



北控清潔能源集團有限公司
Beijing Enterprises Clean Energy Group Limited

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 01250



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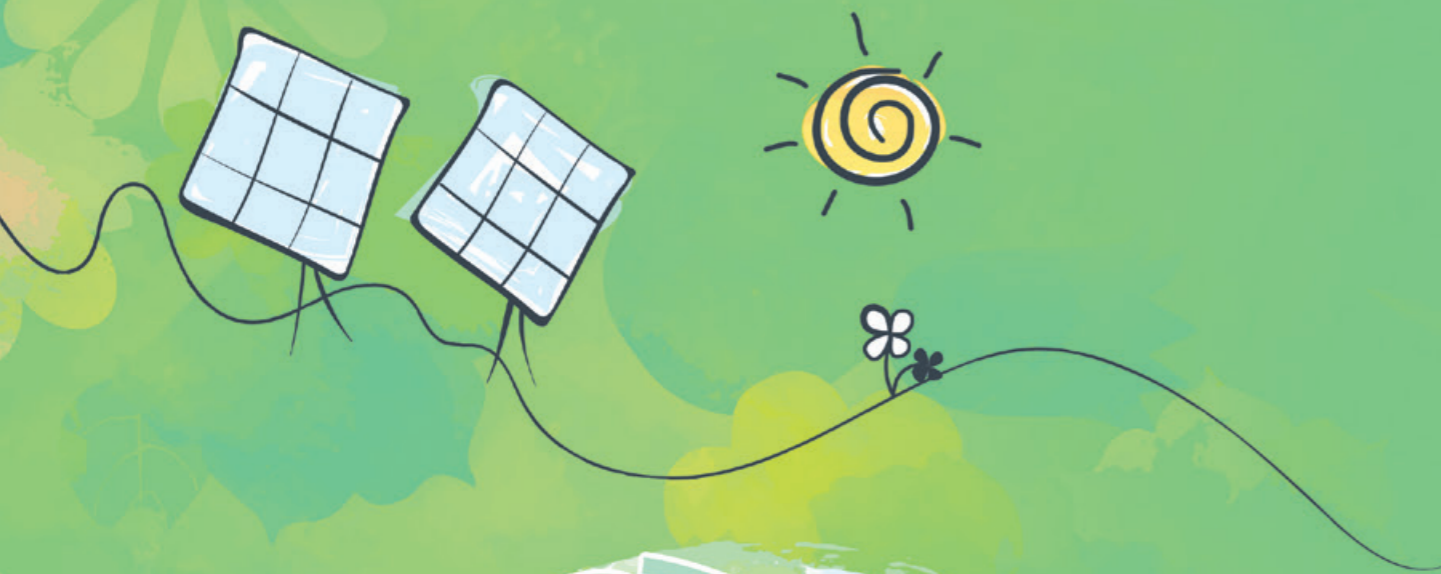
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About the ESG Report

Introduction

This is the fifth Environmental, Social and Governance ("ESG") Report (the "ESG Report") of Beijing Enterprises Clean Energy Group Limited (the "Company", "BECE" or "We", and together with its subsidiaries, the "Group"). We aim to present our ESG performance and practices through the ESG report so as to facilitate our stakeholders to better understand our ESG management. The ESG Report should be reviewed in parallel with the section headed "Corporate Governance Report" of the 2020 Annual Report of the Company.

About the ESG Report



Compilatory Basis

The Group has prepared the ESG Report in accordance with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) under Appendix 27 of the “Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (the “SEHK”). The ESG Report complies with all reporting requirements under the “Comply or Explain” Provision in the ESG Guide, and is prepared based on principles including “materiality”, “quantitative”, “balance” and “consistency” to fully exhibit our current management status and performance results in respect of ESG.

Reporting Scope

The ESG Report focuses on the Group’s policies and performance relating to the investment, development, construction, operation and management of photovoltaic power businesses, wind power businesses and clean heat supply businesses in the People’s Republic of China (“China” or the “PRC”). Unless otherwise stated, the scope of the ESG Report covers the Company and its subsidiaries. The reporting period of the information covered by the ESG Report is from 1 January 2020 to 31 December 2020 (the “Reporting Period”).

Source of data

All data involved in the ESG Report comes from internal documents or statistical reports of the Group.

Disclaimer of the ESG Report

The Board of Directors of the Company is accountable for the ESG strategy formulation and ESG reporting. The ESG Report is published in both Chinese and English. If there is any inconsistency, the Chinese version shall prevail. In case of any conflict or inconsistency between the ESG Report and the annual report of the Group, the annual report shall prevail.

The ESG Report is available for download on the website of the SEHK (www.hkexnews.hk) and the website of the Company (www.bece.com.hk).

Confirmation and Approval

This report was reviewed and approved by the Board of Directors on 21 July 2021.

Contact and Inquiry

The Group is committed to enhance its ESG disclosure, and we sincerely hope to receive valuable suggestions from stakeholders in order to continuously enhance our ESG performance. The Group welcomes stakeholders to provide opinions and suggestions regarding the Group’s ESG works or the content of the ESG Report. Our contact information is as follows:

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E-mail: ir@bece.com.hk



Only in hard times can courage and perseverance be manifested; only after polishing can a piece of jade be finer. The year 2020 is not only the year to finish building a moderately prosperous society in all respects and the final year for the 13th Five-Year Plan, but also the year China achieved decisive success in eradicating extreme poverty. Faced with the unprecedented COVID-19 pandemic and the undergoing major changes in world situation, we earnestly implemented the decisions and deployments of the Central Committee of the Communist Party of China (the "CPC Central Committee") and the State Council of the PRC (the "State Council"), carefully organised and coordinated the arrangements as a whole, and kept intact of our thoughts, energy and work while adhering to the core cultural values of "Be Responsible, Have Values and Be Sharing". We actively exercised social responsibilities, made every effort to assure regular operation and management so as to help with the pandemic prevention and control, and actively contributed to poverty alleviation, pandemic prevention and control and the building of a moderately prosperous society in all aspects.

Chairman's Statement

Chairman's Statement

Being deeply committed to clean energy and low-carbon development. In September 2020, China's call for "peaking carbon dioxide emissions" by 2030 and "achieving carbon neutrality" by 2060 had attracted attention of the world. The Group actively responded to the nation's call for steady development of photovoltaic power businesses, wind power businesses and clean heat supply businesses, while actively exploring various fields such as hydropower, energy storage, distribution and sales of electricity and hydrogen production, etc. We are committed to becoming a leading integrated clean energy service provider. As of 31 December 2020, the Group owned and/or managed a total capacity of more than 3,000 megawatt ("MW") clean energy facilities (including photovoltaic power businesses and wind power businesses) with a total actual clean heat supply area of approximately 29 million square meters, with an increase of approximately 6% in the same period of last year, and served approximately 238,198 households with an increase of approximately 3% in the same period of last year. Following the national goals of "peaking carbon dioxide emissions" and "achieving carbon neutrality", the Group will continue to strengthen strategy and planning research on its own carbon emission reduction and carbon neutrality to formulate the Group's specific path and timeline.

Optimising the management and control system and stimulating the vitality of the Group. During the reporting period, the Group piloted the OKR management method, running together with the KPI performance management and with more emphasis on process feedback and incentives on the basis of focusing on targets and quantitative assessment, to facilitate the implementation of the Group's major strategic issues; continued to consolidate and optimise the divisional management system, strengthen compliance management, promote the construction of the management and control system with sub-authorisation and process re-engineering as the core,

further standardise the decision-making process, reduce costs, improve the investment review system, and enhance overall operational efficiency. The Group also established an internal rotation mechanism, aiming to broaden the work scope and enhance the comprehensive capabilities of employees by virtue of job rotation. Moreover, it set up various incentive plans, the incentive mechanism of which is designed to be flexible and well-oriented, and implemented a business partnership system so as to bind the employees into a community of shared interest, development and destiny with the Group.

Building a strong line of defence and laying a solid safety foundation. The Group upholds the principles of "Promoting Safety First through Preventive Measures and Integrated Governance" to secure safety and construct a comprehensive safety network with full coverage through improving safety system, perfecting management system, enhancing safety inspection, strengthening emergency management capabilities and cultivating employees' safety awareness. The Group also completed the re-certification of ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems. While scientifically preventing and controlling the COVID-19 pandemic, the Group insisted on carrying out safety inspections at major risk project sites, supervising the rectification of safety hazards, and continuously monitoring the results of rectification. Besides, the Group conducted safety education and training for all employees to regulate their operational behaviours and safety production abilities and enhance the awareness to prevent occupational diseases. The safety training passing rate has reached 100%.

Exercising social responsibilities for poverty alleviation and building a harmonious society. During the final year for combating poverty, the Group explored a distinctive path for poverty alleviation through industry development, ecological development and clean energy construction by making full use of the resources in finance, technology, talent and management, and relying on the advantages of the industrial chain, product technology and ecological cooperation to achieve "hematopoietic" poverty alleviation. The poverty alleviation projects of the Group benefited a total of 4,067 registered poor households, achieving the goals of improving local infrastructure, creating more job opportunities, increasing prosperity after poverty alleviation, and promoting long-term sustainable development in the poverty-stricken areas.

Looking to the future, facing new opportunities in the "14th Five- Year Plan", we stayed true to the original intention of "Promote the Revolution in Energy Production and Consumption, and Build a Clean, Low-carbon, Safe and Efficient Energy System", and continued to drive the high-quality development of clean energy businesses in the new era with firm belief and solid actions. We will uphold a greater determination, stronger intention and implement more practical measures to achieve the goal of "peaking carbon dioxide emissions and achieving carbon neutrality". The Group will also continue to promote the construction of a community with shared future for mankind in the global village so as to benefit all mankind and future generations, forge ahead and write a new chapter in the development of BECE!





About the Group

Overview

BECE principally engages in the investment, development, construction, operation and management of Photovoltaic Power Businesses, Wind Power Businesses and Clean Heat Supply Businesses in the PRC. The Group also actively explores other clean energy businesses. Focusing on the clean development and use of energy to provide “Clean Energy Plus” solutions, the Group strives to build up a clean energy business ecosystem featuring multi-energy complement, and synergies on diverse of business lines and profit sources as well as to become a leading integrated clean energy service provider.

About the Group

CENTRALISED PHOTOVOLTAIC POWER BUSINESSES



Our services have covered
15
Provinces, municipalities and autonomous regions



Number of centralised photovoltaic power plants
48



Approximate total on-grid capacity
2,146 MW

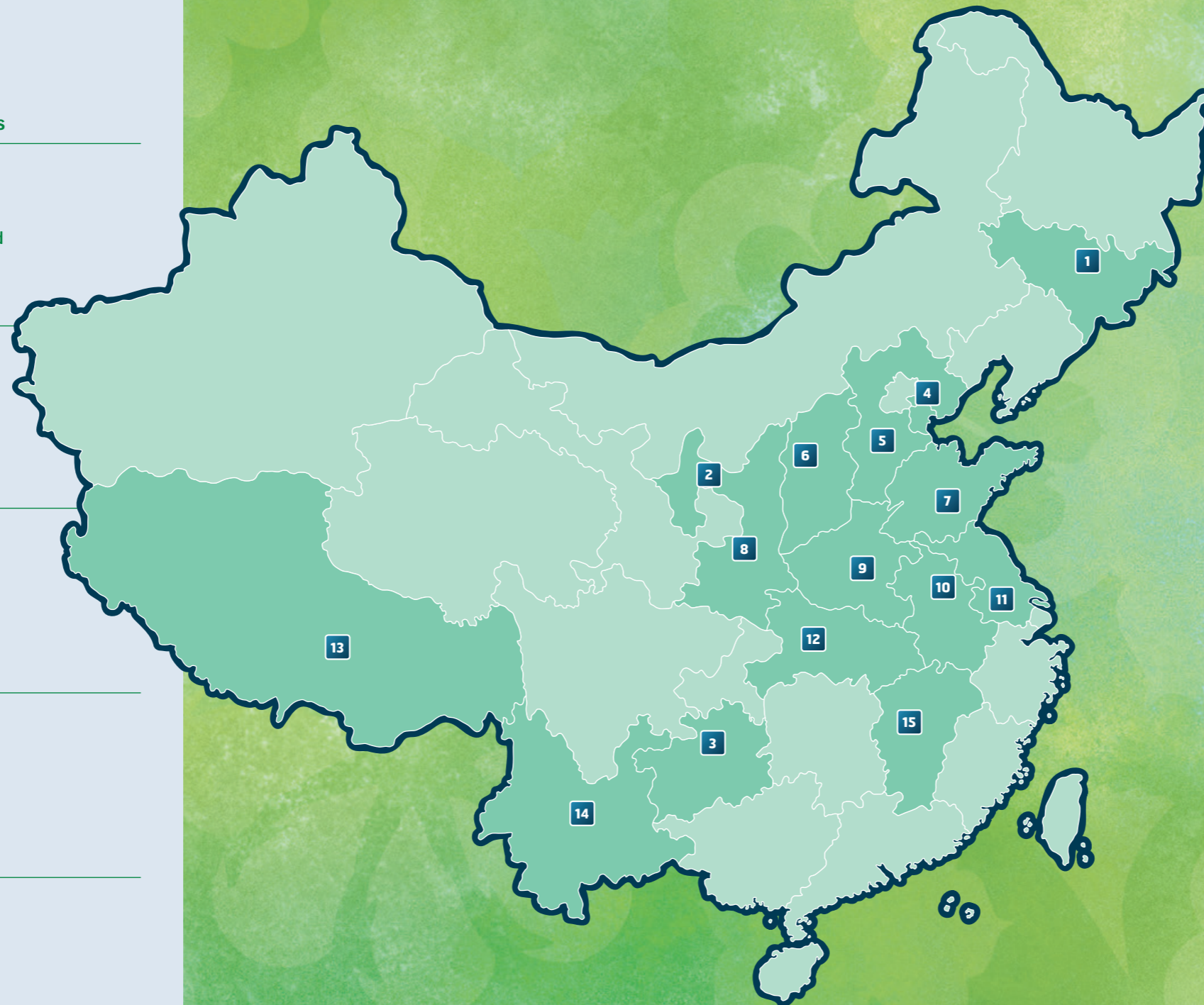


Weighted average utilisation hours
1,280 Hours



Photovoltaic resource areas mainly located
Area III

Centralised Photovoltaic Power Businesses in the PRC as at 31 December 2020



Locations	Approximate total on-grid capacity
1 Jilin	30 MW
2 Ningxia	100 MW
3 Guizhou	211 MW
4 Tianjin	30 MW
5 Hebei	572 MW
6 Shanxi	20 MW
7 Shandong	248 MW
8 Shaanxi	160 MW
9 Henan	264 MW
10 Anhui	191 MW
11 Jiangsu	100 MW
12 Hubei	43 MW
13 Tibet	30 MW
14 Yunnan	22 MW
15 Jiangxi	125 MW

About the Group

DISTRIBUTED PHOTOVOLTAIC POWER BUSINESSES

In the field of distributed photovoltaic power generation, as of 31 December 2020, the Group had held and/or managed distributed photovoltaic power plants in operation with a total installed capacity of 700 MW. The plants were mainly located in area III photovoltaic resource areas designated by the National Development and Reform Commission of the PRC (the "NDRC").

In 2020, the Group generated more than 3,139 million kilowatt-hours ("kWh") of photovoltaic power according to a consolidated basis.

WIND POWER BUSINESSES

In the field of wind power generation, those wind power plants were mainly located in area IV wind resource zones designated by the NDRC in provinces like Hebei, Henan, Shandong and the Inner Mongolia Autonomous Region. In 2020, the Group reached an energy output of approximately 650 million kWh through wind power generation according to a consolidated basis, a year-on-year significant increase of approximately 40%.

Mengcheng rooftop distributed photovoltaic power plant



Lusa wind power plant in Shandong Province



Number of wind power plants
11



Approximate total on-grid capacity
438 MW



Weighted average utilisation hours
2,955 Hours



Yongheng clean heat supply project in Ningxia

The Group also focuses on promoting the development of wind and photovoltaic power generation grid parity projects, continuously enhances the building of development teams, and fully digs existing resources. We have signed a series of strategic cooperation agreements with local governments and renowned enterprises respectively in an effort to establish integrated partnerships, so as to achieve common development in the field of clean energy on the basis of mutual benefits and complementarity, and further implement the asset optimisation strategy.

CLEAN HEAT SUPPLY BUSINESSES

In the field of clean heat supply, as of 31 December 2020, the Group had owned and/or managed clean heat supply projects with a total actual clean heat supply area of approximately 29 million square meters, with an increase of approximately 6% in the same period of last year. We served approximately 238,198 households, with an increase of approximately 3% in the same period of last year. The projects were mainly located in Hebei, Shanxi, Shaanxi, Ningxia, Liaoning and other provinces and autonomous regions.



Total Actual Clean Heat Supply Area
29
Million Square Meters



Households Served
238,198
Households



Main Provinces Located
Hebei, Shanxi, Shaanxi, Ningxia, Liaoning

About the Group

HONOURS

(1) Honorary Titles

Prize Owner	Honorary Title	Reason	Issuer
Damao wind power plant (Phase III) under 北控風力發電有限公司 (Beijing Enterprises Wind Power Generation Company Limited*)	2019 National Grade 5A Enterprise of Production and Operation Indicators Benchmarking against Wind Power Plants (the Western Part of the Inner Mongolia Autonomous Region)	No. 1 in benchmarking against production indicators in Baotou region (the Western Part of the Inner Mongolia Autonomous Region)	China Electricity Council
48MW wind power plant project under 山東魯薩風電有限公司 (Shandong Lusa Wind Power Limited*)	2019 National Grade 4A Enterprise of Production and Operation Indicators Benchmarking against Wind Power Plants (Shandong Province in North China)	Production indicators benchmarking against Grade 4A Wind Power Plant in Shandong Province	China Electricity Council
Zhongwei No.50 photovoltaic power plant under 中寧縣興業錦繡新能源有限公司 (Zhongning County Xingyejinxiu New Energy Co, Ltd.*)	'Friendly' Wind Power Plant for the year 2019	Well-arranged network-related equipment management and strong collaboration between the Plant and the Grid	State Grid Ningxia Electric Power Co, Ltd.



Note: The above honorary titles and awards were awarded in year 2020

(2) Awards

Prize Owner	Award	Reason	Issuer
北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*)	First Prize for Group Achievements of Power Construction Quality Management in 2019	Application of the "Deming Circle" analysis method to quality problems encountered during project construction	China Enterprise Association of Electricity Construction
北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*)	Second Prize for Group Achievements of Power Construction Quality Management in 2019	Application of the "Deming Circle" analysis method to quality problems encountered during project construction	China Enterprise Association of Electricity Construction
北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*)	Second Prize for Group Achievements of Power Construction Quality Management in 2019	Application of the "Deming Circle" analysis method to quality problems encountered during project construction	China Enterprise Association of Electricity Construction
北控光伏科技發展有限公司 (Beijing Enterprises New Energy Company Limited*)	Third Prize for Group Achievements of Power Construction Quality Management in 2019	Application of the "Deming Circle" analysis method to quality problems encountered during project construction	China Enterprise Association of Electricity Construction



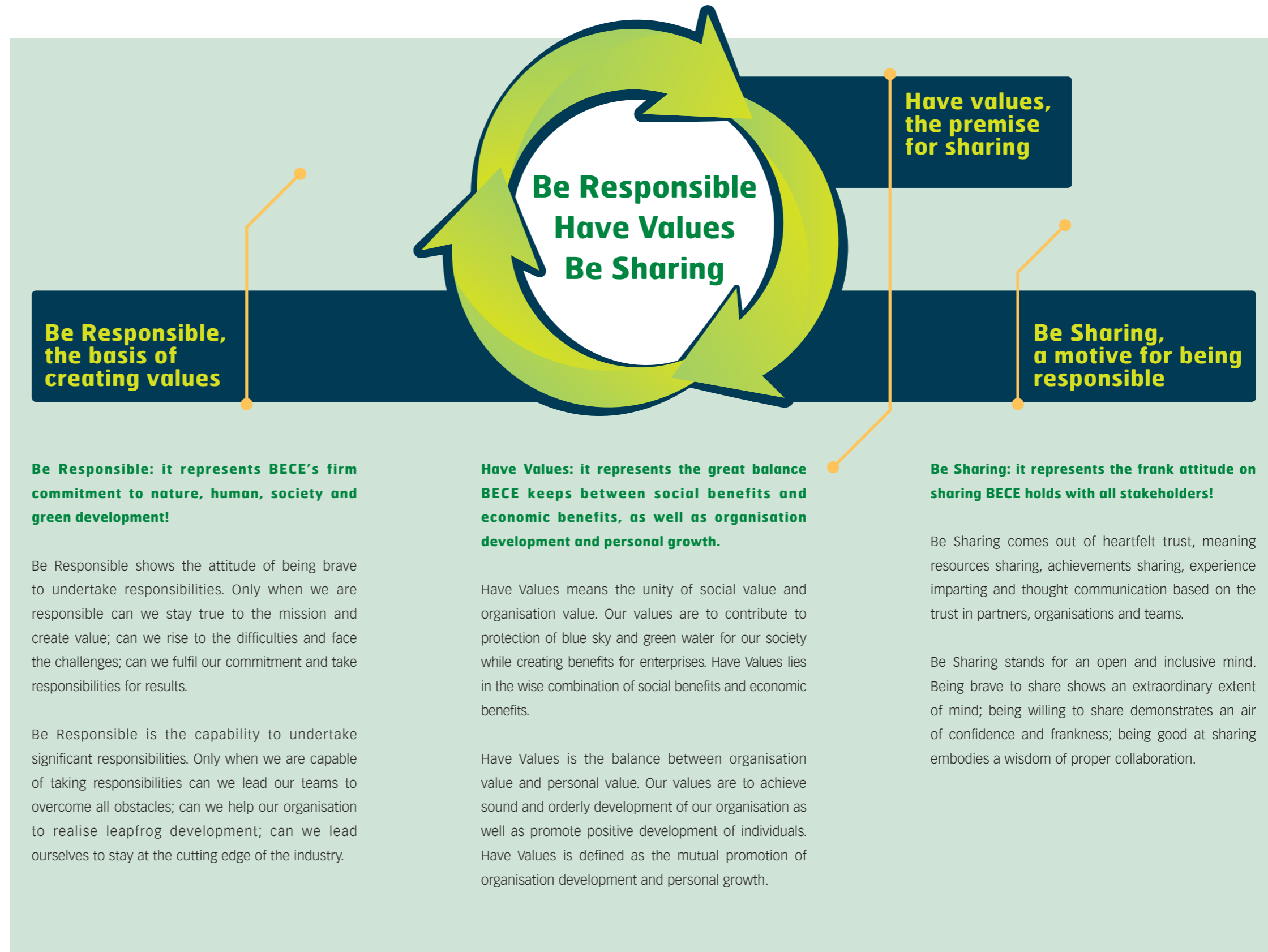
About the Group

ESG MANAGEMENT

(1) ESG Concept and Strategies

The Group shoulders the mission of "Contribute Our Clean Energy and Build a Green Future", upholds its core values of "Be Responsible, Have Values and Be Sharing" as well as "Sincere and Responsible" attitudes, and adheres to the management philosophy of "Lean, Elite, High-quality, and Innovation" and the management and control policy of "Appropriate Authorisation, Goal-oriented, Positive Incentives, and Well-arranged Supervision and Examination". We integrate the ESG concept into our daily operation and management. While exploring the coherence points between our business development and environmental and social needs, we prudently manage our own ESG risks, leverage all existing and potential resources to create more valuable products and services for the society and constantly promote the sustainable development of the Group to realise the vision of "A Leading Green Energy Business Ecosystem Builder".

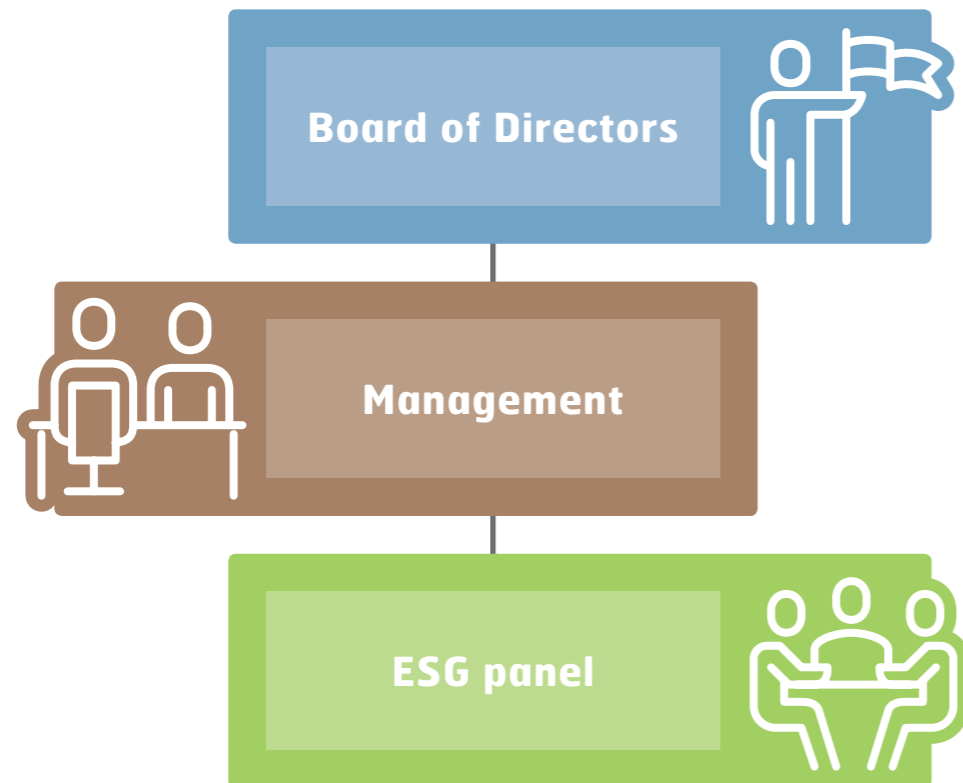
The value of "Be Responsible, Have Values and Be Sharing" is the core of BECE's enterprise culture as well as mutual value orientation and evaluation criterion of the Group and employees, promoting steady growth of BECE and laying a foundation of persistence for enterprise sustainable development.



About the Group

(2) ESG Governance System

The Group has established an ESG governance system featuring cross-level coordination and cross-function cooperation with the Board of Directors in overall charge and management taking the lead. ESG strategies and objectives will be reviewed and monitored by the Board of Directors on a regular basis and executed by management. An ESG panel has been established with members from all relevant departments to take responsibilities for the ESG commitment in respective fields. All branches carry out local ESG work under the guidance of the ESG panel. The establishment of the ESG governance system ensures the proper management of environmental and social risks in all businesses and the effective implementation of ESG concept and strategies.



(3) Commitment to Sustainability

Capitalizing on our business nature of environmental protection, BECE fully supports the United Nations' 17 sustainable development goals (SDGs) and vigorously contributes to China's transformation to clean and low-carbon energy and the goal of achieving "peaking carbon dioxide emissions" and "achieving carbon neutrality" by developing clean energy business and accelerating technological innovation in energy conservation and emission reduction. The Group identifies the 8 most relevant SDGs based on its own business characteristics, and promises to support and incorporate the SDGs into the Company's development strategy and business operations.

Key SDGs	BECE's actions and achievements in 2020	Chapter
	<p>The Group actively responded to the call, made full use of its own resources in capital, technology, talent and management, relying on the advantages of industrial chain, product technology and ecological cooperation, and walked out a road of combining industrial poverty alleviation, ecological development poverty alleviation and clean energy construction poverty alleviation to achieve "hematopoietic" poverty alleviation. It promoted the prosperity after poverty alleviation and the long-term sustainable development of the region. Up to now, the accumulated poverty alleviation projects constructed by the group have benefited 4,067 poverty-stricken households who have been registered by the state.</p>	IX. Practise Public Welfare and Build a Harmonious Society
	<p>The Group conducted safety education and training for all employees, with which the Group regulated operational behaviours and safety production abilities of employees, enhanced the awareness to prevent occupational diseases, reporting a 100% safety training pass rate for all departments. In the past three years, there was no significant safety incident of work-related fatalities and report of lost workdays due to work-related injuries. The number of work-related deaths is zero and the number of working days lost due to work-related injuries is zero.</p> <p>In the face of the outbreak of the COVID-19, the Group strengthened employees' health and safety protection, resumed work against various challenges, actively participated in social assistance programs, carried out pandemic prevention and control work in a scientific way, fully devoting itself into the fight against the pandemic. In this year, we have formulated a number of office measures to combat the epidemic. At the same time, we have contributed to the prevention and control of the epidemic in the community through donations, including funds, masks and oxygen generators.</p>	V. Build a Strong Line of Defence and Lay a Solid Safety Foundation IX. Practise Public Welfare and Build a Harmonious Society

About the Group

Key SDGs	BECE's actions and achievements in 2020	Chapter
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>The Group is mainly engaged in the investment, development, construction, operation and management of various clean energy businesses in China, such as photovoltaic power generation, wind power generation and clean heat supply. We are a leading integrated clean energy service provider, in 2020, the clean electricity generated by the Group's power station projects effectively reduced the consumption of standard coal, the emissions of carbon dioxides, sulfur dioxides and nitrogen oxides by about 1,182,258 tonnes, 3,114,794 tonnes, 1,478 tonnes and 1,364 tonnes respectively, and comprehensively helped environmental protection and green ecological development.</p>	<p>IV. Clean Production, Focus on Green Operation</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Talent is the cornerstone of the sustainable development of an enterprise. The Group is people-oriented, respects employees, strictly adheres to labor standards, and protects employees' legal rights. We value talent, provide our employees with diversified training opportunities and a wide range of promotion and development opportunities; we care for our employees, build a healthy and safe working environment and a comprehensive welfare system and adopt multiple caring measures. We always strive to create an organization that attracts talent and lays a fertile ground for talent development.</p>	<p>VI. Promote Employee Development through People-orientated Cultures</p>
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>The Group actively responds to the national strategy. Following the national goals of "peaking carbon dioxide emissions" and "achieving carbon neutrality", the Group continues to strengthen research on its own carbon emission reduction and carbon neutral strategy and planning to formulate the Group's carbon peak and carbon neutral path. At the same time, we actively carry out strategic cooperation and use our own advantages in the new energy field to provide enterprises and governments with services and solutions targeting at the carbon peak and carbon neutral visions. As such, we actively promote China's energy clean and low-carbon transition and contribute to the realization of the "dual carbon" goal.</p>	<p>IV. Clean Production, Focus on Green Operation</p>

Key SDGs	BECE's actions and achievements in 2020	Chapter
 <p>13 CLIMATE ACTION</p>	<p>The Group actively responds to climate change, vigorously develops clean energy business, accelerates energy-saving and emission-reduction technological innovation, promotes clean production in daily production and operations, advocates the concept of green office, and continues to strengthen research on its own carbon emission reduction and carbon neutral strategy and planning. At the same time, the Group actively carries out strategic cooperation and utilises its own advantages in the new energy field to provide enterprises and governments with services and solutions targeting at the carbon peak and carbon neutral visions, and thus contributing to the fight against climate change.</p>	<p>IV. Clean Production, Focus on Green Operation</p>
 <p>15 LIFE ON LAND</p>	<p>The Group requires all units to implement strict assessment and management of the environmental impact assessment of construction projects, earnestly comply with environmental protection requirements, ensure the compliant discharge of various pollutants, and pay attention to soil and water conservation and biodiversity protection to minimise negative effects on the environment and ecology.</p>	<p>IV. Clean Production, Focus on Green Operation</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>The Group attaches great importance to business ethics, integrity and compliance. We have formulated the "Regulation on Supervision and Management", established an integrity and compliance supervision and reporting management system, and set up a "Supervision and Audit" promotion column on its portal website. We continuously regulate and optimise the reporting, investigation, processing, result reporting and remedial procedures of fraud cases. In 2020, the Group did not receive major corruption complaints, nor concluded major corruption lawsuits.</p>	<p>VIII. Prioritise Compliance and Reinforce the Foundation of Governance</p>

About the Group



Identification

Maintain effective communication with various stakeholders to understand their expectations, and identifies 16 issues related to sustainable development (including 5 environmental issues and 11 social issues) with reference to the ESG Guide, peer benchmarking and corporate development characteristics, thus establishing the Group's pool of issues related to sustainable development.



Assessment

Understand the significance of each issue to stakeholders themselves and to the sustainable development of the Group by collecting opinions from internal and external stakeholders on the materiality of each issue. Assess the relevance and materiality of each issue based on the current management status of the Group with reference to the material issue identification by peer companies in the industry.



Confirmation

Identify material ESG issues based on a comprehensive analysis of the results of survey on stakeholders and the results of peer analysis, and obtain confirmation from senior management of the Group to ensure that the assessment results are consistent with the characteristics of the Group's businesses and development status.

(4) Stakeholder Engagement

The Group has maintained effective communication with stakeholders through various channels. We respond to the stakeholders' comments and demands in a timely order, and we continuously enhance our internal optimisation and management to make our business and operations satisfy their needs and expectations. Meanwhile, the Group determines the contents of the ESG Report based on material issue identification and analysis results to help stakeholders better understand our ESG performance. The process to identify material issues and determine the contents of the ESG Report is as follows:

Our main external stakeholders include government and regulators, shareholders and investors, customers, suppliers and communities and the public, while our main internal stakeholders include employees. We have established effective communication channels with various stakeholders, identified their key concerns and communicated in a timely manner.

Stakeholder identification table

Major Stakeholders	ESG Issues	Communication Channels
 <p>Government and Regulators</p>	<ul style="list-style-type: none"> • Safe production and compliance operation • Paying taxes according to laws • Environmental protection • Responses to climate changes • Technological innovation 	<ul style="list-style-type: none"> • Supervision and inspection • Information disclosure • Environmental protection management • Forum and seminar
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Corporate governance and risk management and internal control • Return on investments and economic benefits • Responses to climate related risks and opportunities • Corporate business development • Environmental management and environmental protection performance 	<ul style="list-style-type: none"> • Financial reports/ESG reports • Press releases/Announcements • Annual general meeting/extraordinary general meetings • Investor communication meetings/roadshows • Site visits to projects • Company websites/emails

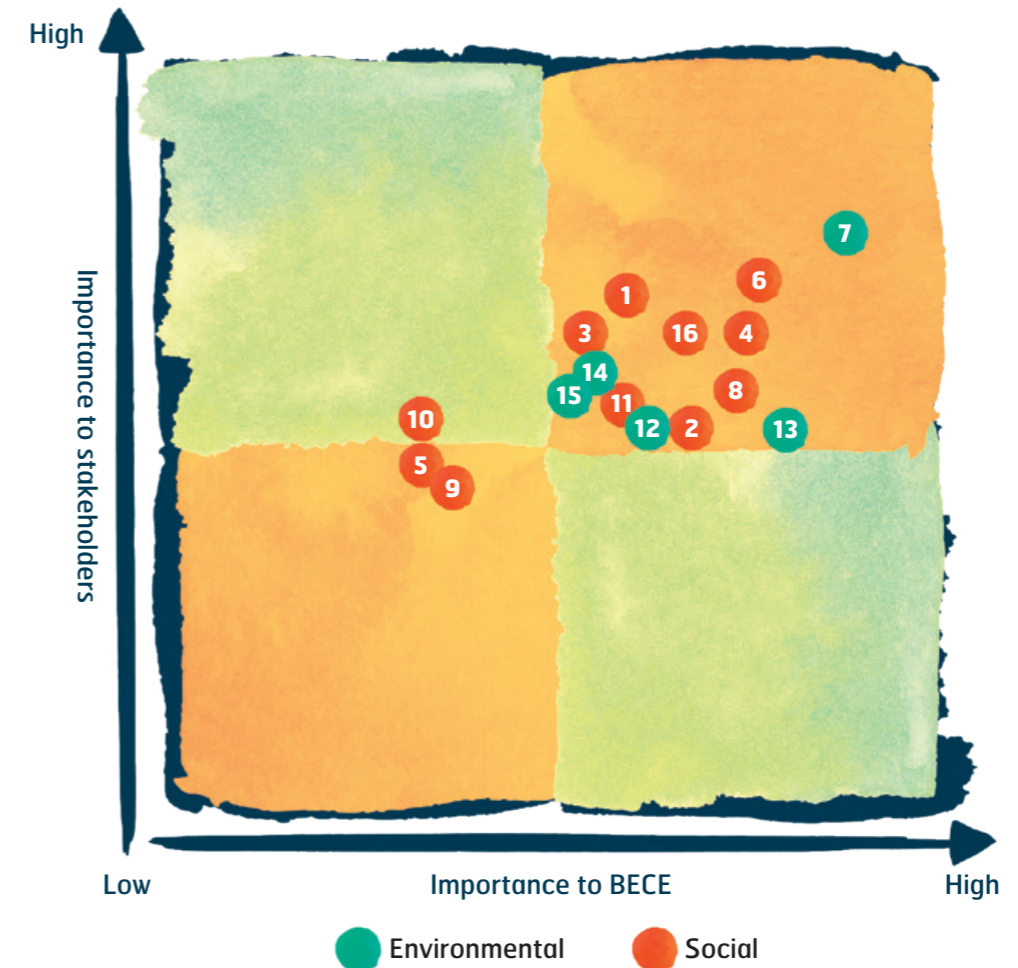
About the Group

Stakeholder identification table

Major Stakeholders	ESG Issues	Communication Channels
 <p>Employees</p>	<ul style="list-style-type: none"> • Employees' rights and interests • Employee benefits and welfare • Occupational health and safety • Development and training 	<ul style="list-style-type: none"> • Employee meetings • Employee activities and performance appraisal • Safety inspection • Internal trainings • Interview and employee suggestion box
 <p>Customers</p>	<ul style="list-style-type: none"> • Product quality and safety • Customer rights and interests • Customer services 	<ul style="list-style-type: none"> • Market research and investigation • Complaint hotline • Questionnaires
 <p>Suppliers</p>	<ul style="list-style-type: none"> • Transparent procurement • Assessment and supervision • Supply chain management 	<ul style="list-style-type: none"> • Supplier assessment • Supplier management • Contracts and agreements
 <p>Community and the Public</p>	<ul style="list-style-type: none"> • Community contribution • Public welfare events • Environmental management and environmental protection performance 	<ul style="list-style-type: none"> • Poverty alleviation • Charity donations • Press releases and announcements

Through in-depth interviews with stakeholders and shareholders, and based on the results of communication and feedback, we have established a matrix diagram for substantive issues analysis on 16 topics in three aspects of environment, society and governance, including 5 environmental issues and 11 social, which is shown as follows:

Matrix of Material Issues



- | | |
|-------------------------------------|--|
| 1 Social responsibility | 9 Privacy protection |
| 2 Supply chain management | 10 Protection of intellectual property rights |
| 3 Employee development and training | 11 Product and service quality management |
| 4 Employee's rights and interests | 12 Protection of environment and natural resources |
| 5 Labour standards | 13 Response to climate changes |
| 6 Occupational health and safety | 14 Use of resources |
| 7 Developing clean energy | 15 Emission management |
| 8 Technological innovation | 16 Integrity Construction |



Clean Production, Focus on Green Operation

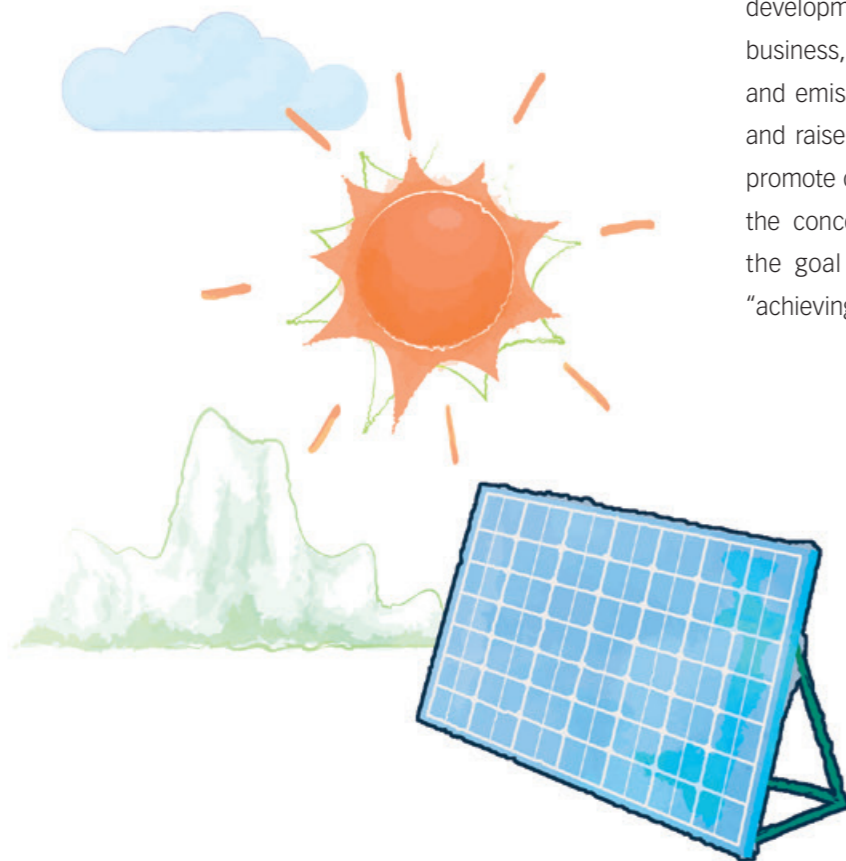
Abnormal weather imposes human severe survival tests. Addressing climate change becomes a common target for all countries. In 2016, 178 contracting parties around the world signed the Paris Agreement, an agreement on climate change issue, aiming to limit the rise of global average temperature of the century to less than 2°C above that of the Pre-industrial Period, and further limit to 1.5°C. Whereas, controlling the emission of carbon dioxide ("CO₂") produced by human activities is the key to achieving the goals aforementioned.

Clean Production, Focus on Green Operation

Xi Jinping, the president of the People's Republic of China, stressed at the speech of G20 Riyadh Summit in November 2020, that China would devote greater effort to address climate change issue and make more autonomous contributions to achieve "peaking carbon dioxide emissions" by 2030 and "achieving carbon neutrality" by 2060. Moreover, China would further promote clean energy transformation and support energy low-carbon transformation during post-pandemic era to achieve the goal of sustainable energy for all. According to the "14th Five-Year" Plan and 2035 vision suggestions, China would promote clean, low-carbon, safe and efficient utilisation of energy, speed up development in new energy, green environmental protection and other industries, and promote all-round and green transformation for economy and society development.

China has sped up to launch numbers of measures and policies since 2020 to promote sustainable and low-carbon economic development, including but not limited to the *Energy Law* in draft, the Energy Conservation Law under revision and the *Law on Dealing with Climate Change Issues* in contemplation, the core of which is about the total quantity control for carbon. More policies are expected to be introduced in the medium and long term. In order to achieve the objective of carbon neutrality, China will realise economic transformation, reduce the use of fossil fuel, and accelerate and increase the investment in new energy.

As a leading enterprise for clean energy, the Group upholds "Promote the Revolution in Energy Production and Consumption, and Build a Clean, Low-carbon, Safe and Efficient Energy System" as its corporate responsibility and takes initiative in addressing climate change. We actively respond to the national green development policy, vigorously develop our clean energy business, accelerate innovation in energy conservation and emission reduction technologies, issue green bonds and raise green loans to support green finance. We also promote clean production in daily operation and advocate the concept of green office to contribute to achieving the goal of "peaking carbon dioxide emissions" and "achieving carbon neutrality".



Clean Production, Focus on Green Operation

1. DEVELOP CLEAN ENERGY

The Group adheres to the strategy of deeply ploughing in the clean energy field and developing diversified clean energy businesses. With the country launching a series of favourable energy policies, the only path for enterprise development is to speed up the clean and efficient utilisation of fossil energy, to promote the development of non-fossil energy, to increase the proportion of clean energy consumption structure and to promote the green, low-carbon transformation of energy. The Group actively responds to national policies and market changes, to implement the sustainable development concept that entails low-carbon operation, environmental protection, energy conservation and emission reduction, and constantly increase investment inputs to green economy, low-carbon economy and circular economy.



Centralised photovoltaic power plant in Xintai City, Shandong Province

Case: Enter into cooperation agreements with Longmay Mining Group

On 30 November 2020, a subsidiary of the Group has entered into cooperation agreements with Longmay Mining Group on planning and establishment of clean energy bases for wind power, photovoltaic power, energy storage and hydrogen energy, aiming to build a large-scale new energy base in the eastern part of Heilongjiang, China, and create a new energy industrial cluster of development, distribution, sales, storage and production. Longmay Mining Group's advantages in local comprehensive resources and regional power distribution network will be combined with the Group's advantages in technology, investment, development and construction in the new energy sector to assist and promote the development planning for the transformation of local coal enterprises and achieve mutual benefits.

Clean Production, Focus on Green Operation

Case: Sign strategic cooperation agreement with SinoCarbon

The Group has signed a strategic cooperation agreement with SinoCarbon, agreeing that both parties will leverage their respective advantages to jointly provide governments, enterprises and other customers with services and solutions aiming at carbon dioxide emissions peaking and carbon neutrality. The solution includes but not limited to listing compilation, research and design of routes to carbon emissions peaking and carbon neutrality, planning and formulation of plans, research on policies and measures, design and construction of demonstration projects, services related to the carbon market and energy-consuming rights market, green finance services, construction of carbon management platforms and monitoring systems, design, investment, construction, operation and management of various clean energy projects, regional integrated energy services and related capacity building, etc., with a view to help promote China's clean low-carbon energy transition and achieve the goals of "peaking carbon dioxide emissions" and "achieving carbon neutrality".



Cooperation agreement signing ceremony between BECE and SinoCarbon

Case: Technical cooperation with Beijing Jianheng Certification Centre

This year, the Group continued to cooperate with Beijing Jianheng Certification Centre to establish a new type of high-efficiency power generation performance test and evaluation system for crystalline silicon photovoltaic cell modules to adapt to the technology development trend of the photovoltaic industry. The Group also carried out a series of researches on safety test and evaluation technologies related to the electric shock protection, fire protection and insulation fault detection for the energy storage system in the optical storage system, as well as performance test and evaluation technologies related to system capacity, charging and discharging efficiency and output power quality.

Clean Production, Focus on Green Operation

In order to achieve a higher power generation efficiency and lead the development of the clean energy sector, the Group continues to explore technological innovation, formulates relevant policies encouraging employees to conduct research and development, adopts new power plant layouts and upgrades equipment components. During the reporting period, we vigorously

developed clean energy power generation business, successfully reduced emissions of exhaust gases and greenhouse gases, saved resource consumption of fossil fuels, resolutely assisted China's energy clean and low-carbon transformation, and contributed to the achievement of carbon neutral and carbon peak goals!

Electricity output	Unit	2020
Photovoltaic power plants	Megawatt hour ("MWh")	3,138,958
Wind power plants	MWh	650,329

Type	Unit	2020
Reduction in standard coal consumption	Tonne	1,182,258
Reduction in carbon dioxide emissions	Tonne	3,114,794
Reduction in sulfur dioxide emissions	Tonne	1,478
Reduction in nitrogen oxide emissions	Tonne	1,364



2. ASSIST GREEN FINANCE

Green finance has made great contributions to dealing with climate change and promoting economic sustainable development. BECE upholds the concept of green development all the time to become an active participant in green finance market. With the promotion of national green development strategy and the launch of transaction system for carbon emission rights nationwide, BECE has seized the opportunities firmly by issuing panda corporate bonds and raising green loans, accelerating the development of clean energy business and actively assisting China's green and low-carbon transformation.

Green Bonds

Green sustainable perpetual capital instrument (first phase) of BECE were successfully issued in 2018, of which the issuing scale was RMB1 billion, the corporate rating and bond rating were both AA+. The circulation market was the Shenzhen Stock Exchange (the "Shenzhen Stock Exchange"). This perpetual capital instrument is the first renewable green panda bond in the country that meets the green standards of the People's Bank of China "Green Bond Endorsed Project Catalog (2015 Edition)". BECE received the award of "Great Issuer of Fixed Income Instruments for the Year 2018" issued by Shenzhen Stock Exchange for corporate qualification, issuing scale and product innovation of the bonds.

The Group successfully and publicly issued green corporate bonds to qualified investors in 2019 and 2020, with a scale of RMB1,400 million. The corporate rating and bond rating were both AA+. The circulation market was the Shenzhen Stock Exchange. The fund collected would be used to support the development of the Group's clean energy business.

Green Loans

In 2021, the Group successfully raised the first green syndicated loan which complies with the APLMA principles for green loans with a scale up to USD300 million equivalent. The fund collected from the syndicated loan will be used for renewable energy projects, including but not limited to photovoltaic power businesses, wind power businesses, energy storage businesses and clean heat supply businesses, as well as finance and refinance for development, construction and maintenance of related infrastructures.

Green bonds and green syndicated loans are both a good practice of BECE to actively use green financial instruments while providing powerful capital support to pursue green and low-carbon development. Under the background where China has made commitments to achieving "peaking carbon dioxide emissions" by 2030 and "achieving carbon neutrality" by 2060, low-carbon industry will embrace an explosive growth. Therefore, BECE must ride on the momentum and seize great market opportunities to get bigger and stronger.

3. PROMOTE CLEAN PRODUCTION

The Group strictly abides by the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on Environmental Impact Assessment", the "Water Pollution Prevention and Control Law of the People's Republic of China", the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes", the "Energy Conservation Law of the People's Republic of China", the "Regulations on the Administration of Construction Project Environmental Protection" and other laws and regulations. The Group has accordingly formulated the "Administrative Regulations on Environmental Protection and Water - Soil Conservation", the "Administrative Measures for Environmental Protection (Trial)", the "Environmental Factor Identification and Evaluation Control Procedures (Trial)", the "Regulations on Management of Production Energy Consumption (Trial)", the "Administrative Provisions on Energy Conservation and Emission Reduction" and other policies.

Besides, we strictly implement environmental protection requirements, enhance energy utilisation management, take necessary measures that are technically feasible, economically reasonable and environmentally and socially affordable, and increase investment in environmental protection education for all employees to enhance their awareness of environmental protection. The Group expects to regulate ecological and environmental protection and pollution prevention in all aspects, so as to enhance the management of potential environmental risks, minimise the impact on the environment, and achieve comprehensive sustainable development.

In order to strengthen the management on environmental protection and water-soil conservation, the Group has further formulated the "Administrative Regulations on Environmental Protection and Water - Soil Conservation of Beijing Enterprises Clean Energy Group Limited". The regulation requires all departments to implement the target-oriented responsibility system for environmental protection and water-soil conservation, take measures to meet relevant environmental protection and water-soil conservation criteria at all levels, and formulate hierarchical control objectives and assessment methods.



Clean Production, Focus on Green Operation

Clean Production, Focus on Green Operation

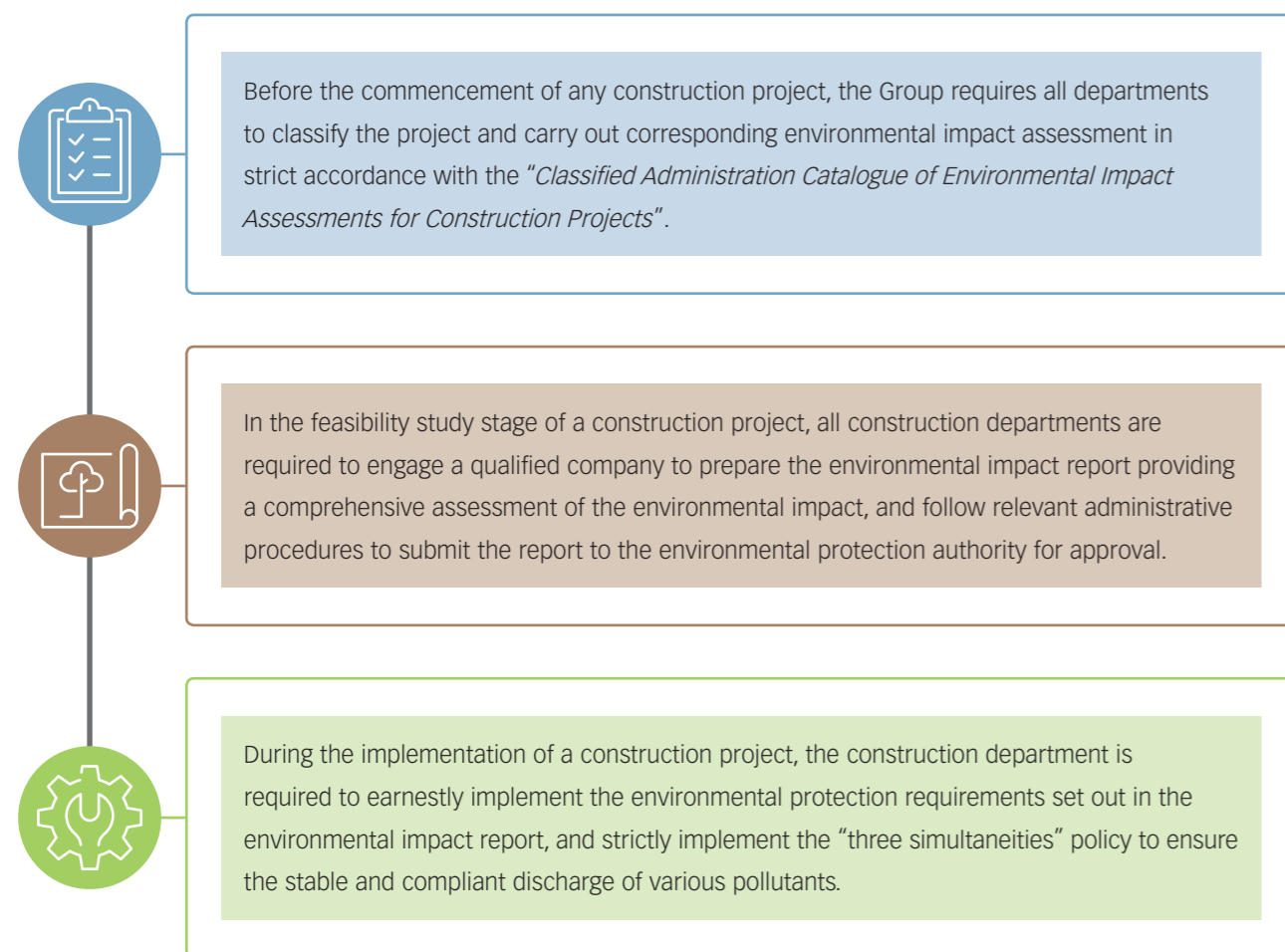
To reduce the waste produced by the power plants, the Group established various waste management procedures, such as the "Regulations on Facility Repair and Handling" and the "Regulations on Hazardous Chemicals" and adopted a "Repair before Sale" principle to handle impaired facilities at the power plants. Considering that hazardous waste is not only harmful to the environment but is also detrimental to the health and safety of our employees, as such, the Group handles hazardous waste carefully by setting up designated collection areas for each type of hazardous wastes, and has appointed qualified industrial waste handlers to

collect and handle the wastes in a proper manner. In the Clean Heat Supply Business, the "Trial Regulations on Production Energy Consumption Management for 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*)" specifies business units to dispose hazardous waste properly in accordance with the relevant national regulations. All business units should reuse general waste which is not listed on the "Directory of National Hazardous Wastes" as far as practicable. If reuse is not possible, business units should take effective measures to reduce consumptions and hire qualified companies to handle the waste.

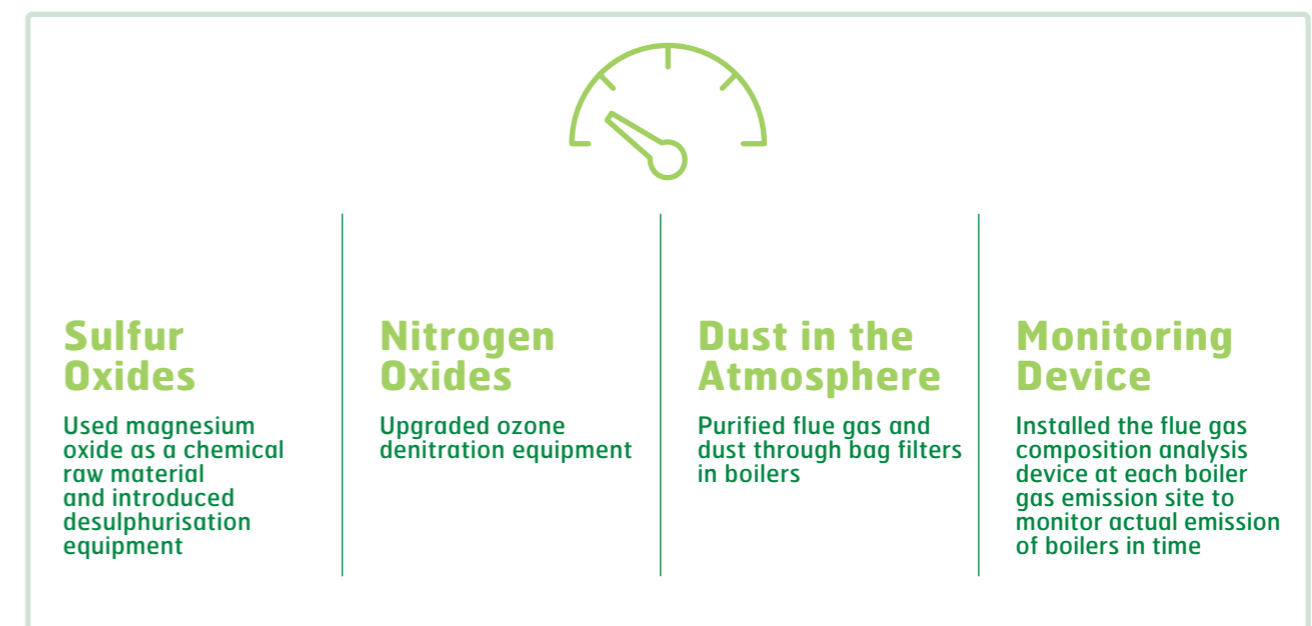
Greenhouse gas and air pollutant emissions from the coal heat supply project are strictly managed in accordance with the "Emission Standard of Air Pollutants for Boilers" (GB13271-2014). In the Clean Heat Supply Business, the "Trial Regulations on Production Energy Consumption Management for 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*)" also regulates the relevant air pollutant emissions, which requires subsidiaries to strengthen emission management, such as improving combustion methods, and adopting proper measures to ensure pollutant emissions such as dust, sulfur dioxide and nitrogen oxides are below national and local emission standards. Meanwhile, subsidiaries are required to report regularly about their emission metrics such as dust, sulfur dioxide, nitrogen oxides, and carbon emissions. In order to control pollutants emission from the source, the Group adopted the following emission reduction measures: reducing sulfur oxides emission by using magnesium oxide

as a chemical raw material and introducing desulphurisation equipment; reducing nitrogen oxide emission by upgrading ozone denitration equipment; and reducing dust emission in the atmosphere while purifying flue gas and dust through bag filters in boilers. Meanwhile, the Group installed the flue gas composition analysis device at each boiler gas emission site to timely monitor actual emission of boilers.

Regarding the wastewater management, the Group has introduced water treatment equipment in production areas. All domestic and industrial sewage generated in power plants are required to be properly treated before being discharged. Test results have shown that our sewage discharges meet the required standard. During the Reporting Period, the Group obtained its water mainly from the municipal waterworks and had no difficulties in sourcing water.



Emissions Reduction Measures



Clean Production, Focus on Green Operation

Case: Heat Supply Recovery

內蒙古北控熱力有限公司 (Inner Mongolia BE Heat Energy Co., Ltd.*), a subsidiary of the Group, collected waste heat energy from flue gas for city heating, from which the recycled heat is used as green energy to reduce the emission of waste water, waste gas, solid waste, etc. In 2020, Inner Mongolia BE Heat Energy Co., Ltd. recycled a total of 454.4 thousand GJ waste heat (a saving of 50.5 thousand tonnes of standard coal equivalent), reducing carbon dioxide emissions by 125.9 thousand tonnes, sulfur dioxide emissions by 3,787 tonnes and nitrogen oxide emissions by 1,893 tonnes.



Heat Supply
Recovery Device

Results of Emissions Reduction for the above case



Waste Heat Recycled

454.4
Thousand GJ
(a saving of 50.5
thousand tonnes
of standard coal
equivalent)

Carbon Dioxide Emissions Reduced

125.9
Thousand Tonnes

Sulfur Dioxide Emissions Reduced

3,787 Tonnes

Nitrogen Oxide Emissions Reduced

1,893 Tonnes

Clean Production, Focus on Green Operation

Case: Ultra-low Emission Retrofit of Coal-fired Boilers

In an effort to reduce hazardous waste emission, the Group newly introduced a set of ozone generator and molecular sieve oxygen generating equipment on the basis of the existing desulphurisation processes, reducing the concentration of nitrogen oxides emission by 66.67%. Meanwhile, the Group introduced a continuous flue-gas monitoring device which is equipped with an ultra-low range online monitoring system. Flue gas sampling heating probe and flue gas pretreatment system were incorporated into the device for conducting ultra-low range concentration analysis. In addition, the Group plans to introduce a new set of molecular sieve oxygen generating equipment using air as raw material. Such purchase would save 62.42% of operating costs, significantly lowering operating costs while reducing hazardous waste emission.



Ultra-low Emission Equipment
of Coal-fired Boilers

4. ADVOCATE GREEN OFFICE

Adhering to the Green Office principle, the Group actively enhances the awareness on environmental protection of employees and contributes to the sustainable development of low carbon, energy conservation and emission reduction through establishing "Vehicle Management System", "Office Waste Management System" and other regulations.

For electricity saving, all wind power plants are required to set up energy measurement management system and to benchmark the on-going electricity consumption of our facilities. For daily use of electricity, "Electricity Saving" signs are posted in each office area, and dedicated personnels are assigned to inspect electric equipment to ensure lights are off before leaving the office.

For water saving, the Group continued to strengthen the daily inspection and maintenance of water facilities at power generation plant, so as to avoid

water wastage from being diverted, seepage, dripping and leaking. For daily use of water, we encourage employees to consciously develop water-saving habits, such as installing new water-saving faucets and posting water-saving signs to avoid continuous running of tap water.

For fuel saving, the Group established the "Vehicle Management System" to regulate vehicle use, promote green travel, and minimise unnecessary vehicle use so as to reduce greenhouse gas emissions.

For paper saving, the Group advocates a paperless office and reuse of paper, to enhance the employees' awareness on environmental protection. The Group devotes to achieve a green operational principle that emphasises on environmental protection and resource conservation.

5. ENVIRONMENTAL PERFORMANCE
Emissions

Greenhouse gas emissions	Unit	2020
Direct ("Scope 1")		
Total emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	1,309,902.58
Coal emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	1,224,623.41
Vehicle emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	885.31
Natural gas emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	81,763.12
Liquefied petroleum gas emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	2,630.74

Greenhouse gas emissions	Unit	2020
Indirect ("Scope 2")		
Total emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	91,143.24
Heat consumption emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	17,052.17
Electricity consumption emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	74,091.07

Greenhouse gas emissions	Unit	2020
Total emissions (Scope 1 & Scope 2)		
Total emissions	Tonne carbon dioxide equivalent (CO ₂ -e)	1,401,045.82
Greenhouse gas emissions intensity	Tonne carbon dioxide equivalent (CO ₂ -e)/ Revenue (HKD million)	252.36

Air emissions from vehicles	Unit	2020
Carbon Monoxide	Kilogram	1,400.83
Sulfur Oxides (SO _x)	Kilogram	7,935.07
Nitrogen Oxides (NO _x)	Kilogram	61.17
PM _{2.5} particles	Kilogram	8.46
PM ₁₀ particles	Kilogram	8.53

Air emissions from clean heat supply projects	Unit	2020
Dust	Tonne	104.89
Sulfur Oxides (SO _x)	Tonne	470.01
Nitrogen Oxides (NO _x)	Tonne	834.84

Wastewater discharge	Unit	2020
Wastewater discharge from photovoltaic power plants	Tonne	8,910.00
Wastewater discharge from wind power plants	Tonne	2,245.90
Wastewater discharge from clean heat supply projects	Tonne	109,190.00
Wastewater discharge from the headquarters office	Tonne	407.00



Hazardous and non-hazardous waste	Unit	2020
Waste batteries generated from photovoltaic power plants	Kilogram	17.90
Waste batteries generated from wind power plants	Kilogram	6.00
Waste batteries generated from clean heat supply projects	Kilogram	23.00
Waste batteries generated from the headquarters office	Kilogram	0.00
Intensity of waste batteries generated	Kilogram/Revenue (HKD million)	0.01
Waste fluorescent lamps from photovoltaic power plants	Unit	237.00
Waste fluorescent lamps from wind power plants	Unit	70.00
Waste fluorescent lamps from clean heat supply projects	Unit	53.00
Waste fluorescent lamps from the headquarters office	Unit	0.00
Intensity of hazardous waste fluorescent lamps	Unit/Revenue (HKD million)	0.06
Boiler slag generated from clean heat supply projects	Tonne	32,347.56
Coal ash generated from clean heat supply projects	Tonne	19,065.40
Office waste generated from photovoltaic power generation projects	Tonne	10.52
Recycled office waste from photovoltaic power generation projects	Tonne	6.50
Office waste generated from wind power projects	Tonne	3.80
Recycled office waste from wind power projects	Tonne	2.40
Office waste generated by clean heat supply projects	Tonne	25.41
Recycled office waste from clean heat supply projects	Tonne	0.00
Office waste generated in the headquarters office	Tonne	9.50
Recycled office waste in the headquarters office	Tonne	9.50
Intensity of office waste	Kilogram/Revenue (HKD million)	8.87

Notes:

- Unless otherwise stated, the scope of environmental performance data includes BECE and its subsidiaries.
- In consideration of the Group's business nature, waste gas emissions mainly include dust, nitrogen oxides and sulfur oxides.
- In consideration of the Group's business nature, greenhouse gas emissions arise mainly from consumption of electricity purchased and fossil fuel combustion. Greenhouse gas include carbon dioxide, methane and nitrous oxide. Greenhouse gas emissions are measured in carbon dioxide equivalents and calculated based on the "2019 Baseline Emission Factors for Regional Power Grids in China" issued by the Ministry of Ecological Environment of the People's Republic of China and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories" issued by the Intergovernmental Panel on Climate Change (IPCC).
- Hazardous waste includes used batteries and used daylight lamp, and the weight is estimated based on actual consumption.
- Non-hazardous waste includes boiler slag, coal ash and office waste. The office waste entrusted to third parties for disposal, and boiler slag and coal ash were collected for landfilling.
- The Group recorded revenue of approximately HKD5,551.8 million in 2020.

Use of Resources^{1,2}

Water consumption ³	Unit	2020
Water consumption of photovoltaic power plants	Tonne	15,881.00
Water consumption of wind power plants	Tonne	5,507.80
Water consumption of clean heat supply projects	Tonne	1,512,069.41
Water consumption in the headquarters office	Tonne	1,023.00
Intensity of water consumption	Tonne/Revenue (HKD million)	276.39

Electricity consumption	Unit	2020
Photovoltaic power plants	MWh	34,166.95
Wind power plants	MWh	4,115.69
Clean heat supply projects	MWh	108,640.75
Headquarter offices	MWh	379.36
Energy consumption intensity	MWh/Revenue (HKD million)	26.53

Gasoline consumption	Unit	2020
Gasoline consumption of vehicles in photovoltaic power plants	Liter	147,477.00
Gasoline consumption of vehicles in wind power plants	Liter	55,248.00
Gasoline consumption of vehicles in clean heat supply projects	Liter	89,134.54
Gasoline consumption of office vehicles	Liter	15,169.49

Diesel consumption	Unit	2020
Diesel consumption of vehicles in photovoltaic power plants	Liter	12,086.50
Diesel consumption of vehicles in wind power plants	Liter	3,623.00
Diesel consumption of vehicles in clean heat supply projects	Liter	74,014.83

Use of other fuel and resources	Unit	2020
Coal consumption of clean heat supply projects	Tonne	531,502.01
Coal usage intensity of clean heat supply projects	Tonne/Revenue (HKD million)	95.74
LPG consumption	Tonne	851.00
Usage intensity of LPG	Tonne/Revenue (HKD million)	0.15
Natural gas consumption of clean heat supply projects	10,000 Cubic meters	3,866.67
Natural gas usage intensity of clean heat supply projects	10,000 Cubic meters/Revenue (HKD million)	0.70
Consumption of purchased steam for clean heat supply projects	Giga-Joule	155,019.75
Usage intensity of purchased steam for clean heat supply projects	Giga-Joule/Revenue (HKD million)	27.92
Consumption of purchased hot water for clean heat supply projects	Giga-Joule	5,099,804.39
Usage intensity of purchased hot water for clean heat supply projects	Giga-Joule/Revenue (HKD million)	918.59



Notes:

1. Energy consumed mainly refers to natural gas, fuel, diesel, LPG and purchased electricity.
2. Energy consumption is calculated based on the consumption of electricity and fuel and the conversion factors provided in the "General Principles for Calculation of Total Production Energy Consumption (GB/T 2589-2008)".
3. Water consumption is mainly from the municipal waterworks and there is no difficulty in sourcing water.



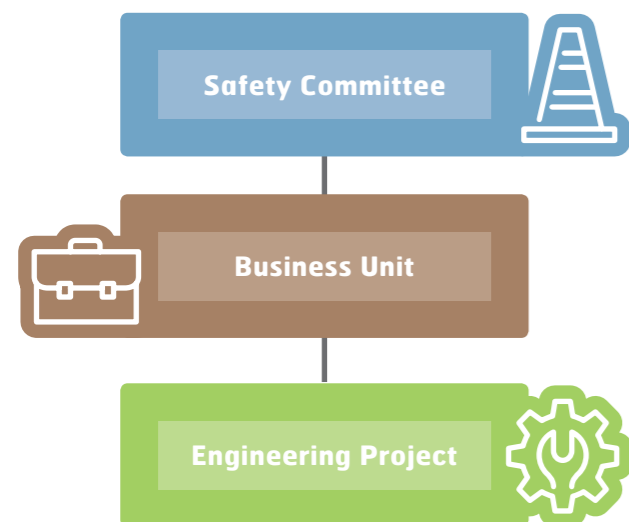
Build a Strong Line of Defence and Lay a Solid Safety Foundation

The Group upholds the principles of “Promoting Safety First through Preventive Measures and Integrated Governance” to secure safety and construct a comprehensive safety network with full coverage through improving safety system, perfecting management system, enhancing safety inspection, strengthening emergency management capabilities and cultivating employees’ safety awareness.

Build a Strong Line of Defence and Lay a Solid Safety Foundation

1. IMPROVE SAFETY SYSTEM

The Group strictly complies with the "Work Safety Law of the People's Republic of China", the "Fire Control Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the "Measures for Regulating the Work Safety of Electricity", "Guidelines for Enterprises to Develop Emergency Response Plan for Work Place Accidents", "Guideline of China Occupational Safety and Health Management System" and other laws and regulations. Based on its operational characteristics, the Group formulates safety management rules and regulations such as the "Regulations on Photovoltaic Power Plant Safety and Equipment sign management" and the "Safety Production Management System". In 2020, we comprehensively identified potential safety risks arising from engineering construction, operation and maintenance process, and revised "Rules for the Implementation of Production Safety Management", "Regulations on Safety Inspection Management" and "Regulations on Emergency Repair Management" to further improve the safety management system.



In order to implement the production safety responsibility system, the Group has established a three-tier safety and quality environment management structure of "Safe Production Committee (the "Safety Committee") Business Unit – Engineering Project" to clarify responsibilities at all levels and ensure a well-organised production safety practice. As the group-level safety management organisation, the Safety Committee is in charge of arranging the overall safety and quality related work and establishing a safety security system. In 2020, the Safety Committee held three meetings where it made decisions on the Group's major safety matters and assessed business units' performance of safety duties, effectively promoting the standardisation of safety management of the Group and business units.

To further implement safety management, the Group has assigned dedicated production safety management personnel at the level of business unit and engineering project. According to operation characteristics of each business unit, designated personnel are assigned to take safety responsibilities, such as the safety director of the Engineering Technology Centre, the safety supervisor of the Operations Business Unit and Safety and Quality Division of 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*). In addition, each team is responsible for the performance of safety responsibilities during the whole process of an engineering project from construction, use to operation and maintenance. We put great emphasis on certification of occupational health and safety system. During the Reporting Period, the Group completed the re-certification of ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems.



Authentication Certifications

2. IMPLEMENT SAFE PRODUCTION

The Group formulated "Regulations on the Supervision and Inspection of Safety, Quality and Environment", and established a supervision and management system of "Business Department to Grass-root Unit", which formed a long-term mechanism for safety supervision and hazard identification that is applied at all levels with full coverage and without exception, and organised safety inspection and troubleshooting at all business units. Safety investigation is conducted on both regular and occasional basis, which subsidiaries conduct at least one comprehensive investigation every month, while the Group conducts safety investigation on all business segments quarterly and checks on all major projects. Within five days after a safety investigation, the investigation team will report all major safety issues and require immediate remediation by the organisation through formal notification. In 2020, despite the challenges posed by COVID-19, the Group insisted on safety investigations on site for major risk projects, and continuously monitored the results of rectification.

Monitoring and instructing safe restoration of wind turbine blade



In order to regulate the Group's work on emergency response to production safety accidents, the Group, on the basis of the "Emergency Response Law of the People's Republic of China", "Measures for the Administration of Emergency Response Plans" and "Measures for the Administration of Contingency Plans for Work Safety Accidents", has formulated the "Regulations for Managing Production Safety Incident", as well as the emergency management system featuring "top-down emergency plans, unified command on emergency response, early-stage treatment, self-rescue and mutual rescue". Each business unit is required to tailor integrated, incident-specific and on-site emergency plans with consideration to actual working conditions

Build a Strong Line of Defence and Lay a Solid Safety Foundation

and contingency plans and on-site handling plans. In addition, the Group requires business units to organise at least one integrated or incident-specific emergency drill each year according to their accident risk characteristics, and at least one on-site emergency rehearsal every six months to lift emergency response capability at the grass-root level and strengthen on-site emergency management. In the current year, on 119 Fire Prevention Day, the Group conducted a fire accident emergency drill with various business units participating, to enhance emergency response capability and strengthen risk prevention awareness of all employees.



Fire accident emergency drill

To strengthen construction of safety culture, the Group diligently implements General Secretary Xi Jinping's important instruction to "address hidden dangers at root and put a curb on major and extra serious accidents". The Group offers targeted safety education to employees from different departments in "Work Safety Month", "Fire Safety Month" and other safety promotion and education activities by means of online knowledge competitions, offline sharing, etc. Meanwhile, the Group proactively diversifies the training format, during the reporting period, 18 articles featuring safety training, risk prevention and control, COVID-19, occupational health and Work Safety Month were published via public platform, aiming to share safety knowledge and further promote safety culture.

Case: "Fire Safety Month" Activity

The Group carried out an array of activities in "Fire Safety Month", so as to eliminate hidden dangers and guard against accidents. Professional personnel are designated to maintain and repair fire monitoring equipment, in a bid to remove fire hazards and build safe factories. Also, relevant companies and departments have conducted fire safety knowledge training, organised employees to participate in the "National Fire Safety Knowledge Online Competition 2020", and disseminated fire safety knowledge in WeChat Official Account to create a culture upholding fire safety and foster better understanding of fire safety among employees.

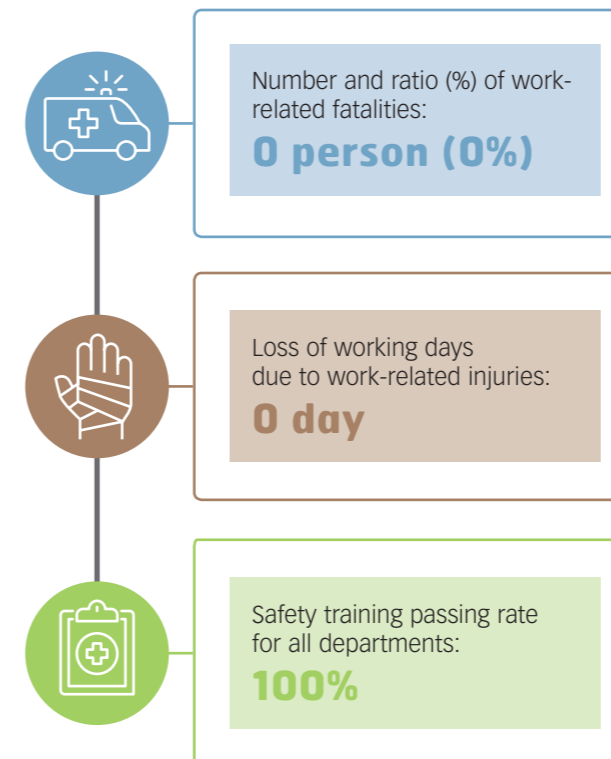


Fire safety promotion

3. SAFEGUARD OCCUPATIONAL HEALTH

We are committed to creating a safe and comfortable working environment for our employees and protecting occupational health. The Group complies with the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", and has formulated the "Regulations on the Administration of Production Safety Education and Training", "Regulation on Occupational Health Management", "Regulation on the Management of Labour Protection Equipment", and other regulations, forming an effective and standardised occupational disease prevention mechanism with a series of measures, including notifying employees of occupational hazards and corresponding prevention measures, providing labour protection supplies prescribed by laws and regulations, and conducting periodic occupational health checks.

The Group highly values the cultivation of safety awareness among employees, and actively carries out promotion and training activities, such as online promotion via official account, offline lectures, review and self-inspection of major accidents. In particular, the Group attaches great importance to safety education training for new employees. Professional courses on safety risk identification in different working environment are provided on an annual basis for new employees. When promoting the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", the Group disseminated knowledge of occupational diseases and carried out diverse and distinctive occupational health promotion activities, enabling employees to understand the types of occupational hazards and learn how to protect themselves correctly. In 2020, the Group conducted safety education and training for all employees, with which the Group regulated operational behaviours and safety production abilities of employees, enhanced the awareness to prevent occupational diseases, reporting a 100% safety training passing rate for all departments. In the past three years, there was no significant safety incident of work-related fatalities and report of lost workdays due to significant work-related injuries. The number of work-related deaths is zero and the number of working days lost due to work-related injuries is zero.





Promote Employee Development through People-orientated Cultures

Talent underpins the sustainable development of enterprises. The Group puts people first, respects its employees, strictly observes labour standards and protects employees' legitimate rights and interests. We value talent, intensify talent recruitment, provide diversified training opportunities, and construct an inclusive platform for promotion and development of employees. We care about our employees and devote to becoming an organisation that is attractive to talents and conducive to development of talents, with friendly communication, healthy and secure working environment, comprehensive employee welfare and care initiatives.

Promote Employee Development through People-orientated Cultures

Promote Employee Development through People-orientated Cultures

1. PROTECT EMPLOYEES' RIGHTS

The Group adopts open, fair and equitable employment policies, and strictly abides by the laws and regulations, including the "Labour Law of the People's Republic of China", "Labour Contract Law of the People's Republic of China", "Law of the People's Republic of China on the Protection of Minors", "Social Insurance Law of the People's Republic of China", the "Employment Ordinance", "Minimum Wage Ordinance" and "Employees' Compensation Ordinance" of Hong Kong. The Group has formulated the "Staff Handbook", expressly prohibiting the use of any forced labour or child labour during production and operation, respecting freedom of belief, and having no tolerance to any form of discrimination due to ethnicity, race, nationality, religious belief, gender, age, disability, marital status, etc., for the protection of legitimate rights and interest of employees. To avoid child labour and forced labour, the Group requires candidates to present their identity cards during the recruitment process, ensuring that they meet the legal requirements. In addition, the legal rights of employees are protected through the signing of employment contracts. During the Reporting Period, the Group has not received any cases of violations relating to the illegal employment of child labour and forced labour. In 2020, there was no violation relating to infringement on rights and interests of employees.

In order to recruit a variety of talented individuals, the Group follows the "Measures for the Administration of Recruitment in Beijing Enterprises Clean Energy Group Limited" and the principles of "Social Orientation, Open Recruitment, Fair Competition, Comprehensive Assessment and Merit Selection" to conduct comprehensive assessment on candidates in terms of morality, ability, experience and job qualification requirements. The Group offers competitive remuneration packages to its employees and strives to build a remuneration system based on the ability of employees to lure and retain high-value talents, thus consolidating its competitive advantages in the talent market. In 2020, the Group promulgated several regulations and systems, such as the "Incentive System for Development Assessment", "Remuneration Structure and Assessment Optimisation Plan", and "Rewarding Plan for Outstanding Employees and Special Contribution", to specify the incentive-oriented performance and motivate employees with a robust performance-based culture that is efficient, fair and with clear rewards and penalties. In respect of the employee dismissal, the Group enforces relevant regulations in accordance with the "Labour Law of the People's Republic of China" and "Labour Contract Law of the People's Republic of China", and strictly prohibits any unfair or unreasonable dismissal.

In addition to providing basic benefits to employees by laws, the Group has formulated the "Welfare Allowance System", under which the Group makes contributions to social insurance and a housing provident fund for employees on time, and provides special welfare, such as communication subsidies, transportation subsidies, housing subsidies, job title subsidies, out-of-town travel subsidies, and festival allowance, based upon the actual working environment, work content and other factors, so as to further improve employee welfare. The Group arranges annual health checks for all employees and purchases supplementary commercial and medical insurance. In 2020, the insurance coverage was expanded for major diseases and accidents, thus providing better protection for employees.

To systematically standardise working hours and improve employee benefits, the Group has developed the "Management Approaches toward Attendance and Leave" based on national and local policies and regulations relating to labour, insurance and welfare, as well as actual conditions. These management approaches systematically regulate employees' working hours, and also stipulate that employees are entitled to statutory holidays such as sick leave, injury leave, marriage leave, bereavement leave, maternity leave, and paid annual leave.

In establishing a harmonious corporate environment and timely understanding what employees are thinking, the Group responds to employees' requests through a variety of communication channels and promotes labour-capital cooperation in a friendly and harmonious fashion. To provided unimpeded channels, the Group has carried out multiple communication activities including Having Breakfast with the President, the President's Mailbox, and Happy Hour. At the same time, the Group immediately addresses requests and suggestions of its employees and asks for timely feedback from relevant departments per the requests to ensure early and proper resolution of such requests.

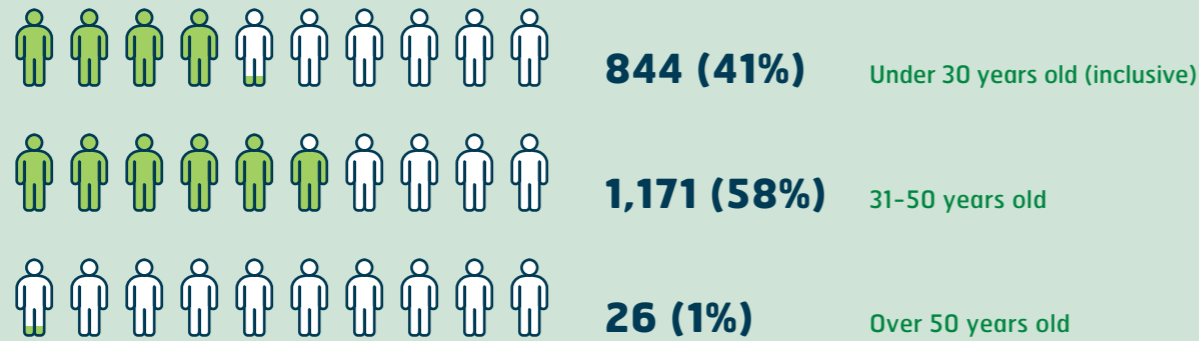
Employment Overview

Employment Overview in the Current Year
Total Workforce: 2,041

By Gender



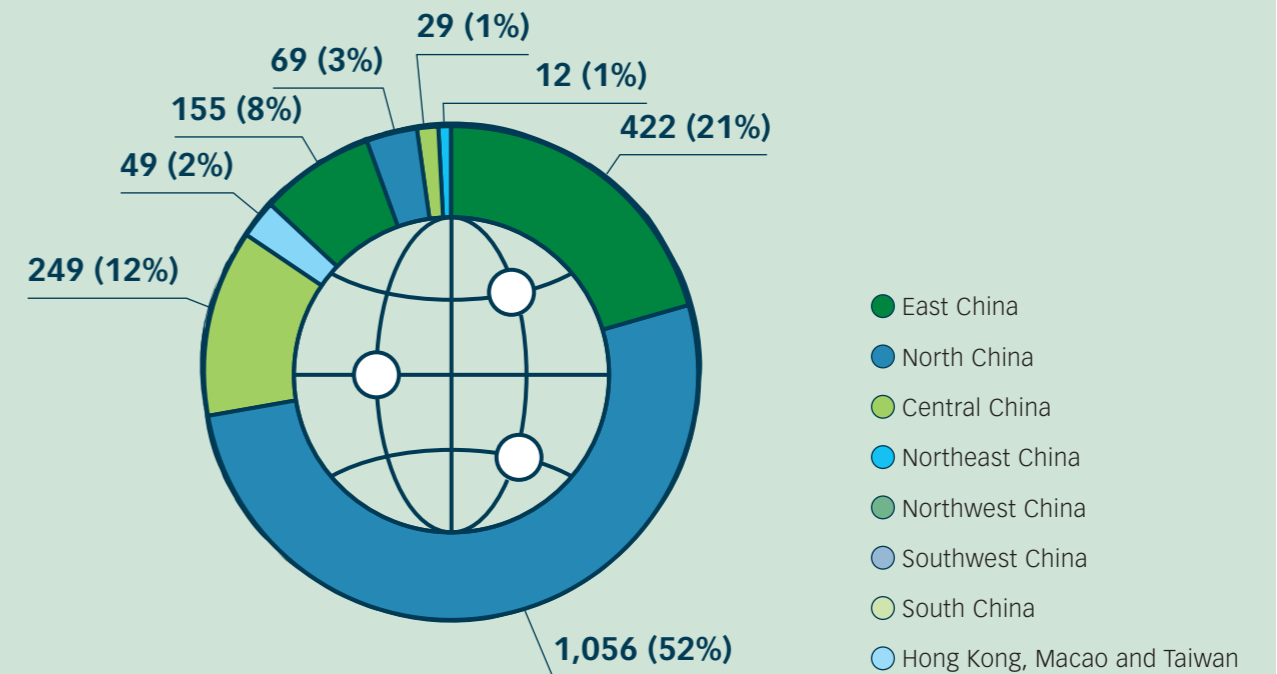
By Age



By Employee Category



By Geographical Region¹



Note:

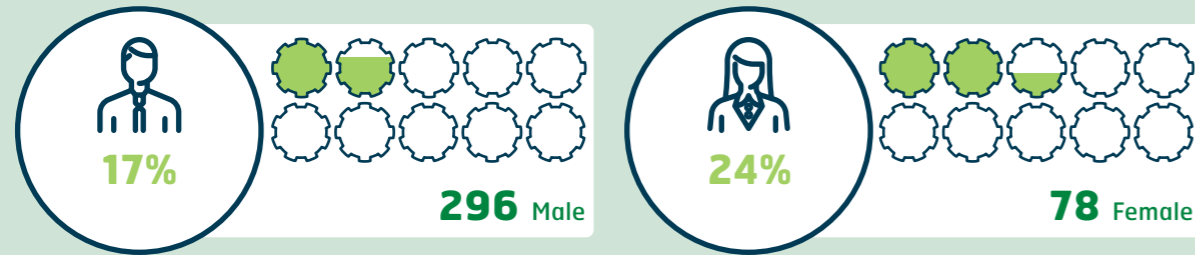
1. East China covers Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai and Jiangxi
 Central China covers Hubei, Hunan and Henan
 North China covers Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia.
 Northwest China covers Ningxia, Xinjiang, Qinghai, Shaanxi and Gansu.
 Southwest China covers Sichuan, Yunnan, Guizhou, Tibet and Chongqing
 Northeast China covers Liaoning, Jilin and Heilongjiang.
 South China covers Guangdong, Guangxi and Hainan

Employee Turnover

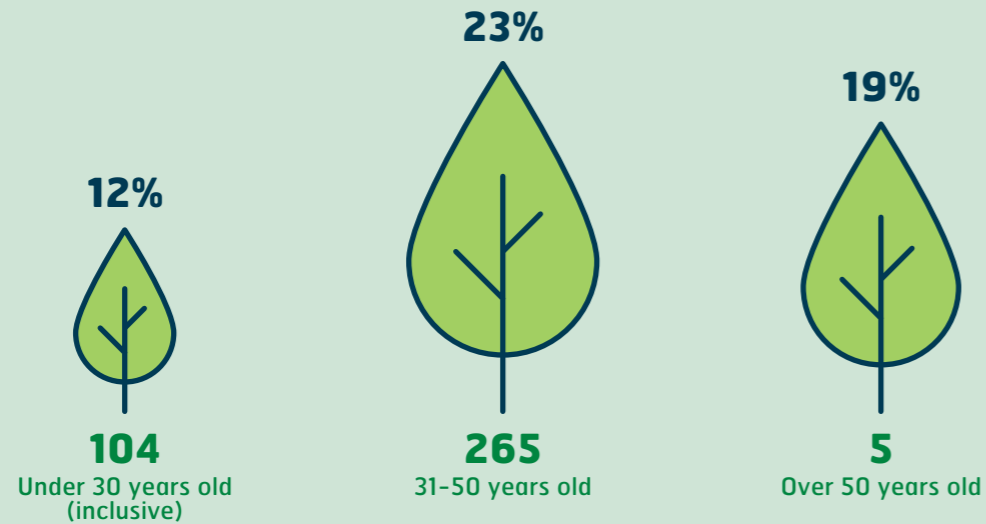
Employee Turnover in the Current Year

Number of Employee Turnover: 374 | Turnover Rate (%)¹: 18%

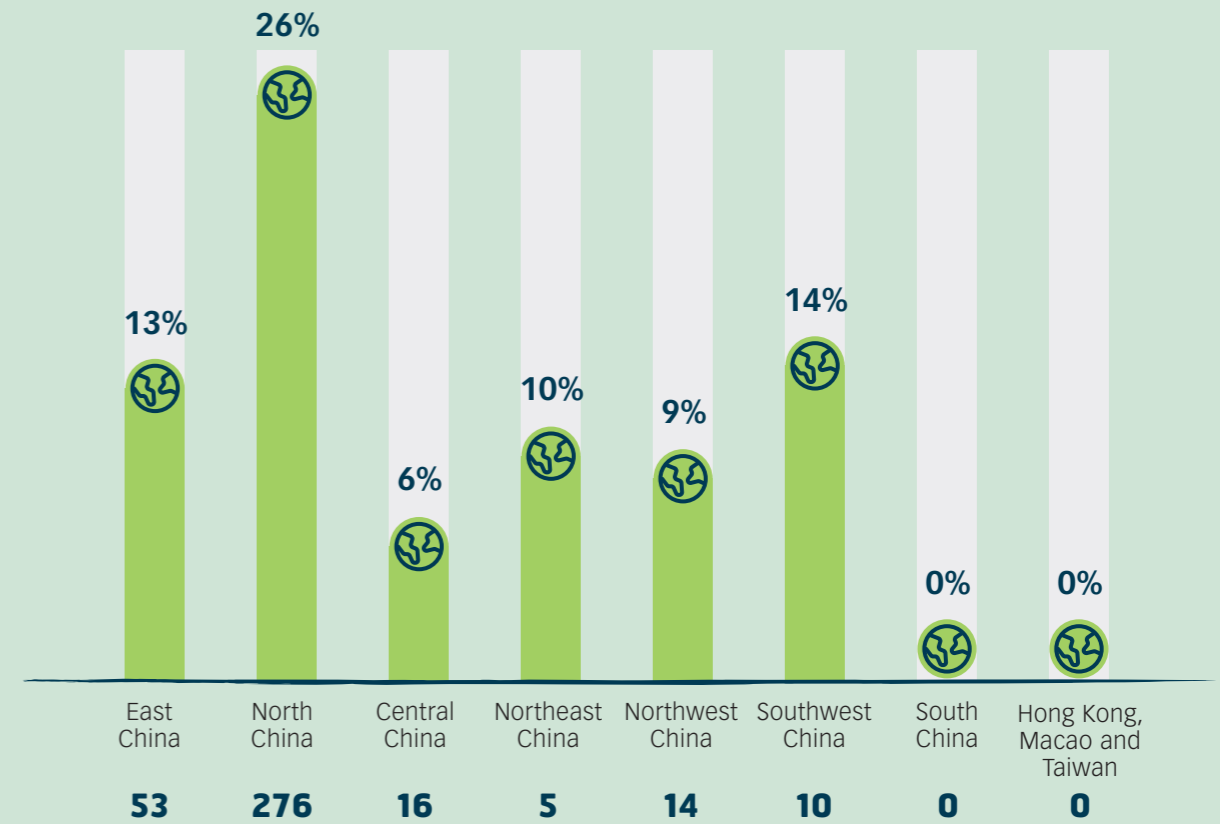
By Gender



By Age



By Geographical Region²



Notes:

1. Turnover rate for each category = Turnover number in the category/Total employee number in the category
2. East China covers Shandong, Jiangsu, Anhui, Zhejiang, Fujian, Shanghai and Jiangxi
 Central China covers Hubei, Hunan and Henan
 North China covers Beijing, Tianjin, Hebei, Shanxi and Inner Mongolia.
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 Northeast China covers Liaoning, Jilin and Heilongjiang.
 South China covers Guangdong, Guangxi and Hainan

Promote Employee Development through People-orientated Cultures

2. PROMOTE EMPLOYEES' DEVELOPMENT

The Group continuously optimises career paths and platforms for its employees to enable them to grow with the Company while achieving their self-value. The Group has formulated the "Management Measures for Employee Promotion", where the Group conducts annual assessment on all employees under the principle of "fairness, impartiality and objectivity", and determines the promotion of employees according to the assessment results, motivating talents to stand out and make innovations. During the reporting period, the Group piloted the OKR management method, running together with the KPI performance management and with more emphasis on process feedback and incentives on the basis of focusing on targets and quantitative assessment, to facilitate the implementation of the Group's major strategic issues. Furthermore, the Group also developed the "Rules for the Implementation of Job Rotation and Part-time Work", and established an internal rotation mechanism, aiming to broaden the work scope and enhance the comprehensive capabilities of employees by virtue of job rotation and part-time work. In addition, the Group has set up various incentive plans for all employees each year and implemented a business partnership system to facilitate internal and external assessment. In 2020, the Group set up five kinds of awards, namely, "Outstanding Employee Award", "Special Contribution Award", "Award for Individuals with Accountability", "Outstanding Performance Team Award" and "Award for Developing the First Affordable Photovoltaic Project", recognising the outstanding performance and high quality of its employees and encouraging them to develop multi-dimensional capabilities.

The Group has also promulgated the "Training Management System". Education and training activities in various forms are in place for different groups, in a bid to bolster personal growth and career development of employees and then propel the development of the Company with better talents. Employees can choose various types of training according to their actual situation, including enrolling in open classes, external vocational training, foreign training or visits. In 2020, the Group completed major projects for talent development including (i) elite management talents training, (ii) case (project) review and sharing training for each department, (iii) new employee training and (iv) management trainee evaluation and debriefing. In addition, besides regular offline intensive training, the Group actively explored personnel training methods against the ongoing COVID-19 pandemic prevention and control. We encouraged employees to continue learning by organizing online training, streaming conferences, and pushing online learning resources.

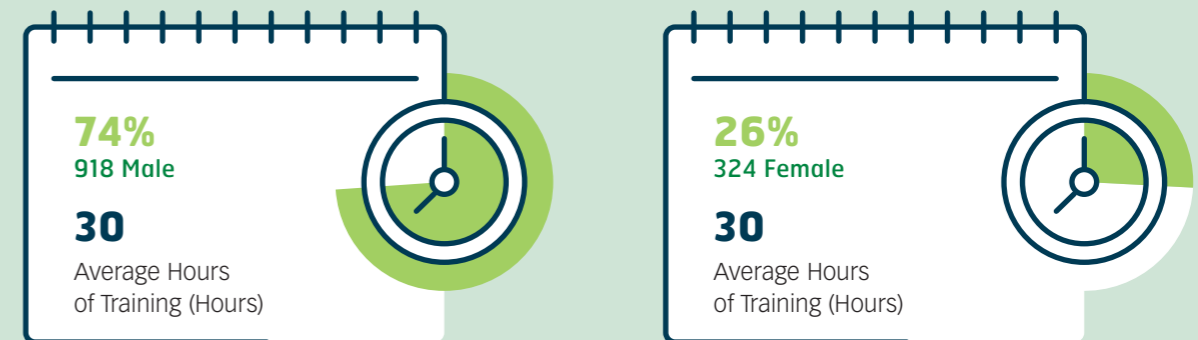
In 2020, the Group refined the management trainee program for graduates, held management trainee sharing meetings, and set up the "Implementation Plan and Incentive Policy for the Management Trainee Tutorial System", which incorporated the tutorial system into the management trainee program. In addition, the Group set up the elite program targeting heads of departments, and consistently enlarged enrolment of elite management talents training, adjusted groups and tutors in pursuit of flexibility and efficient interaction, and further upgraded the development plan, format and content planning of elite management talents training, completing 3 sessions of elite management talents training camp and 3 sessions of open classes with approximately 550 participants.

Promote Employee Development through People-orientated Cultures

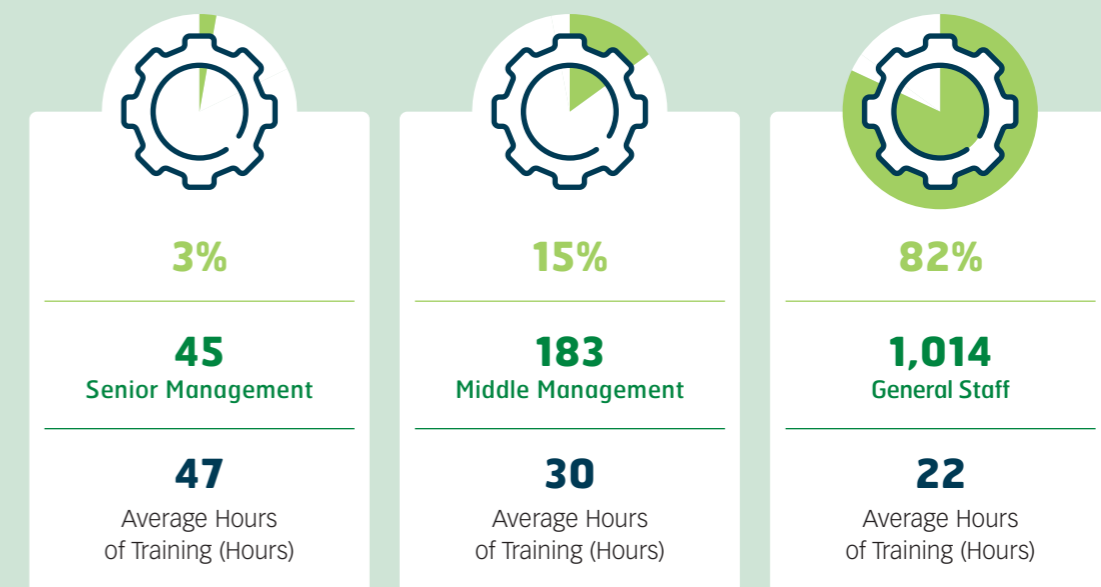
Employee Training

Employee Training in the Current Year
Number of Employees Attending the Training: 1,242

By Gender



By Employee Category



Promote Employee Development through People-orientated Cultures

3. PROVIDE HUMANISTIC CARE

As employees are the foundation for stable development of enterprises, the Group endeavours to help employees to strike a work-life balance and enhance their sense of belonging and well-being from multiple perspectives.

The Group actively hosts multiple cultural and entertaining activities for employees, such as holiday celebrations and team building. These activities effectively help employees to alleviate work pressure and maintain a healthy physical and psychological conditions, and enable better cohesion.



Case: Women's Day

As Women's Day approached, the Group invited its female employees to the online meeting themed "International Women Workers' Day" and commendation for women's innovations. The meeting was divided into three sessions, i.e. public interest short films featuring inspirational stories of women, thoughts of winning delivered by winners of Innovative Women Award, and "Book Recommendation" by Fan Deng. The sessions were designed to facilitate exchange among female employees, enrich their spiritual life and give our heartfelt wishes to all female employees in such a unique manner against the backdrop of COVID-19.



Promote Employee Development through People-orientated Cultures

Case: Festivals and caring activities

On 30 December 2020, the New Year's Day celebration themed "Renewing, Blessing and Prosperity" was launched at the headquarters of BECE, where everybody, brimming with happy smile and fully immersed in the get-together, was welcomed by sincere wishes and presented with a simple but heart-warming holiday gift.

In addition to providing employees with various cultural and recreational activities on a regular basis, the Group also regularly organised leaders of the Company to visit front-line employees in recognition of their commitment to excellence and dedication. In the summer of 2020, the Group arranged various business units to carry out the activity of "Cooling Off", where special protection facilities and labour protection supplies were provided for different seasons and types of work.



The Group actively improves the life security mechanism to provide basic needs, and takes initiatives to help employees in difficulties, offers jobs to their immediate family, and pays visits to hospitals to console patients, through those timely help, the employees in need can feel the warmth of BECE. In early 2020, after an employee died of illness, the Group initiated a fund-raising campaign for all employees, in support of the employee's family, where 404 people donated RMB112,140.



The Activity of "Cooling Off" in Summer



Ensure Professional Service through Innovation

The Group actively encourages technological research and development and innovation, continuously regulates the technology management, intensifies the protection of intellectual property rights to enhance the technological innovation capability, motivates employees of the Group to make innovations and strives to manage technological achievements in a more standardised and scientific way.

Ensure Professional Service through Innovation

1. ADHERE TO TECHNOLOGICAL INNOVATION

Pursuant to the "Patent Law of the People's Republic of China", "Trademark Law of the People's Republic of China", "Copyright Law of the People's Republic of China" and other laws and regulations, the Group has developed relevant systems, such as the "Management System of Technological Work", "Management of Technological Achievements" and "Management of Intellectual Property Rights", taking into account the actual operational circumstances, so as to offer clear guidance on scientific management.

Technological management works include establishing a comprehensive technology management system, establishing a technological work management system, formulating and implementing the Group's technology development plan, establishing a Group Technical Committee, and difference kinds of management work in relation to technology. The Group highly recognises the contribution of technological innovation and technological transformation works. For groups or individuals who have made significant contributions on technology and innovation aspects will be rewarded by the Group in the light of actual circumstances.

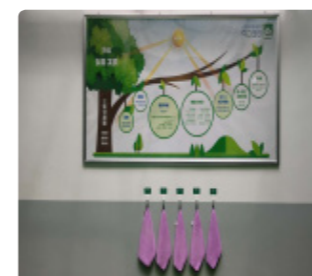
In addition, the Group emphasises on its protection of intellectual property rights, including the protection of patents, trademarks and copyrights. The Group has formulated policies and systems for the protection of intellectual property rights to continuously improve innovation capabilities and prevent intellectual property risks. Technology Research and Development Centre is the centralised department on intellectual property rights management of the Group, which is responsible for formulating the management system on intellectual property rights, and directing, supervising and inspecting the patent protection management in all business units. Before carrying out technology activities relating to intellectual property rights, such as the initiation or completion of major scientific research projects, application for trademark registration or use of new trade names, the responsible departments must search and update the intellectual property rights involved in the activities so as to further strengthen the intellectual property rights management. Following the "13th Five-Year Plan" national science and technology innovation rules, as at the reporting date, the Group has obtained a total of approximately 50 patents, including invention patents, utility model patents, and appearance patents issued by the State Intellectual Property Office, which demonstrating its investment in technological innovation.

Ensure Professional Service through Innovation

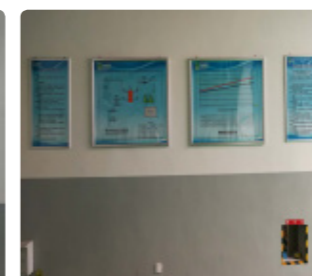
2. PRODUCT QUALITY FIRST

The Group always takes customer satisfaction as the goal of our quality control, strictly abides by the "Product Quality Law of the People's Republic of China" and other laws and regulations, and has formulated relevant management systems, including "Wind Power Engineering Quality Process Standardisation Manual", "Photovoltaic Engineering Quality Process Standardisation Manual", "Production Management Manual", "Equipment Management Manual" and "Project Quality Management System", to

continuously improve our quality management system, enhance quality competitiveness and comprehensive management level, and successfully completed the ISO 9001:2015 quality management system certification. At the same time, the Production Management Department requires all subsidiaries to fully promote the standardised construction of heat exchange stations, earnestly study the "7S" management standards, and incorporate "7S" management into daily management and construction.



Corporate culture on the wall



System for safety management



Procedures for equipment operation



Channels for inspection



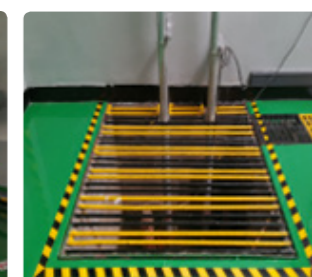
Signs for piping valve



Positioning for power distribution



Standards for clean sanitary



Notices for hazard places

Ensure Professional Service through Innovation

Ensure Professional Service through Innovation

Knowledge competition in "2020 Quality Month"



In 2020, through publicity and education, on-site training, knowledge competition and other forms of activities during the "quality month", the Group effectively improved the quality level of the Group's business and the operation effect of our quality management system.



A comprehensive information scheduling platform

The Company also continues to strengthen the informatisation construction, and actively promote the construction of a comprehensive information scheduling platform. Through cross-departmental cooperation and communication, information and data collection, and on-site survey and scheduling, the information platform

under construction has begun to take shape. Currently, it has been equipped with a function of reporting production energy consumption, and other related functions are also being continuously improved and developed, which will help improve operational efficiency.

3. CUSTOMER SERVICE GUARANTEE

Being customer-centric and on the basis of continuously regulating the quality of customer service, the Group extensively listens to the suggestions from customers and other parties concerned, and has formulated the "Customer Service Management Manual", which specified that the Group's Marketing Department discloses its contact information, collects customer complaints and reports customers' opinions through regular meetings, and then the safety, production, planning departments deal with the problems in accordance with the division of responsibilities and feed back to the Marketing Department for communicate with customers.

In order to protect confidentiality of the products and services provided by the Group and effectively safeguard the legal rights of customers, the Group has formulated the "Confidentiality Policy of BECE" based on the actual situation and in accordance with the "Regulation on the Implementation of the Law of the People's Republic of China on Guarding State Secrets", "Anti-Unfair Competition Law of the People's Republic of China" and other relevant laws and regulations. This policy states that the design and development of a new product by using the Group's trade secrets or release of relevant information without the Group's written consent by employees is strictly forbidden. In case of any violation or infringement causing economic loss to the Group, the Group will take action in accordance with relevant regulations.

Case: A letter of appreciation from Power China

In 2020, BECE's operation and maintenance staff were highly recognised by customers for their rich work experience, earnest and practical working attitude and enterprising working spirit. They took the initiative to send a letter of thanks, affirming and praising the operation and maintenance team of the Group.

A letter of appreciation from customers





Prioritise Compliance and Reinforce the Foundation of Governance

The Group abides by the principle of honest operation, constantly improves the risk management and internal control system, strengthens the integrity construction, and creates a transparent working environment. All employees are required to intensify their awareness of compliance, so as to reinforce the foundation of governance.

Prioritise Compliance and Reinforce the Foundation of Governance

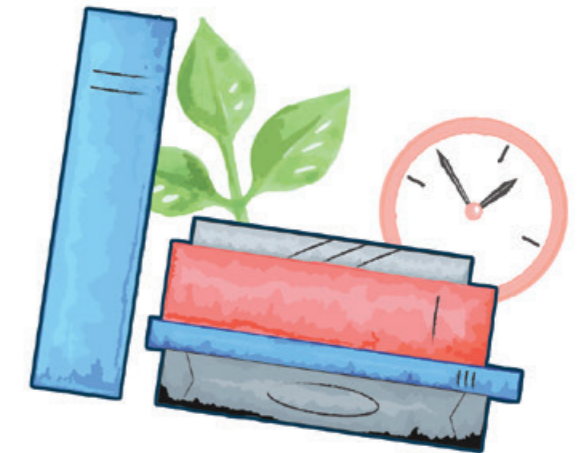
1. PERFECT THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In order to protect the overall interests of the Group and shareholders and further promote the sustainable development of the Group, the Group has established a consummate risk management and internal control system, formulated the "Management Measures for Risk Assessment and Internal Control Evaluation", which stipulates the process, methods and frequency of risk assessment and internal control evaluation, and complied with the "Practical Guide for Risk Assessment" and "Practical Guide for Internal Control Evaluation". Among them, the guide for risk assessment clarifies the specific practice of risk identification, risk assessment and risk management and content of the score sheet for risk assessment based on the Company's actual conditions; the guide for internal control evaluation determines the qualitative and quantitative standards for internal control evaluation. In 2020, the Group updated the "Management Measures for the Code of Conduct for Internal Auditors", which clarified that internal auditors should comply with the principle of confidentiality in duties performance, and further regulated the professional behaviour of internal auditors.

In 2020, the Group organised and carried out a comprehensive risk management assessment at the Group's headquarter, platform companies, and project companies levels. We have identified the top ten risks of the Group and organised relevant departments to formulate risk response measures. In order to better perform in the internal control evaluation, we have collected and analysed the relevant data of the internal control measures of the Group, and designed the internal control test evaluation plan. The plan covers 23 measures and breaks down in to key controls, including corporate governance, social responsibility (including safe production management system, product quality system, environmental protection and resource saving measures and safeguarding legal rights for employees.), internal supervision (including auditing, monitoring, anti-fraud).



As a corporate listed in Hong Kong, in order to fulfill the compliance requirements, the Group regularly arranges trainings for requirements of listing announcement. The completeness and efficiency of disclosure was ensured through clarification of disclosure requirements of listing announcement, by the company secretarial department from Hong Kong Headquarters.



Case: Training on Hong Kong Listing Rules

In December 2020, the Group carried out a training relating to Hong Kong Listing Rules and announcement mechanism of the Group for announcement specialists from the CEO office, risk control & legal department, business departments and platform units. Through sharing the Group's past cases and explanation of general types of transactions requiring announcement, size test and its calculation methods, relationship between size test and announcement type and other related cautions, the Group strengthened the understanding of the participants on Hong Kong Listing Rules to improve current announcement mechanism and enhance working and communication efficiency of all departments.



Prioritise Compliance and Reinforce the Foundation of Governance

2. STRENGTHEN THE INTEGRITY CONSTRUCTION

The Group conscientiously applies the principles of business integrity, stringently complies with the "Criminal Law of the People's Republic of China", "Criminal Procedure Law of the People's Republic of China", "Anti-Unfair Competition Law of the People's Republic of China", "the Supervision Law of the People's Republic of China", "Prevention of Bribery Ordinance (Cap. 201 in Laws of Hong Kong)" and other laws, rules, and regulations related to prevention of bribery, extortion, fraud and money laundering set out by the regulatory authorities in regions that the Group operates. We have formulated the "Supervision and Management Ordinance" and "Treatment and Punishment (Temporary) Stipulation for Supervision and Management", and signed the "Letter of Undertaking of Integrity" with the senior management and the management of each business unit, to set out disciplinary measures and penalties for violation of the code of conduct, in order to strengthen the anti-corruption awareness and regulate the professional conduct of employees.

The Audit and Supervision Department of the Group is responsible for monitoring and inspecting the headquarters of the Group, departments and business units, project companies, managers and employees to ensure that they are performing their duties and responsibilities properly. For those who are failing to perform or inaccurately perform their duties and responsibilities and resulting in loss of assets or other serious adverse consequences, the Audit and Supervision Department will conduct investigations to verify and identify their responsibilities.

To further prevent and rectify the violations of laws and regulations, the Group has established the Whistle-blowing channel, encouraging employees to give suggestions and advice when they identify any problems during their work. The Group implements a strictly confidential whistle-blowing system, clearly stipulating that the whistle-blowing, acceptance of whistle-blowing and information related to the whistle-blower should be kept confidential to protect legitimate rights and interests of the whistle-blower. The Group offers rewards publicly or privately to the employees who submit advice, suggestions or complaints. In 2020, the Group opened a column for promoting "audit and supervision" on our portal website, further improving anti-fraud mechanism and standardising the procedures for whistle-blowing, investigation, handling, reporting and remediation of fraud cases.

If there is any violation of regulations, the Group will carry out the liability affirmation on staff who violate the regulations and have poor management and their departments in accordance with the "Supervision and Management Ordinance", "Treatment and Punishment (Temporary)" "Stipulation for Supervision and Management" and other internal systems, and put forward treatment and punishment measures, and enforce work disciplines and play a role in warning and education for other staff through warnings, performance deductions, notices of criticism and admonishment conversations. In 2020, the Group did not receive any reports related to bribery, extortion, fraud and money laundering, nor concluded major corruption lawsuits.

Whistle-blowing channels:

Mailbox address: BECE Audit and Supervision Department, 2/F, BEWG Building, Poly International Plaza T3, Zone 7, Wangjingdongyuan, Chaoyang District, Beijing, PRC

E-mail: jcsjb@bece.net.cn

Tel.: 86 10 6515 8388

The Group attaches great importance to the daily supervision and management of anti-corruption work. By continuously promoting incorruptible employment education and actively carrying out anti-corruption trainings, we are building a solid defence for employees' sense and discipline morality. In April 2020, the Group organised an online lecture and training regarding the procurement business system, procurement audit supervision, etc. for the crew from the Headquarters of 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*) and its project companies. As one of the presenters, the Group's Audit and Supervision Department, based on the actual work experience in the bidding supervision, summarised and explained the common problems encountered and solutions, and case analysis in the bidding process, by which the procurement personnels' awareness of compliance and anti-fraud is enhanced.

3. STRENGTHEN SUPPLY CHAIN MANAGEMENT

The Group is committed to building a responsible supply chain. Besides complying related laws and regulations such as the "Bidding Law of the People's Republic of China" and the "Regulation on the Implementation of the Bidding Law of the People's Republic of China", the Group has further formulated relevant systems to manage supply chain procedures such as the "Supplier Management System", the "Group's Tendering and Procurement Management Approach".

The Group stipulates that all bidding and procurement processes should follow the principles of fairness, justness, openness and integrity. In the process of bidding and procurement activities, all departments should perform their duties and work collaboratively to ensure these activities are completed orderly, efficiently and controllably. Subsidiaries and their employees are strictly prohibited from engaging in any unjust and unfair behaviour like bid rigging, colluded bidding and complementary bidding.



Procurement System Training Session

Prioritise Compliance and Reinforce the Foundation of Governance

During the selection process of suppliers, we set up targeted inspection and rating rules for different types of suppliers. The information review and inspection work are conducted in the fields such as basic qualification review, production management, quality management, after-sales service, management capability, etc. In addition, to further address the environmental and social risks associated with supply chain and promote the sustainable development of the entire supply chain, the Group stringently stipulates its suppliers by special category to fulfil their obligations on safety, health and environmental issues. They are required to be qualified with ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, OHSAS 18001 Occupational Health and Safety Management System Certification, etc. On-site visits to suppliers are conducted to make a

comprehensive performance assessment in areas such as corporate environment, quality, delivery, services, business performance, production management and safety. Potential suppliers will become our qualified suppliers after approval of the supplier assessment report is granted by the Group's management.

In the follow-up assessment stage, the Group has a consummate supervision and exit mechanism, which stipulates that suppliers who have not undertaken projects for a long period of time, offer products of significant defects, or refuse to perform contractual duties on time must be released in a timely manner. The Group also organised reports for various irregularities in the procurement process and makes specific recommendations to urge follow-up rectification and improvement. In 2020, the Group carried out 442 procurement supervision projects amounting to approximately RMB200 million.

Case: Anti-fraud training for key procurement personnel

In April 2020, the Group organised an online training regarding the procurement business system, procurement audit supervision, etc. for the crew from the Headquarters of 北控清潔熱力有限公司 (BE Clean Heat Energy Company Limited*) and its project companies. During the session, the Group summarised and explained the common problems encountered and solutions, and case analysis in the bidding process, by which the procurement personnel's awareness of compliance and anti-fraud is enhanced.

2020 Qualified suppliers' statistics

Index	Unit	%
Total number of qualified suppliers	233	100%
East China	86	37%
North China	88	38%
Central China	19	8%
Northeast China	16	7%
Northwest China	15	6%
Southwest China	2	1%
South China	7	3%





Practise Public Welfare and Build a Harmonious Society

The Group complies with *“Law of the People’s Republic of China on Donations for Public Welfare”* and other relevant laws. Through active and regular communications with local communities, the Group actively participates in poverty alleviation activities and works on pandemic prevention and control, and earnestly fulfils its social responsibility to make contributions to the construction of a harmonious society. During the Reporting Period, the Group contributed a total of HKD5,316,000 approximately.

Practise Public Welfare and Build a Harmonious Society

In order to implement in depth the spirit of "Decision of the CPC Central Committee and the State Council on Winning the Battle against Poverty" and the strategic deployment of the "Poverty Alleviation Plan for the 13th Five-Year Plan Period (2016-2020)", we earnestly take targeted measures in poverty alleviation to ensure that assistance reaches poverty-stricken villages and households. In the past two years, the state continued to promote the development of photovoltaic industry in rural areas and in agriculture sector and advance the connection with poverty alleviation, and also standardised the management of photovoltaic power plants for poverty alleviation projects. "Guidelines of the CPC Central Committee and the State Council on Deepening Agricultural Supply Side Structural Reform, Accelerating the Cultivation of New Driving Forces for Agricultural and Rural Development", "Guidelines on Supporting Photovoltaic Power Plants for Poverty Alleviation and Standardising Land Planning for Photovoltaic Industry", "Measures

for the Administration of Photovoltaic Power Plants for Poverty Alleviation" and other documents were released in succession, calling for promoting new energy development, advancing photovoltaic power generation, and reasonably distributing photovoltaic power construction projects in rural areas. The Group initiatively responded to the exhortation and explored a distinctive path for poverty alleviation through industry development, ecological development and clean energy construction by making full use of the resources in finance, technology, talent and management, and relying on the advantages of the industrial chain, product technology and ecological cooperation. The change of concept from "aiding people" to "making people aid themselves" had promoted the prosperity after poverty alleviation and the long-term sustainable development of these areas. The accumulated poverty alleviation projects built by the Group benefited a total of 4,067 poor households registered by the authority.



Practise Public Welfare and Build a Harmonious Society

100MW Project Located at National Advanced Technology Photovoltaic Demonstration Base at Coal Mining Subsidence Zone in Xintai City, Shandong Province

The total installed capacity of the Xintai base project is 100MW. On the basis of ecological, green, innovative, win-win agriculture-photovoltaic complementation mode, the project uses high-efficient photovoltaic components, and makes full use of subsidence zone for photovoltaic power generation and construction of agriculture facilities, thus providing opportunities to Xintai's industry transformation and update as well as old & new driving forces transformation, turning the subsidence zone of Xintai City from a "burden" into "wealth", shifting the layout of dominant industry from "underground" to "overground", and the development pattern from "black" to "green". The project also improved local employment, helped farmers to generate income and realise successful transformation of the resource-type city.

This project has also obtained 2 utility model patent certificates issued by the National Intellectual Property Administration, namely "Diamond Installation Parts and Diamond Installation Platform" and "Inverted Ttype Installation Parts and Inverted Ttype Installation Platform", which facilitate the development of modern, technology-driven agriculture.



Capacity:
100 MW



Project located in:
**Xintai City,
Shandong Province**



**Build a Harmonious Society:
Improved local employment
+
Helped farmers to generate
income**

Practise Public Welfare and Build a Harmonious Society

Yongge 100MW Photovoltaic Power Plant Project in Lunzhang Town, Anyang City, Henan Province

The total installed capacity of Anyang Yongge project is 100MW. The project incorporates two parts. First, photovoltaic arrays are scientifically arranged to build a 70-megawatt barren-mountain photovoltaic module relying on ecological characteristics in the region. Moreover, agricultural projects are incorporated in the project. High-efficiency economical shade-loving crops with low stems such as peanuts, sweet potatoes and edible mushrooms can grow under photovoltaic panels on premise of not changing the nature of the land by lifting photovoltaic holders. A

30-megawatt agricultural photovoltaic module is constructed to comprehensively achieve income increase for farmers, increase in local taxes, development of the company and improvement in environment.

The project contributes to Anyang City's economy and plays a significant role in Anyang's integration into Beijing-Tianjin-Hebei region. The project can operate photovoltaic power generation business continuously and possess favourable economic benefit, ecological benefit and social benefit.



Capacity:
100 MW



Project located in:
**Anyang City,
Henan Province**



Build a Harmonious Society:
**Income increase for farmers
+
Improvement in environment**

Practise Public Welfare and Build a Harmonious Society

In addition to photovoltaic poverty alleviation projects, the Group also carries out other poverty alleviation and charity donation activities. The major information is as follows:

- 北控光伏科技(張家口)有限公司 (BE Photovoltaic Technology (Zhangjiakou) Co., Ltd.*), a subsidiary of the Group, donated RMB1 million for the improvement of environmental governance in Guocun Town, Xuanhua District, and gave instant noodles, milk, biscuits and other materials to the village committees of Dongsigou Village and Lishi Village in Yanghenan Town, Xuanhua District.
- Tibet Business Unit, an unit of the Group, donated masks valuing RMB25,000 and oxygenators valuing RMB112,000 to the Government of Nimu County for pandemic prevention and control.
- 安陽永歌光伏發電有限公司 (Anyang Yongge Photovoltaic Power Generation Co., Ltd.*), purchased agricultural products for poverty alleviation of RMB60,000 from Anyang Baijian Agricultural Planting Professional Cooperative and was awarded the title of "Progressive Unit in Battle against Poverty" by the People's Government of Lunzhang Town, Anyang County.

The COVID-19 has swept across the country, bringing great challenges to corporate production and operation, stable heating supply, employee health, etc. To prevent and control the pandemic and safeguard the health and safety of employees as well as the smooth operation of daily business, the Group was fully engaged in the fight against the pandemic by putting efforts into health and safety protection of employees, earlier work resumption and social assistance.

During the pandemic, the Group distributed masks, alcohol and other anti-pandemic supplies to employees; arranged for employees to work from home and carried out duty shift plans. In order to avoid cluster infection, employees were required to present their Beijing health QR codes, travel records, working certificates and received temperature monitoring before entering the office building. Commuters outside Beijing and from medium- and high-risk areas were required to provide their nucleic acid results within 7 days. Employees were organised to take nucleic acid tests for multiple times. Meanwhile, the Group's subsidiaries made donations to Shanfangbao Township in Zhangjiakou City, Hebei, to support the pandemic prevention and control work, expressing the Group's determination to fight against the disease together with the entire society.

* For identification purposes only



Left: The Government of Nimu County accepted the donations

Right: Progressive Unit in Battle against Poverty

Appendix – Index of “Environmental, Social and Governance Reporting Guide”

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Area	Topic	Performance indicators	Disclosures	Location in report
Environmental	A1 Emissions	General Disclosure: Information on: relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	✓	“Clean Production, Focus on Green Operation”
		A1.1 The types of emissions and respective emissions data	✓	“Environmental Performance”
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	“Environmental Performance”
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	“Environmental Performance”
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	✓	“Environmental Performance”
		A1.5 Description of measures to mitigate emissions and results achieved	✓	“Develop Clean Energy”
		A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	✓	“Promote Clean Production”

Area	Topic	Performance indicators	Disclosures	Location in report
Environmental	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	✓	“Clean Production, Focus on Green Operation”
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	✓	“Environmental Performance”
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)	✓	“Environmental Performance”
		A2.3 Description of energy use efficiency initiatives and results achieved	✓	“Clean Production, Focus on Green Operation”
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	✓	“Advocate Green Office”
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced		Not applicable to the Group’s business
Environmental	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer’s significant impacts on the environment and natural resources.	✓	“Clean Production, Focus on Green Operation”
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	✓	“Promote Clean Production”

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Area	Topic	Performance indicators	Disclosures	Location in report
Social	B1 Employment	General Disclosure: relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	✓	“Promote Employee Development through People-orientated Cultures”
		B1.1 Total workforce by gender, employment type, age group and geographical region	✓	“Protect Employees’ Rights”
		B1.2 Employee turnover rate by gender, age group and geographical region	✓	“Protect Employees’ Rights”
		General Disclosure: relating to providing a safe working environment and protecting employees from occupational hazards. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer.	✓	“Build a Strong Line of Defence and Lay a Solid Safety Foundation”
Social	B2 Health and Safety	B2.1 Number and rate of work-related fatalities	✓	“Safeguard Occupational Health”
		B2.2 Lost days due to work injury	✓	“Safeguard Occupational Health”
		B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored	✓	“Safeguard Occupational Health”

Area	Topic	Performance indicators	Disclosures	Location in report
Social	B3 Development and Training	General Disclosure: Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	✓	“Promote Employee Development through People-orientated Cultures”
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	✓	“Promote Employees’ Development”
		B3.2 The average training hours completed per employee by gender and employee category	✓	“Promote Employees’ Development”
Social	B4 Labour Standards	General Disclosure: Information on: relating to preventing child and forced labour. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	✓	“Promote Employee Development through People-orientated Cultures”
		B4.1 Description of measures to review employment practices to avoid child and forced labour	✓	“Protect Employees’ Rights”
		B4.2 Description of steps taken to eliminate such practices when discovered	✓	“Protect Employees’ Rights”
Social	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	✓	“Prioritise Compliance and Reinforce the Foundation of Governance”
		B5.1 Number of suppliers by geographical region	✓	“Strengthen Supply Chain Management”
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	✓	“Strengthen Supply Chain Management”

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Area	Topic	Performance indicators	Disclosures	Location in report
Social	B6 Product Responsibility	General Disclosure: relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	✓	“Ensure Professional Service through Innovation”
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group’s business	
		B6.2 Number of products and service related complaints received and how they are dealt with	✓	“Customer Service Guarantee”
		B6.3 Description of practices relating to observing and protecting intellectual property rights	✓	“Adhere to Technological Innovation”
		B6.4 Description of quality assurance process and recall procedures	✓	“Ensure Professional Service through Innovation”
		B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored	✓	“Customer Service Guarantee”

Area	Topic	Performance indicators	Disclosures	Location in report
Social	B7 Anti-corruption	General Disclosure: relating to bribery, extortion, fraud and money laundering. Information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer	✓	“Prioritise Compliance and Reinforce the Foundation of Governance”
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	✓	“Prioritise Compliance and Reinforce the Foundation of Governance”
		B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	✓	“Strengthen the Integrity Construction
Social	B8 Community Investment	General Disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	✓	“Practise Public Welfare and Build a Harmonious Society”
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	✓	“Practise Public Welfare and Build a Harmonious Society”
		B8.2 Resources contributed (e.g. money or time) to the focus area	✓	“Practise Public Welfare and Build a Harmonious Society”



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