

Beijing Enterprises Holdings Limited

Management Policy of Biodiversity Protection

I. Background and Objectives

“Biodiversity” refers to the ecological complex that comprises organisms (animals, plants, microorganisms) and the environment, as well as the relevant ecological processes. The notion has three layers, namely, ecosystem, species and gene. Biodiversity is vital to human survival, thus countries around the world are taking actions to address the increasingly serious biodiversity crisis. The *United Nations Convention on Biological Diversity (1992)* has designated as its goal the protection and preservation of various plants and animal species and their habitats.

China is one of the most biodiverse countries in the world, however, it is suffering from the overall decline of biodiversity. The excessive resources exploitation, habitat destruction and climate change caused by socioeconomic development are also seriously affecting and hindering the sustainable utilization of biological resources. To effectively deal with the problems and challenges in China’s biodiversity protection efforts, China has issued and implemented the *China Biodiversity Strategy and Action Plan (2011-2030)*. All governmental departments across the nation have incorporated biodiversity protection into relevant plans, driven the protection efforts and put forward certain requirements.

Beijing Enterprises Holdings Limited (hereinafter referred to as “BEHL” or “the Company”) actively responds to the call of the state to “building a harmonious and beautiful home for all” and the UN Sustainable Development Goals (Goal 15: Life on Land). BEHL promises to implement the Scientific Outlook on Development in business operations, coordinate biodiversity conservation and economic

development, improve the awareness of all employees to participate in conservation efforts, and promote ecological progress. In accordance with the business context of the Company, this Policy has been formulated.

II. Scope of Application

This Policy is applicable to Beijing Enterprises Holdings Limited and all its domestic and overseas subsidiaries.

Overseas operations, guided by this Policy, shall comply with the local laws and regulations.

Suppliers, contractors and business partners of the Company shall refer to this Policy when carry out cooperative projects.

III. Relevant Laws, Regulations, Policies and International Conventions

This Policy has drawn upon a wide array of relevant laws, regulations and policies concerning biodiversity conservation of the People's Republic of China as well as conventions of the United Nations, including but not limited to the following:

Environmental Protection Law of the People's Republic of China

Marine Environment Protection Law of the People's Republic of China

Water Law of the People's Republic of China

Fisheries Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Wildlife

Forestry Law of the People's Republic of China

Grassland Law of the People's Republic of China

The Yangtze River Protection Law of the People's Republic of China

Environmental Impact Assessment Law of the People's Republic of

China

Regulation on Environmental Protection Management for Construction Projects

Measures for Public Participation in Environmental Impact Assessment

Green Construction Guidelines

China Biodiversity Strategy and Action Plan (2011-2030)

National Ecological Environment Construction Plan

National Ecological Environment Protection Outline

The United Nations Convention on Biodiversity

The Kunming-Montreal Global Biodiversity Framework

The Glasgow Leaders' Declaration on Forest and Land Use

The United Nations Sustainable Development Goals (SDGs)

IV. Commitments

1. The Sustainable Development Committee of the Company is responsible to oversee the biodiversity-related work. We give priority to biodiversity conservation in pursuing enterprise growth, take positive measures to protect important ecosystems, biological species and genetic resources, and work to ensure ecological security.
2. We pledge that all our projects aim to achieve sound ecological benefits. As such, we integrate biodiversity conservation into the design, construction, operation and maintenance stages of relevant projects in each business segment, conduct biodiversity assessment and information disclosure regularly, and accept the supervision of stakeholders.
3. We promise to refrain from any types of operation, exploration, exploitation and/or drilling at World Heritage Sites and Category I to

IV reserves designated by the International Union for Conservation of Nature (IUCN).

4. Upholding the “net-zero loss” principle in project construction and business operations of the Company, we protect the natural environment such as forests, lakes and grasslands in project construction and business operation, and avoid or reduce damage and disruption to biodiversity and the habitats.
5. We prioritize the use of sustainably managed natural resources and raw materials, minimize the discharge of pollutants, and reduce the damage to the surrounding environment.
6. We respect the traditions of ethnic minorities and strive to avoid or reduce the adverse impact on local communities in project construction and business operation of the Company.
7. We actively carry out cooperation and research on biodiversity conservation with international conventions or organizations, industry associations, universities or research institutions, business partners, local residents and other types of stakeholders, so as to improve the environmental management of the Company and better conserve biodiversity in the country.
8. We raise the awareness of our employees, customers, suppliers and those who have business dealings with BEHL on biodiversity and conservation efforts, and offer training sessions regularly. We promise to avoid logging in natural forests as well as rampant deforestation, and maintain the diversity and integrity of the forest ecosystems in project construction and business operation of the Company.
9. Besides taking into account the impact of its own operations on the local ecology, the Company systemically consider threats to local biodiversity beyond commercial activities.

10. The Company strives to protect and accelerate the ecological recovery of forests and other terrestrial ecosystems. The Company pledges to end all deforestation in its project construction and business operations by 2030 and helping the Chinese government meet the goal to “halt and reverse forest loss and land degradation by 2030” in the *Glasgow Leaders’ Declaration on Forest and Land Use* of which China is a signatory.

V. Rules for Implementation

BEHL covers the entire project cycle with protection measures to achieve sound ecological and social benefits from building and construction projects. Specifically, the measures fall into three different stages:

1. Early Stage

- We fully inspect and identify the environmental factors around the project construction site, and select the site based on scientific and reasonable proof.
- We formulate environmental impact reports (form) based on project demands.
- If the presence of wildlife is inevitable within the area of a construction project, we will take precautionary measures to keep them out of harm’s way within the construction area, including luring them away and leading them to places beyond the site.

2. Middle Stage

- We formulate the operational and maintenance plan for environmental facilities during project construction and operation.

- During project construction and operation, we rigorously implement the environmental protection measures laid out in the environmental impact report, regularly identify potential environmental hazards and follow up on corrective measures in a timely manner.
- We offer project staff targeted education on environmental protection and animal protection, enabling them to become more conscious of the need for ecological protection.

3. Late Stage

- We restore the vegetation and green landscape around the project site and avoid damage to the local ecosystem.

VI. Supplementary Provisions

BEHL will review this Policy at least once a year, and make revisions in accordance with the changes to national laws and regulations and international conventions. For matters of biodiversity conservation on which there is no explicit requirement in this Policy, or which the existing laws and regulations stipulate otherwise, the relevant provisions of China or other countries in which we operate shall be implemented.