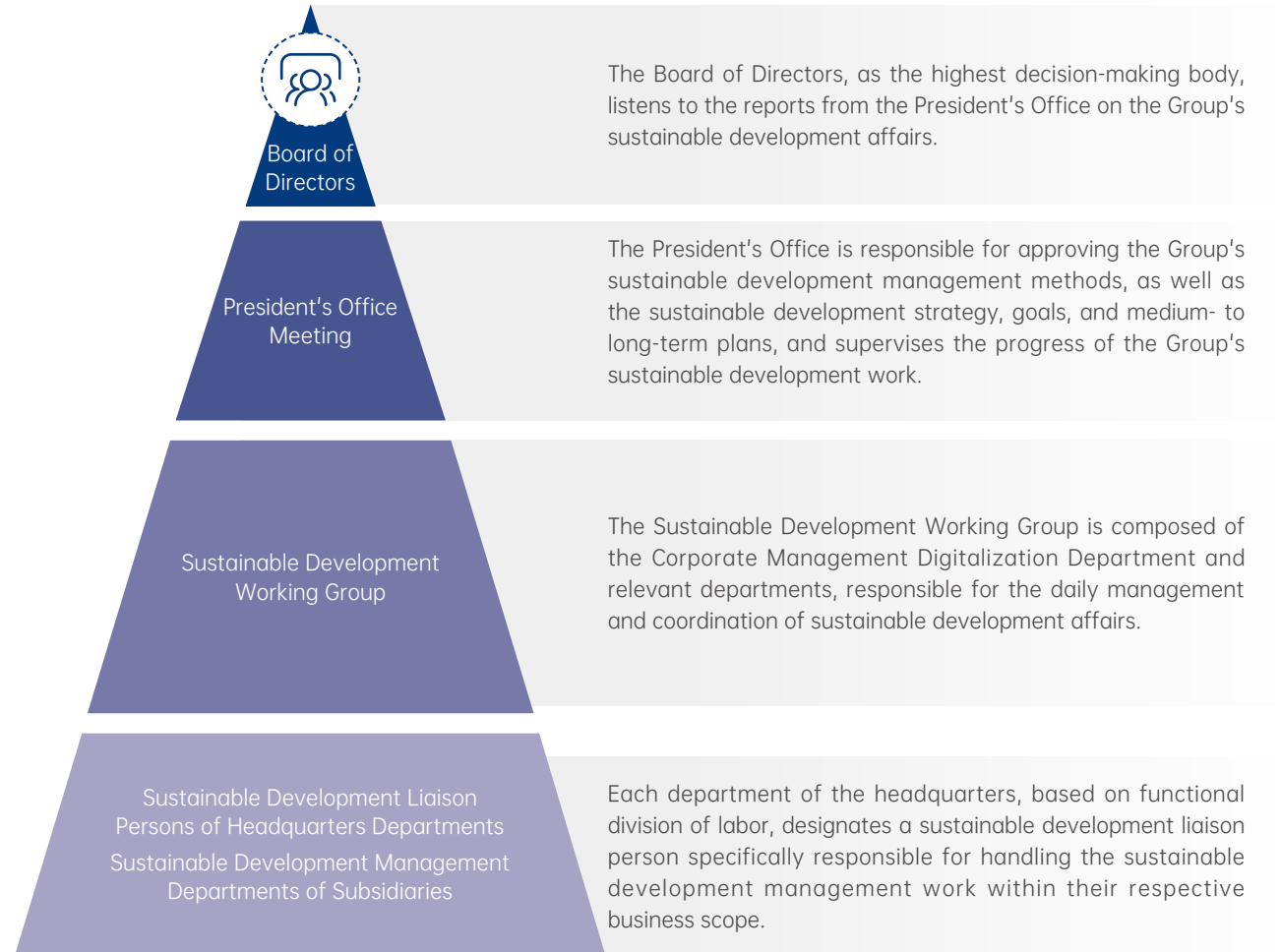
# Strengthen ESG Management

BE Environment emphasizes the importance of sustainable development in its daily operations and actively promotes the integration of sustainability principles into routine decision-making. We have established a comprehensive ESG management system, and through proactive communication with stakeholders, we identify ESG issues and implement targeted management to ensure the successful achievement of sustainability goals.

## ESG Governance Structure

In establishing a standardized, systematic, and scientific sustainability governance system, BE Environment has formulated the *Management Rules on Sustainability Development System*. We specify the hierarchy of the sustainability management system, clarify the organizational structure and assigned responsibilities, and systematize the working mechanisms, supervision procedures, and assessment methods, comprehensively enhancing the effectiveness of the Group's sustainability management.

### ESG Governance Structure and Duty of BE Environment










Through the establishment of an ESG governance structure with clear responsibilities and a well-defined hierarchy, BE Environment ensures that sustainability principles are embedded into every aspect of daily operations, enabling the better capture of new sustainable development opportunities.



## Stakeholder Communication

BE Environment places high importance on the valuable opinions and demands of all stakeholders in its ESG development, and is committed to building effective communication mechanisms to establish close connections with stakeholders. We employ different communication methods based on the types of stakeholders, ensuring proactive responses to their relevant concerns.



Stakeholders	Topics	Response Channels
 Government and regulatory authorities	<ul style="list-style-type: none"> <li>• Lawful business operations</li> <li>• Payment of taxes in accordance with the law</li> <li>• Creation of employment opportunities</li> <li>• Promotion of sustainable and healthy economic development</li> </ul>	<ul style="list-style-type: none"> <li>• Routine reporting and communication</li> <li>• Research and surveys and on-site meetings</li> <li>• Forums and exchange programs</li> </ul>
 Shareholders and investors	<ul style="list-style-type: none"> <li>• Continuous and stable business growth</li> <li>• Corporate governance</li> <li>• Anti-corruption</li> <li>• Capital rating and information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reports and announcements</li> <li>• Roadshows and investor meetings</li> <li>• Teleconferences with analysts</li> <li>• Annual general meeting</li> <li>• Company website</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• High-quality and safe products</li> <li>• Considerate and convenient service</li> <li>• Smooth communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Customer workshops</li> <li>• Service hotlines</li> <li>• Customer satisfaction surveys</li> </ul>
 Business partners	<ul style="list-style-type: none"> <li>• Fair procurement</li> <li>• Integrity and reciprocity</li> <li>• Sustainable supply chain</li> <li>• Long-term and stable cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier training and exchanges</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>• Comprehensive safeguards of rights and interests</li> <li>• Good platform for career development</li> <li>• Work-life balance</li> <li>• Occupational health</li> </ul>	<ul style="list-style-type: none"> <li>• Staff and workers' congress</li> <li>• Complaint box</li> <li>• Channels of democratic communication</li> <li>• Employee care activities</li> </ul>
 Community and non-governmental organizations	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Community harmony</li> <li>• Community environment improvement</li> <li>• Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Science popularizations</li> <li>• Community outreach</li> <li>• Participation in charity and environmental activities</li> </ul>
 Media	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate governance</li> <li>• Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reports and announcements</li> <li>• Annual and interim results presentation</li> <li>• Press releases and publications</li> <li>• Media interviews</li> </ul>

## Analysis of Material Issues

Based on regulatory requirements and the focus of capital market rating indices, BE Environment optimized and adjusted the material topics and their significance levels in 2024, building upon the foundation of the previous year. A materiality matrix for the current year was developed. For the identified material topics, we will closely monitor associated risks and opportunities, integrate sustainability principles with the Group's development strategy, promote the implementation of objectives across all departments, optimize resource allocation, and prioritize their disclosure in this Report.



Materiality Matrix of BE Environment in 2025



## Adhere to Business Ethics

BE Environment adheres to the principles of integrity and honesty in its business conduct and continuously strives to elevate its business ethics standards. The Group maintains a zero-tolerance policy towards any behavior that violates business ethics, and is committed to fostering a healthy and upright business environment.

BE Environment strictly complies with laws and regulations such as the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*. We continuously improve our business ethics management system, rigorously investigate and punish all types of unethical conduct within the Group, prohibit improper benefits transfer and conflicts of interest, thereby safeguarding the stable development of the Group. During the reporting period, there were no legal cases involving violations of business ethics by the Group or its employees that have a material impact on the Group.

The Group strictly prohibits all fraudulent, dishonest, unethical acts, or any behavior that may damage the Group's reputation, and clearly defines the daily conduct requirements for employees. All staff members are prohibited from seeking or accepting any personal benefits or gifts, such as kickbacks, private commissions, cash, or gifts, by taking advantage of their work, positions, or roles. During the reporting period, all personnel in key positions exposed to corruption risks have signed the *Integrity Commitment Letter*.

BE Environment strictly prohibits bribery, extortion, commercial fraud, and money laundering. We have established and publicized multiple reporting channels, including a dedicated telephone hotline, email address, and postal address, to ensure employees have opportunities to report behaviors

that violate business ethics. The Group strictly protects the confidentiality of whistleblowers' information, ensures they are shielded from retaliation, and promptly informs whistleblowers of the progress regarding their reports.

To cultivate and strengthen a corporate culture of integrity and self-discipline, BE Environment regularly conducts business ethics training for directors and employees. Through methods such as studying educational and admonitory cases, visiting integrity education bases, and promoting laws and regulations, we effectively enhance the level of integrity and self-discipline across the entire Group.

In 2025

BE Environment conducted **12** anti-corruption training sessions for management

with Board members receiving an average of **2.5** training hours

**135** integrity-building training sessions were held for general staff

achieving **100%** coverage of all employees



### | Case |

#### BE Environment Conduct Training on Integrity in Procurement

In November 2025, BE Environment conducted compliance-focused procurement training for personnel in procurement functions. The training, delivered through awareness enhancement, operational standardization, and case studies, clarified the core integrity risk points throughout the entire procurement process. It aimed to internalize integrity and self-discipline as the fundamental principle of procurement work, promoting the legal and standardized operation of the company's procurement activities.



Integrity in Procurement Training

# Maintaining Information Security

BE Environment attaches high importance to the Group's network information security assurance capabilities, fully commits to safeguarding the integrity and availability of information assets, and protects the Group, its customers, and other relevant parties from the impact of data security and privacy incidents such as information leakage.

The Group has developed and implemented internal rules and regulations, including the *Information Security Management Rules*, the *Information Security Risk Management Detailed Rules*, the *Information Security Emergency Management Detailed Rules*, and the *Information System Security Classification Detailed Rules*, specifying the requirements for the development and operation, maintenance methods, access rights, and emergency response of information systems.

In 2025, BE Environment experienced

**0** information security incidents or customer privacy breaches.



## Information Security Management Measures in BE Environment

### Vulnerability Scanning and Remediation



Conduct quarterly network and information security vulnerability scans. Analyze and remediate high- and medium-risk vulnerabilities, while continuously monitoring low-risk

### Cybersecurity Drill and Issue Remediation



Actively participate in various information security attack and defense drills. Strictly rectify issues identified during the drills to further strengthen the security protection level of the

### Endpoint Security Management System Deployment



Deploy security protection software on endpoint devices (including PCs, servers, virtual machines, etc.). Utilize technologies such as AI-powered intelligent analysis engines and behavior detection mechanisms to detect and defend against threats like ransomware and vulnerability exploitation attacks, providing comprehensive endpoint security protection.

In 2025, BE Environment conducted an annual audit of its IT infrastructure and information security management system, with a focused risk assessment on the infrastructure storing financial, employee, and approval information, effectively ensuring the operational security of the Group's information systems.

In terms of customer privacy protection, BE Environment has formulated the *Information Confidentiality Rules* and the *Information Reporting Rules*, which provide clear management of client intellectual property, personal confidential information, and other related aspects. The Group incorporates confidentiality clauses in contracts signed for different projects, explicitly stipulating that commercial information of the other party shall not be disclosed during execution. The confidentiality requirements and durations are strictly defined to fully safeguard customer privacy and security.



## Deepen Sustainable Management

BE Environment promotes the coordinated development of quality and safety, technological innovation, and responsibility supply, with sustainable operation as the core development direction, and comprehensively constructs a systematic and quantifiable responsibility management system. In terms of supply chain management, the Group continues to improve supply chain transparency and resilience. Regarding product responsibility issues, we continuously improve the quality and safety control system covering the entire cycle, strengthen safety production standardization and information privacy protection, and effectively protect the legitimate rights and interests of customers, employees, and partners. At the same time, the Group drives development through innovation, continuously invests research and development resources, promotes technological upgrading and green transformation, and helps to enhance the sustainable development capability of the industrial chain.

Major issues addressed in this chapter:

- Product Liability
- Supply Chain Management

This chapter responds to SDGs' objectives:



## Casting Excellent Quality

BE Environment has always regarded quality and safety as the core cornerstone of sustainable development, and continues to deepen its efforts in key areas such as product quality management, safety production, information security, and privacy protection. Through systematic production process control, risk prevention mechanisms, and information protection systems, the Group comprehensively ensures the safety and stability of all links, and effectively fulfills its commitment to customers, employees, and society through solid practice. During the reporting period, BE Environmental Headquarters and 9 subsidiaries obtained ISO 9001 quality management system certification.

Guided by the *Production and Operation Benchmarking Plan* and the *Implementation Rules for Production and Operation Indicator Benchmarking*, BE Environment continues to deepen the construction of an operational system of "standardization, specialization, standardization, and refinement". The group continues to improve process control, strengthen process supervision, carry out benchmarking management, and promote the continuous development of quality management in depth. For key processes and key links, the group has implemented special quality improvement actions and continuously optimized production processes to ensure stable and positive operational indicators. In addition, the Group has achieved online circulation of safety, quality, progress, inspection and other data through the construction of an engineering construction management system, significantly improving the efficiency and refinement level of project management.

In 2025, BE Environment focused on waste incineration as its core business, enhancing efficiency through management optimization and tapping potential. Leveraging the Group-level data platform and project-level Distributed Control System (DCS), the company strengthened manual analysis

and process control in key areas such as waste bunker management and boiler operation parameters. Projects across the Group improved energy conversion efficiency by optimizing waste fermentation cycles and fine-tuning combustion conditions. In 2025, BE Environment increased its electricity generation per ton of waste fed into the furnace from 431 kWh to 434 kWh.

During the reporting period

the total volume of waste received by all projects under BE Environment reached **4.59** million tons representing a year-on-year increase of **5.0%**

The electricity delivered to the grid amounted to **1.498** billion kWh a growth of **3.4%** compared to the previous year

The daily processing capacity for waste-to-energy incineration reached **13,400** tonnes per day

## Ensuring Safe Production

BE Environment has always placed safety production and occupational health in an important position, committed to building a standardized, safe and reliable working environment. By organizing special safety training, conducting regular emergency drills, systematically implementing occupational disease prevention measures, and providing regular occupational health examinations for employees, we strive to maintain their physical and mental health and workplace safety. In 2025, the investment in safety production reached 17.81 million yuan, effectively ensuring the safe and stable operation of production and business activities.

BE Environment strictly follows laws and regulations such as the *Labor Law of the People's Republic of China* and the *Fire Protection Law of the People's Republic of China*, and internally constructs a compliance management framework centered on the *Guidelines for the Construction of a Dual Prevention Mechanism of Risk Grading Control and Hidden Danger Investigation and Governance* and the *Measures for the Administration of Work Safety Audit (Trial)*. In 2025, the Group will develop and implement the *Safety Production Management System*, which covers key modules such as health management and stakeholder management. Special systems such as the *Stakeholder Safety Management System*, the *Special Operations Personnel Safety Management System*, the *Hazardous Operations Management System*, and the *Safety Management System for Production and Business Sites, Equipment, and Facilities with Significant Hazardous Factors* will also be introduced simultaneously. At the same time, the *Safety Operation Regulations* covering relevant parties' works have been formulated and a sound safety production system has been established.

Main management objectives for health and safety Completion status in 2025

**0** major or above safety production (occupational disease hazards) liability accidents have occurred

**0** fire accidents occurred

**Achieved**

BE Environment has established a systematic working mechanism in terms of safety management. The Group implements normalized safety inspections by establishing a closed-loop process for hazard investigation and rectification. Strengthen emergency response capabilities, conduct multi scenario practical exercises, and continuously optimize emergency plans. Promote the improvement of safety quality for all employees, organize specialized training and drills at different levels and with full coverage. At the same time, the Group strictly regulates third-party safety and implements a full cycle management model from admission review to process supervision.

  
Safety production hazard investigation

- Through regular hazard inspections and a closed-loop management system for rectification, a total of **3,063** inspections of various types were conducted by the end of the reporting period. This led to the identification of **4,912** potential hazards, of which **4,896** were rectified, thereby achieving closed-loop control of risks.

  
Safety emergency management

- Update the fire safety management system, and affiliated enterprises will simultaneously add on-site disposal plans for hazardous chemical spills and special emergency plans for natural disasters such as strong winds;
- Throughout the year, **159** emergency drills were organized, including **28** desktop exercises and **131** on-site operational exercises. Additionally, **23** special environmental protection emergency response training sessions were conducted to effectively enhance the emergency response and disposal capabilities of all personnel.

  
Security capacity building

- Collaboratively carry out multi-level training and promotion, holding **1,031** safety training sessions and **67** themed activities throughout the year, covering over **16,000** employees, and conveying safety concepts to society through public promotional activities.

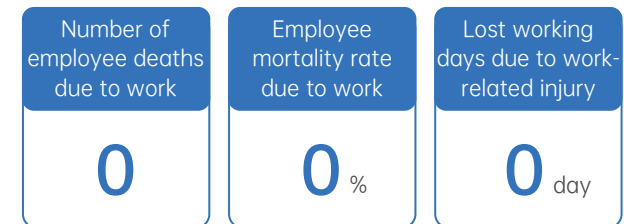
  
Third party security management

- Issuing the *Control Requirements for Further Strengthening Third Party Security Management*, constructing a full cycle control mechanism from admission review, process supervision, to exit evaluation. The Harbin project innovatively implements the "enterprise qualification personnel qualification technical solution on-site capability" four in one review process, fully consolidating the safety responsibility of outsourcing units.

| Case | BE Environment Conducts Safety Month Series Activities

BE Environment has carried out a series of themed activities centered around the "Safety Month" system, with "commitment fulfillment and skill improvement" as the core. The Group management led the organization of the safety commitment ceremony, which led 11 affiliated enterprises and 960 employees to participate in the oath and commitment. The Group successfully held the first safety skills competition, and the headquarters competed with 9 project companies around knowledge answering, hidden danger identification, and limited space operations, forming a good atmosphere of up and down linkage and full participation. The Tai'an project won the first prize in the 2025 "Lu'an Cup" Daiyue District Safety and Health Knowledge Competition, and multiple safety skill competitions such as the "Ankang Cup" were also held in Xiangyang etc., further strengthening the foundation of enterprise safety production.

From 2023 to 2025



## Driving Technological Innovation

BE Environment strictly adheres to national laws and regulations related to scientific and technological innovation, and continuously improves its internal research and development management system under the overall leadership of the Science and Technology Development Committee. In 2025, based on existing systems such as the *Management Measures for Scientific and Technological Innovation Research and Development (Trial)*, *Intellectual Property Management Measures (Trial)*, and *Management Measures for Online Science and Technology Forums (Trial)*, the Group further revised the intellectual property protection rules, formulated supporting systems such as achievement transformation and product standardization, and promoted the continuous optimization of research and development management processes. Through institutional updates, the mechanism of industry university research cooperation and the path of achievement transformation have been clarified, and a full chain management framework covering intellectual property protection, achievement standardization, and technology promotion has been constructed, providing a solid institutional guarantee for technological innovation. During the reporting period, the Group did not experience any intellectual property infringement incidents.

The Group focuses on cutting-edge fields such as artificial intelligence and robotics technology, systematically promoting technology research and application, with a focus on developing smart incineration systems, smart flue gas purification control systems, smart security systems, and smart inspection systems. Through the deep integration of artificial intelligence and mechanical equipment, we significantly improve the efficiency of solid waste treatment, environmental protection standards, and safety assurance capabilities. At the same time, the Group deepens the collaboration between industry, academia, and research, and conducts in-depth cooperation with universities and institutions such as Tsinghua University, Beijing University of Technology, Nanjing Normal University, Beijing Forestry University, Beijing Jiaotong University, and China Academy of Environmental Sciences. Through technological exchanges and joint research, the Group promotes technological progress in the field of solid waste.

In 2025, BE Environment

the R&D investment reached

**71** million yuan

applied for a total of

**83** patents

including

**27** invention patents

**56** utility model patents

A total of

**58** patent authorizations

have been obtained

including

**13** invention patents

**45** utility model patents

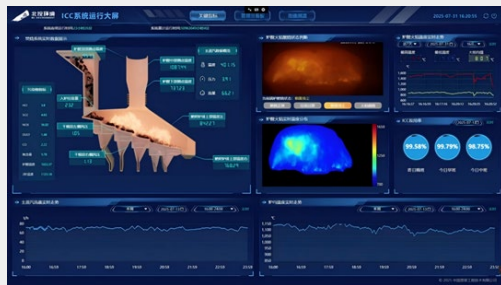


Table Annual Highlights Innovation Projects



Smart incineration system

To cope with the complex situation of collaborative incineration of various types of solid waste, BE Environment has collaborated with the development of a new generation of artificial intelligence combustion control system for waste incinerators, combining practical boiler operation and control experience. Equipped with cutting-edge big data technology and machine learning technology, combined with key technologies such as the "3T+E" control principle for waste incineration, flame image temperature measurement, and combustion status diagnosis, it has achieved stable operation in the furnace under a large proportion of mixed combustion.



Chartsmart Incineration System interface



Intelligent flue gas purification control system

Based on the specific process and mechanism of flue gas purification, combined with the experience of flue gas purification operation control, massive production and operation big data, artificial intelligence algorithms, etc., a deep learning model for predicting the concentration of combustion pollutants is constructed. The current concentration of major pollutants in flue gas is accurately calculated, and the fluctuation trend of pollutant concentration in the future is predicted. Then, based on the predicted results, advance regulation is carried out for each control circuit; Establish an intelligent optimization control strategy for flue gas purification based on model prediction leading regulation and feedback regulation, build an intelligent optimization control loop for flue gas purification, and form an incineration purification coupling linkage control technology with the completed smart incineration system for waste incineration.

In addition, the Group actively participates in the formulation of industry standards, participating in the compilation of multiple national, industry, and group standards throughout the year, covering key areas such as solid waste treatment and intelligent operation, and assisting in the standardized development of industry technology.

In 2025, BE Environment

participated in the development of

**4** standards at various levels

including

**1** national standard

**3**

group standards

**1**

has been officially issued

**3**

are currently under development

covering areas such as **environmental protection and pollutant control**



## Implement Responsible Supply

BE Environment strictly follows laws and regulations such as the *Tendering and Bidding Law of the People's Republic of China*, and has established a supply chain management system with the *Procurement Management Measures* and the *Supplier Management Regulations* as the core, adopting hierarchical management for suppliers, and further clarifying the basic conditions for supplier admission, admission procedures, exit procedures, and supplier library management requirements, and stipulating the implementation of full coverage admission evaluation and performance evaluation for construction, goods, and service suppliers.

In 2025, the Group established and improved a supplier database based on the revised system, covering 2,296 suppliers of the headquarters and its affiliated project companies, ensuring stable supply in project areas throughout the country. At the same time, the Group adopts a shortlist approach for important bulk materials to prevent the risk of raw material supply interruption, and requires suppliers to have good business ethics, no record of trade secret leakage, and related relationships that affect the fairness of transactions. The Group terminates cooperation with blacklisted suppliers, strengthens performance evaluation and behavioral constraints. In terms of supply chain security, the Group clarifies requirements for environmental protection, safety, and anti-corruption through contract terms, and regularly conducts communication and training with suppliers to promote their management level. It also regularly conducts technical exchanges and training to enhance supply chain collaboration capabilities. During the reporting period, there were no major risk events caused by supplier management in the Group, and the performance evaluation mechanism for important material suppliers effectively ensured production continuity.

Category		Unit	2025 data
Total number of suppliers		/	2,296
By region	Suppliers on the Chinese mainland	/	2,293
	Suppliers in Hong Kong, Macao, Taiwan and overseas	/	3
ISO 9001-certified suppliers		/	493
ISO 14001-certified suppliers		/	436
ISO 45001/OHSAS 18001-certified suppliers		/	440

# 03

## Fulfilling Ecological Commitments

BE Environment integrates the concept of green development into the Group's genes, deeply cultivates the green industry, and continuously promotes the synergy and efficiency of production, operation, pollution control, and ecological protection by building a sound environmental management system. It is committed to achieving the unity of enterprise growth and ecological harmony, and fulfilling its commitment to sustainable development through practical actions.

Major issues addressed in this chapter:

- Environment and Natural Resources
- Climate Change
- Waste Management
- Resource Usage
- Biodiversity

This chapter responds to SDGs' objectives:



## Deeply Cultivate Green Industries

In the context of global climate change and energy transition, BE Environment takes serving the national "dual carbon" strategy as its responsibility, with the mission of "striving for a beautiful environment and jointly building a waste free home", adhering to the green development orientation, integrating ecological and environmental protection into the development genes of enterprises, committed to promoting resource recycling and clean energy transition, creating long-term value for sustainable economic and social development, and fulfilling the responsibility of state-owned enterprises.

As a leading enterprise in the environmental protection industry, BE Environment integrates the ESG concept system into the entire value chain, and continuously improves the synergy level of environmental benefits, resource circulation, and social responsibility through a closed-loop operation model of "waste incineration waste heat recovery flue gas purification ash resource utilization".

### In the waste incineration process

the Group relies on intelligent incineration systems to convert household waste into clean electricity, significantly reducing landfill dependence and carbon emissions. For example, the Zhangjiagang project has an annual power generation of 360 million kilowatt hours, which is equivalent to saving 44,244 tonnes of standard coal.

### In the waste heat recovery process

the Group achieves energy cascade utilization through cogeneration, and some projects have obtained national green power certification, creating market-oriented benefits for carbon reduction. In the flue gas purification process, we adopt a multi-level treatment process and intelligent monitoring system to ensure that the emission concentrations of sulfur dioxide, nitrogen oxides, and other pollutants are strictly in accordance with national standards, and we accept social supervision through data disclosure.

### In the process of flue gas purification

the Group commonly uses a combination purification process of "SNCR furnace denitrification+semi dry method+dry method+activated carbon injection+bag dust removal". The emission concentration of pollutants such as dioxins in the treated flue gas are significantly lower than the national standard, and some indicators can reach one tenth of the EU standard.

### In the ash treatment process

the Group attaches great importance to resource recycling and safe disposal. We use furnace slag for building material production, and stabilize fly ash for safe disposal, forming a sustainable closed-loop of "waste resources products".

Through refined operation throughout the entire process, BE Environment continuously solidifies the foundation of green industries and provides replicable and sustainable system solutions for the construction of "waste free cities".

At the end of the Reporting Period

the Group has operated and managed a total of

**11** solid waste treatment projects in mainland China

including

**10** household waste incineration power generation projects



**1** hazardous and medical waste treatment project

The scale of waste incineration treatment has reached

**13,400** tonnes per day

In 2025

the Group processed

**4.59** million tonnes of incoming household waste



**6,300** tonnes generated electricity of

of hazardous and medical waste

**1.805** billion kWh



In addition, BE Environment continues to promote the widespread dissemination of environmental protection concepts. Through multiple collaborations with government departments, schools, communities, and social organizations, a series of environmental science popularization, ecological practice, and public welfare advocacy activities have been carried out, gradually building a complete cultural dissemination chain from knowledge transmission, behavior guidance to value cultivation.

#### | Case | World Earth Day Children's Environmental Tour

On April 22, 2025, the 55th World Earth Day, the Yanzhou project company of BE Environment welcomed nearly 100 teachers and students from a local kindergarten for an environmental exploration tour. By visiting the Yanzhou District Household Waste Incineration Power Generation Project, the participants gained an intuitive understanding of the waste-to-energy process, learned how to "turn waste into treasure", and enhanced their awareness of resource conservation and ecological protection through interactive activities.

#### | Case | Exchange between teachers, students and enterprises in Hunan universities

On June 4, 2025, the BE Environment's Changde Project received over 60 teachers and students from Hunan University of Arts and Sciences to visit and exchange ideas. The teachers and students visited the Group's main control room, steam turbine room, sand table model, and household waste classification science popularization and education base. Through a combination of "on-site visits, practical exchanges, and knowledge interaction", they gained a deep understanding of the production process of green electricity and waste resource utilization technology. This activity effectively popularized the concept of green and low-carbon development, and promoted the widespread dissemination of knowledge on energy conservation and waste classification among college students.

#### | Case | Hong Kong Teachers and Students Visiting Smart Power Plants

On June 23, 2025, the BE Environment's Haidian Project received 30 teachers and students from the Hong Kong Special Administrative Region to visit. By visiting the actual operation of smart waste incineration power plants, teachers and students gained a deep understanding of the key role of technological innovation in the transformation of the environmental protection industry, and personally experienced the advanced achievements of Beijing in ecological civilization construction and green development.

#### | Case | Heilongjiang Environmental Protection Volunteer Research Activity

On November 5, 2025, the BE Environment's Harbin Project welcomed nearly a hundred "ecological guardians" and volunteers organized by the Heilongjiang Provincial Environmental Protection Volunteer Federation to carry out an immersive environmental research activity with the theme of "challenging low plastic life". Participants dressed in a unified environmental protection vest, through on-site visits, interactive experiences, and on-site learning, gained a deep understanding of the process flow of waste resource utilization and low-carbon life practice paths. They collectively made a solemn commitment to practicing green life and aspired to become the "spark" of spreading the concept of ecological civilization.

# Respond to Climate Change

BE Environment has comprehensively integrated climate change response into the Group's governance structure and strategic development. Through systematic climate risk identification, assessment, and management, we continuously improve our climate resilience, proactively seize low-carbon transition opportunities, and strive to contribute to the national "Dual Carbon" goals while promoting the sustainable development of our business.

## Governance

BE Environment regards climate change response as a core strategy underpinning the Group's sustainable development. A three-tier "governance-management-execution" structure with closed-loop accountability has been established to ensure that climate-related affairs are systematically planned, effectively executed, and continuously optimized.

### BE Environment's Climate Governance Framework



## Strategy

In order to scientifically identify the impact of climate related risks and opportunities, BE Environment combines the international mainstream scenario framework with the progress of China's "Dual Carbon" work, selects three types of scenarios: low emission, baseline emission, and high emission, and clarifies that the "14th Five Year Plan" period is short-term, the end of the "15th Five Year Plan" period is medium-term, and the carbon neutrality target year is long-term. The system conducts climate change scenario analysis.

Selection of Climate Scenarios for BE Environment

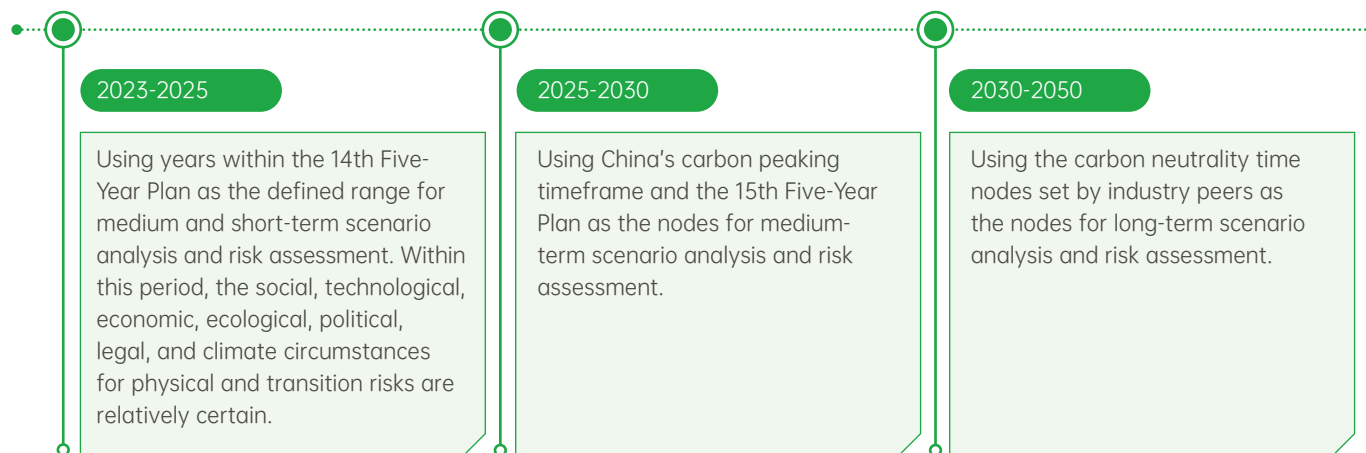
	Low emissions	Baseline emission	High emissions
Physical climate scenario	SSP-1.2.6	SSP-2.4.5	SSP-5.8.5
Transitional climate scenario	Stated Policies Scenario (STEPS)	Announced Pledges Scenario (APS)	Net Zero Emissions by 2050 Scenario (NZE)

BE Environment's Climate Time Frame

### Short-term

### Medium-term

### Long-term



According to the recommendations of the disclosure framework of the HKEX, BE Environment has systematically identified 12 risks and opportunities related to climate change, including 4 physical risks, 4 transformation risks, and 4 climate opportunities. In response to the identified risks and opportunities, the Group conducts quantitative evaluations and comprehensive scoring from both the possibility and severity dimensions through organizing expert evaluations and holding specialized seminars for business departments, in order to scientifically determine their priorities and response strategies.

BE Environment has systematically identified

**12**

risks and opportunities related to climate change

**4**

physical risks

**4**

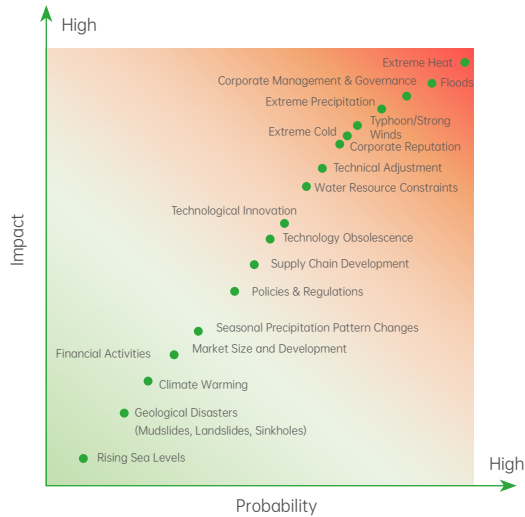
transformation risks

**4**

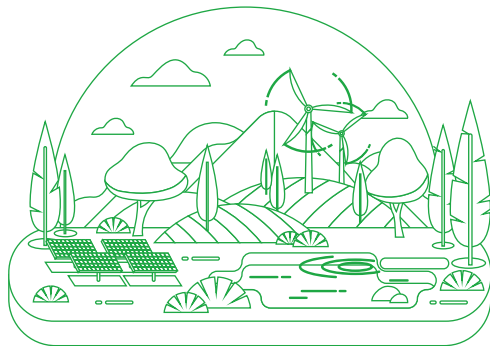
climate opportunities



## Physical risk







Analysis of BE Environment's Major Climate Risks






Risk type	Risk description	Response measures
 Extreme heat	Extreme hot weather can lead to a decrease in the calorific value of incoming waste, affecting incineration efficiency; Simultaneously increasing the risk of equipment overheating and malfunction, which may have adverse effects on employees' occupational health.	<ul style="list-style-type: none"> <li>Optimize auxiliary fuel addition strategies to enhance operational stability in extreme weather conditions;</li> <li>Improve the equipment cooling system, reasonably arrange equipment maintenance and employee shift plans during high temperature periods, and reduce unplanned downtime losses;</li> <li>Pay close attention to and actively strive for policy support related to high-temperature climate adaptation.</li> </ul>
 Heavy rain and floods	Heavy rain and flooding may hinder the normal collection and transportation of garbage, leading to facility disruptions, equipment damage, and a surge in the risk of leachate leakage, which may lead to environmental compliance issues, significantly increasing operating and maintenance costs, and putting pressure on corporate cash flow and expansion plans.	<ul style="list-style-type: none"> <li>Strengthen emergency plan management and emergency command organization mechanism;</li> <li>Upgrade the flood control and drainage facilities in the factory area, actively connect and link with the local government's flood control system.</li> </ul>
 Typhoons	Typhoons may damage the infrastructure of waste incineration power plants, such as factories and chimneys, leading to equipment damage and leachate system failures, seriously affecting the stability and operational safety of waste treatment capacity, and posing a direct threat to the safety of employees' lives.	<ul style="list-style-type: none"> <li>Carry out wind reinforcement projects, such as strengthening key structures and adding wind protection facilities;</li> <li>Strengthen emergency collaboration with key suppliers to ensure rapid recovery and resource allocation capabilities of the post disaster supply chain.</li> </ul>
 Extreme cold	Extreme cold weather may reduce incineration efficiency and increase energy consumption, while significantly increasing the risk of pipeline cracking, equipment freezing and other failures, leading to an increase in maintenance costs and affecting the economy and continuity of operations.	<ul style="list-style-type: none"> <li>Carry out antifreeze technology transformation, identify and supplement equipment insulation shortcomings in advance;</li> <li>Optimize outdoor work procedures and personnel safety protection measures in extremely cold weather;</li> <li>Develop and drill special emergency plans to ensure rapid response and recovery.</li> </ul>

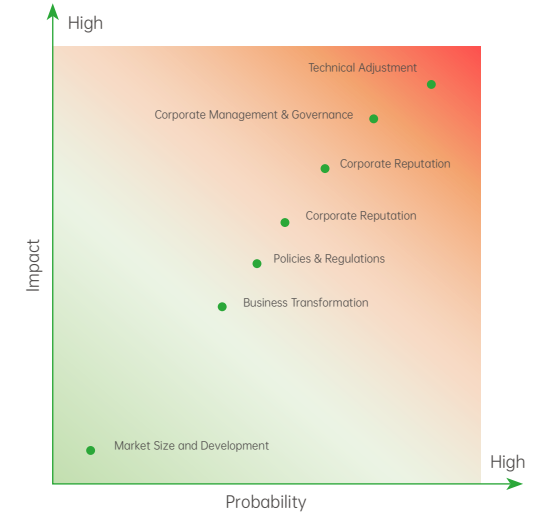
## Transition risks

Risk type	Risk description	Response measures
 Corporate management and governance risks	Enterprise management and governance risks may affect the stability of the enterprise's capital chain and business continuity, increase financial costs and compliance pressures, and thereby weaken the overall competitiveness of the market.	<ul style="list-style-type: none"> <li>Promote lean management and continuously improve technical management and comprehensive business capabilities;</li> <li>Establish and improve sustainable development governance mechanisms, strengthen ESG information disclosure and policy transformation risk response resilience.</li> </ul>
 Water resource constraints	Water resource pressure may lead to operational interruptions, increased water costs, increased pre-treatment costs, and increased water tax burden, thereby affecting the financial performance and operational stability of enterprises.	<ul style="list-style-type: none"> <li>Conduct water stress assessment, enhance corporate water resilience through technology upgrades and policy support.</li> </ul>
 Technological adjustment	The risk of technological adjustment may result in a decrease in competitiveness due to technological path dependence, an increase in compliance costs caused by the failure to adopt low-carbon technologies in a timely manner, and a market squeeze on existing incineration power generation technologies from alternative technologies.	<ul style="list-style-type: none"> <li>Establish a dynamic research mechanism for technology sensitivity, and maintain the ability to track and respond to advanced market technologies;</li> <li>Implement scientific technological governance and planning to ensure that the direction of technological adjustment aligns with policy orientation, market trends, and long-term development needs of enterprises.</li> </ul>
 Corporate reputation	Corporate reputation risk may lead to sunk investment in the early stages of the project, hindered regional layout, and be impacted by changes in capital markets and shareholder preferences, affecting the sustainable development and financing ability of the enterprise.	<ul style="list-style-type: none"> <li>Build a reputation management system that covers monitoring and early warning, proactive intervention, and system repair, and coordinate the management of stakeholder relationships, technology research and development image, and sustainable development brand building.</li> </ul>



## BE Environment's Climate Opportunities List

Opportunity type	Opportunity description	Response measures
 Technological adjustments	Proactively adjusting technology can help break through the efficiency bottleneck of traditional incineration technology, reshape the resource cycle value chain, strengthen the competitive advantage of enterprises in compliance, significantly reduce long-term operating costs, and create diversified benefits.	<ul style="list-style-type: none"> <li>By combining independent training with university cooperation, accelerate the reserve of professional talents and the transformation of technological achievements, and comprehensively promote new technologies after exploring mature paths through pilot projects;</li> <li>Closely monitor industry policies, technological trends, and changes in market demand, dynamically adjust research and development direction, and ensure forward-looking technology layout and market matching.</li> </ul>
 Corporate management and governance	Excellent corporate management and governance capabilities can enhance the efficiency of capturing and transforming policy opportunities. By building a forward-looking governance structure, it is possible to effectively connect policy resources, systematically avoid compliance risks, and leverage emerging business growth points.	<ul style="list-style-type: none"> <li>Establish a cross departmental special working group to systematically track, interpret, and respond to relevant policy dynamics, actively participate in industry standard formulation, and enhance policy discourse power.</li> </ul>
 Corporate reputation	A good corporate reputation is the core strategic asset for cracking the "neighbor avoidance effect" and obtaining sustainable social resources, which can be transformed into substantive competitive advantages such as project landing, community support, and capital favor.	<ul style="list-style-type: none"> <li>Build a brand reputation system based on technological credibility, supported by social responsibility, systematized communication as a means, and public opinion closed-loop management as a guarantee, continuously enhancing public trust and corporate image.</li> </ul>
 Financial activities	Innovative use of green financial tools can open up diverse value spaces for enterprises, optimize capital structure, significantly enhance capital liquidity and risk resistance, and support strategic business expansion.	<ul style="list-style-type: none"> <li>Design and apply matching green finance products for different project stages and characteristics, optimize fund utilization efficiency and cost;</li> <li>Establish an investment decision-making and risk assessment mechanism that covers the entire project cycle and integrates industry and finance, ensuring that financial strategies accurately serve business development strategies.</li> </ul>



Analysis of BE Environment's Major Climate Opportunities

### Climate Adaptability

To cope with the risk of asset loss caused by extreme weather and natural disasters under climate change, BE Environment has implemented a four-year property all risk insurance plan starting from 2023, covering projects such as waste incineration power plants, equipment and facilities, fixed assets, etc. By constructing a systematic property climate insurance mechanism, asset resilience is enhanced, direct economic losses caused by disasters are reduced, and the Group's financial stability and continuous business operation are guaranteed.

## Risk Management

To systematically manage climate related impacts, BE Environment continues to carry out climate change risk identification and response work in accordance with the requirements of Appendix D of the *HKEX ESG Code*, and in combination with the guidance on substantive assessment in the climate action methodology, in order to reduce the climate risks faced by the Group's business and assets and enhance overall climate resilience. During this process, we extensively referred to international sustainable development standards, industry key issues of concern, and industry-leading practices. Based on this, we identified and screened major climate risk and opportunity issues closely related to the Group's operations, providing clear direction for the formulation and implementation of the Group's climate action.



## Metrics and Targets

BE Environment aims to systematically promote carbon reduction work, continuously carry out annual carbon inventory, and comprehensively calculate the basis of greenhouse gas emissions. Based on the carbon inventory results and industry emission reduction paths, the Group focuses on the household waste incineration power generation business and sets emission reduction targets based on the carbon emission intensity per unit of power generation, aiming to achieve a steady decrease in carbon intensity, assist enterprises in green transformation and national carbon neutrality process. In 2025 the Group generated a total of 1.805 billion kWh from renewable energy, equivalent to saving 221,834.5 tonnes of standard coal and reducing emissions by 1,236,425 tonnes of CO<sub>2</sub> equivalent.

### BE Environment's Climate Action Target

Indicator	Unit	Target value
Carbon emission intensity per unit product for household waste incineration power generation business	Tonnes of CO <sub>2</sub> equivalent/MWh	33% intensity reduction by 2040 compared to 2024

### BE Environment's Emission Reduction Performance in 2025

Indicator	Unit	2025 data
Renewable energy usage	kWh	306,807,449
Scope 1 <sup>1</sup> : Direct greenhouse gas emissions	Tonnes of CO <sub>2</sub> equivalent	8,067.13
Scope 2 <sup>2</sup> : Indirect greenhouse gas emissions	Tonnes of CO <sub>2</sub> equivalent	1,407
Total greenhouse gas emissions	Tonnes of CO <sub>2</sub> equivalent	9,474.60
Total greenhouse gas emission intensity	Tonnes of CO <sub>2</sub> equivalent/RMB 1 million in revenue	6.67

<sup>1</sup> Note: Greenhouse gas emissions (Scope 1) encompass direct emissions from stationary combustion (liquefied natural gas, diesel) and fuel combustion by vehicles (gasoline). The liquefied natural gas emission factor references the *Guidelines for Accounting Methods and Reporting Guide for Greenhouse Gas Emissions from Industrial and Other Industries Enterprises* issued by the National Development and Reform Commission of the People's Republic of China on July 6, 2015; diesel and transport vehicle emission factors reference *Appendix II: Environmental KPIs Reporting Guide in How to Prepare an Environmental, Social and Governance Report* published by the Stock Exchange of Hong Kong Limited in March 2020.

<sup>2</sup> Greenhouse gas emissions (Scope 2) come from purchased electricity consumption. The purchased electricity emission factor references the *Announcement on the Release of 2022 Power Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China* on December 26, 2024. The decrease in Scope 2 greenhouse gas emissions data is mainly due to the Zhangjiagang project in 2025, which significantly reduced electricity purchases by switching loads before the shutdown of the power generation units through optimizing in-plant operations.

## Protecting a Beautiful Ecology

BE Environment adheres to the concept of green development, adheres to the systematic promotion of resource and energy conservation and utilization, compliant discharge of pollutants, and biodiversity protection, continuously improves environmental governance efficiency, and is committed to contributing to the protection of natural ecology and the construction of a beautiful home where humans and nature coexist harmoniously.

## Environmental Management

BE Environment strictly complies with national environmental protection laws and regulations, and has systematically formulated and implemented a series of internal management systems, including the *Environmental Management System*, *Safety Health and Environmental Management System Documents*. These systems are continuously optimized and updated, encompassing the *Comprehensive Emergency Plan for Emergencies*, the *Comprehensive Emergency Plan for Work Safety Accidents*, and the *Special Emergency Plan*. This enables the continuous strengthening of systematic prevention and whole-process control of environmental risks. Building on this foundation, the Group is committed to deeply integrating the concept of green and low-carbon development into the entire operational process. Through institutionalized development, standardized operations, and regular monitoring, the Group aims to construct a scientific and long-term environmental governance system, effectively fulfilling its primary responsibility for ecological and environmental protection. During the Reporting Period, the Group did not experience any environmental pollution liability incidents.

The core of BE Environment is to create a green culture and enhance the environmental awareness of all employees. Through various forms and rich levels of environmental themed activities, it continuously stimulates the internal motivation of employees and the public to participate in environmental protection, and is committed to transforming green values into perceivable, participatory, and sustainable cultural practices, continuously laying the cultural foundation for the green development of the enterprise.

### Case | BE Environment Green Sea Energy Company Holds Parent-Child Environmental Event

From July 31 to August 1, 2025, the BE Environment's Haidian Project planned and successfully held the "Happy Home, Green Spirit Forever" employee parent-child environmental protection theme event. This event attracted a total of 17 groups of employees' families to participate. Through a combination of environmental education, science popularization practice, and parent-child interaction, a four stop characteristic experience segment was organized. During the activity, the children actively participated in urban environmental maintenance as "environmental guardians", picking up and classifying garbage along the way, responding to the call for garbage classification with practical actions, demonstrating a new generation of environmental awareness.



Parent-child Environmental Protection Activity Site

## Resource and Energy Utilization

BE Environment regards the efficient and green utilization of resources and energy as an important goal of the Group's operation, and coordinates the optimization of energy structure and the increase of water resource circulation efficiency. It is committed to reducing the intensity of resource and energy consumption throughout the production and operation process, and improving the quality of green development.

### Energy Management

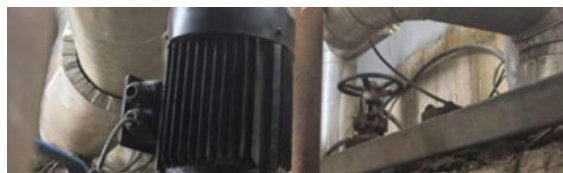
BE Environment strictly complies with the requirements of laws and regulations such as the *Energy Conservation Law of the People's Republic of China* and other relevant regulations. The Group establishes and implements energy conservation management systems in its project companies and forms specialized energy-saving working groups to coordinate and advance the deployment of energy-saving initiatives. Additionally, the Group incorporates energy-saving targets and specific measures into its annual key task agenda and has established an energy management award category within the *Management Measures for Special Awards for Business Operations of Beijing Enterprises Environment Group Co., Ltd. (Trial)*, effectively incentivizing all projects to implement energy-saving and consumption-reduction measures.

BE Environment continuously optimizes energy use efficiency through systematic technological upgrades and fine-grained management. By actively responding to national green power policies, the Company systematically advances green certificate management and green power applications, thereby consistently elevating the green and low-carbon level of its resource and energy utilization.



### | Case | Motor Frequency Conversion Retrofit Achieves Energy Saving and Consumption Reduction

In 2025, the BE Environment's Taian Project implemented a frequency conversion retrofit on the motors of two furnace ash drag chain conveyors. The modification involved replacing the original fixed-frequency startup method with a variable-frequency drive (VFD) startup. This effectively reduced the mechanical load impact on the equipment during startup, minimized wear on key components such as gears in the gearboxes, and extended the equipment's service life. Concurrently, by reasonably setting the operating frequency according to actual working conditions, the operating state of the motors was optimized. This resulted in an annual electricity saving of approximately 50,000 kWh. This retrofit not only enhanced the operational reliability of the equipment but also improved energy use efficiency and reduced plant operating costs.



Motor Frequency Conversion Transformation

BE Environment actively implements the concept of resource conservation in office scenarios, formulates and implements the *Implementation Plan for the Special Activity of Vigorously Saving and Opposing Waste*, conducts systematic statistics and normalized management of the use of key resources such as office consumables, energy equipment, and vehicle oil, advocates for all employees to practice measures such as energy conservation, reasonable temperature control, on-demand meal collection, optimized travel, and standardized vehicle use, and promotes the formation of green, low-carbon Efficient office mode.

In 2025, BE Environment actively promoted the application, issuance, and market-oriented trading of green certificates.

The Taian project was issued

**88,775** green certificates

**21,416** transaction completed

generating revenue of

RMB **113,538.7**

The Chaoyang project was issued

**210,795** green certificates

completed transactions for

**210,795** certificates

achieved revenue of

RMB **737,782**

## BE Environment's Energy Consumption in 2025

Total electricity consumption

**309,430,388** kWh

● Grid-connected electricity

**2,622,939** kWh

● Electricity generated with renewable energy

**306,807,449** kWh



● Petroleum

**23,091** liters

● Diesel

**2,830,680.34** liters



Natural gas

**26.93** 10,000 normal cubic meters

## Water Resources Management

BE Environment strictly implements national water-saving laws and regulations, relies on technological innovation and process control, focuses on optimizing water use models, tapping into water-saving potential, strengthening the cascade utilization and recycling of water resources, and comprehensively promoting the intensification and sustainability of water resource use.

### | Case | Water Supply System Retrofit drives Water Conservation and Cost Reduction

In 2025, the BE Environment's Taian Project carried out a special technical transformation of the water supply system in the "Xincun Sewage Station" section. By adding a check valve connection device, the internal water circulation and distribution path were effectively optimized, significantly reducing the dependence on municipal tap water. The total amount of tap water saved throughout the year was 75,967 tonnes, and related water expenses were saved by about 360,000 yuan. While improving water resource utilization efficiency, operating costs were significantly reduced.



Water Supply System Renovation

### BE Environment's Water Resource Consumption in 2025

Total water consumption

**5,196,466** tonnes

Water savings<sup>3</sup>

**2,117,236** tonnes

## Emissions Management

BE Environment strictly complies with national environmental protection laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law*, and the *Water Pollution Prevention and Control Law*. The Group has formulated and implemented a series of internal management measures, including the *Guiding Management Measures for Production and Operations of BE Environment's Projects* and the *Guiding Management Measures for Civilized Production of Waste Incineration Power Generation Projects*. These measures are designed to fully implement environmental responsibilities, continuously strengthen the whole-process control of emissions, and synergize institutional norms with technical measures. This concerted effort drives all projects to achieve stable, standards-compliant emissions and continuous improvement in environmental performance.

### BE Environment's Environmental Management Targets in 2025

All projects **comply** with national and local standards in terms of their pollutants emission/discharge

Completion status

**Achieved**



<sup>3</sup> This indicator includes the reuse of reclaimed water, circulating water usage, and the reduction in water consumption achieved through technical upgrades..

## BE Environment Emission Management Measures

### Wastewater discharge

The main sources are leachate and domestic sewage generated by the accumulation of household waste.

#### Key management measures include:

- ▶ Accurately regulate the dosage of chemicals based on water quality monitoring results, improve the circulating water quality of the cooling tower, and reduce the amount of pollution discharge through the refined pollution control mode of "frequent discharge and less discharge";
- ▶ Optimize the operating parameters of the reverse osmosis system, improve water production efficiency, and reduce the production of concentrated water;
- ▶ Promote the resource utilization of sewage in the factory area, and use the treated sewage for production replenishment, greening, and road sprinkling, reducing discharge and replacing the use of fresh water;
- ▶ Adopt an advanced leachate treatment system to achieve full recovery, purification, and reuse of high-concentration organic wastewater, ultimately reaching the goal of "zero-emissions".

### Exhaust gas emission

The main sources are dioxins, carbon monoxide, nitrogen oxides, sulfur dioxide, and smoke generated from the incineration of household waste.

#### Key management measures include:

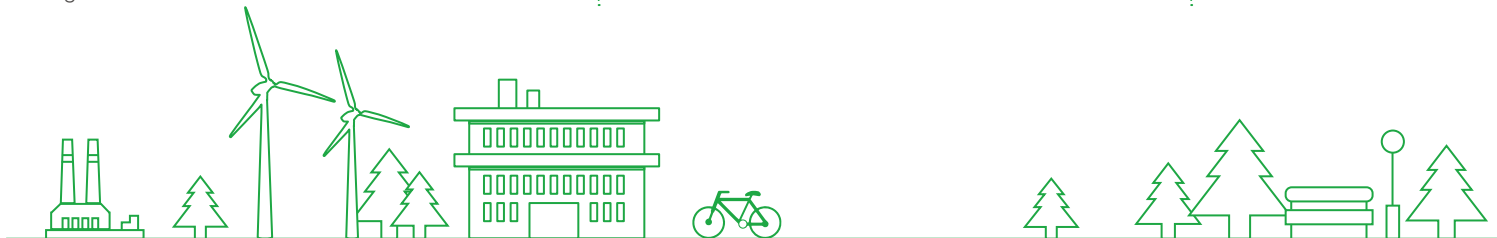
- ▶ Adopt advanced pyrolysis gasification technology to treat waste, effectively reduce the generation and emission of harmful gases during the incineration process, and mitigate secondary atmospheric pollution;
- ▶ Develop a waste leachate reuse device, using it as a reducing agent to replace some urea in the furnace denitrification process, effectively reducing the concentration of nitrogen oxide emissions while achieving wastewater reuse;
- ▶ Systematically collect biogas generated during the waste treatment process. After purification, feed it into boilers for combustion to partially replace fossil fuels, reduce direct methane emissions, and achieve energy recovery from waste.

### Solid waste discharge

The main source of harmful waste is fly ash generated from incineration, while harmless waste mainly includes slag and sludge generated from treatment.

#### Key management measures include:

- ▶ Install efficient deodorization equipment and implement fully enclosed management for materials that are prone to escape, effectively preventing pollutants such as fly ash and dust from escaping;
- ▶ Entrust a qualified third-party environmental protection unit to handle special waste such as sludge professionally, ensuring that the entire process complies with environmental standards;
- ▶ Explore the "sodium bicarbonate dry deacidification – sodium-based fly ash recycling and regeneration of NaHCO<sub>3</sub>" technology. Through technological coupling, promote the cyclical reuse of NaHCO<sub>3</sub> substances, and coordinate and advance the treatment of incineration flue gases and the near-zero landfill disposal of fly ash;
- ▶ Develop high-density straw picking and compression molding equipment to reduce the cost of rice straw storage and provide technical support for subsequent straw energy utilization projects;



## | Case | BE Environment's Case Awardees "Golden Key - Outstanding Solution"

In 2025, the practical case titled "Outlining a Landscape of a Waste-Free City with the Pen of Technology," contributed by BE Environment to BEHL, was awarded the "Golden Key - Outstanding Solution" award. This case focuses on the systemic challenges that commonly exist in the solid waste treatment industry in resource conversion, economic benefits, and environmental synergy. By integrating a series of independent research and development technologies centered on sludge direct spraying and incineration, a full chain technology system covering waste source reduction, process collaborative disposal, and terminal resource regeneration has been formed. This not only significantly improves the comprehensive treatment efficiency of solid waste, but also provides replicable solutions for the construction of "Waste-Free City" in multiple regions Promotable system solutions.



BE Environment's Case Awardees "Golden Key - Outstanding Solution"

### BE Environment's Waste Emissions in 2025

Total wastewater

**1,677,465.72** tonnes

Wastewater intensity

**1,180.64** tonnes/RMB 1 million of revenue

Total discharge of hazardous waste

**101,539.69** tonnes

Hazardous waste discharge intensity

**71.47** tonnes/RMB 1 million of revenue

Total discharge of non-hazardous waste

**1,184,868.85** tonnes

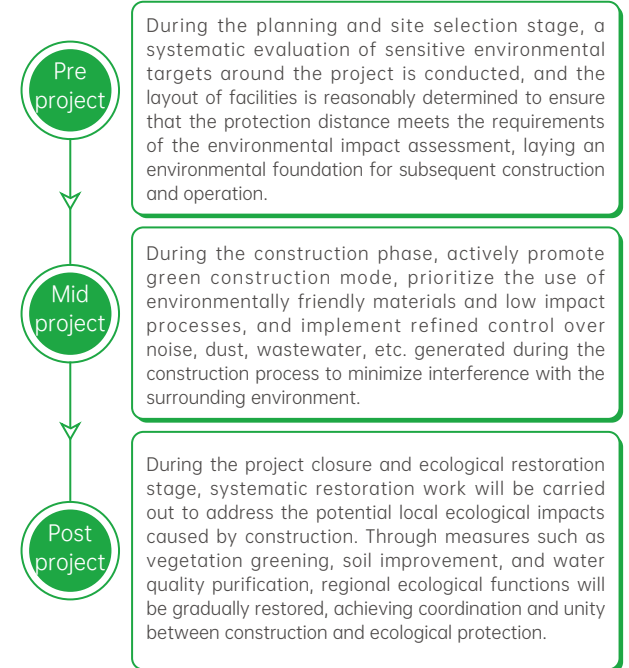
Non-hazardous waste discharge intensity

**833.94** tonnes/RMB 1 million of revenue

## Conserve Biodiversity

BE Environment attaches great importance to ecological protection and sustainable development, and has always integrated biodiversity conservation into its business operation and development strategy. We adhere to the concept of harmonious coexistence between humans and nature, and systematically identify and actively manage the impact on the ecosystem throughout project planning, construction, and operation. We are committed to making positive contributions to the maintenance and improvement of regional biodiversity through scientific protection, ecological restoration, and sustainable management.

### BE Environment's Ecological Protection Measures





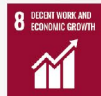
## Nurturing Employee Wellbeing

BE Environment upholds the core values of "Integrity, Innovation, Pragmatism, and Inclusiveness" and maintains an open and equitable approach to human resource management. We are committed to providing employees with safe and healthy working conditions, safeguarding their legitimate rights and well-being. At the same time, we actively collaborate with various partners to jointly engage in public welfare practices and strive to build a positive and inclusive public welfare culture ecosystem with full participation.

Major issues addressed in this chapter:

- Employment and Labor
- Employee Development and Training
- Occupational Health and Safety
- Contribution to Communities

This chapter responds to SDGs' objectives:



## Safeguard Employee Rights

BE Environment consistently adheres to the spirit of sincerity and pragmatism, committed to providing every employee with a diverse and equal development platform, and establishing fair remuneration systems and comprehensive benefits. We value communication and actively listen to feedback. Through open and democratic communication mechanisms and a harmonious, stable work environment, we foster the growth of employees alongside the Group, achieving mutual development.

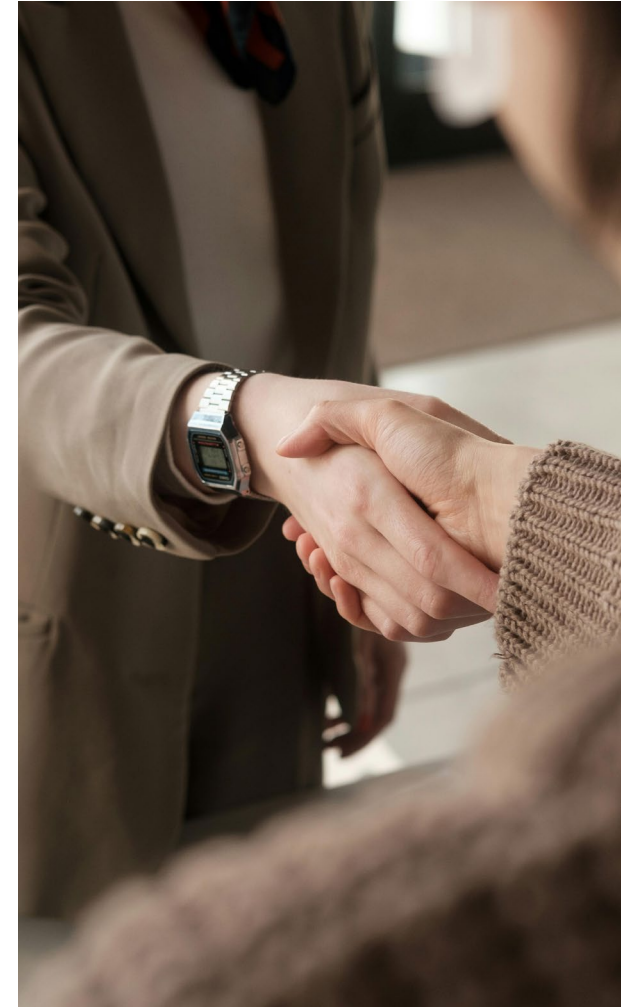
### Diversified Employment

BE Environment strictly complies with domestic and international laws and regulations as well as international conventions, including the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, the *Provisions on the Prohibition of Child Labor*, and the *International Convention on the Elimination of All Forms of Racial Discrimination*. Based on these, the Group has formulated employment management systems such as the *Recruitment, Employment, Transfer and Resignation Management System*. The Group has also issued the *Labor Rights and Interests Policy*, making clear commitments regarding the remuneration system, recruitment management, employee diversity, anti-discrimination, and other areas. This policy covers all employees of the Group as well as relevant parties such as suppliers.

In employment practices, the Group implements fair screening, interviewing, and hiring processes for candidates, and strictly verifies employee identity information, firmly prohibiting the employment of child labor and any form of forced labor. We explicitly oppose

all forms of discriminatory behaviors, including but not limited to discrimination based on race, color, religion, nationality, ancestry, sex or gender identity, age, marital status, physical or mental disability, sexual orientation, and other legally protected characteristics. At the same time, any inappropriate workplace conduct, such as sexual harassment, is strictly prohibited. Regarding behaviors such as discrimination, harassment, and defamation, the Group has established a sound complaint and reporting mechanism. Appropriate handling measures are taken based on the severity of the circumstances, and employment relationships may be terminated in cases of gross offense. In 2025, the Group did not encounter any compliance incidents involving discrimination, harassment, child labor, or forced labor.

Additionally, BE Environment has preliminarily commenced human capital analysis, conducting analysis and forecasts of labor costs to support medium and long-term planning. At the operational level, the Group continuously monitors key data points such as recruitment, performance, and turnover to assess team stability, identify management risks, and provide reliable support for talent management.



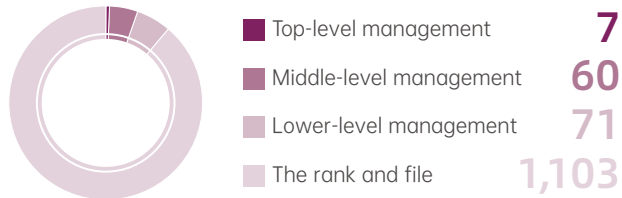
## Breakdown of Employee Statistics<sup>4</sup>



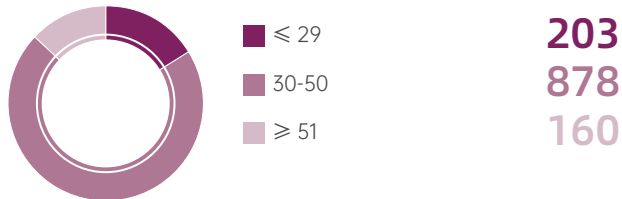
Number of full-time employees

**1,241** Persons

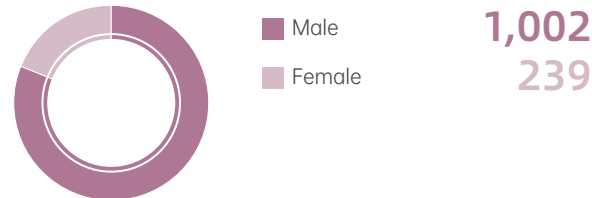
By rank Persons



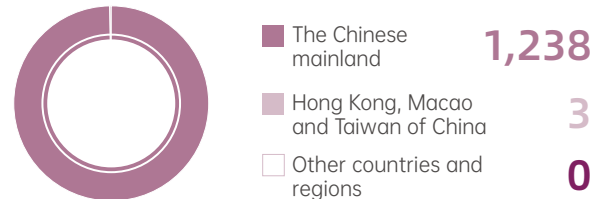
By age Persons



By gender Persons



By region Persons



### Employee Diversity Statistics



- Female employees: 45 in management positions
- 96 in functional positions
- 23 in specialized technical positions
- 60 in production positions
- 15 in other positions



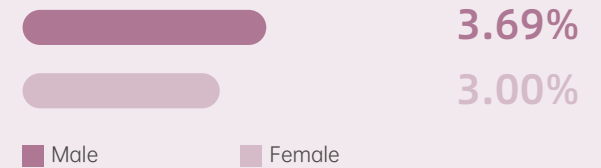
- 2 employees with disabilities



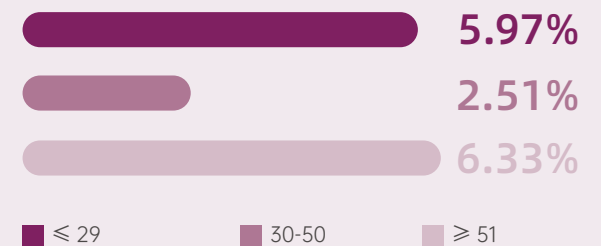
- 1,151 Han
- 33 Manchu
- 16 Hui
- 11 Mongolian
- 9 Tujia
- 1 Korean
- 20 Others

## Breakdown of Employee Turnover Statistics

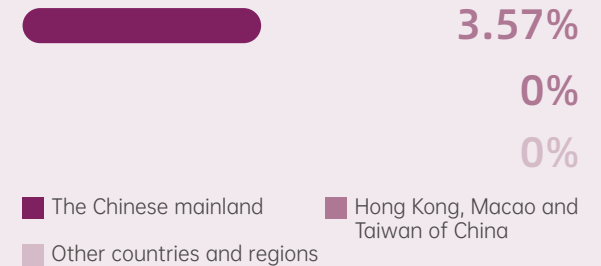
By gender



By age



By region



<sup>4</sup> The data only includes employees who have signed labor contracts.

## Salary and Benefits

BE Environment adheres to the principle of equal pay for equal work and has established a remuneration structure comprising base salary and performance-based pay. The Group has revised relevant systems such as the *BE Environment Group Employee Performance Management Measures (Trial)* to systematically develop an employee assessment and performance incentive framework. We regularly conduct market remuneration surveys to dynamically optimize compensation levels, ensuring the provision of competitive salary and benefits to our employees. Regarding performance appraisal, the Group has established a five-dimensional evaluation system encompassing business performance, professional capability, management effectiveness, plus/minus items, and disqualification indicators. The performance indicators for subsidiaries cover four categories: business operation and management, professional capability, management effectiveness, and ESG performance. Individual performance appraisals are conducted through superior evaluation, focusing on three dimensions: work outcomes, behavioral conduct, and professional attitude, ensuring a comprehensive and objective assessment.

The Group upholds the people-oriented principle and has formulated internal systems such as the *Regulations on Employee Condolence Management* and the *Attendance and Leave Management System*. We provide a range of non-remuneration benefits covering retiree care, family activities, shuttle bus services, examination leave, reading corners, and summer "cool-off" initiatives. These measures comprehensively address the physical and mental well-being of our employees and enhance their sense of belonging. We place particular emphasis on safeguarding the rights and interests of female employees. Measures such as setting up nursing rooms, implementing paid maternity leave, and nursing leave are in place to create a comfortable working environment. In 2025, BE Environment formally joined the Enterprise Annuity Scheme. As an important supplement to the statutory pension insurance, this move has elevated the level of long-term welfare protection for employees and also helps strengthen the Group's attractiveness and retention capabilities in the diversified talent market.

### | Case | BE Environment Organize a Series of Activities for International Women's Day

On the occasion of International Women's Day on March 8, 2025, BE Environment organized multiple themed activities to enrich the cultural life of its female employees and enhance team cohesion.

#### Headquarters

On the morning of March 7, BE Environment Group Headquarters held a "Water Marbling Silk Scarves and Round Fan Making" activity for its female employees. The event was hosted by Group Vice President Zheng Xin, who led the participants in experiencing the unique charm of traditional handicrafts. Group Party Committee Secretary and President Chen Xinguo visited the event site, extending holiday greetings to the female employees and encouraging everyone to discover themselves and find joy in the creative process.



#### Beijing Chaoyang Project Company

On March 6, the Beijing Chaoyang Project held a "Gathering Strength, Women Show Their Brilliance" cake DIY activity. Guided by a baker, the female employees showcased their creativity through collaboration, conveying warmth and camaraderie with the cakes they made by hand.



#### Zhangjiagang Project Company

On the afternoon of March 6, BE Environment Renewable Energy (Zhangjiagang) Co., Ltd. organized an "Open Clam, Harvest Pearls DIY Jewelry" activity. With explanations and guidance from a craft instructor, the female employees personally opened clams to find pearls and created uniquely meaningful pearl jewelry.



International Women's Day Series Activities Venue

## Communication and care

In terms of employee relations, the Group values feedback from employees and continuously improves communication channels. This ensures that employees can communicate with management regarding working conditions and management issues in an open, fair, and impartial environment, thereby strengthening organizational trust. Simultaneously, the Group strictly complies with the *Trade Union Law of the People's Republic of China*, supports trade unions in performing their duties in accordance with the law, safeguards employees' rights to collective bargaining and expression of opinions, and establishes unobstructed channels for reporting violations and making inquiries, thereby earnestly protecting the legitimate rights and interests of employees.

### To support employees in need

The Group actively assists in applying for the "Sunshine" Special Fund established by Beijing Enterprises Holdings Limited under the Beijing Warmth Foundation. During the year, assistance was provided to 23 people, with a total disbursement of RMB 68,000.

### Employee care

Meanwhile, we continued our employee care initiatives. In collaboration with the Beijing Enterprises Holdings Trade Union, we organized "warm-off" and "cool-off" care activities for front-line employees who remained at their posts during key periods such as New Year's Day, the Spring Festival, and the summer season.

- Specifically, 400 front-line employees at projects in Harbin, Shiyao, Zhangjiagang, and Yanzhou were visited during the New Year's Day and Spring Festival period.

Furthermore, the Group procured insurance for all employees, covering on-the-job accidents, children's accidents, specific diseases for female employees, critical illness, and hospitalization medical expenses under the "Sunshine" insurance scheme. Additionally, "Beijing Inclusive Health Insurance" was purchased for all employees based in Beijing, with 384 participants enrolled.

### | Case | BE Environment Zhangjiagang Project Company Launched a Parent-child Themed Activity Named "Pastoral Fun: Fish Catching and Rice Seedling Transplanting"

On June 14, BE Environment Zhangjiagang Project Company organized a "Pastoral Fun: Fish Catching and Rice Seedling Transplanting" parent-child theme day at the Changyinsha Modern Agricultural Demonstration Park. Approximately 16 employee families participated, bonding through close contact with nature and experiencing farming activities, while appreciating the meaning and joy of labor. The event began with a "muddy water fish catching" session, where children enjoyed the excitement of catching fish. This was followed by a rice transplanting experience, in which parents demonstrated and guided their children in learning rice planting. This activity provided employee families with a memorable parent-child interaction experience, reflecting the Company's ongoing efforts to care for employees' lives, promote healthy lifestyles, and enrich corporate culture.



"Pastoral Fun: Fish Catching and Rice Seedling Transplanting" Venue

# Unleash Talent Potential

BE Environment is committed to establishing comprehensive development platforms for its employees. It has implemented a diverse training system that covers the enhancement of professional skills, the cultivation of leadership, and the improvement of teamwork capabilities, continuously aiming to inspire innovation and unlock development potential. By providing personalized career planning support and high-quality learning resources, the Group assists employees in achieving their career goals, and focuses on advancing talent echelon development, thereby accumulating core momentum for the Group's sustainable growth.

## Employee Development Pathways

BE Environment is committed to establishing fair and transparent career development pathways for employees. Through mechanisms such as internal recruitment, job transfers, and promotion opportunities, the Group provides diversified platforms for growth. We adhere to a capability-oriented approach and have established a talent evaluation system based on performance, professional competence, and comprehensive qualities, encouraging employees to consistently enhance their professional capabilities. At the same time, we encourage internal mobility in line with employees' personal interests and expertise, enabling parallel development through both horizontal moves and vertical advancement, thereby providing institutional support for building a robust talent pipeline.

In order to precisely implement its talent strategy, the Group has formulated the *Talent Exchange and Cultivation Plan*, implementing a talent introduction and cultivation mechanism that emphasizes both internal and external sources with focused precision. Internally, resources are prioritized for core backbone employees and outstanding young talents with excellent performance and high potential. Externally, the Group targets high-quality graduates from universities and experienced

professionals, continuously infusing fresh talent into key areas. Simultaneously, a diversified and practical cultivation system has been established. Through innovative methods such as job rotations, temporary assignments for exchange, and mentorship programs, the Group tailors personalized, project-based development plans for core talents across different job families and levels. This accelerates talent growth and capability advancement, significantly optimizing the structure, quality, and depth of the talent pipeline, thereby building a solid reserve of talent to support both the Company's current efficient operations and its future strategic development.

In 2025



BE Environment promoted

**28** employees

**21** employees participated in internal transfers

## Employee Training System

The Group continues to refine its talent cultivation system and systematically advance the development of its talent pool. Adhering to the principle of "prioritizing internal development, supplementing it with external recruitment", we are committed to building a high-quality workforce that is rationally structured, highly competent, clearly tiered, and highly efficient. This is achieved through various approaches such as project-based job rotations, cross-domain exchanges, and temporary assignments. We place special emphasis on strengthening the cultivation and deployment of young managers, continuously expanding development pathways and innovating cultivation models to inject sustained vitality into the Group's growth.

In terms of training implementation, the Group covers multiple categories including production, procurement, finance, legal and compliance, risk management, Party conduct and clean government construction, Party building theory, innovative thinking, interpretation of industry policies, and team building. At the same time, the Group organizes special training sessions regularly for headquarters staff and core talent echelons and provides systematic guidance and process supervision for the training conducted by project companies, ensuring that all training programs are effectively implemented and yield results. Furthermore, the Group encourages employees in positions related to finance, auditing, production, and other relevant functions to actively participate in external training and obtain professional qualification certifications, continuously enhancing their professional capabilities and overall competencies.

In the 15th Five-Year Plan period, BE Environment systematically identified 33 training topics across four key areas—production, market expansion, management, and innovative technologies. This effort establishes a comprehensive and focused training system designed to continuously enhance the overall capabilities of employees, thereby supporting the Group's strategic development and organizational capacity building.

## Case | BE Environment Conducted Management Training for Mid-level Managers and Talent Echelons

In 2025, BE Environment conducted management training for mid-level managers and talent echelons. Through systematic learning and practical application, the training aimed to continuously broaden the new horizons and perspectives of the management team, solidify their knowledge and skills in enterprise operation and management, accelerate the talent cultivation process, enhance overall management effectiveness and human resources value, and inject sustained talent momentum into the Group's high-quality development. The training was delivered in two sessions, with over 70 mid-level managers and echelon talents from the Group engaging in in-depth study and exchange focused on three core themes: internal control and compliance management, innovative thinking and methodologies, and the interpretation of policies on deepening state-owned enterprise reform along with ideological enhancement for managerial personnel.

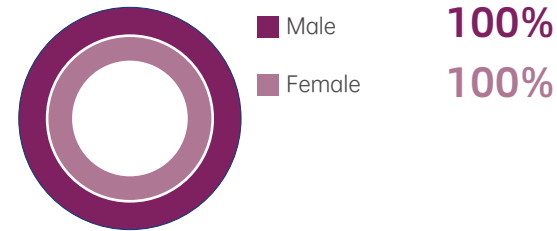


Management Training for Mid-level Managers and Talent Echelons

### Breakdown of Employee Training Statistics

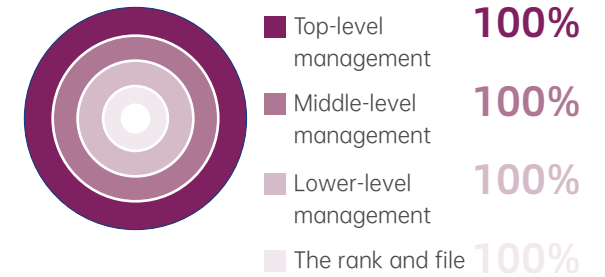
#### By gender

Percentage of trained employees (%)



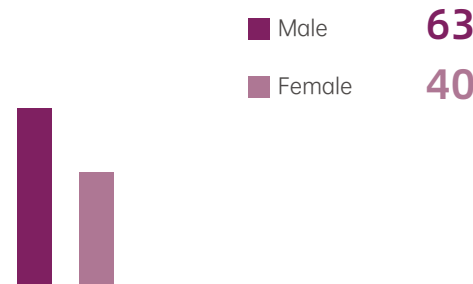
#### By rank

Percentage of trained employees (%)



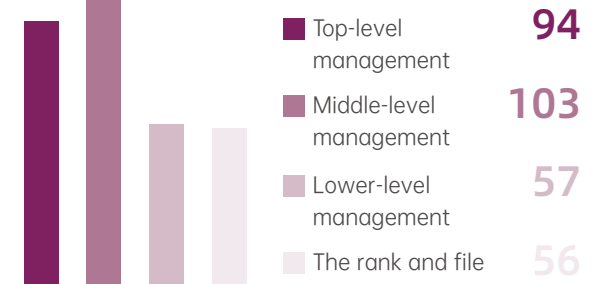
#### By gender

Average training hours of employees (hours/person)



#### By rank

Average training hours of employees (hours/person)



## Protect Health and Safety

BE Environment always adheres to the principle of "prevention first and prevention combined", with safety and healthy working conditions as the primary consideration. Through strict occupational disease prevention measures and comprehensive occupational health examinations, it is committed to creating a work environment for employees that is inherently safe and provides comprehensive protection for their physical and mental health.

The Group strictly complies with relevant laws and regulations such as the *Occupational Disease Prevention and Control Law of the People's Republic of China* and the *Regulations on Occupational Health Management in the Workplace*, continuously solidifies the foundation of safety management, and constructs a stable and efficient safety management structure. In 2025, BE Environment established an HSE (Health, Safety and Environment) Management Committee, with members covering the Group leadership team, department heads, and heads of affiliated enterprises, forming a three-level control structure that runs through the Group. In addition, the Group has fully incorporated occupational health and

safety related indicators into the annual performance evaluation system of each unit, and conducted a systematic evaluation at the beginning of the year to promote the implementation of responsibilities at all levels.

BE Environment actively conducts occupational health and safety risk and hazard assessments, sets up occupational disease hazard warning signs and instructions in places with potential health risks, and comprehensively uses various media such as promotional boards and bulletin boards to popularize knowledge of occupational health management systems, job safety operating procedures, and risk factor control indicators to employees, fulfilling the obligation of regular disclosure.

During the operation phase, the Group systematically strengthens occupational health protection and distributes targeted personal protective equipment based on job risk characteristics to reduce the risk of occupational injury accidents. We focus on monitoring the concentration of toxic and harmful substances in the workplace, and equip employees with toxic gas detection devices to achieve real-time warning and rapid response to hazardous factors. On this basis, we will continue to promote the upgrading and transformation of production equipment, regularly conduct inspections on the wearing of labor protection equipment, and guide employees to use protective equipment correctly, in order to control and reduce occupational health risks from the source.

In addition, the Group continues to strengthen health monitoring work, strictly implementing the health examination requirements for employees before, during and after work, to ensure early detection of health hazards and timely intervention measures. In 2025, BE Environment carried out comprehensive and reliable physical and occupational health examinations for all employees, building a comprehensive and reliable guarantee system for their physical and mental health.



During the reporting period



a total of  
**10** subsidiaries  
of BE Environment

obtained  
**ISO 45001**  
occupational health and safety  
management certification

## Jointly Building a Beautiful Community

BE Environment has formulated the *Regulations on the Management of External Donations* to ensure that public welfare activities are compliant and orderly. The Group actively fulfills its social responsibility and is committed to promoting coordinated social development by organizing public welfare activities covering various fields such as education, environmental protection, and health. In 2025, BE Environment dedicated a total of 200 hours to public welfare projects, involving 320 participants, and donated a total of 1.07 million RMB. In terms of community co-construction, the Group's project companies actively engaged with surrounding communities, especially those outside Beijing, by regularly organizing community tours of waste treatment facilities, conducting visits to communities to offer condolences, and distributing daily necessities to residents, thereby fostering harmonious and friendly neighborhood relations.

In 2025

the total investment time for the BE Environmental Public Welfare Project was

**200** hours

with a total of

**320** participants

donated RMB

**1.07** million to the disaster area

### | Case | Be Environment Adopts a Dual Effect Assistance of Local Procurement and Talent Return

In 2025, to increase consumer assistance efforts, BE Environment promoted the priority purchase of holiday comfort products and project canteens to support agricultural products. The labor unions of the Beijing and Shiyan projects have accumulated a consumption of over 767600 yuan. The canteen of the Shiyan project focuses on purchasing local agricultural products, which not only reduces logistics costs and carbon emissions, but also directly supports farmers' income growth and sustainable agricultural management. At the same time, the project attracts young people to return to their hometowns for employment by providing skills training and career development channels, alleviating the problem of rural hollowing out, and injecting talent and vitality into the local area. The project has achieved diversified results in consumer assistance, green operations, and talent revitalization through a combination of "local procurement+local employment".

### | Case | BE Environmental Support Hong Kong Tai Po Fire Rescue and Reconstruction Public Welfare Action

On November 26, 2025, a serious fire accident occurred at Hung Fu Court in Tai Po, Hong Kong, causing casualties and property damage, causing widespread social concern. As a Hong Kong listed company under Beijing Holdings, BE Environmental Group actively responded and fulfilled its corporate social responsibility. It immediately activated the emergency assistance mechanism and donated HKD 1 million to the disaster area, specifically for emergency relief, temporary resettlement, and subsequent reconstruction work for the affected population, to support the community in overcoming difficulties through practical actions.

# APPENDIX

## CONTENT INDEX OF APPENDIX C2 ESG Reporting Code

Subject Areas, Aspects, General Disclosures and KPIs		Sections
<b>Environmental</b>		
<b>A1: Emissions</b>		
General Disclosure		P29, P32
Information on:		
(a) the policies; and		
(b) compliance with relevant laws and regulations that have a significant impact on the issuer		
relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
A1.1	The types of emissions and respective emissions data.	P29, P34
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P34
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P34
A1.5	Description of emission target(s) set and steps taken to achieve them.	P24-P29, P32-P33
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P32-P33
<b>A2: Use of Resources</b>		
General Disclosure		P31-P32
Policies on the efficient use of resources, including energy, water and other raw materials.		

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).	P32
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P32
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P31
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.	P32
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not Applicable

### A3: The Environment and Natural Resources

General Disclosure

P34

Policies on minimising the issuer's significant impacts on the environment and natural resources.

A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P34
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## Social

### Employment and Labour Practices

#### B1: Employment

General Disclosure

P37

Information on:

(a) the policies; and

(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.	P37
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B1.2	Employee turnover rate by gender, age group and geographical region.	P37
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## B2: Health and Safety

General Disclosure

P16-17

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.	P17
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B2.2	Lost days due to work injury.	P17
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B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P17
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## B3: Development and Training

General Disclosure

P41

Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P41
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B3.2	The average training hours completed per employee by gender and employee category.	P41
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## B4: Labour Standards

General Disclosure

P36

Information on:

(a) the policies; and

(b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to preventing child and forced labour.

B4.1	Description of measures to review employment practices to avoid child and forced labour.	P36
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B4.2	Description of steps taken to eliminate such practices when discovered.	P36
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## Operating Practices

### B5: Supply Chain Management

General Disclosure P20

Policies on managing environmental and social risks of the supply chain.

B5.1 Number of suppliers by geographical region. P20

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. P20

B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. P20

B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. P20

### B6: Product Responsibility

General Disclosure P16

Information on:

(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. Not Applicable

B6.2 Number of products and service related complaints received and how they are dealt with. Not Applicable

B6.3 Description of practices relating to observing and protecting intellectual property rights. P18

B6.4 Description of quality assurance process and recall procedures. P16

B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored. P14

## B7: Anti-corruption

General Disclosure

P13

Information on:

(a) the policies; and

(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.	P13
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B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P13
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B7.3	Description of anti-corruption training provided to directors and staff.	P13
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## Community

### 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.

B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P43
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B8.2	Resources contributed (e.g. money or time) to the focus area.	P43
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Part D Climate-related Disclosures <sup>5</sup>		Locations
Governance	Governance	P24
Strategy	Climate-Related Risks and Opportunities	P25-P28
	Business Model and Value Chain	P25-P28
	Strategy and Decision-Making	P25-P28
	Financial Position, Performance, and Cash Flow	P26-P28
Risk Management	Climate Resilience	P28
	Risk Management	P29
	Greenhouse Gas Emissions	P29
	Climate-Related Transition Risks	P27
Metrics and Targets	Climate-Related Physical Risks	P26
	Climate-Related Opportunities	P28
	Capital Deployment	P28
	Internal Carbon Pricing <sup>6</sup>	/
	Remuneration <sup>7</sup>	/
	Industry Indicators	P22
	Climate-Related Targets	P29
Applicability of Cross-industry Metrics and Industry-based Metrics <sup>8</sup>		/

<sup>5</sup> For specific practices in addressing climate change, see the BEHL [2024 Climate Action Progress Report](#).

<sup>6</sup> Currently, the Company has not implemented an internal carbon pricing mechanism in its operational decisions. Moving forward, the Company will continue to monitor relevant management practices and policy trends, and will assess the feasibility of introducing such mechanisms into its operations and management, to support the low-carbon transition and long-term sustainable development.

<sup>7</sup> The Company continues to advance climate management compensation incentives. As the current compensation incentive structure makes it difficult to separately isolate climate-related indicators, the Company has not disclosed this information for the time being. In the future, the Company will systematically design and implement a climate management compensation incentive system by integrating internal and external best practices.

<sup>8</sup> As the financial impacts of climate change and cross-industry metrics are still under assessment, and the underlying data remains incomplete, the Company has chosen not to disclose cross-industry metrics at this time. In the future, the Company will continue to explore and refine methodologies for accounting climate-related financial impacts, with the aim of enhancing the quality of climate-related information disclosure.

## Reader Feedback Form

Dear Reader:

Greetings!

Thank you for perusing this report. We attach great importance to and eagerly anticipate receiving your feedback on this report. Your comments and suggestions serve as a crucial basis for us to continuously enhance the ESG information disclosure standards of the Group and advance ESG management and practices. We sincerely welcome and deeply appreciate your valuable input!

1. What is your overall assessment of our performance in fulfilling ESG (Environmental, Social, and Governance) responsibilities?

Very Good  Good  Fair  Poor  Very Poor

2. What is your overall evaluation of this report?

Very Good  Good  Fair  Poor  Very Poor

3. How do you think we have performed in terms of stakeholder communication?

Very Good  Good  Fair  Poor  Very Poor

4. How do you perceive our performance in terms of product responsibility?

Very Good  Good  Fair  Poor  Very Poor

5. How do you evaluate our performance in the areas of environment, safety, and occupational health?

Very Good  Good  Fair  Poor  Very Poor

6. How do you assess our performance in terms of employee responsibility?

Very Good  Good  Fair  Poor  Very Poor

7. Does the content disclosed in this report meet your expectations?

Yes  No  Unclear

8. What feedback and recommendations do you have concerning the Group's adherence to ESG principles and the contents of this report?