



**越秀交通基建有限公司**  
YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

**2020**

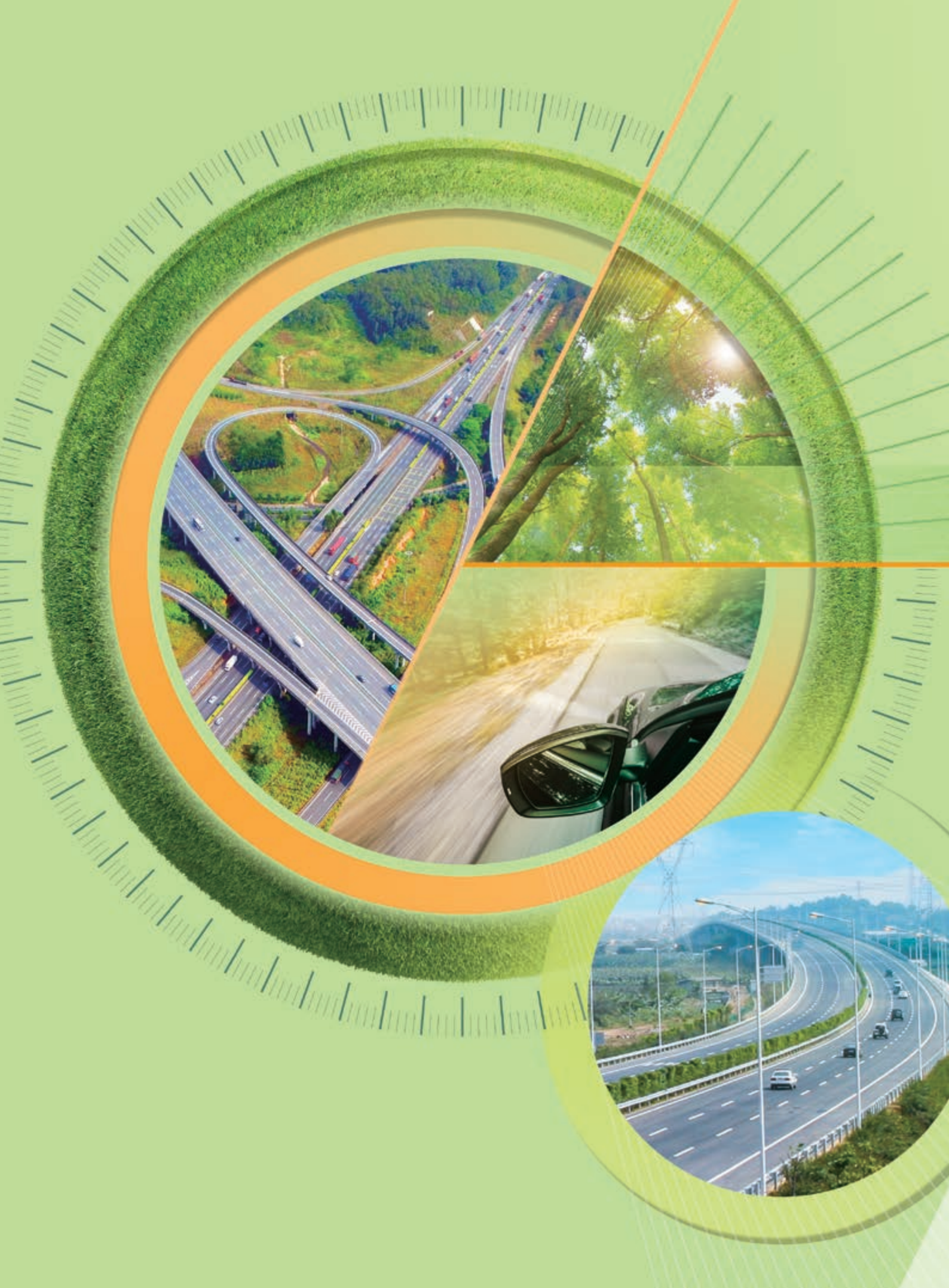
HENAN  
HUNAN  
HUBEI  
TIANJIN  
GUANGXI  
GUANGDONG

CREATING

**EXCELLENT VALUES**









# CONTENTS

<b>2</b>	<b>ABOUT YUEXIU TRANSPORT</b>
3	Business Development
4	Corporate Governance
<b>5</b>	<b>ABOUT THIS REPORT</b>
5	Overview
5	Basis of Preparation
5	The Scope of this Report
5	Title Description
5	Data Source and Reliability Statement
5	Obtaining and Responding to this Report
<b>6</b>	<b>SENIOR MANAGEMENT'S MESSAGE</b>
<b>8</b>	<b>OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2020</b>
8	Key Performance Indicators of Sustainable Development
9	Honors and Certifications in the Year
<b>10</b>	<b>SUSTAINABLE DEVELOPMENT IDEAS</b>
12	Guiding Policies for Sustainable Development
12	Principles of Sustainable Development
13	Structure of ESG Reporting
<b>18</b>	<b>ANTI-CORRUPTION</b>
<b>24</b>	<b>ENVIRONMENTAL PROTECTION</b>
27	Green Project Management
29	Green Operation Management
31	Green Ecology Management
<b>34</b>	<b>ROAD SAFETY AND QUALITY SERVICES</b>
37	Ensuring Traffic Safety
44	Ensuring Employee Health and Safety
45	Providing Convenient and Quality Services
<b>46</b>	<b>SUPPLY CHAIN MANAGEMENT</b>
50	Performing Responsible Procurement
<b>52</b>	<b>EMPLOYMENT</b>
55	Diversified Staff Team
55	Comprehensive Protection of Rights and Interests
56	Fair and Sound Vocational Development
<b>58</b>	<b>COMMUNITY BUILDING</b>
61	Poverty Alleviation
64	Charity
65	Community Inclusion
66	Combating the Epidemic
<b>68</b>	<b>LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES</b>
<b>72</b>	<b>DATA TABLE</b>
<b>77</b>	<b>CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE</b>
<b>82</b>	<b>FEEDBACK</b>



## ABOUT YUEXIU TRANSPORT

Yuexiu Transport Infrastructure Limited ("Company") and its subsidiaries are principally engaged in investment, operation and management of toll expressways, bridges and port in Guangdong Province and other high growth provinces in the People's Republic of China ("PRC"). The Company's substantial shareholder, Guangzhou Yue Xiu Holdings Limited is a state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission ("SASAC") of the 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**

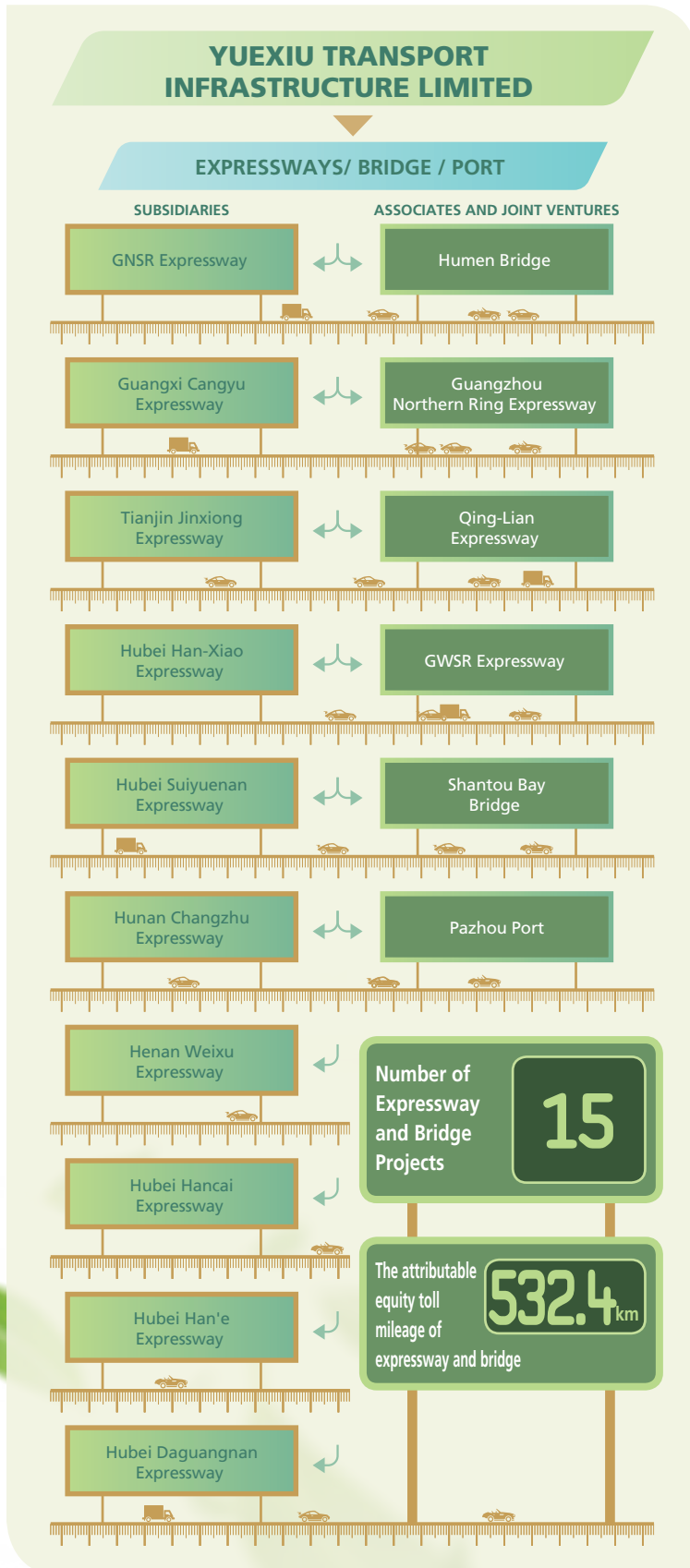


**EXPRESSWAY / BRIDGE / PORT**





ABOUT YUEXIU TRANSPORT



**BUSINESS DEVELOPMENT**

As at the end of 2020, the Company's total assets amounted to RMB36.37 billion<sup>1</sup>, and annual operational income amounted to RMB2.92 billion, employing 2,009 staff. The Company invested in 15 expressway and bridge projects in six provinces and municipalities nationwide. The attributable equity toll mileage of expressway and bridge is approximately 532.4 km.



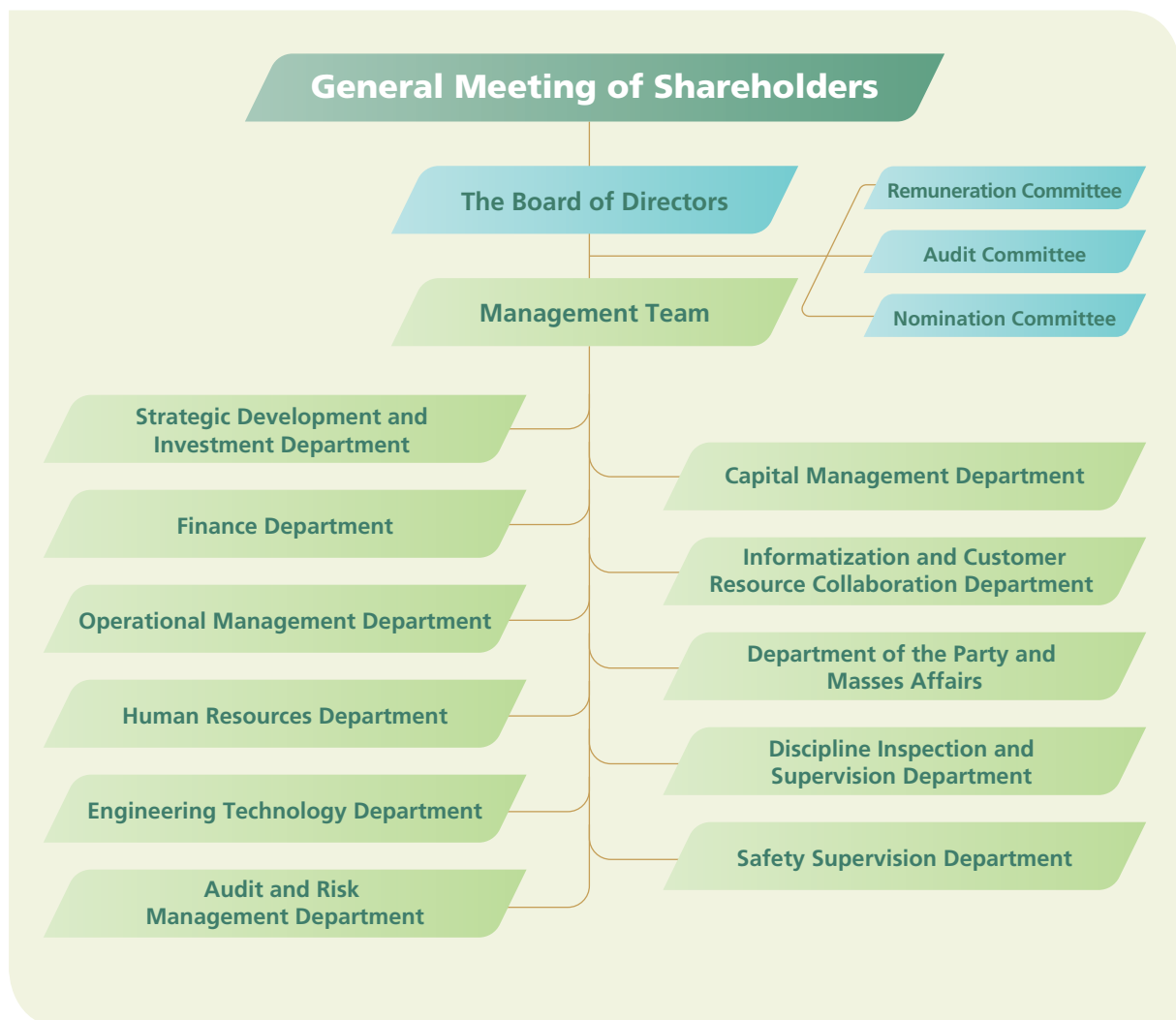
<sup>1</sup> Without specific explanation, the currency mentioned in this report refers to RMB.

## ABOUT YUEXIU TRANSPORT

### CORPORATE GOVERNANCE

Yuexiu Transport has set up a corporate governance structure consisting of shareholders' general assembly, the Board of Directors, committees under the Board of Directors, management team and functional departments. We formulated multi-layered governance rules base on the memorandum of association and Bye-Laws to specify their duties, authorities and code of conduct, and constantly examine and improve the aforesaid structure and rules in practice to make corporate operation more transparent, independent and efficient.

Our corporate governance structure is illustrated as follows:





## ABOUT THIS REPORT

### OVERVIEW

This is the fifth 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, in order to enhance communication and trust, as well as encourage 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. This Report is prepared through the following procedures: identifying and ranking key stakeholders, identifying and ranking material ESG issues, confirming the coverage of the ESG report, collecting relevant materials and data, preparing and reviewing data based on the information collected and examining the data in the report.

### THE SCOPE OF THIS REPORT

This is an annual report with a time span from January 1, 2020 to December 31, 2020.

The performance of ESG related policies, statements, management measures and quantitative data in this Report covers the Company's headquarters and subsidiaries. This Report adopts the same definitions as in the 2020 Annual Report of the Company and should be read together with the said annual report.

### 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.yuexiustransportinfrastructure.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



**LI FENG**  
CHAIRMAN

In 2020, Yuexiu Transport continued to develop expressway and bridge operation business with a pragmatic, diligent and unwavering attitude, and worked with various stakeholders to promote the sustainable development. In this year, the Company firmly adhered to its development strategy of "based on Guangdong-Hong Kong-Macau Greater Bay Area and entering Central China". While actively searching for the merger and acquisition opportunities of high-quality expressways, we have paid attention to the redevelopment and expansion opportunities of mature projects, strengthened our innovation in the business models of our main business of expressways, and developed into a transport infrastructure asset management company with financial position with sustainable development.



## SENIOR MANAGEMENT'S MESSAGE

We adhere to high-quality development, actively respond to the trend of sustainable development and continue to promote green management. In this year, we've strengthened technology research, development and application and reduced the environmental impacts of road maintenance. We've tried to maintain the living environment quality for the residents along the expressways. Meanwhile, we've continuously enhanced our energy and resource management and promoted energy saving and emission reduction to reduce the impacts of our business and operation to the environment.

Ensuring the road safety and smooth usage is an important foundation for Yuexiu Transport to realize sustainable development. In this year, Yuexiu Transport firmly promoted road safety and smooth usage, actively enhanced the road construction technology, and kept a close watch on the new policies of inter-provincial highways. We continuously studied road construction technology and enhanced the continuous traffic capacity and safety performance of the roads. We were committed to providing the public with convenient and smooth road traffic experience and actively exploring the operation and management mode of new-type highways.

We always care about the growth and development of our employees and seek common progress with them. We safeguarded the rights and interests of each employee and actively helped those in trouble. We provided our employees with a clear path of career development, established a transparent and effective talent promotion mechanism on the basis of fair competition and sound progress, and maintained our ability to attract and retain talents.

In this year, we continued to work on poverty alleviation, developed consumption for poverty relief, constructed long-term mechanism projects of poverty alleviation with industries and made a remarkable progress in our work.

In 2021, we will continue to stick to our development strategy of "based on Guangdong-Hong Kong-Macau Greater Bay Area and entering Central China", seize the opportunities of regional development, solidify the development trend of making progress in stability, and work with various stakeholders to create greater economic, environmental and social value.

**Li Feng**  
Chairman



## OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2020

### KEY PERFORMANCE INDICATORS OF SUSTAINABLE DEVELOPMENT



#### Invested RMB21.89 million in production safety

In this year, we directly and indirectly invested a total of RMB 21.89 million in production safety, continuously improved our road safety management



Invested RMB  
**21.89**  
million in production safety



#### The annual traffic accident rate declined by 11.7% year-on-year

The traffic accident rate showed a declining trend



Traffic accident rate declined by  
**11.7%**  
year-on-year



#### All poverty-stricken households supported by us were lifted out of poverty

130 villagers of the 67 filed poverty-stricken households in Xianshui Village supported by us were all lifted out of poverty

A cumulated investment of RMB 9.256 million was made in poverty alleviation, with an utilization rate of 98.7%



Utilization rate of invested poverty alleviation funds  
**98.7%**



## OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2020

**HONORS AND CERTIFICATIONS IN THE YEAR**

Awards and titles	Granted by
First Prize of Science and Technology Award from China Highway & Transportation Society in 2020	China Highway & Transportation Society
Australian Annual Report Awards: Bronze Award	ARA
Listed Enterprises of the Year 2020	Bloomberg Business Weekly
Hong Kong Outstanding Enterprise 2020	Economic Digest
Outstanding Enterprise Award 2020	Economic Digest





# SUSTAINABLE DEVELOPMENT IDEAS





## SUSTAINABLE DEVELOPMENT IDEAS

### GUIDING POLICIES FOR SUSTAINABLE DEVELOPMENT

Sticking to its sustainable development vision and starting from the principles of sustainable development, Yuexiu Transport further improves its sustainable development framework and functions, responds to the concerns of various stakeholders and promotes 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.



## SUSTAINABLE DEVELOPMENT IDEAS

**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 ESG work of various departments and project companies, helps integrate the sustainable development ideas into the work process, prepares relevant materials to the board of directors for the reporting, constantly 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 project companies implement the ESG work practices, and continuously collect and report on ESG-related work processes, performance and opinions.





## SUSTAINABLE DEVELOPMENT IDEAS

Structure Level	Members	Duties
<b>ESG Reporting Working Group</b>	The heads of all departments carry out related work and designate contact persons for communication.	<ul style="list-style-type: none"> <li>• To conduct research on sustainable development management policies suitable for Yuexiu Transport</li> <li>• To evaluate and report on the current status of sustainable development</li> <li>• To plan short and medium-term sustainable development work programs</li> <li>• To supervise the progress of relevant work</li> </ul>
<b>ESG Management Teams</b>	Staff members from departments in the headquarters and subsidiaries would be responsible for collecting environmental and social information.	<ul style="list-style-type: none"> <li>• To manage and collect environmental and social indicators of the headquarters and expressways on a daily basis</li> <li>• To report periodically on corresponding indicators</li> <li>• To propose improvement suggestions for daily management</li> </ul>

## SUSTAINABLE DEVELOPMENT IDEAS

## Stakeholder Engagement

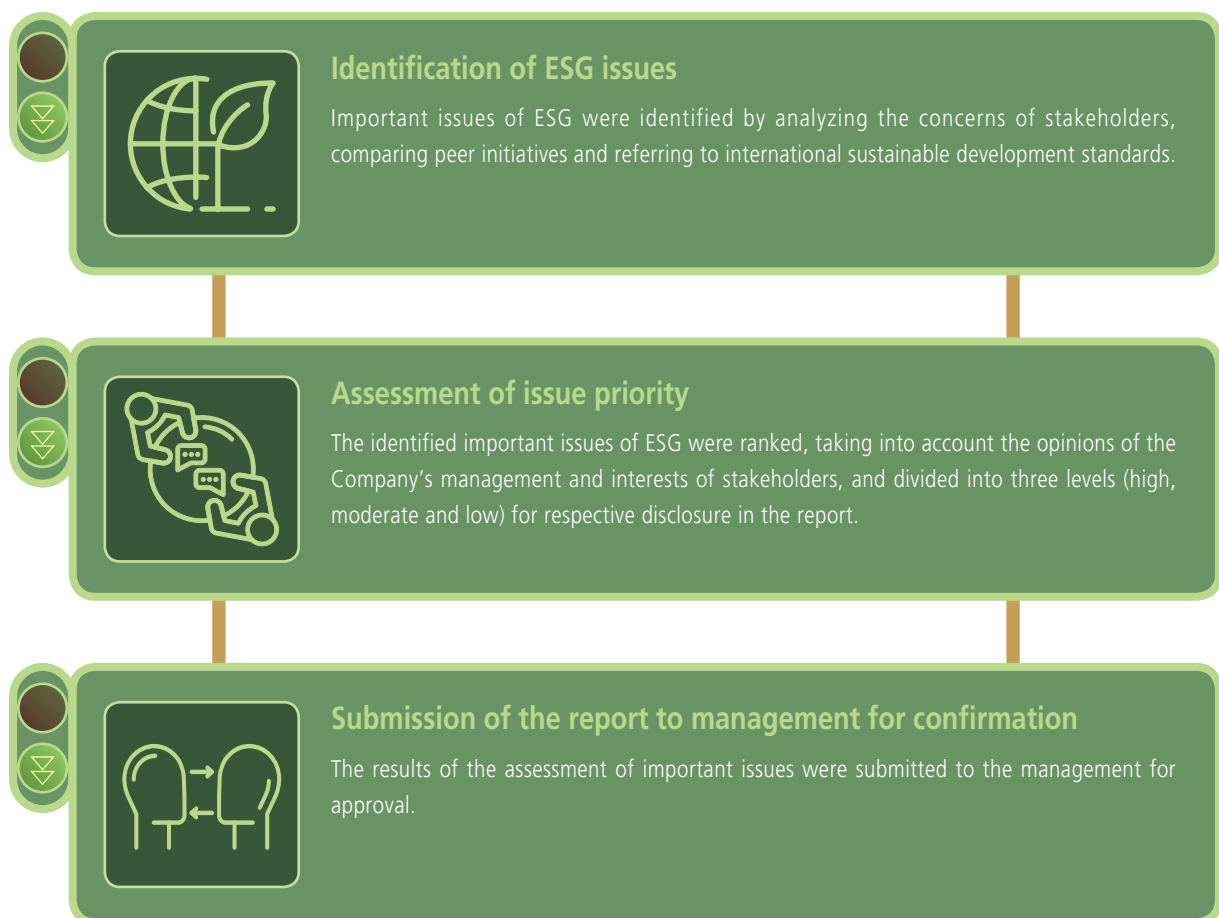
Stakeholders	Requests and Expectations of the Company	Communication and Response
<b>Drivers and passengers</b>	Road safety Smooth traffic Toll fees Road facilities Emergency rescue access	Communication with toll station staff Opinion collection Satisfaction survey Complaint hotline
<b>Government</b>	Road safety Smooth traffic Road facilities Emergency access Law-abiding tax payments Generate positive social benefits	Regular visits Policy communication Assistance in handling traffic accidents
<b>Employees</b>	Remuneration Career development Employee benefits Promotion policies Training scheme Corporate reputation Internal communication channels	Direct communication Employee mailbox Career development training
<b>Investors</b>	Returns on investment Financial situation Business prospect Future development plan Governance Selection and recruitment of management team	General meeting Financial information disclosure Investor hotline/mailbox Investor relation road show
<b>Suppliers</b>	Procurement policy Supplier management system Fair transactions On-time delivery Timely payment Communication channels Maintaining good partnership	Supplier review Regular visits
<b>Local communities</b>	Environmental impact of roads Ethical operation of enterprise	Complaint hotline Public welfare activities

## SUSTAINABLE DEVELOPMENT IDEAS

### Analysis of ESG Materiality Issues

Yuexiu Transport engaged external professional consultants to review and evaluate the sustainable development issues of the Company in this year. From the perspective of stakeholders, the consultants generalized and summarized the crucial sustainable development issues of Yuexiu Transport, which were taken as a basis for the preparation of this Report.

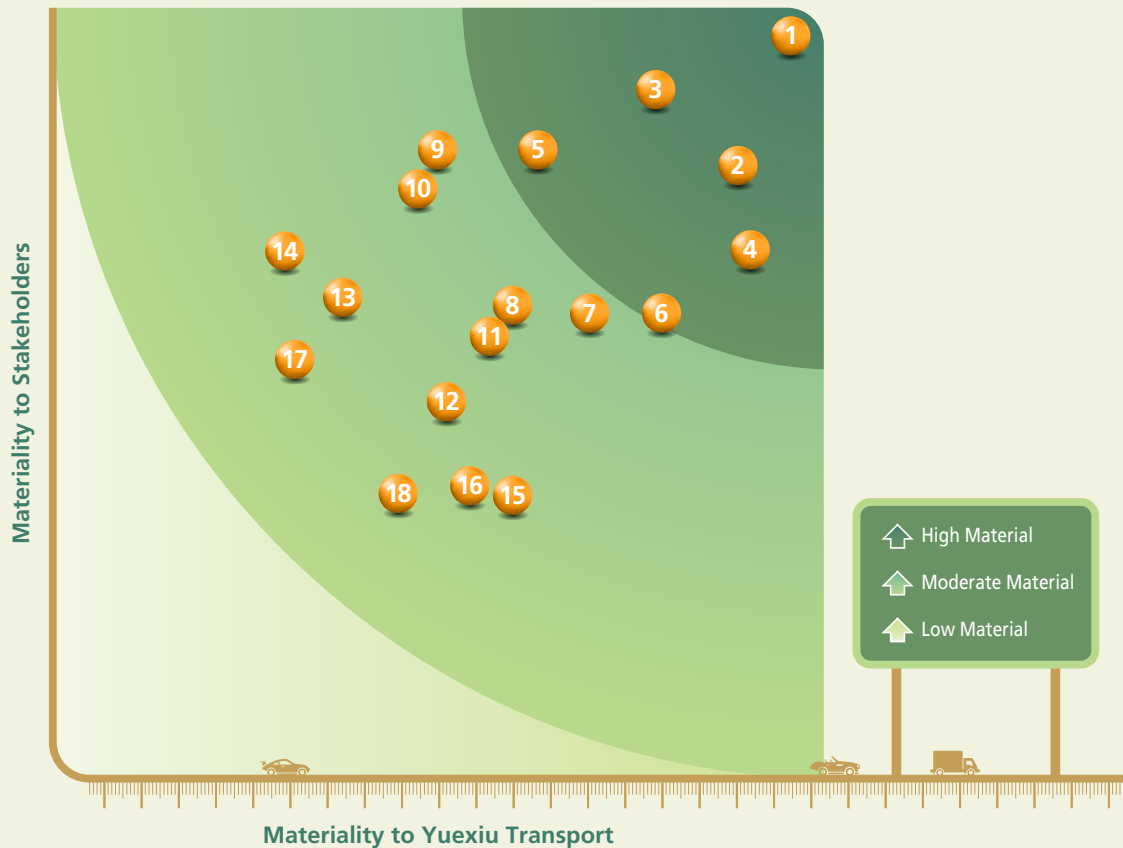
### Process of Materiality Assessment





SUSTAINABLE DEVELOPMENT IDEAS

Materiality Matrix of ESG Issues



**Highly Material Issues**

- 1. Safety in operations
- 2. Smooth traffic flow
- 3. Occupational health and safety
- 4. Energy management
- 5. Community relations
- 6. Anti-corruption

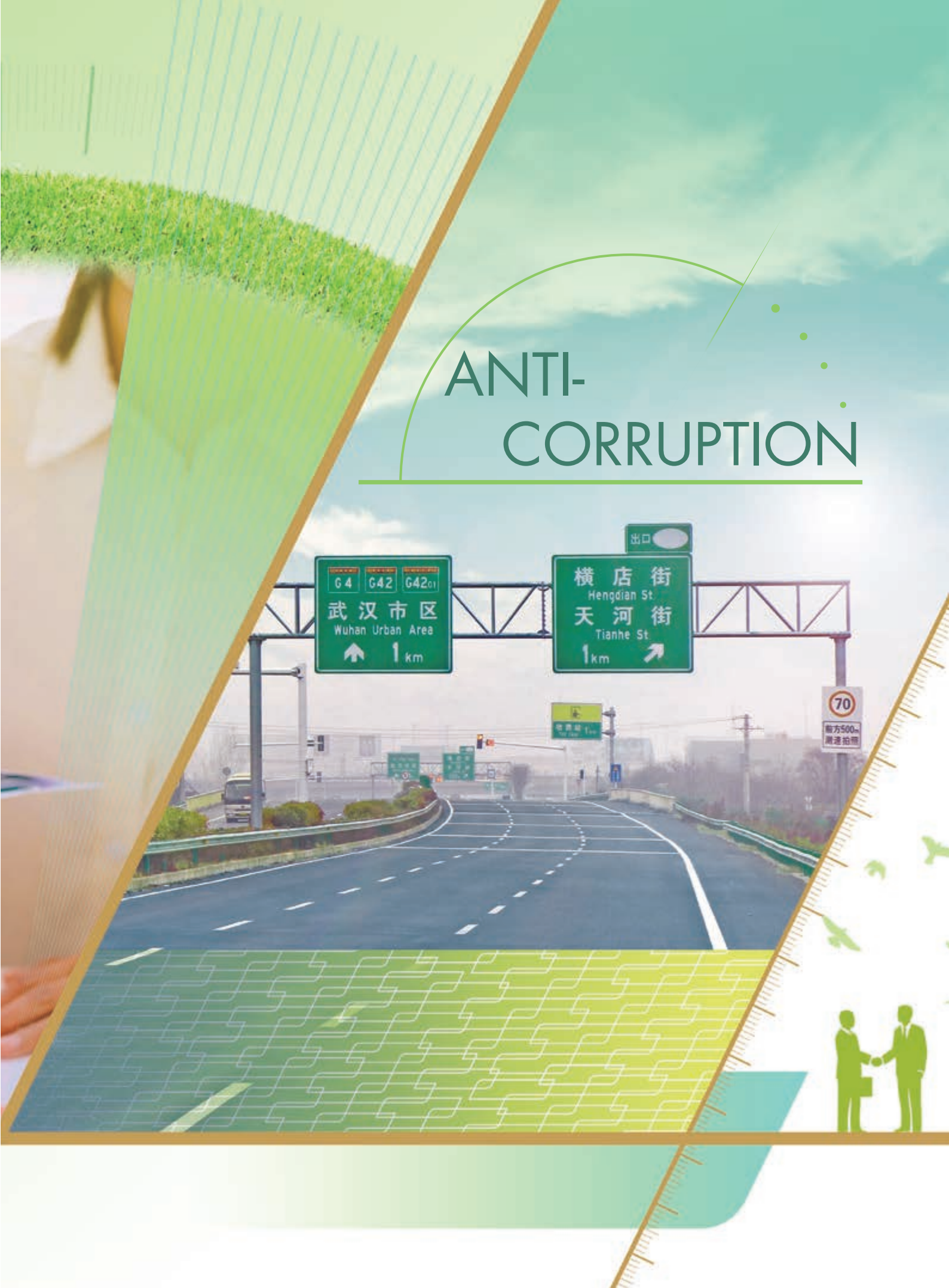
**Moderately Material Issues**

- 7. Remuneration and welfare
- 8. Resources utilization and recycling
- 9. Training and career development
- 10. Service quality and complaints handling
- 11. Labor standards
- 12. Supply chain management
- 13. Dealing with climate changes
- 14. Customer privacy protection
- 15. Water resources protection
- 16. Noise management
- 17. Biodiversity
- 18. Land use





# ANTI-CORRUPTION



G4 G42 G4201  
武汉市区  
Wuhan Urban Area  
↑ 1 km

出口  
横店街  
Hengdian St.  
天河街  
Tianhe St.  
1 km ↗

70  
前方500m  
测速拍照





# ANTI-CORRUPTION

## RELATED ISSUES AND PRACTICES IN 2020



### Related ESG Issues

- Anti-corruption



### Strategy

Comprehensively strengthen compliance management, improve legal and compliant operation and management, actively perform regular training and internal publicity of anti-corruption among all employees to firmly avoid corruption



### Action

- Regularly review the Company's anti-corruption policies and systems
- Perform anti-corruption training, warning education and training
- Perform regular and specific monitoring, audit and inspection



### Outcome

- Updated and announced five anti-corruption policies
- Successively organize various training on key issues, such as warning education, bidding and tendering related laws



### Improvement

We will continue to enhance the Company's anti-corruption mechanism, the anti-corruption training and education among the board of directors as well as senior management, and improve their capability of anti-corruption

## ANTI-CORRUPTION

Yuexiu Transport strictly complies with the Corporate Governance Code of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited, with an aim to perfect the corporate governance structure and management system. As the top oversight body of business ethics and anti-corruption issues, the board of directors is in full charge of the assessment and determination of the categories and levels of relevant risks of the Company, leading the implementation of anti-corruption. Starting from the decision-making system, the auditing and efficiency monitoring of major projects and the administration of professional managers, the Company continuously optimizes its risk management system and promotes the standardization of internal control management, the refining of risk prevention and control, and deepening of warning education to protect the rights and interests of stakeholders and to earn recognition and confidence from investors, partners and society in its development.



Regarding policy formulation, in 2020, the Company updated and announced internal policies and systems such as the “Measures for the Implementation of Decision-making System (The 2020 Version) of Yuexiu (China) Transport Infrastructure Investment Company Limited”, the “Yuexiu (China) Transport Infrastructure Investment Company Limited Accountability Administration Measures”, the “Measures for the Management of Electronic Records of Anti-corruption Archives of Yuexiu (China) Transport Infrastructure Investment Company Limited”, the “Measures for the Management of Duty Performing Treatment of Enterprise Principals of Yuexiu Transport Infrastructure Limited” and “Measures for management of the Three Public Expenses(public spending on buy and use cars, overseas trips and official receptions) of Yuexiu Transport Infrastructure Limited”. Meanwhile, the Company formulated an “Anti-corruption Practice Contract”, continuously improved its overall construction of clean governance system and strengthened the control of key risk points.



In the aspects of auditing and efficiency monitoring of major projects, the Company adopted a combination of daily supervision and special supervision and carried out all-round supervision and inspection of clean governance, anti-corruption and commercial ethics and behaviors in different forms, such as the discipline supervision of disciplinary inspection department, the legal affairs and risk control supervision of the audit department, the financial and economic supervision of financial department and the business supervision of functional departments. The Company convenes meetings of anti-corruption twice a year to summarize and deploy the related work on a semiannual basis, and conducts audit on the performance of anti-corruption and business ethics annually, to ensure a full-coverage monitoring of all operations of the Company.



## ANTI-CORRUPTION

Yuexiu Transport provides anti-corruption trainings via various channels, e.g. external expert to conduct discipline trainings, video learnings and internal circulation of documents, covering all employees and contractors. In 2020, the Company successively launched “Eight Violations” warning education, bidding and tendering legal training, enterprise leaders’ duty performance and treatment, and publicity training of “Three Public Expenses” regulations. In this way, the anti-corruption training has been provided to our employees and suppliers, and has especially focused on strengthening the disciplinary awareness of key managers and staff on key positions and improving their anti-corruption ability.



### ANTI-CORRUPTION TRAINING

On September 16, 2020, Yuexiu Transport invited Mr. Wang Tao, deputy director of the Party and government conduct supervision office of Guangzhou Municipal Discipline Inspection Commission to hold a discipline education training among the leaders of the Company, employee representatives of each functional department and each subsidiary to emphasize the construction of Party responsibility and conduct.



Yuexiu Transport launched anti-corruption training among its executives and staff representatives.



Yuexiu Transport has established a comprehensive internal whistle-blowing and protection system. The Company has set up an internal whistle-blowing mailbox and encourages employees to report any found or potential corruption or misconduct with names and contracts provided or anonymously. The Discipline Inspection and Supervision Department handles reported cases. After receiving any reports, the Department will report it to the senior management of the Company and conduct inspections according to the instructions of the management and relevant policies of the Company.

The Company strictly protects the rights and interests of whistle-blowers in accordance with relevant national laws and regulations to ensure that the real-name or anonymous whistle-blowers making genuine and appropriate reports, can receive fair treatment and protect related people from any unfair dismissal, prosecution or improper disciplinary punishment. The Company will adopt proper measures to protect the whistle-blowers from any revenge as a result of any whistle-blowing within the applicable scope of internal policies.



## ANTI-CORRUPTION

Yuexiu Transport reserves the right to take appropriate action against any person who initiates or threatens to initiate retaliation against whistle-blowers. The Company will protect the information of the whistle-blowers and will keep all information received confidential unless it is required to be disclosed or audited according to laws and regulations or be submitted to any supervisory institution or law enforcing department.

The bidding and procurement of Yuexiu Transport activities are conducted strictly in accordance with related national and regional laws and regulations. The Company has formulated a series of supplier anti-corruption policies and procedures such as the "Regulations on Procurement Management of Yuexiu Transport infrastructure Limited". All suppliers are required to comply with those policies and procedures. We also conduct anti-corruption risk analysis on suppliers and require suppliers to sign "Anti-corruption Agreement", to ensure that all suppliers have sufficient anti-corruption policies and programs to reduce the risk of corruption.



## TRAINING FOR BIDDING AND TENDERING RULES AND PROCESS



On September 21, 2020, the Company invited Mr. Wang Rongnian, a seed lecturer of Asian Development Bank for procurement business, a senior expert on bidding and tendering procurement with the NDRC, the Ministry of Construction, the Ministry of Finance and the Ministry of Commerce to provide training of bidding and tendering related laws for related leaders of the Company, staff representatives of each functional department, leaders in charge of bidding and tendering of each subsidiary and related staff representatives and strengthen the professional knowledge and legal risk awareness of the employees at each level.



Yuexiu Transport organized training of bidding and tendering

The Company has strictly implemented anti-corruption system and regular promotion/education activities and achieved excellent results. There was no corruption or bribery lawsuit against the Company during the reporting period.







# ENVIRONMENT PROTECTION



# ENVIRONMENT PROTECTION

## OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2020



### Related ESG Issues

- Energy management
- Resources utilization and recycling
- Response to climate change
- Water resources protection
- Noise control
- Biodiversity
- Land use



### Strategy

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



### Action

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



### Improvement

We will summarize the environmental technologies applied by various subsidiaries, such as hot central plant recycling technique and NovaChip super-thin wear layer surface technique and promote them based on local operating conditions, so as to enhance the effectiveness of environmental technologies applied to road maintenance

## ENVIRONMENT PROTECTION

**GREEN PROJECT MANAGEMENT**

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 Environmental Pollution by Solid Waste, and the “Law of the Republic of China on Environmental Impact Assessment”, actively responds to the sustainable development trends, such as green transportation and intelligent operation, and effectively controls the discharge, waste and noise pollution in the engineering projects. In 2020, the Company was not subject to any incidents of punishment and legal proceedings with respect to environmental issues.

Yuexiu Transport attaches great importance to the control of environmental impacts from engineering projects, and strictly identifies, monitors and handles environmental pollution of engineering projects in accordance with the applicable laws and regulations. We collect the generated engineering waste for special treatment, set sound barriers in key areas to block the noises, and develop corresponding measures for handling various environmental risks, thereby ensuring that our waste and noise treatment meets the requirements of national and regional environmental standards.

**EMISSIONS AND WASTES DATA**

Indicator Category	Unit	2020
<b>Greenhouse Gas Emission</b>		
Greenhouse gas emissions (Scope 1)	Ton of CO <sub>2</sub> equivalence	1,150
Greenhouse gas emissions (Scope 2)	Ton of CO <sub>2</sub> equivalence	12,702
Greenhouse gas emission density	Ton of CO <sub>2</sub> equivalence/km <sup>1</sup>	25.96
<b>Non-hazardous Waste Generated</b>		
Bituminous concrete	Ton	73,478

<sup>1</sup> Per kilometer of the total attributable toll length of expressways and bridges

## ENVIRONMENT PROTECTION

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 environment-friendly processes and materials under the precondition of guaranteeing road quality, promoted the recycling of materials, reduced the generation of exhaust pollutants and reduced the impact on the environment.



### RESEARCH AND APPLICATION OF NOVACHIP TECHNOLOGY



Henan Weixu Expressway applied the NovaChip super-thin wear layer surface construction technology, adopted the synchronized formation process of waterproof adhesive layer and hot-mix asphalt mixture to improve the pavement damage rate and reduce the demand for road maintenance, thereby effectively reducing the waste and energy consumption in the pavement maintenance.



● NovaChip super-thin wear layer surface construction technology applied to reduce the pavement damage rate



## ENVIRONMENT PROTECTION

**GREEN OPERATION 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 continues to improve its energy and resource management, promote energy saving and emission reduction, reduce the waste of water resource and office supplies and the impact of its operation to the environment.

**Promoting energy saving and emission reduction**

Yuexiu Transport actively implements the concept of energy saving and emission reduction to reduce the emission of greenhouse gases in its operations. We observe the requirements of energy saving and environment protection in our daily work and operation and promote various measures to reduce the energy consumption of daily work and road operation. In 2020, 92% of the Company’s greenhouse gas emission was indirect emission from the purchase of power. Our direct emission was mainly generated by our vehicles, boilers, etc. in the consumption of gasoline, diesel and natural gas.



We improve the roads for energy saving, replace lights with LED lights and install intelligent control systems to reduce the unnecessary energy consumption of the lighting system.



We promote the energy saving and emission reduction of workplaces, adopt variable frequency air-conditioners and accelerate the reconstruction of boilers and heating pipes and save power consumption in our work.



We gradually discard the old official vehicles, plan to introduce new energy official vehicles and reduce the energy consumption in the operation of official vehicles.

## ENVIRONMENT PROTECTION



### Reducing the waste of water resources

In the daily operations, Yuexiu Transport attaches importance to the saving of water resources. The greening contractor of the Company mainly uses rain water and pool water that is stored in daily time for the greening and maintenance of roads and has never purchased water for greening irrigation. Besides, we scientifically and properly set the irrigation frequency and amount for different seasons and save the water consumption for greening maintenance. All the water resources used by the Company in its operations come from municipal network and no issue in water supply was identified.

### Paperless operation

Yuexiu Transport adopts various measures to reduce the resource waste in the operation of roads and daily work. In the aspects of road operation, we continuously promote paperless toll stations of expressways and bridges, issue composite cards which could be used repeatedly for the drivers, adopt RFID (Radio Frequency Identification) system to automatically work out the toll fees and thus realize paperless toll collection. In our daily work, we continue to promote the function of "requisition of office supplies" and base on the online OA system to realize online unified management and demand-based procurement of office supplies and saving of office paper. Meanwhile, we have set a waste paper recycling site to regularly send the waste paper to Guangzhou Paper Group Ltd. for recycling.

### Reducing the environmental pollution of waste

Yuexiu Transport is committed to reducing the environmental pollution of road maintenance materials and office waste in its operations. We use environment-friendly snow-melting agent to reduce its environmental impact. Besides, the hazardous waste like modulator tubes and printer cartridges generated in the daily work is disposed by a qualified third party, so as to reduce the environmental pollution.

Modulator tube

**2,004**  
Piece

Printer cartridge

**1,223**  
Piece

A4 office paper

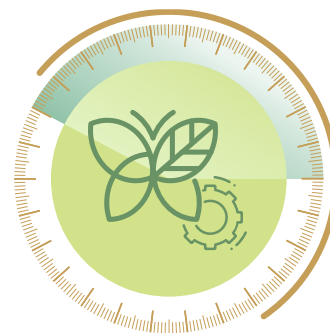
**8,644**  
Kilogram

## ENVIRONMENT PROTECTION

**GREEN ECOLOGY MANAGEMENT**

Yuexiu Transport attaches importance to the protection of ecological system. The Company strictly complies 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” and the environmental impact evaluation systems such as the “Regulations on Administration of Environmental Protection in Construction Projects” and the “Regulations on Environmental Impact Assessment of Road Construction Projects”. We confirm the work requirements of environment protection and related evaluation indicators in our internal policies such as the “Measures for Administration of Business Plans”, the “Measures for Management and Electrical Engineering”, the “Measures for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery)”, and strictly implement them in our business links such as infrastructure investment, operation and construction.

Yuexiu Transport has taken various measures to ensure that all projects under operation have passed the environmental impact assessment and obtained a land use certificate in line with the local legal requirements. We conduct due diligence investigation on the potential investment targets to ensure that the projects have passed the environmental impact assessment and specified issues such as the acquisition of a land use certificate in the purchase agreements. As of the end of 2020, all projects of Yuexiu Transport had obtained the local land use permit, which ensures that the local ecological and cultural impacts of the Company’s business were fully assessed and effectively controlled. Meanwhile, the Company also investigated, forecasted and evaluated the possible ecological impacts of the projects and proposed measures and plans for preventing and controlling ecological damages. At the same time, the Company actively introduced new technologies to reduce the environmental impact of road construction, conducted an intelligent road research on the expansion and reconstruction project of GNSR Expressway and reduced the land occupancy of the project based on intelligent technology.





## ENVIRONMENT PROTECTION

### Policy Statement of Ecological and Environmental Protection of Yuexiu Transport

Yuexiu Transport is committed to reducing the adverse environmental impact on its operation sites, and actively adopts effective measures to reduce the environmental risks related to ecosystem and biodiversity in the construction and operation of the projects.

#### Yuexiu Transport promises within the scope of all operations that:

- Do not develop and operate any project in highly protected areas, such as world heritage sites and natural reserves.
- All projects pass environmental impact assessments and obtain land use permits, e.g. land use certificates.
- Reduce environmental impacts on the construction of its projects, actively adopt necessary measures to ease the environmental disturbance of the projects, including but not limited to:
  - ▶ Designate ecological no-disturbance areas according to results of environmental impact assessment if it is required by ecological and environmental protection departments.
  - ▶ Develop site-specific plans according to local conditions to restore or rehabilitate disturbed areas with various approaches, such as reintroduction of diverse local flora and fauna.
  - ▶ Design special environmental protection infrastructure (e.g. ecological access in forms of raised or underground pipelines; or cross over bridges) in the project design plan when necessary, in order to minimize disturbance ecosystem.
  - ▶ Monitor and address changes in local eco-systems along expressways constantly, e.g. handling problems such as invasive species, insect pests, drop in species population and plant diseases, etc., withering in time.
- Fully identify potential environmental impacts before a project is approved and developed, and employ necessary measures during formulation of related policies or the project design to protect the environmental rights and interests of the surrounding communities, including but not limited to:
  - ▶ Conduct community research and impact assessment extensively, by interviews and questionnaire survey with local residents, inviting industrial experts to study and assess the impacts of projects, in order to fully understand the potential adverse impacts on the surrounding ecological environment, as well as the interest appeal and opinions of local community on environment protection.
  - ▶ When formulating policies and action plans regarding to environment protection issues such as biodiversity protection, invite stakeholders, including local community residents and industrial experts to participate, and proactively follow the leading environment protection standards such as the UN Convention on Biological Diversity and relevant guides by World Wide Fund for Nature (WWF).
  - ▶ Establish formal grievance channels such as hotlines and email for local communities engagement of environment issues, and set up working groups with local representatives and external parties to fully consult opinions on issues of biodiversity and the protection of community's rights and interests and jointly verify the protection of biodiversity.

## ENVIRONMENT PROTECTION

**Maintaining the ecosystem health around the roads**

Yuexiu Transport attaches importance to daily greening maintenance. We perform highway greening inspection tours in strict compliance with the related requirements on highway greening and environmental protection in the "Technical Regulations on Highway Maintenance", and implement comprehensive prevention and control policy which combines biochemical solutions and forest management measures, so as to maintain the ecosystem health of greening areas. In addition, all project companies of Yuexiu Transport have signed an agreement with third-party professional vendors to conduct daily maintenance on the plants, regularly trim the vegetation along the roads, overpasses and toll station areas, so as to ensure that the growth of vegetation meets the greening standard.



The Company also tries to reduce the environmental impacts of its operations to the surrounding communities, and protects the biodiversity along the roads. By setting sound barriers, drainage facilities, guardrails and isolation network, etc., we strictly control the adverse factors such as noises and potential chemical leakage to guarantee the living environment quality of surrounding residents along the route and reduce the impacts of road operations to surrounding residents and biodiversity.

**SEWAGE PURIFICATION SYSTEM**

In order to reduce the impact of sewage discharge along the expressway on the surrounding water bodies, a sewage purification system was designed along the Han'e Expressway. The sewage is purified and discharged with facilities such as drainage hole, settling basin and net flow system, which has effectively prevented the impact of hazardous chemicals leakage and minimized the disturbance of the sewage generated in the road operation to the environment nearby.







# ROAD SAFETY AND QUALITY SERVICES



## ROAD SAFETY AND QUALITY SERVICES

### OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2020



#### Related ESG Issues

- Operational safety
- Smooth traffic flow
- Service quality and complaint handling



#### Strategy

Ensure the safety of roads operation, improve the operational capacity and service quality, and enhance the ability in response to accidents



#### Action

- Continue to carry out technical research on road maintenance
- Carry out safety culture publicity activities
- Improve safety management system
- Set up green lane inspection point



#### Outcome

- A total of 798 safety inspections were conducted
- 1,093 hidden hazards were identified and addressed
- The annual traffic accident rate dropped 11.7% year-on-year
- No major traffic accidents for three consecutive years



#### Improvement

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



## ROAD SAFETY AND QUALITY SERVICES

### ENSURING TRAFFIC SAFETY

In strict compliance 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 works actively with local governments, industry authorities and peers to promote the development of regional economy and transportation.

### Improving Road Quality

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

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



## ROAD SAFETY AND QUALITY SERVICES

In 2020, Yuexiu Transport continues to carry out research on road surface construction technology, and selects appropriate sections of roads for practical research of new technology for highway maintenance and expansion and reconstruction engineering. The application of new technology can effectively improve the level of our highway construction and maintenance, effectively guarantee the pavement quality of highways under the Company's administration and provide drivers and passengers with a safe and comfortable road use experience.

### YUEXIU TRANSPORT CONDUCTED A RESEARCH PROGRAM OF "KEY TECHNOLOGY FOR INTERCHANGE EXPANSION AND RECONSTRUCTION OF EXPRESSWAYS AT A NARROW WORKING AREA UNDER HEAVY TRAFFIC FLOW"



Based on the ramp renovation project of Longtoupu and Huanghua interchanges of Changzhu Expressway, Yuexiu Transport carried out an application research on the key technology for interchange expansion and reconstruction of expressways at a narrow working area under heavy traffic. The technology mixes soil and cement with environmental-friendly curing agent, which changes the soil properties through a series of physical and chemical reactions, makes the solidified soil compressed and stable under the force of compression in order to form overall block structures which significantly increase the hardness of soil. The successful application of the project has an important referential value for the highway expansion under the conditions of heavy traffic and a narrow working area, which has positive contribution to ensure construction level of highway expansion as well as the quality of the completed highway..



Conducted a research program on technology for interchange expansion and reconstruction to improve the quality of road construction



## ROAD SAFETY AND QUALITY SERVICES

### Strengthening Safety Management

Ensuring road safety is the top priority of our operation management. Yuexiu Transport deepened the unified, effective and regular safety management system, established and improved its safety management monitoring system in accordance with applicable laws and regulations such as the “Work Safety Law of the People’s Republic of China”, with an aim to preventing and reducing production safety accidents and ensuring the safety of the employees and the Company’s assets.

Yuexiu Transport deeply implements the construction of safety management system, systematically sorts and updates the laws and regulations on safety production, formulates safety management policies including the “Measures for Work Safety Management” and the “Measures for Investment on Safety”, continuously perfects the list of safety responsibilities of different positions, and continues to promote the fulfillment of the responsibilities of production safety. During 2020, Yuexiu Transport revised 85 policies on production safety systems and operation regulations, formulated the “Guidelines for Establishment of Combined Prevention Mechanisms of Safety Risk Classified Control with Potential Hazard Identification and Addressing” and carried out the safety risks management by different levels and categories.

Yuexiu Transport also attaches equal importance to the health and safety management of the contractors and treats the health and safety of their employees in the same manner. In terms of policy level, We formulate the “Guidelines for Safety Management of Stakeholders” to confirm the safety management responsibilities of different parties such as contractors, maintenance units and lessees of service areas, and to further ensure the employee safety of contractors. In terms of management level, we include the health & safety performance of all stakeholders into our regular safety report, and regularly report and audit the health & safety performance of our suppliers (including the number of occupational injuries), which remains consistent with the ideas that are equal to our management ideas on Health & Safety standards and reporting for permanent employees.

Yuexiu Transport actively promotes the certification on Occupational Health and Safety Management System standard. 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 its subsidiaries to conduct third-party assessment for Health & Safety system compliance certification, obtain the “Certificate of Level of Construction Standardization for Work Safety Transportation Enterprises” authorized and recognized by the Ministry of Transport of the People’s Republic of China, and take a regular review from external rating agencies. In 2021, Yuexiu Transport plans to obtain Occupational Health and Safety Management System standard certificates in all subsidiaries.

Yuexiu Transport established a safety monitoring system covering the headquarter and each subsidiary and set up the Work Safety Committee (hereinafter referred to as the “Safety Committee”) in accordance with the laws. As the leading body for work safety, it’s responsible for reporting to the board of directors on safety management work. The subsidiaries also established corresponding work safety committees accordingly to perform work safety duties.

## ROAD SAFETY AND QUALITY SERVICES

### Safety management Level, Organizational structure and duties



## ROAD SAFETY AND QUALITY SERVICES

The first responsible person on behalf of the Company to sign a letter of responsibility for work safety with the first responsible person in charge of work safety of each subsidiary and each of the Company's functional departments annually 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 fixed based on annual work safety performance.

#### The Company's main annual targets of work safety management

- To ensure that no accidents occur in the workplace;
- To ensure zero fatal accidents at work;
- To avoid accidents that cost more than RMB100,000, including fire, explosion and collapse, etc.;
- To ensure zero environmental pollution liability accidents.



Yuexiu Transport regularly carries out summary seminars of work safety production and organizes emergency drills to enhance its level of safety management and control. We formulated guideline for classification and grading of sources of risks and hazards, analyzed and summarized typical accidents, organized emergency drills for various emergencies such as theft and robbery, barrier clearance and rescue, and fire escape to comprehensively improve the ability to prevent accidents and manage emergencies.



### YUEXIU (HUBEI) DAGUANGNAN EXPRESSWAY CONDUCTED A SAFETY EMERGENCY DRILL FOR HAZARDOUS CHEMICAL TRANSPORTATION ACCIDENTS AT THE TUNNEL



On December 22, 2020, Yuexiu (Hubei) Daguangnan Expressway G45 held an emergency drill of hazardous chemical transportation accidents at Hubei and Jiangxi tunnels, in which personnel dispatched by 14 organizations such as Yuexiu (Hubei) Company, the Emergency Administration Bureau, Ecosystem Bureau, Fire Brigade, People's Hospital, road administration departments like Xialu Brigade of Expressway Traffic Police Detachment of Tongshan County and the Daguangnan project department of CRBC have participated. The drill simulated leakage of liquid chlorine in a hazardous chemical transportation accident and the related injuries. The Company carried out accident information distribution and flow, the multi-parties response and action in the emergency, emergency command, site disposal of hazardous chemicals, traffic control, medical rescue, environment monitoring and emergency lifting. In the process of the drill, each participating organizations made quick response with clear duties, worked together to handle the emergency effectively, which had won unanimous recognition from related leaders and experts. The emergency drill provided precious experience for the Company's future improvement of emergency response and handling.

## ROAD SAFETY AND QUALITY SERVICES



## “WORK SAFETY MONTH” SERIES ACTIVITIES

In 2020, Yuexiu Transport actively organized the “Work Safety Month” activities under the theme of “Clearing Hidden Hazards, Solidifying the Safety Defence Lines”. The Company organized and guided each subsidiary to actively carry out work safety promotion and education activities, worked to identify and address hidden hazards and carried out the “Work Safety Month” activities in the daily work. The Company’s headquarters organized safety training and typical accidents warning education among all the staff, guided each subsidiary to carry out colorful publicity and education activities based on their actual situation. Changzhu Company organized themed signing activity of Work Safety Month and produced Tik Tok videos of work safety while Jinfu Company compiled a “Handbook of Knowledge for the Staff”. By organizing colorful publicity and education activities online and offline and carrying forward the safety philosophy of “Eight Honors and Eight Shames”, we implemented our idea of safe development, created a strong atmosphere for work safety and made positive achievements.

### Safety Culture Promotion and Training

Yuexiu Transport attaches great importance to safety education and training, and establishes a all-around safety training system. We utilize online platforms to provide the employees with training on work safety for the responsible party, fire safety knowledge and emergency measures. In addition, we establish a “One person, One file” recording mechanism for the safety training of all the employees in order to follow up and adjust the safety training based on related feedback in a timely manner. In 2020, all employees of Yuexiu Transport received safety training for a total of 13,826 person times, an increase of 47.8% year on year than 2019.

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. As a result, the Company’s safety culture atmosphere became increasingly robust and employee’s safety awareness was enhanced significantly.

2020  
Safety  
training

13,826  
person times

Year  
on year  
increased  
by

47.8%



## ROAD SAFETY AND QUALITY SERVICES

### Optimizing Safety Assessment Rules

Yuexiu Transport optimizes the contents and standards of the work safety responsibility system, including indicator assessment and management assessment, revises and details the scoring rules and contents of some on-site assessment items, and explores positive incentive measures. In addition, the Company's Work Safety Committee carries safety audit every year. The safety audit covers all subsidiaries and issues an annual evaluation report each year to disclose the score deduction and provide improvement suggestions of safety work, which guides the continuous improvement of safety management.

Yuexiu Transport actively introduces external safety supervision forces, and invites third-party safety assessment agencies to carry out Health & Safety risk assessment on all operation at least every three years, which produces analytical evaluation reports on internal risk and hazard source control assessment. The reports serve as the focus and important basis of the Company's future safety work plan (including Health & Safety targets) and annual schedule, to help us prevent and reduce production safety accidents, and protect the safety of employees and properties.



During 2020, Yuexiu Transport directly and indirectly invested RMB 21.89 million in traffic safety. The highway condition indicators and road traffic environment continued to improve, and safety management performance rating climbed steadily, without any liability accidents such as work safety accidents, fires, explosions and collapses. In 2020, the traffic accident rate dropped steadily. Compared with 2019, the number of traffic accidents dropped by 551, and the traffic accident rate dropped by 11.7%. Compared with 2018, the number of traffic accidents dropped by 1,564, and the traffic accident rate dropped by 27.4%. There have been no major traffic accidents for 3 consecutive years. The level of safety protection keeps improving.

### Fulfilling the Safety Responsibility of Contractors

Yuexiu Transport also attaches importance to the safety management of engineering and service contractors. The Company formulated "Measures for Work Safety Management of Yuexiu Transport Infrastructure Limited", in which the safety management standards are also applicable to contractors. In addition, Yuexiu Transport formulated "Guidelines for Safety Management of Contractors", we established clear-cut standards for such issues as work safety duties of contractors and supervisory responsibilities of centralized management department. These policies mainly include asking the contractors to submit valid work safety license and related qualifications, confirming the specific measures of safety management for centralized management department and specifying the requirements for contractors such as investment on safety measures, safety education and training, emergency handling, safety inspection and supervision in the "Safety Agreement" signed by both parties. Based on the "Safety Agreement" as well as other internal guidance, the company continuously supervises the safety management level of the contractor, and regularly reports to the working safety committee, which will report to the Board. During monthly and major public holidays, the subsidiaries carry out audit on contractors to confirm whether they have followed the policies and assessment indicators, so as to effectively urge the contractors to fulfill their responsibility on work safety.

## ROAD SAFETY AND QUALITY SERVICES

## ENSURING 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 are assigned to various departments and are 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 accidents during the operation.

"Three-level"  
safety training  
for new  
employees

222  
person-times

Safety  
training  
covering  
all staff

13,826  
person-times

Under the guidance of "Measures for the Management of Safety Education and Training", Yuexiu Transport actively organizes various safety drills, education and training, knowledge contests and other activities to promote safety culture, strengthen employees' awareness of work safety, consolidate the safety management foundation and build 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.



Case

## SAFETY EDUCATION AND TRAINING



On June 24, 2020, in accordance with the employee safety training plan formulated at the beginning of the year, Yuexiu Transport organized an annual safety education training among 95 leaders and employees of the headquarter at the conference room on the 17th floor of International Finance Center. Safety training experts and lecturers of Guangdong Work Safety Association were invited to give a lecture on such contents as occupational safety in the office, fire safety knowledge, electrical appliance safety, traffic safety, epidemic prevention and control, etc.

## ROAD SAFETY AND QUALITY SERVICES

### PROVIDING 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 jams to ensure the safety of passengers and vehicles.

#### 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 maintain service quality.

For each complaint, we keep a detailed record of customer complaints and resolve their complaints in accordance with the applicable rules and regulations together with relevant departments of Yuexiu Transport. We also actively seek to communicate with our customers, endeavor to reach agreement with customers and continue to improve our service quality. When necessary, we communicate with local government authorities and third-party service providers in a timely manner to ensure that we handle the customers' claims properly.

#### Protection of Customer Privacy

Yuexiu Transport implements the requirements of national strategic planning, integrates 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 implement 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 complies with laws and regulations such as the "Cyber Security Law of the People's Republic of China", etc., and formulates internal policies such as the "Measures 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 work in various aspects.

Yuexiu Transport pays much attention to protect the identity and personal information of drivers and passengers. The Company guarantees that the data collected is only used for internal operations and strictly protects the privacy of customers. In order to strengthen the confidentiality, integrity and usage of information assets, Yuexiu Transport strictly implements internal policies of "Measures for the Management of Access Control" and "Measures for the Management of Accounts". During 2020, 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 the management and supervision of video data.

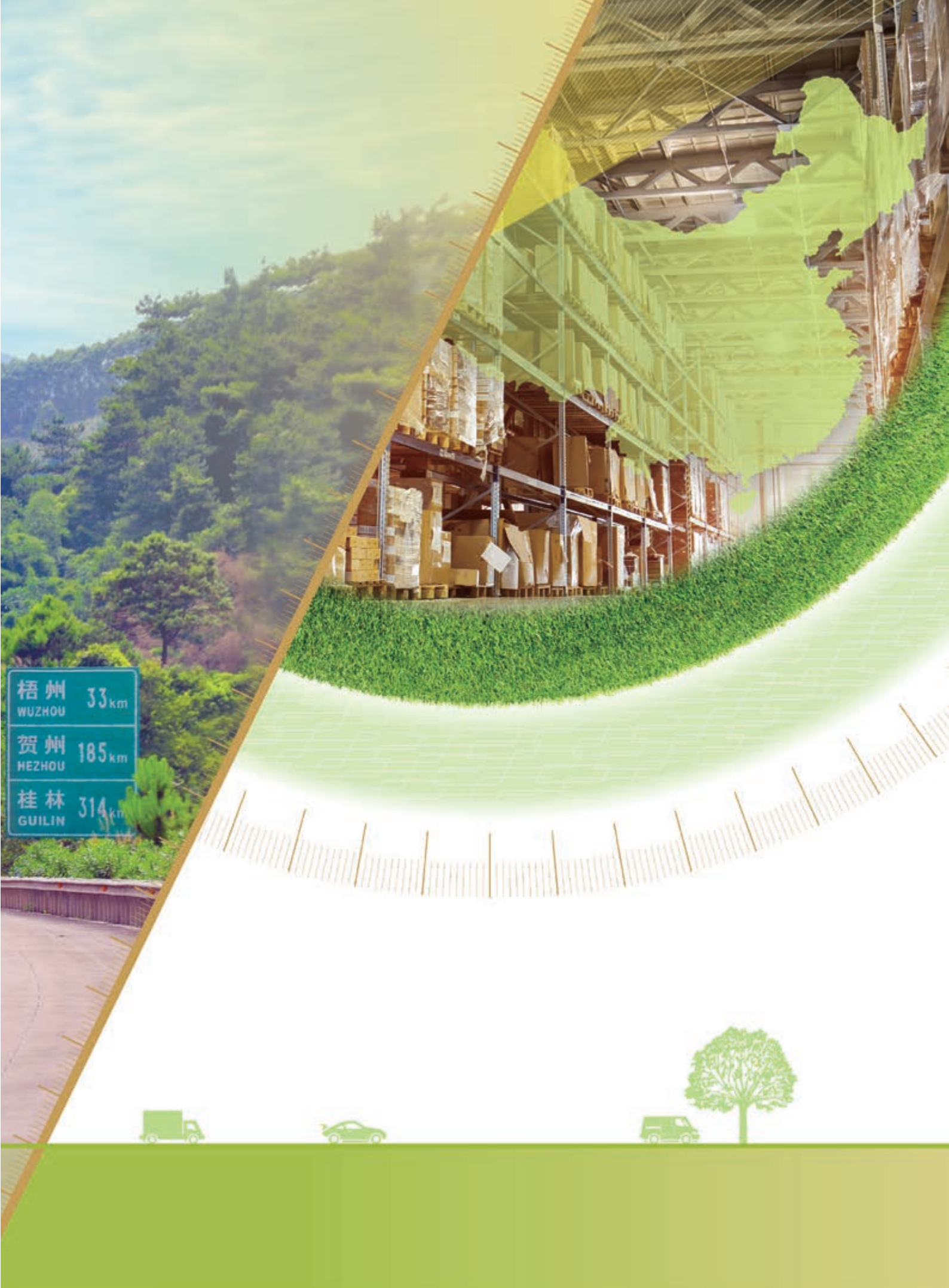
As the Company's business basically does not involve any infringement of intellectual property rights, the Company currently does not have policies regarding the protection of intellectual property rights. However, we require all personnel of the Company to comply with applicable laws and regulations and forbid them from infringing upon the intellectual property rights of any organization and individual.



# SUPPLY CHAIN MANAGEMENT

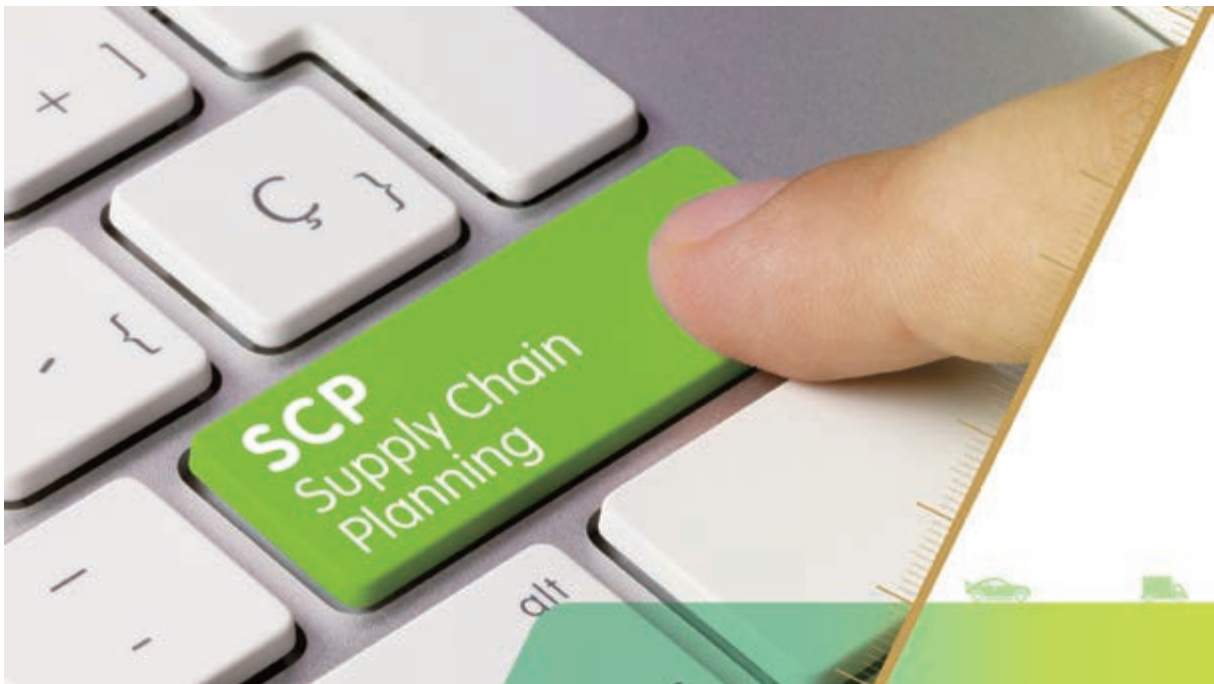
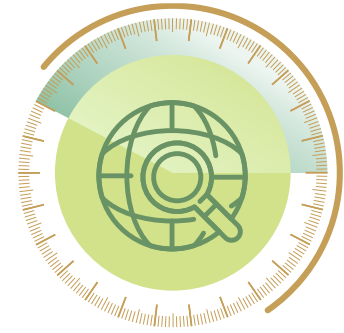






## SUPPLY CHAIN MANAGEMENT

Yuexiu Transport respects its partners and drives for orderly operation of the supply chain management system. We continue to improve the relevant procurement management processes and formulate the “Measures for the Management of Tenders and Procurement of Yuexiu Transport Infrastructure Limited” and the “Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited”, etc., in accordance with applicable laws and regulations such as the “Tendering and Bidding Law of the People’s Republic of China”, 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 services and products for the Company’s projects and engineering works, achieving full-scale supervision and control of the supply chain, and reducing 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, in order to realize the growth jointly.



## SUPPLY CHAIN MANAGEMENT

## OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2020

**Related ESG Issues**

- Anti-corruption
- Supply chain management

**Strategy**

We aim to standardize supplier management, improve the supply chain system and develop a sustainable supply chain

**Action**

We continue to update and manage the supplier information database on a timely basis

**Outcome**

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

**Improvement**

We will strengthen communication and management with our suppliers, step up exchanges with peers. We will also consider further enhancement and update of our supplier management policies and evaluation standards



## SUPPLY CHAIN MANAGEMENT

### PERFORMING RESPONSIBLE PROCUREMENT

In order to ensure the effective operation of supply chain management, Yuexiu Transport has established a dynamic supply chain management system which strictly monitors suppliers' storage standards, conducts systematic management and performance evaluation, and maintains dynamic management of the supplier information database. Meanwhile, we enter into anti-corruption agreement with engineering suppliers to strictly guard against supply chain corruption.

We  
totally  
have

**1,867**  
suppliers



#### Stringent Selection

- We treat 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 supplier's qualification, past performance 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

- Our audit department comprehensively develops the tender and procurement platforms and reviews the list of suppliers each year.
- Our engineering technology department evaluates the suppliers once a year, inspects management, products, service quality, safety management, etc., and conducts spot check in the acceptance inspection.
- Our evaluation criteria includes supply capacity, product price, service quality, efficiency of cargo transportation, after-sales service and performance of procurement contracts.



## SUPPLY CHAIN MANAGEMENT



### Dynamic Management

- We keep the evaluation results of supplier in the supplier library, as to optimize the procurement process and supplier management process.
- Suppliers that do not meet the Company's requirements are removed from the supplier library after review by relevant department heads and approval by the management.



### Anti-corruption

- We sign anti-corruption agreements with suppliers to enhance supervision and avoid corruption risks in tender and procurement process.



### Promoting Harmony and Win-win Cooperation

- Yuexiu Transport is committed to building a "Community of Responsibility" and we have not only integrated corporate social responsibility concept into all phases of the supply chain, but also guided suppliers to fulfill their social responsibilities, in consideration of environmental and social impacts and delivered safe, reliable and high-quality products to customers.



### Implementing Local Procurement

- Yuexiu Transport actively implements local procurement to promote local economic development and reduce the environmental impact resulting from transportation. In 2020, Yuexiu Transport had 1,867 suppliers in total with a local procurement ratio of 68%.



<sup>1</sup> Yuexiu Transport actively promotes local procurement and has established the data collection mechanism of local procurement performance covering subsidiaries. The local procurement ratio = the number of suppliers of the registered location in the province/city same as the subsidiary location/number of all suppliers





The image is a complex graphic composition. The central focus is an aerial view of a multi-lane highway with various vehicles, including trucks and buses, set against a backdrop of green hills and a clear sky. This central image is framed by several abstract, geometric shapes. On the left, a large, semi-transparent puzzle piece is visible, with a close-up of a person's face partially obscured by it. The top-left corner features a series of thin, parallel lines radiating from a point. The bottom-left corner is filled with a dense, repeating pattern of white lines on a yellow background, resembling a circuit board or a maze. The overall color palette is dominated by greens, yellows, and blues, with white text and lines providing contrast.

# EMPLOYMENT :

## EMPLOYMENT

### OVERVIEW OF RELATED ISSUES AND PRACTICES IN 2020



#### Related ESG Issues

- Remuneration and welfare
- Training and career development
- Labor standards



#### Strategy

We continue 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 broad career development platform that allows employees to develop their career.



#### Action and Outcome

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



#### Improvement

We will continue to focus on the policies and trends in the sector and review employees’ capability and promotion structure, in order to keep our talent team competitive and promote both employees’ career development and the long-term strategies of the Company.



## EMPLOYMENT

**DIVERSIFIED STAFF TEAM**

Yuexiu Transport respects and vows to protect the legal rights and interests of employees, 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 “Yuexiu Transport Infrastructure Limited Recruitment Policy”, “Measures for Administration of Labor Contracts of Yuexiu Transport Infrastructure Limited”. We implement the Company’s “people-oriented” business philosophy and the recruitment principles of “fair and open recruitment, multiple examinations and match between talent and positions”, and actively absorb various talents from universities and all quarters of society to standardize the enterprise talent recruitment process, in order to build a high-caliber, high potential, dynamic and diverse employee team and accomplish the talent strategic goals of the Company’s development. As of December 31, 2020, the Company had 2,009 employees with a local hiring ratio over 90%<sup>1</sup>.

Total  
number of  
employees

2,009

Local employees  
accounted

Over  
90<sup>1</sup>%

**COMPREHENSIVE PROTECTION OF RIGHTS AND INTERESTS**

Yuexiu Transport is committed to creating and implementing a corporate culture of “transparency, enthusiasm, simplicity and inclusiveness” and strictly complies with 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”. The Company insists on equal pay for equal work and eliminates discrimination arising from gender, appearance, age, marriage and fertility status, etc. with respect to recruitment, on-board, training, promotion and reward. In compliance with the “Regulations on the Prohibition on Child Labor”, we strictly prohibit unethical labor practices such as child labor and forced labor. At the same time, by formulating the “Measures for Supplementary Medical Fund of Yuexiu Transport Infrastructure Limited”, we further protect the health and safety of employees. Under strict policies compliance, the Company has never 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.

<sup>1</sup> Local hiring refers to hiring local staff from the same province/municipality as the operation location in Mainland China.

## EMPLOYMENT

### Guarantee of Salary and Welfare

Yuexiu Transport has 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-orientation, reasonableness and fairness, salary determined by position, performance linked, and focusing on key departments and talents. The Company also makes overall adjustment of salary according to national policies, price levels and competitions in the sector, and individual adjustment based on the rank changes and different performance of employees. In addition, we have appropriately increased the median of 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 voice through labor union, employee forums and employee congress, and reviews their views and reflections on a regular basis to further improve our management and promote the long-term and effective development of the Company.

### Employee Support

During the year, Yuexiu Transport carried out investigations on employees in difficulties, revised the “Regulations on the Staff Mutual Aid Fund of Yuexiu Transport Infrastructure Limited” and relevant management measures, established a management database for the employees who need help, refined the support requirements and standards, and encouraged the project companies to establish a mutual support mechanism in order to meet the needs of the employees facing difficulties.

## 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 trainings, creating a strong atmosphere of growth for the Company and its employees so that employees are best fitted for their positions and can fully unleash their talent.

### Employee Training

Yuexiu Transport always cares about the professional growth of employees. We have 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 have 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 and strengthened by enlightenment”.

During 2020, in the face of the changes in the job demands brought about by the cancellation of toll stations on the province borders of expressways and the wider use of ETC, Yuexiu Transport provided skill training such as computer and electrician training to toll collectors pursuant to their preference, in order to promote the coordinated development of their professional skills and the Company’s business.

## EMPLOYMENT

### Performance Management

Yuexiu Transport has established a standardized and effective performance management mechanism to motivate its employees. We have formulated and implemented the “Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited”. We have implemented the five principles of “business orientation, full staff coverage, openness and impartiality, coaching for improvement, incentive”, and carried out performance assessment on employees based on such dimensions as financial results, customer service, internal processes, learning and career growth. We have also developed procedures for feedback and publication of performance evaluation results, coupled with related grievance mechanisms to enhance communication and mutual trust between employees and the Company, effectively linked the personal orientation of employees with the Company’s business goals, in order to promote 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 transparent and efficient talent promotion mechanism with 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 have carried out promotion review to ensure the fairness and transparency of employee promotion. We value and promote outstanding talents who are equipped with solid knowledge and strong ethical qualities, with excellent performance and capabilities, as well as extensive experiences, thus realizing the “win-win” goal of facilitating staff development and growth of the Company.

Each department of the headquarters has experimented IDP (Individual Development Program) with an aim to reserve key talents including professional managers and common employees. Following a hierarchical mentoring system, we ensure that employees can participate in the training and pursue their personal development.

During 2020, Yuexiu Transport continued to promote the dual-channel career development system for employees of subsidiaries, with two promotion paths, i.e. the management path and professional path, and broaden the career growth paths for the employees of subsidiaries to strengthen the Company’s ability to attract and retain key talents and to enrich the Company’s talent pool.



# COMMUNITY BUILDING







## COMMUNITY BUILDING

With its mission in mind, Yuexiu Transport continues 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 2020



#### Related ESG Issues

- Community relations
- Land use



#### Strategy

We actively utilize business expertise to fulfill corporate social responsibility, implement targeted poverty alleviation and maintain harmony among residents in the operating areas



#### Action

- Assisted Xianshui Village in establishing a long-term mechanism for poverty alleviation and developing local industries with competitive edge
- Actively cooperated with government to combat the Covid-19 epidemic



#### Outcome

- Invested a total of RMB 7.716 million for poverty alleviation
- Completed annual poverty alleviation targets
- All 67 poor households in Xianshui Village have been lifted out of poverty
- The annual disposable income per capita of Xianshui Village reached RMB 27,755



#### Improvement

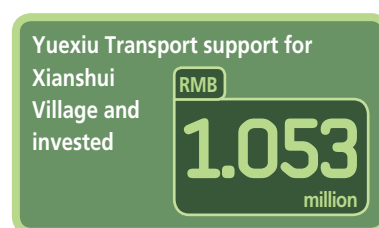
We will continue to assist Xianshui Village to improve the long-term mechanism of poverty alleviation and growth of local competitive industries in accordance with the poverty alleviation plan, consolidate the achievements of poverty alleviation and actively maintain communication with the villagers.

## COMMUNITY BUILDING

## POVERTY ALLEVIATION

We respond to the major deployment of the nation and the CPC Guangzhou Municipal Committee and Guangzhou Municipal People's Government to "resolutely win the battle against poverty" and "realize rural revitalization". We constantly improve the poverty alleviation quality by insisting on targeted and long-term poverty alleviation, actively exploring the long-term support model of "Industry + Finance + Consumption" and implementing poverty alleviation through education.

In 2020, we continued to deepen our assistance and support for Xianshui Village and invested RMB 1.053 million on poverty alleviation efforts and achieved all annual targets with a high quality. Under the joint efforts of Yuexiu Transport and local villagers, the 67 poverty-stricken households in the village were all lifted out of poverty, with an income ranked top among the province-designated poverty-stricken villages of Yingde City.



### Poverty Alleviation through Consumer Products

Based on the resources of Xianshui Village, Yuexiu Transport supported the development of high-quality organic rice, peanuts and special local fruits and vegetables, promoted the entire industrial chain of "organic intensive planting, processing and packaging, agricultural product sales" in the Xianshui village and established an agricultural product system for poverty alleviation through consumption. At the same time, we kept promoting the market-based transformation of industries for poverty alleviation and increased the scale and strength of the village's collective economy in order to help provide supporting funds for the village to set up a mechanism against returning to poverty, thus solidifying the foundation for comprehensively promoting the strategy of rural revitalization.

- To vigorously promote the poverty alleviation through consumption in the Xianshui village, use the Yueshun Agricultural Cooperative of Yingde City as a platform for poverty alleviation via consumption, plan and organize local high-quality agricultural products and special agricultural by-products for poverty alleviation and establish a stable supply relationship with organizations like Yuexiu Group.
- To expand the sales channels of poverty alleviation products online and offline, and build electronic commerce platforms for local special agricultural products.

At present, through the joint efforts of the working team in the village and the village committee, the sales of rice, peanut oil and other agricultural products of the cooperative have exceeded RMB 2.5 million.

## COMMUNITY BUILDING

### Exploring the “Industry + Finance” Long-term Poverty Alleviation Mechanism

Yuxiu Transport actively explores the new mechanism for long-term poverty alleviation of “Industry + Finance”, cultivates special and leading industries based on local modern agricultural advantages, and creatively unleashes the advantages of financial sector, building a new path for poverty alleviation.

Following the idea of “One Product for Each Village, One Industry for Each Town” in developing industries to help villages and people alleviate poverty, and based on the plan of Xianshui Village to develop special industries like vegetables, Yuxiu Transport develops the scale and strength of local special and regional advantaged industries and strengthens the industrial support for poverty alleviation, with the idea of “One village driving the others, Multiple villages connecting together”. By 2020, each village have had up to eight projects for long-term and stable poverty alleviation and consolidation of the poverty alleviation achievements, with a minimum bonus and earning of more than RMB 300,000, which had indeed turned local resource advantages into industrial and economic advantages.

- We promote the long-term and stable earning projects such as dried vegetable processing plants and greenhouse vegetable planting bases, established the cooperation model of “Leading enterprises + Poverty-stricken households + Work bases”. These practices guarantee a stable and reliable minimum earning, create jobs for the poverty-stricken population and realize the integration of industrial poverty alleviation and employment poverty alleviation.
- We purchase equipment like agricultural machinery, rented 80 mu of adjacent fields to promote the professionalization and scale of agricultural production.
- The annual earnings of self-funded projects are allocated in a ratio of 3:7, of which 70% is used to increase the income of poverty-stricken households and the other 30% is returned to the village collective unit for a development and construction fund, which can be used to develop the village’s collective economy and improve the living environment, serve as the foundation for comprehensively promoting the rural revitalization strategy in the next stage.

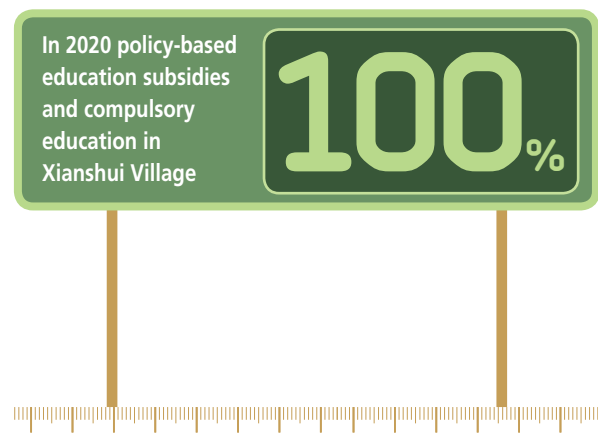


## COMMUNITY BUILDING

At the same time, in accordance with the 13<sup>th</sup> Five-year Plan of the nation and the modern agricultural policies, Yuexiu Transport explored new finance-based poverty alleviation model of "Finance + Agriculture". Depending on the industrial advantages of Yuexiu Group in the field of finance, Yuexiu Transport invested RMB 1.50 million to set up a private fund for agricultural support to establish a finance-based poverty alleviation model with low risks and sustainable operation, providing continuous support for the growth of village collective and the increasing income of poverty-stricken households.

### Implementing Poverty Alleviation through Education

To implement the poverty alleviation through education and avoid the spread of poverty from generation to generation, Yuexiu Transport's Resident Working Team attaches great importance to the support for education in its daily poverty alleviation effort and actively follows up the education and policy-based subsidies of children of poverty-stricken families in schools. To further ensure that the poverty-stricken students can finish their education smoothly, Yuexiu Transport offered education subsidies with its self-raised fund under a high standard to support 21 poverty-stricken students according to the investigation results of the children of poverty-stricken households in schools, with subsidies of RMB 35,000 offered. In 2020, the fulfillment rate of policy-based education subsidies for Xianshui Village reached 100%, and the enrollment rate (of compulsory education) of the children of poverty-stricken households reached 100%.



## COMMUNITY BUILDING

## CHARITY

Yuexiu Transport cares for the disadvantaged groups, assumes 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 volunteer services, etc. to promote social caring.



### ACTIVE AND LOVING BLOOD DONATION DURING THE EPIDEMIC

In the morning of March 25, 2020, the staff of Yuexiu Transport's GNSR Expressway Company responded to the call of Yuexiu Group CPC Committee and Labor Union, actively participated in the blood donation activity during the epidemic. The number of participants accounted for nearly 1/4 of the workforce of the Company, who donated up to 26,600 ml of blood and contributed to easing the blood shortage during the epidemic.



Employees of GNSR Expressway Company actively participated in the blood donation activity

## COMMUNITY BUILDING

### COMMUNITY INCLUSION

Yuexiu Transport is committed to maintaining good communication and rapport with the communities around our operating locations. We try to reduce the 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 and implemented after it has been reviewed by the Company's main departments and external professional consultants, and approved by the Company's Board of Directors and senior leadership. Within one year after the completion of an investment project, we will 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 communicates on the potential impact of expressway operations on the surrounding communities by establishing effective communication channels with local community representatives such as chiefs of villages and school principals.

During the operation of expressways, Yuexiu Transport pays attention to the opinions and demands of residents in the proximity, listens intently to the views of residents, collects their demands and suggestions with methods like forums, hotlines and other methods. We carry out such work as highway noise reduction and jam dredging, etc. according to applicable laws and regulations, professional judgment and residents' demands. We also continue to improve the complaint handling mechanism, solve complaints in a timely and effective manner, in order to maintain a harmonious relationship with our neighbors. Through optimizing the sound insulation facility, the impact of highway noise can be reduced. In 2020, the number of complaints received by GNSR Expressway on noise pollution declined by 50% than 2019.

## COMMUNITY BUILDING

### Policy Statement of Community Relations of Yuexiu Transport

Yuexiu Transport is firmly convinced that good community relations will bring positive impact to the enterprise and society. For this reason, we are committed to building open and accessible local community engagement platforms for all stakeholders in all projects, fully consider the rights and interests of stakeholders in the process of project evaluation, preliminary research, construction and operation of projects, and take all necessary measures to actively build harmonious community relations.

Yuexiu Transport promises within the scope of all operations that:

- Actively protect local residents and land rights of the project location, take the initiative to identify the traditional living customs and land uses of the project location before the project is implemented, and formulate necessary measures to minimize the disturbance of construction project to local communities.
- Establish a precautionary and long-term mechanism for local community engagement and communication. The general affairs department will continuously monitor the project's impact to the community, and provide local community with formal communication channels such as complaint number and email address.
- Carry out community investigation activities such as local community visits, questionnaire survey, and expert interviews, and listen and respond to the appeals of local community.
- Invite stakeholders and external parties including local community representatives, experts and scholars to set up a community council and work together to identify the core interest of local community, participate in the formulation of a protection action plan and local community rights protection policy, and verify the protection of community rights.

## COMBATING THE EPIDEMIC

Production line is also the front-line to fight against the epidemic. In accordance with the Coronavirus-related arrangement plan of Yuexiu Group, Yuexiu Transport established the "Yuexiu Transport Infrastructure Limited Emergency plan for Prevention and Control of Covid-19", issued the "Notification on 17 Warm Measures of Yuexiu Transport for Prevention and Control of the Epidemic and Stabilizing Production", and set up a leading group for the prevention and control of the epidemic. Each subsidiary set up corresponding leading team and emergency office to effectively carry out the normalized prevention and control of the epidemic and ensure the physical and mental health and life safety of all employees. Moreover, normal operations and management of the Company were also maintained.



Changzhu Company disinfects public areas and facilities



Toll station carries out normalized prevention and control of the epidemic



## COMMUNITY BUILDING

Yuexiu Transport actively implemented the guidance and requirements of the Ministry of Transportation for the resumption of work and production, and provided the best quality and safest transport service in midst of epidemic prevention and control. The Company carefully implemented the requirement of “free of charge rather than responsibility”, stuck to their duties to ensure smooth traffic for the usage of the vehicles supporting the epidemic fight and delivering emergency supplies. After the full resumption of work, the Company developed a scheme of “one policy for one station”, established a linked work mechanism, carried out in-depth safety inspections to eliminate hazards, fully inspected and repaired road infrastructure and set up various convenient service points to provide warm services in order to safeguard the resumption of work and production.



Multi-party linked handling of emergencies



Set up convenient service points for drivers and passengers

## LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES

Aspect	Laws and regulations	Internal policies
<b>A1</b> 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	
	Law of the People's Republic of China on Prevention and Control of Water Pollution	
	Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution	Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited
	Law of the People's Republic of China on Evaluation of Environmental Effects	Measures for Administration of Electromechanical Engineering of Yuexiu Transport Infrastructure Limited
<b>A2</b> Use of resources	National Hazardous Waste Inventory	Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident
	Energy Conservation Law of the People's Republic of China	
	Cleaner Production Promotion Law of the People's Republic of China	
<b>A3</b> Environment and natural resources	Water and Soil Conservation Law of the People's Republic of China	

## LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES

Aspect	Laws and regulations	Internal policies
<b>B1</b> Employment	Labor Law of the People's Republic of China	Salary Management Measures of Yuexiu Transport Infrastructure Limited
	Labor Contract Law of the People's Republic of China	Yuexiu Transport Infrastructure Limited Recruitment Policy
	Social Insurance Law of the People's Republic of China	Measures for Administration of Labor Contracts of Yuexiu Transport Infrastructure Limited
	Individual Income Tax Law of the People's Republic of China	
<b>B2</b> Health and safety		Measures for Work Safety Management of Yuexiu Transport Infrastructure Limited
		Measures for Investment on Safety of Yuexiu Transport Infrastructure Limited
	Labor Law of the People's Republic of China	Guidelines for the Establishment of Combined Prevention Mechanisms of Safety Risk Classified Control with Potential Hazard Identification and Addressing
	Labor Contract Law of the People's Republic of China	Guidelines for Safety Management of Contractors of Yuexiu Transport Infrastructure Limited
	Social Insurance Law of the People's Republic of China	Measures for the Management of Work-Related Injuries of Yuexiu Transport Infrastructure Limited
		Measures for Supplementary Medical Fund of Yuexiu Transport Infrastructure Limited

## LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES

Aspect	Laws and regulations	Internal policies
<b>B3</b> Development and training	Labor Law of the People's Republic of China	Measures for the Management of Staff Promotion 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	Measures for the Management of Training of Yuexiu Transport Infrastructure Limited
<b>B4</b> 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	
<b>B5</b> 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	
	Tendering and Bidding Law of the People's Republic of China	Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited
<b>B6</b> Product responsibility	Highway Laws of the People's Republic of China	Regulation on highway Maintenance Engineering Management of Yuexiu Transport Infrastructure Limited
	Law of the People's Republic of China on Road Traffic Safety	
	Work Safety Law of the People's Republic of China	Administrative Measures for Emergency Projects of Yuexiu Transport Infrastructure Limited
	Law of the People's Republic of China on Response to Emergencies	
	Administrative Measures for the Management of Highway Maintenance	Measures of Cyber and Information Security Incidents of Yuexiu Transport Infrastructure Limited
	Measures for Emergency Schemes for Work Safety Accidents	
	Technical Specifications for Highway Maintenance	Yuexiu Transport Infrastructure Limited Emergency Response Plan for Cyber and Information Security
	Cyber Security Law of the People's Republic of China	



## LIST OF MAIN APPLICABLE LAWS AND REGULATIONS AND INTERNAL POLICIES

Aspect	Laws and regulations	Internal policies
<p><b>B7</b> Anti-corruption</p>	<p>ICAC Ordinance of Hong Kong Special Administrative Region</p> <p>Prevention of Bribery Ordinance of Hong Kong Special Administrative Region</p>	<p>Detailed Rules for Implementation of Responsibility System of Development of Party Style and Honest Administration of Yuexiu (China) Transport Infrastructure Investment Company Limited</p> <p>Regulations on Procurement Management of Yuexiu Transport infrastructure Limited</p> <p>Measures for the Implementation of Decision-making System (The 2020 Version) of Yuexiu (China) Transport Infrastructure Investment Company Limited</p> <p>Yuexiu (China) Transport Infrastructure Investment Company Limited Accountability Administration Measures</p> <p>Measures for the Management of Electronic Records of Anti-corruption Archives of Yuexiu (China) Transport Infrastructure Investment Company Limited</p> <p>Measures for the Management of Duty Performing Treatment of Enterprise Principals of Yuexiu Transport Infrastructure Limited</p> <p>Measures for management of the Three Public Expenses(public spending on buy and use cars, overseas trips and official receptions) of Yuexiu Transport Infrastructure Limited</p>
<p><b>B8</b> Community investment</p>	<p>Decision of the Central Committee of the Communist Party of China and the State Council on Winning the Fight against Poverty</p>	

<sup>1</sup> The Civil Code of People's Republic of China takes effect on Jan 1, 2021. The contract Law of the People's Republic of China as designed in this report, was in force during the reporting period.

## DATA TABLE

ESG Indicators	Unit	2020	2019	2018
<b>Environmental indicators<sup>1</sup></b>				
<b>Emissions</b>				
Nitrogen oxides <sup>3</sup>	Ton	1.31	1.75	1.86
Sulfur dioxide <sup>3</sup>	kg	6.05	7.88	6.46
Particulate matter	kg	117	156	171
Total emission of greenhouse gas <sup>2, 6</sup>	Ton of CO <sub>2</sub> equivalence	13,852	8,236	7,802
Greenhouse gas emission density	Ton of CO <sub>2</sub> equivalence/ km	25.96	22.97	20.69
Greenhouse gas emissions (Scope 1) <sup>5</sup>	Ton of CO <sub>2</sub> equivalence	1,150	2,274	2,120
Greenhouse gas emissions (Scope 2) <sup>5</sup>	Ton of CO <sub>2</sub> equivalence	12,702	6,202	5,682
<b>Hazardous wastes</b>				
Waste fluorescent tube	pcs	2,004	1,662	2,153
Printer toner cartridge	pcs	1,223	744	804
<b>Non-hazardous wastes</b>				
Bituminous concrete	Ton	73,478	28,294	29,557
Non-hazardous waste density	Ton/km <sup>8</sup>	137.70	78.94	82.47

## DATA TABLE

ESG Indicators	Unit	2020	2019	2018
<b>Environmental indicators<sup>1</sup></b>				
<b>Energy consumption in total and density</b>				
Total energy consumption	MWh	28,082	15,534	15,328
Energy Consumption intensity	MWh/km	52.63	43.34	42.77
Electrical energy consumption	kWh	23,452,985	10,568,207	10,377,757
Gasoline consumption	Litre	259,268	330,672	308,873
Diesel consumption	Litre	137,690	187,034	119,418
LPG	Ton	62	347	69
Natural gas consumption	m <sup>3</sup>	7,858	3,851	4,640
<b>Use of resources</b>				
Pitch mixture <sup>4</sup>	Ton	85,823	16,770	47,246
Cement concrete (new material) <sup>4</sup>	Ton	35,679	11,076	12,233
Stone materials <sup>4</sup>	Ton	5,247	444	2,281
Snow melting agent	Ton	763	905	759
Curing agent	Ton	0	0	0
Paint	Ton	26	8	201
Steel	Ton	1,234	136	231
<b>Water consumption in total and density</b>				
Total water consumption	m <sup>3</sup>	229,737	193,095	163,979
Water consumption per capita	m <sup>3</sup> /person	114.35	96.69	97.20

## DATA TABLE

ESG Indicators	Unit	2020	2019	2018
<b>Social indicators</b>				
<b>Total workforce</b>				
Total employees	Person	2,009	1,997	1,491
<b>By gender</b>				
Male	Person	1,106	—	812
Female	Person	903	—	679
<b>By age</b>				
29 and below	Person	818	—	605
30 to 49	Person	1,083	—	798
50 and above	Person	108	—	88
<b>By employment type</b>				
Managerial staff	Person	72	—	137
Non-managerial staff	Person	1,937	—	1,354
<b>Employee turnover and turnover rate</b>				
Total turnover rate of employee	%	12.00	11.23	12.10
<b>Health and safety</b>				
Work-related fatalities	Person	0	0	0
Number of work-related injuries	Time	1	5	1
Total days lost due to work-related injuries	Day	83	173	3
<b>Person-times of employees trained<sup>7</sup></b>				
Total person-times of trained employees	Person-time	22,676	9,991	5,138
<b>By gender</b>				
Male	Person-time	11,685	—	3,524
Female	Person-time	10,991	—	2,683
<b>By employment type</b>				
Managerial staff	Person-time	2,217	—	757
Non-managerial staff	Person-time	20,459	—	5,450



## DATA TABLE

ESG Indicators	Unit	2020	2019	2018
<b>Social indicators</b>				
<b>Training hours of employees<sup>7</sup></b>				
Total training hours	Hour	166,839	52,155	39,946
Average training hours	Hour/person	83	34	12
<b>By gender</b>				
Male	Hour/person	79	—	—
Female	Hour/person	89	—	—
<b>By employment type</b>				
Managerial staff	Hour/person	119	—	—
Non-managerial staff	Hour/person	82	—	—
<b>Management of suppliers</b>				
Total number of suppliers	Number of suppliers	1,867	682	615
Within the province	Number of suppliers	1,270	—	—
Out of the province	Number of suppliers	597	—	—
<b>Complaints Statistics</b>				
Total complaints	Time	259 <sup>9</sup>	63	101
Business complaint	Time	147	19	34
Service complaint	Time	62	30	50
Other complaints	Time	50	14	17
<b>Anti-corruption</b>				
Number of corruption cases filed or closed	Cases	0	0	0
<b>Community investment</b>				
Poverty alleviation investment	RMB 10k	105.3	171.6	354

## DATA TABLE

### Remark:

1. The ESG data of 2020 covers the headquarters and subsidiaries of Yuexiu Transport, including Hancai Expressway, Han'e Expressway and Daguangnan Expressway acquired by the Company in November 2019. Due to changes in the scope of statistical data, the data of 2020 has certain increase compared with the data of previous years in such data as carbon emission.
2. The greenhouse gas refers to the emission of CO<sub>2</sub>, which excludes greenhouse gases such as methane and nitrous oxide emitted by other emission sources.
3. Due to the business nature of Yuexiu Transport, the waste gas emission generated from its operations are not distinctive, including nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.
4. Due to the highway maintenance frequency, maintenance cycle and other factors, several subsidiaries of Yuexiu Transport have carried out special maintenance projects. Therefore, the consumption of resources like bituminous mixture, cement concrete and aggregated rocks in 2020 increased to a certain extent than 2019.
5. According to the ISO 14064 greenhouse gas standard, the direct greenhouse gas emissions (scope 1) are directly from the emission sources owned and controlled by the organization, such as emissions from its own vehicles. Indirect greenhouse gas emissions (scope 2) are from the indirect emission sources of energy, like the indirect greenhouse gas emissions caused by the purchased electricity.
6. The emission of CO<sub>2</sub> is calculated by reference to the "Guide (Interim) to Calculation Method and Report of Greenhouse Gas Emissions of Enterprises of Industry and Other Sectors" released by the National Development and Reform Commission. The emission factor of purchased electrical power will adopt the "Baseline Emission Factor of Chinese Regional Power Grid".
7. During the epidemic, each subsidiary of Yuexiu Transport actively launched epidemic prevention and control training. The company of five expressways of Yuexiu Transport Hubei organized various training programs like epidemic control and emergency management since they located at the frontline of epidemic prevention and control. Therefore, the trained person-times and hours of employees in 2020 had witnessed a certain increase than 2019.
8. Per kilometer of the total attributable toll length of expressways and bridges.
9. The number of complaints has increased compared with previous years. On the one hand, Hancai Expressway, Han'e Expressway and Daguangnan Expressway have been added to the data disclosure scope this year. On the other hand, due to the cancellation of the provincial toll gates, the replacement of the old charging system and promotion of ETC, problems of ETC errors, system card reading failures, and disputes over charge settlement have increased. In order to reduce the number of complaints and improve service quality, we plan to implement the following three measures: 1) Strengthen information guidance and provide customers with the latest regulations and policy interpretations in a timely manner; 2) Strengthen service training and improve staff service and communication; 3 ) Strengthen equipment maintenance to ensure smooth and normal operation of charging facilities.

## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
<b>A1</b>	<b>Emissions</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environmental protection	P27
<b>A1.1</b>	Types of emissions and respective emission data.	Environmental protection	P27
<b>A1.2</b>	Greenhouse gas emissions in total and, where appropriate, intensity.	Environmental protection	P27
<b>A1.3</b>	Total hazardous waste produced and, where appropriate, intensity.	Environmental protection	P30
<b>A1.4</b>	Total non-hazardous waste produced and, where appropriate, intensity.	Environmental protection	P27
<b>A1.5</b>	Description of measures to mitigate emissions and results achieved.	Environmental protection	P29
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental protection	P30
<b>A2</b>	<b>Use of Resources</b>		
<b>General disclosure</b>	Policies on efficient use of resources, including energy, water and other raw materials.	Environmental protection	P29
<b>A2.1</b>	Direct and/or indirect energy consumption by type in total and intensity.	Data Table	P73
<b>A2.2</b>	Water consumption in total and intensity.	Data Table	P73
<b>A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Environmental protection	P29
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental protection	P30
<b>A2.5</b>	Total packaging material used for finished products and, if applicable, 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

## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
<b>A3</b>	<b>The Environmental and Natural Resources</b>		
<b>General disclosure</b>	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Environmental protection	P29
<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental protection	P29
<b>B1</b>	<b>Employment</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment	P55
<b>B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Data Table	P74
<b>B1.2</b>	Employment turnover rate by gender, age group and geographical region.	Data Table	P74
<b>B2</b>	<b>Health and Safety</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Road Safety and Quality Services	P39
<b>B2.1</b>	Number and rate of work-related fatalities.	Data table	P74
<b>B2.2</b>	Lost days due to work injury.	Data table	P74
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Road Safety and Quality Services	P44



## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
<b>B3</b>	<b>Development and Training</b>		
<b>General disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employment	P56
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Data table	P75
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Data table	P75
<b>B4</b>	<b>Labour Standards</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Employment	P55
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Employment	P55
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Not applicable. During the reporting period, no significant risks of child and forced labor were found in our operation.	N/A
<b>B5</b>	<b>Supply Chain Management</b>		
<b>General disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	P48
<b>B5.1</b>	Number of suppliers by geographical region.	Data Table	P75
<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management	P50

## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
<b>B6</b>	<b>Product Responsibility</b>		
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Road Safety and Quality Services	P37
<b>B6.1</b>	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
<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	Road Safety and Quality Services, Data table	P45, 75 and 76
<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	Not applicable. Since the Company's business is less involved in the areas such as intellectual property rights, we did not have the usual practice of maintaining and safeguarding intellectual property rights.	N/A
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Road Safety and Quality Services	P37
<b>B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Road Safety and Quality Services	P45

## CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE

Aspect	Key performance indicators	Report chapter and statement	Page
<b>B7 Anti-corruption</b>			
<b>General disclosure</b>	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	P21
<b>B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption	P23
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	P22
<b>B8 Community Investment</b>			
<b>General disclosure</b>	Policies on community engagement to understand the needs of community where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Building	P66
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Building	P63
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus areas.	Community Building	P61

## FEEDBACK

### Dear readers,

Thank you for reading this Report! This is our 2020 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](mailto:contact@yuexiutransport.com.hk).

Feedback on the 2020 Environmental, Social and Governance Report of Yuexiu Transport Infrastructure Limited

**Name**

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**Company**

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**Position**

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**Tel.**

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**Email**

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### Your comment: (please tick as appropriate)

	Excellent	Good	Average	Bad	Poor
Do you think this Report highlights the important information of the Company in respect of 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?

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

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

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