

# BEIJING ENTERPRISES HOLDINGS LIMITED

## Composition and Terms of Reference of the Sustainability Committee

### CHAPTER I GENERAL PROVISIONS

**Article 1** To enhance the sustainability governance system of Beijing Enterprises Holdings Limited (the “Company” or “BEHL”), to improve the sustainability management standard and decision-making capabilities of the Company, the Sustainability Committee (the “Committee”) is hereby established pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the New Articles of Association of Beijing Enterprises Holdings Limited and the terms of reference (the “Terms of Reference”) are hereby formulated to govern the Committee.

**Article 2** The Committee is a professional committee established under the board of directors of the Company (the “Board”). It shall operate within the scope of the authority delegated by the Board and shall be accountable to the Board.

**Article 3** The primary duties of the Committee include guiding, overseeing, and evaluating the development and implementation of the sustainability system of the Company (including entities consolidated into the financial statements of BEHL), promoting continuous improvement in environmental, social and governance (“ESG”) work, identifying and preventing significant sustainability risks, and fostering the long-term stable development of the Company and fulfillment of social responsibilities.

### CHAPTER II COMPOSITION AND MEMBERSHIP

**Article 4** The Committee shall consist of not less than three directors of the Company (the “Members”). The Members shall include at least one independent non-executive director of the Company, and the total number of Members shall be an odd number.

**Article 5** At least one Member shall possess the relevant professional background or experience in environment, social responsibility, corporate governance or sustainability management.

**Article 6** Members shall be nominated by the Nomination Committee of the Board and appointed upon review and approval by the Board. The Committee shall have a chairman (the “Chairman”) who shall be elected among the Members through negotiation, and whose appointment shall be subject to approval by the Board.

**Article 7** The term of office of a Member shall be the same as his or her term of office as a director of the Company. A Member may be eligible for re-election. When a Member ceases to be a director of the Company, his or her term of office and position in the Committee shall terminate automatically.

**Article 8** The Company Secretary shall act as the secretary of the Committee who will be responsible for the daily affairs of the Committee and the organisation of the Committee meetings (the “Meetings”).

### **CHAPTER III DUTIES, AUTHORITIES AND FUNCTIONS**

**Article 9** The Committee shall exercise the following duties, which cover the two major functions of sustainability strategy and governance, and environmental and social responsibility supervision:

#### **1. Sustainability Strategy and Governance Functions**

(a) to review the Company’s sustainability strategy, targets, medium- to long-term plans, and other material issues, and to make recommendations to the Board for approval;

(b) to review the annual sustainability report of the Company and other relevant disclosure documents, and to make recommendations to the Board for approval;

(c) to approve corporate sustainability-related policies; for policies that requiring consideration by the Board, to review them and submit to the Board for approval;

(d) to approve the results of the materiality assessment for sustainability issues of the Company; if such assessment results have a significant impact on corporate information disclosure, strategic direction, or operational decisions, to review them and submit to the Board for approval;

(e) to approve the yearly sustainability work plan, and indicator system of the Company, and the implementation status of key initiatives. For matters involving significant resources deployment or exceeding the delegated authority, to review them and submit to the Board for approval.

#### **2. Environmental and Social Responsibility Supervision Functions**

(a) to leverage the complementary expertise and collaborative advisory strengths of internal and external directors, to supervise the annual implementation of the sustainability-related policies, systems, and targets of the Company, focusing on key ESG issues such as climate change response, energy use, emission reduction, resource management, biodiversity, employee rights, occupational health and safety, supply chain management, social welfare, information security, privacy protection, business ethics, and stakeholder communication;

(b) to propose corrective recommendations and follow-up requirements to the relevant entities or departments regarding significant issues, deviations, or areas for improvement identified, and to report to the Board when necessary;

(c) to supervise the establishment and improvement of the internal management and assessment mechanisms of the Company for sustainable development, and to provide opinions or suggestions for continuous improvement.

### **3. Other Responsibilities**

(a) to consider other material matters relating to sustainability that are required to be considered and decided by the Committee;

(b) to exercise other relevant authorities as resolved or authorised by the Board.

**Article 10** The Committee has the authority to:

1. request relevant departments and personnel of the Company to provide necessary information;
2. engage external experts or advisers to provide professional opinions;
3. attend or receive reports from relevant meetings;
4. hold discussion meetings or conduct interviews with relevant personnel.

## **CHAPTER IV PROCEEDINGS OF MEETINGS**

**Article 11** Meetings shall be convened and chaired by the Chairman. If the Chairman is unable to perform his or her duties, he or she may appoint a Member in writing to chair the meeting on his or her behalf.

**Article 12** The Committee shall meet at least twice a year. Additional meetings may be held as and when necessary, subject to the consent of more than one-third of the Members.

**Article 13** Meeting materials shall be sent to all Members at least three days in advance before a Meeting is held. The meeting materials shall include the notice, agenda, discussion items, and relevant supporting documents.

**Article 14** Meetings may be held by way of physical meeting, telephone conference, video conference, or a combination of the above methods.

**Article 15** The Chairman may decide to consider matters by way of a resolution in writing, and such written resolution shall have the same effect as resolutions passed at a meeting.

**Article 16** A quorum for a Meeting shall be more than half of the Members attending the Meeting.

**Article 17** The Committee may, when necessary, invite relevant personnel of the Company (including but not limited to the Company Secretary, General Counsel, Chief Financial Officer and heads of departments), external experts, or advisers to attend Meetings.

**Article 18** Matters discussed at a Meeting shall be decided by a vote of the Members present at the Meeting. A matter shall be approved if it receives the affirmative vote of more than half of the Members present at the Meeting. In the case of an equality of votes, the Chairman shall have the casting vote.

## **CHAPTER V MEETING MATERIALS, MINUTES AND RESOLUTIONS**

**Article 19** The secretary of the Committee or the Sustainable Development Working Group shall be responsible for the preparation and distribution of meeting materials, which shall include at least the following:

1. Notice of Meeting (specifying the time, place, method, and discussion items of the Meeting, etc.);
2. Agenda (detailing the discussion items, sequence, presenters, and attendees, etc.);
3. Discussion item reports and materials (prepared by the department initiating the discussion item);
4. Voting slips (if applicable).

**Article 20** Formal minutes of the Meeting shall be prepared, which shall include the following:

1. Basic Meeting Information: time, place, chairman, list of Members present and attendees;
2. Matters Considered: record the key points of each proposal report, Members' discussion opinions, and questions;
3. Voting Results: the outcome of the vote on each proposal;
4. Other matters that need to be recorded.

**Article 21** The minutes of a Meeting shall be finalised within a reasonable period of time after the Meeting and shall be circulated to the Members present for their review and signature confirmation.

**Article 22** A resolution of the Meeting shall be prepared based on the voting results. The resolution shall be clear and unambiguous, and shall include (if applicable) the matter resolved, conditions for effectiveness, implementation requirements, and the responsible department or entity.

**Article 23** Resolutions of the Meeting shall be signed by the Members present. The text of the resolutions shall be distributed to the relevant implementing department or entity.

**Article 24** All documents and records of the Meeting shall be centrally archived by the Corporate Governance Department.

## **CHAPTER VI REPORTING PROCEDURES**

**Article 25** The Committee shall regularly report its work and findings to the Board on an annual basis.

## **CHAPTER VII SUPPLEMENTARY PROVISIONS**

**Article 26** The Terms of Reference shall take effect from the date of approval by the Board.

**Article 27** The Terms of Reference shall be formulated, amended, and interpreted by the Corporate Governance Department under the authorisation of the Board.