

# 2023 SUSTAINABILITY REPORT



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## About This Report

### ► About This Report

Chairman's Message

About Us

Sustainable Development  
Management

Responsible  
Compliant  
Operations Underlie  
Robust Development

Trustworthy  
Excellent Quality Builds  
Greater Trust

Eco-friendly  
Stronger Measures  
Advance Eco-civilization

United  
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a Better Life

ESG Key Performance Data

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This is the tenth non-financial report of Beijing Enterprises Holdings Limited (BEHL). The Report aims at disclosing BEHL's sustainability performance for the whole year of 2023 in a transparent and open manner, responding to the concerns and expectations of the stakeholders concerning BEHL's sustainability management. We are highly aware of and responsive to the economic, social and environmental impacts of our business. Factoring in the United Nations Sustainability Development Goals (SDGs), this Report addressed BEHL's philosophy, actions, and achievements of sustainability in four areas, namely, operation, environmental protection, employee, and community.

All data and information disclosed in the Report are from official documents and internal statistical systems of the Company, covering the BEHL headquarters and its subsidiaries in the four business segments of gas, water, environment and beer, including Beijing Gas Group Co., Ltd. (referred to as "Beijing Gas"), China Gas Holdings Ltd. (referred to as "China Gas"), Beijing Enterprises Water Group Limited (referred to as "BE Water"), Beijing Enterprises Environment Group Limited (referred to as "BE Environment") and Beijing Enterprises Holdings Environment Technology Co., Ltd. (referred to as "BE Environment Technology") (the two are integrated as the solid waste treatment business management

platform, referred to as the "Solid Waste Treatment Platform" for short), EEW Energy from Waste GmbH (referred to as "EEW GmbH") and Beijing Yanjing Brewery Co., Ltd. (referred to as "Yanjing Brewery"). Although China Gas and BE Water are not included in consolidated financial statements, their highlights were still disclosed in the Report considering the importance of their business.

The Report is aligned with Appendix C2 of *Environmental, Social and Governance Reporting Guide* to the *Main Board Listing Rules* (HKEX ESG Guidance) of the Stock Exchange of Hong Kong Limited (HKEX), with reference to the Social Responsibility Guide (ISO 26000) of the International Organization for Standardization (ISO), the *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Reporting Initiative (GRI) and the *United Nations Guiding Principles on Business and Human Rights* (UNGP).

The reporting period is from January 1, 2023 to December 31, 2023, though it may be longer or shorter than that for some contents out of continuity and comparability considerations. Where not otherwise stated, the aggregate figures shown in the Report are disclosed on a financial consolidation basis and are shown in RMB (Yuan). If the data is inconsistent with the financial statements, the data in the financial statements shall prevail. For the convenience of expression and reading, in the Report Beijing Enterprises Holdings Limited is hereinafter referred to "the Company", and the

Company and its subsidiaries are hereinafter referred to as "BEHL" or "we", and Beijing Enterprises Group Company Limited is referred as the "BEHL Group".

The Board of Directors and all Directors of the Company pledge that the contents of this Report do not contain any false statements, misleading statements or material omissions and accept individual and joint responsibility for the truthfulness, accuracy and completeness of its contents.

The Report is published in Chinese and English and is available in print and electronic formats. The Report can be viewed or downloaded from the following websites.

HKEX website

<http://www.hkexnews.hk>

BEHL website

<http://www.behl.com.hk>

## Chairman's Message

Thank you for taking the time to read this Report. On behalf of the Board of Directors, I would like to thank you for your care and support for BEHL!

In 2023, global economic growth slowed down, while the geopolitical turmoil unraveled with greater force. Multiple regional conflicts flared up, humanitarian crises continued to worsen, and traditional and non-traditional security risks affecting food, energy, disasters, and ecology, among others, arose abruptly, intertwined with each other. In this "turbulent international environment with high winds and rough waters", countries, regulatory bodies, and investors are paying more and more attention to corporate actions in sustainable development, expecting companies to assume more social responsibilities to address increasingly grave challenges such as climate change, environmental pollution, and safety and health.

As a leading integrated public utility service provider in China, BEHL upholds the green development concept that the environment is crucial to the well-being of the public since blue skies and verdant surroundings allow everyone to feel the beauty and joy of life. BEHL, therefore, is committed to integrating sustainable development into its regular operations and management to achieve steady growth in its performance and collaborates with stakeholders to build an inclusive, resilient, and sustainable future.

We are pleased to share our accomplishments in ESG during the Reporting Period with our stakeholders in the Report. Through the ongoing efforts in ESG, the Company has been acknowledged both domestically and internationally. On January 29, 2024, BEHL was included as an initial constituent in the Hang Seng SCHK SOEs High Dividend Yield ESG Index; on February 27, 2024, BEHL's MSCI ESG rating was upgraded from BB to A, cementing our leadership in the industry.

We also hereby formally announce FUTURE, BEHL's sustainability strategy. With FUTURE, we aim to advance BEHL's sustainability mission that investment creates a better

future and the sustainability vision to become a top-tier public utility service provider, opening a new chapter for BEHL. We envision that the implementation of FUTURE will ensure the alignment of purpose and actions across the entire Company as we remain committed to fulfilling our responsibilities to customers, society, the economy, and the environment under the four pillars: "Trustworthy, United, Responsible and Eco-friendly".

In our pursuit to become a responsible company, we are committed to enhancing corporate governance, properly managing risks, practicing business compliance, fortifying information security, soliciting suggestions from stakeholders, and continuously advancing on material issues; to solidify our position as a trustworthy partner, we will steadfastly uphold exceptional product quality as our cornerstone and harness cutting-edge technologies as our driving force. Furthermore, we will collaborate with suppliers to enhance product competitiveness and deliver high-quality services to our customers. To nurture a united force, we will put people first, sparing no efforts in safeguarding the rights and benefits of the 31,231 employees at BEHL, striving to support community development, and extending benefits to all parties involved. In shaping an eco-friendly image, we rigorously implement meticulous operational control, reduce resource consumption, strengthen emission management, and promote the transition to green energy with integrated energy utilization projects, thereby contributing to environmental protection efforts.

In response to climate change and the changing landscape of public utility companies, BEHL launched the Task Force on Climate-related Financial Disclosures (TCFD) system in 2023, with Beijing Gas as the pilot. Starting with carbon target setting and emission reduction path planning, we identify development opportunities and proactively address the critical period characterized by both challenges and opportunities. Moving forward, we intend to use Beijing Gas as a model to drive and motivate other business segments to catch up.



Over the past 26 years, BEHL has been acting with diligence and determination in its endeavor to enhance the quality of life for people. We keep evolving while supporting national ecological civilization, powering the society's green development, and meeting the public's demand for a better life, consequently contributing to the progress of the times. We are confident that BEHL will continuously seize opportunities, forge ahead, and collaboratively build a sustainable future for mankind.



Chairman of the Board  
Mr. YANG Zhichang



# About Us

About This Report

Chairman's Message

## Company Profile

Formed in 1997, Beijing Enterprises Holdings Limited is traded on the Main Board of the Hong Kong Stock Exchange (00392.HK) and is a constituent of the Hang Seng Composite Index, the Hang Seng China-Affiliated Corporations Index and the Hang Seng SCHK SOEs High Dividend Yield ESG Index.

Over the years, BEHL has given full play to the advantages of both the Beijing and Hong Kong capital markets and implemented a focused development strategy that is both proactive and prudent; it has become a representative red-chip enterprise in the Hong Kong capital market.

► **About Us**

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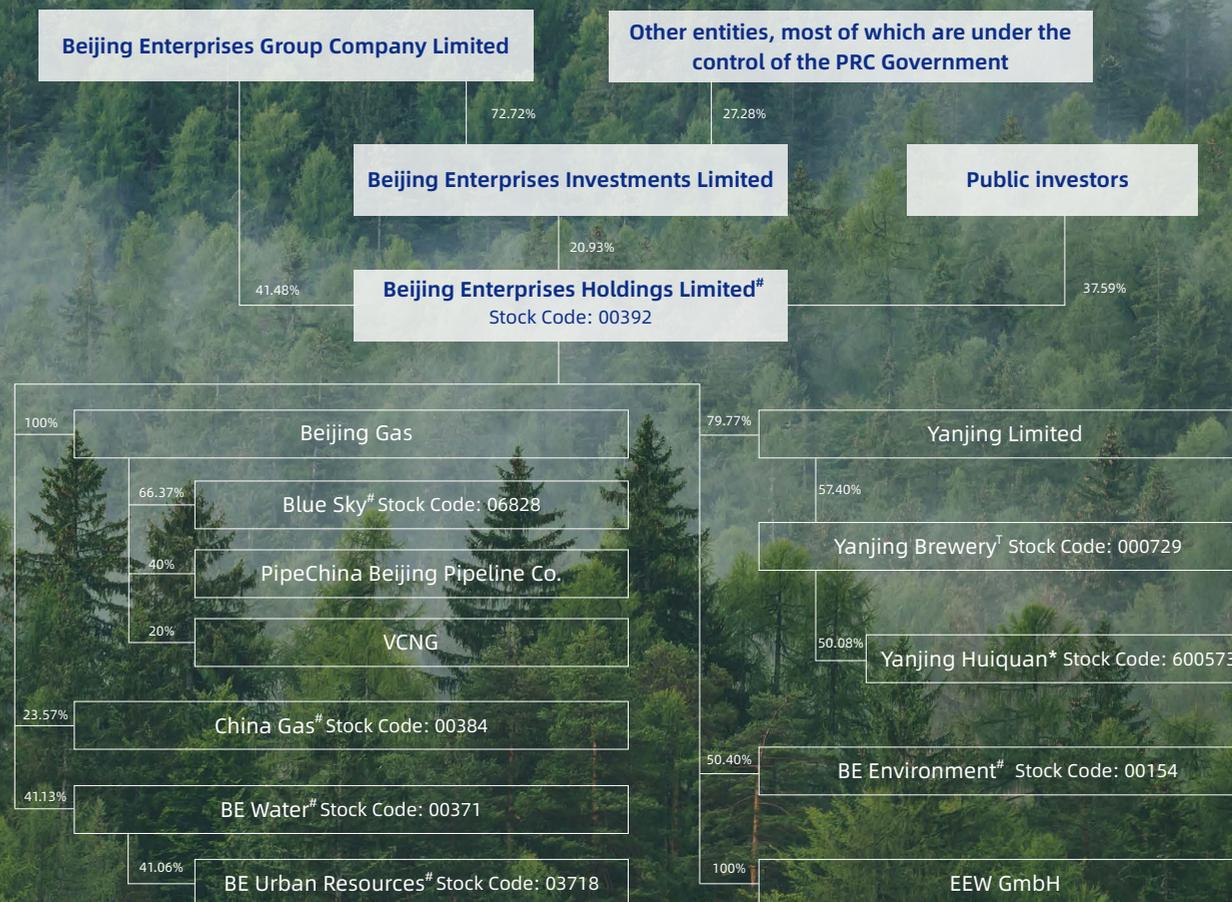
United  
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## Corporate Structure

As of December 31, 2023



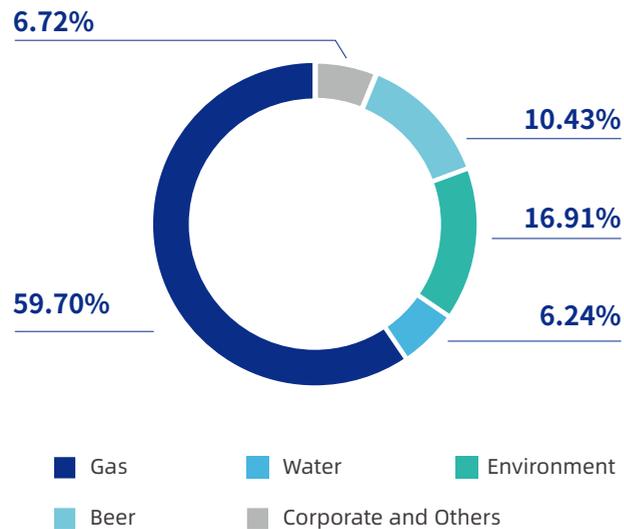
\*Listed on The Shanghai Stock Exchange    † Listed on The Shenzhen Stock Exchange  
# Listed on The Main Board of The Hong Kong Stock Exchange

## Business Scope

As an integrated utilities company, BEHL's main business covers utilities segments such as urban gas, municipal water supply, and solid waste treatment, in addition to value investing operations with a focus on consumer goods, owning Yanjing Brewery, one of the largest beer conglomerates in China.

BEHL also owns diversified high-quality overseas assets, including multiple technologically leading water and environmental projects in countries like Australia and Portugal, and EEW GmbH, a leading solid waste operator in Europe with presence in Germany, Luxembourg and the Netherlands. BEHL has become a utility investing and financing platform with diversified channels for domestic and overseas markets.

Total assets of BEHL's main operations in 2023



### Gas

**Main companies:**

Beijing Gas and China Gas

**Main business:**

Upstream resources and transportation, midstream gas market and downstream gas market applications.

**Main achievements:**

- Beijing Gas achieved consolidated natural gas sales volume of 24 billion cubic meters, an operating income of 61.47 billion yuan and a total profit of 4.79 billion yuan; China Gas achieved a profit contribution of 585 million yuan.



### Water

**Main company:**

BE Water

**Main business:**

Water treatment service and water environment treatment

**Main achievements:**

- BE Water reached a design treatment capacity of 43.96 million tonnes/day for traditional water utility business, with an operating revenue of 24.52 billion yuan, and a pre-tax profit of 4.03 billion yuan, realizing a profit contribution of 780 million yuan.



### Environment

**Main companies:**

The Solid Waste Treatment Platform and EEW GmbH

**Main business:**

Household waste incineration and power generation; kitchen waste, sludge and manure treatment; hazardous waste and medical waste treatment; ecological restoration

**Main achievements:**

- Domestically, the Solid Waste Treatment Platform derived an operating revenue of 2.66 billion yuan and a profit contribution of 405 million yuan; overseas, EEW GmbH achieved an operating revenue of 5.77 billion yuan.



### Beer

**Main company:**

Yanjing Brewery

**Main business:**

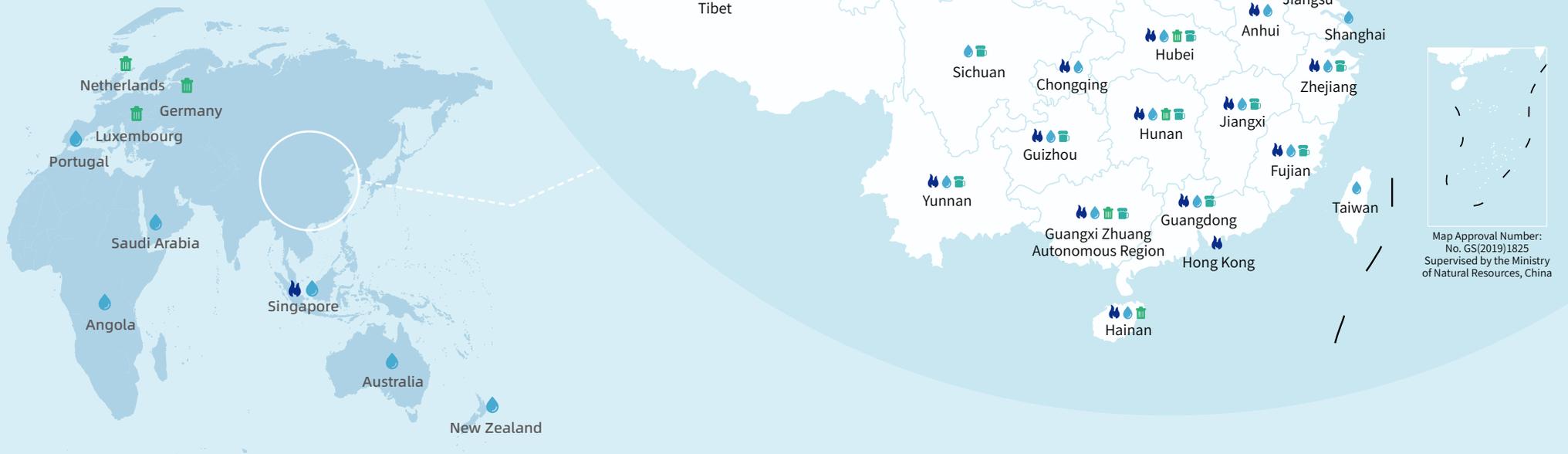
Manufacturing and sale of beer, water, beer ingredients, beverages, yeast, feed and other products

**Main achievements:**

- Yanjing Brewery achieved beer sales of 3,942,400 kiloliters, an operating income of 14.213 billion yuan and a pre-tax profit of 1.039 billion yuan.

## Business Presence

-  Gas
-  Water
-  Environment
-  Beer



Map Approval Number:  
No. GS(2019)1825  
Supervised by the Ministry  
of Natural Resources, China

# Feature:

## Create New Momentum to Build Livable Cities

On January 19, 2023, the State Council Information Office issued the white paper, *China's Green Development in the New Era*, which introduces China's philosophy, practices, and achievements of green development in the new era and shares the country's experience. The document highlights that "China has placed great emphasis on urban eco-environmental conservation and has worked to make cities livable, resilient and smart. The aim is to build cities into beautiful homes where humanity and nature coexist in harmony". The vision of making cities livable and beautiful resonates with BEHL's commitment to cleanliness in its gas, water, and environmental businesses. It mirrors the goals which BEHL has long been pursuing.

Since its founding, BEHL has championed the green development philosophy that "the environment is crucial to the wellbeing of the public as blue skies and verdant surroundings allow us to feel the beauty and joy of life". This belief has driven BEHL's relentless efforts to bring a quality life to all. Leveraging the "cleanliness" of our operations, we explore cutting-edge technologies, applying and promoting R&D outcomes at an accelerated speed. We aim to grow our businesses while supporting ecological civilization, providing momentum for clean development, and meeting people's expectations for a quality life. In this way, we contribute to the progress of our times.

### By the end of the Reporting Period, we

Provided clean energy. Combined cumulative natural gas sales volume of Beijing Gas and China Gas reached

**452.2** billion cubic meters

Provided clean water for domestic and industrial use. The cumulative water supply of BE Water reached

**16.8** billion tonnes

Established an eco-friendly and sustainable water recycling system. The cumulative sewage treatment volume of BE Water reached

**46.8** billion tonnes

Collected solid waste and converted it into energy. Combined cumulative waste treatment volume of The Solid Waste Treatment Platform and EEW GmbH reached

**77.83** million tonnes

Treated hazardous waste in a professional, safe, and efficient way. The cumulative hazardous waste treatment volume of The Solid Waste Treatment Platform reached

**440,000** tonnes

In recent years, Beijing Gas, BE Water, and the Solid Waste Treatment Platform have capitalized on the opportunities presented by the push towards ecological civilization, undertaken excellent projects and maintained high quality in operation. They have supplied clean energy, improved people's livelihoods, and protected the environment, thus gaining widespread acclaim.



### Gas

Under the strategic framework of BEHL, Beijing Gas drives industrial upgrade and relocation, and broadens its business reach, accelerating the expansion in Tianjin and Hebei. In this way, it has injected a robust momentum into the coordinated development of the Beijing-Tianjin-Hebei region. The Tianjin Nangang LNG Emergency Reserve Project of Beijing Gas stands as a strategically significant national project in line with the national directive to hasten the construction of the gas production, supply, storage, and sales system. Since its start, the project team has surmounted such hurdles as a lack of experience with new technology applications and the impact of constructing long-distance pipelines in parallel with operational ones, and achieved outstanding results in quality, safety, and innovation.

### ► Tianjin Nangang LNG Emergency Reserve Project of Beijing Gas

The Tianjin Nangang LNG Emergency Reserve Project of Beijing Gas is constructed in three phases, encompassing a receiving station, a dock, and an outbound transmission pipeline. The receiving station involves the construction of 2 LNG storage tanks made of 9% nickel steel with a capacity of 200,000 cubic meters each, and 8 membrane LNG storage tanks with a capacity of 220,000 cubic meters each, along with associated supporting facilities for unloading and truck loading, etc. In addition, there is land reserved for the expansion of 2 storage tanks. The dock project includes a new berth capable of accommodating LNG vessels with capacities ranging from 10,000 to 266,000 cubic meters, with a designed unloading capacity of 5 million tonnes per year. The outbound transmission pipeline project involves the construction of a long-distance natural gas transmission pipeline that traverses through Tianjin, Hebei Province, and Beijing, spanning 217 kilometers and with a design pressure of 10 MPa.

The project marked Beijing Gas's first use of the world-leading large-scale (220,000 cubic meters) membrane tank technology. Compared to traditional 9% nickel steel full containment tanks, membrane tanks accommodate more storage, namely, 10% more effective capacity within the same external dimensions. In addition, membrane tanks benefit from less steel usage, lighter weight, shortened construction timelines, and cost savings. Meanwhile, the project has achieved full life cycle management and fully intelligent operations through digital design during the design phase, intelligent logistics and warehousing during procurement, intelligent construction management based on smart sites during construction, and electronic transfer of documents during the completion documents, and enhanced sensing and control during operation.

The project, which has been put into operation, will improve the ability to regulate the peak load during emergencies and ensure a reliable energy supply in Beijing, Tianjin, and Hebei. It promises to enhance energy security, provide clean energy, optimize the energy mix and contribute to the low-carbon economy.



Aerial view of Tianjin Nangang LNG Emergency Reserve Project of Beijing Gas



## Water

As a key project in Beijing and an essential municipal project that supports the ecological and technological new area in the northern part of Haidian District, the Daoxiang Lake Reclaimed Water Plant is an eco-friendly complex integrating wastewater treatment, advanced water purification, comprehensive utilization of water resources, underground facilities and above-ground landscape parks. At the end of 2022, Dual Hundred Alliance unveiled the result of its second "Dual Hundred Leap" benchmarking initiative for wastewater treatment at the 14<sup>th</sup> Shanghai Water Hotspot Forum 2022. The list includes Beijing Daoxiang Lake Water Purification Plant of BE Water, which was honored as the benchmark wastewater plant for reclaimed water use for the years 2022-2023.

### ► Beijing Daoxiang Lake Water Purification Plant of BE Water

Beijing Daoxiang Lake Water Purification Plant of BE Water, a collaboration between the Water Affairs Administration of Haidian District and BE Water, is designed to process 160,000 tonnes of water a day, with effluent quality meeting the Beijing B standard. It provides for about 67 square kilometers and over one million people. Designed to be fully underground, the plant not only conserves over 70% of land resources but also manages wastewater and the odors and sludge produced during the treatment process through an entirely enclosed system. This approach effectively transforms NIMBY (Not In My Back Yard) effects into positive contributions to the neighborhood, enhancing the life quality of residents and the value of local land.

As BE Water advances intelligent operation across the board, the Daoxiang Lake Reclaimed Water Plant, as a key project in Beijing, adopts an intelligent management approach. It has established itself as the hub for projects nearby in Beijing under a "1+N" intelligent operation model. Based on big data and an intelligent operation platform, the plant achieves intelligent control over the water treatment process. Systematic data analysis and process simulation provide effective references for regulatory decisions and ensure stable water quality.

In line with the "14<sup>th</sup> Five-Year Plan" and the Vision 2035, which emphasize "enhancing the use of reclaimed water", the Daoxiang Lake Reclaimed Water Plant plays an active role in alleviating urban water pressure, and contributing to a resource-conserving and eco-friendly society.



The above-ground landscape park at Beijing Daoxiang Lake Water Purification Plant of BE Water



## Environment

The Haidian District Circular Economy Industrial Park, aimed at centralized and diversified waste processing, encompasses a renewable energy power plant, a kitchen waste treatment plant, and a recycling plant for construction waste. Notably, the renewable energy power plant, managed by a BE Water's subsidiary, has become a benchmark in green development with its advanced equipment and internationally aligned management experience. In April, 2023, experts organized by the China Association of Urban Environmental Sanitation assessed the Renewable Energy Power Plant project in Haidian District Circular Economy Industrial Park in Beijing on site, and the project was awarded the AAA-level honor for municipal waste incineration plants.

### ► Renewable Energy Power Plant project in Haidian District Circular Economy Industrial Park of Solid Waste Treatment Platform

Renewable Energy Power Plant project of the Solid Waste Treatment Platform in Haidian District, affiliated with the Urban Management Committee of Haidian District, is a waste treatment facility equipped with three process lines of waste incineration with a daily capacity of 675 tonnes and two 20-megawatt steam turbine generators. Designed to process 2,100 tonnes of household waste per day, the project handles approximately 800,000 tonnes of waste annually, generating about 260 million kWh of electricity per year.

The project employs a reciprocating mechanical grate furnace from Germany's FBE company for the boiler incineration system, which ensures thorough combustion of waste. Additionally, the flue gas treatment utilizes a combination of "SNCR + semi-dry method + activated carbon adsorption + dry acid removal + bag filter + SCR", adhering to the EU2000/76/EC emission standard. The ash produced from waste incineration is transported to a construction waste plant for further processing and can be used as raw material for buildings. The plant includes a 700-tonne wastewater treatment facility, which meets the requirements for leachate treatment, and adopts biochemical and membrane processes for advanced treatment, with ensuring zero wastewater discharge into the environment.

Anchored in a commitment to safety, environmental protection, and innovation, the Renewable Energy Power Plant in Haidian District transforms waste into valuable energy, fueling urban construction and sustainable urban development.



Renewable Energy Power Plant in Haidian District

BEHL remains committed to developing integrated public utility service business. It will strive to capture opportunities arising from the push for ecological civilization and focus on developing clean energy, improving people's livelihood and the ecological environment while continuing to strengthen its main businesses as the cornerstone. BEHL will work harder in its pursuit of becoming the industry leader. It will continue to unleash synergy from its businesses and enhance its integrated competitiveness. To deliver the maximum benefit to shareholders, we will insist on marrying capital operation and industrial operation and turn BEHL into a leading international integrated public utility service company offering comprehensive energy services. We are committed to rewarding shareholders and the society as well as serving citizens.

## Sustainable Development Management

BEHL is committed to sustainable development. It fully embeds the standards of ESG into corporate management. Based on its business needs, it has built a scientific and professional sustainable development governance structure and management system from top to bottom. BEHL always seeks to engage the Board of Directors more, improves the sustainable development management system, and formulates relevant strategies, bent on fully integrating the sustainability tenet into the Company's development strategies and business decisions.



## Board of Directors' ESG Statement

The Board of Directors of BEHL has been vigorously promoting sustainable development, which is reflected in our FUTURE sustainable development strategy. The FUTURE strategy will inform the formulation of our annual action plans and targets and lead us to march forward relentlessly.

For effective decision-making on various ESG matters, BEHL has set up a sustainable development governance structure of three layers, namely, the governance layer, management layer and execution layer. In this structure, the Company's Board of Directors, as the highest decision-making body for ESG matters of BEHL, is responsible for approving all of the Company's sustainability matters. A Sustainability Committee has been established at the Board of Directors level, tasked with the daily supervision of and guidance for sustainability work.

To effectively implement the Company's various ESG tasks, we have established and improved sustainability policies, systems and standardized work processes, etc., providing effective guidance for personnel in charge at all levels. The various sustainability policies of BEHL can be accessed on its [official website](#). We promise that we will regularly review and update them in accordance with updates to domestic

and international sustainability-related guidelines, initiatives, and guidance documents to ensure that we can keep up with the latest requirements.

We actively communicate with various stakeholders and clarify the communication means and frequency for each stakeholder to rank the Company's material issues in order of priority and allocate corresponding resources to ensure effective management. Meanwhile, we incorporate ESG risks and emerging risks into the Company's overall risk management process to ensure that the Company can avoid risks as much as possible and seize opportunities amid its transition towards sustainable development.

This Report discloses in detail the progress and achievements of BEHL's sustainable development work in 2023, and is reviewed and approved by the Board of Directors on April 24, 2024. The Board of Directors and all Directors of the Company guarantee that there are no false records, misleading statements or material omissions in this Report and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its contents.



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## Sustainable Development Strategy

In 2023, we formulated BEHL's sustainable development strategy "FUTURE", leading us to seek continuous improvement. The strategy outlines our vision as "Leading Green Development, Creating a Better Life" and our mission and goal as becoming "a first-class utility service provider". It aims at establishing a coherent awareness and pace in BEHL for pressing ahead to fulfill sustainable development tasks. The "FUTURE" strategy was approved by the Sustainability Committee of the Company on February 28, 2024.

Leading Green Development, Creating a Better life

# FUTURE



# Strategy Performance

BEHL takes proactive action to contribute to the United Nations 2030 Agenda Sustainable Development Goals (SDGs). It has identified the most relevant 13 SDGs, integrated the concept of sustainable development into its daily business operations, and committed to supporting and implementing the SDGs in development strategy formulation and business operations.

## Responsible



**Corporate governance**  
The number and background of incumbent independent Directors meet the listing requirements of HKEX

**Zero**  
major non-compliance incidents

**Risk management**  
Conducted annual major risk assessments, identified **seven major risks**, and took timely counter-measures

**Anti-corruption**  
Percentage of subsidiaries covered by company audits on business ethics

**83%**

**Integrity training duration completed by executive director on average**

**8 hours**

**Percentage of headquarter employees signed Letter of Commitment to Integrity**

**100%**

**Integrity training duration completed by all employees on average**

**0.5 hours**

**Information security and privacy protection**  
Formulated the *Beijing Headquarters Cybersecurity Emergency Plan of Beijing Enterprises Holdings Limited*

**Zero**  
information security or customer privacy breach incidents

## Trustworthy



**Product and project quality**  
Beijing Gas residential smart meter installation rate

**48.9%**

BE Water's fulfillment inspection coverage of projects under construction

**100%**

Beijing Gas non-residential smart meter installation rate

**88.7%**

Waste incineration power generation capacity of Solid Waste Treatment Platform

**34,232 tonnes/day**

Percentage of Yanjing Brewery companies that have obtained ISO 9001 quality management system certification

**89%**

**R&D Innovation**  
R&D investment

**2.099 billion yuan**

R&D positions

**2,751**

Number of patents filed

**196**

Newly granted patents

**226**

**Responsible Supply Chain**  
Number of suppliers

**6,161**

Tier-1 suppliers

**411**

Percentage of relevant bidders signed integrity agreements

**100%**

**Customer experience**  
Beijing Gas service window satisfaction rate

**94.9%**

BE Water customer satisfaction rate

**94.2%**

Yanjing Brewery customer satisfaction rate

**100%**

## Eco-friendly



**Response to climate change**  
BEHL commits to achieve **carbon peaking by 2030**

Beijing Gas commits to **reduce methane emissions intensity to near zero by 2030**

EEW GmbH commits to **carbon neutrality by 2030**

Yanjing Brewery achieved the 2023 annual carbon intensity target of

**159 kg CO<sub>2</sub> equivalent/ thousand liters**

**Emissions management**  
**Zero** environmental penalties

Percentage of ISO 14001 environmental management system certified

**30%**

**Resources and energy utilization**  
The non-hazardous solid waste decreased year-on-year by

**19.75%**

The Taian project of the Solid Waste Treatment Platform effectively controlled nitrogen through the recycling of raw leachate

The beer segment recyclable packaging materials used totalled

**2,473,663 tonnes**

The environmental investment increased year-on-year by

**1.93 times**

with a year-on-year urea consumption reduction of

**50%**

The bottle return rate achieved a year-on-year increase of

**1.5%**

**Ecological and environmental protection**  
The percentage of new, renovated and expanded projects that have carried out environmental impact assessment reached

**100%**

Beijing Gas's biodiversity management and conservation plan involved

**2 sites**

which cover a total area of

**724.24 hectares**

## United



**Employee rights protection**  
Percentage of female employees

**28.59%**

Mean gender pay gap

**0.70%**

Percentage of female in STEM-related positions

**30.52%**

**Employee development and care**  
Training investment

**14,650,300 yuan**

Percentage of employees trained

**97.01%**

Number of employees in difficulty receiving aid

**99 person-times**

Number of frontline employees receiving care

**10,628 person-times**

**Safety and health**  
Coverage of ISO 45001 occupational health and safety management system

**39.23%**

Workplace safety investment

**1,988 million yuan**

Rectification rate of various hidden problems throughout the year

**98.02%**

**Contribution to community development**  
Time spent on charity projects

**19,463 hours**

Charitable donations

**7.347 million yuan**

Work-related fatalities and serious injuries

**0**

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## Sustainable Management System

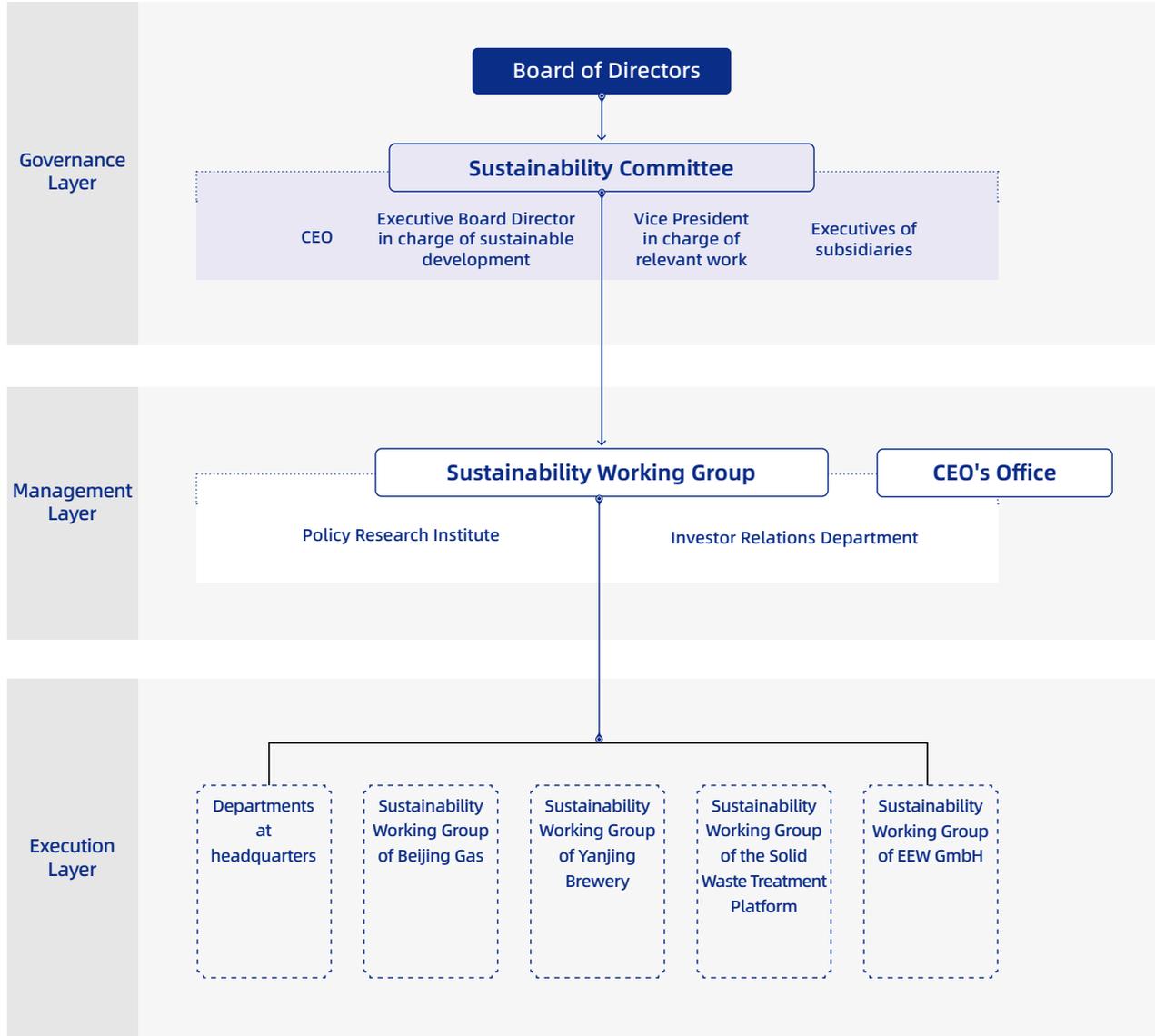
In order to improve the management of sustainable development efforts and to put in place the institutionalized and process-based management of sustainable development matters, the Company, in accordance with the HKEX ESG Guidance, the consultation paper on the related provisions of the Listing Rules and the relevant requirements of other international indexes and ratings, formulated the *Management Measures of the Sustainable Development System of Beijing Enterprises Holdings Limited*. A sustainable development management system has thus been adopted and implemented with the emphasis placed on quantitative performance management for sustainable development. Led by the Sustainability Committee and the Working Group, this system covers all the important business units. It will provide continuous guidance to all the functional departments and subsidiaries of the Company to strengthen corporate governance and business sustainability in a more systematic manner.

The Company has established a well-structured sustainability development management and governance architecture featuring hierarchical management, clear authority and responsibilities and efficient running. The Board of Directors is the highest decision-making body in the sustainability governance structure, responsible for approving the Company's sustainability-related policies, strategies, objectives, work plans, risk assessment results and other related matters and keeping the Company's sustainability work overall aligned with the Company's business strategies. At the governance layer, the Company has established a Sustainability Committee tasked with the review and day-to-day decision-making of sustainability-related work. The Sustainability Committee is headed by the CEO of the Company and comprises the Executive Director in charge of sustainable development, the Vice President in charge of the relevant work and the heads of each subsidiary. Under the Sustainability Committee, a Sustainability Working Group was set up, comprising the Investor Relations Department and the Policy Research Institute. It serves as the daily liaison and coordination body for sustainable development work in BEHL, responsible for formulating strategies and policies related to sustainable development, promoting and executing work plans, and coordinating and supervising the implementation of related tasks. The CEO's Office is responsible for reviewing the materials related to sustainable development submitted by the Sustainability Working Group. The execution layer consists of the departments at headquarters and sustainability working groups in subsidiaries and is responsible for the implementation of sustainability-related work.

In 2023, the Company earnestly followed the *Management Measures of the Sustainable Development System of Beijing Enterprises Holdings Limited*. It spared no effort in ensuring the proper implementation of sustainability-related work mechanisms and tasks concerning work meetings, information management, rating, project budgeting, supervision and assessment. To promote and incentivize sustainability governance, sustainability work are incorporated into the Company's performance appraisal. Efforts have been made to comprehensively track the Company's sustainable development performance and thereby inform scientific evaluation and targeted improvement, paving the way for BEHL to achieve all-round progresses in sustainability performance.



BEHL's sustainable development system



Management rules for each layer of BEHL's sustainable development system

### Governance Layer

- The Board of Directors should discuss matters related to the Company's sustainable development at least twice a year
- The Sustainability Committee conducts seminars on sustainable development in meetings and other forms at least four times a year

### Management Layer

- The Sustainability Working Group should confirm the sustainable development rating work arrangement for the following year at the end of the first quarter of each year and determine the work plan for the preparation of the annual sustainability report in November each year
- The Sustainability Working Group should submit to the CEO's Office a summary of its work related to sustainable development, including a summary of its annual work, its work plan for the following year, and the progresses of its goals

### Execution Layer

- All departments and offices of the BEHL headquarters and subsidiaries should hold working meetings on sustainable development in accordance with the actual situation, and regularly submit and report the progress of efforts to meet sustainable development-related performance indicators as required

## Stakeholder Engagement

BEHL attaches importance to stakeholder engagement and communicates with them by different means. Based on our own development situation and characteristics as well as industrial dynamics, we have identified stakeholders such as the government and regulatory authorities, shareholders and investors, customers, business partners, employees, the community, NGOs and the press and earnestly responded to their needs.

To better learn about and respond to stakeholders' expectations and demands, we set up a regular communication mechanism with stakeholders. Any stakeholder can communicate with us via the email account mailbox@behl.com.hk for matters related to our business and development. We will aggregate the feedback from various channels and report to the CEO's Office in ways appropriate under the specific circumstances, and the Board of Directors will make the appropriate management decisions correspondingly.

Stakeholders	Topics	Response Channels	Effectiveness of Communication
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Legal and compliant operations</li> <li>Payment of taxes in accordance with the law</li> <li>Creation of employment opportunities, promotion of sustainable and healthy economic development</li> </ul>	<ul style="list-style-type: none"> <li>Routine reporting and communication</li> <li>Seminars and on-site meetings</li> <li>Forums and exchange programs</li> </ul>	<ul style="list-style-type: none"> <li>Strategic cooperation with local governments</li> <li>Active engagement in community building and public welfare activities</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Continuous and stable business growth</li> <li>Responsible 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>	<ul style="list-style-type: none"> <li>Building good investor relations</li> <li>Continuous improvement of capital ratings</li> <li>Gaining support from investors and shareholders on major decisions</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Consistent and stable supply of products</li> <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>Community service centres</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement on business operations based on customers' feedback</li> <li>Efficient and timely solutions for customers' complaints</li> <li>Continuous improvement on customer services</li> </ul>
Supplier 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 conference</li> <li>Strategic cooperation</li> <li>Supplier training and exchanges</li> </ul>	<ul style="list-style-type: none"> <li>Conducting annual audit of suppliers</li> <li>Empowering suppliers to improve capabilities</li> <li>Facilitating exchanges and cooperation between upstream and downstream business partners</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 and safety</li> </ul>	<ul style="list-style-type: none"> <li>Staff and workers' congress</li> <li>Complaint box</li> <li>Employee satisfaction surveys</li> <li>Employee care activities</li> </ul>	<ul style="list-style-type: none"> <li>Diverse performance assessments and communication</li> <li>Providing benefits that exceed statutory limits</li> <li>Building a healthy and safe working environment</li> </ul>
Community and non-governmental organizations	<ul style="list-style-type: none"> <li>Community development</li> <li>Community harmony</li> <li>Community environment</li> <li>Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>Science popularizations</li> <li>Community outreach</li> <li>Participating in charity and environmental activities</li> </ul>	<ul style="list-style-type: none"> <li>Building good relations with the local community</li> <li>Establishing a positive social image in areas such as rural revitalization, environmental activities, and youth development</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> <li>Media inquiries</li> </ul>	<ul style="list-style-type: none"> <li>Building good relations with the media</li> <li>Maintaining the corporate image and gaining public recognition</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Emissions management</li> <li>Use of resources</li> <li>Response to climate change</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports and announcements</li> <li>Sustainability Report</li> <li>Climate Action Progress Report</li> </ul>	<ul style="list-style-type: none"> <li>Achieve emission reduction targets</li> <li>Identifying risks, challenges and opportunities related to climate change</li> <li>Obtaining the ISO 14001 certification</li> </ul>

## Compliance with the Principles in the ESG Guidance

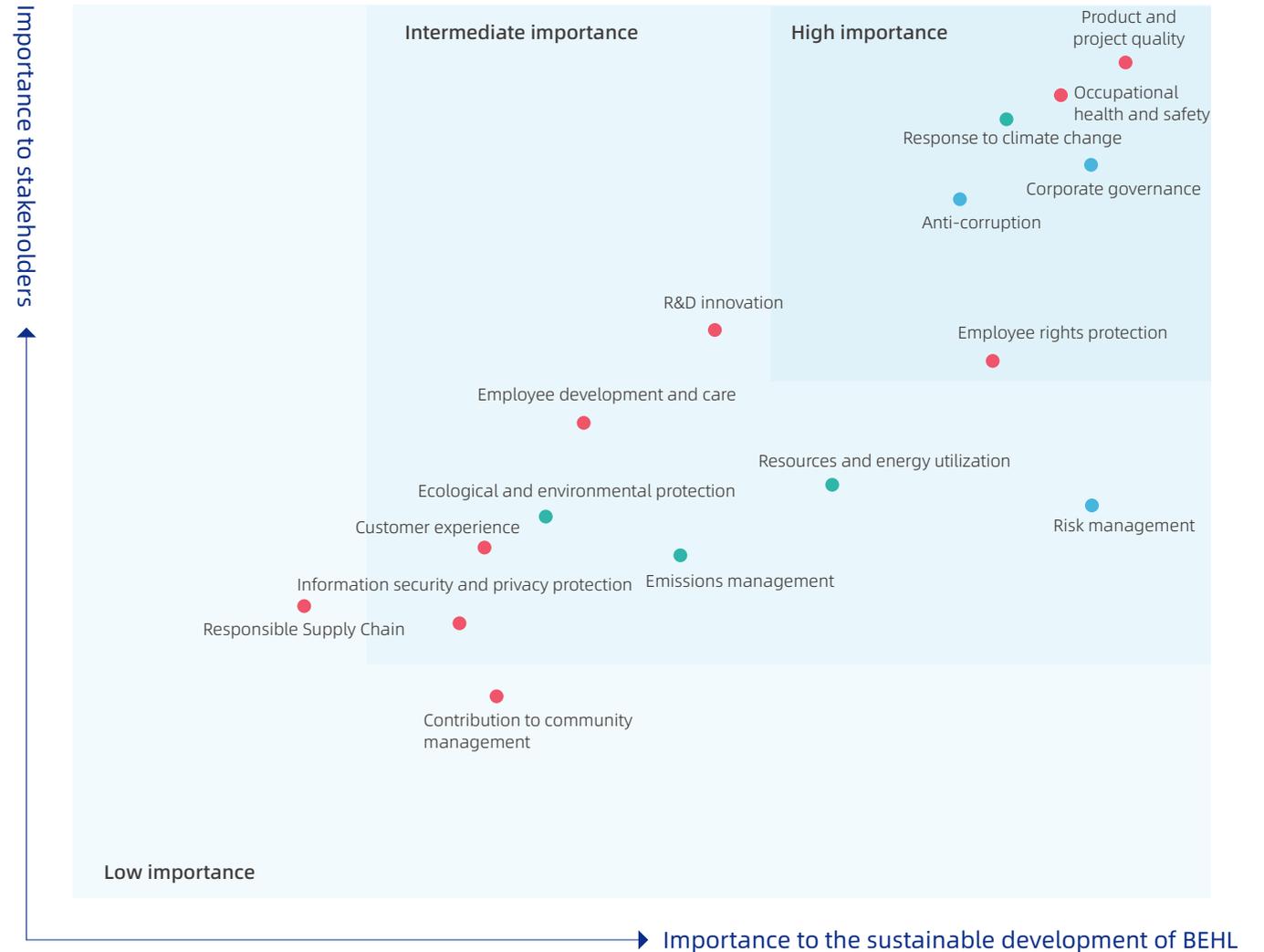
**Materiality:** BEHL believes that understanding the demands and major concerns of various stakeholders is of great importance to continuously improve its sustainability management performance. To that end, we, in accordance with the HKEX ESG Guidance and with reference to internationally recognized sustainability standards and sustainability issues of general concern to the industry, went through the materiality analysis workflow and identified sustainability issues relevant to BEHL, then ranked them based on their level of priority, and ultimately determined the material issues that will serve as the objectives and foundation for our sustainability management.

In 2023, the Company collected opinions and suggestions from various stakeholders on the sustainable development management of BEHL during its interactions and communication with them in the process of its daily production and operation. On the basis of that, the Company has determined the sustainable development issues of 2023. This report disclosed information on key substantive issues on such dimensions as mechanism improvement, management improvement, actions, and performance.

**Quantitative:** BEHL has established ESG indicator collection tools that cover the headquarters and all subsidiaries and regularly collects key quantitative indicators of all major environmental aspects and some social aspects listed in the ESG Guidance, which are summarized during the Reporting Period and disclosed in this Report. For detailed information on the quantitative ESG data, please refer to each chapter of this report.

**Balance:** BEHL, upon review and confirmation by the Board of Directors, pledges that the contents of the Report are objective and open. The contents disclosed can be accessed via our official information disclosure channels or public social media.

**Consistency:** Compared with ESG reports of previous years, this Report does not make major adjustments in the scope of disclosure, and it adopts consistent statistical methods for the disclosure. A comparison of the three-year ESG data is detailed in the ESG Key Performance Data of this report.



Materiality matrix of BEHL in 2023

● Environmental issues ● Social issues ● Governance issues

# 01

## Responsible Compliant Operations Underlie Robust Development

Compliance governance is a key factor for ensuring the sustainable development of enterprises, laying an important foundation for their long-term and steady development. Over the years, BEHL steadfastly adheres to legal and compliant operations, implements effective risk management and internal control, upholds business ethics and combats corruption, and protects information security and customer privacy, putting in place effective safeguards for its sustainable development.

### Policies relevant to this chapter

*Anti-bribery and Anti-corruption System*

*Whistleblowing Management System*

*Whistleblower Protection System*



## Corporate Governance

BEHL strictly complies with laws and regulations such as the *Company Law of the People's Republic of China*, the *Hong Kong Companies Ordinance*, the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, as well as the regulatory requirements of the listing locations. It continuously improves corporate governance systems, establishes a governance structure with clear responsibilities and diversity, ensuring scientific and reasonable decision-making and the effectiveness of internal systems.

### Board Structure and Diversity

BEHL's Board of Directors is its standing decision-making body, accountable to the general meeting of shareholders. It is mainly responsible for BEHL's overall strategic development, with four specialized committees: the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Investment Committee. The Board of Directors and its specialized committees guide the business planning, supervise the implementation of plans, and monitor the operations and financial performance for BEHL, continuously promoting its steady development over the long term.

BEHL views Board diversity and professionalism as the bedrock for its sustainable development. It strictly implements the measures set out in the *BEHL Policy of Nomination of Board Directors*, the *BEHL Policy of Diversification of Board Members* and the *BEHL Rules of the New Articles of Association*. Holistically considering the age, knowledge, skills, experience, background and other factors of Board members, it has set the target of having at least one female representative on the board. BEHL upholds the principle of fairness in selecting Independent Directors and regularly reviews and supervises the implementation of measures ensuring Board independence and diversity. During the Reporting Period, the number and background of BEHL's Independent Directors met the listing rules and requirements of the listing location.

To help the Board do a better job at decision-making, in 2023, the Company held a training session themed "Listing Rules and Directors' Responsibilities", providing detailed explanations of listing rules and expounding on relevant laws and regulations with cases. Twelve Directors and middle and senior management of the Company attended the training, which further enhanced their awareness of compliance and fulfillment capabilities.

By the end of 2023,  
the Company's Board of Directors  
was comprised of 9 directors.

5

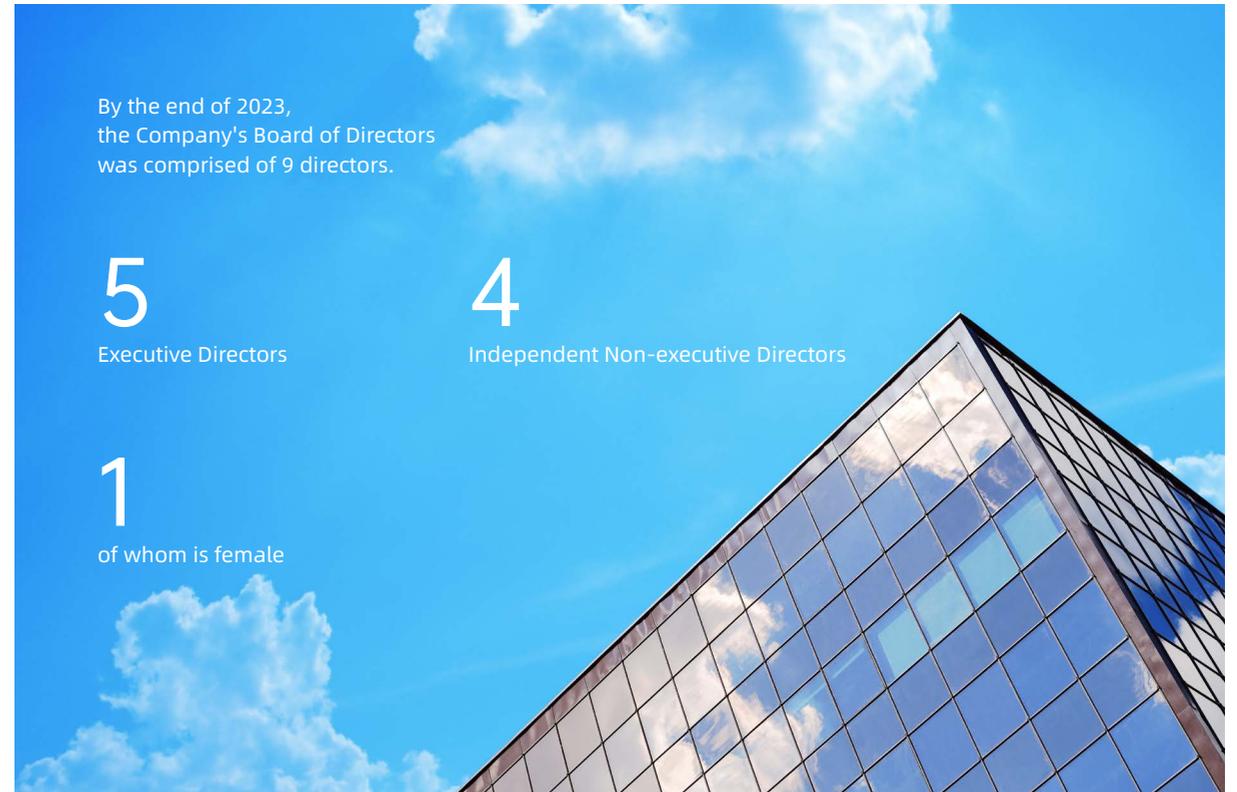
Executive Directors

4

Independent Non-executive Directors

1

of whom is female



■ The 2023 Board of Directors and Diversity of Directors

Category		Board Directors								
		YANG Zhichang	JIANG Xinhao	XIONG Bin	GENG Chao	TAM Chun Fai	WU Jiesi	LAM Hoi Ham	YU Sun Say	CHAN Man Ki Maggie
By specializa- tion	Law	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Business administration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Economic management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Audit/risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
By academic background	Bachelor's degree	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Master's degree	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Doctoral degree	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
By segment	Gas utility services	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Beverages – beer consumer goods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
By profession- al focus	Audit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>				
	Remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nomination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Remuneration and Performance Evaluation for Directors and Senior Management

A Remuneration Committee was set up under the Board of Directors, tasked with formulating and reviewing the remuneration policies and plans for the Directors and senior management of the Company. It ensures that no Director or related party is involved in determining their own remuneration. The Remuneration Committee deliberates on matters and makes decisions in accordance with the Company's *Articles of Association* and the *Scope of Authority of the Remuneration Committee*. The management determines the remuneration of personnel other than that of the Directors and senior management.

To ensure the effective implementation of ESG tasks, BEHL sets annual targets or requirements for sustainable development issues, mainly including workplace safety (including but not limited to safety accidents, safety penalty events, and contractor safety), environmental protection (including but not limited to greenhouse gas emissions, pollutant emissions, energy efficiency management, and environmental penalties), anti-corruption, legal and compliant operations, and risk management. For Directors and senior management who fail to meet the assessment targets, the Company will directly deduct points from their overall assessment scores to reinforce their sense of responsibility. The Company also incorporates ESG indicators into the annual performance evaluation system for all levels of management as binding indicators. The Company conducts ESG implementation evaluations and disburses remuneration accordingly, tying remuneration to performance evaluation.

# Risk Management

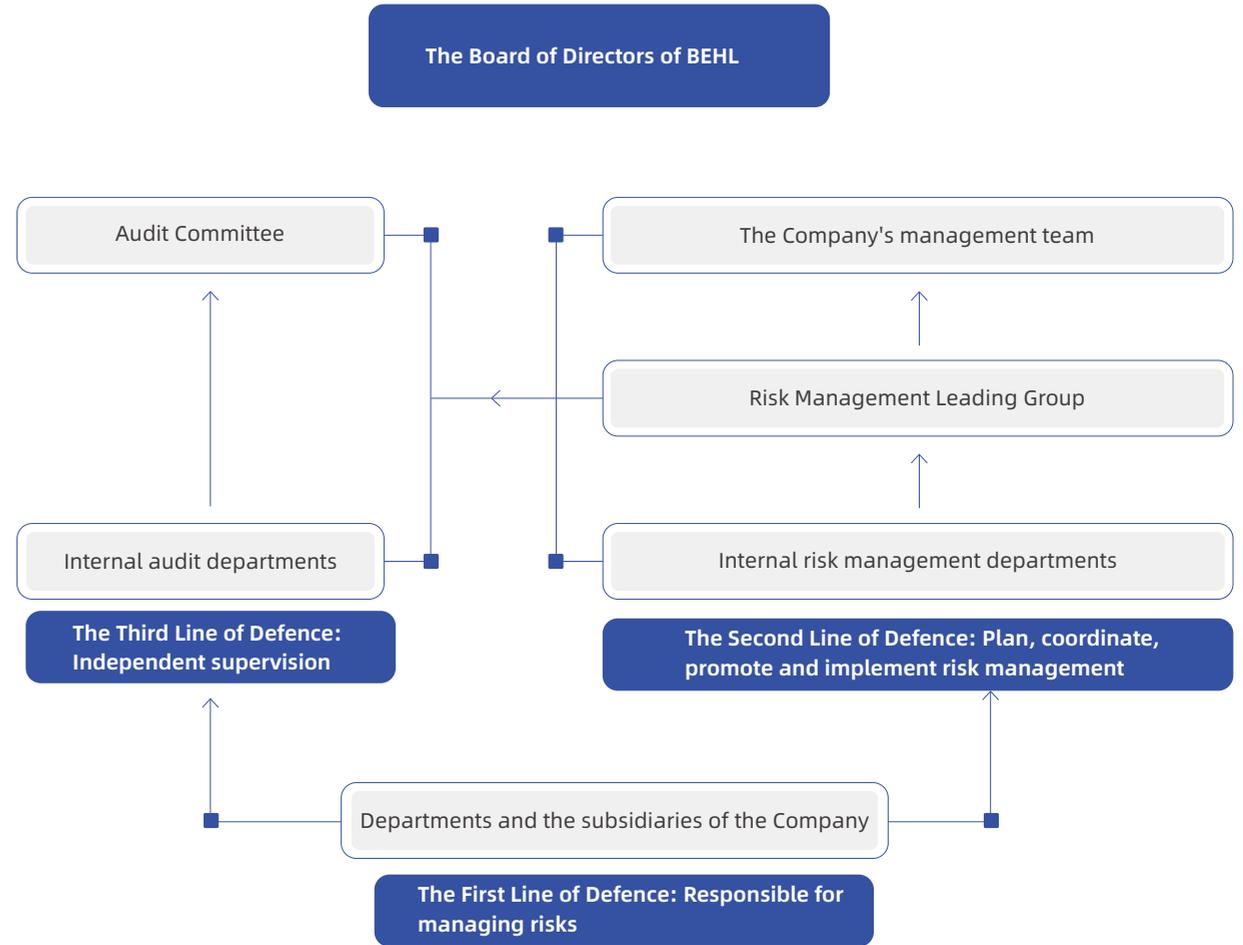
BEHL regards risk management as an important pillar for ensuring the stable development of enterprises and has established a comprehensive risk management system.

## Risk Management Systems

BEHL pays close attention to the effectiveness of risk management mechanisms and continuously improves its internal risk management system. In 2023, all subsidiaries of the Company formulated management systems consistent with the headquarters' risk and internal control management directions and control methods, based on the *BEHL Risk Management Measures* and the *BEHL Internal Control Management Measures*, and in combination with their respective business practices. Furthermore, the Company revised the *BEHL Internal Control Manual* to make it more aligned with business operations. The revision further standardizes internal control and thus enhances its implementation efficiency.

The Company has established a risk management leading group headed by the CEO as the group leader and the Vice President in charge of risk management as the deputy leader, responsible for coordinating, commanding, and organizing the risk management work in BEHL. Meanwhile, BEHL continues to reinforce the "three lines of defence" for risk management, which are the various functional departments at the headquarters and the subsidiaries, the internal risk management department, and the internal audit management department. The mechanism aims to clarify responsibilities for each line of defence and effectively ward off risks. The management of the Company bears the highest level of responsibility for risk management, while the Audit Committee bears the ultimate responsibility for supervising and auditing risk management performance. Both parties regularly report risk management results to the Board of Directors.

The "three lines of defence" for risk management at BEHL



## Risk Prevention and Control Measures

We regularly conduct annual major risk assessments, formulate control plans accordingly, and sign *Major Risk Prevention and Control Responsibility Agreement* with subsidiaries, clarifying priorities for risk control and improving risk management efficiency. In 2023, drawing upon the major risk prevention and control situations over the years, development goals and management directions of BEHL, we updated the tentative list of annual major risks. After widespread and multi-level participation in the evaluation, we ultimately identified seven categories of major risks for the year: risks involving new business expansion, investment decision-making, market capitalization management, debt, environment, underperforming asset disposal, and tax. We then formulated targeted risk response strategies.

We stay alert to changes in the external environment and track emerging risks that may have a significant impact on the public utilities, solid waste treatment, and beverage industry, among others; we then compile risk management reports and take mitigation measures. In recent years, BEHL has broadened the scope of risk prevention by incorporating ESG

risks into its overall risk management process, continuously strengthening its management efforts.

Furthermore, the Company continuously supervises and tracks the progress of daily risk management. In 2023, the Company conducted on-site surveys on the risk management of BE Water and Yanjing Brewery, and carried out self-inspections and risk prevention and control on the universal issues exposed by major risk events in the Solid Waste Treatment Platform. Such efforts aim at promoting the close integration of risk control and business management in its subsidiaries.

To do a better job at risk identification and assessment and enhance the risk prevention and response capabilities of management personnel and employees, in 2023, BEHL organized specialized training on major risk management and other topics for the headquarters of the Company and its subsidiaries. The trainings registered more than 130 attendances, effectively improving BEHL's risk management capabilities and fostering a culture attentive to risk management.

### ► In 2023, BEHL conducted compliance management training

In August 2023, the Company's legal and compliance department organized compliance management training. The training covered four aspects: an overview of compliance, compliance system building, key issues concerning operational compliance in 2023, and differences and similarities between mainland state-owned enterprises' compliance management requirements and requirements for companies listed in Hong Kong and the ensuing reconciliation needed. More than 30 participants attended the training, including senior management of the Company, heads of various departments at the Beijing and Hong Kong headquarters, compliance management leaders of subsidiaries, and heads of the compliance management department.



The compliance management training session

## Audit and Supervision

BEHL continuously improves its internal audit and supervision mechanisms. In 2023, the Company officially issued the *Internal Audit Basic Management Measures*, *Audit Rectification Management Measures*, and *Audit Interview Management Measures*. These documents establish best practices in internal audit, rectification, and supervision, thus enhancing the quality and efficiency of internal audit, and improving the rectification and supervision mechanism for issues spotted.

The Company regularly conducts audit and supervision projects, and ensures that all operating regions are audited every three years. In 2023, we carried out 13 audit projects in accordance with internal regulations, covering 83% of BEHL's subsidiaries, including special audits on economic responsibilities, operational management, and other types of business ethics. Issues spotted based on audit results were urged to be rectified promptly.

## Anti-corruption

Firmly upholding business integrity, BEHL strictly abides by the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations; BEHL adopts a "zero tolerance" attitude towards any behaviour that violates business ethics and zealously honours its commitment to business ethics. During the Reporting Period, there is no violation of business ethics in BEHL.

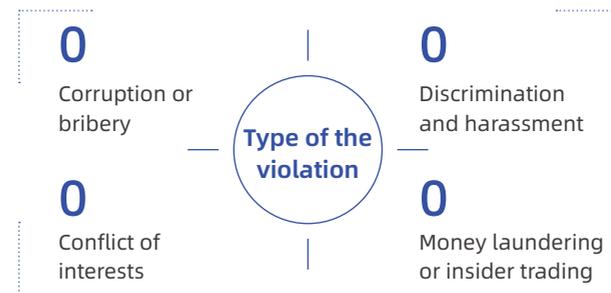
### Business ethics compliance

BEHL continues to improve its business ethics and anti-corruption management system, strengthening integrity building and duty fulfillment supervision. The Company has publicly issued the *Anti-bribery and Anti-corruption System of Beijing Enterprises Holdings Limited* applicable to all employees, and formulated internal rules and regulations such as the *Statement of Responsibility for Improving Party Conduct and Upholding Integrity* and the *Letter of Commitment to Integrity*. The Company's Discipline Inspection and Supervision Office is responsible for supervising and implementing anti-corruption and integrity advocacy work, continuously strengthening the supervision of business ethics, and ensuring that reporting channels are unimpeded.

BEHL requires all employees to abide by the codes of conduct related to business ethics. We have formulated the *Letter of Commitment to Integrity*, which, based on the actual conditions of the Company, clarifies the requirements for integrity in the performance of duties, instilling a stronger sense of self-discipline in employees. In 2023, the signing rate of employees reached 100%. The Company is also committed to building a supply chain with integrity and, per the *Management Policy of Sustainable Supply Chain*, requires partners to comply with the Company's policies and regulations on anti-bribery and anti-corruption. In addition, BEHL, according to the *Statement of Responsibility for Integrity in Project Management*, curbs all kinds of abuse of power by suppliers for personal gains in all forms in construction projects. Such efforts aim to safeguard fairness and honesty in business dealings, protect the creditability and reputation of parties involved and foster a favorable business environment.

The Company is dedicated to fostering an atmosphere of integrity in the workplace and continually provides anti-corruption training and publicity for all regular employees and suppliers. During the Reporting Period, BEHL organized 2 integrity education sessions, compiled 12 issues of the *Admonitory Case Studies* for educational purposes and 5 issues of *Integrity in Bits and Pieces*, and launched the *Legal and Disciplinary Classroom* series column that published content in 9 installments, bringing the average total training hours to 8 for Executive Directors. Additionally, we solicited articles on integrity in the workplace from young employees on 3 occasions, and compiled integrity education materials specifically for the Company's high-level leaders to targetedly convey the messages to them and significantly enhance their awareness of integrity. In 2023, BEHL and its business segments conducted 308 integrity trainings, covering 100% of the employees, with a per capita training duration of 0.5 hours.

During the Reporting Period, BEHL did not experience any incidents of business ethics violations.



Statistics on Business Ethics Violations in BEHL in 2023

### We are committed to

- The Company shall strictly comply with applicable laws and regulations against bribery and corruption, and require all employees to comply with the Company's policies and systems against bribery and corruption.
- Employees of the Company shall be honest and self-disciplined and not take advantage of their positions to accept bribes from others during the performance of their duties. They shall strictly abide by the rules of fair competition, operate in good faith, and not bribe others to seek illegitimate benefits.
- It is strictly prohibited to win contracts through improper means such as paying kickbacks to buyers.
- Directors, employees, and business partners operating under the name of BEHL are strictly prohibited from engaging in political donations or bribery under the pretext of charitable donations.
- Company-wide publicity on anti-bribery and anti-corruption shall be carried out.
- The Company shall keep whistleblowing channels smooth, and accept and register complaints filed against bribery and corruption behaviours.
- The Company shall establish a work mechanism for combating bribery and corruption and fulfill relevant tasks.

## Whistleblower Protection

BEHL has formulated the *Whistleblowing Management System of Beijing Enterprises Holdings Limited*. Adhering to the principles of centralized management, standardized procedures, and strict disciplines, BEHL has established a smooth and open anti-corruption whistleblowing channel and a clear complaint handling mechanism to ensure that complaints and reports can be handled in a timely and effective manner. The Company has formulated and released the *Whistleblower Protection System of Beijing Enterprises Holdings Limited*. According to it, the whistleblowers will be kept under strict confidentiality and relevant personnel will be recused from the handling, the scope of access to complaint reports and clue information will be strictly controlled, and leakage of clue information and handling approaches and retaliation against whistleblowers in any form are banned.

To ensure unfettered access to supervising and whistleblowing channels, in 2023, the Company, on top of the existing complaint whistleblowing channel, made available a dedicated integrity consultation hotline and a new email address to respond to employees' inquiries regarding the definition of various types of violations, the determination of violations, and corresponding punishments. In 2023, the Company received 5 anti-corruption complaint letters, with a handling rate of 100%.



### Whistleblowing channels of BEHL

☎ Hotline: 010-85879113

✉ Email: jubao@behl.net.cn

### Integrity inquiry channels of BEHL

☎ Hotline: 010-85879069

✉ Email: ljzx@behl.net.cn

► **Responsible**

Compliant  
Operations Underlie  
Robust Development

Trustworthy

Excellent Quality Builds  
Greater Trust

Eco-friendly

Stronger Measures  
Advance Eco-civilization

United

Concerted Efforts for  
a Better Life

ESG Key Performance Data

HKEX

ESG Reporting Guide Index

# Information Security and Privacy Protection

BEHL strictly complies with the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, among other laws and regulations. It has required all its subsidiaries to put in place appropriate information security and privacy protection mechanisms, specify the authority for information collection and utilization, clarify responsibilities for information security and take proper cybersecurity measures to safeguard customer privacy. In 2023, no incident of information security breach or customer privacy information leakage occurred in BEHL.

## Safeguard Information Security

BEHL places great emphasis on corporate information security and continuously improves its information security and cybersecurity management mechanisms. The Company has established a Cybersecurity and Information Technology Leading Group, headed by the chairman of the board of directors, which is responsible for overseeing and coordinating information security and cybersecurity work. Under this group, there is a Cybersecurity and Information Security Emergency Command Center, led by the head of cybersecurity management and tasked with handling cybersecurity incidents.

In 2023, the Company formulated the *Beijing Headquarters Cybersecurity Emergency Plan of Beijing Enterprises Holdings Limited*, further improving the work mechanism and emergency plan system for cybersecurity incidents. The Company regularly conducts internal testing and external audits on information security and cybersecurity to identify hazards in advance and take managerial and technical measures to reduce security risks. During the Reporting Period, we sent 21 pre-warnings against loopholes in cybersecurity to the headquarters and subsidiaries, effectively enhancing our network defense and emergency response capability.

In 2023, BEHL

# did not experience

any major information security incidents

### Beijing Gas

Through the Information and Digitization Management Committee, which also serves as the Cybersecurity and Information Technology Management Committee, Beijing Gas coordinates the arrangements of information security and cybersecurity work. Beijing Gas has formulated *Cybersecurity Management Regulations of Beijing Gas Group Co., Ltd.*, and the *Management Measures for Cybersecurity Emergencies of Beijing Gas Group Co., Ltd.* The set of documents put in place whole-process management of cybersecurity breaches and emergency responses.

**As of the end of the Reporting Period, Beijing Gas has passed the ISO 27001 Information Security Management System certification for 8 consecutive years and passed the Level 2 information security network assessment by the Ministry of Public Security.**

### BE Water

BE Water has formulated and continuously improved internal policies such as the *Information Security Management System of BE Water* In 2023, to the *Information Security Management System*, BE Water added content related to information security risk assessment and determination, development security, and security loophole management, among others. During the Reporting Period, BE Water, designated the personnel in charge of security management for each system and followed up on the fulfillment of these responsibilities. Additionally, BE Water comprehensively sorted and optimized its IT infrastructure assets, improved resource utilization efficiency, and further enhanced Internet security protection measures to better defend against intrusions.

### Solid Waste Treatment Platform

Based on internal systems such as the *Information System Security and Emergency Plan System of BE Environment (Trial)*, BE Environment has become better-equipped to deal with information security emergencies, the management of user accounts, and the efficiency of hardware and software stability management.

### Yanjing Brewery

Yanjing Brewery formulated the *Cybersecurity and Information Security Emergency Response Plan*, and tailored risk management measures to each level of safety risks to ensure timely response to information security issues.

**By the end of the Reporting Period, Yanjing Brewery passed the Level 2 information security network assessment by the Ministry of Public Security.**

## Customer Privacy Protection

BEHL requires all business segments to place great importance on customer privacy protection and prevent any leakage of privacy information. We adopt a "zero-tolerance" attitude towards privacy breaches and have established a privacy protection governance structure with clear responsibilities, promoting the implementation of privacy protection policies throughout all operations. We require all employees and suppliers to strictly abide by relevant laws and regulations on privacy protection and safeguard privacy to the greatest extent possible. Meanwhile, we continuously improve our data protection mechanisms and regularly conduct privacy protection audits to ensure that customer privacy is properly handled.

In 2023, BEHL

### did not receive

any complaints related to infringement  
of customer privacy



Beijing Gas

Beijing Gas, based on the *Beijing Gas Regulations on Information Secrecy Management*, laid out specific rules on the conditions for and means of using customer information, the duration for keeping customer information, and third-party disclosure policies. Beijing Gas requires all employees with access to customer information to sign a confidentiality pledge letter.

In 2023, based on the requirements of ISO 27001 and national privacy protection regulations, Beijing Gas revised the Beijing Gas User Privacy Agreement on its applications. Additionally, it organized IT personnel from units at all levels to participate in training on the interpretation of the *Personal Information Protection Law, of the People's Republic of China* boosting employees' awareness of privacy protection.



BE Water

BE Water keeps tight control on access to user information, continuously optimizes privacy protection technologies and strengthens privacy security in operations and management, with the purpose of better safeguarding user privacy.



Solid Waste Treatment Platform

The Solid Waste Treatment Platform has strengthened equipment stability of IT systems to reduce the risk of customer privacy leakage due to equipment failures and it strictly controls accounts with access to user information to prevent unauthorized access.



Yanjing Brewery

In compliance with the requirements of the Excellent Management System, Yanjing Brewery has established strict requirements for customer information protection, explicitly stating that any violation that results in customer information leakage will be subject to strict punishment in accordance with regulations.

# 02

## Trustworthy Excellent Quality Builds Greater Trust

BEHL is committed to enhancing customer experience. To that end, it continuously improves its R&D innovation capabilities, goes to great lengths to optimize the quality of products and projects in the public utility sector and collaborates with research institutions and business partners to stimulate industrial vitality, aiming to become a trustworthy integrated public utility service provider.

Policies relevant to this chapter

*Management Policy of Sustainable Supply Chain*



## Product and Project Quality

BEHL firmly believes in that prioritizing quality as a crucial factor for the growth of an enterprise. The Company encourages all business segments to transition from conventional quality management to exceptional quality management practices. We aim to lead consumer perceptions of high quality through excellent quality management, and foster the healthy development of the industrial chain.

### Gas

Recognizing the importance of gas consumption to people's well-being and social progress, Beijing Gas has steadfastly prioritized the stability and safety of gas supply. Through continuous efforts to enhance the quality of gas supply, it strives to meet the rising demands of residential, industrial, and commercial subscribers, ensuring a stable and safe gas supply.

#### Optimize gas supply management

Beijing Gas continuously reinforces its primary responsibility for ensuring gas supply by setting clear boundaries with energy suppliers and collaborating with them to maximize resource utilization while ensuring the safety and stability of its core gas supply. Beijing Gas has entered into framework agreements with PipeChina and CNPC to overhaul the Beijing's natural gas emergency supply mechanism. It has developed a tailored contingency plan for Beijing's peak shaving and is actively promoting the construction and utilization of its own emergency reserve facilities to strengthen the resource pool for ensuring natural gas supply in Beijing and fulfilling the supply guarantee obligations.

#### Improve pipeline transmission capacity

The addition, repair, renewal, and overhaul of urban gas pipelines are crucial projects for livelihoods and development, contributing to the maintenance of stable urban operations. Beijing Gas is committed to enhancing the transmission capacity of its upstream trunk pipelines and the safety margin of its intracity gas distribution network. In 2023, Beijing Gas's Emergency Reserve Export Pipeline in Tianjin Nangang was put into operation, designed to transmit 60 million cubic meters of gas per day. Furthermore, through relentless efforts, Beijing Gas successfully completed and commenced operations at the Chengnan Gate Station before the heating season, with a designed receiving capacity of 36 million cubic meters per day. These endeavors have fortified regional supply, expanded emergency gas output lines, and heightened mutual support and assurance of resources.

As of the end of the Reporting Period

Approximately **7.62** million

gas customers were serviced by Beijing Gas

Around **32,900** kilometers

of gas pipeline are in operation

#### ► Commissioning of storage tanks and export pipelines of Phase I Project in Tianjin Nangang

To safeguard stable and safe gas supply in Beijing, Beijing Gas has been constructing its emergency reserve facilities in neighborhood. The first phase of the Tianjin Nangang Project, comprising four storage tanks and export pipelines, commenced operations in September 2023, and increased LNG storage tank levels to above 80% before November 15<sup>th</sup>, meeting the operational standards.

Due to the extreme cold temperatures, 2023 saw a significantly more imbalanced heating season, with notably higher-than-contracted and record-breaking daily consumption volumes. To mitigate the costs associated with procuring gas beyond contracted amounts and emergency peak shaving guarantees, Beijing Gas collaborated with CNPC to share responsibility for peak-shaving during the transition period of the heating season. Leveraging Tianjin Nangang's emergency reserve, Beijing Gas supplemented an additional 280 million cubic meters during peak periods, thus strengthening the capital's natural gas emergency supply capacity.



Phase I of Beijing Gas's Tianjin Nangang Project

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Chairman's Message

About Us

Sustainable Development  
Management

Responsible  
Compliant  
Operations Underlie  
Robust Development

► **Trustworthy**  
Excellent Quality Builds  
Greater Trust

Eco-friendly  
Stronger Measures  
Advance Eco-civilization

United  
Concerted Efforts for  
a Better Life

ESG Key Performance Data

HKEX  
ESG Reporting Guide Index

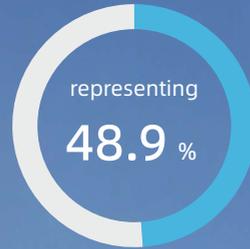
## Build intelligent pipeline network

Beijing Gas is dedicated to enhancing the management efficiency of gas pipeline network operation and maintenance through refined, intelligent, and rational network regulation and control. In 2023, the company deployed monitoring equipment for pressure, flow rate, and combustible gas concentration at key locations such as gas regulating stations, junction boxes, and gate wells. By harnessing digital technology, gas pipeline status is being monitored precisely, meticulously, agilely, and efficiently round the clock, ensuring comprehensive supervision and control of underground gas pipelines.

As of the end of the Reporting Period, Beijing Gas had installed

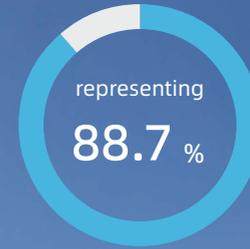
3,510,000

residential  
smart meters



102,900

non-residential  
smart meters



## Reduce gas leaks

Beijing Gas stays committed to alleviating the negative impact of gas leaks on customers and energy resources. Drawing from years of experience, it has commanded experience and efficient practices for leak prevention and control. To proactively detect and address potential leak hazards, Beijing Gas has strengthened its pipeline network operation and leakage detection in a comprehensive and systematic manner. This includes deploying high-precision inspection vehicles in each operational unit and employing a range of pipeline inspection techniques such as daily perforation inspection, five-meter line inspection, anti-corrosion layer inspection, and high-precision inspection. Additionally, it works actively to minimize gas leaks resulting from external damage by proactively detecting construction signs, collaborating with construction activities, enhancing coordination with authorities, conducting public service advertising for pipeline protection, installing ground markings, and using information systems to improve coordination processes.



## Water

To enhance quality assurance, BE Water is focusing on both policy formulation and quality control measures. It has published the *Delivery Quality Standards Manual for Wastewater Treatment Plant of BE Water* and continued to develop a product quality control system centered around standardization, control, and guarantee policies, ensuring three-dimensional and multi-level quality control throughout the entire process. In 2023, following these standard policies, it further refined its three-tier quality control mechanism and provided training on the guarantee policies to all stakeholders, thereby broadening the adoption of quality delivery standards. Additionally, in 2023, BE Water established a joint performance inspection working group which conducted 41 project performance inspections, covering 100% of the ongoing projects.

Furthermore, BE Water is advancing its transition from technology to products through standardized product modules. This transformation allows its projects to evolve from traditional engineering solutions to versatile, efficient, high-quality, cost-effective, and aesthetically pleasing products for municipal water plants. The revamped standardized product modules introduced in 2023 are adaptable to various demands in different configurations, facilitating swift output of solutions and designs while ensuring control over exceptional product performance via standardized technical parameters.

In daily operations, a five-dimensional star rating system has been deployed to improve operation and management. By aligning the construction of water plants, it has implemented a standardized management model. Furthermore, it continuously improves its operation and management by leveraging innovative management tools such as the Coverage of compliance inspections for projects under construction Internet of Things, standardized product modules, and visualization standards.

41

inspections were completed for project compliance

100%

of projects under construction covered by compliance inspections

## Environment

With the aim of leading the environmental service sector, focusing on solid waste treatment and disposal, the Solid Waste Treatment Platform is committed to enhancing operational efficiency and quality. Internal systems such as the *Production and Operation Benchmarking Program* and the *Detailed Rules for the Implementation of the Production and Operation Benchmarking Program* have been formulated to promote the "standardization, specialization, normalization and refinement" of its operation system. In 2023, the platform optimized and transformed internal management and production technology by leveraging industry best practices tailored to its operations, striving for the high-quality project development. By the end of the Reporting Period, the environmental segment processed 34,232 tonnes of waste for power generation per day.

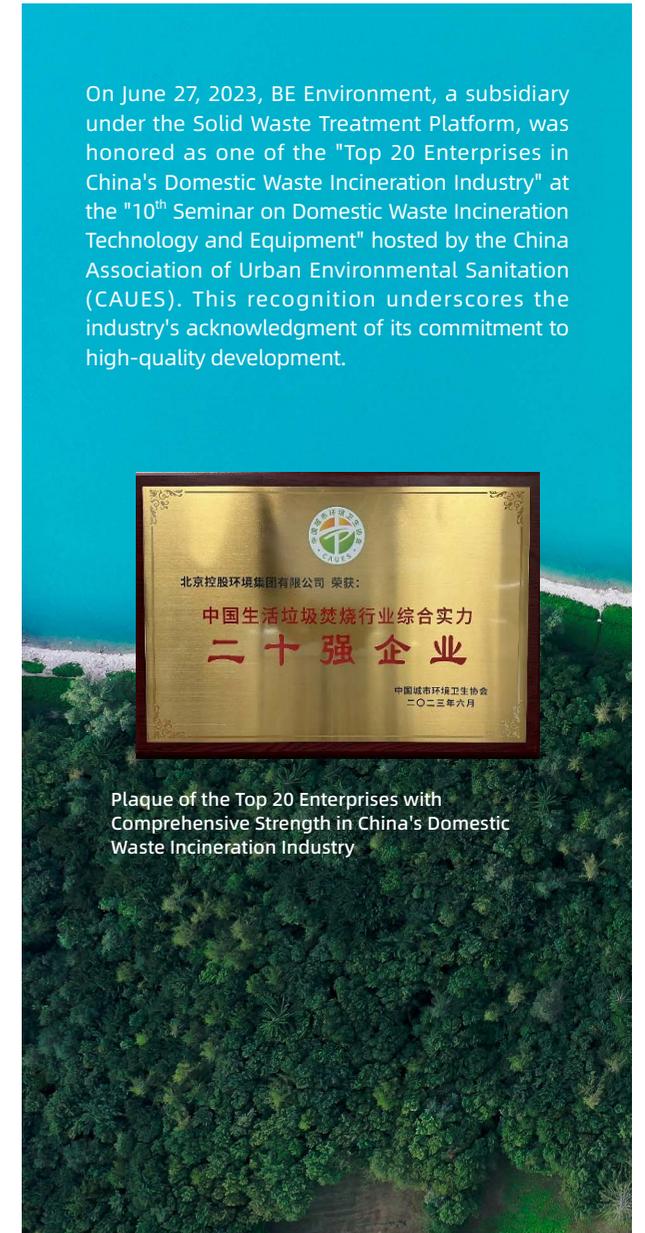
### ▶ Co-incineration and treatment used by the Beijing Gao'antun Project of the Solid Waste Treatment Platform

The Beijing Gao'antun Project employs domestic waste furnaces to dispose of urban sludge, offering a cost-effective solution to the challenging issue of urban solid waste management while providing significant environmental benefits. By employing sludge direct injection technology, it achieves efficient incineration of sludge, with an annual processing capacity of up to 200,000 tonnes. This technology has garnered two national invention patents and four utility models. It has been introduced to nine projects across the Solid Waste Treatment Platform, including locations in Xixian (Xi'an) and Harbin. These initiatives have made substantial contributions to the sustainable development of cities, environmental protection, and underscored the high-quality operational model.

On June 27, 2023, BE Environment, a subsidiary under the Solid Waste Treatment Platform, was honored as one of the "Top 20 Enterprises in China's Domestic Waste Incineration Industry" at the "10<sup>th</sup> Seminar on Domestic Waste Incineration Technology and Equipment" hosted by the China Association of Urban Environmental Sanitation (CAUES). This recognition underscores the industry's acknowledgment of its commitment to high-quality development.



Plaque of the Top 20 Enterprises with Comprehensive Strength in China's Domestic Waste Incineration Industry



## Beer

Yanjing Brewery strictly abides by the food safety and quality-related laws and regulations of the People's Republic of China, including the *Food Safety Law of the People's Republic of China*, the *Product Quality Law of the People's Republic of China*, the *Standardization Law of the People's Republic of China*, the *General Hygienic Code for Food Production of the National Food Safety Standard (GB14881-2013)*, the *Standard for the Use of Food Additives of the National Food Safety Standard (GB2760-2014)*, *Regulations on the Hygiene License of Sterilized Product Manufacturing Enterprises*, and *Beer (GB/T4927-2008)*. Guided by the "Quality is Life" strategy, Yanjing Brewery set the goal of "every bottle in every batch is of the highest quality", aligning with the requirements of the quality management system. Moreover, it integrates product quality metrics into employee performance evaluations. By the end of the Reporting Period, 89% of Yanjing Brewery's production facilities had obtained ISO 9001 quality management system certification, with the remaining units actively pursuing the certification.

In 2023, Yanjing Brewery conducted assessments on raw materials and production processes, leading to the refinement and enhancement of SOP templates and Process Management SOP at the headquarters. With a review of key indicators such as microbial control levels and product freshness, it launched a host of quality management projects, including the expansion of information technology and the enhancement of consistency in scale-up cultivation. Furthermore, employee trainings on raw material and process management were organized to ensure consistent product quality through standardized production operations. In 2023, 28 subsidiaries underwent process audits, resulting in 325 recommendations for corrective action. Five training sessions on process management were conducted, involving over 360 employees. These efforts effectively standardized the implementation of processes across all subsidiaries.



Yanjing Brewery has formulated the *Yanjing Brewery Product Recall Management System* and *Food Recall Control Procedures* in accordance with the *Food Recall Management Measures* issued by the former China Food and Drug Administration. These documents outline standardized procedures for identifying, executing, and managing recalls of varying levels and origins. Additionally, each year, it is mandatory to conduct at least one mock recall to validate the recall process's effectiveness. During the Reporting Period, no product recall due to food safety and quality issues occurred in Yanjing Brewery.

### ► Yanjing Brewery coordinated its factories to conduct a traceability mock drill

To enhance the factories' proficiency in food recall control procedures, on July 25, 2023, Yanjing Brewery coordinated a unified traceability mock drill across its facilities. The drill focused on addressing an "abnormal product taste" scenario and successfully completed both forward and reverse traceability within 4 hours. Key information from raw materials, saccharification, fermentation, and packaging sections was documented, resulting in the identification and rectification of 135 problems. Over 200 participants participated in the drill.

### 2023 Quality management honors awarded to Yanjing Brewery

National Model Enterprise of Product and Service Quality Integrity, from China Association for Quality Inspection

National Quality and Integrity Benchmarking Enterprise, from China Association for Quality Inspection

National Quality and Integrity Advanced Enterprise, from China Association for Quality Inspection

National Consumer Quality and Reputation Guaranteed Products, from China Association for Quality Inspection

National Quality Inspection Stably Qualified Products, from China Association for Quality Inspection

## R&D Innovation

BEHL is committed to enhancing technology, innovation, and management to fortify its core competitive advantages and drive high-quality development. Apart from strengthening our in-house innovation strength, we actively engage in industry seminars and collaborative activities, taking on responsibility for fostering industry synergy. Through industry-university-research cooperation, alliance forums, and the establishment of industry standards, we proactively share our experiences and insights to empower sustainable growth and development across the entire industry.

To effectively safeguard our innovation results and sustain our R&D vitality, we strictly adhere to applicable laws and regulations. We continuously shore up internal IPR management, phase in IPR mechanisms, and steer clear of infringements.

### Gas

Committed to the "technology-driven and technology-empowered" strategy, Beijing Gas has doubled efforts in technological and management innovation, expanding the application of technologies across sectors such as gas transmission and distribution, gas utilization, metering services, energy mix, and intelligent gas. Leveraging new-generation information technology, it has bolstered intrinsic safety levels to ensure the safe operation of gas services. In 2023, Beijing Gas achieved significant milestones: it was honored as a "Science Reform Enterprise" by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, securing policy support for leading the Group's high-quality development. In addition, it maintained its status as a high-tech enterprise, passing high-tech certification for the fifth time, and retained its qualification as a Beijing-level enterprise technology center. In terms of safety risk prevention, emergency response, and other aspects, Beijing Gas collaborates with esteemed institutions such as Zhejiang University, China University of Petroleum, and University of Science and Technology Beijing, Beijing Municipal Institute of Public Utility Science and the Institute of Urban Safety and Environmental Science at the Beijing Academy of Science and Technology. Together, they conducted technical research and development to support production and operational management. Furthermore, it actively engages in applied research on new energy sources and hydrogen energy, partnering with prestigious institutions like Peking University, Harbin Institute of Technology, Beijing University of Civil Engineering and Architecture, among others. This collaborative effort aims to provide technical support for venturing into new business areas.

In 2023

**2.099** billion yuan

has been invested in BEHL's R&D

**2,751**

R&D position were supported



**196**

patents were filed

**226**

patents were newly  
authorized

**0**

intellectual property  
infringement lawsuits



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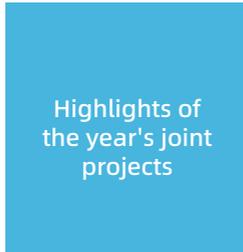
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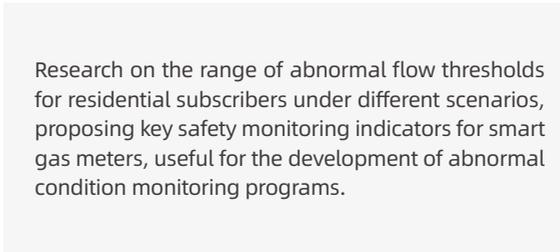
Research on localizing on-vehicle high sensitivity leakage laser detection equipment. Leakage tests covering over 1,300 km of pipelines have been completed.



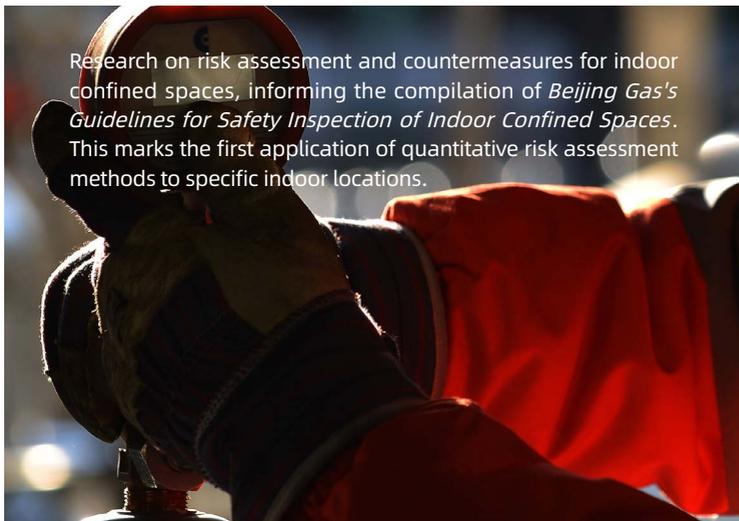
Analysis of PE pipe weld seam nondestructive testing project, with guidance provided for the application of nondestructive testing on construction sites.



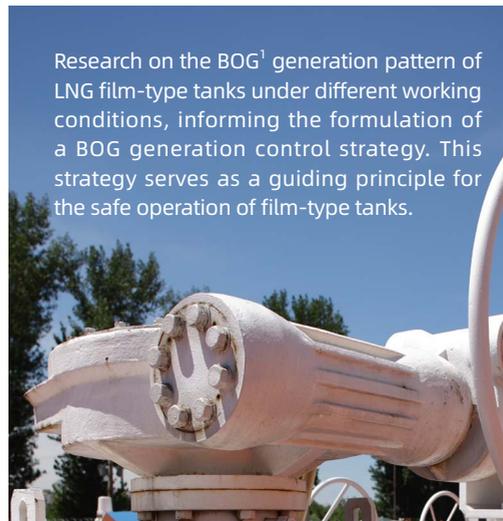
Highlights of  
the year's joint  
projects



Research on the range of abnormal flow thresholds for residential subscribers under different scenarios, proposing key safety monitoring indicators for smart gas meters, useful for the development of abnormal condition monitoring programs.



Research on risk assessment and countermeasures for indoor confined spaces, informing the compilation of *Beijing Gas's Guidelines for Safety Inspection of Indoor Confined Spaces*. This marks the first application of quantitative risk assessment methods to specific indoor locations.



Research on the BOG<sup>1</sup> generation pattern of LNG film-type tanks under different working conditions, informing the formulation of a BOG generation control strategy. This strategy serves as a guiding principle for the safe operation of film-type tanks.

## Innovation results

In 2023, Beijing Gas allocated more than 5% of its total revenue to technological innovation. The company secured 1 international patent, 31 domestic invention patents, and 44 domestic utility model patents. Additionally, it received 1 Beijing Municipal Science and Technology Award during the preliminary evaluation and another Science and Technology Award from a national-level society or association. Moreover, Beijing Gas filed for 124 patents of various types, with 70 of them being invention patents. These efforts have significantly enhanced the company's influence in the industry. Furthermore, the company remains aligned with government science and technology policies, having successfully completed the declaration for a key Beijing municipal project titled *R&D and Application Demo of Small-diameter Gas Pipeline Repair Equipment in the reporting period*.

Furthermore, Beijing Gas actively engages in standardization efforts at the national, industry, and local levels. It has hosted and participated in the development of over 60 standards across various levels within the industry. By the end of 2023, it presided over and participated in the preparation of standards at all levels totaling more than 60 items, and 3 newly released and implemented enterprise standards in 2023. Notably, Beijing Gas advocated for the inclusion of an emission accounting and reporting method within the GHG Protocol. This method encompasses five business components, including transmission and distribution systems, as well as subscriber systems. Additionally, It has proposed raising the sensitivity requirement of leakage detection equipment to the ppb<sup>2</sup> level in the leakage detection standard. By leading these standardization efforts, Beijing Gas aims to guide enterprises in meeting emission reduction targets through standardized emission accounting, as well as encourage the enhancement of accuracy in leakage detection.

Around **60** standards

at all levels have been compiled under the auspices of and with the participation of Beijing Gas accumulatively

**3** enterprise standards

were newly released during 2023

<sup>1</sup> BOG: short for Boil Off Gas, is the gaseous form of natural gas that arises during the process of storing and handling liquid natural gas (LNG).

<sup>2</sup> ppb: part per billion, stands for parts per billion, a unit used to express the concentration of a substance in a liquid, commonly employed to measure small concentrations.

## Water

In accordance with *Outline of Science and Technology Development Planning of BE Water (2021-2025)* and the *Implementation Guidelines for Promoting Scientific and Technological Innovation of BE Water*, BE Water is dedicated to optimizing the top-level design of its R&D system. This involves deeply integrating innovation into its business operations, advancing cutting-edge technologies, and promoting the application of technological outcomes to drive iteration in industrial technologies. In 2023, BE Water introduced the *Innovation Incentive Program for Scientific and Technological Achievement (2023)* to stimulate the growth of innovative technologies.

Additionally, BE Water has standardized the processes governing the application, approval, transfer, translation, management, confidentiality, and reward/punishment associated with IPRs in

accordance with the *Intellectual Property Rights Management System of BE Water* and other relevant regulations. In 2023, BE Water undertook a series of initiatives aimed at bolstering its IPR management, safeguarding core technologies and promoting the application of IPRs. These efforts encompass various measures such as IPR reward schemes, confidentiality protocols, methods for managing technology data files and technology portfolios. To support these efforts, a spectrum of approaches and tools were deployed, including technological research and development, exploration of patents within product lines, consultation on distribution strategies, patent navigation, and new patent search/retrieval. BE Water remains committed to refining its IPR management system and elevating its IPR management standards.

### Technological innovation

BE Water seamlessly integrates scientific and technological advancements into every aspect of its operations, fostering the progressive evolution of industrial technology and expertise. In 2023, it introduced a range of systematic products and solutions tailored to market demands. A total of 28 products across four major categories were launched, catering to four scenarios including incremental growth, stock renewal, distributed systems, and water plant modules. These offerings are designed to provide customers with comprehensive, efficient and sustainable services.

#### Sludge carbonization technology

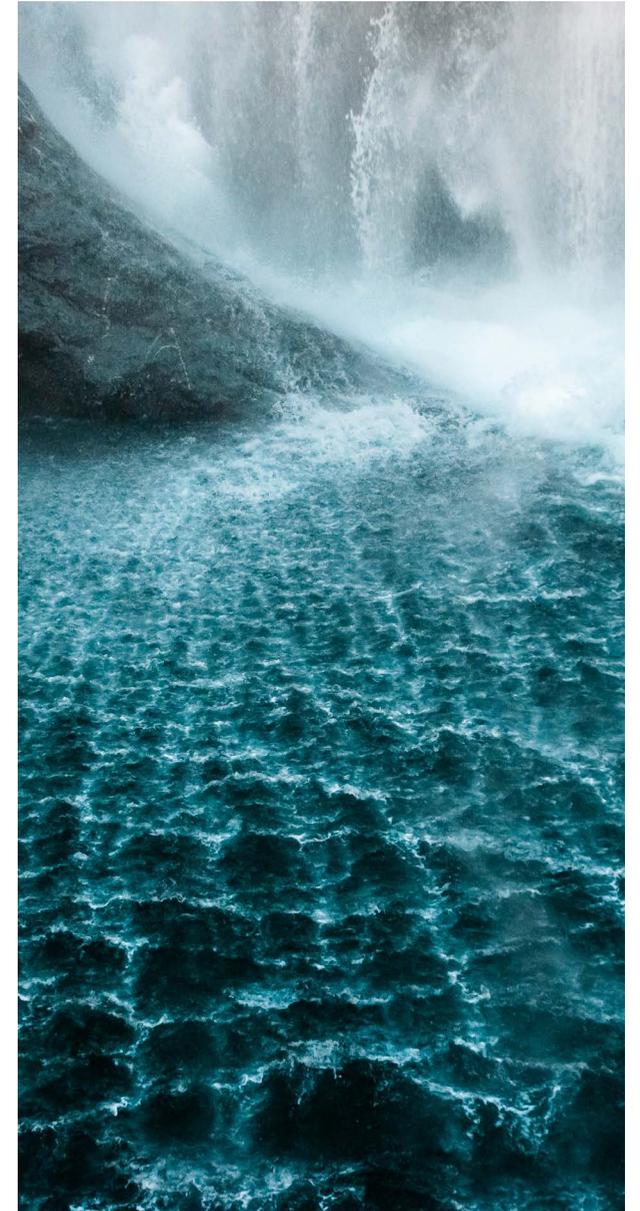
BE Water has unveiled a next-generation technology for sludge thermal hydrolysis and carbonization with its latest product, a piece of skid-mounted sludge drying and carbonizing equipment. Compared with its predecessor, this device offers superior energy efficiency, clean exhausts, low-carbon emissions, and great safety and stability. Moreover, it facilitates soil enrichment and produces useful resources from waste.

#### New wastewater treatment technology - Anaerobic Ammonia Oxidation (ANAMMOX)

BE Water introduces ANAMMOX, a short-flow autotrophic denitrification process. Developed in-house, ANAMMOX substantially slashes aeration energy consumption, conserves organic carbon sources, and minimizes sludge production, thus aiding in the reduction of greenhouse gas emissions, its advantage over traditional methods.

#### Assembled artificial wetland

During the Reporting Period, BE Water introduced the Assembled Artificial Wetland, a system that seamlessly integrates submerged artificial wetlands into an ecological wetland module through standardized and assembled design. This innovative approach effectively reduces the land area used, simplifies construction, and enhances the operational convenience of wetlands.



## Distributed Creativity

Following the core ethos which offers a dual emphasis on independent innovations and their application, BE Water has painstakingly built the enterprise innovation competition platform, "Beidou Award", with the goal of fostering a corporate culture that encourages the involvement and innovation by all employees so as to propel it towards becoming a leading high-tech water company in China. In 2023, the "Beidou Award" Innovation Competition underwent a significant upgrade, which enhanced the efficiency of applying and translating innovations through the introduction of new standards and categories, infusing new vitality into BE Water's innovative development.

### ▶ The 5<sup>th</sup> "Beidou Award" Innovation Competition successfully concluded

In December 2023, the 5<sup>th</sup> "Beidou Award" Innovation Competition, themed "Innovation Drives the Future While Practice Guides Development", came to a successful conclusion at BE Water. Altogether 2,963 projects registered for the competition and 329 stood out as winners. They all contributed to the innovation fruits reaped. This year's competition was divided into three categories: operation innovation, technology innovation, and management innovation. It also featured a new category for independent innovation and a sub-category for innovation application, which highlights the connection between innovation and economic benefits. This emphasis facilitated the translation of existing innovations into effective applications.

2,963

projects registered for the competition

329

stood out as winners



The Final of the "Beidou Award" Innovation Competition at BE Water

Further, BE Water actively cultivates an innovation and entrepreneurship ecosystem. This is achieved by assembling leading experts and investors within the ecology and environmental sector and establishing a resource matching platform for industry, education, and technology markets. This approach seeks to further technological innovation and steer the industry in the right direction.

### ▶ BE Water successfully hosted Dual Venture Competition

In 2023, BE Water successfully hosted the 6<sup>th</sup> China "Internet +" Innovation and Entrepreneurship Competition (the Innovation and Entrepreneurship Competition for short) and the Tech Venture Competition for six consecutive sessions. Altogether 5,319 projects registered for the competition, engaging 29,437 students and 7,905 faculty members from 1,408 universities. The competition facilitated 46 cooperation agreements among the ecosystem, establishing a platform for industry talent exchange and expediting the commercialization of R&D outcomes.



The main venue of The Innovation and Entrepreneurship Competition

## Environment



The Solid Waste Treatment Platform upholds a technology-led approach with a focus on innovation, generates value through low-carbon development, and connects the industry and society as a whole for green and high-quality development.

In 2023, the Solid Waste Treatment Platform, led by the Science and Technology Committee, developed trial management measures, including the *Management Measures for Technological Innovation and R&D (Trial)*, *Management Measures for Intellectual Property Rights (Trial)*, and *Management Measures for Online Technology Forums (Trial)* to propel independent research and development. The platform also initiated industry collaboration to accelerate the translation and application of technological achievements. The Solid Waste Treatment Platform cooperated with various institutions, such as China Research Academy of Environmental Sciences, Tsinghua University, Beijing Forestry University, and Nanjing Normal University, on synergistic enhancement technology for pollution and emission reduction. Additionally, the platform contributed to the development of three group standards: *Technical Guideline on Control of Dioxins in Flue Gas from the Municipal Solid Waste Incineration*, *Guidelines for the Management of Pollution from Waste Gas, Wastewater and Industrial Residues in Small Municipal Solid Waste Incineration Plants*, and *Technical Code for Energy Conservation and Emission Reduction of Small Municipal Solid Waste Incinerator for Power Generation*.

### ► The Solid Waste Treatment Platform conducted PNCR testing and application

To lower the operational cost of waste-to-energy projects and promote the actual application of research outcomes, the Solid Waste Treatment Platform engaged with several providers of the polymer non-catalytic reduction (PNCR) technology. In February 2023, the Haidian Project of the Solid Waste Treatment Platform conducted PNCR tests and compared effects of applying PNCR alone and applying the combination of SNCR (selective non-catalytic reduction) + PNCR. According to the results, the NOx and ammonia emissions in flue gas met the standard in both scenarios but were lower in the scenario of applying PNCR alone. PNCR represents a viable option for the Haidian Project to lower its operational costs and this best practice can be scaled up for application in other projects of the Solid Waste Treatment Platform.



PNCR Testing in Haidian, Beijing

### ► EEW GmbH adopted absorption heat pumps to achieve low-carbon heating

To promote the transition to green energy and improve energy efficiency, EEW GmbH and Stadtwerke Senftenberg signed a regional heating agreement on May 4, 2023. EEW GmbH leverages its technical prowess in thermal treatment of residual waste to provide clean thermal energy to the Senftenberg region, helping it use less fossil fuels and achieve an annual reduction of 19,000 tonnes of carbon dioxide equivalent. In addition, EEW GmbH adopts absorption heat pumps in the project to convert waste air-source heat into electricity. This innovation increases energy utilization efficiency and additionally reduces CO<sub>2</sub> emissions by 1,800 tonnes per year.



The factory of EEW GmbH in Senftenberg

## Beer

Based on internal systems such as the *Project Management System*, the *Management Measures on Project Evaluation and Reward*, the *Management Measures on Rewards for Science and Technology Innovation Achievements*, the *Talent Introduction System*, and the *Science and Technology Staff Training and Further Training System*, Yanjing Brewery has further improved its R&D management structure and properly fulfilled its responsibilities in carrying out innovation-related business management and building an innovation platform.

In 2023, to better meet market expectations, Yanjing Brewery continued its efforts in high-end product development, beer quality upgrading, research on healthy alcoholic drinking, and carbon and plastic reduction in production with 31 research and innovation projects, and secured multiple new

technological achievements. Among them, two projects, namely "Development and Application of Intelligent Beer Preference Evaluation Technology Based on Consumer Neuroscience" and "Research on the Mechanism of Yeast Autolysis and the Establishment and Use of Deep Processing System of Brewing Resources", won the second prize of the Science and Technology Progress Award granted by the China Light Industry Federation and the China Alcoholic Drinks Association respectively; another two projects, namely "Analysis of Yanjing Wheat Beer's Active Ingredients and Evaluation of Their Bioactivity" and "Development and Industrial Demonstration of Green Bio-enzymatic Cleaning Technology Based on Beer Brewing Process", were recognized by the China Alcoholic Drinks Association as world-leading.

In 2023, Yanjing Brewery filed for 20 invention patents and 35 utility models, and were granted 13 patents and 33 utility models. Additionally, Yanjing Brewery helped draft, formulate and publish three national standards and three group standards. The three group standards, namely, "Specification for High-Temperature Short-Time (HTST) Pasteurized Beer and its Production Protocol", "Beer - Wheat Malt" and "Beer - Wheat", drafted under the leadership of Yanjing Brewery together with top industry players, have been enforced officially, thus filling the gaps in those industry standards and significantly facilitating the advancement of energy-saving technologies and the diversification of wheat beer products.



### ► Analysis of Yanjing wheat beer's active ingredients and evaluation of their bioactivity

Yanjing Beer and the China National Research Institute of Food and Fermentation Industries jointly completed the project "Analysis of Yanjing Wheat Beer's Active Ingredients and Evaluation of Their Bioactivity". The project studied the effects of Yanjing wheat beer on cell activity from the three dimensions of cell phenotype, cell autophagy, and cell oxidative stress on human hepatocytes.

For the first time, the project applied the *Apis mellifera* honeybee to investigate the effects of Yanjing wheat beer on intestinal health and established an evaluation system for the effects of beer on intestinal health. It clarified the composition of the main antioxidant phenolic acid substances in wheat beer and preliminarily verified the regulatory effects of non-starch polysaccharides in wheat beer on blood glucose and blood lipids through animal experiments and in vitro experiments. The project outcomes were recognized to be world-leading.



## Customer Experience

BEHL aims to become the best public utility service provider in customer experience. We are committed to providing high-quality services to customers and encourage responsible and sustainable consumption. We will always center our efforts around customer needs and evaluate the brand through the lens of market performance and customer satisfaction, and enhance our value as a responsible brand.

### Gas

To holistically plan for service provision throughout the year, in particular "handling of complaints upon receipt", Beijing Gas formulated the *2023 Beijing Gas Implementation Plan for Handling of Complaints upon Receipt*. It also strengthened management of the service provision process and optimized six key working mechanisms. In 2023, Beijing Gas received a total of 9 complaints, all of which had been properly handled.

In 2023, Beijing Gas conducted a third-party customer satisfaction survey on its service windows. Through methods such as "mystery customers", telephone calls, and on-site surveys, a total of 203 unannounced service center visits or surveys were conducted to evaluate such dimensions as service conscientiousness, service attitude and aptitude of the service center staff, demonstrating a satisfaction rate of 94.9%. Based on the survey results, Beijing Gas made up for its deficiencies by simplifying procedures, improving work efficiency, and enhancing customer satisfaction, thereby helping the service windows do a better job.

Beijing Gas expedited the development of new call system functions for its existing helpline 96777 to serve customers online. In 2023, Beijing Gas further specified what was needed to integrate the online customer service channels and the new call system to enable online acceptance, response, and allocation of customer service requests. After continuously optimizing and testing the system's basic functions, Beijing Gas successfully rolled out its mini-programs on WeChat and the intelligent customer service and manual customer service functions of the Tongzhou call service system on the Beijing Gas App. Training on the new call service system was provided to all staff and training on online customer service was held to selected customer service representatives. As of December 2023, the online customer service segment of the helpline 96777 had received approximately 240,000 user requests, with around 60,000 forwarded for manual handling. The online channel made full use of convenience of sending pictures, videos and links online to handle customer requests more efficiently.

### Beijing Gas optimized services for safe and convenient gas purchase and usage

In 2023, Beijing Gas comprehensively improved user service and ensured the smooth installation of smart gas meters and their safety devices by strengthening management of on-site standardized operation, providing training for construction personnel, keeping a firm grip on material quality inspection and supply, deepening government-enterprise cooperation, and stepping up publicity efforts. Over 1.3 million households had safety devices installed throughout the year, which delivered continuous improvement in gas usage safety and service convenience.



Instructions of the smart IoT gas meters

## Water

BE Water adheres to the operating principle of "customer-oriented, innovation-driven" and seeks to increase customer satisfaction by responding to their needs with timely, efficient and high-quality services.

Under the China Corporate Customer Satisfaction Index (CCSI) model, BE Water has formulated internal management systems such as the *Measures on Customer Satisfaction Management*. During the Reporting Period, BE Water established a robust customer management system by developing tools needed and seeking system upgrading, and developing processes for making marketing moves, all in alignment with real business operations. During the Reporting Period, BE Water conducted a series of customer communication activities, including customer visits to exchange information, high-level visits, and visits to exemplary sites. In addition, BE Water introduced standardized marketing tools like "Excellent Case Promotion of BE Water Joint Activities" and "Scenario-based Marketing" and released exemplary marketing cases, empowering customer service personnel so that they can provide better services.

In 2023, we conducted a satisfaction survey on key personnel from approximately 200 municipal and county-level government customers across the country, which demonstrated a satisfaction rate of 94.2%. Based on the annual customer satisfaction survey results, BE Water compiled the *Customer Satisfaction Survey Report* and carried out targeted measures in response to customer praise and issues identified in the survey. We summarized best practices from customer praise and shared them internally, promptly came up with solutions for the issues spotted, and allocated matching marketing resources to continuously improve customer satisfaction.

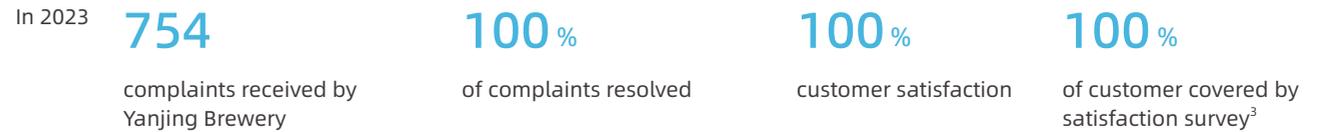
94.2 %  
customer satisfaction



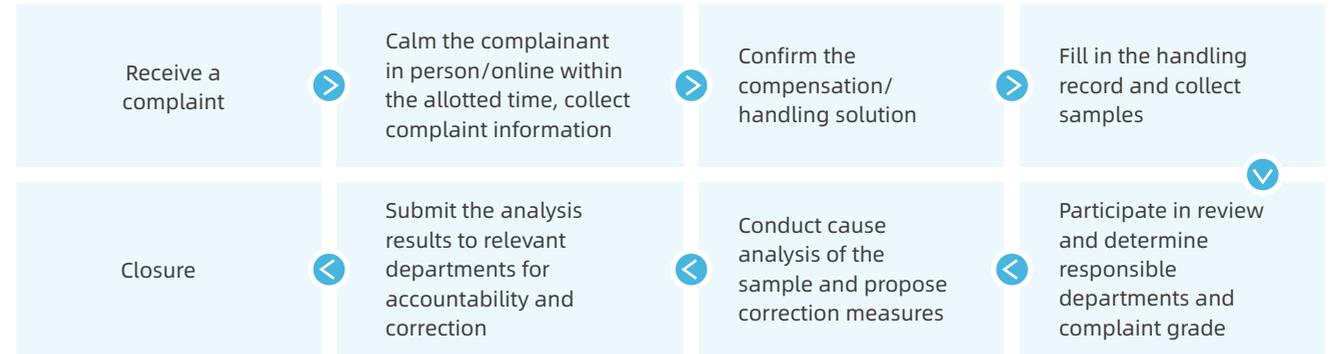
## Beer

Setting sights on relentless improvement in consumer experience, Yanjing Brewery strictly adheres to relevant regulations such as the *Consumer Complaints Law of the People's Republic of China* and the *Quality Law of the People's Republic of China*; in 2023, internal management systems, such as *After-Sales Service Management System* and *Complaint Handling Process*, were revised to include new descriptions of responsibilities that clarify the division of responsibilities in the complaints handling process, as well as the addition on the collection and transmission of complaint information and the legal basis for complaint compensation. Furthermore, a series of documents for e-commerce partners were developed, including the *Personnel Arrangement and Responsibilities for Yanjing E-commerce Handling Complaints upon Receipt*, *Management of Complaint Handling upon Receipt of Yanjing E-commerce Partners*, and *Detailed Evaluation Measures of Complaint Handling upon Receipt for E-commerce Partners*. These measures were implemented to standardize the handling process of consumer complaints and ensure effective resolution.

To improve the customer service experience, Yanjing Brewery has streamlined the complaint process by adopting the unified complaint helpline 400. Consumer requests are initially handled online by professional staff, and if there is a potential product quality issue, the market complaint specialist will promptly check and analyze the situation in person. Upon confirmation of the problem, reasonable compensation will be provided to consumers in accordance with regulatory requirements. Committed to improving consumer satisfaction, Yanjing Brewery mandates a post-complaint satisfaction survey with customers for each complaint and conducts systematic investigations into the production, storage, and transportation to identify the root causes of complaints, followed by rectification measures. This closed-loop management approach in line with PDCA (plan, do, check, act) enables Yanjing Brewery to keep improving product quality and reducing complaints from consumers. In 2023, Yanjing Brewery received three complaints through the helpline 12345, all of which were resolved. Customer satisfaction surveys were completed among all customers, with a 100% satisfaction rate.



### Yanjing Brewery's complaint handling flowchart



<sup>3</sup> Yanjing Brewery Customer Satisfaction Survey covers offline exhibition customers and online complaint phone channels.



## Responsible Supply Chain

Upholding win-win collaboration, BEHL embeds sustainability fully into the supply chain and ensures proper management of quality along the entire chain. It keeps strengthening ESG management along the supply chain and helps suppliers improve their sustainability performance, striving for healthy and sustainable development of both enterprises and the industrial chain.

## Supplier Management

BEHL strictly abides by laws and regulations such as the *Civil Code of the People's Republic of China* and the *Law of the People's Republic of China on Tenders and Bids*. It has formulated the *Supplier Management System*, which requires all business segments to establish open, fair and equitable supplier admission and tender and bid management mechanisms and specifies scope of responsibility for supplier eligibility, daily management, audit and evaluation as well as the removal mechanism to fully guarantee the supply quality and avoid supply risks.

During the supplier identification and admission stage, we conduct document reviews of potential suppliers, covering qualifications, quality control procedures, integrity, environmental protection, and other aspects. After the document review, we will also conduct on-site verification of suppliers to validate the authenticity of the information mentioned in the paper documents. Furthermore, we verify the effectiveness of the process records of enterprises' product quality control points, trace the actual control of non-conforming products, check the effectiveness of hazard

identification in the workplace, carry out on-site assessments of employees' operation procedures, and take other measures to ensure that the overall performance of suppliers meets the relevant requirements of BEHL.

BEHL implements a tiered management system of its suppliers and conducts regular performance evaluations, which assess suppliers based on indicators such as supply stability, product quality, after-sales service assurance, safe operations, and environmental qualifications and accordingly determine their scores. For suppliers who fail to meet the requirements, we will urge them to make improvements and reassess them after rectification. As for key suppliers and suppliers with high sustainability risks, the Company conducts annual sustainability risk assessments, which include assessments of business ethics, labor protection, and environmental friendliness. Suppliers whose scores are below the threshold are defined as high-sustainability-risk suppliers and will be transferred to the pool of phased-out suppliers barred from BEHL procurement activities.

In 2023, BEHL's various business segments actively engaged in supplier communication and management to reduce risks in the supply chain related to product quality, stable supply, and contract performance.

### Beijing Gas

Using third-party software to monitor the actual operating conditions and potential major risks of relevant enterprises, Beijing Gas filled the gap in its supply chain management.



### Solid Waste Treatment Platform

The service quality of suppliers is evaluated during the contract execution process, and a supplier performance evaluation is conducted in the fourth quarter. In cases of quality or service-related issues, the person in charge of procurement will promptly communicate with the supplier, propose rectification suggestions based on relevant contract terms, and provide necessary support to the supplier.



In 2023, BE Water upgraded its supply chain digital management capabilities: it built an online supply service platform, initially integrated its business and financial operations, and promoted the standardization of procurement activities, thereby improving supply chain management efficiency. Upholding the “green first” principle, BE Water conducted low-carbon procurement and achieved the procurement target of “reducing the overall energy consumption of the pump and valve system by 5%” set in 2022. BE Water reviewed the ESG-related terms for all new suppliers and required all suppliers to sign the *Letter of Commitment to Integrity*.

### BE Water

Yanjing Brewery optimized the Supplier Qualification Management Procedures and Supplier Qualification Matrix and Qualification Tracking and Prewarning Table for key material categories to strengthen differentiated qualification management for suppliers of different production materials. We take a balanced approach in line with the risk severity level, regularly inspecting the validity of supplier qualifications, issuing timely prewarnings to ensure qualification validity, comprehensively enhancing supplier qualification management, and reducing procurement risks. Furthermore, we conduct comprehensive on-site effective audits and evaluations of suppliers at all key quality control points during production and processing, implementing supplier quality control process earlier.



The pass rate of suppliers participating in audits and evaluations in 2023

**76%**

### Yanjing Brewery

At the end of the Reporting Period

**6,161**

suppliers in total

**3,773**

located in China mainland

**2,388**

located in Hong Kong, Macao and Taiwan and overseas

**411**

tier 1 suppliers

Amount of suppliers obtaining relevant certifications<sup>4</sup>

**961**

ISO 9001-certified

**676**

ISO 14001-certified

**599**

ISO45001/OHSAS18001-certified

<sup>4</sup> EEW GmbH is not included in the certification data.

## Sustainable Supply Chain

To promote the healthy and sustainable development of the supply chain, BEHL incorporates ESG factors into supplier evaluations and cooperation processes to achieve ESG risk management across all stages of the supply chain. We position the ESG Committee as the highest decision-making body for coordinating the management of sustainable supply chain. We have publicly released the *Management Policy of Sustainable Supply Chain*, which requires each business segment to propose ESG management initiatives and requirements for suppliers based on their respective situations, specify supplier classification, admission and exit mechanisms, and identify and assess supplier sustainability risks.

BEHL comprehensively evaluates suppliers' performance on such dimensions as product quality, workplace safety, business ethics, environmental protection, and labor employment, with the aim of ensuring their compliance with standards. Our materials management takes into account various factors such as countries of production and product characteristics to effectively prevent and avoid such supply chain risks as non-compliance with national or regional regulatory requirements, unsustainable supply chain structure, excessive energy consumption and emissions, material toxicity, and potential pollution, so as to guarantee the stability and safety of the supply chain. Additionally, BEHL communicates with and trains supplier partners on ESG management through annual supplier audits, striving to improve their ESG performance and promote sustainable development together.

In 2023, BEHL's relevant bidders signed integrity agreements

100%



### Sustainable Supply Chain Management Requirements of BEHL

Product quality	Workplace safety	Business ethics	Environmental protection	Labor employment
<ul style="list-style-type: none"> <li>Establish an effective quality management system</li> <li>Obtain third-party certification such as ISO 9001 or certifications with equivalent recognition</li> <li>Examine product quality and issue relevant reports</li> <li>Establish quality objectives and carry out quality improvement activities</li> </ul>	<ul style="list-style-type: none"> <li>Meet national housing construction safety and fire safety laws and regulations</li> <li>Establish a workplace safety organization, such as a workplace safety committee</li> <li>Ensure the production, storage, and transportation of flammable, explosive and other hazardous goods meet requirements</li> <li>Comply with information security requirements</li> <li>Obtain health and safety management system certifications, such as ISO 45001</li> </ul>	<ul style="list-style-type: none"> <li>Sign the <i>Integrity Agreement</i></li> <li>Establish an internal anti-corruption compliance management system</li> <li>Implement strict compliance management, and prohibit employees from all forms of corruption, unfair competition, fraud, bribery, or other corrupt criminal acts</li> </ul>	<ul style="list-style-type: none"> <li>Obtain environmental management system certifications, such as ISO 14001</li> <li>Evaluate the environmental impact of production processes and products</li> <li>Promote energy-saving and emission-reducing production methods</li> <li>Use recyclable, green and environmentally friendly materials as much as possible</li> <li>Prioritize procurement of recyclable, low-pollution, low-emission green materials</li> </ul>	<ul style="list-style-type: none"> <li>Legal employment, with no child labor or forced labor</li> <li>Equal employment, with no discrimination or harassment against vulnerable groups</li> </ul>

# 03

## Eco-friendly Stronger Measures Advance Eco-civilization

BEHL upholds the tenet of putting ecological protection first and pursuing green development and accordingly propels subsidiaries across all business segments to improve their environmental management capabilities. It also continuously strengthens resource management, promotes the green and low-carbon transformation of the energy industry, and unwaveringly develops environmentally friendly industries, safeguarding ecological red lines and contributing to the advancement of ecological civilization in China.

### Policies relevant to this chapter

*Management Policy of Biodiversity Protection  
Policy of Climate Change Response  
Policy of Health, Safety and Environment*



# Response to Climate Change

Given the widespread impact of climate change on all aspects of corporate production and operation, actions to mitigate climate change are urgently needed. BEHL supports global climate initiatives and, in accordance with the International Sustainability Standards Board (ISSB) *IFRS S2 Climate-related Disclosures* framework and recommendations, discloses information regarding its climate change governance system, response strategies, risk management, metrics and targets, among others.

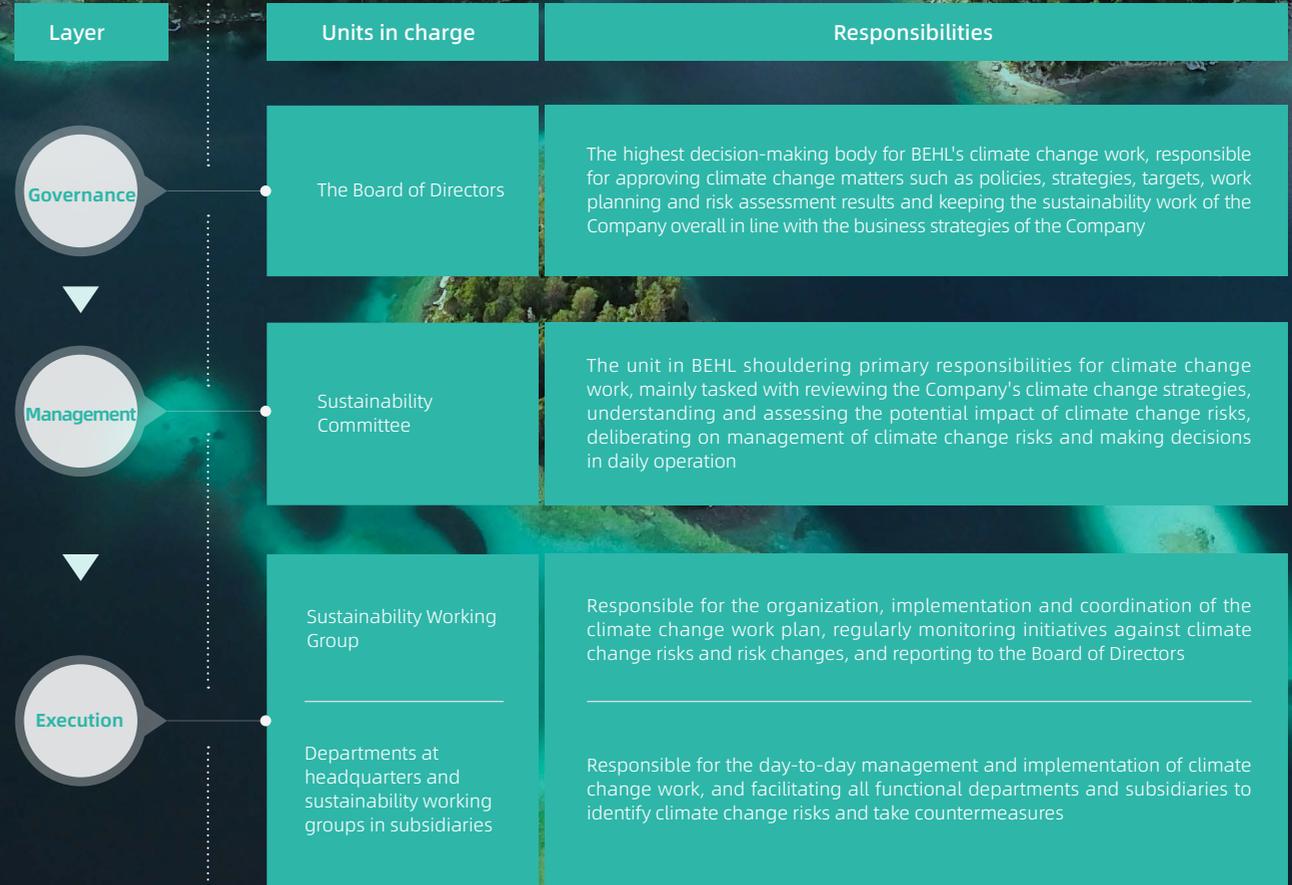
## Governance

BEHL views climate change risks as an important concern. On the basis of its sustainable development system, BEHL has established a climate change governance system that involves the Board of Directors. The system has three layers for strategy planning, organization and coordination, and execution respectively, to decide on and implement climate change-related matters of BEHL.



The Company has formulated *Policy of Climate Change Response*, making its pledges on the three dimensions of climate mitigation, adaptation and adaptive capacity building. The headquarters and all subsidiaries of BEHL are required to comply with the policy requirements in their concerted efforts to facilitate implementation of climate response work.

Climate Change Risk Governance System of BEHL



## Strategies

BEHL has formulated a comprehensive climate mitigation strategy to actively respond to the national "dual-carbon" strategy and promote the company's sustainable development. At the same time, the company's business segments combine cutting-edge technology research and insights into development trends to implement climate mitigation strategies through strategic investments and business development, and realise green and low-carbon transformation.

### Proactive strides

BEHL proactively aligns itself with the national climate mitigation strategy and planning, serves China's 14<sup>th</sup> Five-Year Plan, and contributes to China's green energy transition;

### Forward-looking planning

BEHL keeps up with new trends and focuses on strategic emerging industries, relentlessly pursuing green, high-quality and sustainable development;

### Win-win collaboration

BEHL actively engages in R&D innovation and industry exchanges, and contributes its own wisdom to promote coordinated carbon reduction efforts along the entire industrial chain across multiple industries;

### Low-carbon operations

BEHL implements concrete and effective energy conservation, emission reduction, and pollution prevention measures to reduce the environmental impact of its operations and support the industry's zero-carbon endeavors.

### ► Beijing Gas ventured into hydrogen energy

Beijing Gas has formulated development plans and strategies for venturing into hydrogen energy industry. It will start with vehicle applications and leverage the hydrogen-enriched natural gas pipeline network as the carrier. Beijing Gas is vigorously planning to proceed with demonstrative applications and technological development across the entire industry chain, which includes hydrogen production, refueling, transportation, utilization, and storage. Through the hydrogen-enriched pipelines, Beijing Gas, under the "N+1+X" hydrogen production model, is constructing a hydrogen supply system for Beijing, supporting its low-carbon transition while ensuring energy security and contributing to the vision of a hydrogen-powered society that gives all households access to hydrogen energy. In terms of biogas utilization, Beijing Gas has signed a cooperation framework agreement with the Beijing Environment Sanitation Engineering Group for carrying out demonstrative application of biogas purification and injection into natural gas pipelines at the Asuwei Circular Economy Park and other industrial parks under the sanitation engineering group.

### ► BE Water promoted R&D and application of prefabricated water plant building

BE Water places great emphasis on the carbon reduction potential of prefabricated buildings and is accelerating research on prefabricated water plant building. In 2023, the "Research and Application of Key Technologies for Prefabricated Water Plants (Buildings and Structures)" project was evaluated and recognized as "internationally advanced" for its technological achievements. The research outcome has been progressively implemented in various project sites. Based on third-party accounting, carbon emissions during on-site construction of prefabricated water plants have decreased by 16.58% year on year, which counts as a major progress in low-carbon development.

### ► BE Water carried out specialized research on clean energy applications

In 2023, BE Water conducted specialized research on the full-lifecycle accounting of photovoltaics and the temperature changes along the sewage heat source pump. This initiative has effectively contributed to the technological progress in clean energy applications, laying a strong technological foundation for BE Water's future efforts to seize clean technology opportunities.

### ► The Changde Project of the Solid Waste Treatment Platform traded emission allowance

The Changde Project of the Solid Waste Treatment Platform proactively engages in carbon market trading with its unused emission allowances. In 2023, the Changde project traded 27,289 tonnes of carbon dioxide emission allowances, with trading prices ranging from RMB 72 to 77 per tonne, averaging RMB 74 per tonne, and with total trading value exceeding RMB 2 million. As of the end of 2023, the remaining unused emission allowances of the Changde Project were 18,881 tonnes, which are all expected to be traded by the end of 2024.

### ► Solid Waste Treatment Platform partnered with the China Beijing Green Exchange

In 2023, the Solid Waste Treatment Platform of BEHL entered a cooperation framework agreement with the China Beijing Green Exchange. The partnership will see China Beijing Green Exchange provide expertise in green and low-carbon practices for the Solid Waste Treatment Platform operations, empower the Company in expanding green asset trading, and contribute to the advancement of the green economy.

About This Report

Chairman's Message

About Us

Sustainable Development  
Management

Responsible  
Compliant  
Operations Underlie  
Robust Development

Trustworthy  
Excellent Quality Builds  
Greater Trust

► **Eco-friendly**  
Stronger Measures  
Advance Eco-civilization

United  
Concerted Efforts for  
a Better Life

ESG Key Performance Data

HKEX  
ESG Reporting Guide Index

## Risks and Opportunities

BEHL attaches great importance to the management of climate risks. We have incorporated climate change risks into the overall risk management system of BEHL. By identifying, assessing, and managing climate change risks throughout the entire process, we become better-positioned to resist climate change risks and ensure sustainable and stable operations. The Sustainability Committee of BEHL makes decisions and offers guidance on climate risk management in a top-down approach and requires each business segment to tailor climate risk management measures to their own business characteristics. As of the end of the Reporting Period, all business segments have initiated the development of their climate risk management system.

### Gas



Beijing Gas has put in place a comprehensive climate risk management system, set out the methodology for assessing climate risks and opportunities, and formulated measures to address climate risks and opportunities. In addition, Beijing Gas has come up with indicators to manage climate risks and opportunities. Key indicators include urban sales volume of natural gas, LNG sales volume, hydrogen production scale, thermal energy source development scale, renewable energy power generation scale, greenhouse gas emissions, and fulfillment costs of carbon trading. For more details, please refer to the *Beijing Enterprises Holdings Limited 2023 Climate Action Progress Report*.

### Environment



The Solid Waste Treatment Platform has formulated the *Comprehensive Response Plan for Emergencies* for acute physical risks. It has laid out comprehensive and detailed planning from such angles as overarching principles and organizational structure, responsibilities of responding entities, early warning and response, actual handling, and emergency support.

### Water



BE Water has integrated climate risk management responsibilities into its existing corporate risk management framework and put in place risk control procedures such as risk identification, assessment, and response implementation. In line with the PDCA cycle (plan, do, check, act), it has established an efficient, systematic, and well-organized mechanism for climate change risk assessment and management, setting in motion closed-loop management covering risk identification, assessment, response, inspection, and update.

### Beer



Yanjing Brewery continues to improve its climate risk management system and improve its capabilities in identifying, assessing and responding to climate risks and opportunities. It has revised its corporate risk management system, which further improves the working mechanism and process of climate risk management. Yanjing Brewery has identified and assessed a series of climate risks that heavily impact the beer business, such as extreme weather events, natural disasters, resource and energy consumption, the carbon neutrality and carbon peaking initiatives, and carbon emissions. To effectively guard against those risks, it has formulated and implemented a series of practical and effective measures, such as energy conservation and emission reduction, and green factory construction.

Climate Risk Management Process of BEHL

► Identification

BEHL, based on national policies and regulations, the Listing Rules and its current operation, organizes all departments and subsidiaries to carry out regular identification of climate change risks.

During the process of making assessments and identifying material issues, we communicate with stakeholders on climate change issues to understand the degree to which each stakeholder is concerned about different climate change risks.

► Assessment

We holistically determine the impact of an identified climate risk on BEHL by considering both the likelihood of the risk and the severity of its impact, and form a final climate change risk list.

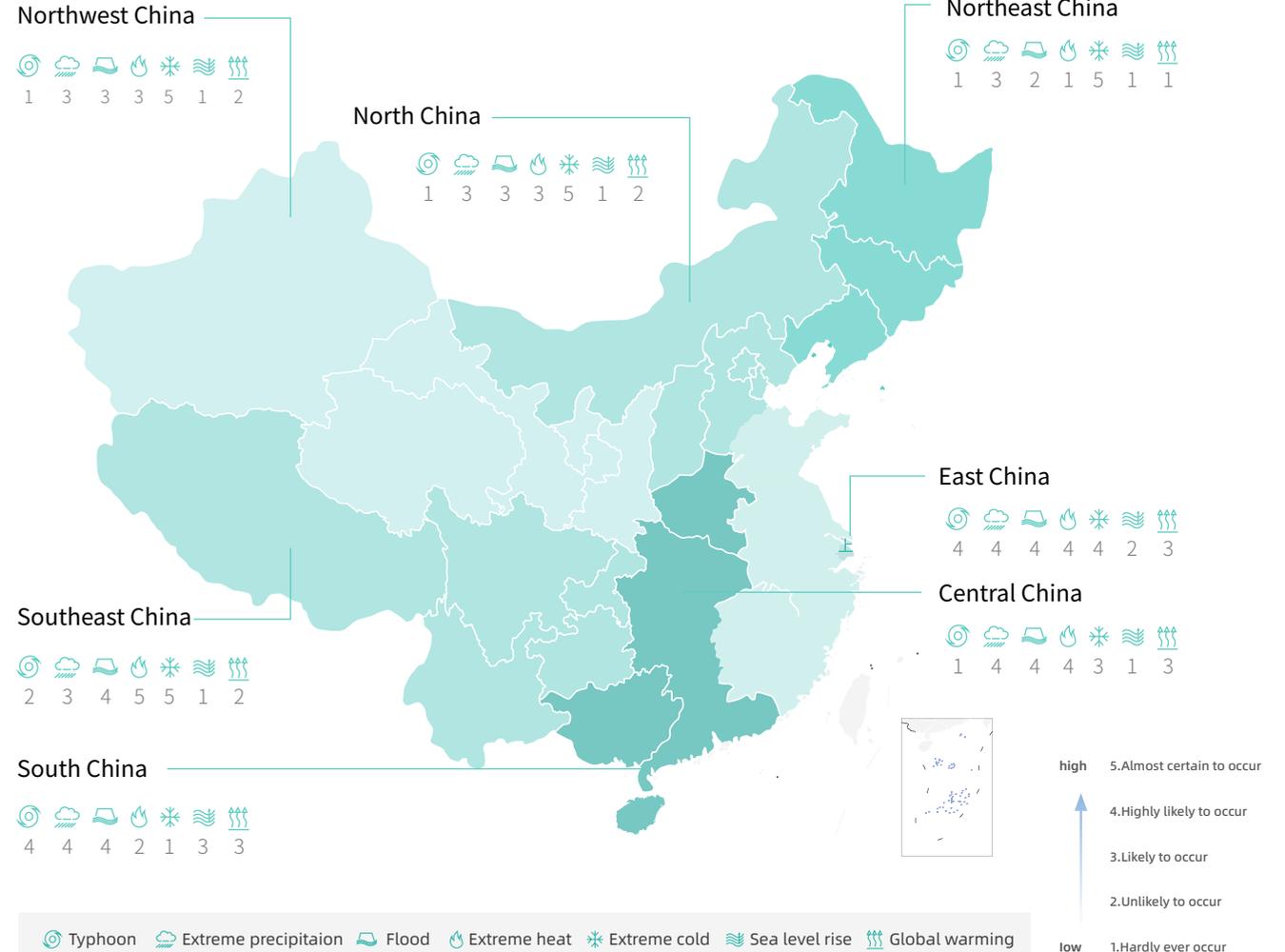
The climate change risk list is approved by the Board of Directors of the Company and serves as the main basis for BEHL's climate change work.

► Management

Based on the climate change risk list, BEHL formulates action plans and defence mechanisms against risk changes, and regularly carries out monitoring, analysis, pre-warning and reporting for the actions.

Based on the natural ecology, socioeconomic circumstances and other facets of the macro environment of its operation, BEHL has identified and analysed the two types of potential risks posed by climate change, namely physical risks and transition risks, and developed countermeasures and strategies based on its own conditions for the identified risks to improve its resilience. In addition, we identified the degree of impact of seven kinds of physical risks and drew a map of BEHL's business presence on which the physical risks for each business region and their relevance are marked.

Relevance of Each Physical Risk for Each BEHL Business Region



The subsidiaries under BEHL have conducted their own analysis of climate risks that factors in their respective business experience and characteristics. Among them, Beijing Gas, as a pilot for climate change work, has carried out scenario analysis. By applying various analytical methods such as physical climate models, it has identified three major physical climate risks: extreme heat, extreme cold, and extreme precipitation. For more details, please refer to the [Beijing Enterprises Holdings Limited 2023 Climate Action Progress Report](#).

**Climate Change Risks Identified and Response Strategies of BEHL**

Risk category		Risks	Response Strategies		
Physical risks	Acute risks	Extreme precipitation/flood	<ul style="list-style-type: none"> <li>▶ The cost of repairing or replacing damaged or destroyed equipment</li> <li>▶ Safety risks to customers, employees and the public</li> </ul>	<ul style="list-style-type: none"> <li>• To strictly implement the shutdown and evacuation system in extreme weather and the system of assigning staff on duty in the flood season</li> <li>• To make emergency plans for extreme precipitation</li> </ul>	
		Extreme heat	<ul style="list-style-type: none"> <li>▶ Greater safety risks for workers working outdoors</li> <li>▶ Higher maintenance cost of gas supply equipment and higher operating cost of ventilation equipment in stations</li> </ul>	<ul style="list-style-type: none"> <li>• To skip high-temperature periods when making work schedule</li> <li>• To carry out equipment safety patrol and inspection</li> <li>• To make an emergency plan for heat stroke</li> </ul>	
		Extreme cold	<ul style="list-style-type: none"> <li>▶ Fluctuation of natural gas demand affects its supply stability</li> <li>▶ Greater damage and loss of gas supply pipeline facilities and greater safety risks of workers working outdoors</li> </ul>	<ul style="list-style-type: none"> <li>• To strictly implement various safety precautions against snow and icy roads and take emergency measures in time</li> <li>• To carry out daily equipment safety patrol and inspection</li> </ul>	
		Typhoon	<ul style="list-style-type: none"> <li>▶ Greater cost of building design and building materials to cope with strong winds</li> <li>▶ Damage and loss of equipment and greater safety risks to customers, employees and the public</li> </ul>	<ul style="list-style-type: none"> <li>• To continue to improve the typhoon emergency plan</li> <li>• To actively cooperate with meteorological departments and pay attention to typhoon progress in real time</li> </ul>	
		Sea level rise	<ul style="list-style-type: none"> <li>▶ The migration of investment and commercial activities to inland regions, and the impact on the existing market</li> <li>▶ The need to consider the impact of sea level rise for site selection and design of new projects</li> </ul>	<ul style="list-style-type: none"> <li>• To regularly monitor the sea level rise over the long term, study the product transportation and export routes to reduce the impact caused by the interruption of logistics routes</li> </ul>	
	Chronic risks	Global warming	<ul style="list-style-type: none"> <li>▶ Global warming may reduce the gas consumption of customers and increase the maintenance cost of gas supply facilities</li> </ul>	<ul style="list-style-type: none"> <li>• To include climate risk factors into future project construction and equipment procurement considerations</li> </ul>	
		Transition risks	Energy mix risk	<ul style="list-style-type: none"> <li>▶ The energy policies issued by China and the EU may impact the energy mix of BEHL and increase its operational costs and compliance risks</li> </ul>	<ul style="list-style-type: none"> <li>• To formulate carbon-neutrality planning and path, and publicly publish policies related to low-carbon management</li> <li>• To use more renewable energy</li> </ul>
		Policy risks	Environmental disclosure compliance risk	<ul style="list-style-type: none"> <li>▶ The international or local regulatory authorities, and capital market rating guidelines, among others, all pay more attention to corporate efforts to cope with climate change or their carbon emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>• To disclose environmental information according to compliance requirements</li> <li>• To conduct assessment of climate change risks and opportunities</li> </ul>
		Technology risk	Low-carbon equipment transformation and improvement cost risk	<ul style="list-style-type: none"> <li>▶ The promotion of carbon emission reduction targets will require low-carbon upgrading and transformation of production equipment, which will lead to an increase in R&amp;D cost and investment cost</li> </ul>	<ul style="list-style-type: none"> <li>• To actively follow the latest progress of low-carbon technology</li> <li>• To strengthen the R&amp;D or introduction of energy-saving and emission-reducing equipment</li> </ul>
		Legal risk	Pollutant emission compliance risk	<ul style="list-style-type: none"> <li>▶ The increasingly strict environmental regulation and emission standards will add to the compliance cost of enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• To constantly follow the legal content related to climate change and adjust the operation plan</li> </ul>
Market risks	Demand and supply risk of natural gas	<ul style="list-style-type: none"> <li>▶ Natural gas business may embrace market opportunities, which will lead to gas supply fluctuations and equipment upgrading</li> </ul>	<ul style="list-style-type: none"> <li>• To carry out short-, medium- and long-term forecast of natural gas business, and make relevant moves and preparations in advance</li> </ul>		
Reputation risk	Cost risk of solid waste treatment	<ul style="list-style-type: none"> <li>▶ With the increasing demand for solid waste treatment and ecological restoration in China, the solid waste business, water business and other business operations will be influenced</li> </ul>	<ul style="list-style-type: none"> <li>• To improve the ecological environment protection in related business operations</li> </ul>		
Reputation risk	Risk of stakeholder communication	<ul style="list-style-type: none"> <li>▶ The Company's performance in environmental protection and carbon emission reduction may not meet the expectations of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• To strengthen communication with stakeholders and adjust environmental protection and carbon emission reduction measures</li> </ul>		

Driven by the carbon peaking and carbon neutrality initiatives and the corresponding supportive policies, the energy mix and market demand are undergoing drastic changes. BEHL is taking proactive actions to adapt to climate change and seize new growth opportunities. We have made painstaking efforts to identify climate-related opportunities for different business segments to harness. They include the opportunities for improving resource utilization efficiency, utilizing new energy, developing new products and services, exploring new market opportunities, and enhancing adaptability of the industrial chain.

#### Climate Change Opportunities Identification of BEHL

Opportunities	Related business segments	Description	
<b>Resource efficiency</b>	Production process energy efficiency opportunity	All	By improving resource and energy efficiency in production, distribution, buildings, equipment and transportation, we can reduce operating costs.
<b>Sources of energy</b>	Natural gas supply opportunity	Gas	As the most important product of the gas segment under BEHL, natural gas is the cleanest fossil fuel and has created environmental benefits in improving air quality and reducing greenhouse gas emissions.
	Opportunity for the transition to renewable energy	Gas	In terms of energy use, the transition to renewable energy is an important opportunity for BEHL. The development and utilization of clean energies will enable BEHL to reduce carbon emissions and increase operating revenue from new energy businesses.
<b>Products/services</b>	Product carbon footprint opportunity	Beer	Creating and developing new beer products with low carbon footprint will allow Yanjing Brewery to better adapt to the needs of customers and the market.
	Participation in the carbon trading market	Environment	The waste incineration projects of the environmental business segment can help reduce domestic waste and achieve its stabilization treatment. They emit less methane than the landfill treatment. In addition, the thermal energy generated during the incineration process is converted into electricity, which delivers the benefits of carbon emission reduction;  With the issuance of policies such as the Notice on Making a Full Coverage of Renewable Energy Green Electricity Certificate to Promote Renewable Energy Consumption (Fa Gai Neng Yuan [2023] No. 1044), waste-to-energy power generation projects in the environmental segment can apply for the renewable energy green electricity certificate (Green Electricity Certificate) in accordance with the requirements for biomass power generation projects on the National Renewable Energy Power Generation Project Information Management Platform and participate in market trading to obtain additional revenue.
<b>Market</b>	New business opportunities	All	Actively seeking new markets or new assets will help us diversify our business activities and make them more competitive amid the transition to low-carbon economy.  With the release of documents such as <i>Catalogue of Green Bond Endorsed Projects (2021 Edition)</i> and the gradual improvement of the green financing system, energy conservation, environmental protection and clean production-related industries will receive more financial support. We may, with the aid of green financing tools such as green bonds, improve the resilience of our capital chain .
<b>Adaptability</b>	Adaptability opportunity	All	By improving efficiency and developing new products, we can provide more products and services with lower carbon footprint to downstream enterprises to satisfy and adapt to their needs, thereby better managing climate change-related risks and seizing opportunities.

## Indicators and Targets

BEHL adheres to the concept of sustainable development. Based on the Company's development strategy, historical environmental data and other information, the Company commits to achieve carbon peaking by 2030 and continues to promote the development of scientific climate change management indicators and targets for each business segment under this goal, and actively assumes the important responsibility for the low-carbon development and transformation of the public utility industry, so as to cope with the even more severe climate challenges in the future.

<p><b>BEHL</b></p> <p>By 2030</p> <p><b>achieve carbon peaking</b></p>	<p><b>Water</b> </p> <p>The water segment is facilitating the formulation of greenhouse gas emission reduction targets scientifically based on actual emissions.</p>	<p><b>Environment</b> </p> <p>EEW GmbH has set its greenhouse gas emission reduction target, which is carbon neutrality by 2030.</p>
<p><b>Gas</b> </p> <p>By 2025, the methane emission intensity will be kept below <b>0.12 %</b></p> <p>By 2030, the methane emission intensity will decrease to <b>near zero</b></p>	<p><b>Beer</b> </p> <p>Yanjing Brewery's 2023 annual carbon emission intensity target was: 159kg of carbon dioxide equivalent per 1,000 liters of beer With actual value being <b>147.8 kg</b> of carbon dioxide equivalent per 1,000 liters of beer</p> <p> <b>Target Achieved</b></p>	

BEHL keeps close track of its own emission levels and regularly discloses greenhouse gas emission data in its annual sustainability reports. At the same time, we will continue to reduce emissions of carbon dioxide, methane and other greenhouse gases, striving to lower our carbon footprint. In 2023, Beijing Gas, as the pilot for BEHL, carried out carbon accounting for Scope 1 and Scope 2 emissions, laying the foundation for a holistic management of BEHL's carbon emissions based on more accurate data monitoring. In the future, we will continue to press forward with carbon footprint verification along BEHL's value chain, and formulate comprehensive plans for each business segment, including the formulation of short, medium and long-term management indicators and targets for each. This way, climate change response is incorporated into the overall strategy of the Group.

**Total Greenhouse Gas Emissions of Each Business Segment of BEHL in 2023 (tonnes of carbon dioxide equivalent)<sup>5</sup>**

	Scope 1	Scope 2	Total
Gas	253,470.9	156,935.3	410,406.2
Water	13,250.0	1,187,314.0	1,200,564.0
Environment	105,945.7	22,99740	128,943.10
Beer	334,963.0	337,297.0	672,260.0

<sup>5</sup>Note: Scope 1 greenhouse gas emissions are converted from gasoline, diesel, natural gas, liquefied petroleum gas, raw coal, and residual oil. Scope 2 greenhouse gas emissions are converted from purchased electricity, purchased heat and purchased industrial steam. The accounting methods and coefficients are based on the greenhouse gas emission accounting methods and reporting guidelines for 24 industries issued by the National Development and Reform Commission; the basis for Beijing Gas and the Solid Waste Treatment Platform specifically is the *Guidelines on Greenhouse Gas Emissions Accounting and Reporting for Enterprises in Other Industries (Trial)* and that for Yanjing Brewery specifically is the *Guidelines on Greenhouse Gas Emissions Accounting and Reporting for Food, Tobacco and Alcohol, Beverages and Refined Tea Enterprises (Trial)*. Purchased electricity is converted based on the national grid emission factors specified in the *Notice on Properly Carrying out Key Tasks Related to Management of Enterprise Greenhouse Gas Emissions Reporting in 2022* issued by the Ministry of Ecology and Environment of China. Please note that the water segment are not included in the consolidated statistics of BEHL.

## Resources and Energy Utilization

BEHL keeps optimizing its operating models and pushes for conservation and more efficient utilization of energy and resources to vigorously pursue green and environmentally friendly development.

### Resource Utilization

BEHL places great emphasis on resource conservation and has adopted a performance-oriented resource management model to regulate the consumption of water and production consumables. This approach aims to enhance resource conservation, recovery, and recycling efforts, ultimately improving resource utilization efficiency by refining resource management practices.

### Water resource utilization

Committed to water resource conservation, BEHL follows the *Action Plan for Prevention and Control of Water Pollution* issued by the State Council by bolstering our pool of water resource management policies. Regular maintenance of water supply facilities and utility equipment is mandated across all business segments to mitigate water loss from equipment leakage. Furthermore, we advocate for the adoption of rainwater harvesting and reclaimed water technologies to alleviate water shortage in water-scarce regions. To mitigate water resource risks, BE Water has established the *Water Resources Management Measures of BE Water Group*. A range of water-saving initiatives have been introduced to improve water resource utilization rate. Within our Beer subsidiaries, active promotion of water-saving projects is underway. Through widespread application of water resource recycling processes, treated wastewater is reintroduced into production, resulting in zero wastewater discharge and reduced reliance on externally sourced water.

### ► The Solid Waste Treatment Platform drives water conservation through innovative water-saving modules and technology

In 2023, the Xixian Project of the Solid Waste Treatment Platform tested mist-eliminating and water-saving modules on four mechanical cooling towers. These modules effectively reduced the white mist from the cooling towers, while conserving water during operation. The implementation achieved an average water vapor recovery rate of 20%, resulting in annual water savings of 160,000 tonnes and cost savings of 800,000 yuan (calculation based on 210 days of annual operation and an industrial water rate of 5 yuan/tonne).

In another groundbreaking initiative within the Haidian Project under the Solid Waste Treatment Platform, the implementation of air-cooling technology has resulted in a significant reduction in water consumption, totaling 3,000 cubic meters per day. This achievement has set the Haidian Project apart from other waste incineration projects in China.

**160,000** tonnes of annual water savings

**800,000** yuan of annual cost savings

**3,000** cubic meters

of daily water saving, compared with other domestic waste incineration projects

### ► Yanjing Brewery No.1 Company's reclaimed water project

At Yanjing Brewery No.1 Company, reclaimed water is sourced from three main channels: brewing (including canteen and tea oven), packaging, and heating. The Reclaimed Water Reuse Project operates as a closed-loop system, beginning with condensate collection in a closed water tank. From there, the water is transferred to a recycling tank via a water pump and subjected to rigorous testing before being integrated into the boiler feed water system. This process achieves a remarkable 100% water recycling rate, perfectly aligning with the company's strategy of "pollution prevention and treatment for comprehensive utilization".

As of December 31, 2023

**37,539.1** cubic meters

of pure water conserved in the project

**168,925.95** yuan

of total cost savings

## Resource conservation

Dedicated to reducing resource consumption in production and operation, BEHL has adopted diverse initiatives to refine resource management and elevate utilization efficiency. By continuously optimizing production processes, we have diminished material consumption during manufacturing without compromising product and service quality. Additionally, we have improved the management of packaging materials, committed to reducing packaging losses at the source to minimize environmental, energy, and resource impacts.

### ► The Solid Waste Treatment Platform achieved nitrogen control through spraying leachate into the incinerator

In previous project such as Gaantun, Tai'an and Harbin, effective nitrogen control and reduced production costs were achieved by the injection of raw leachate into the incinerator. In 2023, leveraging experience exchange and practical application promotion, the Xixian, Haidian, Shuyang, and Beihai projects underwent incinerator technology upgrades through leachate spraying, yielding significant results. Notably, the Tai'an project witnessed a 50% year-on-year reduction in urea and power consumption for leachate treatment facilities, showcasing a remarkable cost-saving effect.



Projects of Solid Waste Treatment Platform



### ► Packaging material optimization at Yanjing Brewery

In 2023, Yanjing Brewery undertook a host of initiatives to steadfastly improve package management efficiency.

- **Build a bottle recycling network**

In collaboration with its value chain partners, Yanjing Brewery has established a network that recycles bottles used for filling to bolster the bottle return rate and ensure effective bottle recycling within the market. By emphasizing environmental protection and cost consciousness, Yanjing Brewery achieved a year-on-year increase of 1.5% in the annual bottle return rate, resulting a reduction of 91.4 million bottles consumed.

- **Promote environmentally-friendly packaging**

Yanjing Brewery is committed to expanding the adoption of environmentally friendly packaging materials, such as biodegradable materials and recyclable packaging, to reduce general waste generation. In 2023, Yanjing Brewery used 2,473,663 tonnes of recyclable packaging materials.

In 2023

↑ **1.5** %

of year-on-year increase in  
annual bottle return rate

**2,473,663** tonnes

of recyclable packaging  
materials used

## Energy Utilization

BEHL prioritizes energy conservation and strictly complies with the *Energy Conservation Law of the People's Republic of China* and other pertinent regulations. Each business segment is required to develop management systems for energy conservation and establish a comprehensive energy management structure. Additionally, all business segments are required to set energy management targets that fit their specific circumstances, ensuring systematic and methodical implementation of energy conservation.

### Gas

Beijing Gas has established the *Energy Management System* and *Energy Conservation and Environmental Protection Work System*, which prioritize the utilization of clean energy across production, daily operations, and construction activities. Additionally, the systems strongly promote the adoption of energy-efficient and low-pollution processes.

### Water

Internal management systems such as the *Management Measures for Low-carbon Operation of Operational Projects* have been put in place, alongside increasing investments in technological upgrades, and multiple measures laid out to promote energy conservation and carbon reduction.

The *Management Measures for the Evaluation of Engineering Products of BE Water (Trial)* has been established, outlining requirements for energy and material consumption during the construction phase. This guidance aims to optimize process design and equipment selection in line with low-carbon operation standards during the operational phase.

Energy consumption control targets have been defined for this year based on the previous year's energy consumption, with monthly tracking throughout the operational process. Expert meetings have been convened to analyze abnormal energy consumption data and rectify issues to enhance energy use efficiency.

### Environment

Each project company has established a dedicated energy conservation leadership group, prioritizing energy conservation as a central agenda item.

### Beer

The energy-saving performance management mechanism has been implemented to advance the energy-saving target responsibility system. Energy fluid metrics, including purchased electricity and steam consumption, have been integrated into performance assessments at all organizational levels.

**In 2023, beer producers met all annual energy consumption targets**

Purchased electricity target:  
79.55 kWh/KL; actual electricity  
consumption decreased by

**7.2** %

Steam target: 417.3 kg/KL;  
actual steam consumption  
decreased by

**13.0** %

▶ **BE Water & Yanjing Brewery are committed to the adoption of green power**

In 2023, BE Water's overseas subsidiaries actively embraced power generation from solar PV. For instance, the Portuguese subsidiary installed solar PV panels at its water plants, which have generated approximately 1,507 MWh of electricity annually at the end of the Reporting Period, thereby reducing carbon emissions by around 716 tonnes. Similarly, the Singapore subsidiary adopted the same approach, commencing electricity supply in March 2023. This initiative is anticipated to generate 2,208 MWh annually, leading to a reduction in carbon emissions by 1,049 tonnes, thus efficiently contributing to low-carbon development.

**2,208** MWh

of electricity generated annually

**1,049** tonnes

of carbon emissions reduced annually



PV project of BE Water's Portuguese subsidiary

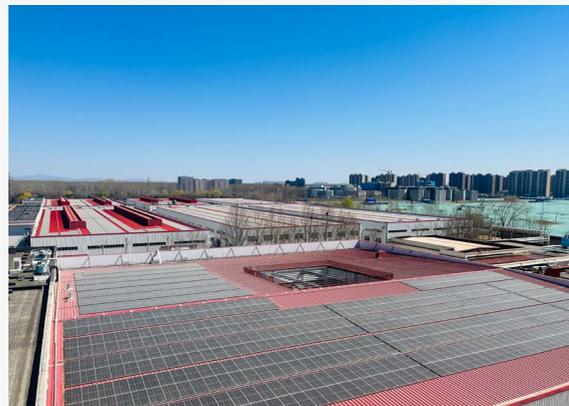
In 2023, Yanjing Brewery implemented distributed PV power generation projects totaling 7.6 MW on the rooftops of its plants through the Energy Management Contracting (EMC) solution. These projects spanned across seven locations in Beijing. Throughout the year, Yanjing Brewery used 8,800 MWh of green power, reducing carbon emissions by 5,300 tonnes.

**8,800** MWh

of green power used in 2023

**5,300** tonnes

of carbon emissions reduced in 2023



Solar PV panels installed by Yanjing Brewery

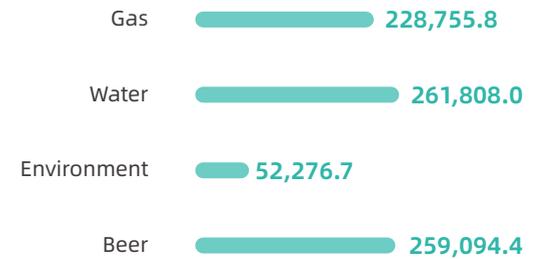
▶ **The Solid Waste Treatment Platform upgraded energy-saving technologies**

In 2023, projects under the Solid Waste Treatment Platform actively pursued energy-saving technical reforms:

- In the Changde Project, air-saving measures were implemented, including adjusting the cooling method of flame cameras, enhancing gas-fluid consumption in the ash silo, and modifying the mains frequency and variable frequency of air compressors. These initiatives have reduced the daily power consumption of air compressors by approximately 4,000 kWh and cut down average daily power consumption rate by about 1%.
- Likewise, the Beihai project achieved energy savings of about 3,000 kWh per day by fine-tuning the operating mode and loading/unloading parameters of air compressors, both mains and variable frequency. This adjustment proved to be an effective measure in conserving energy.



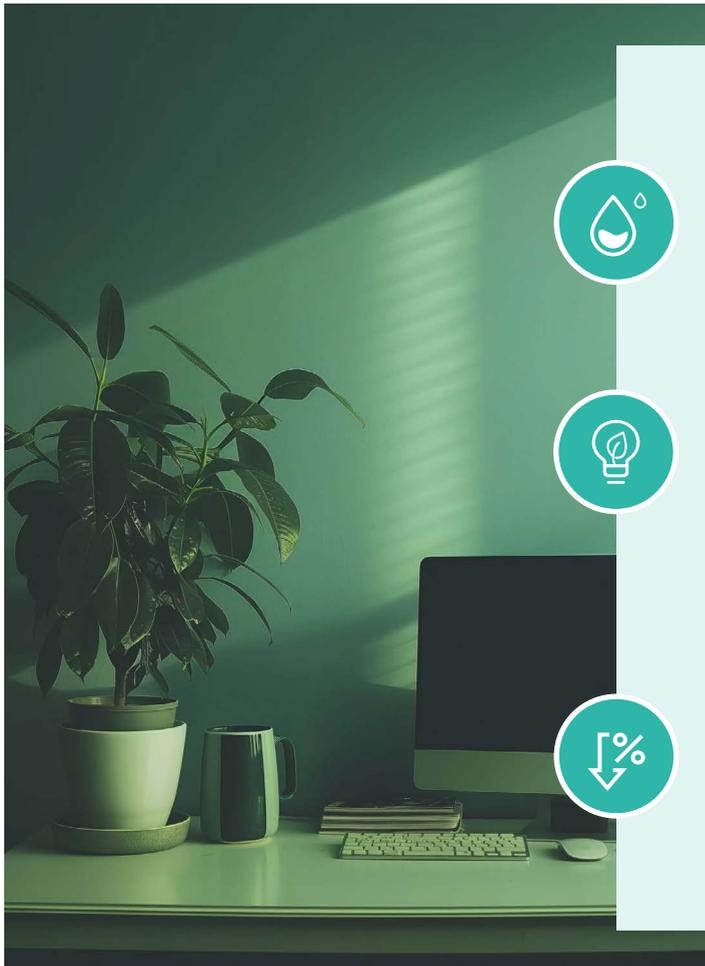
Comprehensive Energy Consumption of BEHL Business Segments in 2023 (tonnes of standard coal equivalent)<sup>6</sup>



<sup>6</sup>The comprehensive energy consumption was calculated according to the *General Principles for Calculation of the Comprehensive Energy Consumption (GB/T2589 2020)*.

## Green Office

BEHL views green office as an important means for it to achieve sustainable development. To advocate for green office, it formulated internal rules such as the *Regulations for the Management of Company Vehicles and Drivers (Trial)*, the *Management Measures for Video Conference Systems*, and the *Regulations for the Management of Local Area Networks and Office Automation Systems*, and promote green office with specific practices in daily work such as saving water and electricity and reducing resource consumption, thereby increasing the low-carbon awareness.



### Green Office Measures of BEHL

#### Water conservation

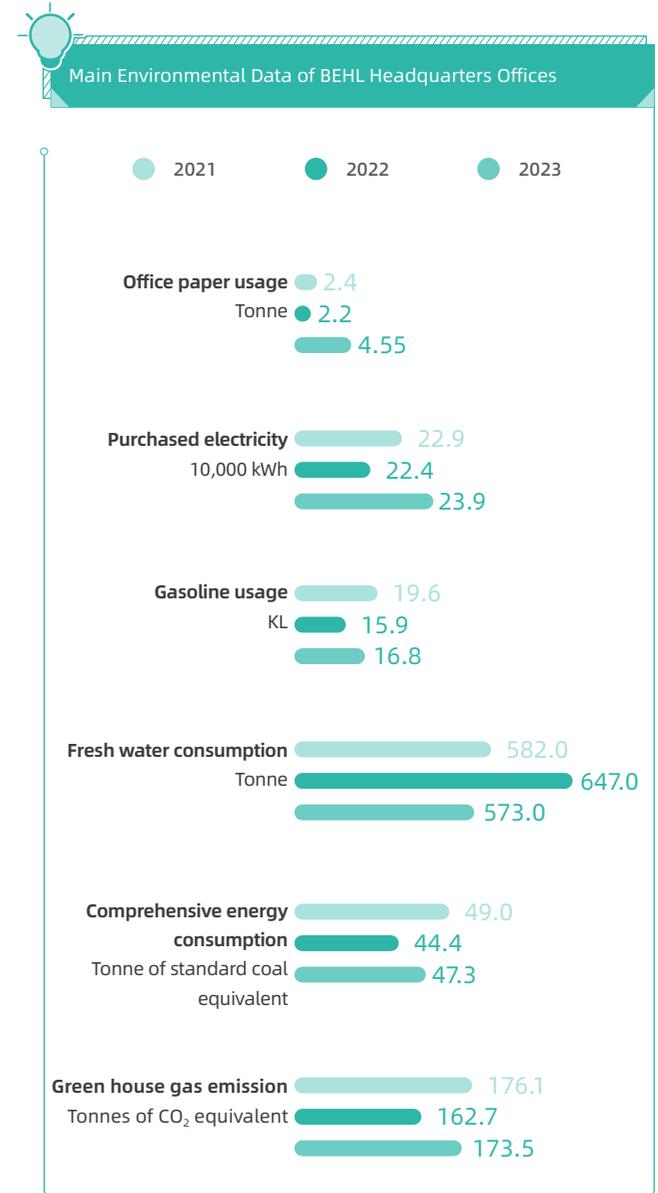
- Strengthening the regular maintenance of water-using equipment, posting water-saving signs, and advocating for multi-purpose use of water

#### Electricity conservation

- Strengthening the management of electrical equipment to avoid unduly long standby
- Replacing existing bulbs with energy-saving ones and using more energy-efficient office equipment
- Using acousto-optic switches in production and office areas to avoid electricity waste
- Controlling air conditioning time and setting the temperature range for air, and conditioning the usage in winter and summer respectively

#### Consumption reduction

- Implementing paperless processes in offices
- Collective procurement of office supplies in uniform specifications to reduce replacement and maintenance loss
- Unified management of company vehicles, reduction of unnecessary trips
- Encouraging the use of public transportation services to reduce personal vehicle use
- Gradual switch to new energy vehicles



## Emissions Management

BEHL has enhanced its environmental conditions and reinforced its environmental advantages by fortifying environmental and emission/effluents management, thereby fostering mutually beneficial development for both the organization and the environment.

## Environmental Management

BEHL rigorously adheres to the *Environmental Protection Law of the People's Republic of China* and other relevant legislation, aligning with the three environmental principles outlined by the United Nations Global Compact (UNGC). These principles entail supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of eco-friendly technologies. Each business segment within BEHL is mandated to devise an environmental management system tailored to its specific operational context, ensuring the effective enforcement of various environmental management initiatives. By 2023, the proportion of ISO 14001 environmental management system certifications at BEHL had reached [].

BEHL's environmental management objective

No environmental penalties in each business segment for the year



Fulfilled in 2023

### Gas

- Environmental management work has been carried out according to the *Energy Conservation and Environmental Protection Work System* to improve the overall management of energy conservation and environmental protection, and reduce unnecessary energy consumption and pollutants.

### Water

- Internal environmental management systems were developed, such as *Environmental Index Evaluation System* and *Procedures for Environmental Factor Identification, Evaluation and Control*;
- Environmental management goals of "energy conservation, consumption reduction, pollution reduction, and efficiency improvement" were established; feasibility assessments and environmental impact assessment are conducted concurrently for new projects, and environmental risks are under strict control throughout the project lifecycle.

### Environment

- A series of documents were formulated, such as the *Guiding Management Measures for Production and Operations of Projects*, the *Guiding Management Measures for Proper Production of Waste Incineration Power Generation Projects*, and the *Compilation of Management System Documents for Safety, Health and Environment*. They assign specific environmental responsibilities to individuals and keep a firm grip on environmental risks.

### Beer

- *Beijing Yanjing Brewery Co., Ltd. Special Response Plan for Environmental Emergencies* and *Beijing Yanjing Brewery Co., Ltd. On-site Response Plan for Environmental Emergencies* were rolled out;
- An environmental protection and energy conservation department was set up to guide and supervise each production department for clean production;
- A centralized management platform and a joint inspection mechanism for exhaust gas and wastewater were established to improve the joint prevention and control system for environmental protection.

BEHL routinely evaluates environmental factors by conducting regular audits and surveys across its business segments. All the subsidiaries are mandated to identify and address major environmental hazards, with rectification actions formulated as necessary.

### ► BEHL performed environmental audits on subsidiaries of BE Water and BE Environment

On March 20, 2023, BEHL conducted an environmental compliance audit and investigation on three project companies under BE Water and BE Environment. The audit team rigorously inspected environmental permit management, daily account management, exhaust gas, wastewater, and waste residue generation, as well as treatment and transportation management, uncovering 64 potential safety and environmental hazards. By the end of 2023, all the rectification work had been completed by the three project companies, effectively mitigating environmental compliance risks.

## Waste Management

BEHL complies with the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. We prioritize source management and strictly comply with emission/effluent regulations to minimize wastes and pollutants generated during our production and operations. Additionally, we actively promote resource recycling to minimize adverse impacts on the environment while upholding quality and safety standards.

### Gas

- Methane emission management has been strengthened by replacing manual cutting/ re-routing with mechanical blocking, ensuring uninterrupted transmission and a substantial reduction of fugitive methane emissions during operations. Leak Detection and Repair (LDAR)<sup>7</sup> measures have been laid out in pilot gas plants and stations to mitigate methane fugitive emissions from equipment component sealing points.
- The compressor fugitive gas recycling renovation is carried out. After the renovation, 12,592.5 cubic meters of methane is expected to be recovered per compressor per year on average.

- Efforts have been initiated to promote the reduction, harmless treatment, and resource utilization of sludge. Measures have been expedited to reduce the scale of sludge landfilling and to implement innovative technologies such as sludge carbonization and strong oxidation, transforming sludge into a valuable resource and thereby minimizing its environmental impact.

### Water

### Environment

- All affiliated projects are mandated to strictly comply with environmental impact assessment report, national, and local policies and standards, ensuring thorough monitoring of pollutants such as waste gas, wastewater, fly ash, and slag. It is imperative that environmental impact factors be handled as per requirements to prevent environmental disturbances at operation sites;
- Third-party companies are entrusted with the transportation and utilization of general industrial solid waste as construction materials, ensuring 100% recycling. Hazardous waste such as fly ash is recommended to be transported to cement plants for co-disposal and recycled as raw materials for cement production.

- The beer entities strictly enforce environmental management requirements outlined in the company's Excellent Management System, enhancing environmental protection measures, particularly in wastewater and waste treatment. They aim to reduce pollutant emissions including nitrogen oxides, total phosphorus emissions from wastewater, chemical oxygen demand, and ammonia and nitrogen emissions by 12.8%;
- Waste management policies are defined, which specified standards and procedures for waste classification, recycling, and disposal;
- A digital tracking system has been built to monitor waste logistics, overseeing waste generation and disposal processes;
- An indicator plan has been introduced to measure "by-product profit per tonne of wine", aiming to promote the recovery and utilization of recyclable by-products while minimizing general waste generation.

### Beer

<sup>7</sup> LDAR, an abbreviation for Leak Detection and Repair, is an internationally recognized technology for controlling fugitive volatile organic compounds.



► **Beijing Gas Pressure Regulating Station launched noise reduction overhaul**

To mitigate and prevent environmental noise pollution originating from its natural gas regulating stations, Beijing Gas has adopted approaches such as pipeline wrapping and structural noise reduction, ensuring noise levels at each station comply with the standards stipulated in GB12348-2008, titled *Environmental Noise Emission Standards for Industrial Enterprises at Plant Boundaries*. As of the end of 2023, Beijing Gas had successfully completed noise reduction and renovation efforts at four sites.



The station after noise reduction

► **The Solid Waste Treatment Platform achieves "zero" wastewater discharge by installing leachate treatment facility**



The leachate treatment facility

To facilitate the full recycling of wastewater, the Beijing Haidian Project of the Solid Waste Treatment Platform has installed leachate treatment facilities that ensure efficient and thorough waste treatment. Additionally, biogas generated from the waste is reintegrated to the boiler, effectively converting waste into a valuable resource.

## Ecological and Environmental Protection



BEHL is deeply appreciative of the importance of biodiversity conservation and feels a strong sense of responsibility towards it. We strictly comply with the *Wildlife Protection Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Nature Reserves* and other laws and regulations pertaining to biodiversity in the areas where we operate. We actively practice the concept of ecological civilization and abide by the ecological conservation redlines.

BEHL has established a sound ecological management system. We have formulated the *Biodiversity Conservation Management Policy of Beijing Enterprises Holdings Limited*, and it serves as an important basis for our internal policies to comprehensively coordinate our biodiversity conservation efforts. Additionally, BE Water has formulated the *Water Source Management Policy of BE Water* and the *Biodiversity Conservation Management Measures of BE Water* to continuously promote biodiversity conservation and enhance ecological protection.

### BEHL's ecological protection pledges:



- Give priority to biodiversity conservation in corporate development and take active measures for effective protection of important ecosystems, biological species and genetic resources to avoid harm and disturbance to the ecosystem.



- Ensure that every project will generate good ecological benefits, integrate biodiversity conservation into the design, construction, operation and maintenance of projects across all business segments, conduct regular biodiversity assessments and information disclosure, and subject ourselves to the scrutiny of multiple parties.



- Refrain from operations/exploration/exploitation/drilling in World Heritage sites and Category I-IV protected areas identified by IUCN (International Union for Conservation of Nature).



- Protect the natural environment such as forests, lakes and grasslands during the construction and operations of the Company, and avoid disrupting or damaging biodiversity and natural habitats.



- Prioritize the use of renewable natural resources and raw materials, minimize the production of polluting emissions or discharge, and reduce damage to the surrounding environment.



- Respect the traditions of ethnic minorities and try our best to avoid or minimize the impact on local communities during the construction or operation of projects.



- Actively engage in cooperation and research on biodiversity conservation with international conventions or organizations, industry associations, universities or research institutions and partners to improve the Company's environmental management capabilities and promote further improvement of biodiversity in China.



- Enhance the awareness of biodiversity and conservation matters among employees, customers, suppliers, and those who do business with the Company, and conduct regular trainings in this regard.



- Avoid deforestation of natural forests and severe deforestation during project construction or business operations and maintain the diversity and integrity of forest ecosystems.

## Ecological Risk Mitigation

BEHL places great importance on guarding against ecological risks. From planning all the way to operation, we proactively take action for ecological and environmental protection. We avoid constructing projects and placing facilities near nature reserves, World Natural Heritage sites, ecological protection redlines, and other ecologically sensitive areas. To secure more ecological and social benefits, BEHL adopts measures of ecological and environmental protection in the three stages of projects in areas where we operate.

### BEHL Ecological Protection Measures

#### 01 Pre-project



- Thorough identification of environmental factors
- Scientific and reasonable site selection
- Eviction of wild animals inhabiting the project construction area in advance

#### 02 Mid-project



- Developing operation and maintenance plans of environmental protection facilities
- Regularly carrying out inspection of environmental hazards
- Conducting targeted education for employees on environmental protection and animal protection to raise their awareness of ecological protection

#### 03 Post-project



- Carrying out ecological restoration and compensation work; adopting appropriate ecological restoration techniques and methods based on the ecological characteristics and needs of the project site to restore and improve the structure and functions of the affected ecosystems and increase the stability of the ecosystem

Before project construction, BEHL commissions third-party professional institutions to analyze the potential ecological and environmental risks and impacts of its businesses and produce environmental impact assessment reports containing biodiversity risk analyses.

In 2023, Beijing Gas conducted biodiversity importance assessments for its Tianjin Nangang LNG Emergency Reserve Project, assessing two project sites with a total area of 732.43 hectares. The project sites do not include areas adjacent to national biodiversity priority conservation areas. In addition, Beijing Gas formulated biodiversity management and conservation plans for two project sites with a total area of 724.24 hectares.



► **Beijing Gas' ecological protection of the Beidagang Wetland Nature Reserve**

The outbound pipeline of Beijing Gas' Tianjin Nangang project passes through the Beidagang Wetland Nature Reserve. In light of this, Beijing Gas has strictly implemented biodiversity protection policies and adopted multiple measures to reduce the impact on the environment:



..... **Bird-friendly measures** .....

The Beidagang Wetland Nature Reserve is a crucial stopover on the East Asian-Australasian Flyway, one of the world's important migratory bird routes, and is listed as a key bird protection area in China. During the construction process, Beijing Gas implemented various bird-friendly measures. To ease the stimulation caused by the color of workers' clothing, Beijing Gas earnestly communicated with the construction unit and had it change workers' uniforms from sensitive colors to blue, thereby avoiding frightening the birds. In addition, the project construction schedule deliberately skipped months when bird migration could be impacted. During construction, camouflage-colored fences were extensively used, significantly reducing the probability of bird injuries.



..... **Targeted trainings** .....

During the construction stage, Beijing Gas conducted a series of targeted environmental protection trainings and implemented protection publicity boards to raise awareness among construction workers and nearby personnel. Furthermore, within the wetland area, Beijing Gas posted QR codes for environmental complaints at key stopovers, placed ignition source collection boxes at the entrances, and distributed environmental protection-themed bookmarks, among others. Through these interactive management measures, Beijing Gas engaged construction workers and visitors in wetland environmental protection management.



..... **Active cooperation in biodiversity surveys** .....

During and after construction, Beijing Gas actively cooperated with the College of Life Sciences at Tianjin Normal University in conducting biodiversity surveys in the Beidagang Wetland Nature Reserve. The survey concluded that the pipeline construction did not affect the quantity or diversity of species, which speaks volumes about the effectiveness of the ecological protection measures taken by Beijing Gas.

## Ecological and Environmental Restoration

Ecological and environmental restoration is crucial to ensure ecological safety and better protect ecosystems. Deeply appreciative of the significant importance of ecological restoration, BEHL vigorously answers the country's calls for environmental protection and undertakes various types of ecological restoration projects. In ecological restoration projects, we practice the principle of "Biodiversity Net Gain". Natural recovery, artificial restoration, and ecological reconstruction, among other concrete measures, have been deployed to improve the quality of ecosystems and contribute to the advancement of ecological civilization in China.

### ► The Solid Waste Treatment Platform undertook the exemplary ecological restoration project of the Beijing Winter Olympics

In 2023, the Solid Waste Treatment Platform completed the exemplary ecological restoration project of the Beijing Winter Olympics. It adopted a series of innovative measures tailored to local conditions to ensure a fast start, high efficiency, and good quality of ecological restoration, which brought into full play the exemplary and leading role of ecological restoration in the core competition venues of the Winter Olympics. For instance, for the ecological restoration of the alpine pistes and the adjacent sloped areas at the National Alpine Skiing Center, the Solid Waste Treatment Platform adopted a method of removing and re-laying topsoil, effectively restoring the original alpine meadow plant communities suitable for the local environment while achieving effective ecological restoration, restoring a total of 3,500 square meters of subalpine meadows.

### ► The Solid Waste Treatment Platform undertook ecological restoration of the Urban Green Heart Forest Park

In 2023, the ecology-focused company under the Solid Waste Treatment Platform completed the ecological restoration project for the Urban Green Heart Forest Park, with a total greening area of approximately 7.39 square kilometers. For vegetation restoration, the company adopted vegetation selection and domestication techniques, increasing the survival rate of vegetation to 90%. Additionally, the company implemented comprehensive measures such as biological control and ecological gardening maintenance to reduce the pollution of pesticides and chemical fertilizers on surrounding soil, air, and water bodies, while gradually increasing the diversity of plants and animals within the park.

According to biodiversity surveys, the park currently has 2 species of rabbits, 15 species of birds, 50 colonies of hedgehogs, 5 species of butterflies, 5 species of fish, wild ducks in 8 colonies, and 8 species of bees. The project has received the Municipal Gold Award from the Beijing Landscaping and Greening Enterprise Association and the National "Science and Technology Innovation Award" from the Chinese Society of Landscape Architecture. These awards speak volumes about the outstanding work of the project team in ecological restoration and biodiversity conservation.

### ► BE Water undertook the comprehensive treatment project of Xinfeng River in Daxing District, Beijing

In 2023, BE Water constructed two artificial wetlands in the Xinfeng River basin in Daxing District, Beijing, to purify the water of the trunk stream and major tributaries. The Annan Wetland created a landscape featuring plants and waters, which blends ecological functions of the wetland and elements of a cultural landscape and the wetland landscape, effectively preserving the biodiversity of the river basin. In 2023, the Xinfeng River Basin Comprehensive Treatment Project in Daxing District was included in "Beijing Samples of Urban Renewal".



The Xinfeng River Basin Comprehensive Treatment Project

# 04

## United Concerted Efforts for a Better Life

At BÉHL, talents are valuable assets. Guided by the "people-centered" management philosophy, BEHL cares about employees' health and wellbeing and sets up an equal, inclusive, and broad platform for them to grow and prosper. We take the initiative to engage in community and public interest activities and encourage proactive and long-term participation in them. In this way, we contribute to social development with concrete actions.

### Policies relevant to this chapter

*Management Policy of Workers' Rights and Interests*  
*Policy of Health, Safety and Environment*



## Employee Rights Protection

BEHL has been committed to compliant and equal employment in a standardized and rule-based manner. We attach great significance to acquiring and retaining talents by offering competitive salaries, rights, and interests, making sure that each employee has access to equal opportunities, and staying devoted to creating an office culture where employees get along and feel respected. This lays a solid foundation for sustainable business growth.

### Equal Employment

BEHL has intensified supervision over the hiring process, making sure that the recruitment, promotion, and dismissal practices are in line with its philosophy of equality and non-discrimination. We strictly abide by the laws and regulations including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* and formulated rules such as the *Employment Management Methods for Staff at the Headquarters of Beijing Enterprises Holdings Limited* and the *Labor Contract Management Methods for Staff at the Headquarters of Beijing Enterprises Holdings Limited*. We stand firmly against employment discrimination of all kinds, offer inclusive and fair working opportunities for employees regardless of their gender, nationality, age, ethnicity, sexual orientation, disability, marital status, religion, or political stance, and safeguard the legitimate rights and interests of all employees.

BEHL values the creativity and distinctive viewpoints of employees from various backgrounds, advocating a diverse and harmonious working environment. With our business segments in Chinese cities such as Beijing and Hong Kong, and foreign countries such as Germany, we have devised an index for employee diversity based on positions and demands during the hiring process. We hire people from different countries and regions, support their cross-cultural communications and exchanges, and create a diversified, equal, and friendly working environment.

<sup>8</sup> STEM refers to science, technology, engineering, and mathematics.

<sup>9</sup> The data scope here does not include EEW GmbH.

We adhere to the *Convention on the Elimination of All Forms of Discrimination Against Women*, the *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and the *Special Rules on the Labor Protection of Female Employees* and other relevant laws, regulations and conventions. We pay close attention to the protection of female employees' rights and interests. By painstakingly narrowing the gender gap in remunerations, performances, and other management systems, we ensure that employees, regardless of their genders, get paid based on their position, abilities, and performances. In this way, we promote equal pay for equal work.

By December 31, 2023

24.32 %

of employees in revenue-generating positions were female

22.66 %

of employees in management positions were female

30.52 %

of employees in STEM<sup>8</sup>-related positions were female

0.70 %

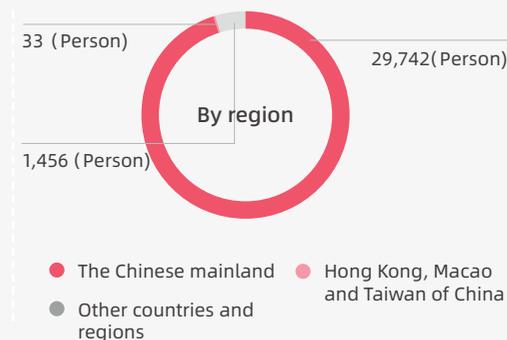
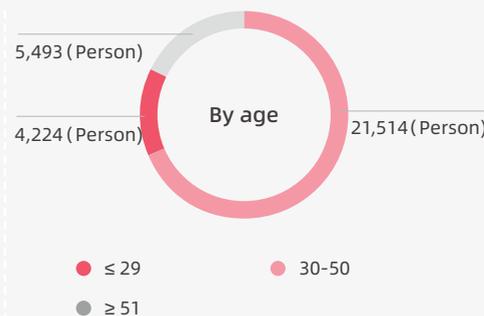
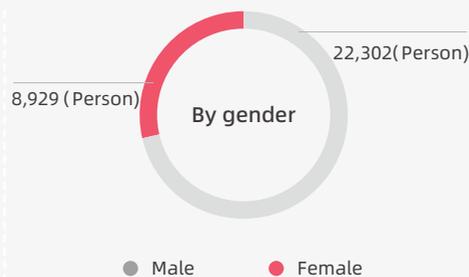
mean gender pay gap<sup>9</sup>



Employees at BEHL in 2023<sup>10</sup>

**31,231** employees

have signed labour contracts with BEHL



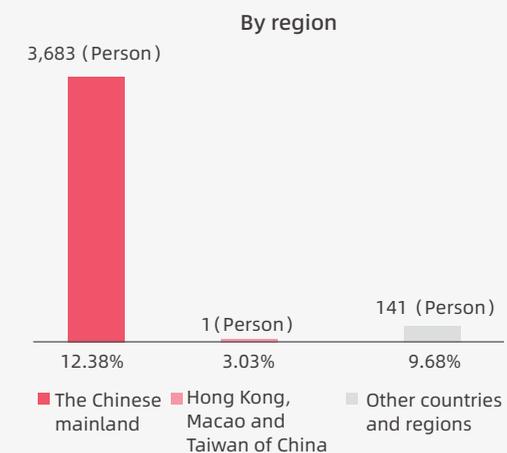
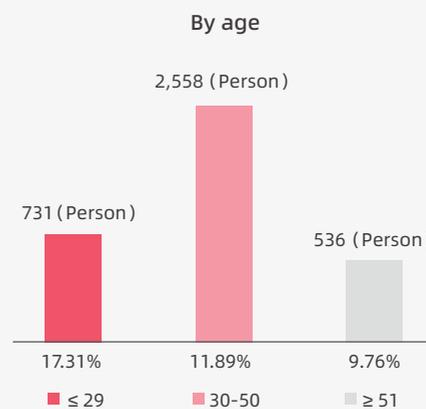
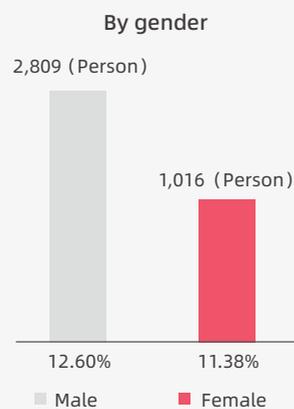
Employee Attrition at BEHL in 2023<sup>10</sup>

**3,825** persons

left BEHL

**12.25** %

attrition rate



<sup>10</sup> The data only includes employees who have signed labor contracts.



## Talent Attraction and Retention

BEHL conducts scientific analyses of the demand for talents and reforms its management policies for human resources, and recruits top-notch talents across the world through many channels, continuously optimizing its workforce. We formulated the *Talent Development Plan of BEHL during the 14<sup>th</sup> Five-year Plan Period*. We analyzed human capital from such perspectives as personnel mix, efficiency of human resources and remuneration and employed statistical methods to take stock of our employees. We make scientific recruitment plans to build a full-fledged and diversified team, which has become a magnet for outstanding talents sharing our values. In 2023, halfway into the 14<sup>th</sup> Five-year Plan Period, BEHL took stock of and assessed employees.

This, coupled with an analysis of the internal and external circumstances and trends for talent development during the first half of the 14<sup>th</sup> Five-year Plan Period, paved the way for doing a better job in the second half and acquiring more well-performing talents.

BEHL has put in place a reasonable and transparent employee management system and a fair remuneration scheme, devoted to meeting employees' expectations for remuneration. We keep refining the employee remuneration and social security system. We have established a compensation management system which aligns compensation with our operation and the overall market so that employees receive compensation that matches their work, responsibilities, and contributions. In this

way, our compensation remains competitive and employees satisfied.

In addition, with internal recruitment, we offer employees opportunities for further career development. As employees could land positions that they are interested in and capable of, we could retain as many talents as possible. During the Reporting Period, 23.35% of vacant positions at BEHL were filled by employees within BEHL.

## Protection of Human Rights

BEHL holds the rights and interests of all stakeholders in high regard in an effort to create a culture of mutual respect, equality, and justice in all aspects. We follow international standards on human rights including the *ILO Declaration on Fundamental Principles and Rights at Work* and laws and regulations including the *Labor Contract Law of the People's Republic of China*, the *Law on the Protection of Minors of the People's Republic of China* and the *Provisions on the Prohibition of Child Labour*. We have enacted the *Management Policy of Workers' Rights and Interests* for the BEHL headquarters and its subsidiaries at home and abroad,

which clearly stipulates against forced labor and child labor, discrimination and harassment. Set for all employees, suppliers, contractors, and other partners, the policy respects the right of employees to freely associate in accordance with the law. In the event of discrimination and harassment, the employees involved will be subject to disciplinary actions. In cases of gross violations, we will terminate the employment relationship. In 2023, BEHL adhered to lawful employment practices and no incidents of child labor, forced labor, discrimination, or harassment occurred.

### We are committed to

- Prohibiting forced labour and child labour
- Avoiding discrimination and harassment
- Setting reasonable remuneration and enabling fair promotion
- Ensuring thorough communication between employees and the Company
- Protecting privacy
- Safeguarding employee benefits
- Creating a safe and healthy workplace

### Prohibition of forced labor and child labor

BEHL has formulated the *Management Methods for Labor Contract for Beijing Enterprises Holdings Limited Headquarters*, the *Employment Management Regulations for Beijing Enterprises Holdings Limited*, and the *Equal Opportunities and Privacy Code for the Hong Kong Headquarters of Beijing Enterprises Holdings Limited*. These regulations aim to eliminate illicit employment practices such as human trafficking, child labor, and forced labor from the source. BEHL prohibit employing minors under the age of 16.

BEHL manages complaints and reporting based on rules, which is enabled by diverse complaint channels and reporting and handling procedures. We take concrete actions to support employees' rights to report violations through legitimate ways such as trade unions, employee representative assemblies, and collective bargaining. Upon receiving reports of discrimination, harassment, defamation, targeted hostility, or other violations, we carefully verify the details of the incidents and impose disciplinary actions against the employees involved in accordance with our rules and regulations, including the termination of employment in cases of gross offense.

BEHL conducts due diligence on human rights to perform its duty and formulated policies to protect human rights tailored to its business segments, including the *Statement on the Rights and Interests of Employees at BE Water*. We earnestly fulfill our social responsibilities. We have issued the *Management Policy of Sustainable Supply Chain* and worked with organizations to monitor human rights issues to prevent violations within BEHL and its supply chain partners and reduce related risks. In 2023, BEHL organized regular wage payment review for migrant workers. We righted the wrongs after self-reflection, implemented the *Regulation on Ensuring the Payment of Migrant Workers' Wages*, and paid wages timely without arrears to protect the rights of migrant workers and make sure that they work in a fair environment where they feel dignified and respected as equals.

### Avoidance of discrimination and harassment

BEHL has established regulations including the *Equal Opportunities and Privacy Code for the Hong Kong Headquarters of Beijing Enterprises Holdings Limited*, which stipulates zero tolerance for discrimination, sexual or non-sexual harassment in recruitment, training, work assignment, and compensation based on gender, age, marital and reproductive status, sexual orientation, region, nationality, ethnicity, race, religious beliefs, or health conditions.

#### Human Rights Regulations

Active implementation of the *Regulation on Ensuring the Payment of Migrant Workers' Wages*

Payment of migrant workers' wages on time and in accordance with the law

Elimination of wage arrears

Protection of migrant workers' rights

## Employee Development and Care

BEHL establishes employees clear promotion paths and incentives and diverse training programs that broaden their horizons. In addition, we pay close attention to employees' wellbeing and daily needs, fully support and care for them throughout their career development, and build an inspiring working environment.

### Promotion Incentives

BEHL has put in place a meritocratic promotion scheme. Guided by corporate regulations such as the *Methods for Promoting the Term System and Contract-based Management of Managerial Staff at BEHL*, we take into account employees' career development and selects candidates based on job requirements, ensuring that the chosen ones possess professional knowledge and skill required by the position, and put in place a fair and just promotion process. Apart from technical proficiency, we view managerial skills as one of the key criteria for promotion. Taking employees' professional qualifications and job-taking procedures into consideration, we are building a dual-track management system, offering dual-channel development system for employees: the management channel and the technology channel.

BEHL continues to optimize methods for managing employees' performance. It stipulated the *Interim Measures for Employee*

*Performance Management at Beijing Headquarters of BEHL, the Performance Assessment and Management System (Trial) of Yanjing Brewery, and the Employee Performance Management Measures (Trial) of BE Environment.* We adopt diverse performance assessment models and methods to help employees gain comprehensive and thorough insights into their performance within the period concerned. In this way, we have built an efficient and orderly system for performance evaluation and management.

In 2023, BEHL set and assessed annual business targets according to plan and further tied remuneration to performance in the annual performance scheme to fully motivate employees. In addition, we studied stock option policies and communicated with competent departments to better understand work to be done. This has laid a foundation for establishing a long-term incentive plan and a comprehensive incentive system.

#### BEHL Performance Management System

##### Multidimensional performance appraisal

Evaluate employees individually or collectively in team building, collaboration, and innovation through multiple dimensions, including employees themselves, people they report to and people they manage.

##### Management by objectives

Lay out assessment criteria for KPIs, daily work and non-regular assignments for departments, applicable to every employee in the team;

Lay out assessment criteria for KPIs, non-regular assignments, work attitude and discipline for individual employees;

Assign different weights to indicators for teams and individuals, set objectives for work during the evaluation period in line with the details and significance, and make strategies for the next period based on the achievement of the goals.

##### Agile conversations

Regularly communicate with employees face to face about how to perform better and point out the gaps between performance goals and suggestions for improvements so that they can perform better to reach the objectives of each stage.

##### Performance incentives

Tie remuneration to performance evaluation and give out bonuses according to annual evaluation results;

Categorize scores of the performance evaluation into different levels such as "Excellence" and "Good" and factor employees' annual performance into designation of outstanding departments and individuals;

Make incentive plans for the year-end bonus based on employees' achievements, competence and performance.

## Employee Training

BEHL stipulated the *Training Management Regulations of Beijing Enterprises Holdings Limited* and provides a comprehensive training system for employees to gain more expertise and encourages them to improve educational qualifications, professional qualification levels, and work skills on their way to pursue greater breakthroughs. In 2023, BEHL devised different training programs for talent development, including Company-wide training, department-specific professional training, and individual independent training, to improve employees' technical and theoretical knowledge and general capabilities. We provided 982,985 hours of training to full-time employees and invested 14,650,300 yuan in total.

### Performance of and Investment in Employee Training at BEHL in 2023



### ► BEHL conducted a training and exchange program for its new employees in Beijing and Hong Kong

In September 2023, we invited professionals from various departments and offices to conduct a training and exchange program for new employees in Beijing and Hong Kong, which aimed to enhance communication between employees across these locations and facilitate business coordination. The program featured lectures on the Company's "14<sup>th</sup> Five-Year Plan", the macro-economy, and industry development, as well as sand table activities for effective execution and management. These activities not only broadened employees' knowledge scope but also fostered mutual understanding and collaboration. Conducted both online and offline, the training boosted exchanges of ideas between employees through face-to-face interaction. A total of 21 employees participated in the activities on-site.



The training and exchange program for BEHL new employees in Beijing and Hong Kong

Beyond routine training for new hires, BEHL offers specialized skill training to enhance employees' capabilities according to their responsibilities and skill requirements, to fill their knowledge gaps in specific areas. In 2023, we conducted training sessions in sales capability, risk assessment, compliance with discipline inspection, and digital competency to enhance employees' abilities in all aspects.

► **BE Water Hosts the 4<sup>th</sup> "Changqing Cup" Labor Skills Competition**

BE Water made painstaking efforts to organize the 4<sup>th</sup> "Changqing Cup" employee labor skills competition. Aiming to help employees hone practical skills, the competition devised four competition programs that reflected the critical daily tasks of frontline business units, namely the competition of comprehensive skills for sewage operation, mechanical maintenance, water supply pipeline leakage detection, and sewage laboratory testing. Over 1,000 frontline employees enthusiastically participated in the competition.

As of the end of the Reporting Period

more than **10** internal lecturers

at the group and regional levels of BE Water was trained in the "Changqing Cup" competition

nearly **2.6** million yuan per year

was saved for frontline project companies in the water supply pipeline leakage detection competition program

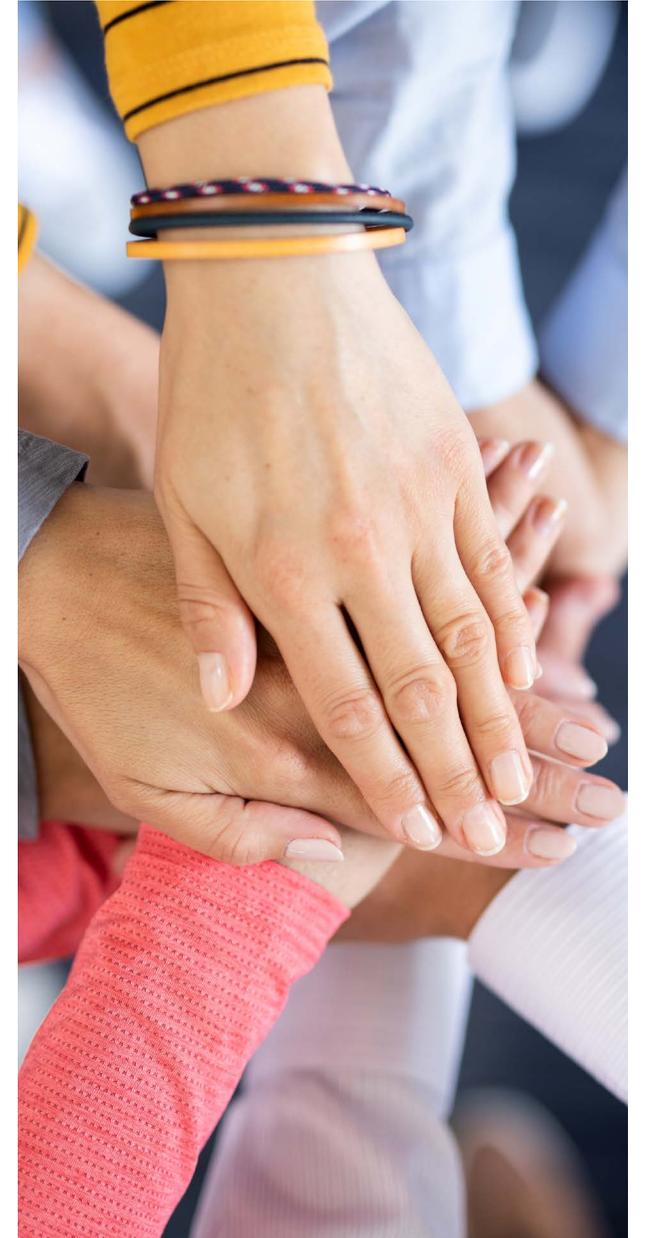


► **Yanjing Brewery launched the "Forerunner Program" to train sales staff**

In November 2023, to improve the professional skills of marketing managers, Yanjing Brewery conducted a three-day training program for sales staff, attended by 72 sales leaders from the headquarters and Chinese subsidiaries. Focused on the transformation of traditional marketing models, the development of marketing systems, and digital development paths, the training included the sharing of outstanding marketing cases and outreach activities. Integrating theoretical knowledge with interactive games, the program aimed to enhance the cohesion and teamwork capabilities of sales staff and build a top-notch sales team.



Group photo from Yanjing Brewery's training program for sales staff

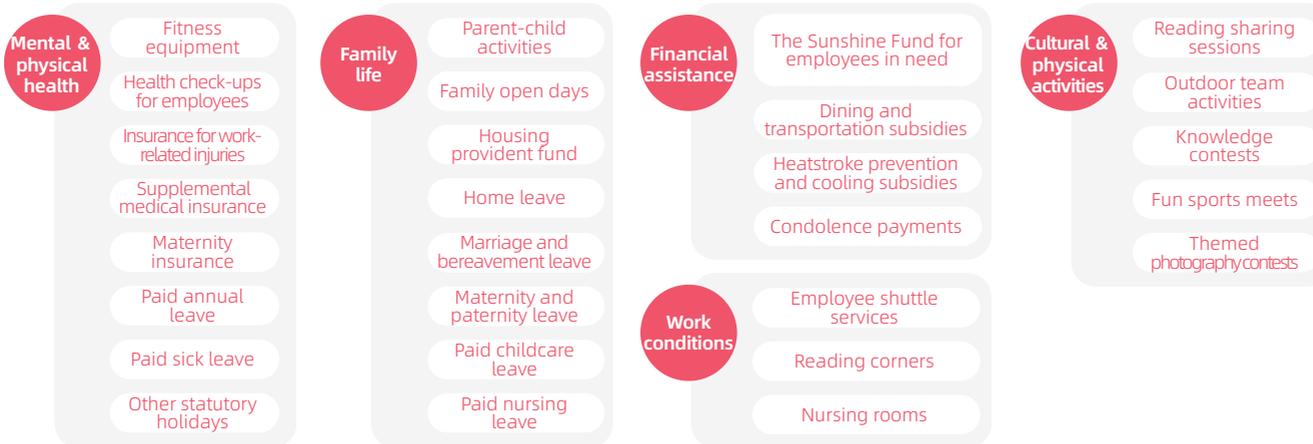


## Employee Care

BEHL is committed to making it easier for employees to work and go about their daily life with a warmhearted service and support system. This includes the *Measures for Managing Supplemental Medical Insurance at Beijing Enterprises Holdings Limited*, the *Regulations on Paid Annual Leave for Employees of Beijing Enterprises Holdings Limited*, the *Regulations on Caring for Employees of BE Environment*, and the *Management System of Attendance and Leave (Trial) of BE Environment* and other internal employee welfare system. We continue to better our care system for employees and provide a multi-dimensional support system covering physical and mental health, family life, work environment, cultural and sports activities, and financial assistance. Furthermore, we optimize welfare measures to meet employee needs and create a warm, comfortable, and harmonious work environment to enhance employees' sense of belonging and satisfaction.

In addition, we take seriously female employees' needs for career development and health, setting up nursing rooms near office areas and organizing regular health check-ups for them. We provides several benefits for female employees and their families, including one or two days of prenatal check-up leave, no less than 14 weeks of maternity leave, three weeks of paternity leave, and 15 working days of paid childcare leave<sup>11</sup>, all exceeding legal requirements, to help them balance work and family responsibilities and protect their rights.

### BEHL's Welfare System



Nursing room



Employee shuttle services



Parent-child activities



Fitness equipment



Reading corner

In 2023

**369,200** yuan **99** person-times

was requested for the Sunshine Fund by BEHL of employees in difficulty received aid

**340,000** yuan **10,628** person-times

was invested of frontline employees received care

BEHL guaranteed the payment of pension, unemployment, work-related injury, medical, maternity insurances, and housing provident fund for its employees, with

**100%**

insurance coverage of employees at Beijing headquarters

**1** million yuan

was donated to the Beijing Warm Foundation by Beijing Gas to aid employees with financial difficult

<sup>11</sup> Policies vary from location to location. This refers to the paid childcare leave in the Beijing headquarters.

BEHL listens to its employees and supports them to freely express their opinions. Adhering to the *Trade Union Law of the People's Republic of China*, we have established a union system which respects employees' legitimate rights of collective bargaining and free association. Additionally, we have put in place the *Employee Satisfaction Survey Management System of Beijing Enterprises Holdings Limited* and conduct biennial surveys on employee satisfaction regarding corporate management, their work conditions, team collaboration and communication, training and suggestions, performance management, remuneration, and benefits. We take measures to rectify issues spotted in the survey results and monitor the progress of rectification.

► BEHL was awarded the "Good MPF Employer" honor for four consecutive years

In 2023, BEHL was awarded the "Good MPF Employer" for the fourth year running, which demonstrated our commitment to employees' social security retirement benefits. We will continue to focus on the healthy development of our employees and improve their remuneration, benefits, welfare, and social security.



BEHL was awarded the "Good MPF Employer"



In 2023



The Solid Waste Treatment Platform conducted an employee satisfaction survey



## Safety and Health

BEHL always upholds the tenet of "prioritizing safety, preventing proactively and managing holistically", taking comprehensive measures such as setting health and safety objectives, preventing and troubleshooting safety risks, and raising employees' safety awareness, among others. We are committed to protecting the health and safety of our employees, employees across the supply chain, the communities where we operate, and other stakeholders.

### Safety Management System

BEHL strictly complies with laws, regulations and conventions including the *Occupational Safety and Health Convention* and the *Workplace Safety Law of the People's Republic of China* and has formulated the *BEHL Workplace Safety Management Regulations*, the *Supervision and Management Regulations on Workplace Safety and Workplace Safety Responsibility System*, ensuring workplace safety through rule-based management. Furthermore, we have established a Workplace Safety Management Committee for supervising, guiding, assessing, and coordinating safety-related matters. The committee carries out its work through unified management and cross-departmental cooperation and creates a safer workplace with comprehensive management. In 2023, the Company's Party leaders regularly reviewed reports on workplace safety and analyzed key matters. They convened four Workplace Safety Management Committee meetings and 11 safety work meetings where the Party Committee and the CEO's Office deliberated on ten issues related to workplace safety.

In 2023

**1,988** million yuan

was invested to ensure workplace safety

We set safety objectives to prevent and reduce safety accidents. The Solid Waste Treatment Platform, Yanjing Brewery and other business units have established objectives for safety management for all employees and contractors. In 2023, we furthered our safety management and organized our production and operation in compliance with our objectives.

Business segments	Safety management objectives	Reached or not in 2023
BEHL	No severe safety and environmental accidents throughout the year	Reached ✓
Beijing Gas	No severe safety and environmental accidents throughout the year	Reached ✓
BE Water	No severe safety and environmental accidents	Reached ✓
Solid Waste Treatment Platform	No severe injury or death accidents	Reached ✓
Yanjing Brewery	Frequency of accidents causing severe injuries ≤ 0.08%, Frequency of accidents causing work-related injuries ≤ 0.7%	Reached ✓

We have established an accountability system based on "annual key tasks and characteristics of the business segment", distributed the letter of workplace safety responsibility and had it signed at all levels so that the safety responsibilities could be clarified all the way down to the minimum management unit. Our "horizontal and vertical integration" system, which has been implemented across the board, makes sure that everyone fulfills their responsibilities. In addition, we tie health and safety performance to remuneration based on such indicators as risk inspection and accident control. The details are recorded in statistical tables.

In 2023, the Solid Waste Treatment Platform, in line with local policies, regulations, and safety indicators, developed project-specific methods for performance assessment. BE Water formulated the *Regulations on Rewards and Penalties of BE Water*, which lays out safety indicators linked to bonuses.

► **Beijing Gas conducted a safety training program**

From October to November 2023, Beijing Gas organized a safety training program for all employees and departments, covering such topics as the interpretation of the *Beijing Municipal Regulations on Entities with Main Responsibilities for Fire Safety*, the prevention and resolution of major risks, and the analysis of accidents. This program has broadened employees' knowledge about safety on multiple dimensions and enhanced their ability to address safety incidents. A total of 144 people attended the "2023 Training Class for Leaders and Managers at Beijing Gas", including members of the leadership teams at BEHL, department managers at the headquarters, and directors of various professional institutions. Meanwhile, 193 people attended "Beijing Gas Training Class on Safety Management for Section-level Leaders", including safety management staff at the headquarters and managers, deputy managers, and assistants of the safety departments of affiliated institutions.



Safety training class for leaders and managers at Beijing Gas

BEHL has developed systems and work plans including the *BEHL Administrative Measures for Investigation and Management of Hidden Dangers of Workplace Safety Accidents* and the *Three-Year Action Plan for Rectifying Issues of Workplace Safety*, and assessed health and safety risks and hazards. Based on business operations and needs, we have checked and addressed hidden dangers. By spotting latent problems early, we can minimize risks and dangers. In 2023, the headquarters of BEHL carried out on-site guidance and inspections on safety and environmental protection 71 times in Beijing, Hunan, Jiangsu, Guangxi, and Guangdong. A total of 182 recommendations were proposed.

In 2023

**155,879** times

safety inspections at the project level, subsidiary level and above were conducted

**130,936** hidden problems **98.02%**

were identified

of them were resolved



In 2023

0

severe work-related injury  
accidents occurred at BEHL

3,104 workdays

were lost due to work-related  
injuries

In 2023

1

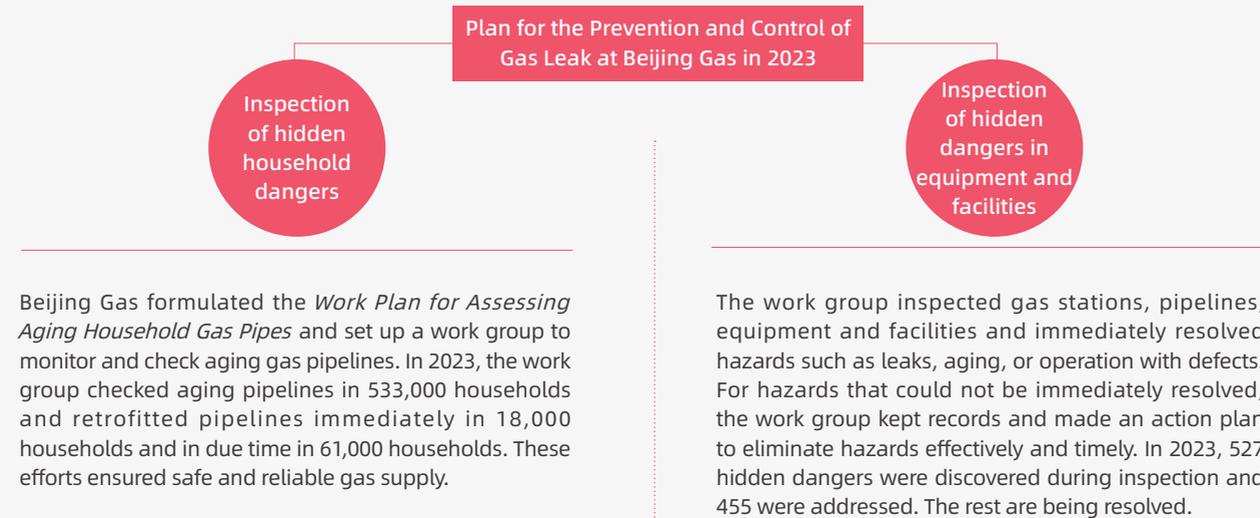
severe work-related injury  
and fatality occurred  
among BEHL's suppliers

2 employees

were involved in severe work-  
related injuries and fatal  
accidents among BEHL's  
suppliers

► **Beijing Gas strengthens the prevention and control of gas leak**

Beijing Gas has developed an efficient mechanism to prevent gas leak by enhancing detection, curbing damage by external forces, and conducting monitoring and assessment.



## Emergency Drills and Training

BEHL has developed the *Emergency Management System*, incorporating both field exercises and high-frequency tabletop simulations as modes of organization. We organizes safety emergency drills regularly to help employees familiarize themselves with response procedures and do a better job at handling emergencies. Furthermore, we follow up on issues that arise during drills and propose measures for improvement to make emergency drills more scientific and effective. In 2023, the Company organized 2,777 emergency drills in various forms to improve safety skills of frontline workers.

### ► Beijing Gas held a joint firefighting emergency drill

In July 2023, Beijing Gas held an emergency drill in collaboration with gas utilities, sub-district offices, and firefighting departments. During the drill, Beijing Gas established a mechanism for rapid decision-making and coordinated response. With coordination between the upper and lower levels, cross-departmental interaction, information sharing, and fast and effective response, Beijing Gas put employees in a better position to address fire-related accidents. This drill consolidated gas emergency data which underpin the development of information technology and guaranteed the safe operation of the gas pipelines in the city.



The joint fire emergency drill organized by Beijing Gas

### ► The Solid Waste Treatment Platform conducted a series of emergency drills

In 2023, the Solid Waste Treatment Platform carried out a series of emergency drills on safety incidents, including fire and hydrochloric acid leakage. The drill was conducted by relevant personnel in open spaces with specialised safety equipment and first aid supplies. Employees from different departments, classes, and teams worked closely together, bringing the emergency drills to an orderly close. The emergency drills have enhanced employees' safety awareness and practical skills and underpinned safe operations in future business development.



The emergency drill conducted by the Solid Waste Treatment Platform



BEHL emphasizes the building of safety culture and has conducted a diverse array of safety culture-building activities for its employees and residents, including thematic training, knowledge contests, and community outreach to disseminate knowledge about safety. Attending to both its employees and the general public, BEHL has built an all-encompassing and profound safety culture where employees are highly aware of safety and act accordingly, ensuring its own safety and safety of communities nearby.

► **BEHL organized "Ankang Cup" competition for operations in confined spaces**

In June 2023, BEHL held the second "Ankang Cup" knowledge competition themed "Operations in Confined Spaces". More professional in content than last year's edition, this year's event featured inspection and maintenance processes which frequently caused incidents in recent years to test employees' comprehensive abilities in real-world operations.

The engaging competition was designed to make employees more sensitive to potential hazards and more capable of managing risks. The competition saw the participation of 11 teams consisting of over 40 members from 13 companies including BE Water, the Solid Waste Treatment Platform, and Yanjing Brewery.



The second "Ankang Cup" competition

► **Beijing Gas conducted safety education for various age groups**

In 2023, Beijing Gas worked with kindergartens, universities, communities, and urban management departments to provide safety education for various age groups and social segments, leveraging its professional prowess to raise public safety awareness.

- Beijing Gas initiated safety campaign titled "Together for Gas Safety, Beijing Gas by Your Side" at Wonderland Bilingual Kindergarten to foster safety awareness among children with an intriguing approach;
- Beijing Gas tailored safety promotion plans themed "Care and Support for the Elderly" for senior citizens in the neighborhood and disseminated knowledge about gas safety;
- Beijing Gas held gas safety promotional event at Peking University, using real-life cases to illustrate the dangers of gas accidents and the right responses.



Safety education

► **Xixian Project, a subsidiary of the Solid Waste Treatment Platform, offered on-site safety education for its suppliers**

In February 2023, the safety management staff of Xixian Project offered three-level safety training for its suppliers before their entry to the operation site. They communicated the safety procedures and standards for maintenance and repair, to ensure that suppliers understood and complied with regulations. The training aimed to regulate suppliers' operations on sites, enhance mutual understanding of safety culture, and reduce safety risks.

In 2023

**197,213** person-times

of registered attendances were covered in the diverse safety training programs organized by BEHL

## Occupational Health and Safety

BEHL is committed to a stringent management system for occupational health and safety and abides by the *Workplace Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. It has formulated the *Health, Safety, and Environment Policy of the Beijing Enterprises Holdings Limited* for employees, suppliers, contractors, and other stakeholders to create a safe and reliable work environment and guarantee occupational health across the board. In 2023, BE Water drafted and implemented the *Regulations on Personal Protective Equipment of BE Water* and the *Regulations on Occupational Health of BE Water*. These documents clarify what is required for occupational health management and serve as a guide for operations to protect employees' health and safety.



In 2023, Beijing Gas, BE Water, BE Environment Technology, and EEW GmbH obtained certification of the ISO 45001 occupational health and safety management system. The percentage of BEHL entities that have been certified under the system stood at<sup>12</sup>

**39.23 %**



BEHL reviews and identifies occupational hazards across various positions within its business segments and takes measures for occupational health and safety throughout the work process, including before, during, and after work. The approach aims to protect employees, suppliers, and other stakeholders from harm in the workplace and allow employees to better perform their duties. In 2023, 97.23% of employees at BEHL had health examinations, and we invested 39.5573 million yuan in protecting employees' health.

<sup>12</sup> The data scope here does not include BE Water.

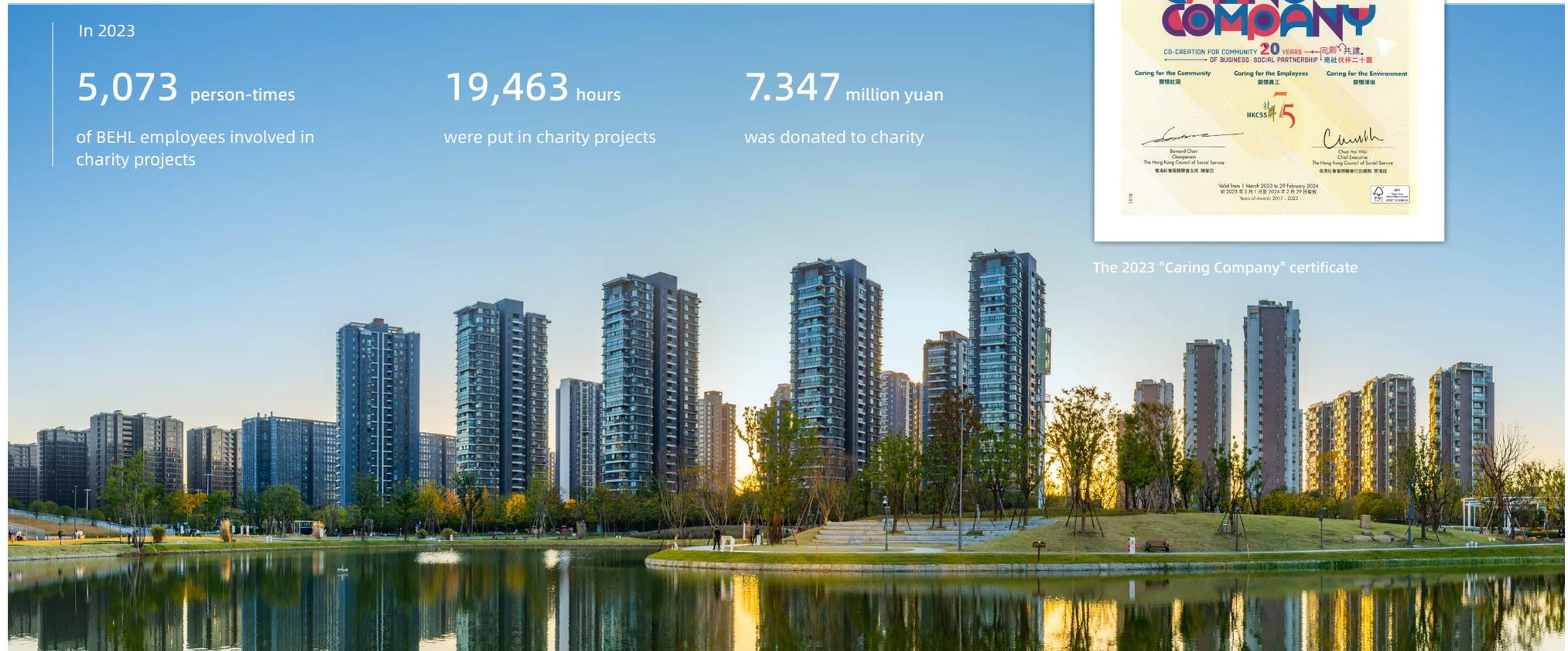
### Measures to Protect Occupational Health and Safety

- Publicize indicators to control hazardous factors, occupational health management systems, and operation procedures for various positions on display boards and bulletin boards;
- Put up warning signs and cautionary statements in areas where hazardous factors are present;
- Make sure that employees wear personal protective equipment (PPE) when exposed to occupational hazards and check and supervise the usage of PPE by employees at the production site;
- Pay more attention to employees' health by conducting regular physical examinations, occupational hazard detections, and screenings for occupational diseases and establishing health records;
- Organize health and safety training to promote laws and regulations and prevent occupational diseases;
- Increase the investment in occupational health and safety funds for the purchase of labor protection supplies, maintenance of facilities, and regular inspections of large equipment;
- Promptly upgrade and renew equipment to minimize the negative impact of aging equipment on employees' health and safety.

In addition, to strengthen the occupational health and safety management of suppliers, we encourage them to formulate relevant policies to protect the health and safety of their workers. By the end of the Reporting Period, some suppliers of BEHL have developed the *Quality, Environment, Occupational Health and Safety Management Manual* and the *Guidelines on Workplace Safety Compliance* with reference to regulatory standards to ensure suppliers' workplace safety.

## Contribution to Community Development

BEHL participates in philanthropy and charitable causes along with its employees, partners, and people from all walks of life and has established philanthropic policies such as the *Management System for Donations of BE Water*. Together with Mingxi Charity Foundation (hereinafter referred to as "Mingxi") and its affiliated Mingxi Volunteer Team, BEHL has offered community services in various area such as rural revitalization, environmental protection, youth development, and sports. These efforts have Contributed to the harmonious development of the community. In 2023, for the sixth consecutive year, we were awarded the "Caring Company" certificate by Hong Kong Council of Social Service. This award is an affirmation of its outstanding contributions in social responsibilities, youth development, and environmental protection.



The 2023 "Caring Company" certificate

## Rural Revitalization

BEHL pays close attention to the national economy and people's livelihood and supports industries, employment, consumption, and philanthropy in rural areas across China with a multi-faced approach. In 2023, BEHL implemented the *BEHL 2023 Action Plan for Comprehensive Advancement of Rural Revitalization* and made progress in rural development and governance and the building of livable, beautiful, and business-friendly rural areas.

In our pair-assistance areas including Inner Mongolia, Xinjiang, and Qinghai, we leveraged our professional strengths and invested in energy, water, solid waste treatment, and sanitation. Through long-term partnerships, we helped address deficiencies in infrastructure and created modern living conditions for rural areas. In addition, we established purchasing relationships with pair-assistance areas and steadily scaled up support for purchasing agricultural products, which in turn stabilized and boosted grain production. We offered employment training and assistance for people on the verge of poverty or relapse into poverty and students from low-income families, which helped develop rural talents in a sustainable way.

### Public welfare assistance

BEHL cooperated with Laishui County in Hebei Province to promote the "**On the Way-BEHL Green Seeds Project**" to improve eco-civilization.



Assistance Provided by BEHL in 2023

### Industrial and employment assistance

**35** projects

were put into production in four provinces and regions by BEHL

**14.954** billion yuan

was invested

As part of the "**Spring Breeze Action**<sup>13</sup>", BEHL prioritizes the recruitment of rural residents, those lifted out of poverty, and college graduates from rural families with all other conditions remaining the same.

**45.8** million yuan

was invested by BEHL in 2023

**289** local people

were absorbed into employment

**84** rural households **4** rural college students

were included in the Company's recruitment in 2023

### Consumption assistance

**1.174** million yuan

of products for poverty alleviation were procured by BEHL

**1,364** people

were benefited

**439,000** yuan

was earmarked for poverty alleviation by the Solid Waste Treatment Platform

**4.245** million yuan

of products for poverty alleviation in pair-assistance area were procured by Beijing Gas

**100,900** yuan

of agricultural products were purchased from backward villages, continued its support for Xibailianyu Village in Miyun District as part of the "One Enterprise, One Village" project

<sup>13</sup> The action, initiated by the Ministry of Labor and Social Security of the People's Republic of China, included offering employment opportunities, and safeguarding the legitimate rights of migrant workers.

## Environmental Protection Activities

In collaboration with governments, schools, foundations, and other organizations, BEHL leveraged its platform resources to carry out environmental education and public welfare activities. Through various measures, BEHL has expanded its influence in environmental protection and fostered an atmosphere for building a greener home together.



### ► BEHL co-hosted an environmental technology forum

In December 2023, BEHL co-hosted the "Road to EcoCity: The Environmental Technology Forum of Hong Kong, China 2023" with the Eco City Foundation and Hong Kong Youth & Tertiary Students Association. Themed "Waste to Energy for a Green Life," the forum explored the disposal and recycling of solid waste and attracted over 150 attendees from both the Chinese mainland and Hong Kong, including business leaders, environmental and energy experts, and finance and investment professionals. The event, live-streamed online, garnered over 10,000 views, expanding the reach of environmental education.



Roundtable discussion at the environmental forum

### ► BEHL participated in the "Run for Survival 2023" charity run

In December 2023, employees and their families of the Hong Kong headquarters of BEHL attended the annual charity run themed "Saving Our Biodiversity" at the Summit of Ocean Park Hong Kong. The route featured dolphinariums and penguin houses, where participants gained more knowledge about biodiversity and animal conservation and became more aware of ecological protection. This event was supported by the Hong Kong Ocean Park Conservation Foundation and the raised funds were allocated to wildlife conservation projects in Asia.



Group photo of the charity run

### ► BEHL promoted environmental public welfare

On the World Environment Day on June 5, 2023, the Solid Waste Treatment Platform and Yanjing Brewery launched public welfare campaigns to call for everyone to fulfill their environmental responsibilities and enhance their environmental awareness and literacy.

The Solid Waste Treatment Platform disseminated environmental knowledge on household waste sorting and waste-to-energy incineration through banners, leaflets, display boards, and on-site explanations;

Yanjing Brewery collaborated with local communities on trash cleanup in the neighborhood, provided workshops on waste sorting at local schools, and organized a series of environmental public welfare activities such as river trash cleanup.



Diverse methods of environmental promotion

## Youth Development

BEHL, via the platform provided by Mingxi, provides opportunities for innovative development to outstanding young talents. Since 2016, Mingxi has been providing the Mingxi Scholarship to help recipients till they become employed, encouraging the young to give back to society as they grow up. As of December 31, 2023, a total of 7 people, namely one middle-school student and 6 college students, were receiving financial support from the Mingxi Scholarship program.

### ► Mingxi assisted in organizing the "Scientific and Technological Innovation Achievements Exhibition of Three Cities, One Area<sup>14</sup> and Universities in Beijing"

In April 2023, Mingxi assisted the Hong Kong Alumni Association of Beijing Universities in organizing the "Scientific and Technological Innovation Achievements Exhibition of Three Cities, One Area and Universities in Beijing". This exhibition collectively showcased the development and innovation achievements of "Three Cities, One Area", providing a platform for boosting youth cooperation between Beijing and Hong Kong.



A corner of the "Scientific and Technological Innovation Achievements Exhibition"

### ► Mingxi helped organize the 6th Beijing-Hong Kong Youth Innovation and Entrepreneur Cup

In November 2023, to boost cooperation between youth in Beijing and Hong Kong and help them develop practical skills and become better team players, the Beijing-Hong Kong Intelligent Technology Innovation Cooperation Forum and the final of the 6<sup>th</sup> Beijing-Hong Kong Youth Innovation and Entrepreneur Cup were held in Hong Kong. Mingxi proactively assisted in organizing the competitions, aiming to stimulate the innovation and entrepreneurial vitality of itself and the industry through experience sharing and achievement display. The Beijing team's project of "AI-powered Tactile Chip and Application Solutions" and the Hong Kong team's project of "Detection System of Intelligent Transportation Infrastructure" won the first and second prizes respectively.



Science and technology project team representative was presenting at the roadshow

### ► BEHL co-hosted an activity to deepen Hong Kong youth's understanding of the motherland

In September 2023, BEHL and the Hong Kong Chinese Enterprises Association co-hosted the "I SEE • I KNOW" series of activities for Hong Kong youths to better understand the motherland. Themed "Deepening Youth Understanding of the Motherland, Building a Bridge between Beijing and Hong Kong", the event organized about 40 Hong Kong youths from BEHL and some other enterprises to visit Beijing. This activity covered environmental awareness promotion, understanding of Yanjing Brewery as a Chinese brand, and creative cultural experiences in art parks, etc. These diverse activities helped Hong Kong youths gain a deeper understanding of history, deepen their love of the motherland and Hong Kong, and foster cultural confidence in them.



Group picture of participants of "I SEE • I KNOW"

<sup>14</sup> "Three Cities, One Area" refers to Zhongguancun Science City, Future Science City, Huairou Science City, Innovative Industrial Cluster Demonstration Zone.

## Sports Career

BEHL has always supported the development of China's sports undertakings. It not only encourages employees to participate in various sports activities, but also proactively provides sports opportunities for the young, and stimulates public enthusiasm for sports activities through collaboration with sports organizations and schools, cultivating vibrant and positive energy in the society.

### ▶ BE Water sponsored the Anshan Marathon

In May 2023, the Anshan Marathon kicked off and concluded with great success. The Anshan regional company under BE Water actively participated in it. It also sponsored the event with 300,000 yuan and became its strategic partner. This boosted mass fitness and sports undertakings, also put on full display BE Water's enthusiasm in and excellence at sports.

**300,000** yuan  
was used for event sponsorship funds



Group photo of BE Water staff at the Anshan Marathon

### ▶ Yanjing Brewery supported multiple sports events

In 2023, Yanjing Brewery supported the organization of various sports events and activities and provided more resources and opportunities for sports development, spreading the spirit of sportsmanship among the public and driving the vigorous development of mass fitness and the sports industry in China.

- Cooperated with the China Women's National Football Team to provide strong support for the organisation and running of the event;
- Supported in the Bobsleigh & Skeleton World Cup events, leveraged its brand influence and resources to actively promote sports culture;
- Supported the national final of the 6th National "188" Basketball League, to help discovering and developing basketball talents, and attracting more people's attention and participation in the sport;
- Organised the "Yanjing Beer Cup FIBA Open 3x3" in cooperation with sports associations, to provide a development platform for amateur basketball players and inspire the public to participate in and love sports.



"Yanjing Beer Cup FIBA Open 3x3"



The national final of the 6th National "188" Basketball League

## Public Welfare

BEHL upholds the philosophy of "devotion to public welfare", with the focus placed on elderly care and health. It organizes various social volunteer activities, making its own contribution to the harmonious development of communities.



### ► BEHL rushed post-disaster relief aid to areas affected by the "July 23 extreme precipitation"

In July 2023, Beijing was hit by extreme precipitation. Residents' lives, production activities, and power and communication systems in areas such as Fangshan District and Mentougou District of Beijing were affected to varying degrees. BEHL promptly acted and organized its subsidiaries BE Water, the Solid Waste Treatment Platform, and Yanjing Brewery to respond immediately and rush aid for post-disaster relief efforts. All-round support, including manpower and resources, was provided to the affected areas. Their kindness was well-received among local governments and residents.

1,819

employee attendance

595

vehicles trips

were invested in post-disaster relief and reconstruction by BEHL

5 towns

more than 60 villages

were covered for completed pipeline network repairs, road desilting, river dredging, and other work

Yanjing Brewery established a flood control leadership team.

9,600 packages

of mineral water were safely transported to Fangshan District



BE Water staff group photo at the end of their post-disaster relief efforts

### ► Employees of the Wuhan project company under the Solid Waste Treatment Platform visited people in need

On the Double Ninth Festival (the day for seniors) in October 2023, the Wuhan project company under the Solid Waste Treatment Platform visited elderly people in need in communities such as Fangcaoyuan. They kindly inquired about the elderly's difficulties and needs and gave them rice and edible oil, among other items, to effectively ease their difficulties and warm their hearts with care and kindness. On that occasion, the Wuhan project company visited 30 households in distress and allocated 4,500 yuan to help them improve their living conditions and quality of life.

30 households

in distress were visited

4,500 yuan

was allocated to help them improve their living conditions and quality of life

## ESG Key Performance Data<sup>15</sup>

### Environmental Dimension

Indicators		Unit	2021	2022	2023
<b>Emissions</b>					
<b>Gas</b>					
Exhaust gas	Nitrogen oxides	Tonne	-	-	114.4
	Sulfur dioxide	Tonne	-	-	6.2
Hazardous solid waste	Waste filter elements, etc.	Tonne	15.0	10.6	46.9
Non-hazardous solid waste	Waste soil and stone, etc.	10,000 tonnes	12.1	5.1	4.8
Scope 1 emission		10,000 tonnes CO <sub>2</sub> equivalent	18.7	22.1	25.3
Scope 2 emission		10,000 tonnes CO <sub>2</sub> equivalent	9.3	9.8	15.7
<b>Environment<sup>15</sup></b>					
Wastewater	Effluent wastewater	10,000 tonnes	111.8	158.6	187.7
	COD	Tonne	10.4	52.1	86.2
	Ammonia nitrogen	Tonne	1.1	1.7	1.4
Exhaust gas	Exhaust gas	Million cubic meters	16,133.7	15,550.0	23,412.6
	Nitrogen oxides	Tonne	2,938.8	3,037.3	3,364.3
	Sulfur dioxide	Tonne	363.5	570.9	802.4
	Dioxin	Milligram	290.7	330.9	166.1
	Soot	Tonne	84.4	94.9	81.9

Indicators		Unit	2021	2022	2023
Hazardous solid waste	Fly ash, etc.	10,000 tonnes	52.8	44.3	49.9
Non-hazardous solid waste	Slag, etc.	10,000 tonnes	273.0	503.8	308.4
Scope 1 emission		10,000 tonnes CO <sub>2</sub> equivalent	14.1	9.5	10.6
Scope 2 emission		10,000 tonnes CO <sub>2</sub> equivalent	1.5	2.4	2.3
<b>Beer</b>					
Wastewater	Effluent wastewater	10,000 tonnes	1,398.4	1,412.2	1,355.1
	COD	Tonne	581.4	618.9	848.3
	Ammonia nitrogen	Tonne	30.4	20.5	88.2
	Total phosphorus	Tonne	43.4	36.1	42.8
Exhaust gas	Exhaust gas	Million cubic meters	2,313.4	5,400.3	2,062.6
	Nitrogen oxides	Tonne	259.0	142.1	186.4
	Sulfur dioxide	Tonne	197.0	79.0	53.7
Hazardous solid waste	Waste lubricating oil, etc.	Tonne	413.3	128.1	82.2
	Waste glass	10,000 tonnes	5.1	5.0	4.8
Non-hazardous solid waste	Waste wheat grains, waste hops, coagulum and waste yeast, etc.	10,000 tonnes	18.7	41.2	45.8

<sup>15</sup> The statistical scope of the ESG data is consistent with the scope of the Company's consolidated financial statements. Specifically, in this Report, the gas segment data covers Beijing Gas, the environment segment data covers the Solid Waste Treatment Platform and EEW GmbH, and the beer segment data covers Yanjing Brewery. Given that the water segment is not within the scope of the Company's consolidated financial statements, ESG data on the water segment is displayed as data pertaining to this segment only in this Report, not factored into the aggregate figures of BEHL. To ensure the consistency of the statistical scope, we have conducted a retrospective statistical review of the environmental data for the gas segment for 2021 and 2022, with disclosure updated in this Report.

<sup>16</sup> Environmental Business 2021-2022 Wastewater & Exhaust Gas data does not include EEW GmbH.

Indicators	Unit	2021	2022	2023	
Scope 1 emission	10,000 tonnes CO <sub>2</sub> equivalent	41.8	48.2	33.5	
Scope 2 emission	10,000 tonnes CO <sub>2</sub> equivalent	30.3	27.0	33.7	
<b>Summaries of consolidated data</b>					
Total hazardous solid waste	10,000 tonnes	52.9	44.3	49.9	
Total non-hazardous solid waste	10,000 tonnes	308.8	562.1	451.0	
Scope 1 emission	10,000 tonnes CO <sub>2</sub> equivalent	74.6	79.8	69.4	
Scope 2 emission	10,000 tonnes CO <sub>2</sub> equivalent	41.1	39.2	51.7	
Total greenhouse gas emission	10,000 tonnes CO <sub>2</sub> equivalent	115.7	119.1	121.2	
Total greenhouse gas emission intensity	10,000 tonnes CO <sub>2</sub> equivalent/ billion yuan	1.73	1.50	1.47	
<b>Water</b>					
Exhaust gas	Nitrogen oxides	Tonne	305.0	337.0	566.0
	Sulfur dioxide	Tonne	37.0	48.0	64.0
Hazardous solid waste	Hazardous waste generated by sewage treatment process, etc.	Tonne	199.0	328.0	259.0
Non-hazardous solid waste	Sludge, etc.	10,000 tonnes	255.6	273.5	281.9
Scope 1 emission	10,000 tonnes CO <sub>2</sub> equivalent	0.9	0.7	1.3	
Scope 2 emission	10,000 tonnes CO <sub>2</sub> equivalent	104.0	110.1	118.7	

Indicator	Unit	2021	2022	2023
<b>Use of Resources</b>				
<b>Gas<sup>16</sup></b>				
Purchased electricity	10,000 kWh	14,480.5	15,488.2	18,256.4
Purchased heat	GJ	50,489.6	41,313.7	263,786.9
Natural gas usage	10,000 cubic meters	9,635.7	11,461.6	13,120.4
Liquified petroleum gas usage	Tonne	1.8	0.2	0.2
Gasoline usage	Tonne	1,343.8	1,331.7	1,337.4
Diesel usage	Tonne	100.5	103.7	113.3
Fresh water consumption	10,000 tonnes	23.5	23.5	146.6
Comprehensive energy consumption	10,000 tonne of standard coal equivalent	15.4	17.8	22.9
<b>Environment<sup>17</sup></b>				
Purchased electricity	10,000 kWh	2,528.7	4,176.0	4,032.5
Natural gas usage	10,000 cubic meters	1,839.5	1,405.9	1,385.0
Liquified petroleum gas usage	Tonne	47.6	14.6	3.7
Coal consumption	Tonne	34,002.8	19,030.8	17,837.2
Gasoline usage	KL	3.9	57.4	60.9
Diesel usage	KL	271	65.8	3459.3
Fresh water consumption	10,000 tonnes	352.6	402.8	610.2
Comprehensive energy consumption	10,000 tonne of standard coal equivalent	6.2	4.7	5.2

Indicator	Unit	2021	2022	2023
<b>Use of Resources</b>				
<b>Beer</b>	employees			
Purchased electricity	10,000 kWh	33,643.2	36,358.4	33,914.4
Purchased industrial steam	Tonne	266,903.9	451,851.9	387,108.3
Natural gas usage	10,000 cubic meters	12,137.5	85,860.1	11,865.2
Coal consumption	10,000 tonnes	6.0	4.1	2.7
Gasoline usage	KL	1,180.4	1,252.1	557.0
Diesel usage	KL	90.5	1,904.2	1,455.0
Fresh water consumption	10,000 tonnes	2,084.2	1,588.2	1,832.9
Comprehensive energy consumption	10,000 tonne of standard coal equivalent	28.1	28.2	25.9
<b>Summaries of consolidated data</b>				
Comprehensive energy consumption	10,000 tonne of standard coal equivalent	49.7	50.7	54.0
Fresh water consumption	10,000 tonnes	2,460.3	1,788.0	2,589.7
Environmental investment	10,000 yuan	-	4,564.4	13,362.3
<b>Water</b>				
Purchased electricity	10,000 kWh	169,898.0	191,288.3	207,348.6
Purchased steam for heating	GJ	10,005.0	4,748.0	3,781.0
Natural gas usage	10,000 cubic meters	201.9	154.6	184.7
Gasoline usage	Tonne	581.0	767.0	1,259.0
Diesel usage	Tonne	782.0	1,638.0	1,685.0
Fresh water consumption	10,000 tonnes	461.2	460.5	413.1
Comprehensive energy consumption	10,000 tonne of standard coal equivalent	21.4	24.1	26.2

## Social Dimension

Indicator	Unit	2021	2022	2023	
<b>Employment and Labor Practices</b>					
Employees with labour contracts	Person	35,760	33,720	31,231	
Number of employees by gender	Male	Person	25,659	24,237	22,302
	Female	Person	10,101	9,483	8,929
Number of employees by age	≤ 29	Person	4,817	4,238	4,224
	30-50	Person	24,504	23,378	21,514
	≥ 51	Person	6,439	6,104	5,493
Number of employees by region	The Chinese mainland	Person	34,427	32,288	29,742
	Hong Kong, Macao and Taiwan of China	Person	33	34	33
	Other countries and regions	Person	1,300	1,398	1,456
Rank-and-file female employees	%	29.54	29.69	29.15	
Percentage of female employees by type of management function	Female employees in management positions	%	18.36	19.87	22.66
	- Female in lower-level management positions	%	19.45	20.31	25.04
	- Female in middle-level management positions	%	14.27	16.67	16.56
	- Female in top-level management positions	%	18.75	21.57	27.91
Female employees in revenue-generating positions <sup>17</sup>	%	18.82	25.24	24.32	
Female employees in STEM-related positions <sup>17</sup>	%	37.88	32.81	30.52	

<sup>17</sup> EEW GmbH is excluded from this data for 2021-2022 and is included in the calculation for 2023.

► ESG Key Performance Data

Indicator	Unit	2021	2022	2023	
Employee percentage by ethnicity and nationality	Ethnic minority employees	%	/	/	7.41
	Ethnic minority employees in management positions	%	4.82	3.56	6.23
	Hong Kong, Macao, Taiwan of China and overseas	%	/	/	4.77
	Employees from Hong Kong, Macao and Taiwan and overseas in management positions	%	/	/	26.53
The number and percentage of employees who left	Total number of employees who left	Person	4,460	2,813	3,825
	The percentage of employees who left	%	11.09	7.70	12.25
Employee turnover rate by gender	Male	%	11.20	7.91	12.60
	Female	%	10.82	7.17	11.38
Employee turnover rate by age	≤ 29	%	21.98	15.90	17.31
	30-50	%	10.24	7.15	11.89
	≥ 51	%	4.55	3.37	9.76
Employee turnover rate by region	The Chinese mainland	%	11.36	7.69	12.38
	Hong Kong, Macao and Taiwan of China	%	5.71	10.53	3.03
	Other countries and regions	%	3.27	7.78	9.68
<b>Health and Safety</b>					
Losses caused by work injuries	Number of work-related fatalities among employees	Person	5	0	0
	Percentage of work-related fatalities among employees	%	0.01	0.00	0.00
	Number of serious injuries and fatalities among employees	Time	3	1	0
	Number of working days lost due to work-related injuries	Day	21,669	3,782	3,104
	Lost-time injuries frequency rate (LTIFR)	/	/	/	0.00
	Lost workday rate (LWD)	/	/	/	9.94

Indicator	Unit	2021	2022	2023	
Investment on production safety	Hundred million yuan	9.11	17.71	19.88	
Total number of employees in safety training	Person-time	197,975	221,245	197,213	
Total hours of safety training	Hour	407,661	423,771	411,165	
Coverage of safety training by rank	Top-level management	%	/	100	93.75
	Middle-level management	%	/	100	98.69
	Lower-level management	%	/	100	99.21
Hours of safety training by rank	The rank and file	%	/	100	99.79
	Top-level management	Hour	/	3,174	2,503
	Middle-level management	Hour	/	14,885	16,147
	Lower-level management	Hour	/	29,677	50,436
	The rank and file	Hour	/	376,035	342,079
<b>Development and Training</b>					
Total number of employees trained	Person	/	/	30,297	
Total hours of employee training	Hour	1,047,840	921,899	982,985	
Percentage of trained employees by gender	Male	%	/	/	71.46
	Female	%	/	/	28.54
Percentage of trained employee by rank	Top-level management	%	/	/	0.13
	Middle-level management	%	/	/	1.71
	Lower-level management	%	/	/	13.15
	The rank and file	%	/	/	85.01
Average training hours by gender	Male	Hour	30.26	26.59	33.20
	Female	Hour	26.87	29.26	27.17

Indicator		Unit	2021	2022	2023
Average training hours by rank	Top-level management	Hour	45.94	101.28	111.23
	Middle-level management	Hour	47.97	52.17	44.09
	Lower-level management	Hour	56.17	28.85	122.56
	The rank and file	Hour	26.03	26.37	25.04
<b>Supply Chain Management</b>					
Total number of suppliers		/	2,670	2,129	6,161
By geographical region	The Chinese mainland	/	2,626	2,078	3,773
	Hong Kong, Macao and Taiwan and overseas	/	44	51	2,388
ISO 9001-certified suppliers		/	848	669	961
ISO 14001-certified suppliers		/	527	439	676
ISO 45001/OHSAS 18001-certified suppliers		/	380	358	599
Tier 1 suppliers		/	/	638	411
<b>Product Responsibility</b>					
R&D Investment		Billion yuan	1.67	1.93	2.10
R&D position		/	2,303	4,222	2,751
Newly granted patents		/	131	213	226
<b>Anti-corruption</b>					
Anti-corruption training	Number of training sessions for Directors	Session	7	5	2
	Average training hours per person for Directors	Hour	10	3.5	8
	Average training hours per person for staff	Hour	8	1.5	0.5

Indicator	Unit	2021	2022	2023	
<b>Community Investment</b>					
Charity spending	10,000 yuan	818.1(HKD)	399.8(HKD)	734.7	
Charity spending by type	Donation	10,000 yuan	/	/	368.5
	Commercial support	10,000 yuan	/	/	309.5
	Cost of in-kind donations	10,000 yuan	/	/	40.0
	Charity project management expenses	10,000 yuan	/	/	16.7

About This Report

Chairman's Message

About Us

Sustainable Development  
Management

Responsible  
Compliant  
Operations Underlie  
Robust Development

Trustworthy  
Excellent Quality Builds  
Greater Trust

Eco-friendly  
Stronger Measures  
Advance Eco-civilization

United  
Concerted Efforts for  
a Better Life

ESG Key Performance Data

► **HKEX**  
ESG Reporting Guide Index

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