



北京城建设计发展集团股份有限公司

BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED

(A joint stock company incorporated in the People's Republic of China with limited liability)

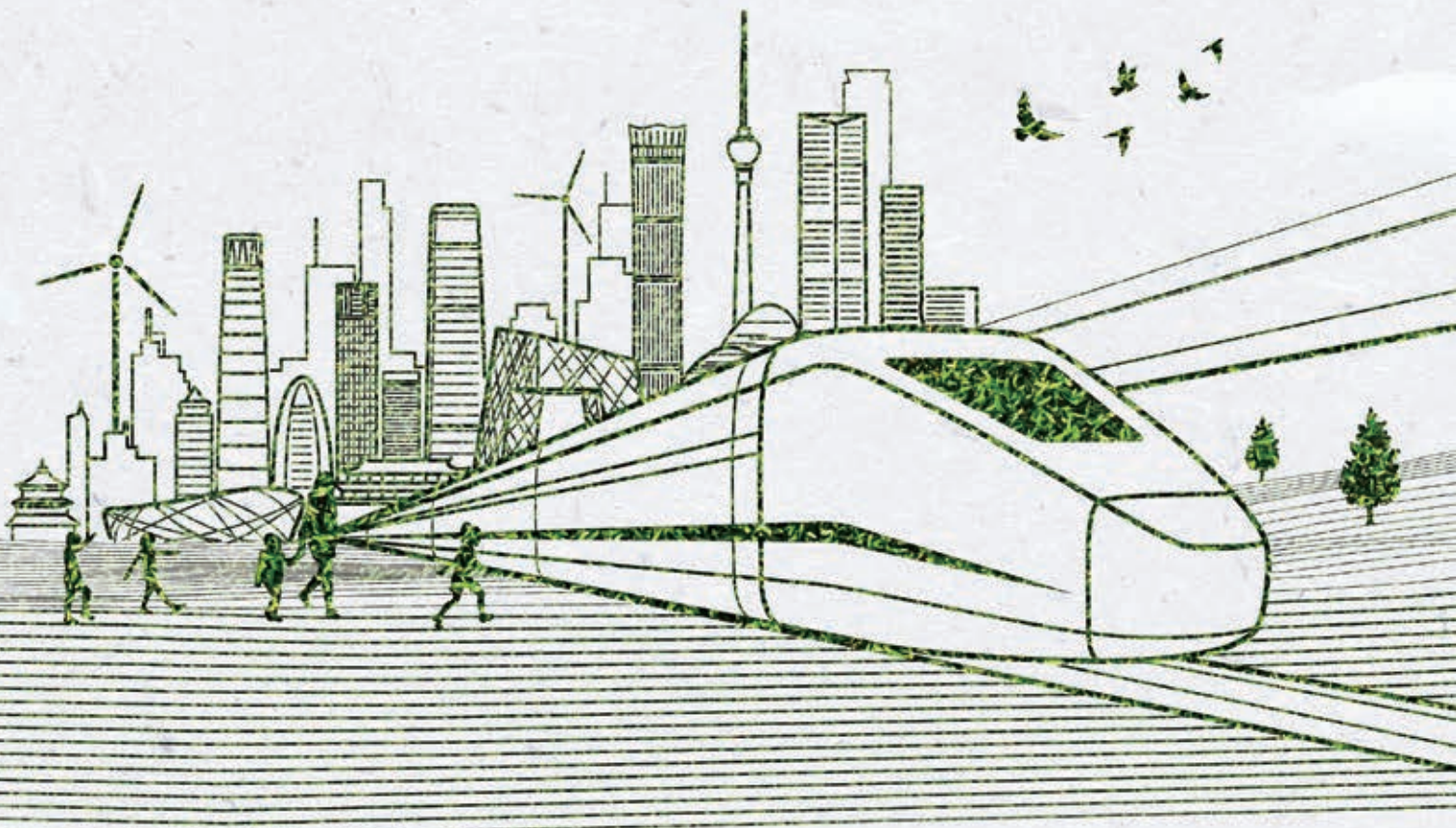
Stock Code: 1599

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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1 ABOUT THIS REPORT

1.1 Objective of the Report

As the sixth Environmental, Social and Governance (“ESG”) Report released by Beijing Urban Construction Design & Development Group Co., Limited (hereinafter referred to as “UCD”), this report is to provide the UCD’s environmental and social performance during 2020, and to respond to ESG-related issues which stakeholders are concerned about. This report should be read in conjunction with the “Corporate Governance Report” section of the annual report for the year, so that all stakeholders are able to fully understand the UCD’s sustainable development Strategy, measures and relevant performance.

1.2 Scope of the Report

This report covers UCD and its member companies (hereinafter collectively referred to as the “Group” or “We”): Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (北京城建勘测設計研究院有限責任公司 : hereinafter referred to as the “Exploration & Surveying Institute”) and Beijing Urban Rail Transit Construction Engineering Co., Ltd. (北京城建軌道交通建設工程有限責任公司 : hereinafter referred to as the “Rail Company”). Specific statistical scope of some environmental data will be illustrated in the “Environmental Performance” section.

Unless otherwise indicated, the reporting period is from 1 January 2020 to 31 December 2020 (hereinafter referred to as the “Reporting Period”).

1 ABOUT THIS REPORT (CONTINUED)

1.3 Preparation Basis

This report is prepared by the Group in compliance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the “Guide”) set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited published by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) in 2016. The compliance with the Environmental, Social and Governance Reporting Guide is summarized in the “Contents Index to the Environmental, Social and Governance Report”. This report has complied with all “comply or explain” provisions set out in the Guide, and has been prepared in accordance with the four reporting principles: materiality, quantitative, balance and consistency. The reporting principles for this report are summarized as follows:

Materiality

This report identifies important ESG issues based on the procedure for assessing systemically important issues, which involves identifying major stakeholders, identifying ESG issues related to the Group, inviting major stakeholders to participate in the assessment, and determining material ESG issues. Please refer to Section 4.4 Assessment of Material Issues, for details of the assessment procedure and the outcome hereof.

Quantitative

This report discloses key performance indicators (hereinafter referred to as “KPIs”) on environmental and social performance, the standards, methods, assumptions and/or calculation tools used to measure the KPIs, as well as the sources of transforming factors employed, so as to optimally assess our environmental and social performance during the Reporting Period.

Consistency

Unless otherwise stated, the KPIs in this report adopt statistical methods consistent with those adopted in previous reporting periods to improve the comparability of environmental and social performance results.

1 ABOUT THIS REPORT (CONTINUED)

1.4 Report Description

This report is published in Traditional Chinese and English. In the event of any ambiguity in the content of the report, the Traditional Chinese version shall prevail. The electronic version of the report can be read and downloaded through the Group's official website and the website of the Hong Kong Stock Exchange.

The data of this report is generated from the online platform system adopted by the Company or by manual sorting. This report adopts Renminbi as the measurement currency.

1.5 Response to this Report

Readers are welcome to give opinions and suggestions on this report by completing the Feedback Form for Readers at the end of this Report. Please feel free to contact us via the following methods:

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2 MESSAGE FROM THE MANAGEMENT

COVID-19 swept across the world in 2020, and the ongoing pandemic has profoundly affected the sustainable development of the world. Notwithstanding the many uncertainties facing the world today, we see a steady trend: sustainable development.

The year 2020 marked the sixth anniversary of UCD's successful IPO on the Main Board of the Hong Kong Stock Exchange. Over the six years, we benefited from the increasing priority afforded to ecological civilization by the party, the government and various members of the public, as well as the concerted efforts made by our employees and partners.

As a leader in the urban rail transit industry, we always strived to improve the environment and promote harmonious social development by driving advances in technology and sustainable economic growth, effectively leveraging our own advantages and resources, and drawing on our expertise and experience.

UCD is committed to establishing itself as a champion and promoter of corporate social responsibility (CSR). Ever since the Hong Kong IPO, we have started to develop a scientific, standardized, systematic and effective CSR management system, and promoted ESG management on a profound scale. Furthermore, we made active CSR planning covering law-based corporate governance, service quality, profit creation, employee development, work safety supervision, advances in technology, environmental protection, targeted poverty alleviation, public well-being, win-win cooperation and overseas responsibilities. A series of practical CSR management activities have been carried out at the Group's headquarters and in its affiliates as well. Through these CSR operations, we fulfilled our CSR objectives with "comprehensive coverage, full performance, daily improvement and industry-leading position", practiced sustainable development principle, and maximized returns for our shareholders.



3 GROUP PROFILE

UCD, formerly known as Beijing Urban Engineering Design & Research Institute Co., Ltd., was established in 1958 to provide design and survey services for the construction of the first subway of China. After more than 60 years of development, the Group has developed from a subway design company to a engineering contractor that featured urban rail transit, Integrated transportation hubs and underground space, and provides professional, high-quality full-services including pre-project consulting, Planning, surveying and mapping, design, construction and project management to customers in fields of industrial and civil buildings, municipal engineering, bridges and roads.

In 2020, the Group has an established business presence in more than 80 cities of China and has set up branches or offices in more than 50 cities. Furthermore, we have also expanded our business in other countries, such as Angola, Argentina, Colombia, Vietnam, Russia, Pakistan, Kazakhstan, Mozambique, Ethiopia and Maldives.

4 SUSTAINABILITY MANAGEMENT

4.1 ESG Management Structure

An effective ESG governance system helps incorporate ESG management into corporate governance, and promote the sustainable development of the Group. Following the advice of the Hong Kong Stock Exchange, the Group has set up an ESG working group that reports to the Board to follow up on the execution and optimization of sustainable development within the Group.

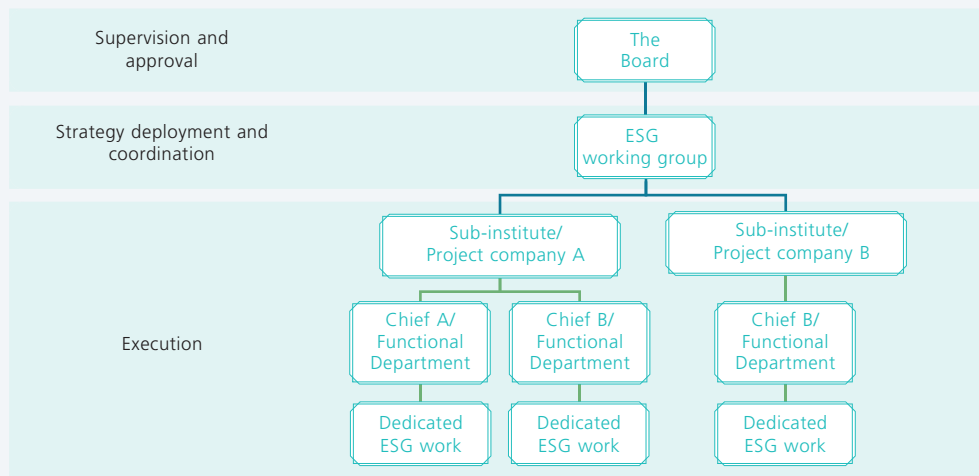


Figure: ESG Management System of the Group

Within the Group's ESG management system, the Board is responsible for assessing and measuring ESG risks and ensuring that UCD has appropriate and effective policies in place regarding environmental, social and governance risk management and internal control operations. The Board is responsible to oversee the Group's ESG strategy and reporting, and guide the ESG working group to arrange and coordinate ESG-related matters. The ESG working group is responsible for reporting to the Board on environmental, social and governance related work, following up on the implementation, supervision, reporting and continuous improvement of related operations, and enforcing the ESG management policies and strategies established by the Board. The ESG working group is also responsible for planning and coordinating communications between the stakeholders, materiality assessment activities, and the compilation of this report. In the future, the Group will further improve the ESG management, strengthen the mechanism for engaging the Board in ESG operations, and consider setting ESG management objectives to consistently implement the Group's ESG management-related tasks.

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

4.2 QHSE Management Systems

The Group always emphasizes sound operation as the top priority, and has, therefore, established a quality, occupational health and safety and environmental management system (hereinafter referred to as the “QHSE System”) based on its own business characteristics to ramp up the management of internal systems. The QHSE System was developed in compliance with the Quality Management Systems – Requirements (《質量管理體系要求》) (GB/T 19001-2016/ISO 9001:2015), Environmental Management Systems – Requirements with guidance for use (《環境管理體系要求及使用指南》) (GB/T 24001-2016/ISO 14001:2015), Occupational Health and Safety Management Systems – Requirements (《職業健康安全管理体系要求》) (GB/T 28001-2011/ISO 18001:2007) and Code for Quality Management of Engineering Construction Enterprises (《工程建設施工企業質量管理規範》) (GB/T 50430-2017) and other national standards to ensure strict compliance of the Group’s business operations to the national laws and regulations.

With a three-level management structure, the QHSE System provides a systematic procedure guidance and policy guarantee from three aspects of quality, environment and occupational health and safety.

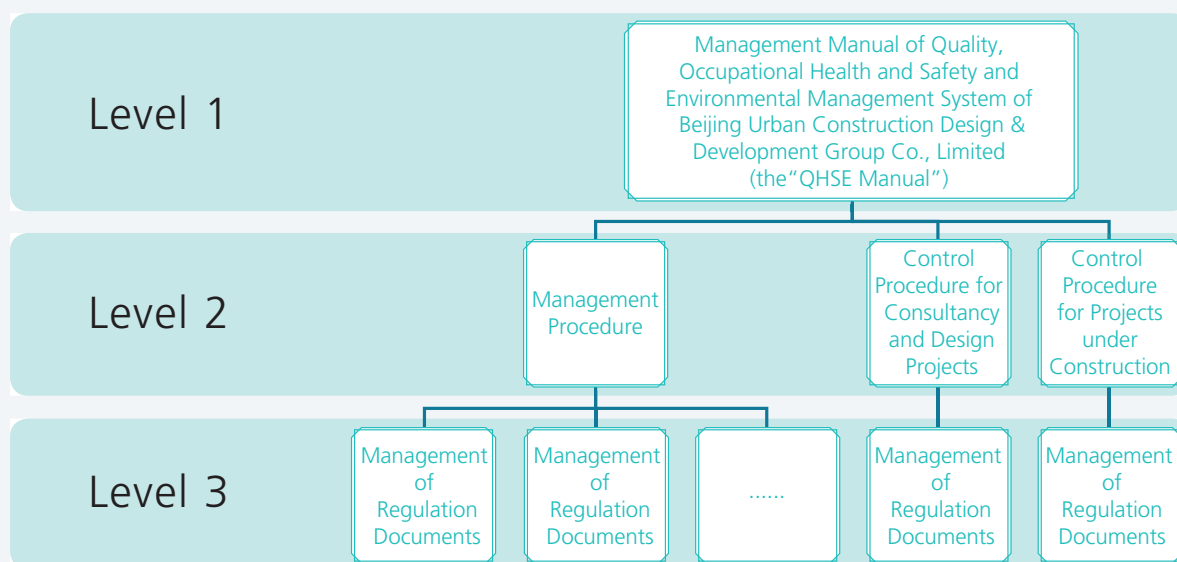


Figure: Document Structure and Composition of QHSE System

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

The QHSE System manages the entire process of consultancy and design, surveying and construction contracting businesses. Level 1 of the QHSE System is the QHSE Manual, which lays down the general principles and guidelines of the Company's QHSE management system. Level 2 of the QHSE system includes Management Procedure Document (《管理類程序文件》), Design Consulting Procedure Document (《設計諮詢項目控制程序》), and Construction Project Control Procedure Document (《施工項目控制程序》) to regulate routine management of the Group's businesses, design elements, and QHSE-related matters involved in construction projects. It also refines the procedures and specifications for business categories, making the system more targeted and practicable. The documents on Level 3 of the QHSE System are the regulation documents of specific matters. Exploration & Surveying Institute and Rail Company each has a QHSE System suitable for its own business characteristics.

Management Procedure Document	Control Procedure for Consultancy and Design Projects	Control Procedure for Projects under Construction
Developed 20 sets of specific management regulations QHSE-related matters involved in the Group's routine operations, including the standardization of procedures for risk management, marketing, staff training, and compliance operations	We introduced 14 sets of specific management regulations for design consulting projects to regulate QHSE-related issues such as design consulting project process, quality review and delivery	We drew up nine sets of specific management regulations for construction projects to regulate QHSE-related issues, e.g. the composition of the construction project department, work safety, construction quality, occupational health and safety

Figure: Management Procedure Document (《管理類程序文件》), Design Consulting Procedure Document (《設計諮詢項目控制程序》), and Construction Project Control Procedure Document (《施工項目控制程序》) outline

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

4.3 Communication with Stakeholders

We fully understand that the valuable opinions of stakeholders help promote CSR practices, so we make active efforts to maintain solidarity and cooperation with stakeholders. We are committed to maintaining good communications with stakeholders, actively listening to their needs and expectations, and actively responding to their concerns, with the aim of driving the sustainable development of the Group. During the Reporting Period, we built a diverse range of communication channels based on the characteristics of the stakeholders, and set up a smooth and distinctive stakeholder communication mechanism, to keep abreast of the stakeholders' expectations, to which we responded as follows:

Stakeholders	Needs and Expectations	Communication and Response
Government	Compliance with laws and regulations Payment of taxes Support for economic development	Operation in compliance with relevant laws and regulations Payment of taxes in compliance with relevant regulations
Investors	Return on investment Growth of business and earnings Risk management Information disclosure	Transparent and regular disclosure of information General investor meetings Investor summits Roadshows
Customers	Provision of high-quality products and services Satisfaction of customers' diversified needs Creation of value for customers	Assurance of service quality Protection of customer information Survey of customer satisfaction
Employees	Employee interests Training and development Occupational safety and health Work and life balance	Provision of competitive and good remuneration and benefits Provision of various career development paths Improvement of employee training system
Partners	Open, fair and equitable purchases Compliance with contracts	Execution of contracts Open tendering
Community and the public	Community development Public welfare undertakings	Assistance in community construction Participation in public welfare undertakings and charities Regular organization of volunteer activities

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

4.4 Assessment of Material Issues

During the Reporting Period, we conducted an assessment of systemically important issues on the basis of the existing stakeholder communication mechanism, with a view to responding to the stakeholders' concerns during the Reporting Period. Details of the assessment process are as follows:

Step 1 : Database of ESG issues

On the basis of the 2019 ESG issue database, the Group updated the ESG issues at three levels, i.e. environmental responsibility, staff responsibility and operational responsibility, by reference to the basis for compiling this report, and based on the characteristics of relevant companies. A total of 27 potential ESG issues were identified and included in the 2020 ESG issue database.

Step 2 : Stakeholders rank ESG issues by priority

The Group invited stakeholders such as employees, the Board and the management to complete online questionnaires. The employees ranked the topics at the three levels from a personal perspective, whereas the Board and the management from the vantage point of UCD.

Step 3 : Assess important ESG issues

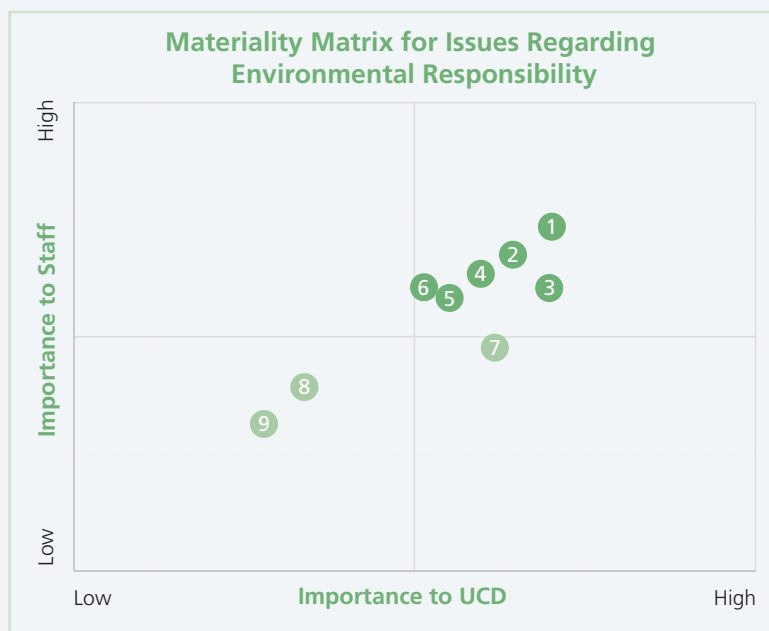
Based on the results of the questionnaires, the Group developed the materiality matrix for the three aspects, namely environmental responsibility, staff responsibility and operation responsibility, through analysis of the issues in terms of their "importance for the employees" and "importance for UCD". ESG issues that receive an importance score of more than 50% in both categories are identified as "important ESG issues." A total of 16 important ESG issues were established this time.

Step 4 : Confirm the outcome of the ESG issue assessment

The Group requested the Board and the management to confirm the important ESG issues identified to ensure that the results dovetail with the direction of the Group's sustainable development strategy. The later sections of this report focus on important ESG issues acknowledged by the Board and the management, with a view to responding to the ESG issues that concern the stakeholders most.

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

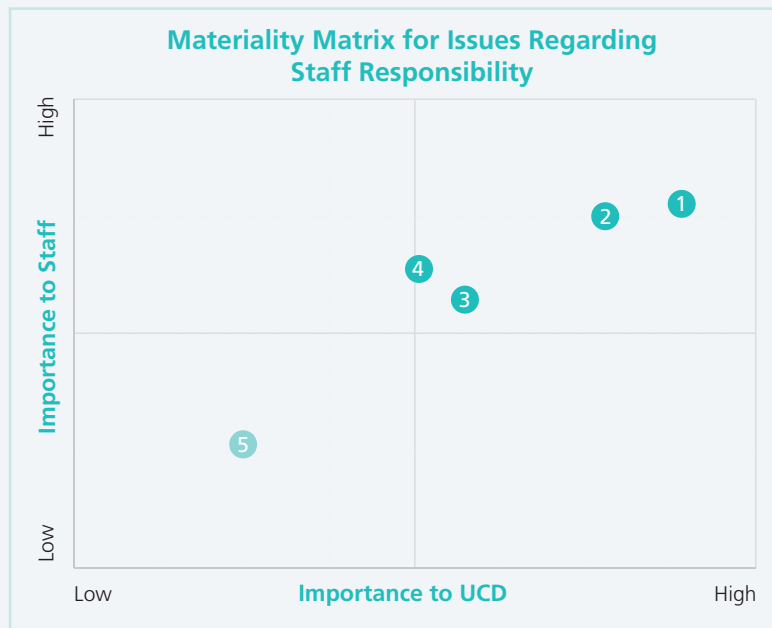
Through the assessment, we developed the materiality matrix for the three aspects, namely environmental responsibility, staff responsibility and operation responsibility.



- | | |
|--|--|
| ① Discharge and management of pollutants | ⑦ Green construction policy management |
| ② Discharge and management of waste | ⑧ Climate change response policy and measures |
| ③ Management of energy utilization | ⑨ Participate in and donate to environmental protection activities |
| ④ Management of water resource utilization | |
| ⑤ Discharge and management of greenhouse gas | |
| ⑥ Green office policy management | |

Figure: Materiality Matrix for Issues Regarding Environmental Responsibility

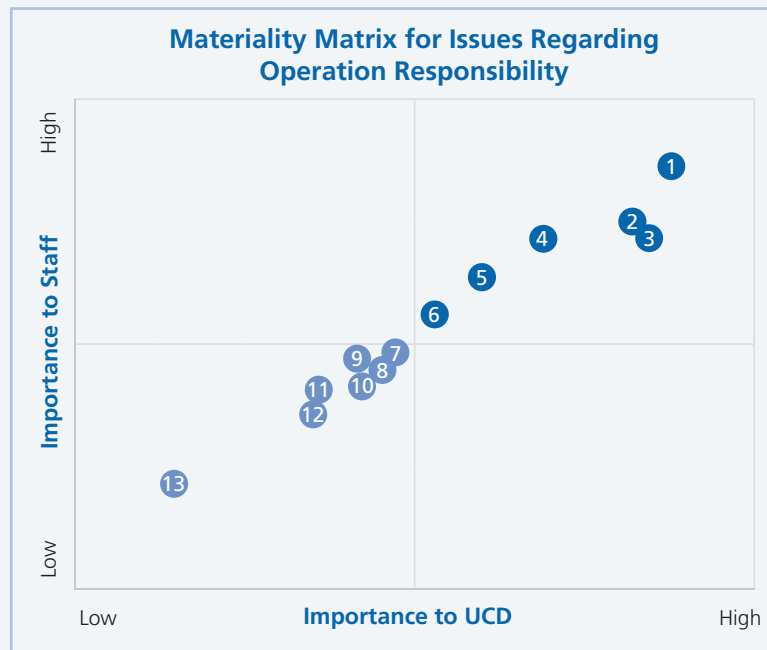
4 SUSTAINABILITY MANAGEMENT (CONTINUED)



- ① Protection of staff's interest
- ② Management of staff's health and safety
- ③ Staff training and career development
- ④ Policy of staff benefits
- ⑤ Prohibition of child labor and forced labor

Figure: Materiality Matrix for Issues Regarding Staff Responsibility

4 SUSTAINABILITY MANAGEMENT (CONTINUED)



- | | |
|---------------------------------------|---|
| ① Work Safety | ⑦ Selection and management of suppliers |
| ② Service Quality | ⑧ Environmental risk management of supply chain |
| ③ Technological innovation | ⑨ Standardization of tendering process |
| ④ Project quality | ⑩ Social risk management of supply chain |
| ⑤ Protection of intellectual property | ⑪ Anti-corruption (anti-bribery, extortion, fraud, money laundering, etc.) |
| ⑥ Protection of customers' privacy | ⑫ Communication with Stakeholders |
| | ⑬ Community investment (e.g. education and healthcare improvement, poverty alleviation, etc.) |

Figure: Materiality Matrix for Issues Regarding Operation Responsibility

4 SUSTAINABILITY MANAGEMENT (CONTINUED)

Through analyzing the materiality assessment matrix, we identify 16 Important ESG Issues and rank them from high score to low score as follows:

Environment Responsibility	
1	Discharge and management of pollutants
2	Discharge and management of waste
3	Management of energy utilization
4	Management of water resource utilization
5	Discharge and management of greenhouse gas
6	Green office policy management
Staff Responsibility	
1	Protection of staff's interest
2	Management of staff's health and safety
3	Staff training and career development
4	Policy of staff benefits
Operation Responsibility	
1	Work Safety
2	Service Quality
3	Technological innovation
4	Project quality
5	Protection of intellectual property
6	Protection of customers' privacy

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION

Important ESG issues addressed in this Section are as follows:		
Work Safety	Service Quality	Technological innovation
Project quality	Protection of intellectual property	Protection of customers' privacy
Management of staff's health and safety		

We pursued excellence relentlessly in business operations, and improved the standard of business operations from multiple perspectives to yield profits for our stakeholders. Adhering to the management policy of "Scientific Management, Superb Quality, Continuous Improvement, and Customer Satisfaction" to continuously improve engineering safety and quality and customer satisfaction, and drive the development of innovative technologies in the industry, attesting to our determination to pursue operational excellence.

5.1 Work Safety

We always attach emphasis to the development of a work safety system and training management, seeking to create a safe working environment to ensure the safety of the production processes and the occupational health and safety of our employees. We are fully aware of the importance of compliance with work safety related requirements, and always make sure that all the production processes conform to relevant laws and regulations. During the Reporting Period, we conducted compliance assessment on occupational health and safety management system to ensure that the production processes conform to the relevant laws, regulations and internal management policies.

During the Reporting Period, the Group complies with the following laws and regulations in relation to safe workplace and prevention of occupational hazards for employees.

Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)

Construction Law of the People's Republic of China (《中華人民共和國建築法》)

Labor Law of the People's Republic of China (《中華人民共和國勞動法》)

Construction Safety Management Regulations (《建設工程安全管理條例》)

Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (《生產安全事故報告和調查處理條例》)

and other national and local laws and regulations

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

SAFETY RISKS AND RISK CONTROL

We actively organize safety risk management operations, which are recognized as an important aspect of the work safety work. The Group implemented the Construction Safety Risk Grading Management and Hidden Trouble Investigation and Governance System of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司施工安全風險分級管控和隱患排查治理制度》 which regulates the safety production management of the Group's construction business in terms of organizational structure and responsibilities, risk identification and treatment, and hidden trouble investigation and management.

We have also promoted and improved risk management on the basis of the existing safety risk management arrangements. During the Reporting Period, the Group amended the Work Safety Emergency Response Plan of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司生產安全事故應急救援預案》 to standardize hazard rectification, routine risk monitoring and early warning measures, and other security risk response measures, building on the Group's safety risk management capabilities.

WORK SAFETY SYSTEM BUILDING

We made active efforts to ensure effective execution of work safety operations, in line with our commitment to continuously developing the work safety system. The Group has set up a Work Safety Committee, and formulated a series of procedures and administrative regulations for enforcing work safety on the basis of the QHSE system, in compliance with the relevant provisions of the Work Safety Law of the People's Republic of China 《中華人民共和國安全生產法》 and the Construction Safety Management Regulations 《建設工程安全管理條例》, thereby ensuring compliance with national and local laws and regulations and the fulfillment of the Group's work safety targets. With a view to stepping up the development of the Group's work safety system, and promoting the Group's sustainable development while ensuring work safety, the Group drew up the Mandatory Safety Management Regulations of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司安全管理強制性規定》, requiring member companies and engineering projects to set up safety management agencies in accordance with the regulations. Furthermore, the Group has adopted an on-site safety management system as required, stipulating that safety management personnel must be on duty around-the-clock, and perform safety inspections before they start or finish work to ensure safety at building sites. As of the end of the Reporting Period, the Group has established and implemented 22 safety management policies, covering issues such as the safety production system, occupational disease prevention and emergency rescue, ratcheting up safety management operations within the Group.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

Major Management Policies about Work Safety

Work Safety Accountability System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全生產責任制》)

Catalog of Work Safety Operation Procedures of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全操作規程目錄》)

Work Safety Capital Guarantee System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全生產資金保障制度》)

Measures of Beijing Urban Construction Design & Development Group Co., Limited on Work Safety Incident Reporting, Investigation and Disposition (《北京城建設計發展集團股份有限公司生產安全事故報告和調查處理辦法》)

Measures of Beijing Urban Construction Design & Development Group Co., Limited on Major Risk Source Control (《北京城建設計發展集團股份有限公司重大危險源控制措施》)

Work Safety Accountability System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全生產責任制》)

Measures of Beijing Urban Construction Design & Development Group Co., Limited on Reward and Punishment for Work Safety and Green Construction (《北京城建設計發展集團股份有限公司安全生產和綠色施工獎懲辦法》)

Measures of Beijing Urban Construction Design & Development Group Co., Limited on Prevention and Control of Occupational Diseases (《北京城建設計發展集團股份有限公司職業病危害防治措施》)

Work Safety Education and Training System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全生產教育和培訓制度》)

Mandatory Safety Management Regulations of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司安全管理強制性規定》)

Labor Protection Supply Management System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司勞動防護用品管理制度》)

Work Safety Emergency Response Plan of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司生產安全事故應急救援預案》)

The Exploration & Surveying Institute and the Rail Company also attach great importance to work safety, and have established their own safety management systems and policies based on their respective business characteristics. Through the introduction of their respective Work Safety Accountability System (《安全生產責任制》) and Work Safety Inspection Mechanism (《安全生產檢查制度》), safety management-related responsibilities are assigned, with related regulations established.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

TRAINING AND EMERGENCY DRILL

We are committed to improving the employees' work safety skills and raising their safety awareness through safety training and emergency drills, such that the employees are capable of avoiding and handling safety incidents. We stipulated in the Work Safety Education and Training System of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司安全生產教育和培訓制度》 and Work Safety Emergency Response Plan of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司生產安全事故應急救援預案》 work safety training and emergency drill should be conducted once every year. We organized work safety education, training activities and emergency drills to improve the safety awareness and safety protection capabilities of all employees to prevent and reduce safety accidents and occupational hazards. During the Reporting Period, due to the impact of COVID-19, the Group held 17 virtual work safety training sessions, spreading work safety-related information among 1,235 staff members.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

Annual work safety course

In November 2020, the Group organized an annual work safety training course online, covering issues such as temporary electricity safety management and work safety laws and regulations. A total of 92 employees including the Group's project managers and safety management personnel attended the work safety training, and their work safety awareness was reinforced accordingly.



Picture: A publicity campaign with the theme of "enhancing the emergency response capacity at the grassroots level and strengthening people's defense for disaster prevention, reduction and relief" dubbed "Disaster Prevention Day" was hosted at Section 03 of Beijing Metro Line 11 in 2020 – it includes a "comprehensive emergency drill against urban rail transit construction emergencies in Beijing"

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)



Picture: Exploration & Surveying Institute holds a work safety quiz



Picture: Exploration & Surveying Institute holds annual emergency rescue drill



Picture: Rail Company carried out a series of training campaigns including the "Safety Production Month"

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)



Picture: Rail Company conducts a fire drill



Picture: The Group holds "Cardiopulmonary Resuscitation and Trauma Care Training"



5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

OCCUPATIONAL HEALTH AND SAFETY

According to the characteristics of construction and production business, we formulated and implemented Measures of Beijing Urban Construction Design & Development Group Co., Limited on Prevention and Control of Occupational Diseases 《北京城建設計發展集團股份有限公司職業病危害防治措施》 to standardize the preventive measures against occupational diseases such as pneumoconiosis, occupational poisoning, heatstroke, noise deafness, etc. The preventive measures are effectively implemented in the workplace, personal protection regulations and safety inspection systems. The following shows some management measures for typical occupational diseases:

Types of potential occupational diseases	Workplace management and preventive measures	Personal equipment and precautions
Pneumoconiosis	Adopt wet operation method wherever possible, and use dust-reducing equipment when the operation conditions permit. Strengthen ventilation and dust removal measures.	Distribute dust masks to construction workers according to the operating environment and replace them regularly.
Occupational poisoning	For work sites that are prone to carbon monoxide poisoning and hydrogen sulfide poisoning (such as underground pipelines, cellars, etc.), forced ventilation is required if toxic and harmful gases exceed the standard. Operation must not be started before the toxic and harmful gas content reaches the standard. Forced ventilation must be carried out in the workplace while operating.	Strictly implement safety operation regulations and work regularly in shifts.
Heatstroke	Arrange the working time reasonably and ensure the supply of heatstroke prevention drinks.	Increase or decrease clothing according to the weather, ensure regular rest during high temperature operation, and supplement salty drinks in time.
Noise deafness	For strong noise equipment on the construction site, noise reduction measures such as full enclosure must be taken.	Wear suitable earplugs according to the noise level of the workplace.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

We have also stepped up labor protection supply management to ensure effective prevention of occupational injuries. During the Reporting Period, we issued the Labor Protection Supply Management System of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司勞動防護用品管理制度》), which regulate the procurement, distribution, use and management of labor protection supplies to ensure that the employees use labor protection supplies reasonably, and protect their personal health.

We have put into place an effective inspection system to supervise and review occupational disease prevention and treatment operations on a regular basis. We reviewed the prevention and control of occupational diseases within the Group once a quarter. For projects in which the Group acted as the general contractor, we required project managers to conduct random inspection on prevention and control of occupational diseases once a month; for projects in which the Group acted as the subcontractor, we required project managers to conduct one inspection in every ten days. In addition, we conducted spot checks on the workplace environment and the use of protective equipment by employees from time to time, and organized staff physical examinations on a quarterly basis.

During the Reporting Period, the Group recorded no work-related injury or death.

5.2 Service Quality

Adhering to the quality control tenet - "Scientific Management, Superb Quality, Continuous Improvement, and Customer Satisfaction", the Group has consistently improved engineering quality and customer service. During the Reporting Period, the quality control system of the Group was audited and certified by a professional third party and met the requirements of Quality management systems – Requirements (《質量管理體系要求》) (GB/T 19001-2016/ISO 9001:2015). In addition, our QHSE System sets out quality inspection and improvement procedure, the procedure for management of construction project planning, the operation and management procedure of construction projects, the project management procedure and the legal and regulatory compliance evaluation procedure, ensuring a complete management chain incorporating planning, operation, management and supervision.

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to the health and safety, advertising, and privacy issues of the products and services provided:

Construction Law of the People's Republic of China (《中華人民共和國建築法》)

Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》)

Metrology Law of the People's Republic of China (《中華人民共和國計量法》)

Measures for the Administration of Quality Testing of Construction Projects (《建築工程質量檢測管理辦法》)

Contract Law of the People's Republic of China (《中華人民共和國合同法》)

Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)

and other national laws and regulations

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

DESIGN AND CONSTRUCTION QUALITY

As a provider of engineering consulting, design services and construction contracting services, we understand that the quality of the design and construction services provided is the safety guarantee of users. Therefore, we regard quality control and quality verification procedures as the core of our quality management operations. During the Reporting Period, we enforced the quality control measures established within the QHSE system, and set up an inspection mechanism and preventive measures for the design and construction processes, to ensure that the products delivered to customers meet the relevant quality requirements.

Quality assurance procedure	Engineering design, engineering consulting segments	Construction segment
General control procedure	We executed process control, design drawing review, design quality release, post-design service, design change control procedures and other management procedures for design consulting services in accordance with the Design Consulting Procedure Document (《設計諮詢程序文件》).	We implemented management on construction technology, construction quality and construction production for construction contracting services in accordance with the Construction Project Control Procedure Document (《施工項目控制程序文件》), so as to ensure that all the above works have standardized quality standards, execution procedures, division of responsibilities and work records.
Inspection mechanism	Design quality is checked through random quality inspections of drawings of design projects and tour inspections of design projects on irregular basis, professional technical quality analysis report, external auditor's opinion and statistical analysis, and regular design quality meetings. For every issues identified in the course of quality supervision, we performed work in accordance with the Rules on Management of Punishment Regarding Technical Quality of Design (《設計技術質量處罰管理規定》).	Quality supervision of construction segment included project inspections, quality meetings and statistical analysis of information submitted. For every issues identified, we performed work in accordance with the Rules on Management of Punishment Regarding Technical Quality of Construction (《施工技術質量處罰管理辦法》).

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

Quality assurance procedure	Engineering design, engineering consulting segments	Construction segment
Product protection	We provide proper product protection, including necessary packaging to prevent damage to the documents in-transit, before delivering design products to customers, and ensure that the design products delivered to customers are complete and intact. Anti-magnetic/scratch/deformation/damage, etc. measures are adopted for design documents delivered in electronic form.	Protection is provided for finished products and semi-finished products on building sites. Each project department is responsible for the handling, storage, protection, and delivery of products and building materials, with appropriate measures adopted to prevent damages to products and raw materials, degradation of product quality or performance, and ensure product quality and safety meet the prescribed requirements.

During the Reporting Period, the Group recorded no quality incidents, design review rate of 100% and design consulting achievement approval rate of 100%; project quality pass rate of 100% and one time acceptance rate of unit project of 100%, achieving the annual quality target.

Furthermore, the Group has strictly complied with the Advertising Law of the People's Republic of China (《中華人民共和國廣告法》) and laws and regulations related to business promotion compliance. In the ordinary course of business, the Group performed marketing control procedures under the QHSE System and policies such as Marketing Management Measures (《市場營銷管理辦法》), and conducted stringent control on labeling matters related to design, consultancy and contracting businesses, so as to prevent misleading the public and clients.

CUSTOMER SERVICE

We pay due attention to customer service while ensuring design and engineering quality, in an effort to improve customer satisfaction. The Group required responsible departments to collect owners' comments and opinions through various channels in accordance with policies under Rules on Customer Satisfaction Survey and Application (《顧客滿意度調查及應用規定》) and the Rules on Project Warranty Management (《工程保修管理規定》) in the QHSE System and provide warranty service according to the requirements of contracts. In addition, the Group organized return visits to owners of typical projects and collected owners' comments and opinions more effectively through face-to-face communication.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

We have also actively followed up on comments and issues reported by customers to further improve the quality of our services. After a customer lodges a complaint, we communicate with the customer in real time, informing the customer of the progress in the processing of the complaint and the approach adopted. With a view to strengthening customer service management, Exploration & Surveying Institute issued and implemented the Customer Service Management Measures 《顧客服務管理辦法》 and Customer Service Assessment Rules 《顧客服務考核細則》 to regulate the acquisition of customer satisfaction information, the handling of customer complaints and claims and the statistics and analysis of customer satisfaction information. In particular, the Customer Service Management Measures 《顧客服務管理辦法》 stipulates, once a complaint on product quality or service is received from a customer, the responsible department must classify the customer complaints received as major complaints, serious complaints or general complaints according to the content and severity of the incident, and refer the complaint to the relevant departments. The leader in charge is responsible for following up, reviewing and confirming the processing results, and giving the customer a reply within 24 hours. During the Reporting Period, the Group has not received any complaints from customers in respect of the quality of its products.

As part of the effort to safeguard customers' rights and interests, we attach great importance to privacy protection for customers, and rigorously enforce the customer information confidentiality policy. We implemented the Confidential Work Management (Interim) Regulations of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司保密工作管理(暫行)規定》 to set out specific requirements for the information confidentiality scope and confidentiality matters of the Group, document management and circulation, document clearance, filing, destruction, informatization and archive management, and confidential personnel responsibilities. Some of the specific measures are shown below (including but not limited to):

- The obsolete design drawings, technical data and calculation sheets of confidential projects shall be submitted to the Archive Center for management and destruction in time. The documents and internal data to be destroyed must be destroyed by a specific manufacturer after registration;
- Employees are not allowed to bring confidential documents, information and other items when going to public places or visiting relatives and friends;
- Employees must not transmit or process confidential information on fax machines or computers without confidentiality measures;
- The headquarters and member companies shall regularly carry out confidentiality education, enhance the awareness of confidentiality, and conduct regular inspection on confidentiality.

In accordance with these regulations, we require employees to strictly comply with confidentiality requirements, ensuring thorough protection of customer information. In the event that customer information is divulged by an employee, we investigate into the employee's liability according to the severity of the offense.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

5.3 Encourage Innovation

We consider innovation-driven development as the Group's core competitive advantage, and has established corporate culture that encourages technological innovation. The Group has set up a technology research institute to manage and integrate our technology R&D resources, with a view to promote technology advancement and commercialization of research findings, and tightening up the management of innovation projects. The technical research institute is responsible for coordinating scientific and technological research management operations in the Group, and establishing a set of rules and regulations on scientific and technological research management. Within a view to further promoting the information technology (IT) based management of scientific and technological research projects, during the Reporting Period, the technical research institute released scientific and technological research management rules and regulations and research project information on the Group's online platform, building on our overall research management capabilities. During the Reporting Period, the Group issued four set of rules and regulations on the management of scientific and technological research projects – Administrative Measures for Science and Technology Innovation Projects 《科技創新項目管理辦法》, Implementation Rules for the Initiation of Science and Technology Innovation Projects 《科技創新項目立項實施細則》, Administrative Measures for the Reimbursement of Funds for Science and Technology Innovation Projects 《科技創新項目經費報銷管理辦法》 and Implementation Rules of the Company for the Offices of Well-known Experts 《公司知名專家工作室實施細則》, as well as a series of standards for managing R&D activities, laying the groundwork for scientific and technological research management.

INTELLECTUAL PROPERTY MANAGEMENT

We pay due attention to the protection of the legitimate rights and interests of intellectual property (IP) owners, and strictly abide by the Patent Law of the People's Republic of China 《中華人民共和國專利法》, Regulations on the Implementation of the Patent Law of the People's Republic of China 《中華人民共和國專利法實施條例》, Copyright Law of the People's Republic of China 《中華人民共和國著作權法》, Regulations on the Implementation of the Copyright Law of the People's Republic of China 《中華人民共和國著作權法實施條例》, Trademark Law of the People's Republic of China 《中華人民共和國商標法》, Regulations on the Implementation of the Trademark Law of the People's Republic of China 《中華人民共和國商標法實施條例》 and other relevant national laws and regulations. In addition, we introduced the Intellectual Property Administrative Measures of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司知識產權管理辦法》), to regulate the procedures for managing and protecting the Group's invention patent rights, design copyrights, trademark rights, intellectual property rights (IPR) associated with scientific and technological research findings, and computer software copyrights, stepping up IPR management within the Group. The Exploration & Surveying Institute implemented the (Interim) Administrative Measures on Reward and Punishment of Independent Intellectual Property Rights 《自主知識產權獎懲管理辦法(試行)》 to manage and protect its intellectual property rights, and encourage employees to innovate independently through a reward mechanism. Rail Company maintains and protects internal and external intellectual property rights through the following practices:

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

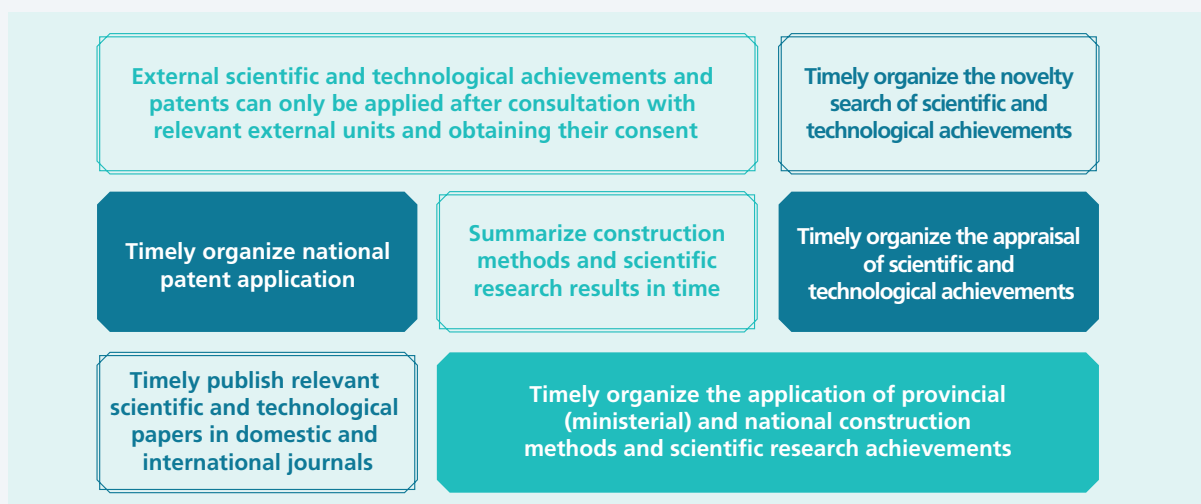


Figure: Measures adopted by Rail Company to maintain and protect internal and external IPRs

RESEARCH ACHIEVEMENTS

Adhering to the spirit of innovation, the Group made remarkable progress in technological innovations during the Reporting Period, thanks to the concerted efforts of all employees. The Group took out 8 invention patents and 22 utility model patents; Exploration & Surveying Institute obtained two invention patents, 25 utility model patents, four design patents and 14 items of software copyright; Rail Company took out four utility model patents and two items of software copyright.

Picture: Awards Granted in 2020



5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

PROMOTION OF INDUSTRY EXCHANGES

We have hosted and got actively involved in technology seminars and other academic activities, in line with our commitment to maintaining close exchanges with peer companies and professional research institutes to improve the standard of core technology in the Chinese urban rail transit industry, thus promoting its steady development.

2020 China Urban Rail Transit Key Technologies Forum & the 29th Metro Academic Exchange Conference

The “2020 China Urban Rail Transit Key Technologies Forum & the 29th Metro Academic Exchange Conference”, sponsored by the rail transit branch of the China Civil Engineering Society and undertaken by the Group and Jinan Metro Group Co., Ltd., was ceremoniously held in Jinan on September 4 2020. Approximately 300 experts, academicians and industry technicians from around the country gathered to discuss central technological issues in the industry focusing on the main theme “rail transit and urban development”, promoting technical exchanges in the industry.



5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

“Design-oriented Cloud-based Rail Transit”, a parallel session of 2020 International Metro Transit Exhibition & Forum (Beijing)

The 2020 Beijing International Urban Rail Transit Exhibition & Forum was held in Beijing on October 21-23, 2020. The event, divided into five parts: the main forum, sub-forums, association special session, organizing committee special session and the main unit, attracted nearly 200 exhibitors and 10,000 market insiders.

Sub-forum dubbed “Design-oriented Cloud-based Rail Transit”, co-organized by the Design & Consulting Committee and Engineering Construction Committee of China Association of Metros, and hosted by the Group and China Academy of Urban Planning and Design, was held on October 23, 2020. Seven industry experts talked about how “urban rail cloud” can boost the growth of the smart rail transit market based on related project development practices, focused on improving the efficiency of rail transit operations and command, and stimulating the development of smart urban rail networks, revealing the latest development trends in the urban rail industry,.

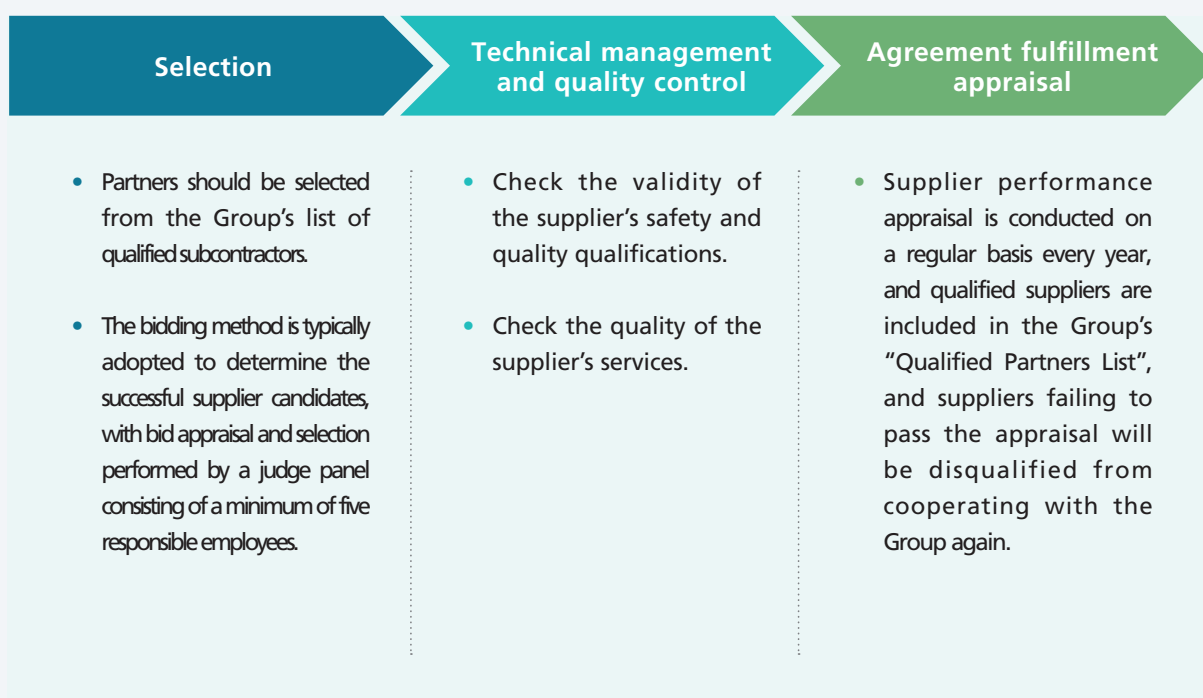


5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

5.4 Supplier Management

We pay due attention to the management of environmental and social risks along the supply chain, and strive to provide secure and high-quality integrated construction services in collaboration with suppliers. Our suppliers are generally divided into engineering service and design service providers.

As regards suppliers of design and consulting services, we implemented the External Cooperation Design Management Measures of Beijing Urban Construction Design & Development Group Co., Limited (Revised) (《北京城建設計發展集團股份有限公司外部合作設計管理辦法》(修編)) to further regulate the management of external collaborative design elements, including the specific specifications for the selection, technical management and quality control, and performance evaluation of collaborative design units under subcontracting design, joint design, project labor cooperation and labor subcontracting design, ensuring that design service suppliers conform to the laws, regulations and the Group's requirements.



5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

In terms of construction services, the Group implemented the Rules on the Tendering Management for Construction Projects of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司施工項目招標管理規定》) and the Rules on Sub-contracting Management for Professional Projects of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司專業工程分包管理規定》) and put forward standardized procurement regulations on the qualification, environmental protection, occupational health and safety of suppliers for material procurement, professional subcontracting, labor subcontracting, machinery leasing and other services in construction projects. Specifically, the Rules on the Tendering Management for Construction Projects of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司施工項目招標管理規定》) regulate the work and control procedures of bidding and purchasing; and the Rules on Sub-contracting Management for Professional Projects of Beijing Urban Construction Design & Development Group Co., Limited (《北京城建設計發展集團股份有限公司專業工程分包管理規定》) further regulate the professional subcontractors.

Before the subcontractor enters the workplace

Provide management procedures and/or related requirements for project quality, schedule, construction technology, environmental protection and occupational health and safety. Sign the Fire Protection Agreement (《消防保衛協議書》), Civilized Construction and Environmental Protection Management Agreement (《文明施工和環境保護管理協議書》) and Integrity Agreement (《廉政協議書》).

Before the project starts

Supervise the on-the job training provided by the subcontractor to project related personnel.

In construction

Implement control procedures under the Control Procedure for Project Construction (《施工項目控制程序》), Management Procedure for Contract Review (《合同評審管理程序》), Risk Management Procedure (《風險管理程序》) and Tendering Management for Construction Projects (《施工項目招標管理規定》), and maintain job records. Regular evaluation of subcontractors.

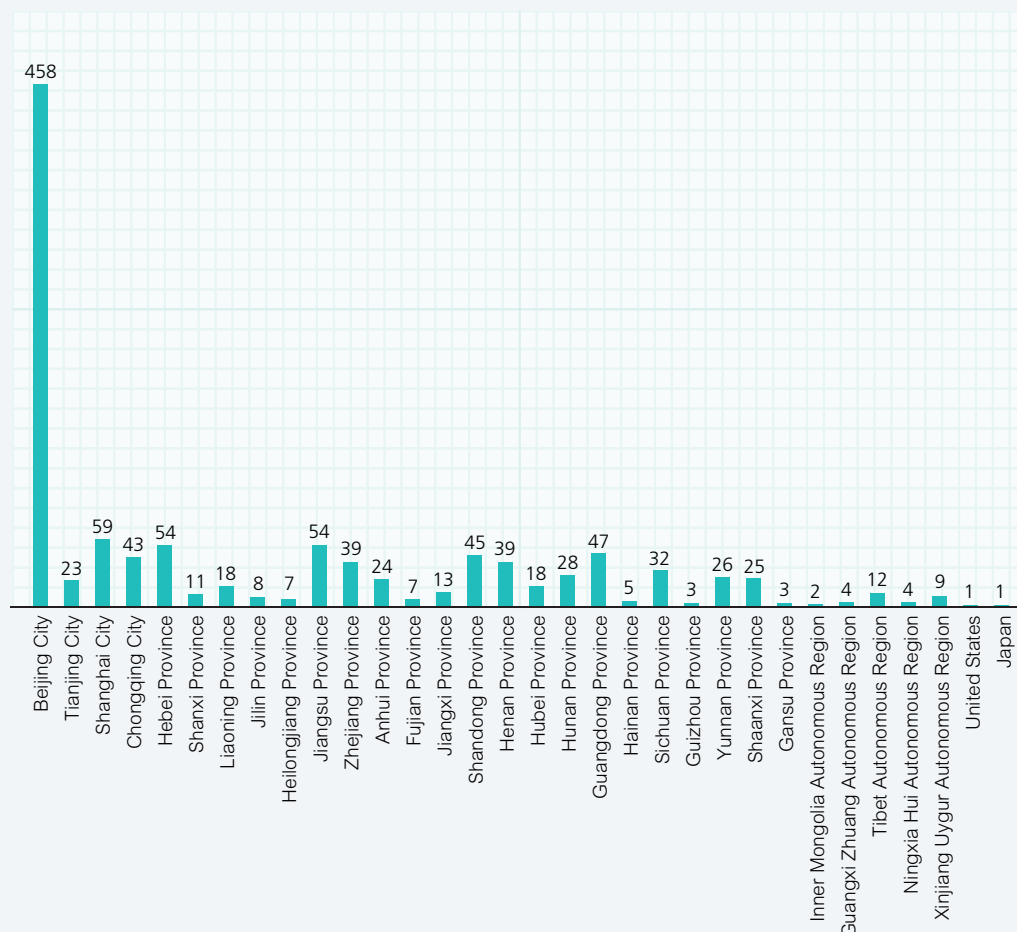
After the project

Evaluate the performance of the subcontractor from the aspects of construction period and quality, and fill in the Comprehensive Evaluation Form of Project Subcontractor (《工程分包方綜合評價表》). The functional departments of the Group summarize the evaluation form of each subcontractor in January every year, and remove the subcontractors evaluated as unqualified from the list of qualified subcontractors.

5 OPERATIONAL EXCELLENCE, AND PROFIT GENERATION (CONTINUED)

During the Reporting Period, the Group strictly abided by the said regulations to conduct qualification assessment of a total of 1,122 design and engineering suppliers. A breakdown¹ of the suppliers by region is shown as follows:

Number of suppliers by geographical region



Picture: Number of suppliers by geographical region

Exploration & Surveying Institute and Rail Company manage environmental and social risks involved in their supply chains pursuant to relevant internal policies. Exploration & Surveying Institute implemented the Management Provisions on the Review and Management of Production Suppliers and the Approval Process for Subcontracting Applications of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. 《北京城建勘测設計研究院有限公司生產類供方評審管理及分包申請審批流程管理規定》, which further standardize the review of suppliers, the use of the List of Qualified Suppliers (《合格供方名錄》), and the supervision of suppliers. Rail Company implemented the Implementation Rules for Professional Engineering Subcontracting Management 《專業工程分包管理實施細則》 to regulate recruitment, construction management and performance appraisal regarding professional engineering subcontractors based on its actual business needs, on top of subcontractor management by the Group.

¹ Number of suppliers by geographical regions is classified according to the locations where the headquarters of the suppliers are. Statistical limits exclude the suppliers' data of Exploration & Surveying Institute and Rail Company.

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE

Important ESG issues addressed in this Section are as follows:

Policy of staff benefits	Protection of staff's interest	Staff training and career development
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Staff have been regarded as the cornerstone for the Group realizing its mission of "Design the City, Build the Future". To this end, we provided competitive salary packages to attract qualified professionals with exceptional teamwork skills. We also have an efficient talent management system and a comprehensive training mechanism in place to encourage employees to unlock their full potential and fulfill their value.

6.1 Talent Management

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits:

Labor Law of the People's Republic of China (《中華人民共和國勞動法》)

Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)

Regulation on the Implementation of the Employment Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》)

Prohibition of Child Labor Provisions (《禁止使用童工規定》)

and other national laws and regulations

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

EMPLOYMENT AND DISMISSAL

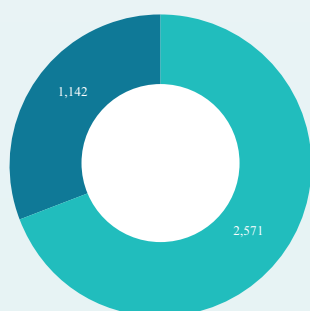
We recruit new employees following the principle of “pre-planned recruitment”, and require each functional department of the Group draws up the next year’s staff recruitment demand plan based on the scale of production and operation, development goals, per capita benefits, per capita cost, labor productivity, current status of personnel and post establishment. The human resources department analyzes and reviews the demand plans of each department, and draws up the Group’s annual personnel recruitment plan. Following the principle of “merit-based enrollment”, we release vacancies, screen resumes and conduct recruitment tests in accordance with the Rules of Beijing Urban Construction Design & Development Group Co., Limited on Recruitment Management 《北京城建設計發展集團股份有限公司招聘管理辦法》 to make sure that only candidates meeting the job requirements are recruited, and then proceed to the on-boarding process pursuant to the Administrative Measures for the Employment of Employees of Beijing Urban Construction Design & Development Group Co., Limited (Interim) 《北京城建設計發展集團股份有限公司員工入職管理辦法(暫行)》.

We strictly followed the data review procedures specified in the Administrative Measures for the Employment of Employees of Beijing Urban Construction Design & Development Group Co., Limited (Interim) 《北京城建設計發展集團股份有限公司員工入職管理辦法(暫行)》, and require every candidate to submit a valid ID card to verify his/her identity and age, so as to prevent child labor and ensure compliance with the relevant provisions of the Labor Law of the People’s Republic of China 《中華人民共和國勞動法》. Furthermore, following the principles of free will, equality and consensus, we enter into an employment contract with every new employee, and resolutely avoid any forms of forced labor. In the event that an instance of forced labor or child labor occurs, the Group investigates into the case following relevant procedures. Once an illegal offense is constituted, as a zero tolerance policy, the case will be transferred to the judicial authorities for further investigation.

Where the Group or an employee proposes to rescind, or not to renew, the employment contract, we exercise the standard departure process, work handover process and severance arrangements prescribed in the Labor Contract Management Measures 《勞動合同管理辦法》 of the Group, and the Administrative Measures for the Resignation of Employees of Beijing Urban Construction Design & Development Group Co., Limited (Interim) 《北京城建設計發展集團股份有限公司員工離職管理辦法(暫行)》 to protect the rights and interests of both parties.

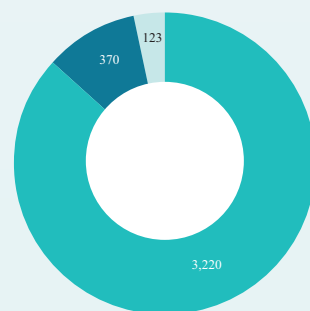
6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

As of the end of the Reporting Period, UCD, Exploration & Surveying Institute and Rail Company had a total of 3,713 employees (all full-time employees). The breakdown of total employees by gender, region², age group and employment type is listed below:



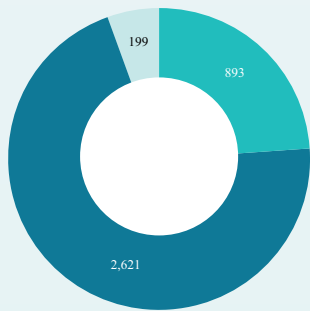
Male Female

Picture: Employee counts by gender



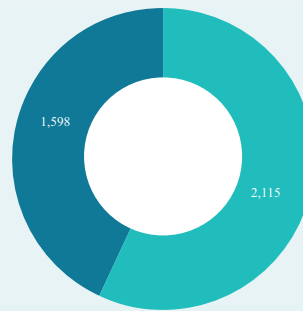
Grass-roots staff Mid-level staff Senior staff

Picture: Employee counts by employee category



Aged below 30 Aged 30-50 aged 50+

Picture: Employee counts by age group



Beijing Other parts of China

Picture: Employee counts by region

² Employee counts by region is categorized by the location of the companies where the labor contracts were signed.

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

Turnover rate³ of employees by gender, age group and region are shown as follows

Employee type		Turnover rate
By gender	Male	7%
	Female	5%
By age	Aged below 30	4%
	Aged 30~50	6%
	Aged 50+	20%
By region	Beijing	7%
	Other parts of China	5%

REMUNERATION AND PROMOTION

We offer competitive and diversified salary packages to attract and retain highly qualified employees, and build teams of top talent. We established and implemented the Measures for Employee Remuneration Management and Calculation of Beijing Urban Construction Design & Research Institute 《北京城建設計研究總院職工薪酬管理與核算辦法》, which contain explicit provisions on remuneration management and accounting for the following types of employees.



³ The employee turnover rate is calculated by dividing the number of employees belonging to a certain category during the Reporting Period by the total number of employees in the category at the end of the Reporting Period.

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

We introduced the Administrative Measures for Positions and Ranks of Beijing Urban Construction Design & Research Institute (《北京城建設計研究總院崗位及職級管理辦法》), with a view to building and maintaining a rank system, and improving the staff training and promotion system. The Administrative Measures for Positions and Ranks of Beijing Urban Construction Design & Research Institute (《北京城建設計研究總院崗位及職級管理辦法》) makes clear specifications for the post establishment, post evaluation, post adjustment, talent management and incentives of UCD. We set out clear standards and procedures for staff promotions. Employees who meet relevant requirements based on their competence or the Group's needs are promoted based on objective criteria, effectively incentivizing staff members and enhancing team cohesion.

Exploration & Surveying Institute and Rail Company implement competitive and motivating remuneration management and promotion systems based on their actual needs, determine employees' salaries and offer promotion opportunities according to their performance and rank. This way, business achievements are shared with the employees, with positive staff incentivization results achieved.

Rail Company

- Remuneration Management System (Trial) of Beijing Urban Rail Transit Construction Engineering Co., Ltd. (《北京城建軌道交通建設工程有限公司薪酬管理制度(試行)》)
- Measures of Beijing Urban Rail Transit Construction Engineering Co., Ltd. for the Management of Staff Benefit Bonuses (Trial) (《北京城建軌道交通建設工程有限公司員工效益獎金管理辦法(試行)》)

Exploration & Surveying Institute

- Remuneration Management System of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (《北京城建勘測設計研究院有限責任公司薪酬管理制度》)
- Rules for the Implementation of Remuneration Management of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (《北京城建勘測設計研究院有限責任公司薪酬管理實施細則》)

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

WORKING HOURS AND HOLIDAYS

In order to establish and maintain an orderly work order and a reasonable holiday mechanism, we issued the Rules on Management of Work Attendance, Leave and Holidays of Beijing Urban Construction Design & Research Institute 《北京城建設計研究總院有限公司員工考勤與休假管理辦法》 to standardize the management of working hours, attendance, leave and holidays and make sure that the basic interest of employees is protected. For positions with different needs, we implement standard working hours and flexible working hour system. We comply with the Labor Law of the People's Republic of China 《中華人民共和國勞動法》 and submit an application for flexible working hour system to relevant authorities in January each year, and implement the flexible working hour system after approval and publicity by the regulatory department. The working hours of employees under standard working hours and flexible working hour system are both 8 hours. In order to ensure the rationality of the working hours of employees, when the employees under the standard working hours system have overtime requirements, they need to fill in the Overtime Approval Form 《加班審批表》 and obtain approval. The Group pays employees overtime pay in accordance with relevant laws and regional regulations.

On the basis of compliance with the law, apart from public and statutory holidays, we provide employees with additional holidays – for example, for employees who are far away from their families, 20 to 30 days of family leave is granted for family reunions. Holidays for employees include:



EQUAL OPPORTUNITY, DIVERSITY AND ANTI-DISCRIMINATION

Adhering to the HR strategy of “merit-based recruitment” and “HR diversification”, we strictly abided by the Labor Law of the People's Republic of China 《中華人民共和國勞動法》 and the Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》, and treat employees equally regardless of their gender, ethnicity, religious belief, disability, nationality, etc. providing them with equal opportunities for employment and promotion. We only evaluate the candidate's professional skills, qualifications and whether they are fit for the Company's values during recruitment. Our salary distribution is based on employees' position, ability, work intensity and contribution level, and we implement the system of equal pay for equal work, in order to protect the interests of our employees.

STAFF BENEFITS

We pay due attention to the needs of employees, and kept providing them with generous benefits to reinforce their sense of belonging to the Group. We held birthday parties for employees, provided them with park annual tickets and movie tickets, and sent holiday condolences to employees on holidays. We also encourage local branches and affiliates across the country to carry out small and diverse employee activities on their own, building on team cohesion. We further developed related facilities in offices to cater to the needs of employees. “Heart-warming Rooms” and “Baby Care Rooms” have been set up to make workplace more user-friendly. We built a fitness center and a table tennis center at the Group's headquarters to encourage employees to take exercise.

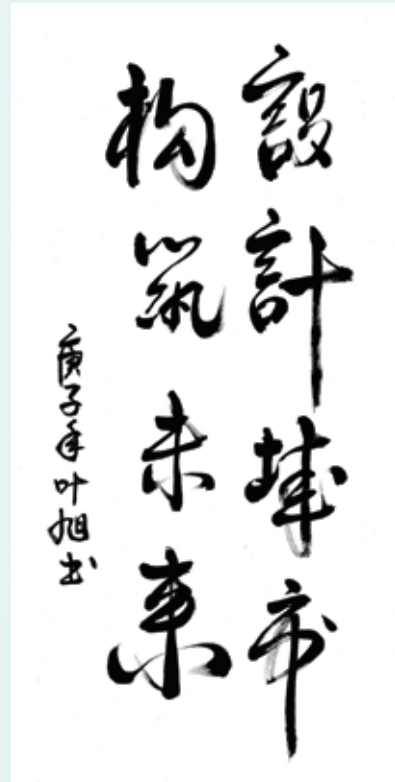
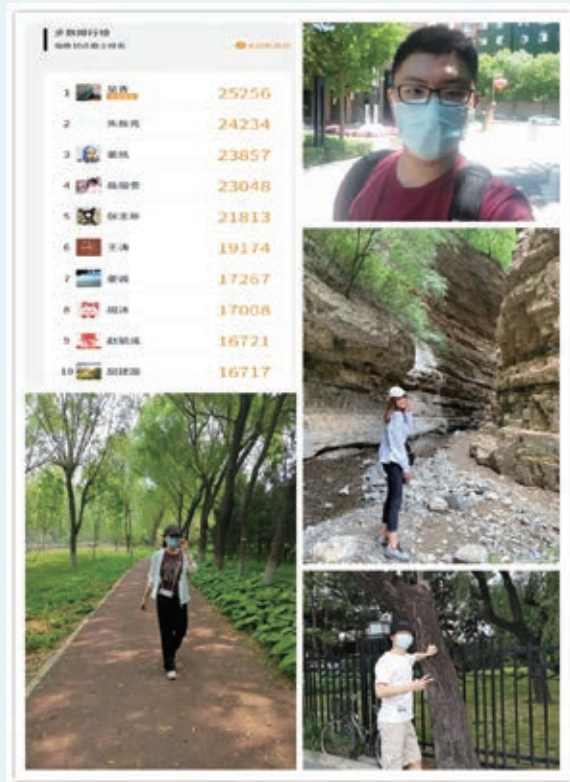
6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

During the Reporting Period, the COVID-19 epidemic's significant impact is felt all around the globe. In response to the crisis, the Group proactively offered assistance for employees to tackle the challenges. We set up a special epidemic control fund of RMB200,000 for frontline employees who continued to work despite the epidemic. In the face of serious shortage of epidemic control supplies, we provided employees in different regions with epidemic control supplies and posted them to frontline employees working in worst-hit areas. In addition, psychological counseling was offered for employees affected by the disease to help them maintain physical and mental well-being through the crisis. While ensuring active cooperation in epidemic prevention and control operations, we organized employees to take part in online entertainment events to demonstrate their talents, cultivate personal interests and hobbies, and reduce work pressure.



Picture: A branch basketball match

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)



Picture: The Group held "Cloud Series" virtual entertainment events



Picture: The Group supplies COVID-19 medical materials to employees in different regions

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

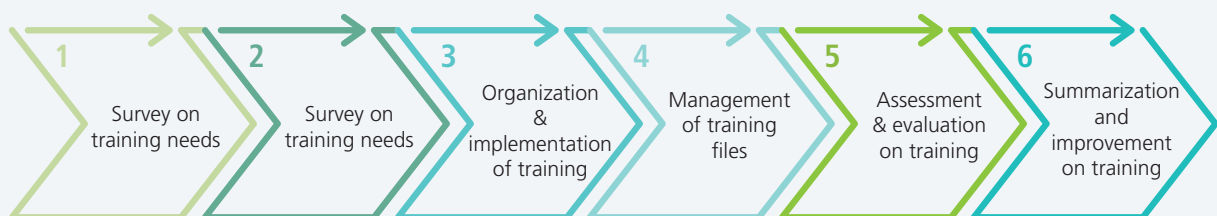


Picture: Rail Company sent summertime food to frontline staff

6.2 Craftsmanship

TRAINING POLICY

We firmly believe that personal development facilitation is the cornerstone for the Group's long-term sustainable growth. Therefore, we invest substantial resources in staff training activities to promote the coordinated development between employees and the Group. With a view to improving the employees' professional skills, we introduced the Administrative Measure for Training of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司培訓管理辦法》 and the Administrative Measure of Beijing Urban Construction Design & Development Group Co., Limited for Internal Lecturers 《北京城建設計發展集團股份有限公司內部講師管理辦法》 to standardize training management:



Through these operations, we got a clear understanding of the training needs of employees, and worked out the Company Annual Training Plan 《公司年度培訓計劃方案》 accordingly, taking the Group's needs into account. We collect training feedback from employees every year, and conduct summary analysis to better inform our efforts to improve the training plan in the following year, and the training topics are continuously improved.

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

When determining and arranging training activities, we carefully examine the different training needs, training items and recipients to ensure that the training suits different types of employees. Our training activities mainly include:

Company-level training	Specialized training
General knowledge, creativity and management skill training that enhances employees' overall competence	Training on professional skills and post-specific skills that enhances employees' professional skills and expertise

We adopted a broad range of training forms, e.g. internal on-site training, remote online training, courseware-based self-study, field study and study tour, to suit different training topics, and meet different training needs.

TRAINING ACTIVITIES

Adhering to the objective of "synergizing internal and external development", we improved training operations at the Group by building a well-thought-out teaching resource system, curriculum system and platform system. During the Reporting Period, our employees received nearly 1,000 training sessions in total, and main courses such as expert lectures, technical training exchanges, project leader training courses and new employee training were provided through collaboration with internal and external trainers, focusing on enhancing employees' skill set at work. We further developed the online training platform to offset the impact of COVID-19, and provided employees with more than 200 online courses to improve their professional expertise. As of the end of the Reporting Period, the training rate of the Group's employees was 100%, and the average training hours of employees reached the Group's minimum training hours⁴.

In-service technical staff	In-service management staff
Minimum training: 72 hours/person	Minimum training: 48 hours/person

⁴ This requirement is applicable to UCD and Rail Company. Exploration & Surveying Institute requires training hours not less than 24 hours for general grass-roots personnel, not less than 48 hours for backbone reserve personnel and not less than 36 hours for middle level or above management.

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)



Picture: A training session for project managers

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)



Picture: New employee on-boarding training



Picture: Expert Lecture - "Insights on the Latest PPP Trends"

6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)



Picture: Rail Company organized training on financial standards



6 BUILD ON TEAM COHESION THROUGH EFFECTIVE STAFF CARE (CONTINUED)

6.3 Anti-corruption

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to preventing bribery, extortion, fraud and money laundering:

Criminal Law of the People's Republic of China 《中華人民共和國刑法》

Anti-unfair Competition Law of the People's Republic of China 《中華人民共和國反不正當競爭法》

Company Law of the People's Republic of China 《中華人民共和國公司法》

and other national laws and regulations

We believe that integrity and probity are important factors contributing to the sustainable development of a company. Therefore, we require our employees to strictly abide by business ethics to establish an honest and incorruptible corporate culture. The Group formulated the Punishment Regulations for Managements Violations and Non-compliance of Beijing Urban Construction Design & Development Group Co., Limited 《北京城建設計發展集團股份有限公司管理人員違紀違規行為處分規定》, which contain provisions regarding the punishment of employees involved in corruption, extortion, fraud, money laundering or other corrupt practices, including abuse of power or position to seek benefits from others, accepting or giving gifts, gift money, shopping vouchers, etc. in violation of the regulations. Once an employee is found to be involved in illegal activities, we impose punishment on him/her in strict accordance with the regulations, making sure that such incidents are handled fairly and impartially.

During the Reporting Period, we urged member companies to implement the anti-corruption campaign. Exploration & Surveying Institute compiled the List of the Party Committee of Exploration & Surveying Institute on the Responsibilities of Entities Bearing the Primary Responsibility to Deepen Comprehensive Party Self-Governance (2020) 《2020年勘測院黨委深化落實全面從嚴治黨主體責任清單》 to clarify the anti-corruption duties of related units. The institute required all subcontractors to sign a letter of integrity commitment, which set out the responsibilities of its employees and subcontractors to prevent them from illegally seeking private gains.

Violations can be reported through mailbox, e-mail and telephone. Besides, we obtain information on violations through supervision, disciplinary inspection, audits and tour inspection. We introduced the Management Measures for Clues of Discipline Inspection and Supervision of Beijing Urban Construction Group Co., Ltd. 《北京城建集團有限責任公司紀檢監察問題線索管理辦法》 to centrally manage the clues received. All clues are tracked and recorded through standardized management modes such as registration, establishment of account books, and personnel accountable, so as to ensure that all the regulatory and disciplinary violations reported are properly handled. Furthermore, we rigorously maintained the confidentiality of information regarding the clues, and strictly prohibited unauthorized publication of relevant information or content, to protect the rights and interests of the people involved. During the Reporting Period, the Group did not receive any reported cases of corruption, extortion, fraud and money laundering.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION

Important ESG issues addressed in this Section are as follows:

Discharge and management of pollutants	Discharge and management of waste	Management of energy utilization
Management of water resource utilization	Discharge and management of greenhouse gas	Green office policy management

During the Reporting Period, the Group has strictly complied with the following laws and regulations related to exhaust gas, greenhouse gas, pollutant discharge to water and land, and the generation of hazardous and non-hazardous waste:

Atmospheric Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國大氣污染防治法》

Environmental Protection Law of the People's Republic of China 《中華人民共和國環境保護法》

Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste 《中華人民共和國固體廢棄物污染環境防治法》

Water Pollution Prevention and Control Law of the People's Republic of China 《中華人民共和國水污染防治法》

Environmental Impact Assessment Law of the People's Republic of China 《中華人民共和國環境影響評價法》

Regulations on Environmental Protection Management of Construction Project 《建設項目環境保護管理條例》

and other national laws and regulations

While developing businesses, the Group paid particular attention to the environmental impact of its business operations, and actively explored feasible environmental protection measures to reduce the impact on the environment, and promote sustainable development. Environmental impact caused by the production and operation business of the Group comes from office area and construction sites. Among which, environmental impact from office area mainly included emission of air pollutants and greenhouse gas by business vehicles owned and leased by the Group, indirect emission of greenhouse gas by purchased electric power, energy and water resource consumption and office garbage. Environmental impact from construction sites mainly included emission of air pollutants and greenhouse gas by engineering machinery owned and leased by the Group, indirect emission of greenhouse gas by purchased electric power, energy and water resource consumption and construction waste.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

In order to further reduce the impact on the environment resulting from our business activities, we set the following environmental protection targets:

- Zero major environmental incident, and compliance with local regulatory requirements on the discharge and emission of waste water, waste gas, air pollutants and noise.
- Separate recycling of solid waste in offices, and legalized treatment of 100% of hazardous waste.
- Sewage, dust and noise are discharged at building sites in compliance with the official standards, to prevent major environmental pollution accidents, and materialize resource recycling, waste reduction and harmless treatment step-by-step to lower energy consumption and eliminate waste of resources.

In the future, we will continue to push forward the enforcement of environmental management measures, improve the environmental management system, and disclose information on the fulfillment of related goals.

7.1 Green Office

We have adopted a series of environmental management policies and measures to actively reduce the impact of pollution and resource consumption in offices on the environment. During the Reporting Period, the Group strictly abided by the Measures for Management of Energy and Resource Conservation of the Headquarters (《總部能源資源節約管理辦法》) and the Measures for Management of Energy and Resource Conservation of Branches (《分院能源資源節約管理辦法》), and enforced environmental management policies (e.g. energy saving and emission reduction, water consumption and waste management) in offices by formulating the Objectives and Plan for the Management of Energy for the Year 2020 (《2020年能源管理工作目標及方案》). On the other hand, Exploration & Surveying Institute and Rail Company introduced their respective green office management policies based on their own operating conditions, and worked together to reduce the impact of business operations on the environment.

Rail Company

Measures for Energy Conservation and Emission Reduction in Offices of Beijing Urban Rail Transit Construction Engineering Co., Ltd. (《北京城建軌道交通建設工程有限公司機關辦公區節能減排措施》)

Exploration & Surveying Institute

List of Environmental/Occupational Health and Safety Targets, Indicators and Management Plans for the Year 2020 of Beijing Urban Construction Exploration & Surveying Design Research Institute Co., Ltd. (《北京城建勘測設計研究院2020年度環境／職業健康安全目標、指標、管理方案一覽表》)

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

ENERGY CONSERVATION AND EMISSION REDUCTION

As in-office emissions are mainly caused by the use of cars and energy consumption, we actively implemented the following measures to promote energy conservation and low-carbon travel:

Save electricity	Low-carbon travel
<ul style="list-style-type: none"> • Save electricity consumed in lighting: Use natural light wherever possible in offices during the daytime, eliminate the phenomenon of “ever-burning lamps”, and actively promote the application of energy-saving lighting technology such as solar lights • Reduce electricity consumption by office devices: Use devices with energy efficiency labels, and switch off office devices not in use after work • Reduce air-conditioner electricity consumption: Strictly enforce indoor air-conditioning temperature setting requirements, and make full use of natural ventilation to reduce electricity consumption 	<ul style="list-style-type: none"> • Minimize business trips: Use the Internet, telephone and video to conduct virtual meetings to avoid unnecessary travel • Use company cars reasonably: Arrange carpools for collective business visits to reduce exhaust generated by cars • Reduce vehicle wear and tear: Drivers are required to continuously improve their driving skills, tighten up car maintenance, and reduce abnormal wear and tear of vehicle parts

Due to the COVID-19 outbreak, we cannot meaningfully compare the gas and energy use measures with last year’s data, making it impossible to accurately reflect the results we achieved in energy conservation and emission reduction during the Reporting Period.

CONSERVATION OF WATER RESOURCES

All our offices use municipal water supplies, and therefore did not encounter any difficulties in water supply. During the Reporting Period, we actively implemented the following water-saving measures:

Save water
<ul style="list-style-type: none"> • Step up equipment maintenance: Tighten up the inspection, maintenance and revamp of water pipe networks and water supply equipment; weekly inspections and checks, and regular replacement of aged water supply pipelines and equipment to strictly eliminate water leakage and venting and running tap, and ensure that the water pipe networks and water supply equipment are in good condition. • Foster good habits: Turn the tap to adjust water output when washing hands, and turn off the tap after use to avoid wasting water.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

WASTE MANAGEMENT

Hazardous waste generated in our offices mainly includes ink cartridges, fluorescent lamps and batteries, and non-hazardous waste mainly includes waste paper and household garbage. We collect the hazardous wastes and hand them over to licensed recyclers for disposal. We sort and store different types of wastes, store them in designated places, and reuse recyclable non-hazardous wastes reasonably.

We advocate “paperless office” and implement the following paper-saving measures to reduce waste generated in offices:

Save paper

- Publish information and transmit data using the online office platform wherever possible to reduce the use of printing paper.
- Reduce paper consumption by promoting double-sided printing.
- Place waste paper recycling bins next to copiers and printers to encourage paper recycling.

During the Reporting Period, we effectively implemented waste reduction measures such as recycling hazardous waste and saving paper, and recycled a total of 21.59 tonnes of office paper.

7.2 Green Construction

MANAGEMENT POLICY

The Group’s construction activities affect on the environment primarily in terms of generating sewage, dust and noise and waste gas emissions. As such, we established environmental management policies for construction sites to minimize the impact of construction activities on the environment. During the Reporting Period, Exploration & Surveying Institute and Rail Company rigorously implemented various green construction management policies.

Rail Company

- Green Construction Management Plan of Beijing Urban Rail Transit Construction Engineering Co., Ltd. 《北京城建軌道交通建設工程有限公司綠色施工管理方案》
- Building Site Environmental Protection Plan of Beijing Urban Rail Transit Construction Engineering Co., Ltd. 《北京城建軌道交通建設工程有限公司施工現場環境保護管理方案》

Exploration & Surveying Institute

- Rewards and Punishment Measures for Safety Production and Green Civilized Construction 《安全生產和綠色文明施工獎罰辦法》

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

Rail Company implemented the Construction Site Environmental Protection Management Plan of Beijing Urban Rail Transit Construction Engineering Co., Ltd. 《北京城建轨道交通建设工程有限公司施工现场环境保护管理方案》, established environmental protection targets, and set up a leading group to manage environmental protection work. In particular, the Construction Site Environmental Protection Management Plan of Beijing Urban Rail Transit Construction Engineering Co., Ltd. 《北京城建轨道交通建设工程有限公司施工现场环境保护管理方案》 contains provisions on the environmental protection inspection policy as follows:

Environmental protection inspection system

- The Company conducts environmental protection inspections of construction projects at least once every month; the frequency is increased under certain circumstances.
- Set up a resident visit reception room to solve environmental protection related issues of the resident in time.

Environmental protection monitoring system

- Monitor the fulfilment of environmental performance and environmental targets and indicators, as well as key indicators in operation.
- Report to the supervisory department before the project starts and accept supervision.

Measures for Safety Production and Green Civilized Construction 《安全生產和綠色文明施工獎懲辦法》 to give financial rewards for projects with an orderly management on safe production and green civilized construction, outstanding achievements, and evaluated as excellent by regulatory authorities or owners; and impose penalties on projects that do not seriously implement the relevant laws and regulations of green and civilized construction and affect local residents for emission of dust and other events, and hold accountable the relevant responsible persons.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

AIR POLLUTION AND FUGITIVE DUST CONTROL

Fugitive dust on building sites is mostly generated during construction activities conducted on the soil surface, or by construction related materials; and air pollution is mainly caused by the use of machinery and cooking fuel. With a view to minimizing the impact of the construction activities on the environment, we adopted the following measures to reduce fugitive dust and the emission of air pollutants:

Air pollution and fugitive dust control measures

- Building sites should be equipped with suitable sprinkler facilities, and spraying and sprinkling measures should be implemented during the construction process to keep the soil surface moist and prevent dust generation.
- Store powdery materials in closed containers, and cover piled materials that are prone to dust.
- Boilers and stoves used on construction sites should use clean energy such as liquefied petroleum gas.
- Construction machinery and vehicles should be checked annually to ensure that their exhaust emissions meet environmental regulations.
- Promote the use of air energy, and use thermal energy in the air as an energy source to reduce emissions.
- Fuel burning installations are equipped with exhaust gas purification devices to reduce the amount of air pollutants produced



Picture: Emission reduction devices installed in a building site - "air energy" and "exhaust gas purification device"

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

WATER POLLUTION CONTROL

Construction waste water is generated on building sites during construction activities. We set up suitable treatment facilities for different types of sewage, and make sure that sewage is treated and conform to relevant regulations before it can be discharged into designated sewage pipelines. We adopted the following measures to strictly prevent water pollution at building sites:

Water pollution control measures

- Sewage water quality is monitored to ensure that sewage discharge meets the regulatory criteria.
- When groundwater is recharged, water extracted from the ground and treated water that conform to the water quality requirements is used wherever possible.
- The floors of the paint and fuel storage rooms at construction sites are covered with a waterproof layer, and oil leakage is effectively managed to prevent water pollution caused by oil leakage.

We also developed water-saving measures, and explored the possibility of applying new water-saving technologies to reduce resources consumed in the construction process. During the Reporting Period, we used groundwater extracted to clean roads, saving approximately 42,146 tonnes of tap water.

CONSTRUCTION WASTE CONTROL

Hazardous waste generated on construction sites includes batteries, ink cartridges, paints and coatings. We properly collect these hazardous wastes and deliver them to qualified organizations for disposal to avoid improper disposal of hazardous wastes affecting the environment. We categorize non-hazardous wastes, e.g. construction waste and domestic waste generated on building sites, to ensure that related wastes are promptly cleaned and disposed of. Since the wastes generated at construction sites are mostly construction wastes, we have also taken the following actions to reduce wastes:

Construction waste reduction measures

- Formulate a plan to reduce construction wastes.
- Reuse rubbles and waste earth and stones through landfilling and paving.
- Waste concrete with support removed is used as concrete aggregate for backfill, with the reinforced steel pipes recycled.

During the Reporting Period, we effectively implemented these reduction measures and recovered a total of 506.31 tonnes of construction waste.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

NOISE CONTROL

We strictly abided by the Law on the Prevention and Control of Ambient Noise Pollution (《環境噪聲污染防治法》) during construction activities, conducted on-site noise measurement on a monthly basis, and recorded the results on the Original Records of Noise Measurement on Building Site (《施工場界噪聲測定原始記錄》) and the Noise Measurement Report on Building Site (《施工現場噪聲測定報告》) to ensure that noises generated at building sites conform to the relevant provisions. The main noise sources on building sites are construction machinery such as bulldozers and excavators. We implemented the following measures to reduce construction noise:

Noise reduction measures

- Use low-noise and low-vibration devices and take sound and vibration isolation measures (e.g. soundproof enclosure) to avoid or mitigate construction noise and vibration.
- Tighten up the monitoring and management of construction site noises, improve excessive construction site noises in a timely manner, and avoid noise pollution caused to local residents.
- Forbid honking of vehicles transporting materials and solid waste on construction sites.

7.3 Environmental Education

We commit ourselves to enhancing our employees' environmental awareness, so as to further reduce the impact of our activities on the environment and natural resources. To this end, we formulated the Measures for Management of Energy and Resource Conservation of the Headquarters (《總部能源資源節約管理辦法》) to step up staff education on energy conservation, and encourage employees to practice environmental protection measures in the office. We also provided regular "green construction" training for employees working at the building sites, and administered green construction exams to ensure that employees understand how the green construction measures work. In addition, we used various means such as bulletin board and WeChat public account to disseminate green construction knowledge, e.g. green construction information, policies and environmental protection best practices, among employees.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)



Picture: Environmental protection poster in offices

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

7.4 Environmental Performance

In 2020, we collected environmental data of the headquarters of UCD and its 38 branches, the headquarters of Rail Company and its 9 projects, and the headquarters of Exploration & Surveying Institute and its 25 branches during the Reporting Period⁵.

The Group's environmental data vary from year to year due to the fluctuations in the numbers and types of construction projects, the length of the construction period, and the construction stages. As the number of the Group's construction projects has increased in 2020 relative to the 2019 report, some environmental data on emissions and resource consumption increased significantly as compared to 2019. We will continue to push forward and improve the recording and management of environmental data in the future.

Indicator	Unit	2018	2019	2020
Total air pollutant emission⁶				
NO _x	kg	15,069.65	7,808.14	15,000.36
SO _x	kg	26.28	146.54	96.09
CO	kg	18,159.98	16,395.80	22,084.46
PM ₁₀	kg	923.81	349.37	1,186.70

⁵ The scope of statistics for 2019 was the same as that for 2020. The resource usage data involved in the scope of statistics for 2018 were collected from the headquarters of the Group and 40 its branches, the headquarters of Rail Company and its 11 projects and the headquarters of Exploration & Surveying Institute and its 10 branches.

⁶ Air pollutant emissions are mainly from exhaust emissions of owned and leased vehicles and leased engineering machinery owned and controlled by the Group and the emissions of natural gas and liquefied petroleum gas used. The specific emission data is calculated by referring to the Technical Guide for Air Pollutant Emission Inventory for Road Vehicles (Trial) 《道路機動車大氣污染物排放清單編制技術指南(試行)》, the Technical Guide for Air Pollutant Emission Inventory for Non-road Mobile Sources (Trial) 《非道路移動源大氣污染物排放清單編制技術指南(試行)》 issued by the Ministry of Ecology and Environment of the People's Republic of China and the First National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook 《第一次全國污染源普查城鎮生活源產排污係數手冊》.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

Indicator	Unit	2018	2019	2020
Resource Consumption and Intensity				
Total Energy Consumption ⁷	MWh	14,489.74	25,172.96	17,981.55
	MWh/person	4.16	6.76	4.84
Total Electricity Consumption	10,000kWh	1,859.56	1,124.08	2,008.60
Intensity	kWh/person	5,345.09	3,017.66	5,409.64
Total Natural Gas Consumption	10,000m ³	17.89	18.49	10.81
Intensity	m ³ /person	51.43	49.64	29.12
Total Liquefied Petroleum Gas Consumption	10,000m ³ -gas	1.13	4.84	3.51
Intensity	m ³ -gas/person	3.25	13.00	9.46
Diesel Consumption	liter	706,827.40	222,323.17	1,011,051.52
Intensity	liter/person	203.17	59.68	272.30
Gasoline Consumption	liter	613,068.66	2,301,708.66	737,702.62
Intensity	liter/person	176.23	617.91	198.68

⁷ The following direct energy was calculated by converting the raw data into 1,000 Kwh, and its calculation and relevant conversion factors were referred to the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Other Industrial Enterprises (Trial) 《工業其他行業企業溫室氣體排放核算方法與報告指南（試行）》 issued by the National Development and Reform Commission of China and Gasoline for Motor Vehicles 《車用汽油》 GB 17930-2016 and Diesel Oil for Motor Vehicles 《車用柴油》 GB 19147-2016 issued by General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and Standardization Administration of China.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

Indicator	Unit	2018	2019	2020
Office Paper Consumption	tonne	67.15	146.39	110.26
Intensity	kg/person	19.30	39.30	29.70
Total Water Consumption	10,000 tonne	32.19	70.56	38.74
Intensity	tonne/person	92.53	189.42	104.32
Greenhouse Gas Emissions and Intensity				
Emissions of Scope 1 Greenhouse Gas ⁸	tonnes of CO ² equivalents	4,083.90	5,583.39	5,167.62
Emissions of Scope 2 Greenhouse Gas ⁹	tonnes of CO ²	14,534.95	8,418.13	18,176.92
Total Greenhouse Gas Emissions	tonnes of CO ² equivalents	18,618.84	14,001.52	23,344.54
Intensity	tonnes of CO ² equivalents/person	5.35	3.76	6.29

⁸ Emissions of Scope 1 greenhouse gas are from exhaust emissions of vehicles owned and leased by the Group and engineering machinery leased by the Group, greenhouse gas emissions of refrigerants consumed and the greenhouse gas emissions of natural gas and liquefied petroleum gas used. The specific emission data is calculated by referring to the Fifth Assessment Report issued by the IPCC, Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Road Transport Enterprises (Trial) 《陸上交通運輸企業溫室氣體排放核算方法與報告指南(試行)》 issued by the Ministry of Environmental Protection of the People's Republic of China, the Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Other Industrial Enterprises (Trial) 《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》 issued by the National Development and Reform Commission of the People's Republic of China, and the Greenhouse Gas Inventory Guidance – Direct Emissions from Mobile Combustion Sources issued by the U.S. Environmental Protection Agency.

⁹ Emissions of Scope 2 greenhouse gas are indirect greenhouse gas emissions from the production of electric power purchased by the Group and are calculated with reference to 2011 and 2012 Average Carbon Dioxide Emission Factors for Regional Power Grids in China 《2011年和2012年中國區域電網平均二氧化碳排放因子》 issued by the National Development and Reform Commission of the People's Republic of China.

7 ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION (CONTINUED)

Indicator	Unit	2018	2019	2020
Total Hazardous Waste Produced and Intensity¹⁰				
Total Waste Batteries Produced	kg	286.42	24.07	39.74
Intensity	kg/person	0.08	0.01	0.01
Waste Fluorescent Lights	piece	1,847.5	866.00	1,040.31
Intensity	piece/person	0.53	0.23	0.28
Total Printer Cartridges Produced	piece	3,493	2,990.00	3,106.00
Intensity	piece/person	1.00	0.80	0.84
Total Waste Chemicals Produced	kg	300	1,800.00	21.09
Intensity	kg/person	0.09	0.48	0.01
Total Non-hazardous Waste Produced and Intensity				
Office Garbage Produced	tonne	285.36	607.59	241.35
Office Garbage Recycled	tonne	86.00	127.49	109.96
Household Garbage Produced	tonne	522.26	201.68	308.85
Household Garbage Recycled	tonne	287.02	184.26	141.40
Construction Waste Produced	tonne	1,118.13	330.13	700.15
Construction Waste Recycled	tonne	322.13	80.58	506.31
Experiment Waste Residue Produced	tonne	833.1	48.54	80.03
Experiment Waste Residue Recycled	tonne	831	4.05	17.41
Total Non-hazardous Waste Produced	tonne	2,758.85	1,187.95	1,330.37
Intensity	tonne/person	0.79	0.32	0.36

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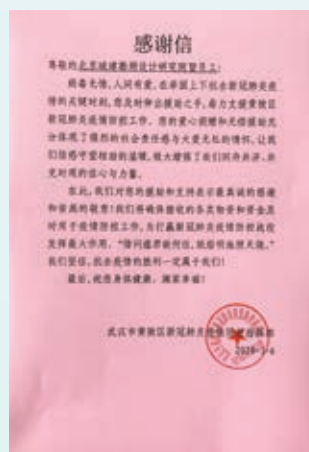
All hazardous wastes produced by the Group have been treated properly by qualified third parties under engagement.

8 GIVING BACK TO THE COMMUNITY THROUGH CHARITABLE UNDERTAKINGS

As a champion of public well-being, we actively shared our business achievements with the society, and effectively fulfilled our corporate social responsibilities. We formulated the Key Points for Party Committee, Disciplinary Committee and Organizational, and Ideological and Cultural Work in 2020 (《2020年黨委、紀委、組織工作、宣傳思想文化工作要點》) to ensure the orderly implementation of relevant operations. During the Reporting Period, the COVID-19 epidemic dealt a serious blow on the Chinese society, and the Group called on employees to participate in charity donation activities, in line with the requirements of national guidelines and policies. The Group donated 15 ventilators, 9,000 medical masks, 100 goggles and RMB136,070 to the command enters and hospitals in the worst-hit regions, and called on employees to assist in the epidemic control efforts in their neighborhoods, attesting to our resolution to tide over the difficult times with local communities.

Exploration & Surveying Institute worked together with communities in the fight against COVID-19

To assist with communities' epidemic control work, Exploration & Surveying Institute called on its employees to get involved in the fight against the epidemic within the communities. Furthermore, the employees also donated generous epidemic control supplies to people fighting on the frontline – a total of 15 ventilators, 4,400 protective masks and 16,000 medical masks were donated.



8 GIVING BACK TO THE COMMUNITY THROUGH CHARITABLE UNDERTAKINGS (CONTINUED)

Apart from collaboration epidemic control efforts made with the communities, we uphold the consistent strategy of community-based poverty alleviation, actively cooperated in the nationwide poverty alleviation campaign, and encouraged employees to participate in charity activities. During the Reporting Period, the Group donated RMB10,000 to the Sunshine Charity School in Nangqian County, Yushu, Qinghai. We also processed 416 poverty alleviation credit cards during the Reporting Period, and purchased nearly RMB400,000 worth of poverty alleviation products to support community-based poverty alleviation activities.

Charity donation seminar held by Exploration & Surveying Institute

The Nanning branch of Exploration & Surveying Institute held a charity donation seminar jointly with Spring In Hearts Community in Beihu Village, Guangxi on April 3, 2020. The manager of the Spring In Hearts Beihu project played a video recorded by the Spring In Hearts Guangxi, and the employees gained insights into the Spring In Hearts Community, encouraging them to perform social responsibilities together. Exploration & Surveying Institute took the opportunity to donate RMB10,000 to help children living in shantytowns, giving support for people in need.



9 ANNEX: CONTENTS INDEX TO THE "ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE"

General Disclosure and KPI	Description	Related section/comments
Environment		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7. Energy Conservation and Environmental Protection
KPI A1.1	The types of emissions and respective emission data.	7.4 Environmental Performance
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.4 Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	7.4 Environmental Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3. Environmental Responsibility
KPI A1.5	Description of measures to mitigate emissions and results achieved.	7.1 Green Office 7.2 Green Construction
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	7.1 Green Office 7.2 Green Construction

9 ANNEX: CONTENTS INDEX TO THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

General Disclosure and KPI	Description	Related section/comments
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7. Energy Conservation and Environmental Protection
KPI 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).	7.4 Environmental Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	7.4 Environmental Performance
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	7.1 Green Office 7.2 Green Construction
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	7.1 Green Office 7.2 Green Construction
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A (the Group's businesses do not involve the production of any products).
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7. Energy Conservation and Environmental Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7. Energy Conservation and Environmental Protection

9 ANNEX: CONTENTS INDEX TO THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

General Disclosure and KPI	Description	Related section/comments
Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	6. Build on Team Cohesion through Effective Staff Care
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	6.1 Staff Management
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	6.1 Talent Management
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.1 Work Safety
KPI B2.1	Number and rate of work-related fatalities.	5.1 Work Safety
KPI B2.2	Lost days due to work injury.	5.1 Work Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.1 Work Safety

9 ANNEX: CONTENTS INDEX TO THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

General Disclosure and KPI	Description	Related section/comments
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6.2 Craftsmanship
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	6.2 Craftsmanship
KPI B3.2	The average training hours completed per employee by gender and employee category.	6.2 Craftsmanship
Aspect B4: Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	6.1 Talent Management
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	6.1 Talent Management
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6.1 Talent Management
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.4 Supplier Management
KPI B5.1	Number of suppliers by geographical region.	5.4 Supplier Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.4 Supplier Management

9 ANNEX: CONTENTS INDEX TO THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

General Disclosure and KPI		Description	Related section/comments
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	As the Group’s businesses do not involve producing any products, matters related to product labeling are irrelevant to the Group. The Group disclosed information related to other product liability in Section 5.2 Service Quality.	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2 Service Quality	
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.2 Service Quality	
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.3 Encourage Innovation	
KPI B6.4	Description of quality assurance process and recall procedures.	5.2 Service Quality	
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2 Service Quality	
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	6.3 Anti-corruption	

9 ANNEX: CONTENTS INDEX TO THE “ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE” (CONTINUED)

General Disclosure and KPI	Description	Related section/comments
KPI 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.	6.3 Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	6.3 Anti-corruption
Aspect 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.	8 Giving Back to the Community through Charitable Undertakings
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8 Giving Back to the Community through Charitable Undertakings
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8 Giving Back to the Community through Charitable Undertakings



北京城建设计发展集团股份有限公司
BEIJING URBAN CONSTRUCTION DESIGN & DEVELOPMENT GROUP CO., LIMITED