

CREATING EXCELLENT VALUES

Environmental, Social
and Governance Report
2019



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

Stock Code: 01052



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ABOUT YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

Established in 1996, Yuexiu Transport Infrastructure Limited engages in investment, operation and management of toll expressways and bridges located in Mainland China. Yuexiu Transport was successfully listed in Hong Kong in 1997. In 2019, with professional investment and operation capability and excellent service management, Yuexiu Transport maintained the investment grade rating of Moody's, S&P and Fitch. Guangzhou Yue Xiu Holdings Limited, the controlling shareholder of Yuexiu Transport, is under the supervision of the State-owned Assets Supervision and Administration Commission of Guangzhou Municipal People's Government.

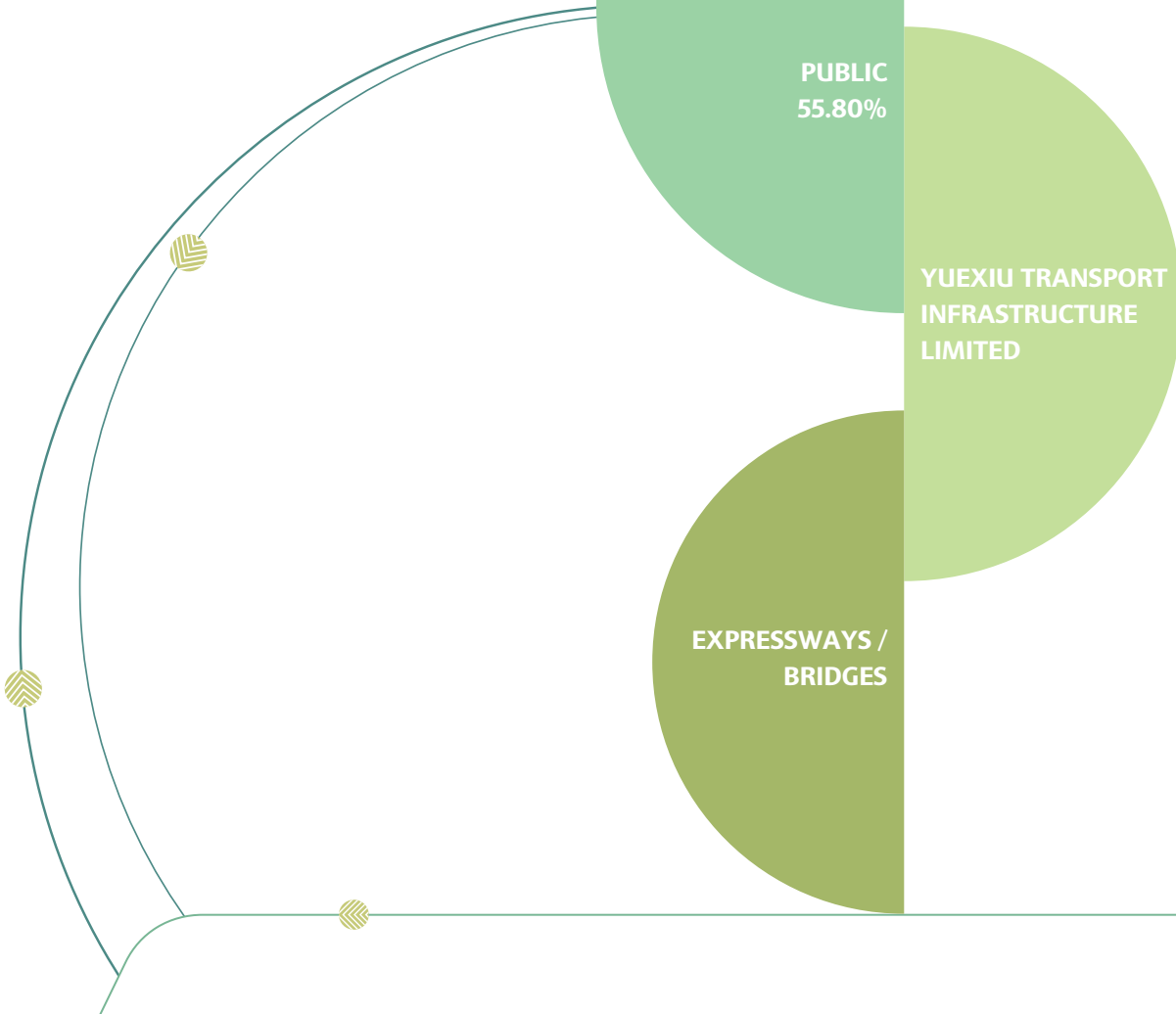
**GUANGZHOU YUE XIU
HOLDINGS LIMITED**
100%

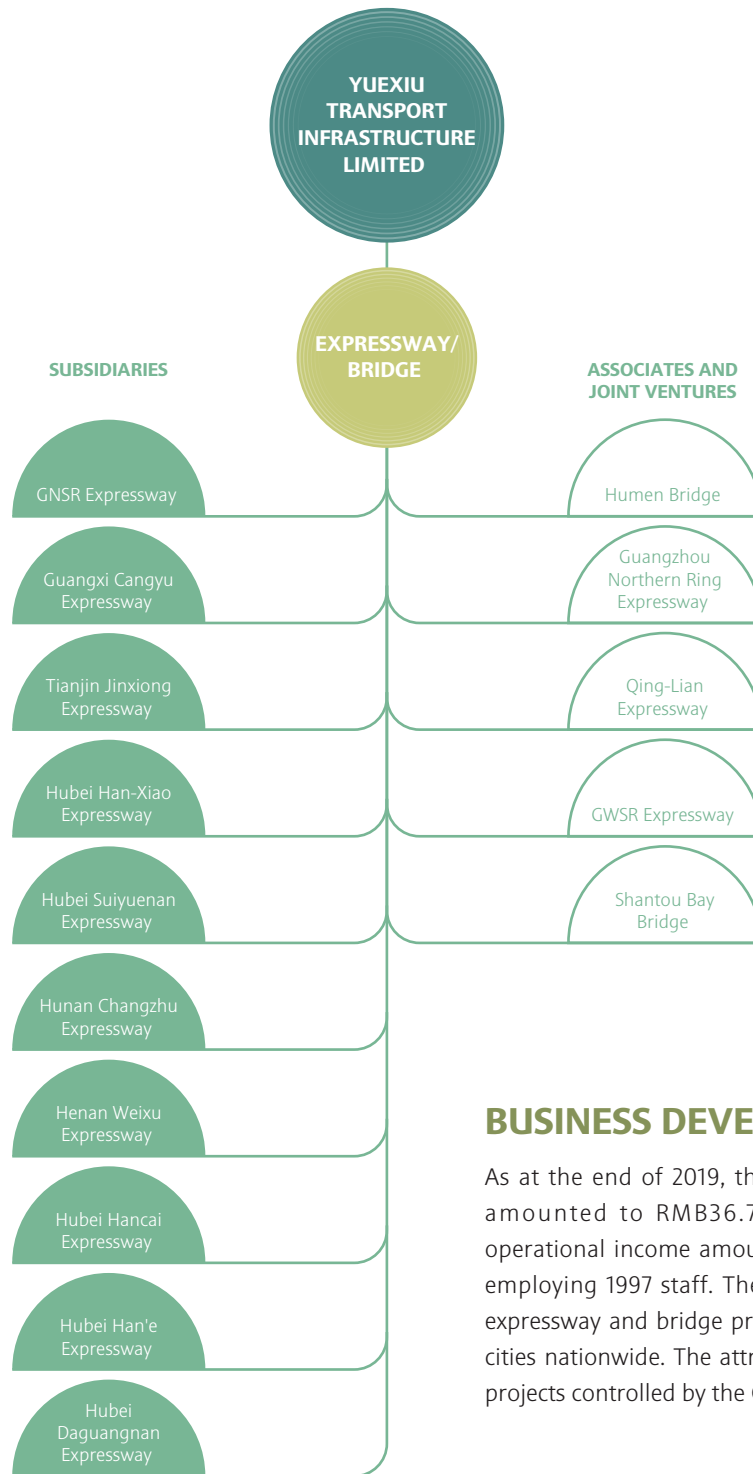
**YUE XIU
ENTERPRISES
(HOLDINGS)
LIMITED**
44.20%

PUBLIC
55.80%

**YUEXIU TRANSPORT
INFRASTRUCTURE
LIMITED**

**EXPRESSWAYS /
BRIDGES**





BUSINESS DEVELOPMENT

As at the end of 2019, the Company's total assets amounted to RMB36.79 billion¹, and annual operational income amounted to RMB3.023 billion, employing 1997 staff. The Company invested in 15 expressway and bridge projects in six provinces and cities nationwide. The attributable toll length of the projects controlled by the Company was 535 km.

¹ Without specific explanation, the currency mentioned in this report refers to RMB.

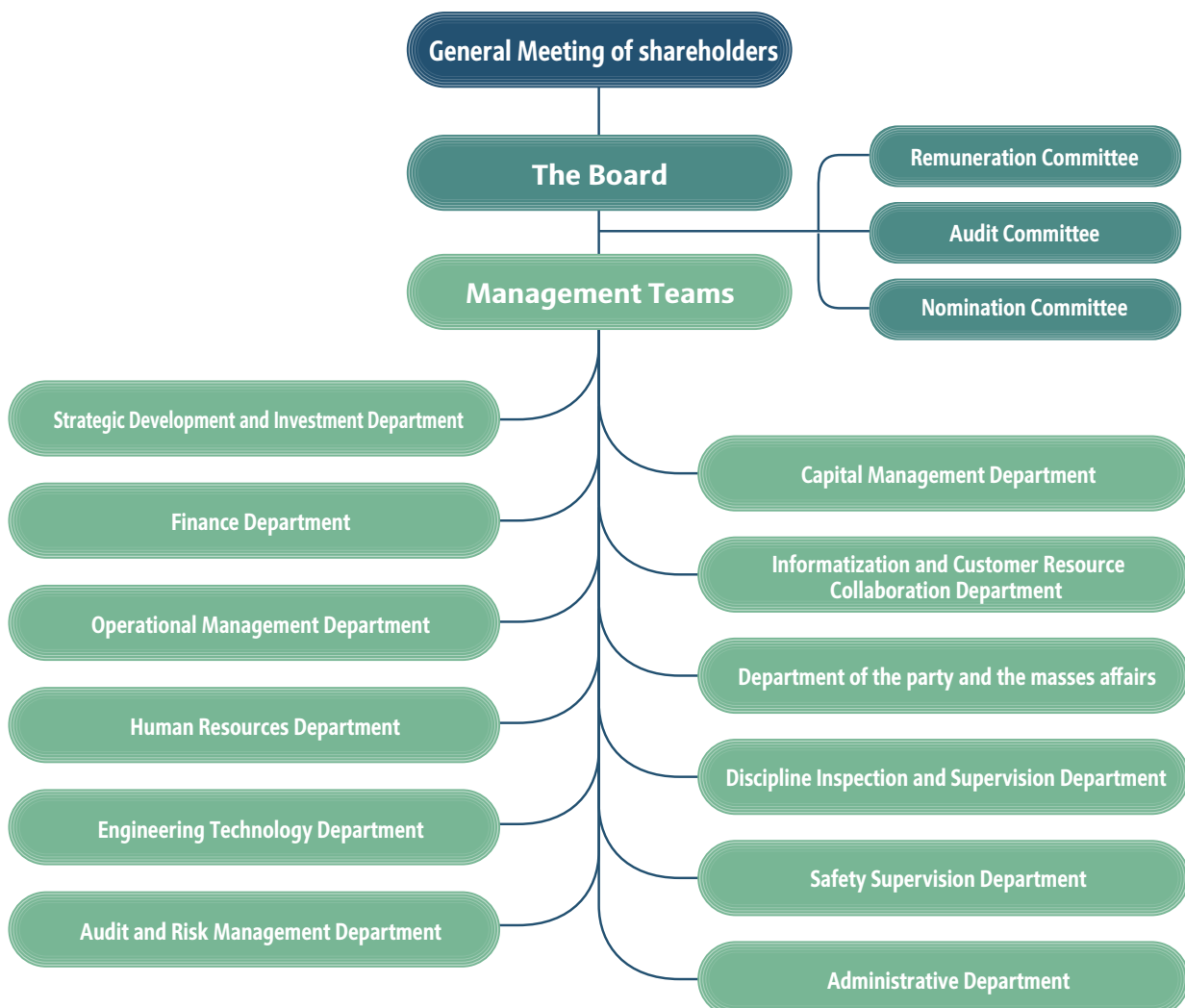
ABOUT YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

CORPORATE GOVERNANCE

Yuexiu Transport has been devoted to improving its corporate governance structure and management system, constantly optimizing the risk management system. We seek sustainable, healthy and stable development and protecting the rights and interests of stakeholders to raise its profile in the industry and capital markets. We have strived to gain recognition and trust from investors, creditors, partners and all sectors of society in respect of our corporate development.

Yuexiu Transport has set up a corporate governance structure consisting of shareholders' general meeting, the Board of Directors, professional committees under the Board of Directors, management teams and functional departments. We formulated multi-layered governance rules based on the memorandum of association and by-laws to specify their duties, authorities and codes of conduct, and constantly examined and improved the aforesaid structure and rules in practice to make corporate operation more transparent, independent and efficient.

Our corporate governance structure is illustrated as below:



ABOUT THIS REPORT

OVERVIEW

This is the fourth Environmental, Social and Governance (ESG) Report of Yuexiu Transport Infrastructure limited. We disclose the information related to the Company's economic, social and environmental performance on an objective and transparent basis. We hope that this Report could show our efforts on sustainable development to the public, thus enhance communication and trust, encouraging the public to join our effort in achieving sustainability.

BASIS OF PREPARATION

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (hereinafter referred to as the "Guide") of Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong issued in December 2015. This Report is prepared through the following procedures: identifying and prioritizing key stakeholders, identifying and prioritizing material ESG issues to formulate the ESG Report's coverage, collecting relevant materials and data, collating and summarizing data based on the information collected and examining report materials.

THE SCOPE OF THIS REPORT

This is an annual report with a time span from January 1, 2019 to December 31, 2019, with some information in other years to enhance comparability.

The performance of ESG related policies, statements, management measures and quantitative data in this Report covers the Company's headquarters and subsidiaries². This Report adopts the same definitions as in the 2019 Annual Report of the Company and should be read together with the said annual report.

2 The ESG performance of Hancui Expressway, Han'e Expressway and Daguangnan Expressway in Hubei Province acquired by the Company in 2019 is not included in this Report. We are establishing an ESG control and information collection system for it, and plan to report it in the ESG report for the next financial year.

TITLE DESCRIPTION

To facilitate presentation, "Yuexiu Transport", "the Company" and "We" herein refer to "Yuexiu Transport Infrastructure Limited" (stock code: 1052.HK). The "Group" refers to "GUANGZHOU YUE XIU HOLDINGS LIMITED", the controlling shareholder.

DATA SOURCE AND RELIABILITY STATEMENT

The information and cases disclosed herein come from the official documents, statistical reports or public information of the Company. We undertake to be responsible for the truthfulness, accuracy, and completeness of this Report. This Report is prepared under the reporting principles of Materiality, Quantization, Balance, and Consistency as specified in the Environmental, Social and Governance Reporting Guide.

OBTAINING AND RESPONDING TO THIS REPORT

This Report is prepared in both Chinese and English. If there is any difference between the two versions, the Chinese version shall prevail. The electronic version of this Report can be downloaded from the official website of Yuexiu Transport Infrastructure Limited: <http://www.yuexiutransportinfrastructure.com/>. If you have any doubts or suggestions on this Report, please call or email us through the following channels:

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SENIOR MANAGEMENT'S MESSAGE



MR LI FENG
Chairman

In 2019, Yuexiu Transport continued to develop expressway and bridge operation businesses with a pragmatic, diligent and unswerving manner, and worked with various stakeholders to promote sustainable development. In this year, the Company's development strategy of "based on Guangdong-Hong Kong-Macau Greater Bay Area and entering Central China" made a remarkable progress. The Company successfully acquired Hancui Expressway, Han'e Expressway and Daguangnan Expressway in Hubei Province, significantly increased its asset scale, toll mileage and sustainable development capability.

The Company adhere to high-quality development, continuously enhance its innovation ability and improve its innovation system. The Company signed an industry-university-research institution cooperation agreement with the School of Civil Engineering and Transportation of South China University of Technology to build a high-level innovation and development cooperation platform with outstanding institutions. North Second Ring Company was recognized as a high-tech enterprise, and its capability of applying and transferring technological innovation achievements and scientific research results was applauded. We actively carried out informatization, promoted the comprehensive launch of electronic procurement system, and enhanced the informatization collaboration ability. We promoted the application of intelligent monitoring scenarios, improved the efficiency of comprehensive management, and provided continuous momentum for innovation and development.

Ensuring road safety and smoothness is an important foundation for the Company's sustainable development. During the year, Yuexiu Transport steadily promoted road safety and maintenance, and made some progress in improving road quality, strengthening safety management, and responding to the new situation of expressway tolls. We focused on solving technical difficulties of maintenance and achieved interim results in the research of Weixu Expressway's composite pavement maintenance technology. We focused on the cultivation of corporate safety culture and encouraged our affiliates to pass the second-level certification of production safety standardization. The scale of safety training continued to grow. We cooperated with various provinces to cancel provincial toll stations and implemented a number of measures to ensure smooth traffic.

We always care about the growth and development of employees and seek mutual growth of employees and the Company. We developed a "dual-channel" career development mechanism for both manager and professional posts to provide employees with more diverse career development options and maintain the Company's ability to retain and attract talents. In face of industry automation trends, we actively provide vocational skill training for the toll collection staff to bring them the opportunity to transform their careers.

During the year, Yuexiu Transport continued to implement works of poverty alleviation, established long-term poverty alleviation mechanisms in focused villages, and assisted the growth of local enterprises with competitive edges. Works of poverty alleviation in the year have made remarkable progress.

In 2020, we will continue to adhere to the development strategy of "based on Guangdong-Hong Kong-Macau Greater Bay Area and entering Central China", seize regional development opportunities, strengthen development on the basis of maintaining stability, and work together with stakeholders to create greater economic, environmental and social value.

Li Feng
Chairman

OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2019

KEY PERFORMANCE INDICATORS FOR SUSTAINABLE DEVELOPMENT



Successfully acquired 3 expressways

Yuexiu Transport successfully acquired Hancai Expressway, Han'e Expressway and Daguangnan Expressway in Hubei Province and significantly increased its asset scale, toll mileage and capability of sustainable development.



Invested RMB 20.39 million in Health and Safety

The direct and indirect investment in Health and Safety totaled RMB 20.39 million this year, continuously improved road safety management.



The annual traffic accident rate dropped 9.6% year-on-year

The traffic accident rate showed a continuous downward trend while traffic flow kept growing.



All poverty-stricken households in focused villages are lifted out of poverty

67 targeted households with 133 persons in Xianshui Village are no more considered as poverty-stricken.

HONORS AND CERTIFICATIONS IN THE YEAR

Awards and titles	Granted to	Granted by
Hong Kong Outstanding Enterprise 2019	The Company	Economic Digest
Outstanding Infrastructure Investment and Development Award 2019	The Company	Quamnet.com
Listed Enterprises of the Year 2019	The Company	Bloomberg Business Weekly
Cover Design of Annual Report 2018: Silver Award Inside Pages Design of Annual Report 2018: Bronze Award	The Company	International Annual Report Design Awards
Australian Annual Report Awards: Bronze Award	The Company	ARA Australian Reporting Awards
Annual Report Design Awards: Bronze Award	The Company	International ARC Awards 2019
ESG Award 2019	The Company	BDO ESG Awards
High-tech Enterprise	GNSR Expressway	Department of Science and Technology of Guangdong Province Department of Finance of Guangdong Province Guangdong Provincial Tax Service, State Taxation Administration
Level I Production Safety Standardization Construction of Transportation Enterprise	Guangxi Cangyu Expressway Henan Weixu Expressway	Ministry of Transport of the People's Republic of China
Level II Production Safety Standardization Construction of Transportation Enterprise	Hubei Hanxiao Expressway	
	Hubei Suiyuan Expressway	
	Hunan Changzhu Expressway	
	Tianjin Jinxiong Expressway	
	GNSR Expressway	



SUSTAINABLE WAY →



SUSTAINABLE DEVELOPMENT IDEAS





SUSTAINABLE DEVELOPMENT IDEAS

GUIDING POLICIES FOR SUSTAINABLE DEVELOPMENT

In 2019, Yuexiu Transport continued to optimize its own sustainable development strategy. Under the principles of sustainable development, the Company improved its sustainable development framework and functions, responded to the needs of various stakeholders and promoted the sustainable development of the Company.

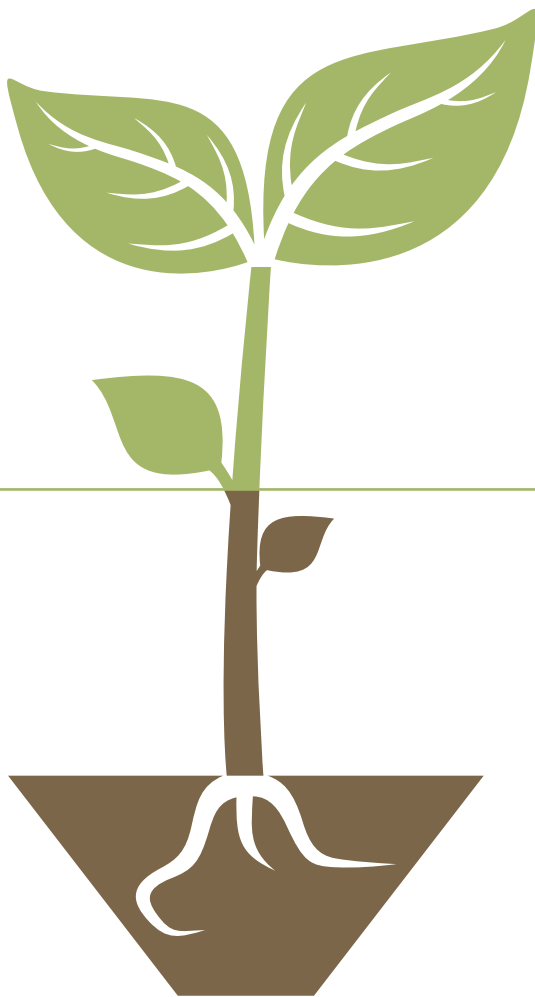
PRINCIPLES OF SUSTAINABLE DEVELOPMENT

Yuexiu Transport has integrated the five major aspects, i.e. management responsibility, road responsibility, employee responsibility, social responsibility and environmental responsibility into its business. In line with the principles of sustainable development, the Company has determined its direction of sustainable development and has reached the goal of achieving a win-win situation with all stakeholders.



STRUCTURE OF ESG REPORTING

The structure of sustainable development report of Yuexiu Transport consists of an ESG Reporting Working Group and ESG Management Teams.



ESG Reporting Working Group

This group coordinates the development of ESG work of various departments and project companies, helps to integrate the sustainable development policy into the work process, continuously improves the level of ESG information disclosure, and communicates with the investors about the Company's ESG performance in a timely manner.

ESG Management Teams

The management teams from the headquarters and the project company implement ESG work practices, and continuously collect and report on ESG-related work processes, performance and opinions.

SUSTAINABLE DEVELOPMENT IDEAS

Structure Level	Members	Daily Duties
ESG Reporting Working Group	Led by the Capital Management Department, members including the heads of all departments who would carry out related work, with designated contact persons for communication.	<ul style="list-style-type: none"> • To conduct research on sustainable development management policies suitable for Yuexiu Transport. • To evaluate and report on the current status of sustainable development. • To plan short and medium-term sustainable development work programs. • To supervise the progress of relevant work.
ESG Management Teams	Staff members from departments in the headquarters and project companies who would be responsible for collecting environmental and social information.	<ul style="list-style-type: none"> • To carry out daily management and statistical works about corresponding environmental and social indicators of the headquarters and expressways. • To report periodically on corresponding indicators. • To propose improvement recommendations for daily management.

Stakeholder Engagement

Stakeholders	Requests and Expectations of the Company	Communication and Response
Drivers and Passengers	<ul style="list-style-type: none"> • Road safety • Smooth traffic • Toll fees • Road facilities • Emergency rescue access 	<ul style="list-style-type: none"> • Communication with toll station staff • Opinion collection • Satisfaction survey • Complaint hotline
Government	<ul style="list-style-type: none"> • Road safety • Smooth traffic • Road facilities • Emergency access • Law abiding tax payments • Generate positive social benefits 	<ul style="list-style-type: none"> • Regular visits • Policy communication • Assistance in handling traffic accidents
Employees	<ul style="list-style-type: none"> • Remuneration • Career development • Employee benefits • Promotion policies • Training scheme • Corporate reputation • Internal communication channels 	<ul style="list-style-type: none"> • Direct communication • Employee mailbox • Career development training
Investors	<ul style="list-style-type: none"> • Returns on investment • Financial situation • Business prospect • Future development plan • Governance • Selection and recruitment of management team 	<ul style="list-style-type: none"> • General meeting • Financial information disclosure • Investor hotline/mailbox • Investor relation road show
Suppliers	<ul style="list-style-type: none"> • Procurement policy • Supplier management system • Fair transactions • On-time delivery • Timely payment • Communication channels • Maintaining good partnership 	<ul style="list-style-type: none"> • Supplier review • Regular visits
Local Communities	<ul style="list-style-type: none"> • Environmental impact of roads • Ethical operation of enterprises 	<ul style="list-style-type: none"> • Public welfare activities • Complaint hotline

SUSTAINABLE DEVELOPMENT IDEAS

Analysis of ESG Materiality Issues

Yuexiu Transport hired external professional consultants to review and evaluate the sustainable development issues of the Company this year. From the perspective of stakeholders, the consultants generalized and summarized the crucial sustainable development issues of Yuexiu Transport.

Process of Materiality Assessment

Identification of ESG issues:

Important issues of ESG were identified by analyzing the concerns of stakeholders, comparing peer initiatives and referencing to international sustainable development standards.



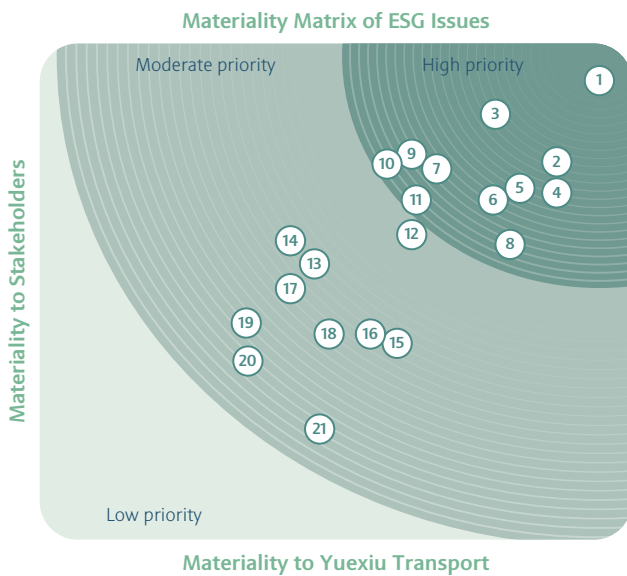
Assessment of issue priority:

The identified important issues of ESG were ranked, taking into account the opinions of the Company's management and interests of shareholders, and divided into three levels (high, moderate and low) for respective disclosure in the report.



Submission of the report to management for confirmation:

The results of the assessment of important issues were submitted to and approved by the management.



Highly Material	Moderately Material
1 Safety in operations	12 Noise control
2 Smooth traffic flow	13 Anti-unfair competition
3 Employee remuneration and welfare	14 Facilitate local employment
4 Energy consumption management	15 Community welfare
5 Employee training and development	16 Water resources management
6 Labor standards	17 Response to climate change
7 Supply chain management	18 Biodiversity
8 Talent attraction and retention	19 Exhaust emission management
9 Resource utilization and recycling	20 Carbon emissions
10 Customer complaint and communication	21 Land use
11 Consumer privacy protection	

ANTI-CORRUPTION

Yuexiu Transport has complied with the Corporate Governance Code of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited. The Company has also formulated the “Implementation Measures for the Implementation of Supervision Responsibility for Party Conduct and Clean Government Construction”, the “Anti-corruption Archives”, “Guidelines for the Anti-corruption Practice of Expatriate Management Personnel” and the “Prevention and Control Guidelines for Anti-corruption in the Procurement of Fixed Assets”, undertaking the responsibility of maintaining uncorrupt party and government practice in line with the principles of transparency, independence, accountability, responsibility and fairness. The Company promotes comprehensive anti-corruption education which is led by the Discipline Inspection and Supervision Department. The foci include ensuring an impartial decision-making system, leaving all administrative duties to the professional managers and carry out auditing and efficiency monitoring on all major projects. We established strict procedures of decision-making as the main measure to ensure the effectiveness of anti-corruption policy .

The Company has set up an internal whistle-blowing mailbox, and employees whistle-blowing on any found or potential corruption or misconduct can be made anonymously.

The Company’s strictly implemented anti-corruption system and regular promotion/education activities helped employees reinforce their knowledge. There was no corruption or bribery lawsuit against the Company during the reporting period.

ENVIRONMENTAL PROTECTION



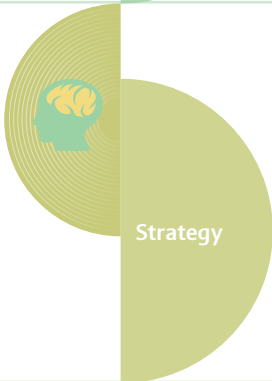


ENVIRONMENT PROTECTION

OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2019



- Energy consumption management
- Resources utilization and recycling
- Noise control
- Water resources management
- Response to climate change
- Biodiversity
- Carbon emissions



We actively responded to the national environmental protection requirements for road maintenance, vigorously developed comprehensive maintenance innovation and capability of project management. We adhered to green engineering and green operations, and minimized the environmental impact from building, construction and operation as much as possible.



- Hot central plant recycling technique was used in Hubei Suiyuanan Expressway to reduce the consumption of asphalt mixture and improve the recycling rate of maintenance material.



We will summarize the environmental technologies applied by various subsidiaries, such as the local heat regeneration technology, and promote them based on local operating conditions, so as to enhance the effectiveness of green curing technologies.

GREEN PROJECT MANAGEMENT

Yuexiu Transport always adhere to environmental protection practice and observe relevant legal compliance standards, while actively respond to sustainable development trends such as digital transportation and smart operations, conducted green project management on all expressways under its jurisdiction. Yuexiu Transport strictly abides by the laws and regulations such as the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Water Pollution”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste”, the “Law of the People’s Republic of China on Environmental Impact Assessment”, and the “Law of the People’s Republic of China on Energy Conservation”. The Company established an environmental management system to identify and control environmental pollution such as emission, waste and noise generated during construction operations, and formulated appropriate measures to address environmental risks. In 2019, the Group was not subject to any incidents of punishment and legal proceedings with respect to environmental issues.

Yuexiu Transport attaches great importance to the management of emissions and waste. Its treatment of waste water, exhaust gas and waste material was audited by the environmental protection authority to meet the applicable national and local environmental standards. In 2019, 75% of Yuexiu Transport’s greenhouse gas emissions were indirect emissions, mainly from purchased electric power; its direct emissions came from the use of gasoline, diesel and natural gas in official vehicles, boilers, etc.

The Company strictly monitors and carries out waste treatment in accordance with the applicable laws and regulations. We collect the generated asphalt concrete for special treatment, and send the discarded lamps, toner cartridges, etc. to qualified third parties for further recycling treatment, reducing waste hazards and achieve sustainable operations.

ENVIRONMENT PROTECTION

Emission Types and Data

Indicator Category	Unit	2019
Greenhouse Gas Emission		
CO ₂ emission of fossil fuel combustion	Ton of CO ₂ equivalence	2,274
CO ₂ emission implied by net purchase of electricity	Ton of CO ₂ equivalence	6,202
Greenhouse gas emission density	Ton of CO ₂ e/RMB 1 million revenue	2.72
Hazardous Waste Generated		
Lamp tube	pcs	1,662
Printer toner cartridge	pcs	744
Non-hazardous Waste Generated		
Bituminous concrete	Ton	28,294
A4-sized office paper	kg	8,007

During the reporting year, Yuexiu Transport continued to develop comprehensive maintenance innovation and special project management and control capabilities, carried out research and application of new materials, new technologies, new processes and new equipment, actively promoted the application of environmental friendly processes and materials to enhance road quality, promoted the recycling of materials, reduced the generation of exhaust pollutants and reduced the impact on the environment.

CASE

Strengthened technology R&D and application in Hubei Suiyuanan Expressway to improve environmental benefits

In response to the State's requirements on green, environment-friendly and recycling road maintenance, Hubei Suiyuanan Expressway launched the "Scientific Research Project of Hubei Suiyuanan Expressway Overhaul Test Section" against the various complicated defects such as transverse seam, rut, spurt slurry, pit and so on. For Hubei Suiyuanan Expressway, the Company collaborated with a professional third party to develop the hot central plant recycling technique, and jointly completed the laying of a 2-km plant mixing heat regeneration test section in this region. This technology effectively improved the recycling rate of milling materials, improved the secondary use in the road maintenance process. Construction waste can hence be utilized and resource wastage reduced, curtailing pollution to the environment.



GREEN RESOURCES MANAGEMENT

In strict compliance with laws and regulations such as the “Energy Conservation Law of the People’s Republic of China” and the “Cleaner Production Promotion Law of the People’s Republic of China”, Yuexiu Transport and its subsidiaries have adopted green resource management. The Company continues to improve energy management, actively carried out road and tunnel energy-saving renovation projects, replaced lamps with LED energy-saving ones, and installed intelligent control systems to set the timing of turning on the road lights. The Company uses inverter air conditioners in the office, and accelerated the transformation of boilers and heating pipes to save electricity.

Yuexiu Transport pays much attention to the efficient use of water resources in the daily operation process. The Company’s greening contractors mainly used water from rain, local ditches and irrigation ponds during road greening maintenance process to avoid tap water consumption. In addition, the irrigation frequency and irrigation volume are set scientifically and reasonably to save water for greening. All water resources used by the Company’s own operations come from the municipal network, and no exploitation of water resources is involved.

List of Resource Consumption Indicators

Type of Consumed Resources	Resource Name	Unit	Consumption in 2019
Fossil Fuel	Gasoline	Litre	331,286
	Diesel	Litre	187,035
	LPG	Ton	347
	Natural gas	m ³	3,851
Electricity	Purchased	kWh	10,568,207
Road Maintenance Materials	Pitch mixture	Ton	16,771
	Cement concrete (new material)	Ton	11,075
	Stone materials	Ton	601
	Snow melting agent	Ton	905
	Steel	Ton	136
Water Resources	Total consumption	m ³	193,094

ENVIRONMENT PROTECTION

In 2019, Yuexiu Transport actively promoted the paperless road and bridge toll stations, strengthened the management of official vehicle use, optimized the merged exit lines, and reduced energy consumption. In addition, the online OA system realized unified online management of office supplies and procurement on demand, saving more than 1,000 kg of paper annually.

Resource-saving Measures of Yuexiu Transport



Paperless operation

Yuexiu Transport is committed to paperless operation and promotes WeChat and Alipay payment in toll stations or highways and bridges. Drivers get a composite card that can be repeatedly used at the entrance and determines their driving routes via the RFID (Radio Frequency Identification) equipment, and tolls are calculated automatically by computers at the exit, thus promote paperless charging. In 2019, the paper used for receipts and invoices of Yuexiu Transport decreased by 10.4% compared with that in 2018.



Green office

Yuexiu Transport continues to embrace green office, implements standardized management of energy saving, emission reduction and water and electricity conservation, setting the environmental protection requirements that should be followed in daily office and corporate operations. We also put forward corresponding requirements on the supervision and management of energy consumption of properties. In 2019, the Company's OA system launched the "office supplies" function, allowing for a management process which starts with online application for office supplies, then the supplies are approved and released by warehouse stock keepers, finally recorded by the administration departments. This process ensures that office supplies are only procured and distributed when needed, hence reduced unnecessary wastage. Yuexiu Transport has set up a waste paper recycling unit, and regularly sends excess waste paper to Guangzhou Paper Group Co., Ltd. In 2019, the Company collected more than 1,000 kg of waste paper.



Water and electricity conservation

Yuexiu Transport continues to broaden water and power saving measures. In 2019, its project companies replaced advertising lamps, lighting lamps, and toll booth pole lights with LED tubes, providing employees and passengers with better lighting and enhanced safety while ensuring energy conservation. As for water conservation, the daily maintenance of greening is mainly carried out by waterwheel irrigation. The Company made irrigation plans in accordance with different amounts of rainfall in each season, keeps a record of water consumption to prevent leakage and waste of water.

GREEN ECOLOGY MANAGEMENT

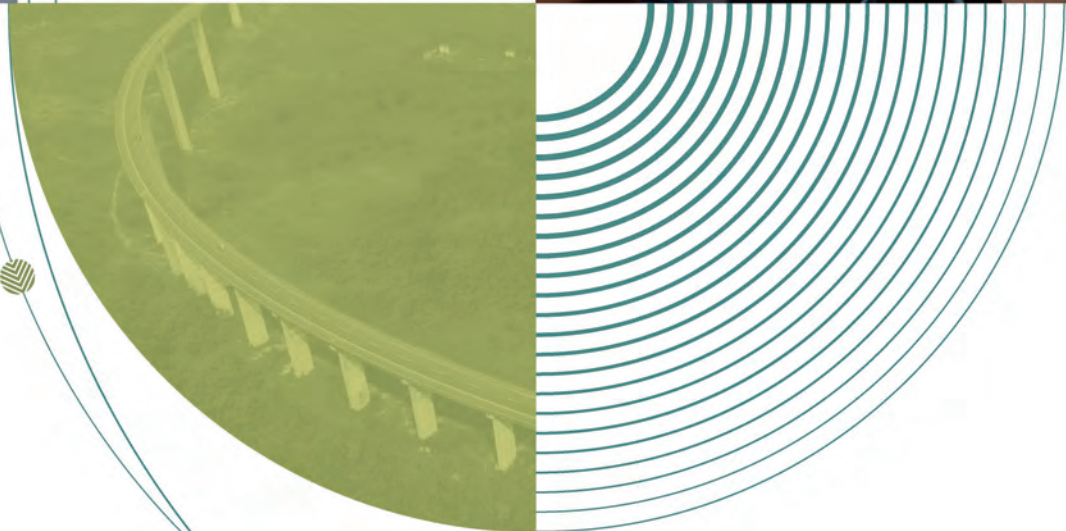
While seeking corporate development, Yuexiu Transport also attaches great importance to the protection of the ecological system. The Company strictly complied with the applicable laws and regulations such as the “Environmental Protection Law of the People’s Republic of China” and the “Water and Soil Conservation Law of the People’s Republic of China”, etc. In addition, The Company has established the environmental assessment program which, prior to construction of projects, requires thorough investigation, prediction and evaluation of the impact the projects that might have on the ecological environment. The Company also actively proposed measures and plans for preventing and controlling ecological damages.

Yuexiu Transport attaches importance to the regular greening and maintenance of roads. We require all subsidiaries to follow the road greening requirements in accordance with the “Technical Specifications for Highway Maintenance” to ensure that the amount of vegetation meet the greening control standards. We also regularly prune the vegetation along roads, at interchanges and toll stations.

The Company also pays attention to reducing the environmental impact on the communities around the site and the conservation of biodiversity along roads. We actively monitor and enhance local residents’ living environment and adopted various measures, such as sound barriers, drainage facilities, guardrails, isolation nets and etc., to strictly control noise, potential chemical leakage and other unfavorable factors, and to reduce the impacts of road operations on surrounding residents and protect biodiversity.



ROAD SAFETY AND QUALITY SERVICES



ROAD SAFETY AND QUALITY SERVICES

OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2019



- Operational safety
- Smooth traffic flow
- Anti-unfair competition
- Customer complaint and communication



We continued to ensure operational safety and free flow of traffic on 423 roads under our management, improved our operational capacity and service quality, and enhanced our ability in accident response.



- Continued to carry out technical research on pavement maintenance
- Carried out safety culture publicity activities
- Improved safety management system
- Set up green lane inspection point



- A total of 575 safety inspections were conducted
- 423 Hidden hazards were investigated
- The annual traffic accident rate dropped 9.6% year-on-year
- No major traffic accidents for 3 years
- Valid complaints received by us decreased by 32% year-on-year



We will continue to improve pavement maintenance technique, enhance safety management and control of traffic to ensure safe, smooth and comfortable travels.

TO ENSURE TRAFFIC SAFETY

In strict accordance with applicable national laws and regulations such as the “Law of the People’s Republic of China on Road Traffic Safety”, as well as the road safety management regulations of the project site, Yuexiu Transport actively worked with the local government, industry authorities and our peers to promote the development and progress of regional economy and transportation.

To Improve Road Quality

Yuexiu Transport regards excellent road quality as an important basis for ensuring traffic safety. We continuously monitor road use, formulated road pavement and maintenance work plans. New materials and new processes are used to carry out road servicing and large-scale maintenance, in order to improve road capacity and safety.

Yuexiu Transport formulated the “Highway Maintenance Engineering Management Measures of Yuexiu Transport Infrastructure Limited” in accordance with the applicable laws and regulations such as the “Highway Law of the People’s Republic of China”, the “Administrative Measures for Highway Maintenance Engineering” and the “Evaluation Standards for Highway Technical Conditions”. Taking into account the actual scenarios in highway management, we put forward clear requirements on the management framework, technology application, project management and other aspects of maintenance work. Each project company will fine-tune the management rules and system according to the actual conditions of projects, and carries out maintenance and engineering management on the highways, bridges, tunnels and facilities along roads under its jurisdiction to ensure that the highway bridges were in good technical conditions in order to extend the service life of highways and provide a safe and smooth traffic environment.

We continue to carry out technical research on pavement maintenance to improve maintenance technology. In 2019, Yuexiu Transport carried out R&D on hot central plant recycling technique, composite pavement maintenance technology, etc., and selected appropriate sections of roads for practical research to continuously enrich the Company’s maintenance technology and application experience.

ROAD SAFETY AND QUALITY SERVICES

CASE

The Company conducted the research on the composite pavement maintenance technology on Weixu Expressway

On May 21, 2019, He Peiyong, the deputy general manager of Yuexiu Transport, led the staff of the Engineering and Technology Department together with the research team of CCCC First Highway Consultants Co., Ltd. for the design of asphalt pavement materials and structure combination to go to Weixu Expressway to discuss the "Weixu Expressway Composite Pavement Maintenance Technology Research". Since Weixu Expressway is the first composite pavement highway in China, there has been no precedent successful overhaul experience. This research project relied on milling and resurfacing in the overhaul test section and on site thermal regeneration to solve the reflection crack problem of the special pavement structure of Weixu Expressway.



On-site inspection by engineering technicians on research of composite pavement maintenance technology

Based on the individual circumstance of each project, Yuexiu Transport applied appropriate research schemes according to its specific damage types, and through analysis on a large amount of data and experimental research, we ensure the highway safety from a technically feasible perspective. Experience accumulated in this project is an important reference for the Company's standardization of road safety management. Furthermore, the project team took cost-effectiveness, energy conservation and environmental protection into consideration, comprehensively enhanced the performance of expressways, and provided guidance for the expressway asphalt pavement maintenance of Yuexiu Transport.

Strengthening Safety Management

Ensuring road safety is the top priority of our operation management. Yuexiu Transport formulated the "Production Safety Management Measures", the "Safety Input Management Measures", and the other rules and regulations in accordance with the "Law of the People's Republic of China on Work Safety" and local existing laws, regulations, and regulatory documents to set the Company's work safety management targets. Similar control are also set for affiliates to achieve their goals, so as to prevent and reduce accidents and ensure the safety of employees and the Company's assets.

The Company established the Work Safety Committee (hereinafter referred to as the "Safety Committee") in accordance with the law. As the leading body for work safety, it is responsible for implementing the major policies on work safety, as well as formulating, guiding, and supervising the Company's work safety, coordinates in solving major work safety issues. The chairman of the Safety Committee is the General Manager of the Company (representative of the first responsible person). The affiliates established corresponding work safety committees accordingly to perform work safety duties.

The first person responsible for work safety as the representative of the Company signs the letter of responsibility for work safety with the first person in charge of work safety of each subsidiary and the first person in charge of each of the Company's functional departments every year to clarify the objectives, work duties and responsibilities. The annual remuneration of work safety leaders at all levels including the general manager and the person in charge of work safety will be adjusted directly in line with the Company's annual work safety performance.

As a work safety supervision body, the Company's labor union supervises work safety in accordance with the law, including regularly providing opinions on the formulation or modification of the Company's work safety management systems, monitoring and providing opinions on safety facilities and other matters of major construction projects.

In 2019, the Company comprehensively improved the safety work through reinforcement of safety culture, consolidation of organizational structure, improvement of management capability and optimization of safety assessment rules.



The Company's main annual targets of work safety management

- To ensure that no workplace accidents occur;
- To ensure zero fatal accidents at work;
- To avoid accidents that cost more than RMB 100,000, including fire, explosion and collapse, etc.
- To ensure zero environmental pollution liability incidents.

ROAD SAFETY AND QUALITY SERVICES

Promote Safety Culture

The Company organized a number of safety culture promotional activities such as the “Eight Honors and Eight Shames”, “To Become the First and Excellent” and “Ankang Cup” Knowledge Contest, etc.. As a result, the safety culture became increasingly robust and employees’ safety awareness was enhanced significantly.

Yuexiu Transport’s “Safe Production Month” Series Activities

CASE

In 2019, Yuexiu Transport organized the “Work Safety Month” promotional and training activities under the theme of “Prevent Risks, Eliminate Hidden Dangers, and Avoid Accidents”. More than 1,100 posters were posted on the Company’s internal safety bulletin boards and corridors; and slogan banners were hung at the toll booth squares for publicity. The “Ankang Cup” activities such as safety skill competitions and knowledge contests were organized for the staff of the Company’s transportation segment, to enhance the sense of honor and cohesion of the workforce, and elevate employees’ safety awareness and skills. The Company encouraged employees to participate in safety education training and real-life emergency drills. With positive interactions and atmosphere, the event helped employees gain useful skills and perform well when employees participated the Group’s Skill Competition.

To Strengthen Organizational Assurance

1. Fortify organizational structure for safety enforcement

- In accordance with the requirements of the Guangzhou Municipal Safety Commission’s Notice on Promoting the Establishment of the “Double Directors” System of Work Safety Committee, the Company developed the “Double Directors” responsibility management process and strengthened internal control;
- The Company optimized the allocation of safety management personnel and increased the number of safety management personnel in each subsidiary to more than 3 people;
- The Company refined the job safety responsibility list, and continues to advocate the undertaking of work safety responsibility.

2. To promote standardization certification of work safety

- In accordance with the “Basic Norms for Work Safety Standardization of Transportation Enterprises- Part 18: Expressway Operation Enterprises” (JTT 1180.18-2018) issued by the Ministry of Transport, the Company encourages subsidiaries to accept external evaluations for compliance certification, and obtain the “Certificate of Level of Construction Standardization for Work Safety of Transport Enterprises” authorized by the Ministry of Transport of the People’s Republic of China;
- Guangxi Cangyu Expressway and Henan Weixu Expressway passed the first-level certification, Hubei Hanxiao Expressway, Hunan Changzhu Expressway, Hubei Suiyuenan Expressway, GNSR Expressway and Tianjin Jinxiong Expressway passed the second-level certification.
- All the work safety management systems of the subsidiaries that have obtained the certification will be subject to annual review by the external evaluation agency.



Example: The Level 1 certificate of Henan Weixu Expressway work safety standardization



3. To optimize the work safety system

- The Company systematically reviews and updates the list of laws and regulations on work safety, up to 430 applicable laws, rules and standards are in the list;
- The Company reviewed and revised a total of 81 safety management rules and job operating regulations.

4. To improve safety education and training system

- The Company fully completed the training project of “Resuming Work, Production and learning” after the Spring Festival;
- The Company improved the “One Person, One File” recording mechanism for safety education and training of all employees;
- The Company utilized the online platform to provide the employees with training on work safety, fire safety knowledge and emergency measures;
- A total of 5,731 safety training sessions were conducted for all employees, a year-on-year increase of 89.1%.

ROAD SAFETY AND QUALITY SERVICES

To improve Comprehensive Management and Control

1. To enhance accident prevention capability

- The Company developed guidelines for classification and rating of risk points and sources of hazards, and organized specialised training;
- The Company carried out dynamic management of security risks in reference to a list of hidden dangers investigation and control;
- The Company carried out risk analysis and countermeasure research on 8 typical highway accident cases;
- 577 safety inspections were carried out and 423 hidden hazards were investigated.

2. To enhance emergency management capability

- According to the annual emergency drill plan, each subsidiary organized emergency drills in response to various emergencies such as water-damaged slopes, anti-theft and prevention of robbery at toll stations, obstacle clearance and rescue, equipment failure, fire escape, preparation of road freezing and slippery, etc.;
- During the year, a total of 95 emergency drills were conducted, with 2,250 participants. The number of emergency drills increased by 37.7% year-on-year, and the number of participants increased by 27.1% year-on-year.



CASE

Yuexiu Transport's various project companies conducted safety emergency drills

Suiyuanan Expressway carried out emergency drill for flood prevention

On June 26, 2019, Suiyuanan Company, together with the traffic police, road administration and maintenance unit of the expressway, organized the 2019 flood control emergency drill. This drill simulated a collapse of roadbed slope of Suiyuanan Expressway due to continuous heavy rain in a flood season. At 16:00 pm, the monitoring center was notified by the expressway traffic police that Suiyuanan Expressway's slope was damaged by water. After receiving the notice of emergency, the Company immediately initiated Emergency Plans for Highway Bridges, Slope Emergency and Severe Weather. In accordance with the Company's instructions, the monitoring center notified the maintenance unit, and the Maintenance Project Department immediately organized emergency response teams, distributed materials and equipment, and launched emergency handling operations. The drill improved the knowledge of all personnel on the emergency plan, boosted the coordination and cooperation ability of all units, accumulated experience in handling emergency during the flood season, and laid a solid foundation for flood prevention and disaster reduction.

Chang-Zhu company conducted an emergency drill for anti-robbery and anti-theft

In order to further enhance employees' awareness of security precautions and improve emergency response capabilities for incidents of theft and robbery of tolls, Hunan Chang-Zhu Company conducted a robbery emergency drill on April 25, 2019. As the drill began, the toll collector immediately triggered the alarm and retreated to the safe area inside the kiosk. The monitoring staff adjusted the camera and recorded the entire scene. When the squad leader discovered the incident, he immediately took self-defense weapons and surrounded the robber in the square. Upon receiving the call from monitoring staff and briefed on the situation, the station head on duty immediately initiated the emergency handling plan for anti-theft and robbery incident at the toll station. First, the members of the reinforcement team rushed to the toll site to provide support. The robber was eventually blocked and could not run away with the money. He eventually surrendered and the police station was notified to take him for further investigation. This emergency drill familiarize the personnel in charge with emergency handling measures, helps in refining the operation process in emergency situations, and was of great significance to ensure the life and safety of employees.

To Optimize Safety Assessment

In 2019, the Company optimized the contents and standards of the work safety responsibility system, including indicator assessment and management assessment, revised and detailed the scoring rules and contents of some on-site assessment items, explored positive incentive measures, highlighted the function of performance assessment and guided the continuous improvement of safety management.

In 2019, Yuexiu Transport directly and indirectly invested RMB 20.39 million in traffic safety. The highway condition indicators and road traffic environment continued to improve, and safety management performance rating climbed steadily. The number of various types of liability accidents such as work safety accidents, fires, explosions, and collapses was zero. While the traffic volume increased, the traffic accident rate dropped steadily. Compared with 2018, the number of traffic accidents dropped by 507, and the traffic accident rate dropped by 9.6%. Compared with 2017, the number of traffic accidents dropped by 4,028, and the traffic accident rate dropped by 45.8%. There have been no major traffic accidents for 3 years. The level of protection kept on improving.

ROAD SAFETY AND QUALITY SERVICES

TO ENSURE EMPLOYEE HEALTH AND SAFETY

Yuexiu Transport takes occupational safety and health of employees seriously. According to the “Measures for the Management of Production Safety Responsibility System of Yuexiu Transport Infrastructure Limited”, the safety target indicators such as zero work-related injury, zero fire incident, and zero official vehicle traffic death were assigned to various departments and were integrated into the daily work of each employee. At the same time, the Company strictly prohibits employees from operating in violation of regulations and does not allow interns to engage in work with hidden safety hazards in order to prevent employees from having accidents during the operation.

Under the “Measures for the Management of Safety Education and Training” formulated by the Company, Yuexiu Transport actively organizes various safety drills, education training, knowledge contests and other activities to promote safety culture, strengthen employees’ awareness of work safety, consolidates the safety management foundation and builds a solid protection for the safety of employees.

For potential work-related accidents, Yuexiu Transport has also developed a complete management system. The “Measures for the Management of Work-related Injuries” clearly defines the division of responsibilities for the prevention and treatment of work-related injuries, and standardizes the procedures for reporting, investigating and accounting for work-related accidents, in order to ensure that employees who have suffered from work-related injuries or occupational diseases can receive timely medical treatment and financial compensation.

100%
of new employees
received safety training

Safety education
up to
109
persons

Specialized safety
training up to
5,731
persons

CASE

Emergency Skill Training

On November 8, 2019, in accordance with the employee safety training plan formulated at the beginning of the year, Yuexiu Transport organized an one-day experiential emergency skill training at Ji'an Fire Safety Training Base, Aotou Town, Conghua District with participation of 62 employees. Under the guidance of the instructors, the employees learned basic skills such as trauma management, hemostasis, fixation and bandaging, proper ways of moving injured person and CPR, etc.. They also conducted exercises of fire emergency and self-rescue, including evacuation in different scenarios such as passing through a smoke-filled corridor, using an escape sling to descend from a building and dealing with spontaneous combustion of a bus. Fire drill with fire extinguishers were also conducted.



The Company also lays emphasis on occupational safety and health management of engineering and service contractor personnel, and formulated clear standards for the safety management of relevant contractors in the “Measures for the Management of Work Safety of Yuexiu Transport Infrastructure Limited, mainly including the requirement for the contractor to submit effective work safety license and related qualifications, as well as investment on safety measures, safety education and training, emergency handling, safety inspection and supervision requirements of the contractor in the “Safety Agreement” signed by both parties. We also supervise the contractor’s work process, carry out regular and spot safety inspections, and check for potential safety hazards in a timely manner. We plan to explore and further improve the contractor’s safety management mechanism in 2020, and strengthen the safety training, operating procedures and supervision measures of contractors’ construction workers.

TO PROVIDE CONVENIENT AND QUALITY SERVICES

We are committed to providing the public with convenient and smooth road traffic experience. Yuexiu Transport closely follows the removal of province-border toll stations and changes in road toll policies, actively explores the network tolling, toll by weight and ETC toll operation management modes. We promptly follow up and complete transformation in operation, mechanical equipment and toll station system changes caused by policy shift to ensure smooth and efficient road operations. In addition, we pay attention to the impact of weather, holidays, and traffic accidents on road traffic, monitor road jams in real time, and effectively divert the traffic in the event of severe jam to ensure the safety of passengers and vehicles.

ROAD SAFETY AND QUALITY SERVICES

Guarantee of Smooth Traffic of Suiyuanan Expressway

CASE

Fast traffic inspection in front of the toll stations: In order to solve the jam of the Jingyue Bridge and assist the removal of province-border toll stations to improve traffic efficiency, Suiyuanan Expressway started the green lane traffic inspection, allowed trucks carrying fresh agricultural products to use the green lane inspection points to quickly pass the Jingyue Bridge over the Yangtze River toward south to ensure the smooth progress of the demolition of the province-border toll stations. Suiyuanan Company selected more than 50 staff members to form a special service team. All these staff members were assigned to specific points with specific duties for the opening of all the lanes before the toll station, and opening hours changed from 9:00-22:00 to 24 hours each day. During the period of demolition of the province-border toll stations, more than 80% of the green lane vehicles were diverted from the main lines in front of the toll stations, effectively alleviating the vehicle jam at the toll stations of the Jingyue Bridge and ensuring the safe and efficient passage of vehicles.

Free permit-through in case of jam: According to the road regulations of Hubei Province in 2019, emergency measures should be taken when the expressway was jammed with 3km lines of vehicle at province-border toll stations or 1km lines of vehicle at other toll stations lasting for over 30 minutes resulted from bad weather, holidays, and traffic accidents. As an important channel connecting Hubei and Hunan, Hubei Suiyuanan Expressway has implemented relevant national policy. In 2019, during severe congestion conditions such as the southward peak traffic after the Spring Festival or during foggy weather, the Jingyue Bridge was open for emergency free passing 17 times, and a total cost of RMB7.321 million due to free-pass was borne by the subsidiary.

Handling Customer Complaints

Yuexiu Transport regards customer opinions as a continuous driving force for business improvement and development. Our project companies have established a complete customer complaint service process mechanism, such as customer complaint verification, investigation, reporting, and feedback, to ensure proper handling of customer opinions and guarantee service quality.

In 2019, we received a total of 63 complaints, 32% less than 2018. For each complaint, we kept a detailed record of customer grievance and resolved their complaints in accordance with the applicable rules and regulations. We also actively sought to communicate with customers, endeavored to reach agreement with customers and continued to improve service quality. When necessary, we communicated with local government authorities to ensure we handled the customers' claims properly.

Categories of Complaints Received in 2019

Operation complaint	19
Service complaint	30
Other complaints	14
Total complaints	63

Protection of Customer Privacy

Yuexiu Transport implemented the requirements of national strategic planning, integrated informatization and intelligent development into the entire chain of transportation including construction, operation, service and supervision. Through scientific process management and by means of IT technology, we ensured the enforcement of safety measures to protect the data of the Company and its customers. In order to protect the privacy and interests of the Company and its customers to the greatest extent, Yuexiu Transport strictly complied with laws and regulations such as the “Cyber Security Law of the People’s Republic of China”, etc., and formulated internal policies such as the “Measures for the Management of Cyber and Information Security Incidents” and the “Emergency Response Plan for Cyber and Information Security” to coordinate and carry out network and information security in various aspects.

Yuexiu Transport pays much attention to protecting the identity and personal information of drivers and passengers. The Company guaranteed that the data collected was only used for internal operations and strictly protect the privacy of customers. In order to strengthen the confidentiality, integrity and usability of information assets, Yuexiu Transport strictly implemented the internal policies of “Measures for the Management of Access Control” and the “Measures for the Management of Accounts”. In 2019, the Company did not experience any incident of information loss or leakage. Each subsidiary formulated the management policy of its own monitoring centers in accordance with their respective operating conditions. They have strict regulations on the collection and release of information as well as on the management and supervision of video data.

The Company currently does not have practices related to rights protection and intellectual property protection due to its limited involvement in intellectual property issues.



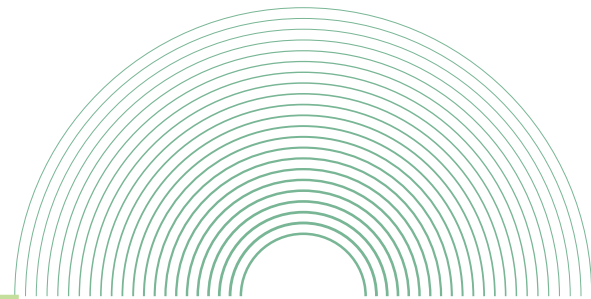
SUPPLY CHAIN MANAGEMENT



SUPPLY CHAIN MANAGEMENT

Yuexiu Transport respects its partners and keenly protects its rights and interests. We drive for orderly operation of the supply chain management system and unceasingly improve the procurement management processes. We formulated the “Measures for the Management of Tenders and Procurement of Yuexiu Transport Infrastructure Limited”, the “Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited”, etc., in accordance with the applicable laws and regulations such as the “Law of the People’s Republic of China on Tenders and Bids”, the “Implementation Regulations for the Law of the People’s Republic of China on Tenders and Bids”, and the “Government Procurement Law of the People’s Republic of China”, etc.. The aim is to strengthen the quality supervision of procurement of services and products for the Company’s projects and engineering works, achieve full-scale supervision and control of the supply chain, reduce the quality risk and build a high-quality supply chain. In addition, the Company adheres to business ethics and strives to achieve a positive interaction with its partners, aiming at mutual growth.

There were
682 suppliers
in 2019



OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2019



- Anti-corruption
- Supply chain management



We continued to standardize supplier management, improved the supply chain system and developed a sustainable supply chain.



- We continued to update the supplier information database on a timely basis



- The electronic procurement system was fully launched.
- No supplier misconduct was found during the year.



We will strengthen communication and management with suppliers, step up exchanges with peers in the industry and consider further enhancement of the supplier management system and evaluation standards.

SUPPLY CHAIN MANAGEMENT

TO CARRY OUT RESPONSIBLE PROCUREMENT

In order to ensure the effective operation of supply chain management, Yuexiu Transport established a dynamic supply chain management system which strictly controls the supplier's storage standards. We also carried out hierarchical management and performance evaluation of suppliers, maintained dynamic management on the supplier information database.



Stringent Selection

- We treated potential suppliers equally and fairly under the principle of objectivity and fairness.
- Selection criteria: corporate business license, franchise license, business qualification certificate and other qualification documents.
- We ensure that the suppliers have the qualifications and resources to fulfill the contracts.



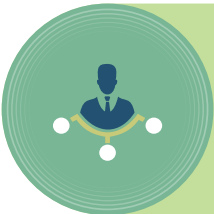
Stringent Review

- Inspection on suppliers' qualification, attainments in the past and contract performance.
- We inspect our suppliers regularly and conduct unified archival management of the review results together with original purchase contracts and contract review data.



Regular Assessment

- We regularly updated and assessed the supplier list.
- Evaluation criteria include supply capacity, product price, service quality, convenience of cargo transportation, after-sales service, and performance of procurement contracts.



Dynamically Management

- We annotated the results of supplier evaluation in the supplier base, and used this to optimize the procurement process and supplier management process. Suppliers not meeting the Company's requirements were removed from the supplier list after being reviewed by relevant department heads and approved by the management.



Anti-corruption

- We signed anti-corruption agreements with suppliers to enhance supervision on them and avoid corruption risks in tender and procurement.

TO PROMOTE HARMONY AND WIN-WIN COOPERATION

Yuexiu Transport is committed to building a “Community of Responsibility” and we have not only integrated corporate social responsibility concepts into all links of the supply chain, but also guided suppliers to fulfill social responsibilities, pay attention to environmental and social impacts and jointly provided customers with safe and reliable high-quality products.

TO IMPLEMENT REGIONAL DIVERSIFIED PROCUREMENT

In order to ensure the quality of purchased goods and the service level of suppliers, Yuexiu Transport built a supply chain network and optimized the structure of suppliers to ensure stable supply of materials by various subsidiaries and accelerate the work flow of the supply chain.



EMPLOYMENT



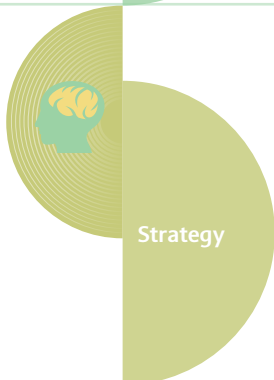


EMPLOYMENT

OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2019



- Employee remuneration and welfare
- Employee training and development
- Labor standards
- Talent attraction and retention



We continued to implement the “people-oriented” business philosophy, develop and allocate human resources in a scientific manner. We protect the legal rights and interests of employees, build a wide career development platform that allows employees to advance their career.



- Established a standardized human resource management system for subsidiaries
- Conducted training program to deal with changes in the transport sector
- Established a dual-channel career development system for employees of subsidiaries



We will continue to focus on the policies and trends in the sector and examine employees structure and ability, in order to keep our talent team competitive and promote both their career development and the long-term strategies of the company.

DIVERSIFIED STAFF TEAM

Yuexiu Transport strictly abides by the applicable laws and regulations such as the “Labor Law of the People’s Republic of China” and the “Labor Contract Law of the People’s Republic of China”, etc., and continuously improves and standardizes the Company’s recruitment management rules and regulations, such as the “Regulations for Recruitment” and the “Regulations for Labor Contracts”. We implemented the Company’s “people-oriented” business philosophy and the recruitment principles of “fair and open recruitment, selection by merit” to ensure the standardization and scientificity of enterprise talent recruitment, in order to build a high-calibre, high potential, dynamic and diverse employee team and accomplish the talent strategic goals of the Company’s development. As of December 31, 2019, the total number of employees of the Company was 1,997.³

COMPREHENSIVE PROTECTION OF RIGHTS AND INTERESTS

In strict accordance with the applicable laws and regulations such as the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China, Yuexiu Transport effectively protects the labor rights and interests of employees. The Company respects and accommodates every employee and eliminates discrimination arising from gender, ethnicity, religious belief, cultural background and other factors. In compliance with the “Regulations on the Prohibition on Child Labor”, we strictly prohibit unethical labor practices such as child labor and forced labor. Under strict policies and conscious compliance, the Company has not experienced any violations or complaints related to the use of child labor or forced labor. Employees receive full salary and performance bonus during annual leave, marriage leave, bereavement leave and maternity leave/paternity leave.

Guarantee of Salary and Welfare

Yuexiu Transport strictly implements the “Labor Law of the People’s Republic of China” and the “Social Insurance Law of the People’s Republic of China” and other laws and regulations. It formulated the “Salary Management Measures of Yuexiu Transport Infrastructure Limited”. The Company provides competitive remuneration and welfare for employees based on five principles, i.e., market oriented, reasonableness and fairness, salary determined by position, performance linked, and focus on key departments and talents. The Company also makes overall adjustment of remuneration pursuant to the national policies, price levels and competitions in the sector, individual adjustments are based on appraisal. In addition, the Company increases median salary at each level, and built a steady salary growth mechanism to maximize the reasonableness and incentive of remuneration.

Improving Communication Channels

Yuexiu Transport encourages employees to put forward their opinions on the Company’s system and management processes, listens to their opinions through unions, employee forums, etc., and reviews the opinions raised by employees to further improve our management and promote the long-term and effective development of the Company.

3 Including employees of the Hancai Expressway, Han’e Expressway, and Daguangnan Expressway

EMPLOYMENT

FAIR AND SOUND VOCATIONAL DEVELOPMENT

Yuexiu Transport provides employees with a clear career development path, a fair performance management system and extensive skill and knowledge training, creating a strong atmosphere for growth for the company and its employees, so that employees are best fitted for their position and are able to utilize their talents.

Employee Training

Yuexiu Transport always care about the professional growth of employees. We formulated and effectively implemented the "Measures for the Management of Training of Yuexiu Transport Infrastructure Limited", and designed three training modules for employees: knowledge training, skill training and quality training. Through internal training, external training and employee self-training, we have comprehensively improved the professional competence and comprehensive quality of employees, as well as standardized the training regime of the Company. In addition, we organized activities such as knowledge and skill competitions and centralized examinations to further improve the training effect and ensure that employees are "enlightened by learning, strengthened by enlightenment".

"Camp Chief Training" for Toll Collectors

CASE

On October 25, 2019, 38 toll collectors of Yuexiu Transport successfully completed their first two-day training of "Camp Chief". Twelve internal and external expert lecturers gave lectures on three modules, namely integrity and employee management, tolling and emergency response capability, tolling standardization and innovation capability. This training helped the toll collectors broaden their vision, improve their comprehensive quality, and adapt to policy changes in the sector.



In 2019, in the face of the decrease in job demand brought about by the cancellation of toll stations on the province border of expressways and the wider use of ETC, Yuexiu Transport provided skill training such as computers and electrician training to toll collectors pursuant to their preference, in order to hone them for internal transformation and re-employment.

Performance Management

Yuexiu Transport has established a standardized performance management mechanism to motivate its employees. We formulated and implemented the "Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited". We implemented the five principles of "business orientated, full staff coverage, openness and impartiality, coaching for improvement, incentive", and carry out performance assessment on employees based on financial results, customer service, internal processes, learning and career growth, etc. We also developed procedures for feedback and publishing of performance evaluation results, coupled with related grievance mechanisms to enhance communication and mutual trust between employees and the Company, effectively linked the work direction of employees with the Company's business goals, and promoted the development of both employees and the Company.

Promotion Plan

Yuexiu Transport provides a steady promotion path for outstanding employees to align their positions with their capabilities. We have established a talent promotion mechanism based on transparency, efficiency, fair competition and positive development. In accordance with the "Measures for the Management of Staff Promotion of Yuexiu Transport Infrastructure Limited" and the principles of openness, equality, competition and merit in the process of talent selection, we carried out promotion review to ensure the fairness and transparency of employee promotion. We value and promote outstanding talents who are both intelligent and virtuous, have excellent performance and capabilities as well as extensive experiences, thus realized the "win-win" goal of facilitating both employee development and enterprise growth.

In 2019, the Company established a dual-channel career development system for employees of subsidiaries, set up two promotion paths, i.e. the management path and professional path, and broadened the career growth paths for the employees of subsidiaries to attract and retain key talents and to enrich the Company's talent pool.



COMMUNITY BUILDING



COMMUNITY BUILDING



In 2019, Yuexiu Transport kept its mission in mind; while realizing the economic value of the enterprise, it continued to implement its corporate social responsibility in areas such as targeted poverty alleviation, local economic development and community integration.

OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2019



COMMUNITY BUILDING

TARGETED POVERTY ALLEVIATION

We responded to the call of CPC Guangzhou Municipal Committee and Guangzhou Municipal People's Government to "resolutely win the battle against poverty", promoted the "Three-Year Action Plan for Precision Poverty Alleviation of Yuexiu Transport". We actively carried out targeted poverty alleviation, expanded new ways of relieving poverty, and stepped up poverty alleviation efforts to stimulate vitality in low income areas.

In 2019, we continued the poverty alleviation project in Xianshui Village, Yingde City, pushed for the commercialization of organic agricultural products. Diversified sales channels were established, investment on long-term mechanisms for poverty alleviation increased, involvement of big enterprises was brought in to focus on the development of competent industries. Through our joint efforts with the villagers, the annual income per capita of Xianshui Village in 2019 reached RMB 26,300, which is 5.9 times higher than that before the assistance. The collective income of the village increased by more than RMB 300,000, with more than 20 jobs created and 67 poverty-stricken households were lifted out of poverty.

Poverty alleviation through consumer products

The Resident Working Team for Xianshui Village Poverty Alleviation decided to develop high-quality organic rice, peanuts, and special local fruits and vegetables by drawing on Xianshui Village's own resource endowment, and promoted the entire production chain of "organic intensive planting — processing and packaging— agricultural product sales" in Xianshui Village. After nearly half a year, Xianshui Village successfully launched the first batch of agricultural products on the market in December 2019, including about 100,000 kg organic rice, about 1,500 kg peanut oil and thousands of kilograms of dried vegetables and tea. At the same time, the Resident Working Team actively explored diversified sales channels such as the Municipal Poverty Alleviation Office, Xiniu Town Government, B2C online retailers (Taobao, Tmall, and Jingdong, etc.) and new media (Friends Circle, and Today's Headline, etc.). The project created more than 20 jobs for Xianshui Village, providing stable employment opportunities for the poverty-stricken households.



Organic agricultural products sales and exhibition hall



Organic rice produced in Xianshui Village

Set up a production-based long-term poverty alleviation mechanism project

The Village Resident Working Team of Yuexiu Transport for Poverty Alleviation fully considered the characteristics of assisted village, used the Company's poverty alleviation funds and coordinated the use of local financial development funds, launched eight long-term production-based poverty alleviation mechanism projects for the development of Xianshui Village. The projects alleviated the economic burden of the poverty-stricken households, guaranteed stable incomes for the village collectives and provided a solid economic foundation for improving the village, developed production programs and established a stable long-term poverty alleviation mechanism.

- Yuexiu Transport has invested more than RMB 3 million in adding agricultural equipment and improving planting technique for the purpose of building dried vegetable processing factories, purchasing agricultural machinery, developing greenhouse vegetable planting and set up the Yuexiu Agricultural Support Fund. The above four projects secured a guaranteed income of RMB 265,600 for Xianshui Village and brought in RMB 2,631 per person for the working members of poor households in 2019.
- In accordance with the unified arrangement of the governments of Yingde City and the town, the Village Resident Working Team coordinated the financial development funds of RMB 5.58 million for the construction of PV power generation projects, and dividends were invested in Jiana Energy, Xanadu Tourism Company, Yingde Bainiaotang Tourism Company. All proceeds were used as the dividends for the poverty-stricken households. The above four projects in average brought a net income of RMB 4,200 to each poverty-stricken households.

In-depth Visit and Research on Poverty Alleviation

In 2019, the Village Resident Working Team and the leaders of Xianshui Village visited and surveyed a total of 469 households (2,158 people) and contacted migrant workers outside the village by phone to learn about their conditions. During the visit, the Village Resident Working Team made detailed records of the family conditions of the residents, classified and summarized their most imminent and difficult issues. The team then categorized the issues accordingly and worked with local cadres to resolve the problems.

During the household visit, the resident team also posted help cards in front of the homes of 67 poor households, providing information on how to contact resident team members, so that the poor households and surrounding residents can contact the task force anytime.

COMMUNITY BUILDING

Fostering competent enterprises

The Village Resident Working Team recommended Guangdong's leading grain and cooking oil company Jiang Mao Yuan to invest RMB 30 million to cultivate local specialty fruits and vegetables. The team also trained local farmers with rich cultivation experience to be leaders in agricultural development. At the same time, taking advantage of the idyllic scenery of Xianshui Village, the cooperative worked with Jiang Mao Yuan to develop cultural tourism industry, gradually increasing the popularity of Xianshui Village. This initiative is in line with Guangdong Province's strategy for promoting rural revitalization, and positions Xianshui Village as a production base of quality fruit, grain and cooking oil as well as a cultural tourist spot.



Signing ceremony for introducing commercial investment

CHARITY

Yuexiu Transport cares for the disadvantaged groups, we assume social responsibilities and gives back to the society with practical actions. We actively participate in various public welfare activities, such as helping the needy people in the community at festivals, assisting employees in need, caring for the elderly and orphans, visiting disabled children, blood donation and providing voluntary services, etc. to promote social caring.

Visit the Needy People in the Community

CASE

On the afternoon of February 1, 2019, CPC Yuexiu Transport Committee and the Party Branch of North Second Ring Company, one of the subsidiaries of Yuexiu Transport and the Party Working Committee of Huanghuagang Sub-district in Yuexiu District paid a Spring Festival visit to the impoverished families in the community, and brought cash and gifts to 95 poverty-stricken households to express good wishes for them in the Spring Festival.



During the year, Yuexiu Transport also carried out investigations on its employees in need, revised the “Regulations on the Company’s Staff Mutual Aid Fund” and relevant management measures, established a corporate management database for needy employees, refined the conditions and standards for assistance and encouraged the project companies to establish mutual assistance mechanisms.

COMMUNITY INCLUSION

Yuexiu Transport is committed to maintaining good communication and rapport with the communities around our operating locations. We reduce risks related to land use disputes through prudent procedures before investing in expressways and during the operation.

Before investing in assets such as expressways, the Company will conduct a preliminary analysis of investment projects, study and find out project risks including land use right and biodiversity, and then formulate corresponding control measures or handling plans. Results of the feasibility study can only be accepted after it has been reviewed by the Company’s main departments and external professional consultants, and approved by the Company’s Board and senior leadership. Within one year after the completion of the investment project, we continue to assess the overall environmental and social benefits of the project, and propose countermeasures and management recommendations for potential risks. During the follow-up operations, each subsidiary actively monitor the potential impact of expressway operations on surrounding communities by establishing effective communication channels with local community representatives such as village heads and school principals.

During the operation of the expressways, Yuexiu Transport pays attention to the opinions and demands of residents in the proximity, listens intently to the views of the residents, collects their demands and suggestions through forums, hotlines and other methods. We carried out highway noise reduction, jam dredging, etc. according to laws, professional judgment and residents’ demands. We also continue to improve the complaint handling mechanism, resolve complaints in a timely and effective manner, in order to maintain a harmonious relationship with our neighbors.

COMMUNITY BUILDING

COMBATING THE CORONAVIRUS

Combating an epidemic is a solemn responsibility. Yuexiu Transport responded quickly by mobilizing all employees to stay vigilant against the virus at all times, enhanced joint efforts to prevent and contain the virus, actively carried out detection, investigation, warning, prevention and control on the epidemic in accordance with the Coronavirus-related arrangement plan of Yuexiu Group. Meanwhile, our employees have been cooperating with related upper-level authorities to conduct all the work with regard to prevention and control of the epidemic and striving for the decisive victory in the fight against epidemic.

Upholding the principles of “multiple measures, multi-channel approach, strictly guarding against the virus and inhibiting the epidemic spreading”, Yuexiu Transport established *Yuexiu Transport Infrastructure Limited Emergency plan for Prevention and Control of Novel Coronavirus Pneumonia* and set up an epidemic prevention work team for control and prevention of the novel coronavirus-caused pneumonia. In addition, we established and improved the prevention, control and emergency mechanism by setting up working teams and emergency office at each subsidiary to standardize emergency response work, ensuring that our employees are safe and healthy both physically and mentally. Moreover, normal operations and management of the Company were also maintained.

During the epidemic outbreak, Yuexiu Transport has responded quickly and implemented emergency support policies. When trouble occurs at one spot, help comes from quarters. We called for all of our employees to donate money to support the people affected by the novel coronavirus outbreak. We donated RMB 3 million to the Red Cross Society of China Hubei Branch, and around 200 employees donated RMB 90,000 to the Wuhan Charity Federation. Meantime, we planned in advance and purchased essential anti-epidemic materials such as N95 breathing face mask with the emergency



Prepare anti-epidemic supplies



Conduct sterilization and disinfection in the office

budget, and implemented measures to control and prevent epidemic by mobilizing all subsidiaries to purchase anti-epidemic supplies such as masks, disinfectants, hand sanitizers and set up quarantine rooms. Additionally, we organized and carried out sterilization and disinfection twice in our office during Spring Festival ensuring that a safe working environment can be provided for our employees when they resume work after the Spring Festival.

To control and prevent the epidemic, Yuexiu Transport responded quickly and urged its project companies to initiate all necessary work to fight against the epidemic. Since January 23 2020, all our subsidiaries in Hubei province have carried out closed-off management to their office area and toll gates; traffic control has been implemented in a number of highway toll gates, and green lanes have been set up for vehicles delivering anti-epidemic supplies at key gates ensuring free and fast pass. Meanwhile, we strictly implement epidemic detection to ensure safety of our employees. We set up a temporary inspection point at each gate where we measure the body temperature of incoming people. We carry out sterilization and disinfection twice a day at least in the area of management center, toll gates and service area, detection for epidemic is strictly implemented to ensure employees safety. On the other hand, we promptly got in touch with local authorities, such as the local center for disease control and prevention and health commission, to request for badly-needed supplies. Besides, we conduct strict sterilization and disinfection for supplies delivery vehicles and take proper measures to effectively control and prevent the epidemic at the peak hours during the prolonged Spring Festival holiday.



Checking the body temperature of incoming personnel



Conduct sterilization and disinfection in key areas such as the toll gates

LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES

Aspect	Laws and regulations	Internal policies
A1 Emissions	Environmental Protection Law of the People's Republic of China	
	Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste	Regulation on Highway Maintenance Engineering Management of Yuexiu Transport Infrastructure Limited
	Law of the People's Republic of China on Prevention and Control of Water Pollution	Regulation on Mechanical and Electrical Engineering Management of Yuexiu Transport Infrastructure Limited
	The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	
	Law of the People's Republic of China on Evaluation of Environmental Effects	Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident of Yuexiu Transport Infrastructure Limited
A2 Use of resources	National Hazardous Waste Inventory	
	Energy Conservation Law of the People's Republic of China	Measures for Investment Management of Yuexiu Transport Infrastructure Limited
A3 Environment and natural resources	Cleaner Production Promotion Law of the People's Republic of China	
	Water and Soil Conservation Law of the People's Republic of China	
B1 Employment	Labor Law of the People's Republic of China	
	Labor Contract Law of the People's Republic of China	
	Social Insurance Law of the People's Republic of China	Regulation on Labor Management of Yuexiu Transport Infrastructure Limited
	Individual Income Tax Law of the People's Republic of China	
B2 Health and safety	Labor Law of the People's Republic of China	
	Labor Contract Law of the People's Republic of China	Measures for Work Safety of Yuexiu Transport Infrastructure Limited
	Social Insurance Law of the People's Republic of China	

Aspect	Laws and regulations	Internal policies
B3 Development and training	Labor Law of the People's Republic of China	Measures for the Management of Training Yuexiu Transport Infrastructure Limited
	Labor Contract Law of the People's Republic of China	
	Social Insurance Law of the People's Republic of China	
B4 Labor standards	Labor Law of the People's Republic of China	Measures for the Management of Recruitment of Yuexiu Transport Infrastructure Limited
	Labor Contract Law of the People's Republic of China	
	Social Insurance Law of the People's Republic of China	
B5 Supply Chain Management	Company Law of the People's Republic of China	Measures for the Management of Tender and Procurement of Yuexiu Transport Infrastructure Limited
	Contract Law of the People's Republic of China	Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited
B6 Product responsibility	Law of the Peoples Republic of China on Road Traffic Safety	Regulation on Highway Maintenance Engineering Management of Yuexiu Transport Infrastructure Limited Administrative Measures for Emergency Projects of Yuexiu Transport Infrastructure Limited
	Work Safety Law of the People's Republic of China	
	Law of the People's Republic of China on Response to Emergencies	
	Administrative Measures for Emergency Plans for Work Safety Accidents	
B7 Anti-corruption	Technical Specifications for Highway Maintenance	Detailed Rules for the Implementation of the Responsibility System of Development of Party Style and Honest Administration of Yuexiu Transport Infrastructure Limited.
	ICAC Ordinance of Hong Kong Special Administrative Region	
B8 Community investment	Prevention of Bribery Ordinance of Hong Kong Special Administrative Region	2019 Annual Plan of Targeted Poverty Alleviation of Yuexiu Transport in New Era
	Decision of the Central Committee of the Communist Party of China and the State Council on Winning the Fight against Poverty	

DATA TABLE

ESG Indicators	Unit	2019	2018	2017
Environmental indicators				
Emissions				
Nitrogen oxides	Ton	1.75	1.86	Data not available
Sulfur dioxide	kg	7.88	6.46	6.59
Particulate matter	kg	156	171	Data not available
Total emission of greenhouse gas	Ton of CO ₂ equivalence	8,234	7,802	8,541
Greenhouse gas emission density	Ton-CO ₂ e/ RMB 1 million revenue	2.72	2.74	3.16
Greenhouse gas emissions (Scope 1)	Ton of CO ₂ equivalence	2,274	2,120	1,338
Greenhouse gas emissions (Scope 2)	Ton of CO ₂ equivalence	6,202	5,682	7,203
Hazardous wastes				
Waste fluorescent tube	pcs	1,662	2,153	1,611
Printer toner cartridge	pcs	744	804	628
Non-hazardous wastes				
Bituminous concrete	Ton	28,294	29,557	25,470
A4-sized office paper	kg	8,007	6,421	6,330

ESG Indicators	Unit	2019	2018	2017
Environmental indicators				
Energy consumption in total and density				
Electrical energy consumption	kWh	10,568,207	10,377,757	11,157,990
Gasoline consumption	Litre	330,672	308,873	302,213
Diesel consumption	Litre	187,034	119,418	128,100
LPG	Ton	347	69	85
Natural gas consumption	m ³	3,851	4,640	4,337
Use of resources				
Pitch mixture	Ton	16,770	47,246	48,456
Cement concrete (new material)	Ton	11,076	12,233	13,280
Stone materials	Ton	444	2,281	1,183
Snow melting agent	Ton	905	759	1,161
Curing agent	Ton	0	0	2
Paint	Ton	8.1	201	11
Steel	Ton	136	231	148
Water consumption in total and density				
Total consumption	m ³	193,095	163,979	195,026
Water consumption per capita	m ³	96.69	97.20	131.60

DATA TABLE

ESG Indicators	Unit	2019	2018	2017
Social indicators				
Total workforce				
Total employees	Person	1,997 ⁴	1,491	1,482
Employee turnover and turnover rate				
Overall employee turnover rate	%	11.23	12.10	12.36
Health and safety				
Work-related fatalities	Person	0	0	0
Number of work-related injuries	Time	5	1	6
Total days lost from work-related injuries	Day	173	3	344
Employee training times				
Total trained employees	Person	9,991	5,138	6,207
Employee training hours				
Total training hours	Hour	52,155	39,945.97	46,395
Average training hours	Hour/person	34	12	31
Supplier management				
Total suppliers	pcs	682	615	626
South China	pcs	255	233	251
East China	pcs	28	19	14
North China	pcs	92	67	41
Central China	pcs	1	272	291
Northeast China	pcs	1	2	4
Southwest China	pcs	4	8	5
Northwest China	pcs	13	14	14
Hong Kong, Macao, Taiwan and overseas	pcs	—	—	6

4 Including employees of the Hancui Expressway, Han'e Expressway, and Daguangnan Expressway

ESG Indicators	Unit	2019	2018	2017
Social indicators				
Complaints Statistics				
Total complaints	Time	63	101	96
Business complaint	Time	19	34	32
Service complaint	Time	30	50	37
Other complaints	Time	14	17	27
Anti-corruption				
Amount of corruption cases filed or closed	Case	0	0	0
Community investment				
Targeted poverty alleviation	RMB 10 k	171.6	354	352

CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
A1	Emissions		
General disclosure	Policies on exhaust gas and greenhouse gas emissions, harmful emissions to water and land, and generation of hazardous and non-hazardous waste.	Environmental Protection	P22
A1.1	Types of emissions and respective emission data.	Environmental Protection	P15
A1.2	Greenhouse gas emission in total and density.	Environmental Protection	P22
A1.3	Total amount and density of hazardous waste produced.	Environmental Protection	P22
A1.4	Total amount and density of non-hazardous waste produced.	Environmental Protection	P22
A1.5	Description of measures to mitigate emissions and results achieved	Environmental Protection	P24
A1.6	Description of how to handle hazardous and non-hazardous wastes, reduction initiatives and results achieved	Environmental Protection	P24
A2	Use of Resources		
General disclosure	Policies on efficient use of resources, including energy, water and other raw materials	Environmental Protection	P23
A2.1	Energy consumption in total and density.	Data Table	P65
A2.2	Water consumption in total and density	Data Table	P65
A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Protection	P24
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Protection	P23
A2.5	Total packaging materials used for finished products and with reference to per unit produced.	Not applicable. Due to the nature of the Company's business, no packaging materials for finished products would be generated.	N/A

Level	Key performance indicators	Report chapter and statement	Page
A3	The Environment and Natural Resources		
General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental Protection	P26
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection	P26
B1	Employment		
General disclosure	Policies on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare and compliance with the applicable laws and regulations that have a significant impact on the issuer.	Employment	P26
B1.1	Total workforce by gender, employment type, age and region.	Data Table	P66
B1.2	Employment turnover by gender, age and region.	Data Table	P66
B2	Health and Safety		
General disclosure	Policies relating to providing a safe working environment and protecting employees from occupational hazards and compliance with the applicable laws and regulations that have a significant impact on the issuer.	Road Safety and Quality Services	P36
B2.1	Number and rate of work-related fatalities.	Data Table	P66
B2.2	Lost days due to work-related injuries.	Data Table	P66
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Road Safety and Quality Services	P24
B3	Development and Training		
General disclosure	Policies on improving employees' knowledge and skills in performing job duties. Description of training activities.	Employment	P50
B3.1	Percentage of employees trained by gender and category (e.g., senior management and middle management, etc.).	Data Table	P66
B3.2	Average training hours completed per employee by gender and type	Data Table	P66

CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Level	Key performance indicators	Report chapter and statement	Page
B4	Labor Standards		
General disclosure	Policies on preventing child and forced labor and compliance with the applicable laws and regulations that have a significant impact on the issuer.	Employment	P36
B4.1	Description of measures to review employment practices for avoiding child and forced labor.	Employment	P49
B4.2	Description of steps taken to eliminate such practices when discovered.	Not applicable. During the reporting period, no significant risks of child labor and forced labor were found in our operation.	N/A
B5	Supply Chain Management		
General disclosure	Policies on managing environmental and social risks for the supply chain.	Supply chain management	P42
B5.1	Number of suppliers by region.	Data Table	P66
B5.2	Description of practices related to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply chain management	P42
B6	Product Responsibility		
General disclosure	Policies related to health and safety, advertising, labeling and privacy matters related to products and services provided and methods of redress and compliance with the applicable laws and regulations that have a significant impact on the issuer.	Road Safety and Quality Services	P29
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable. Yuexiu Transport does not sell or ship products to road users.	N/A
B6.2	Number of products and service related complaints received and how they are dealt with.	Road Safety and Quality Services	P38

Level	Key performance indicators	Report chapter and statement	Page
B6.3	Description of practices related to observing and protecting intellectual property.	Not applicable. Since the Company's business is less involved in the areas such as intellectual property, we do not have the usual practice of maintaining of safeguarding intellectual property.	N/A
B6.4	Description of quality assurance process and recall procedures.	Road Safety Responsibility	P29
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Road Safety Responsibility	P39
B7	Anticorruption		
General disclosure	Policies relating to bribery, extortion, fraud and money laundering and compliance with the applicable laws and regulations that have a significant impact on the issuer.	Sustainable Development Policies	P17
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases.	Sustainable Development Policies	P17
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Sustainable Development Policies	P17
B8	Community Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its business activities take into account the interests of communities.	Community Building	P56
B8.1	Focus areas of contribution (e.g., education, environmental concerns, labor needs, health, culture, and sports).	Community Building	P56
B8.2	Resources contributed (e.g., money or time) to the focus areas.	Community Building	P55

FEEDBACK

Dear reader:

Thank you for reading this Report! This is our 2019 Environmental, Social and Governance (ESG) Report. We do wish that you can make a comment on this Report and present your valuable advice to help us continue to improve it.

If you have any comments or suggestions on our ESG governance, please email to: contact@yuexiutransport.com.hk

Feedback on 2019 Environmental, Social and Governance Report of Yuexiu Transport Infrastructure Limited

Name

Company

Position

Tel.

E-mail:

Your comment: (Please tick as appropriate)

	Excellent	Good	Average	Bad	Poor
Do you think this Report highlights the important information of the Group in respect of the environment, society and governance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the information and indicators disclosed in this Report are clear, accurate, and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the arrangement of content and style design of this Report are reader-friendly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which part are you most interested in?

What other information that you need to know about is not reflected in this Report?

What advice do you have for our future release of environmental, social and governance report?

