



越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

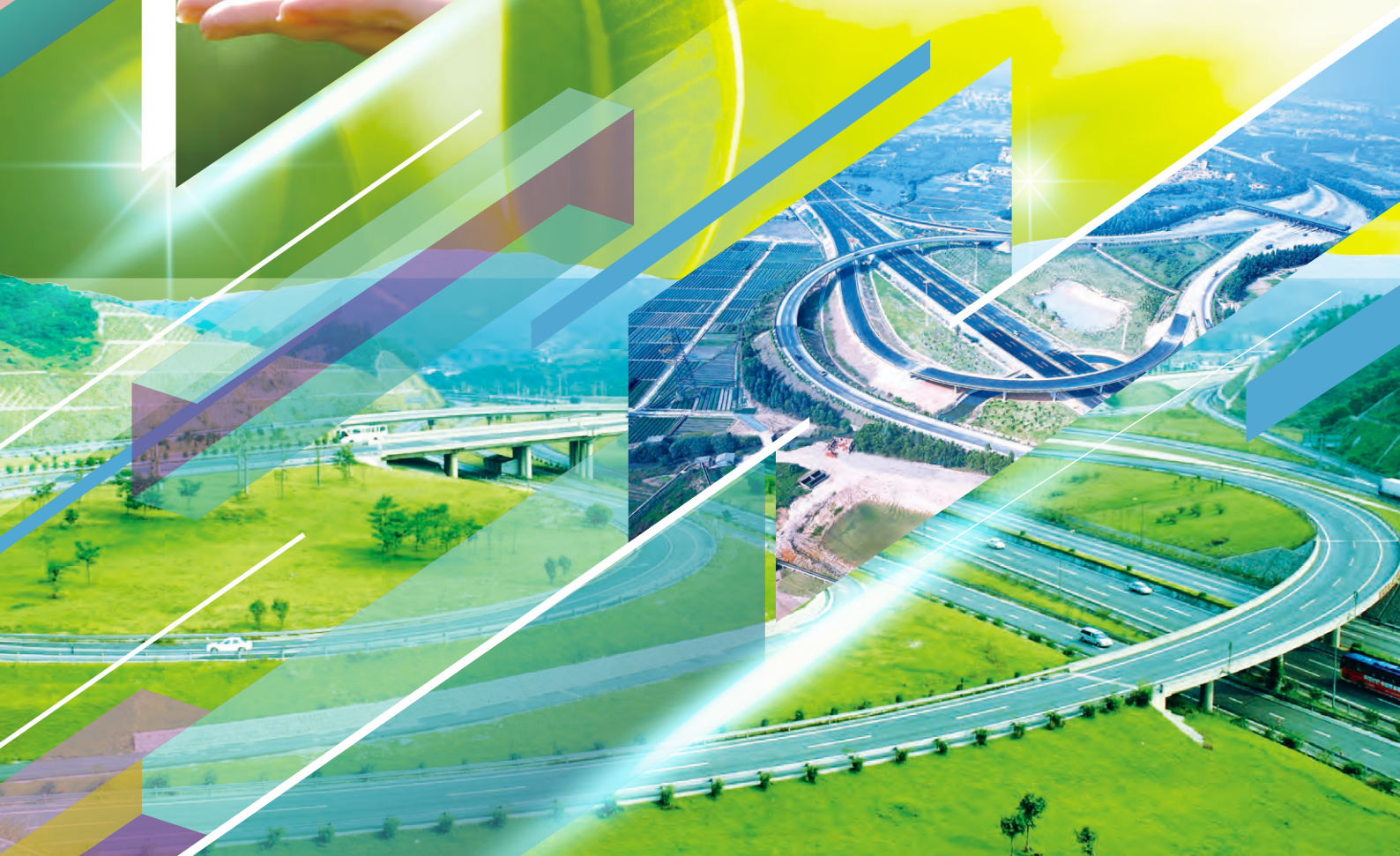
(Stock Code: 01052)

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

2021



CREATING  
**EXCELLENT VALUES**







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## ABOUT YUEXIU TRANSPORT

Yuexiu Transport Infrastructure Limited (the “Company”) and its subsidiaries (the “Group”, “Yuexiu Transport” and “We”) are principally engaged in the investment, operation and management of toll expressways, bridges and ports 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%

PUBLIC

55.80%

YUE XIU ENTERPRISES (HOLDINGS) LIMITED

44.20%

YUEXIU TRANSPORT  
INFRASTRUCTURE LIMITED

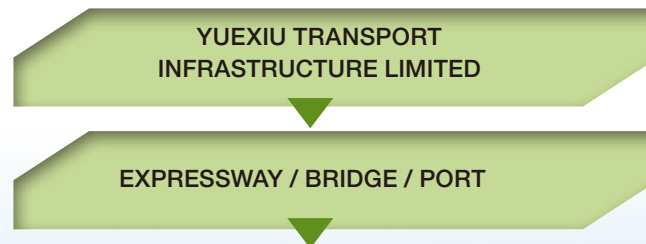
EXPRESSWAY / BRIDGE / PORT



## ABOUT YUEXIU TRANSPORT

### BUSINESS DEVELOPMENT

As at the end of 2021, the Company's total assets amounted to RMB35.66 billion<sup>1</sup>, with annual operational income amounting to RMB3.70 billion, employing 2,022 employees. The Company invested in 15 expressway and bridge projects in 6 provinces and municipalities nationwide. The attributable equity toll mileage of expressways and bridges is approximately 505.4 km.



- GNSR Expressway
- Cangyu Expressway
- Jinxiong Expressway
- Changzhu Expressway
- Weixu Expressway
- Suiyuenan Expressway
- Hancal Expressway
- Han'e Expressway
- Daguangnan Expressway

- Han-Xiao Expressway
- Northern Ring Road
- Humen Bridge
- Shantou Bay Bridge
- GWSR Expressway
- Qinglian Expressway
- Pazhou Port

- subsidiaries
- associates and joint venture

Number of  
Expressway and  
Bridge Projects

**15** projects

Annual operational  
income

**3.70** billion

The attributable  
equity toll  
mileage of  
expressway and  
bridge

**505.4** km

Employing

**2,022** staff

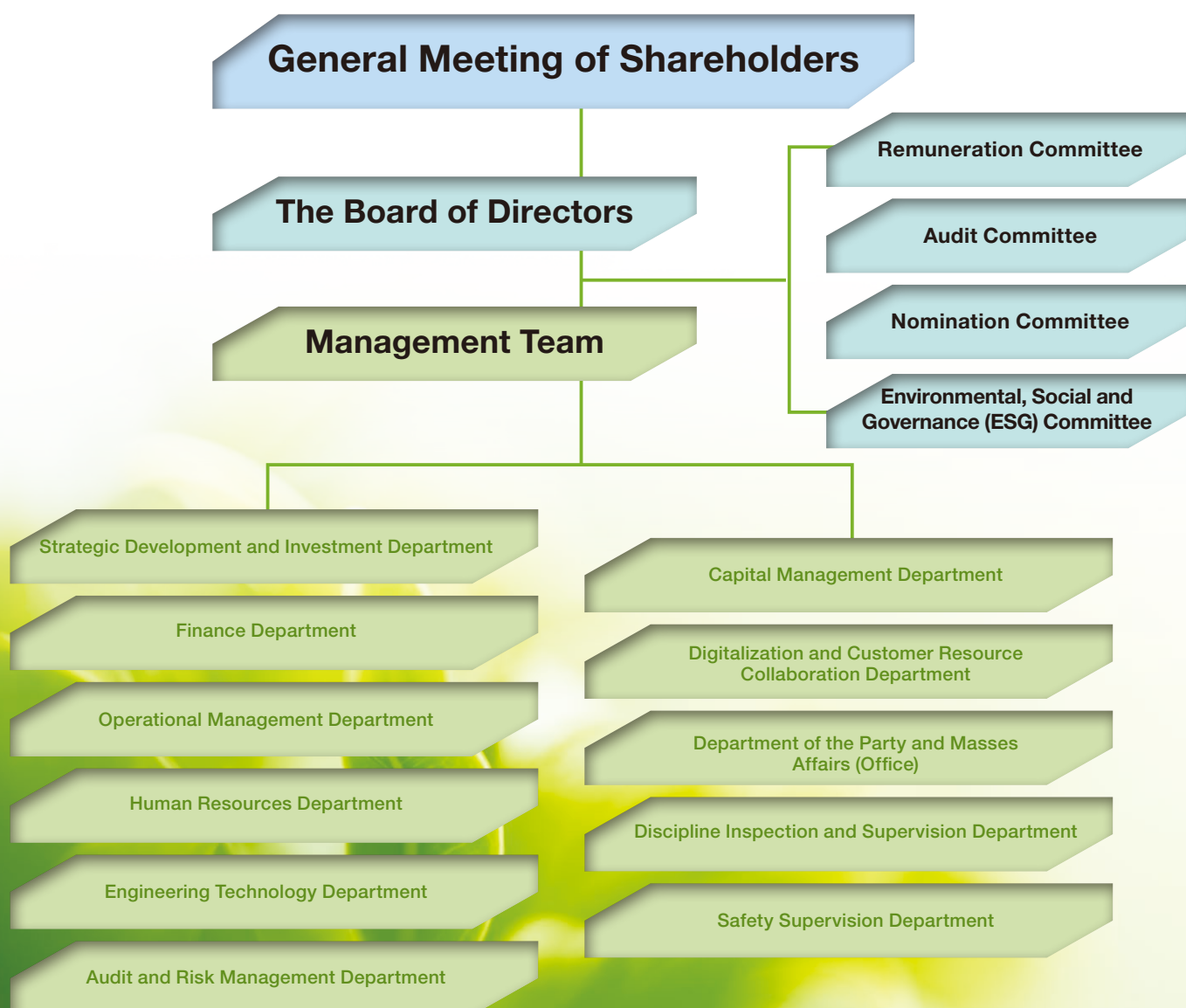
<sup>1</sup> Unless otherwise specified, any and all amounts mentioned herein are denominated in RMB.

## ABOUT YUEXIU TRANSPORT

### CORPORATE GOVERNANCE

Yuexiu Transport has set up a corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors, committees under the Board of Directors, a management team and functional departments. We formulated multi-layered governance rules based 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 sixth Environmental, Social and Governance (ESG) Report to be issued by Yuexiu Transport. We disclose the information related to the Company's economic, social and environmental performance on an objective and transparent basis. We hope that the Report can show the public our efforts on sustainable development, in order to enhance communication and trust, as well as encourage the public to join our efforts in achieving long-term sustainability.

## BASIS OF PREPARATION

This Report is prepared in accordance with the Environmental, Social and Governance Reporting 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.

## SCOPE OF THE REPORT

This is an annual report for the period from January 1, 2021 to December 31, 2021, with certain contents extended where appropriate.

The performance of ESG related policies, statements, management measures and quantitative data outlined in the Report covers the Company's headquarters and subsidiaries. The Report adopts the same definitions as in the 2021 Annual Report of the Company and should be read together with 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 Yuexiu Holdings Limited", the controlling shareholder.

## DATA SOURCE AND RELIABILITY STATEMENT

The information and cases disclosed herein come from official documents, statistical reports or public information related to 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.

## ABOUT THIS REPORT

### OBTAINING AND RESPONDING TO THIS REPORT

The 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 the Report can be downloaded from the official website of Yuexiu Transport Infrastructure Limited: <http://www.yuexiutransportinfrastructure.com/>. If you have any doubts or suggestions related to this Report, please call or email us through the following channels:

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## STATEMENT OF THE BOARD

The Board of Directors of the Company attaches great importance to sustainable development management. In accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong ("SEHK"), Yuexiu Transport has established an effective ESG management mechanism. The Company is also committed to constantly improving its sustainable development governance structure and strengthening the supervision and participation in ESG affairs by the Board of Directors.

### **ESG Governance**

The Board of Directors assumes overall responsibility for the Company's ESG work, supervises the Company's ESG development and strategy, and regularly discusses and reviews the Company's ESG development risks and opportunities. The Environmental, Social and Governance ("ESG") Committee ("ESG Committee") was established on 8 March 2022. The ESG Committee, as authorized by the Board of Directors, is responsible for the management and supervision of the Company's ESG impact, and for reporting on a regular basis to the Board of Directors on ESG-related performance.

### **ESG Risk Management**

Yuexiu Transport attaches great importance to the potential impact of ESG risks on the Company. To this end, the Company updates its ESG issue database every year based on industry ESG risks, regulatory requirements and macro policies, and performs a materiality assessment of ESG issues by means of stakeholder surveys, questionnaire surveys, expert assessments, and discussions with the Board of Directors. The Board assesses the importance ranking of ESG issues, and then guides the Company's annual ESG management accordingly. The Board of Directors has participated in the materiality assessment of the Company's ESG issues in 2021, and has reviewed and confirmed the results of this year's material issues analysis.

### **ESG Management by Targets**

Yuexiu Transport has set the relevant targets for greenhouse gas emissions, waste disposal, energy use and water use in accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the SEHK. The Board of Directors has reviewed and discussed this process, and will continue to review and monitor progress towards the achievement of these objectives.

## SENIOR MANAGEMENT'S MESSAGE



**LI FENG**  
CHAIRMAN

In 2021, Yuexiu Transport continued to develop its expressways, bridges and ports operation business with a pragmatic, diligent and unswerving attitude, and worked with various stakeholders to promote sustainable development. Yuexiu Transport is committed to becoming a leading transport infrastructure asset management company in China. Facing the 14th Five-Year Plan, the Company will build and improve the three platforms (listed platform, REITs platform, and incubation platform) under the guidance of the “3331” development strategy, enhance the three core ability (investment ability, operation and maintenance ability, financialization ability), adhere to focusing on three directions (expressway main business, key areas, expansion of related auxiliary businesses), and continue to strengthen and expand its transport infrastructure business. The Company will firmly grasp the strategic opportunity period for expressway investment and mergers and acquisitions. Gaining a foothold in the Guangdong-Hong Kong-Macao Greater Bay Area and covering the regions benefiting from continued



## SENIOR MANAGEMENT'S MESSAGE

urbanization and rapid industrialization development in the future, with full utilization of collaboration and incubation platform model, the Company insists on strengthening and expanding its infrastructure business mainly based on toll roads.

Yuexiu Transport commits itself to becoming a sustainable transport infrastructure asset management company, adhering to high-quality development, actively responding to sustainable development trends, and constantly advancing green management. In this year, we actively responded to China's call for sustainable development, continuously improving the level of green technology R&D and application, and effectively reducing the environmental impact of our engineering projects. We continued to deepen green corporate management and ensured that the surrounding eco-systems and residents along the roads benefited from scientific and refined management. At the same time, we supported China's "carbon peak and carbon neutrality" strategy with practical actions: through continuously exploring the potential of energy conservation, emissions reductions and renewable energy applications, we help our country cope with climate change and achieve carbon neutrality.

Ensuring road safety and smooth usage is an important foundation for Yuexiu Transport to realize sustainable development. In this year, the Company firmly promoted road safety and smooth operations, taking multiple measures to improve the safety level of enterprise operations and road traffic. In this way, the Company devoted itself to providing convenient and comfortable road services to all members of society. By introducing a number of advanced technologies and equipment, we completed several road maintenance and upgrading projects with high quality and efficiency and improved the traffic capacity and safety performance of the roads. We commit ourselves to providing the public with convenient, smooth and comfortable road experience and high-quality road traffic services.

Yuexiu Transport always cares about the growth and development of employees and seeks common progress with them. In this year, we officially implemented the first granting of share options, laying the foundation for Yuexiu Transport's talent introduction and sustainable development. We deepened the professional manager management system, established a long-term incentive mechanism, effectively standardized our talent management system and enhanced our talent acquisition. We began a system of talent inventory work and continued to strengthen the training of our teams, thus providing solid support for implementing the strategy of strengthening the Company with talented individuals.

In this year, Yuexiu Transport actively assumed corporate social responsibility, working on the transition to the rural revitalization and participating in community epidemic prevention activities, in order to jointly build a better society.

In 2022, we will continue to stick to our development strategy of "Based in the Guangdong-Hong Kong-Macau Greater Bay Area and entering Central China", seize the opportunities for regional development, solidify the development trend of making progress while maintaining stability, and work with various stakeholders to create greater economic, environmental and social value.

**Li Feng**  
Chairman



# OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2021

## KEY PERFORMANCE INDICATORS OF SUSTAINABLE DEVELOPMENT

### Work Safety Investment

- In this year, we directly and indirectly invested a total of RMB87.908 million in production safety, continuously improving our road safety management
- A total of 108 large-scale safety drills were carried out this year, effectively improving the Company's response capabilities to sudden road safety incidents



Invested RMB

**87.908** million  
in production safety

A total of

**108**  
large-scale safety drills were  
carried out this year

### Downward Trend in Traffic Accidents

- Compared to 2019<sup>2</sup>, traffic accidents in 2021 decreased by 46.3% year-on-year, showing a continuous downward trend



Traffic accident decreased by

**46.3%**

### Successful Public Offering of Yuexiu Transport REITs Project

- The Huaxia Yuexiu Expressway REIT was successfully listed, and was oversubscribed by public investors by as much as 4,676% during the offering process. The successful offering of Huaxia Yuexiu Expressway REIT will help the Company maintain a reasonable debt ratio and investment-grade credit rating, obtain income from operational management services, realize capital circulation driven by asset circulation, and boost the medium- and long-term sustainable development of Yuexiu Transport



Open up the capital  
circulation path  
Realize business model  
innovation

<sup>2</sup> The accident statistics for 2020 are not comparable, due to the COVID-19 epidemic.



## OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2021

## AWARDS AND CERTIFICATIONS RECEIVED DURING THE YEAR

Awards and Titles	Granted by
Outstanding Original Equity Holders of Infrastructure Public Offering REITs (2021)	Shenzhen Stock Exchange
Listed Enterprises of the Year (2021)	Bloomberg Business week
Outstanding Infrastructure Investment and Development Award (2021)	Quamnet
Honors (2021)	International ARC Awards



# SUSTAINABLE DEVELOPMENT IDEAS









## SUSTAINABLE DEVELOPMENT IDEAS

### GUIDING POLICIES FOR SUSTAINABLE DEVELOPMENT

Adhering to its vision for sustainable development and basing on its sustainable development principles, Yuexiu Transport was able to further improve its sustainable development framework and functions, and responded to the concerns of various stakeholders and promoted the sustainable development of the Company in 2021.

### PRINCIPLES OF SUSTAINABLE DEVELOPMENT

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

#### **Adhere to Environmental Responsibilities**

Identify environmental risks and invest in environmental protection

#### **Persist on Management Responsibilities**

Optimize business management and enhance asset value

#### **Implement Road Responsibilities**

Maintain traffic safety and smooth usage

#### **Strengthen Employee Responsibilities**

Care for our own employees and provide a platform for development

#### **Take Social Responsibilities**

Understand community needs and fulfill social responsibilities





## SUSTAINABLE DEVELOPMENT IDEAS

### STRUCTURE OF SUSTAINABLE DEVELOPMENT

The structure of the sustainable development of Yuexiu Transport consists of the ESG Committee, the ESG Reporting Working Group and the ESG Management Teams.



#### ESG Committee

The ESG Committee is responsible for managing and supervising the ESG impact of the Company, and reports the ESG-related performance to the Board on a regular basis.



#### ESG Reporting Working Group

This group coordinates the ESG work of various departments and subsidiaries, helps integrate the sustainable development ideas into the work process, provides relevant reporting materials to the Board of Directors. It strives to constantly improve the level of ESG information disclosure, and communicates with investors on the Company's ESG performance in a timely manner.



#### ESG Management Teams

The management teams from Company's headquarters and subsidiaries implement the ESG work practices, and continuously collect and report on ESG-related work processes, performance and opinions.

## SUSTAINABLE DEVELOPMENT IDEAS

### Composition and Responsibilities of Yuexiu Transport's Sustainable Development Framework

Structure Level	Members	Duties
<b>ESG Committee</b>	The ESG Committee comprises two executive directors and three independent non-executive directors	<ul style="list-style-type: none"> <li>➤ To review, formulate and approve the vision, goals, strategies and management policies regarding ESG issues</li> <li>➤ To review and evaluate the management framework for ESG matters</li> <li>➤ To review, monitor and regularly report to the Board on the Group's policies on ESG</li> <li>➤ To review the major international trends in legislation and regulation of ESG, identify and assess the ESG related risks and opportunities that have an impact on the operation</li> </ul>
<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 at headquarters and subsidiaries are responsible for collecting information regarding environmental and social factors	<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 Collecting suggestions Satisfaction survey Complaint hotline
<b>Government</b>	Road safety Smooth traffic Road facilities Emergency access Tax compliance Generating positive social benefits	Regular visits Policy communication Assistance in handling traffic accidents
<b>Employees</b>	Remuneration Career development Employee benefits Promotion policies Training system Corporate reputation Internal communication channels	Direct communication Employee mailbox Career development training
<b>Investors</b>	Returns on investment Financial situation Business prospects Future development plans Governance Selection and recruitment of management team	General meeting of stockholders Financial information disclosure Investor hotline/mailbox Investor relations road show
<b>Suppliers</b>	Procurement policy Supplier management system Fair transactions On-time delivery Timely payment Communication channels Maintaining good partnerships	Supplier review Regular visits
<b>Local communities</b>	Environmental impact of roads Ethical operation of enterprise	Complaints hotline Public welfare activities

## SUSTAINABLE DEVELOPMENT IDEAS

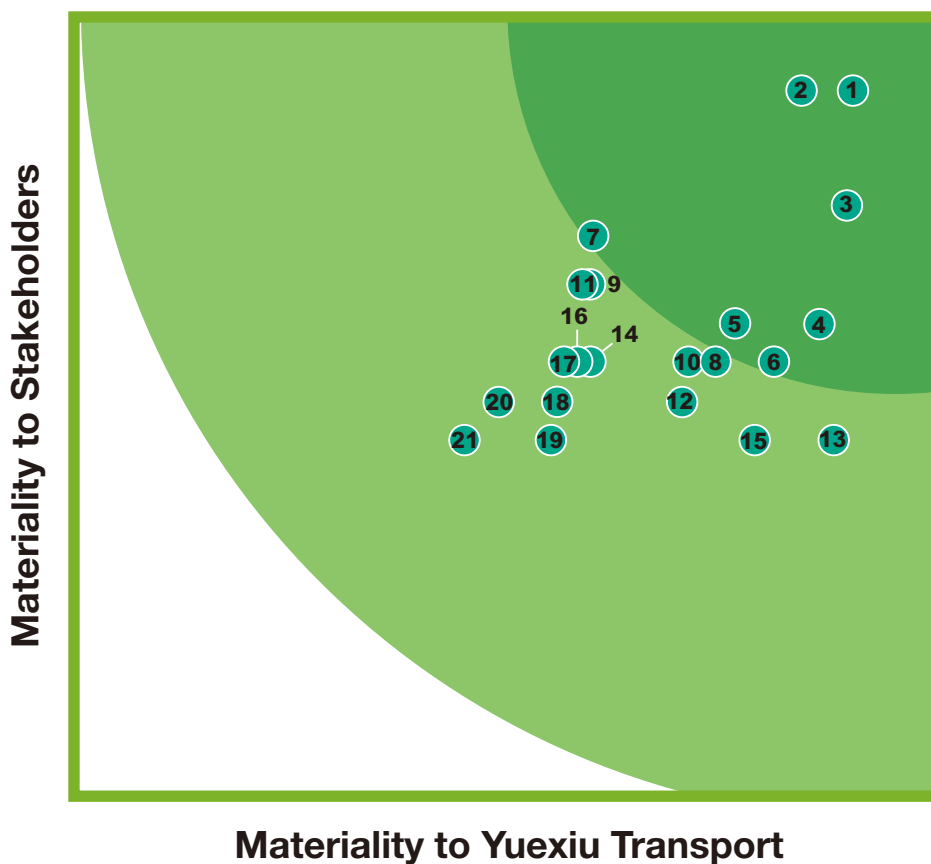
### MATERIALITY ANALYSIS FOR ESG ISSUES

Every year, Yuexiu Transport engages external professional consultants to review and evaluate the Company's sustainable development issues. From the perspective of stakeholders, the consultants generalize and summarize the crucial sustainable development issues of Yuexiu Transport, which are taken as a basis for the preparation of the Report.

#### Process of Materiality Assessment

- **Identification of ESG issues:** Important ESG issues were identified by analyzing the concerns of stakeholders, comparing peer initiatives and referring to international sustainable development standards.
- **Assessment of issue priority:** The identified important ESG issues were then ranked, in consideration of the opinions of the Company's management and interests of stakeholders, and divided into three levels (high, moderate and low) for respective disclosure in the report.
- **Submission of the report to management for confirmation:** The results of the assessment were submitted to the Board of Directors for approval.

Materiality Matrix for ESG Issues





## SUSTAINABLE DEVELOPMENT IDEAS

No.	Issue Name	No.	Issue Name
<b>Highly Material Issues</b>		<b>Moderately Material Issues</b>	
1	Road quality and safety in operations	8	Carbon emission management
2	Occupational health and safety	9	Labor standards
3	Anti-corruption	10	Resource utilization and recycling
4	Smooth traffic	11	Training and career development
5	Community relations	12	Noise management
6	Energy management	13	Sustainable development
7	Service quality and complaint handling	14	Waste management
		15	Response to climate change
		16	Remuneration and welfare
		17	Land use
		18	Customer privacy protection
		19	Water resource protection
		20	Supply chain management
		21	Biodiversity

# ANTI-CORRUPTION





## ANTI-CORRUPTION



### Related Issues and Practices in 2021

<b>Related ESG Issues</b>	Anti-corruption
<b>Strategy</b>	Comprehensively strengthen the management work of promoting integrity, improve legal and compliant operation and management, actively perform regular training and internal awareness activities for anti-corruption among all employees, and organize integrity risk investigations to firmly avoid corruption
<b>Action</b>	<ul style="list-style-type: none"> <li>➢ Comply with and improve the Company's various anti-corruption systems</li> <li>➢ Perform anti-corruption training and awareness education</li> <li>➢ Carry out incorruptibility risk investigations</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>➢ Carry out awareness education and anti-corruption risk investigation activities</li> <li>➢ Write regular anti-corruption summary report</li> <li>➢ Formulate and improve incorruptibility risk prevention and control mechanism</li> </ul>
<b>Improvement</b>	We will continue to enhance the Company's anti-corruption mechanism, improve anti-corruption policies and systems, and improve capabilities in this regard

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 enhance the corporate governance structure and management system. As the top oversight body for business ethics and anti-corruption issues, the Board of Directors is in full charge of the assessment and determination of categories and levels of relevant risks for the Company. The Discipline Inspection and Supervision Department and the Audit and Risk Management Department jointly participate in the promotion of the Company's various anti-corruption activities, with management implementing these progressively from top to bottom. Starting from the decision-making system, the auditing and efficiency supervision of major projects and the administration of professional managers, Yuexiu Transport continuously optimizes its risk management system and promotes the standardization of internal control management, the refining of risk prevention and control, and the deepening of awareness education to protect the rights and interests of stakeholders.

## ANTI-CORRUPTION

Regarding policy formulation, in 2021, the Company constantly implemented internal anti-corruption policies and systems such as the *Measures for the Implementation of Decision-making System (2020 Version) of Yuexiu (China) Transport Infrastructure Investment Company Limited*, the *Yuexiu (China) Transport Infrastructure Investment Company Limited Accountability Administration Measures*, and the *Measures for the Management of Electronic Records of Anti-corruption Archives of Yuexiu (China) Transport Infrastructure Investment Company Limited*. At the same time, the Company newly formulated the *Work Guidelines for Discipline Inspection and Supervision Departments of Subsidiaries* and the *Work Guidelines for Anti-corruption Supervision Teams*, in an effort to improve the support systems for disciplinary inspections and further strengthen the corporate anti-corruption governance system.

In terms of auditing and efficiency monitoring of major projects, Yuexiu Transport adopts a combination of daily supervision and special supervision, carrying out all-round supervision and inspection of clean governance, anti-corruption and commercial ethics and behaviors in different forms. This includes the discipline supervision of the disciplinary inspection department, the legal affairs and risk control supervision of the audit department, the financial and economic supervision of the financial department and the business supervision of all functional departments. The Company holds work conferences on the construction of party conduct and anti-corruption activities twice a year, conducts an annual on-site inspection covering all anti-corruption construction, business ethics and other work of the Company, and requires subsidiaries to regularly report on anti-corruption measures, in order to ensure the full monitoring of all Company operations. In 2021, Yuexiu Transport carried out in-depth incorruptibility risk investigation activities, and launched a multi-department joint risk investigation for GNSR Expressway reconstruction and expansion projects.



### YUEXIU TRANSPORT IN-DEPTH INCORRUPTIBILITY RISK INVESTIGATIONS

In 2021, Yuexiu Transport carried out incorruptibility risk investigations on 12 functional departments and 9 projects. This was done from the perspectives of systems, procedures and positions, during which a total of 58 incorruptibility risk points was identified and 144 defensive measures to improve the current risk prevention and control mechanism were formulated. At the same time, the Company worked with the discipline inspection, auditing and engineering departments to carry out joint risk inspections on major reconstruction and expansion projects, instructed GNSR Expressway's Reconstruction and Expansion Management Office to begin their own incorruptibility risk inspections. Integrity risk points were detected in advance, in order to lay a solid foundation for the orderly advancement of the investigation, prevention and control of the anti-corruption risk of GNSR Expressway's road reconstruction and expansion projects.



**Kick-off Meeting for Incorruptibility Risk Investigation**

## ANTI-CORRUPTION

Yuexiu Transport has adopted numerous measures to ensure the anti-corruption efforts of its employees, including setting up an anti-corruption ledger and signing a letter of commitment for anti-corruption. It has also provided anti-corruption feedback on the promotion of mid-level employees of subsidiaries, in an effort to build an anti-corruption defense line. Furthermore, employees holding important positions, such as the Company's department heads, are required to participate in the "clean reporting" every year to help strengthen the sense of anti-corruption in key positions.

Yuexiu Transport adheres to the normalization of anti-corruption education, and provides various forms of anti-corruption training and awareness campaigns, including providing disciplinary education and training, as well as the signing anti-corruption contracts, for all its employees and stakeholders. We implement monthly learning activities on anti-corruption education and learning topics, and strengthen employees' anti-corruption awareness by means of information technology. We also enhance the anti-corruption ability of employees through special education such as "sending anti-corruption culture into grass-roots" activities and monthly discipline education learning activities. In 2021, Yuexiu Transport provided anti-corruption training for employees and internal directors, implementing 12 monthly integrity education and learning topics and 34 sessions of anti-corruption warning education..

### YUEXIU TRANSPORT IN-DEPTH DISCIPLINE EDUCATION AND LEARNING MONTH ACTIVITIES

Yuexiu Transport carried out various forms of anti-corruption awareness activities by centralizing discipline education and monthly learning activities. In this way, the Company continuously strengthened employees' anti-corruption awareness. During the discipline education and learning month, the Company organized the study of disciplinary cases and awareness films and launched the "last mile" of anti-corruption publicity and education at the grassroots level. The Company also arranged for party members and cadres to visit and study at the anti-corruption culture and education base, and promoted a clean and honest corporate culture.



**Anti-Corruption Culture Base Visit and Learning Activity**





## ANTI-CORRUPTION

Yuexiu Transport has established a comprehensive internal whistle-blowing and protection system. We abide by relevant provisions of the *Discipline Inspection and Supervision Institutions' Administrative Measures for the Handling of Letters, Visits and Whistle-blowing of Yuexiu Group*, set out in detail the channels and processing procedures of real name and anonymous reporting, and establish a formal and comprehensive real name/anonymous reporting system and protection system. The Company has set up an internal whistle-blowing mailbox and encourages employees to report any actual or suspected corruption or misconduct with names and contracts provided, or anonymously. As the acceptance and handling department of the reported information, the Discipline Inspection and Supervision Department reports the situation to the Company's senior management after receiving reported information, and conducts inspections according to management instructions and the relevant policies of the Company. At the same time, the Company strictly protects the rights and interests of whistle-blowers in accordance with relevant national laws and regulations, in order to ensure that real-name or anonymous whistle-blowers making proper and genuine reports receive fair treatment and protection against unfair dismissal, prosecution or improper disciplinary punishment. The Company will adopt proper measures to protect whistle-blowers from any revenge as a result of any whistle-blowing within the applicable scope of internal policies. Yuexiu Transport reserves the right to take appropriate action against any person who initiates or threatens to initiate retaliation against whistle-blowers (including anonymous whistle-blowers). If duty violations and crimes are suspected, we would take legal action according to the law in order to provide whistle-blowers with legal protection. 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 submitted to any supervisory institution or law enforcing department.

Yuexiu Transport carries out bid invitation and procurement activities in strict accordance with national and local laws and regulations, and implements a series of anti-corruption rules and regulations. These include the *Regulations on Procurement Management of Yuexiu Transport infrastructure Limited*. All suppliers are required to comply with these rules and regulations. We also conduct anti-corruption risk analysis on suppliers and require them to sign an *Anti-corruption Contract*. We have also carried out pilot work for signing the *Anti-corruption Cooperation Commitment* by suppliers, so as to ensure that all suppliers have sufficient anti-corruption policies and management measures to reduce the risk of corruption.

Yuexiu Transport has a strictly implemented anti-corruption system and carries out regular promotional and educational activities, achieving excellent results. There were no corruption or bribery lawsuits brought against the Company during the reporting period.

# ENVIRONMENT PROTECTION



# ENVIRONMENT PROTECTION



Overview of Related Issues and Practices in 2021	
<b>Related ESG Issues</b>	<ul style="list-style-type: none"> <li>➢ Energy management</li> <li>➢ Resource utilization and recycling</li> <li>➢ Waste management</li> <li>➢ Response to climate change</li> <li>➢ Water resource protection</li> <li>➢ Noise control</li> <li>➢ Biodiversity</li> <li>➢ Land use</li> <li>➢ Carbon emissions management</li> <li>➢ Sustainable development</li> </ul>
<b>Strategy</b>	<p>We actively respond to China's strategic decision to peak carbon dioxide emissions and achieve carbon neutrality and implement sustainable transportation. The Company continues to deepen its principles for green projects and green operations, in order to minimize the impact of road building, construction and operation on the environment by adhering to technological innovation and improvement of management</p>
<b>Action</b>	<p>We vigorously promote the construction of green highways, and have constructed a number of road charging stations. We also plan to carry out photovoltaic projects, so as to boost reduction of carbon emissions during road operation and use</p>
<b>Outcome</b>	<p>We have gradually advanced the construction of charging facilities along expressways, and have so far constructed a total of 40 charging stations</p>
<b>Improvement</b>	<p>We actively respond to the requirements for promoting the green development of highways in China's 14th Five-Year Plan for Highway Development, by incorporating the deepening of green highway construction into the future work plan. We has formulated the following green highway objectives to guide our future operations</p> <ul style="list-style-type: none"> <li>➢ Emissions: reduce greenhouse gas emissions per kilometer</li> <li>➢ Waste: recycling rate of used asphalt materials to reach 100%</li> <li>➢ Energy efficiency: reduce energy consumption per kilometer</li> <li>➢ Water efficiency: reduce water consumption per kilometer</li> </ul>



## ENVIRONMENT PROTECTION

### GREEN PROJECT MANAGEMENT

Yuexiu Transport has actively responded to China's goal of building a green and modern road transportation system and strictly abides by all relevant laws and regulations. These include 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*. This is done to ensure the negative impacts of emissions, wastes and noise in engineering projects are effectively controlled in accordance with laws and regulations, developing a green transportation system and building sustainable roads. In 2021, the Company was not subject to any incidents of punishment or legal proceedings with respect to environmental issues.

Yuexiu Transport attaches great importance to controlling the environmental impact of engineering projects, and strictly identifies, monitors and handles any related environmental pollution in accordance with the applicable laws and regulations. We have formulated corresponding measures for various environmental risks, requiring construction parties to conduct civilized construction, as well as timely and appropriate disposal of project waste, and the setting up of sound barriers in key road sections to block noise. In this way, we ensure that our waste and noise treatment meets the requirements of national and regional environmental standards.

Indicator Category	Unit	2021
<b>Non-hazardous Waste Generated</b>		
Waste bituminous concrete	Ton	164,379

In 2021, Yuexiu Transport continued to explore and innovate based on the successful application of advanced environmental protection engineering technologies such as hot central plant recycling technique and NovaChip construction technology. The Company also actively expanded the application scope of its scientific research results, and transformed advanced engineering technology into green engineering results. Without prejudice to road quality, we have successfully reduced resource consumption and waste generation in engineering projects through active research in and application of new materials, new technologies, new processes and new equipment. Thus we effectively reduced environmental pollution risks, boosted energy conservation and emissions reduction, and implemented the concept of green transport in project management.

## ENVIRONMENT PROTECTION

### ACHIEVING POSITIVE RESULTS BY APPLYING HOT CENTRAL PLANT RECYCLING TECHNIQUE

Yuexiu Transport actively implemented the concept of green transport development, and carried out research and engineering activities on hot central plant recycling technique by taking the opportunity of performing sectional pavement overhauls. We actively applied the results of scientific research to engineering solutions. By optimizing the technical solutions for pavement overhaul engineering and road shoulder hardening solutions, we saved around 4,300 tons of stone and 80 tons of asphalt in 2021, which not only saved energy and reduced emissions, but also solved the problem that a large number of road waste materials had been piling up for a long time and polluting the environment. We achieved important results in reducing the environmental impact of engineering projects.



**Hot Central Plant Recycling Technique Project**

### GREEN OPERATIONS MANAGEMENT

Yuexiu Transport integrates green concepts into its road operation management work and strictly abides by all applicable 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*. The Company continues to improve its energy and resource management, promote energy savings and emissions reductions and reduce waste in water resources and office supplies. In this way, we can minimize the impact of business operations on the environment.

## ENVIRONMENT PROTECTION

### Promoting Energy Savings and Emissions Reductions

Yuxiu Transport supports China's strategic plan to achieve carbon neutrality with practical actions, and actively takes numerous measures to reduce greenhouse gas emissions during its operations. We observe the requirements of energy savings and environmental protection in our daily work and operations, and promote various measures to reduce the energy consumption of our day-to-day activities and road operations. In 2021, about 91% of the Company's greenhouse gas emissions were indirect emissions from the purchase of power. Our direct emissions were mainly generated by our own vehicles, boilers, etc. in the consumption of gasoline, diesel and natural gas.

Indicator Category	Unit	2021
<b>Greenhouse Gas Emissions</b>		
Greenhouse gas emissions (Scope 1)	Ton of CO <sub>2</sub> equivalence	1,523
Greenhouse gas emissions (Scope 2)	Ton of CO <sub>2</sub> equivalence	14,648
Greenhouse gas emission density	Ton of CO <sub>2</sub> equivalence/km	32.65

Road energy-saving renovation



We continue energy-saving road renovation, promoting energy-saving renovation projects such as LED lamp replacement and new energy power generation pilot projects, and constantly exploring measures and experiences for road energy conservation and emissions reductions

Office energy saving and emissions reductions



We continue the promotion of energy conservation and emissions reductions in the workplace, and optimize energy consumption performance in the workplace by taking such measures as the use of inverter air conditioners, renovation of boilers and heating pipes, and replacement of energy-saving lamps

Official vehicle management



We have gradually discarded older official vehicles, and plan to introduce new energy technology and reduce overall energy consumption in the operation of official vehicles. At the same time, we will continue strengthening the management of official vehicles, and approve vehicle requests subject to actual needs through an OA system and management process, so as to avoid unnecessary waste



## ENVIRONMENT PROTECTION

### Reducing Water Resource Waste

Yuexiu Transport has adopted a variety of scientific water use measures to improve water efficiency in road operations. All water resources used by Yuexiu Transport for its own operations come from the municipal network and no issue in water supply was identified. Our greening contractors primarily use rainwater they save and their own pond water, and do not use purchased water for greening irrigation during road greening and maintenance activities. Furthermore, the frequency and amount of watering is scientifically determined according to the season, so as to save greening and maintenance water consumption.

### Paperless Operation

Yuexiu Transport has integrated the concept of paperless operation into its road operations and daily office work. On the one hand, we follow China's road information construction trends, continuously promoting paperless toll stations on expressways and bridges, issuing composite cards which drivers can use repeatedly, adopting an RFID (Radio Frequency Identification) system to automatically work out the toll fees and thus realizing paperless toll collection. On the other hand, we also use an online OA system for integrated online management and on-demand procurement of office supplies and savings of office paper. At the same time, we have set up a waste paper recycling site from which we regularly send waste paper to Guangzhou Paper Group Ltd. for recycling.

In 2021, Yuexiu Transport sent nearly

**1,000** kg

of paper to Guangzhou Paper Group Ltd. for recycling

Category	Quantity
Waste A4 office paper	10,214 kg
Toll booth receipt/invoice paper	6.47 tons

## ENVIRONMENT PROTECTION

### Reducing Environmental Pollution of Waste

Yuxiu Transport uses a number of approaches to manage the potential environmental impact of waste. In road operation, we purchase environmentally friendly snow-melting agents, and require our construction contractors to properly dispose of project waste and implement civilized construction practices; in the office, we have set up separate trash cans, and hand over all used lamps and waste toner cartridges to a qualified third-party for treatment, so as to reduce the impact of environmental pollution.

Yuxiu Transport requires the construction contractors to implement **100%** recycling of engineering waste

Category	Quantity
Waste lamp	831.34 kg
Waste printer toner cartridges	900.41 kg

### GREEN ECOLOGY MANAGEMENT

Yuxiu Transport attaches great importance to the protection of ecological systems. The Company strictly complies with all 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 to 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, including *Measures for Administration of Business Plans*, the *Measures for Management of Mechanical and Electrical Projects*, and *Measures for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery)*. These are strictly implemented in our business links, such as infrastructure investment, operations and construction.

Yuxiu Transport conducts due diligence investigations on all potential investment targets to ensure that projects have passed the environmental impact assessment and any other specified issues such as the acquisition of a land use certificate in the purchase agreements. In the process of maintenance of all our operations, we use industry standards involving land use such as *Inspection and Evaluation Quality Standards for Highway Maintenance Engineering Section 1 Civil Engineering* and implement projects such as slope restoration, roadbed restoration, ditch renovation and greening maintenance works as required, ensuring that the process of land use conforms to the relevant industry standards. At the same time, the Company also investigates, forecasts and evaluates the possible ecological impact of all projects and proposes measures and plans for preventing and controlling ecological damage. The Company has actively introduced new technologies to reduce the environmental impact of road construction, conducted intelligent road research on the expansion and reconstruction project of the GNSR Expressway and reduced project land occupancy by means of intelligent technology.

## ENVIRONMENT PROTECTION

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

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

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

- Do not develop and operate any project in 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, tackling problems such as invasive species, insect pests, and plant withering in time.
  - Sustainably manage the use of natural resources and raw materials, improve water efficiency and the use of construction materials such as asphalt.
- 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, invite 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 a Healthy Ecosystem around the Roads

Yuexiu Transport attaches importance to daily greening maintenance. We perform highway greening inspection tours in strict compliance with the related requirements for highway greening and environmental protection outlined in the *Technical Regulations for Highway Maintenance*, and implement comprehensive prevention and control policies which combine biochemical solutions and forest management measures. In this way, we can maintain the ecological health of greening areas. In addition, all subsidiaries of Yuexiu Transport have signed an agreement with professional third-party vendors to carry out daily maintenance on the plants, regularly trim all vegetation along the roads, overpasses and toll station areas, so as to ensure that the growth of vegetation meets the greening standard.



#### YUEXIU TRANSPORT'S ECOLOGICAL MAINTENANCE ALONG ROADS

Yuexiu Transport attaches great importance to ecological maintenance along roads, and actively carries out ecological inspections. All subsidiaries of Yuexiu Transport entrust daily maintenance units to carry out road inspections once a day, so as to maintain the ecosystem along the roads. During these inspections, we inspect the growth conditions of vegetation within the road median strips, shoulders, slopes, interchanges, and toll gate areas, and carry out pruning, watering, fertilization, disinsectization, and replanting in a timely manner. At the same time, we inspect water pollution levels and conduct sewage treatment along the road, ensure a timely control of possible sewage impacts and minimize the interference of sewage during road operations to the nearby environment.

The Company also tries to reduce the environmental impact of its operations to the surrounding communities, and protects biodiversity along its roads. By setting sound barriers, drainage facilities, guardrails and isolation networks, we strictly control all adverse factors such as noises and potential chemical leakage to guarantee the quality of the living environment of surrounding residents along the route and reduce the impact of road operations to surrounding residents and local biodiversity. We also take active measures to maintain the ecological biodiversity along the roads. When planting plants on road slopes, we will avoid the situation of planting a single species of plants and maintain a suitable diversity. At the same time, we commits to planting indigenous vegetation such as pine and cypress for later replacement to avoid the occurrence of biological invasion at all reclamation sites.

### RESPONSE TO CLIMATE CHANGE

Yuexiu Transport is aware of the potential impact of climate change on business operations. The intensification of global warming may result in an increase in the probability of extreme weather such as heavy rains and floods, and there is a possibility that revenues from highway construction and operation enterprises will decrease due to a decline in road traffic capacity. At the same time, as China and the public become increasingly concerned about climate change issues, if no appropriate countermeasures are taken in the highway construction and operations industry, this may lead to an increase in long-term construction and operation costs, and to a loss of customers.

## ENVIRONMENT PROTECTION

Yuexiu Transport supports China's plan to achieve carbon neutrality and the solemn commitment to address climate change. We will further explore practical climate change solutions based on existing energy conservation and emission reductions measures, and advance the construction of a suitable governance system related to climate change. Yuexiu Transport will continuously strengthen energy conservation and emissions reduction measures in all aspects of its business operations. Currently, the Company is carrying out an energy-saving renovation project for LED lamps, speeding up the construction of charging station equipment and promoting the preparations for the pilot photovoltaic power generation project. In this way, the Company strives to make beneficial contributions to the issue of global climate change.



### YUEXIU TRANSPORT TUNNEL FRONT LIGHTING AND INTELLIGENT LIGHT CONTROL TECHNOLOGY

Based on the usage of the energy-saving LED lamp, Yuexiu Transport further tapped the energy-saving potential of LED lamps and explored applications for front lighting and intelligent light control technology. These designs enabled tunnel lighting brightness adjustment based on the traffic flow and the brightness inside and outside the tunnel. By adopting front lighting transformation, using customized intelligent dimming control software and optimizing the lighting layout of the tunnel approach road, this not only improves driving comfort and safety, but also greatly saves on energy consumption compared with traditional high-pressure sodium lamps and ordinary LED lamps. Hence carbon emissions were effectively reduced. According to estimates, compared with traditional loop-controlled high-pressure sodium lamps and LED lamps, front lighting and intelligent light control technology can save about 70% and 30% of the cost, respectively, with significant carbon reductions and economic benefits.



### YUEXIU TRANSPORT ACCELERATES THE CONSTRUCTION OF CHARGING STATIONS ALONG THE ROADS

Yuexiu Transport follows the trend of energy savings and emissions reductions through electric vehicles and continuously expands the coverage of vehicle charging stations along expressways. Currently, charging stations have been installed (40 in total) in the three service areas (Daye, Sanxi and Yanxia service areas) along the Daguangnan Expressway and the two service areas (Gedian and Huanglong service areas) along the Han'e Expressway. With the continuing expansion of needs for charging stations, Yuexiu Transport is committed to meeting the increasing demands for traveling with electric vehicles and helping reduce the intensity of greenhouse gas emissions (Scope 3).

# ROAD SAFETY AND QUALITY SERVICES





## ROAD SAFETY AND QUALITY SERVICES

Overview of Issues and Practices in 2021	
<b>Related ESG Issues</b>	<ul style="list-style-type: none"> <li>➢ Road quality and operational safety</li> <li>➢ Occupational health and safety</li> <li>➢ Smooth traffic flow</li> <li>➢ Service quality and complaints handling</li> <li>➢ Customer privacy protection</li> </ul>
<b>Strategy</b>	Ensure the quality, safety and smooth traffic flow on roads, and improve operational capacity and service quality
<b>Action</b>	<ul style="list-style-type: none"> <li>➢ Continue to carry out technical research on road maintenance</li> <li>➢ Carry out safety awareness activities</li> <li>➢ Improve safety management system</li> <li>➢ Provide convenient and high-quality services</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>➢ A total of 836 safety inspections conducted</li> <li>➢ 1,479 hidden hazards were identified and addressed</li> <li>➢ Traffic accident rate of subsidiaries under the jurisdiction of Yuexiu Transport was 0.1 per 10,000, with traffic accidents decreasing by 46.3% year-on-year compared with 2019<sup>3</sup></li> <li>➢ No major traffic accidents for four consecutive years</li> </ul>

### ENSURING TRAFFIC SAFETY

Yuexiu Transport attaches great importance to road safety, and strictly abides by the *Law of the People's Republic of China on Road Traffic Safety* and other Chinese laws and regulations, as well as all road safety management regulations where the projects are located. The Company ensures the safety of all its roads, employees and stakeholder, provides high-quality and convenient services, and promotes the development and progress of regional transportation and the local economy.

#### Improving Road Quality

Yuexiu Transport attaches great importance to road quality and traffic safety, and abides by all applicable laws and regulations such as the *Highway Law of the People's Republic of China*, *Measures for the Management of Highway Maintenance*, and the *Evaluation Standards for Highway Technical Conditions*. Furthermore, Yuexiu Transport has formulated a set of rules and regulations according to the condition of internal inspections and special audits, such as the *Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited*, *Measures for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery)*, standardizing the governance structure, technical applications and project management of road maintenance, defining the responsibilities and authorities of Company headquarters and subsidiaries, and clarifying the management processes and content.

<sup>3</sup> The accident statistics for 2020 are not comparable due to the COVID-19 epidemic.

## ROAD SAFETY AND QUALITY SERVICES

Yuexiu Transport advances the informatization of maintenance projects. In 2021, Yuexiu Transport advanced the pilot launch of the maintenance management information system, and realized data interconnection with the master data system, financial sharing center and other systems, and improved management efficiency. Furthermore, the Company introduced electronic badges and QR code technology in overhaul and daily maintenance projects, to effectively supervise the timeliness of construction projects and the professionalism of its operators.

In 2021, Yuexiu Transport overcame multiple difficulties such as the COVID-19 epidemic and flooding by adopting technical means such as hot mix plant recycling, renovated and maintained multiple roads under its jurisdiction at low cost and high efficiency. During the road overhaul, the Company insisted that project quality was the most important element, and strengthened management and control of project construction material quality, construction quality and project safety. At the same time, the Company actively conducted research on road maintenance technology, improved road maintenance capabilities and guaranteed road quality through the application of new technologies.

### YUEXIU TRANSPORT RESEARCHES NEW PAVEMENT CRACK POURING TECHNOLOGY TO IMPROVE PAVEMENT SMOOTHNESS

At the current stage of the road surface crack pouring process, there will be a pouring ridge after crack pouring, which will affect the road surface smoothness index and lead to bumps being formed. In order to improve the smoothness of the road surface, Yuexiu Transport has combined existing crack pouring technology with modern highway maintenance methods and new technologies, repeatedly adjusted the equipment parameters and material indicators through on-site research, and developed ultrasonic crack pouring and ironing technologies. These new methods have successfully eliminated the phenomenon of filling cracks and ridges, thus improving the smoothness of the road surface and slowing down the phenomenon of passengers experiencing a bumpy ride, and effectively improving driving quality.



## ROAD SAFETY AND QUALITY SERVICES

### Strengthening Safety Management

Yuexiu Transport attaches great importance to road safety, strictly abiding by the *Work Safety Law of the People's Republic of China* and other laws and regulations. According to its actual production and operations situation, Yuexiu Transport has formulated a set of safety management rules and policies such as the *Measures for the Management of Work Safety Responsibility*, *Measures for Investment on Safety*, *Measures for the Management of Safety Education and Trainings*, *Measures for the Management of Hidden Dangers of Work Safety Accidents*, and *Measures for the Management Work Safety Accident Reporting and Investigation*, and has established a unified, efficient and standardized safety management system within the Company and its subsidiaries.

Yuexiu Transport actively encourages all its subsidiaries to establish a certified health and safety system by obtaining the certification for the *Certificate of Level of Work Safety Standardization Construction for Transportation Enterprises* ("Certificate"). The Certificate, authorized by the Ministry of Transport of the People's Republic of China, requires the certified companies to have comprehensive health and safety management system. Currently, 8 subsidiaries have obtained the certification, 2 of which have obtained Level 1 certification and 6 of which have obtained Level 2 certification. The remaining subsidiary is undertaking improvement and certification of health and safety system. Yuexiu Transport continues to strengthen its standardization of work safety, and continuously improves the level and effectiveness of its safety work.

Yuexiu Transport has established a safety supervision system covering Company headquarters and each subsidiary. The Board has established an Environmental, Social and Governance Committee to manage and supervise environmental, social and governance issues, including the health and safety practices of the company. Also, we have legally established the Work Safety Committee (hereinafter referred to as the "Safety Committee") as the highest safety supervision entity. The Board of Directors engaged in work safety management by regularly evaluating work safety reports from the Safety Committee. Every year, the committee formulates a work safety report, reviews the safety situation and existing problems, and formulates a work plan for the next stage. Subsidiaries have also established corresponding work safety committees to perform their work safety duties.



## ROAD SAFETY AND QUALITY SERVICES

### Organizational Structure of the Work Safety Committee

#### Board of Directors

As the top executive body of the health and safety policies of Yuexiu Transport, the Board reviews and monitors the Company's policies and performance of work safety on a regular basis by evaluating reports from the Work Safety Committee.

#### Work Safety Committee

Responsible for implementing the major policies of work safety, deploying, guiding and supervising the work safety of the Company, coordinating and solving major work safety issues.

The chairman of the Work Safety Committee is the General Manager of the Company (representative of the first responsible person), who reports to the Board of Directors on safety management four times a year, and presents the safety management performance of employees and contractors, including the progress made in safety education and training, the number of potential safety hazards and the rectification rate. Each subsidiary has established its own Work Safety Committee, with three or more safety management staff appointed.

#### Work Safety Committees of subsidiaries

Responsible for implementing the work safety management and accepting guidance and supervision from the Company's Work Safety Committee.

#### Labor Union

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

## ROAD SAFETY AND QUALITY SERVICES

Yuexiu Transport has established a work safety responsibility system and formulates a work safety responsibility assessment program every year. Safety assessments are also conducted to analyze the completion of work safety responsibility objectives, work safety responsibility performance and on-site safety management status of all subsidiaries. At the same time, Yuexiu Transport headquarters signs a work safety responsibility letter with the first responsible person in charge of work safety of each subsidiary every year, specifying the work safety objectives, work responsibilities and accountability for the following year. Through this mechanism, the annual compensation for work safety leaders at all levels, including the general manager (our executive) and those in charge, will be commensurate with, among other factors, the Company's annual work safety performance. Furthermore, Yuexiu Transport has established a "1441" work safety work system to fully advance the continuous improvement of safety management.

### "1441" WORK SAFETY WORK SYSTEM

- "1": Development of safety culture – Including employee work safety awareness, corporate safety culture, establishment of safety development concept and other related work;
- "4": Establishment of 4 safety management systems – Organizational management system, institutional system, work safety standardization system, and emergency response system;
- "4": Construction of 4 capabilities – Safety management capability, safety risk prevention capability, emergency response capability, and safety assurance capability;
- "1": Assessment mechanism – Make a responsibility checklist, conduct assessments on subsidiaries every year and make the assessment a guiding role.



## ROAD SAFETY AND QUALITY SERVICES



### WORK SAFETY OBJECTIVES OF THE “FOUR ENSURES, SIX ZEROS”

➤ Four Ensures:

1. Ensure no major production safety accidents (i.e. accidents that cause more than 3 deaths, or serious injuries to more than 10 persons, or direct economic losses of more than RMB1 million);
2. Ensure no major environmental pollution liability accidents;
3. Ensure no major internal security liability accidents;
4. Ensure no major food safety liability accidents.

➤ Six Zeros:

1. Zero employee deaths and production safety liability accidents;
2. Zero production safety liability accidents involving the death of a contractor employee;
3. Zero official vehicle traffic full liability accident involving a fatality;
4. Zero liability accidents with a direct economic loss of more than RMB150,000;
5. Zero food safety liability accidents;
6. Zero incidents of environmental pollution and internal insurance liability causing a serious impact.



## ROAD SAFETY AND QUALITY SERVICES

### Safety Culture Promotion and Training

Yuexiu Transport attaches great importance to safety education and training. To this end, the Company has formulated a set of internal policies such as *Measures for the Management of Safety Education and Trainings* and established an all-round safety training system. We utilize online platforms to provide employees with training on work safety, fire safety knowledge and emergency measures. In addition, we have established a “One person, One file” recording mechanism for the safety training of all the employees in order to follow up and adjust safety training based on related feedback in a timely manner. In 2021, all employees received safety training for a total of 15,677 person times, an increase of 13.3% year on year than 2020.

In addition, the Company has organized several safety culture activities, such as the “Eight Honors and Eight Shames”, and “To Become the First and Excellent” knowledge contests. As a result, the Company’s safety culture atmosphere has become increasingly robust and employee’s safety awareness has been enhanced significantly.

2021 Safety training **15,677** person times **Year on year increased by 13.3%**

### Fulfilling the Safety Responsibilities of Contractors

Yuexiu Transport includes contractors in its work safety management system. In 2021, the Company revised its *Measures for Safety Management of Contractors*, specifying contractor’s work safety responsibilities and the supervisory responsibilities of the management department and performing audit on the health and safety standards and measures of contractor employees. At the same time, we signed the *Safety Agreement* with our contractors, requesting them to provide all employees with safety training and regularly checked the compliance of their training records, training times and materials. We also arranged for contractors to participate in the training programs organized by the Company. Furthermore, we have included the safety work of our contractors into the work safety performance assessment indicators, and included “zero deaths of contractors” into the “six zeros” work safety objectives.

## ROAD SAFETY AND QUALITY SERVICES

### CONTRACTORS TAKE PART IN SAFETY TRAINING

Yuxiu Transport includes contractors in the scope of its safety education and training management. On the first day of resumption of work after the Spring Festival, 2,141 employees from the Company's headquarters and subsidiaries and 799 returnees from contractors jointly took part in a safety training course through a combination of on-site and online methods, learning pandemic prevention and control knowledge, job safety responsibilities, post safety operating procedure, and road maintenance work safety regulations, to strengthen safety awareness and ensure work safety.



**Safety Education for  
Employees and Contractors**

### ENSURING EMPLOYEE HEALTH AND SAFETY

The occupational health and safety of employees is the top priority of Yuxiu Transport's safety management system. In accordance with *Measures for Work Safety Management of Yuxiu Transport Infrastructure Limited*, the safety objectives including 0 work-related injuries, 0 fires, and 0 official vehicle traffic accidents are allocated to various departments level by level, and the realization of these safety objectives are ensured by managing and supervising the routine work of our employees.

In order to prevent work-related accidents, Yuxiu Transport has formulated the *Measures for the Management of Work-related Injuries*, to systematically manage work-related injuries. The Company has divided the responsibilities of various departments to prevent, respond and deal with work-related injury incidents, and standardized the process of reporting, investigation and duration accounting, so as to ensure that employees who are injured at work or suffer from occupational diseases can receive timely treatment and economic compensation.

## ROAD SAFETY AND QUALITY SERVICES

### PROVIDING CONVENIENT AND QUALITY SERVICES

#### Ensuring Smooth Traffic

Yuexiu Transport attaches great importance to smooth traffic and has taken various measures to provide drivers and passengers with a comfortable and smooth travel experience. We have set up a one-station-one-policy smooth traffic program for key roads and toll stations, implemented special emergency plans during holidays, and planned smooth traffic measures in advance. We have also established an advanced traffic dispersion mechanism, monitoring all the road sections under the Company's jurisdiction throughout the whole process, dispatching road administration where needed, as well as rescue and preparation work. In this way, we will realize the "five quick" effects of quick accident detection, quick arrival at the scene, quick information communication, quick on-site processing, and quick traffic reset. At the same time, we will continue to deepen the optimization of operations and management models such as online toll collection and non-stop electronic toll collection (ETC), and upgrading toll collection sites to ensure smooth roads and efficient operation.

Due to climate change, the probability of extreme weather is increasing, which brings new challenges to ensuring smooth traffic. In order to cope with the impact of extreme weather, floods, landslides and other similar events, Yuexiu Transport has established several targeted emergency plans, clarifying the responsibilities of emergency agencies and departments, formulating emergency response procedure and response measures. Yuexiu Transport acts quickly in the event of disasters, so as to proactively address the potential adverse impacts of climate change on the smooth operation of traffic flow. In 2021, faced with flood disasters and extreme cold weather in numerous places, Yuexiu Transport responded quickly and maintained close coordination with various departments to effectively ensure traffic safety and smooth roads.



## ROAD SAFETY AND QUALITY SERVICES

### ALL EMPLOYEES OF THE WEIXU EXPRESSWAY WORKED TOGETHER AND DEVOTED THEMSELVES TO FLOOD CONTROL IN HENAN

In July 2021, as a result of heavy rainfall in Henan province, different degrees of flood occurred along the Weixu Expressway. Following the instructions of Yuexiu Transport headquarters, Henan Weixu Expressway quickly launched its own emergency plan for flood control. The general manager led employees from all departments to fight the flood. Each department performed its own duties, such as implementing traffic control in a timely manner, providing services for vehicles stranded at toll stations, arranging for emergency personnel to carry out emergency road repairs, investigating potential safety hazards at road facilities, conducting road inspections and flood control safety inspections, and clearing road obstacles to ensure safe and smooth toll stations. As of July 21, Henan Weixu Expressway has invested a total of 165 rescue personnel, investigated 76 instances of danger and flood damage of various types, and dealt with 8 dangerous situations affecting driving safety. With the close cooperation of all employees, the roads were kept smooth, and major safety accidents or casualties were avoided.



**Ensuring Smooth Traffic during Flood Season**

## ROAD SAFETY AND QUALITY SERVICES



### YUEXIU TRANSPORT ENDEAVORED TO MELT SNOW AND KEEP THE FRONT LINE SMOOTH TO ENSURE SAFETY OF SPRING FESTIVAL TRAVEL

In late January 2022, Wuhan encountered extreme cold weather and blizzards, and urban operations, as well as people's living and work safety were under a major test. The local expressway operations and management unit of Yuexiu Transport actively responded to the call of the Wuhan Municipal Party Committee and the Municipal Government. They gathered their personnel, launched emergency plans, strictly implemented the concept of safe development, and fought on the front line of road snow melting, epidemic prevention and control and Spring Festival travel safety. After continuous efforts, there were no large-scale traffic congestion or major safety accidents in the city, and citizens' lives were not affected. Hence the safety of people's travel and traffic operations was achieved. Due to Yuexiu Transport's important contribution to smooth traffic, the Wuhan Municipal Transportation Bureau sent a letter of appreciation to Yuexiu Transport in recognition of the Company's contribution in the battle of melting snow and against road freezing.



Workers Clearing Snow from the Road



Letter of Appreciation from the Wuhan Municipal Transportation Bureau

## ROAD SAFETY AND QUALITY SERVICES

### Handling Customer Complaints

Yuexiu Transport attaches great attention to the feedback of its customers, and considers their feedback as a continuous driving force for business improvement and development. Our subsidiaries have formulated a complete customer complaint service mechanism, and carried out customer complaint verification, investigation, reporting and feedback in an orderly manner, so as to properly handle customer feedback and guarantee service quality.

For each complaint, we keep a detailed record of customer complaints and resolve their issues in accordance with the applicable rules and regulations, together with the relevant departments of Yuexiu Transport. We also actively seek to communicate with our customers, endeavor to reach an agreement with them 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. In order to protect the privacy and information security of the Company and its customers to the greatest extent, the Company strictly abides by the *Cyber Security Law of the People's Republic of China* and other relevant laws and regulations. The Company has formulated the *Measures of Cyber and Information Security Incidents* and *Emergency Response Plan for Cyber and Information Security*, implemented scientific and standardized total management by adopting effective information technology, and implemented cyber and information security in an effective, all-round manner.

The identity and personal information protection of Yuexiu Transport's drivers and passengers ensures that the data collected is only used for internal operations management. In order to strengthen the confidentiality, integrity and availability of information assets, Yuexiu Transport strictly implements internal policies such as the *Measures for the Management of Access Control* and *Measures for the Management of Accounts*. Subsidiaries have also formulated management policies for their monitoring centers based on their own operating conditions, and devised strict regulations on information collection and release, video data management and other related work. In 2021, there were no information lost or leakage incidents happened in the Company.

As the Company's business basically does not involve any infringement of intellectual property rights, we currently do not have any 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 or individual.



# SUPPLY CHAIN MANAGEMENT



## SUPPLY CHAIN MANAGEMENT

Overview of Related Issues and Practices in 2021	
<b>Related ESG Issues</b>	<ul style="list-style-type: none"> <li>➤ Anti-corruption</li> <li>➤ Supply chain management</li> <li>➤ Sustainable development</li> </ul>
<b>Strategy</b>	Standardize supplier management, improve the supply chain system and develop a sustainable supply chain
<b>Action</b>	<ul style="list-style-type: none"> <li>➤ Dynamic management and update of supplier information base</li> <li>➤ Signing anti-corruption contracts with suppliers</li> <li>➤ Ensuring suppliers obtain system certification</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>➤ Full use of information procurement system</li> <li>➤ No supplier misconduct was found during the year</li> </ul>
<b>Improvement</b>	We will continue to deepen our sustainable supply chain management system, continue to improve supply chain quality, and further reduce environmental and social risks in our supply chain

Yuexiu Transport respects its partners and strives for orderly operation of its supply chain management system. We abide by all applicable laws and regulations, including 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*. The Company has also formulated a number of its own supply chain management policies such as 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*, and continues to improve its relevant procurement management mechanisms and processes. Our aim is to build a high-quality supply chain, strengthen quality supervision of procurement services and products for the Company's projects and engineering works, achieve full-scale supervision and control of the supply chain, and reduce quality risks. In addition, the Company adheres to its policy of business ethics, strives to achieve a positive interaction with its partners and actively promotes the sustainable development of the supply chain.

## SUPPLY CHAIN MANAGEMENT

### PERFORMING RESPONSIBLE PROCUREMENT

Yuexiu Transport has formulated *Measures for Supplier Management of Yuexiu Transport Infrastructure Limited*, clarifying its supplier management governance structure and stipulating supplier entry standards and review procedure. We have established a dynamic supply chain management system, conducted systematic management and regular performance evaluations on suppliers, and maintained dynamic management of our supplier library. At the same time, we have signed anti-corruption agreements with engineering suppliers to strictly guard against supply chain corruption.

Stringent Selection	Stringent Review	Regular Assessment
<ul style="list-style-type: none"> <li>➤ We treat potential suppliers equally and fairly under the principle of objectivity and fairness</li> <li>➤ Selection criteria: corporate business license, franchise license, business qualification certificate and other qualification documents</li> <li>➤ We ensure that suppliers have all necessary qualifications and resources to fulfill their contracts</li> </ul>	<ul style="list-style-type: none"> <li>➤ Inspection on supplier qualification, past performance and contract performance</li> <li>➤ We inspect our suppliers regularly and conduct unified archival management of the review results together with original purchase contracts and contract review data</li> </ul>	<ul style="list-style-type: none"> <li>➤ We implement a supplier assessment method that combines regular assessment, annual assessment and dynamic management</li> <li>➤ The Company's Audit Department coordinates the recruitment and procurement platforms, and conducts credit assessment of suppliers from three aspects: assessment of bidding behavior, assessment of contract performance, and assessment of other behavior</li> <li>➤ The Company's Engineering and Technology Department reviews supplier management, product and safety management issues every year</li> </ul>



## SUPPLY CHAIN MANAGEMENT

Dynamic Management	Anti-corruption	Implementing Local Procurement	Sustainable supply chain
<ul style="list-style-type: none"> <li>➤ We keep the evaluation results of supplier in the supplier library, as to optimize the procurement process and supplier management process</li> <li>➤ 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ We sign anti-corruption agreements with suppliers to enhance supervision and avoid corruption risks during the tender and procurement process</li> </ul>	<ul style="list-style-type: none"> <li>➤ Yuexiu Transport actively implements localized procurement, to reduce the environmental impact caused by transportation and packaging, and to boost local economic development. In 2021, Yuexiu Transport had a total of 1,758 suppliers, with the proportion of localized procurement reaching 33%</li> </ul>	<ul style="list-style-type: none"> <li>➤ Yuexiu Transport has committed itself to building a "community of responsibility" and advancing a sustainable supplier policy</li> <li>➤ During entry screening, the Company will inspect the supplier's environment and safety certifications according to the project type and specific requirements, guide them to fulfill their social responsibilities, and pay attention to all aspects of environmental and social impacts</li> </ul>

We have a total of **1,758** suppliers

Local procurement ratio  
**33%<sup>4</sup>**

<sup>4</sup> Yuexiu Transport actively promotes local procurement and has established the data collection mechanism of local procurement performance. The local procurement ratio = the number of suppliers of the registered location in the province or city same as the subsidiary location/ number of all suppliers covering subsidiaries.

# EMPLOYMENT



## EMPLOYMENT

Overview of Related Issues and Practices in 2021	
<b>Related ESG Issues</b>	<ul style="list-style-type: none"> <li>➤ Remuneration and welfare</li> <li>➤ Training and career development</li> <li>➤ Labor standards</li> </ul>
<b>Strategy</b>	Adhere to the people-oriented policy, develop and allocate human resources in a scientific manner, protect the legal rights and interests of employees, properly motivate talented individuals, and create a broad career development platform for all employees
<b>Action and Outcome</b>	<ul style="list-style-type: none"> <li>➤ Establish a long-term incentive mechanism</li> <li>➤ Conduct diversity training programs</li> <li>➤ Deepen the talent review project</li> <li>➤ Develop a dual-channel system for the career development of subsidiary employees</li> </ul>
<b>Improvement</b>	We will continue to focus on relevant policies and trends in this sector, and review our employees' capabilities and promotion structure, in order to keep our teams competitive, strengthen team cohesion, and promote the growth of employees and the Company

## DIVERSIFIED STAFF TEAM

Yuexiu Transport strictly abides by all applicable laws and regulations, including the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*, and continues to improve and standardize the Company's recruitment management rules and regulations. These include the *Yuexiu Transport Infrastructure Limited Recruitment Policy*, and *Measures for Administration of Labor Contracts at Yuexiu Transport Infrastructure Limited*. We implement the Company's "people-oriented" business philosophy and the recruitment principles of "fair and open recruitment, multiple examination and match between talent and positions". We actively absorb various talented individuals from different channels, in order to build a high-caliber, high potential, dynamic and diverse employee team. As of December 31, 2021, the Company had 2,022 employees, with a local hiring ratio over 86%.

Total number of **2,022** employees

Local employees  
accounted over  
**86%**<sup>5</sup>

<sup>5</sup> Local employees identified based on the provinces/municipalities in Mainland China.



## EMPLOYMENT

### COMPREHENSIVE PROTECTION OF RIGHTS AND INTERESTS

Yuexiu Transport respects and vows to safeguard the legal rights and interests of employees. The Company implements a corporate culture of “transparency, enthusiasm, simplicity and inclusiveness” and strictly complies with 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 rejects any form of discrimination arising from gender, race, religious beliefs or cultural background. In compliance with the *Regulations on the Prohibition on Child Labor*, we strictly prohibit unethical labor practices such as child labor and forced labor. If any unethical labor practice is found, we will immediately stop the relevant behavior and take action in accordance with laws and regulations and relevant requirements. Under strict policy compliance, the Company has never experienced any violations or complaints related to the use of child labor or forced labor. The Company also implements its regulations on paid leave in accordance with the law, paying a fixed salary and performance bonuses in full during official holidays such as annual leave and marriage leave. At the same time, by formulating the *Measures for the Supplementary Medical Fund at Yuexiu Transport Infrastructure Limited*, we further protect the health and safety of our employees.

#### Guarantee of Salary and Welfare

Yuexiu Transport is committed to providing employees with competitive salary and welfare benefits. We have formulated *Salary Management Measures of Yuexiu Transport Infrastructure Limited*, providing competitive remuneration and welfare for employees based on five principles, i.e., market-orientation, reasonableness and fairness, salary determined by position, performance linked, and favoring critical department and positions on key departments and talents. We make overall adjustments of salary based on national policies, price levels and competitions in the sector, and individual adjustment based on the rank changes and individual performance of each employee. 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 its employees to voice their opinions on the Company’s systems and management processes. In this way, the Company listens to the voice of our employees through the labor union, employee forums and the employee congress. The Company will collect feedback from employees and conduct reviews to further improve our management and promote the long-term and effective development of the Company.

#### Employee Support

Yuexiu Transport has formulated the *Regulations on the Staff Mutual Aid Fund of Yuexiu Transport Infrastructure Limited* and relevant management measures. The Company monitors the situation of employees in difficulty and establishes a management database for the employees who need help, providing assistance funds, labor union mutual assistance, and supplementary medical insurance to employees in need, along with other assistance measures.

## EMPLOYMENT

## LEADERSHIP TEAM HELPS EMPLOYEES IN DIFFICULTY

In 2021, Yuexiu Transport's leadership team led the Company's middle-management to help 11 employees in difficulty inside and outside the province, and took the initiative in solving various practical difficulties. The Company revised and improved its *Constitution on Mutual Aid Fund for Employees* and related management measures, and made full use of the assistance fund to assist 1 seriously ill employee and 6 employees in difficulty and pain.



Helping Employees in Difficulty



## FAIR AND SOUND CAREER DEVELOPMENT

Yuexiu Transport commits itself to creating a strong atmosphere of growth, providing employees with a clear career development path and building a fair and just performance management system. In this way, employees are provided with the right knowledge and skills training to promote the common development of employees and the Company.

## Employee Training

Yuexiu Transport always cares about the vocational growth of its employees, and has formulated the Measures for Training Management of Yuexiu Transport Infrastructure Limited, providing employees with various knowledge training, skills training and quality training programs through a combination of internal and external training sessions, as well as employee self-training. The Company further consolidates the training effect through knowledge competitions, centralized examinations and active learning, improves the vocational ability and overall quality of employees, and standardizes the Company's training procedures.

## EMPLOYMENT

### Performance Management

Yuexiu Transport has established a standardized and effective performance management mechanism, formulating and implementing the *Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited*. We implement the five principles of “business orientation, full staff coverage, openness and impartiality, coaching for improvement, and incentives”, and carry out performance appraisal on employees based on such dimensions as financial results, customer service, internal processes, learning and career growth. All appraisal results are then discussed with the employees. At the same time, we provide appropriate grievance mechanisms to employees, provide communication channels for employees, and enhance mutual trust between employees and the Company.

This year, Yuexiu Transport explored the construction of a long-term incentive mechanism, and officially implemented its share option scheme and the initial grant proposal after the approval of the special general meeting. The scheme covers middle and senior managers and core employees, and aims to further strengthen Yuexiu Transport’s talent attraction ability and retention strength, and is conducive to improving talent retention and better coping with external talent competition.

### Promotion Plan

Yuexiu Transport provides a steady promotion path for outstanding employees, with an aim to aligning their positions with their capabilities. We have established a transparent and efficient talent promotion mechanism, encouraging 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 reviews to ensure the fairness and transparency of employee promotion. We value and promote outstanding talents, focusing on individuals who are equipped with solid knowledge and strong ethical qualities, showing excellent performance and capabilities, as well as extensive experience, in order to facilitate staff development and achieve growth within the Company.

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.

In 2021, Yuexiu Transport advanced the review of key talents, and expanded the scope of review to all employees at headquarters and middle-level employees of subsidiaries. We have produced a map of talent, a reserve list and a follow-up talent application plan by means of talent review, providing a scientific and effective basis for the rational allocation of positions, the construction of the management talent reserve and an integrated talent development plan.



## EMPLOYMENT

## Team Building

This year, Yuexiu Transport organized a variety of employee activities such as knowledge competitions, walking tours, and dance competitions, promoting the physical and mental health of employees, improving team cohesion, and deepening the Company's corporate culture.

**OVER 60 PARTY MEMBERS AND OTHER EMPLOYEES CARRIED OUT PARTY DAY ACTIVITIES THEMED AT THE PARTY HISTORY LEARNING AND EDUCATION IN LIANMA VILLAGE, CONGHUA**

On April 25, 2021, Yuexiu Transport arranged its party members and other headquarter employees to carry out party day activities themed at the party history learning and education in Lianma Village, Conghua. This included a simulation of "Re-travelling the Long March", completing themed tasks such as "Crossing the Jinsha River", "Grass Minesweeping", "The Decisive Battle at Lazikou", "Singing the Red Songs", feeling the heroic fighting spirit of the soldiers at Dongjiang Column, visiting the Huangshakeng Revolutionary Site Memorial Hall, and deeply appreciating the hard-won achievements of the Chinese revolution, as well as the Chinese Communists' adherence to their original aspirations and their commitment to their missions. Yuexiu Transport's senior management requested their party members and cadres at Company headquarters to take this party history learning and education as an opportunity to set an example for all party members, cadres and other employees within the company system. In this way, the Company can transform the achievements of party history learning and education into a driving force within the Company's 14th Five-Year Plan for strategic development.



**Yuexiu Transport Headquarters  
Party Day Activities Themed at the  
Party History Learning and Education**



# COMMUNITY BUILDING



## COMMUNITY BUILDING

Overview of Related Issues and Practices in 2021	
<b>Related ESG Issues</b>	<ul style="list-style-type: none"> <li>➤ Community relations</li> <li>➤ Land use</li> <li>➤ Noise management</li> </ul>
<b>Strategy</b>	Actively apply business expertise, fulfill corporate social responsibility, implement the connection to rural revitalization, and maintain harmonious relations with residents around the operating sites
<b>Action</b>	<ul style="list-style-type: none"> <li>➤ Consolidated the effectiveness of poverty alleviation in Xianshui Village and carried out rural revitalization</li> <li>➤ Actively cooperated with the government in responding to the COVID-19 epidemic</li> </ul>
<b>Outcome</b>	<ul style="list-style-type: none"> <li>➤ Invested RMB200,000 to support the “Xianshui Project” at Xianshui Village</li> <li>➤ Provided water for nearly 1,000 persons in 6 natural villages at Xianshui Village during the dry season</li> <li>➤ Construction of fully enclosed sound barrier project on the GNSR Expressway officially commenced</li> </ul>
<b>Improvement</b>	We will respond to the call of the state, continue to fulfil social responsibility, respond to social concerns, and constantly strengthen our corporate social responsibility

In 2021, Yuexiu Transport kept its mission in mind, and continued to undertake corporate social responsibilities in the fields of rural revitalization, public welfare and charity, and community inclusion, while achieving corporate economic goals so as to jointly build a better society.



## COMMUNITY BUILDING

### CONNECTION TO RURAL REVITALIZATION

With an appeal for undertaking social responsibility, Yuexiu Transport completed a number of poverty alleviation tasks with its counterparts on schedule and to the highest standards. Also, the Company achieved an effective connection between the consolidation and expansion of poverty alleviation achievements and rural revitalization.

In 2021, Yuexiu Transport focused its work on a transition from the poverty alleviation stage to the rural revitalization stage, effectively linking the poverty alleviation and rural revitalization plans. We completed the sorting of poverty alleviation files, and handed them over to the Yingde City Archives Bureau and the Archives Bureau of Yuexiu Group, to ensure the coherence of poverty alleviation. We also completed the “Xianshui Plan”, a livelihood project aimed at solving water scarcity in the dry season.

#### YUEXIU TRANSPORT IMPLEMENTS THE “XIANSHUI PLAN” TO ENSURE WATER SAFETY IN XIANSHUI VILLAGE

In order to cooperate with Xianshui Village in implementing rural revitalization and practice corporate social responsibility, Yuexiu Transport invested RMB 200,000 in implementing the “Xianshui Plan”, a key livelihood project under the “I Do Practical Things for the People” initiative. In this way, the Company assisted Xianshui Village in digging a deep water well, along with supporting facilities such as pools and water pipes. Currently, the “Xianshui Plan” has achieved a comprehensive water supply for nearly 1,000 persons in 6 natural villages in Xianshui Village during the dry season.



**“Xianshui Plan” helped dig a deep well providing water for Xianshui Village in dry season**



In the future, Yuexiu Transport will continue to maintain attention on Xianshui Village, strengthen the effectiveness of its poverty alleviation program, assist in rural revitalization and the construction of beautiful villages, and continue to fulfill corporate social responsibility.

## COMMUNITY BUILDING

### CHARITY

Yuexiu Transport cares about vulnerable groups and fulfills its social responsibilities. In 2021, we gave back to society by means of practical actions, actively participating in various public welfare and volunteer activities and caring for vulnerable groups. These included providing help to needy people in the community during festivals, assistance to needy employees, and voluntary blood donations, in order to convey warmth and promote positive social energy through local community services.

#### YUEXIU TRANSPORT ORGANIZED AN ANTI-EPIDEMIC VOLUNTEER SERVICE TEAM

In 2021, in response to China's epidemic situation, Yuexiu Transport arranged for 31 party members to sign up for a volunteer service team, with 6 party members joining the reserve talent pool of the volunteer service team. During the epidemic, the volunteer service teams actively responded, participated in volunteer services in numerous local communities, and consciously participated in the fight against the epidemic, contributing to alleviating the tense local epidemic situation.



Anti-Epidemic Volunteer Service Team



### COMMUNITY INCLUSION

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

## COMMUNITY BUILDING

Yuexiu Transport has taken several measures to mitigate the impact of road operations on the surrounding communities. 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 rights and biodiversity, and then formulate corresponding control measures or operating plans. Results of the feasibility study can only be accepted and implemented after they have 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 these 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 village chiefs and school principals.

Yuexiu Transport maintains smooth communication channels and pays attention to the concerns of surrounding communities. During the operation of expressways, Yuexiu Transport pays attention to the opinions and demands of residents in proximity, listens carefully to the views of residents, and collects their demands and suggestions via forums, hotlines and other forms. 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. We keep a record of complaint data, set up a complaints hotline and solve complaints in a timely and effective manner, in order to maintain a harmonious relationship with our neighbors. In 2021, Yuexiu Transport supported the fully enclosed sound barrier project in GNSR Expressway, and effectively responded to the concerns of local communities on noise issues.

### YUEXIU TRANSPORT SUPPORTS THE FULLY ENCLOSED SOUND BARRIER PROJECT IN GNSR EXPRESSWAY

Yuexiu Transport attaches great importance to the livelihood concerns of surrounding communities, and oversees during the entire process of and actively supports on the sound barrier project in GNSR Expressway. We overcame difficulties together with our stakeholders, and officially commenced the construction of the project in September 2021. This project is China's first fully enclosed sound barrier project on a two-way 10-lane operating expressway, with aim to effectively reducing the impact of road noise on surrounding communities and helping solve people's livelihood issue.



**Rendering of the Fully Enclosed Sound  
Barrier Project in GNSR Expressway**





## COMMUNITY BUILDING

### Policy Statement on Community Relations of Yuexiu Transport

#### 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 continue to 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 appeals from the 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 the local community, participate in the formulation of a protection action plan and local community rights protection policy, and verify the protection of community rights.

## COMMUNITY BUILDING

### NORMALIZED EPIDEMIC PREVENTION AND CONTROL

As the fight against the COVID-19 epidemic has entered a new stage of normalized prevention and control, Yuexiu Transport has adjusted and responded quickly to changes in the epidemic situation, and actively participates in the normalized prevention and control of the epidemic. We have thoroughly implemented all requirements of local government on epidemic prevention and control. On the one hand, we regularly implement appropriate measures to protect the physical and mental health of employees and prevent the spread of the epidemic. On the other hand, we make every effort to ensure the smooth flow of our roads, so as to prepare foundation for the comprehensive resumption of work, and for the review and emergency response to the epidemic. At the same time, Yuexiu Transport has also actively responded to the call to participate in community anti-epidemic work and build a long-term social defense line.

#### YUEXIU TRANSPORT TAKES THE LEAD IN EPIDEMIC PREVENTION AND CONTROL

In 2021, at the critical stage of Guangzhou's epidemic prevention and control work, Yuexiu Transport arranged for its employees to assist Guangzhou Haizhu District and Yuexiu District in their COVID-19 prevention work, and fought on the front line of epidemic prevention and control in the harsh conditions of scorching sun and heavy rain. Our staff members assisted community doctors in taking nucleic acid tests for home-isolated people and people with yellow codes, and helped Jinbinan Community in setting up temporary sampling points, and provided support for community streets with stringent epidemic prevention and control.



**Assisted Community in Carrying out Nucleic Acid Sampling**



## APPENDIX

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

Aspect	Laws, regulations and standards	Internal policies
A1 Emissions	<i>Environmental Protection Law of the People's Republic of China</i>	<i>Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited</i>
	<i>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</i>	<i>Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident</i>
	<i>Law of the People's Republic of China on Prevention and Control of Water Pollution</i>	<i>Measures for Management of Business Plans</i>
	<i>Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution</i>	<i>Measures for Management of Mechanical and Electrical Projects</i>
	<i>Law of the People's Republic of China on Evaluation of Environmental Effects</i>	<i>Measures for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery)</i>
	<i>National Hazardous Waste Inventory</i>	
	<i>Regulations on the Administration of Construction Project Protection – Environmental Protection</i>	
	<i>Specifications for Environmental Impact Assessment of Highway</i>	
A2 Use of resources	<i>Energy Conservation Law of the People's Republic of China</i>	
	<i>Cleaner Production Promotion Law of the People's Republic of China</i>	
A3 Environment and natural resources	<i>Water and Soil Conservation Law of the People's Republic of China</i>	
	<i>Inspection and Evaluation Quality Standards for Highway Maintenance Engineering Section 1 Civil Engineering</i>	
A4 Climate change	<i>Responding to Climate Change: China's Policies and Actions</i>	<i>Measures for Management of Emergency Projects at Yuexiu Transport Infrastructure Limited</i>



## APPENDIX

Aspect	Laws, regulations and standards	Internal policies
B1 Employment	<i>Labor Law of the People's Republic of China</i>	<i>Salary Management Measures at Yuexiu Transport Infrastructure Limited</i>
	<i>Labor Contract Law of the People's Republic of China</i>	<i>Yuexiu Transport Infrastructure Limited Recruitment Policy</i>
	<i>Social Insurance Law of the People's Republic of China</i>	<i>Measures for Administration of Labor Contracts at Yuexiu Transport Infrastructure Limited</i>
	<i>Individual Income Tax Law of the People's Republic of China</i>	<i>Measures for Supplementary Medical Fund at Yuexiu Transport Infrastructure Limited</i> <i>Regulations on the Staff Mutual Aid Fund of Yuexiu Transport Infrastructure Limited</i>
B2 Health and safety	<i>Labor Law of the People's Republic of China</i>	<i>Measures for Work Safety Management of Yuexiu Transport Infrastructure Limited</i>
	<i>Labor Contract Law of the People's Republic of China</i>	<i>Measures for Investment on Safety of Yuexiu Transport Infrastructure Limited</i>
	<i>Social Insurance Law of the People's Republic of China</i>	<i>Guidelines for the Establishment of Combined Prevention Mechanisms of Safety Risk Classified Control with Potential Hazard Identification and Addressing</i> <i>Guidelines for Safety Management of Contractors of Yuexiu Transport Infrastructure Limited</i> <i>Measures for the Management of Work-Related Injuries of Yuexiu Transport Infrastructure Limited</i> <i>Measures for Supplementary Medical Fund of Yuexiu Transport Infrastructure Limited</i> <i>Measures for the Management of Work Safety Responsibility</i> <i>Measures for the Management of Safety Education and Trainings</i> <i>Measures for the Management of Hidden Dangers of Work Safety Accidents</i> <i>Measures for Safety Management of Contractors</i> <i>Measures for the Management Work Safety Accident Reporting and Investigation</i>

## APPENDIX

Aspect	Laws, regulations and standards	Internal policies
B3 Development and training	<i>Labor Law of the People's Republic of China</i>	<i>Measures for the Management of Staff Promotion of Yuexiu Transport Infrastructure Limited</i>  <i>Measures for the Management of Training of Yuexiu Transport Infrastructure Limited</i>  <i>Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited</i>
	<i>Labor Contract Law of the People's Republic of China</i>	
	<i>Social Insurance Law of the People's Republic of China</i>	
B4 Labor standards	<i>Labor Law of the People's Republic of China</i>	<i>Measures for the Management of Recruitment at Yuexiu Transport Infrastructure Limited</i>
	<i>Labor Contract Law of the People's Republic of China</i>	
	<i>Social Insurance Law of the People's Republic of China</i>	
	<i>Regulations on the Prohibition on Child Labor</i>	
B5 Supply chain management	<i>Company Law of the People's Republic of China</i>	<i>Measures for the Management of Tender and Procurement Bids of Yuexiu Transport Infrastructure Limited</i>  <i>Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited</i>
	<i>Civil Code of the People's Republic of China</i>	
	<i>Tendering and Bidding Law of the People's Republic of China</i>	
	<i>Implementation Regulations for the Law of the People's Republic of China on Tenders and Bids</i>	
	<i>Government Procurement Law of the People's Republic of China</i>	

## APPENDIX

Aspect	Laws, regulations and standards	Internal policies
B6 Product responsibility	<i>Law of the People's Republic of China on Road Traffic Safety</i>	<i>Administrative Measures for Emergency Projects of Yuexiu Transport Infrastructure Limited</i>
	<i>Work Safety Law of the People's Republic of China</i>	<i>Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited</i>
	<i>Law of the People's Republic of China on Response to Emergencies</i>	<i>Measures of Cyber and Information Security Incidents at Yuexiu Transport Infrastructure Limited</i>
	<i>Measures for Emergency Schemes for Work Safety Accidents</i>	<i>Emergency Response Plan for Cyber and Information Security of Yuexiu Transport Infrastructure Limited</i>
	<i>Highway Law of the People's Republic of China</i>	<i>Measures for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery)</i>
	<i>Measures for the Management of Highway Maintenance</i>	<i>Measures for Management of Access Control</i>
	<i>Technical Specifications for Highway Maintenance</i>	<i>Management of Accounts</i>
	<i>Cyber Security Law of the People's Republic of China</i>	
	<i>Evaluation Standards for Highway Technical Conditions</i>	



## APPENDIX

Aspect	Laws, regulations and standards	Internal policies
B7 Anti-corruption	ICAC Ordinance of Hong Kong Special Administrative Region	<p><i>Detailed Rules for Implementation of Responsibility System for Development of Party Style and Honest Administration of Yuexiu (China) Transport Infrastructure Investment Company Limited</i></p> <p><i>Regulations on Procurement Management of Yuexiu</i></p> <p><i>Measures for the Implementation of Decision-making System (The 2020 Version) of Yuexiu (China) Transport Infrastructure Investment Company Limited</i></p> <p><i>Yuexiu (China) Transport Infrastructure Investment Company Limited Accountability Administration Measures</i></p> <p><i>Measures for the Management of Electronic Records of Anti-corruption Archives of Yuexiu (China) Transport Infrastructure Investment Company Limited</i></p> <p><i>Measures for the Management of Duty Performing Treatment of Enterprise Principals of Yuexiu Transport Infrastructure Limited</i></p> <p><i>Measures for Management of the Three Public Expenses (Public Spending on Purchase and Use of Cars, Overseas Trips and Official Receptions) of Yuexiu Transport Infrastructure Limited</i></p> <p><i>Work Guidelines for Discipline Inspection and Supervision Departments of Subsidiaries</i></p> <p><i>Work Guidelines for Anti-corruption Supervision Teams</i></p> <p><i>Discipline Inspection and Supervision Institutions' Administrative Measures for the Handling of Letters, Visits and Whistle-blowing of Yuexiu Group</i></p>
	Prevention of Bribery Ordinance of Hong Kong Special Administrative Region	
B8 Community investment	Charity Law of the People's Republic of China	Policy Statement on Community Relations of Yuexiu Transport
	Charity Donation Law of the People's Republic of China	

## APPENDIX

## DATA LIST

ESG Indicators	Unit	2021	2020	2019
<b>Environmental indicators <sup>1,2</sup></b>				
<b>Emissions <sup>3</sup></b>				
Nitrogen oxides <sup>3,4</sup>	Ton	3.51	2.16 <sup>2</sup>	1.75
Sulfur dioxide <sup>4</sup>	kg	7.88	6.05	7.88
Particulate matter <sup>3</sup>	kg	319	193 <sup>2</sup>	156
Total emissions of greenhouse gases <sup>3,5,6</sup>	Ton of CO <sub>2</sub> equivalence	16,171	13,852	8,236
Greenhouse gas emission density <sup>6</sup>	Ton of CO <sub>2</sub> equivalence/km <sup>12</sup>	32.65	25.96	22.97
Greenhouse gas emissions (Scope 1) <sup>6,7</sup>	Ton of CO <sub>2</sub> equivalence	1,523	1,150	2,274
Greenhouse gas emissions (Scope 2) <sup>6,7</sup>	Ton of CO <sub>2</sub> equivalence	14,648	12,702	6,202
<b>Hazardous waste</b>				
Waste fluorescent tube	kg	831.34	721.44	598.32
Waste printer toner cartridges	kg	900.41	760.71	462.77
Total hazardous waste	kg	1,731.75	1,482.15	1,061.09
Hazardous waste density	kg/km	3.50	2.78	2.96
<b>Non-hazardous wastes</b>				
Bituminous concrete	Ton	164,379	73,478	28,294
Non-hazardous waste density	Ton/km	331.95	137.70	78.94

## APPENDIX

ESG Indicators	Unit	2021	2020	2019
<b>Environmental indicators <sup>1,2</sup></b>				
<b>Energy consumption and density in total and density</b>				
Total energy consumption	MWh	29,979	28,082	15,534
Energy consumption intensity	MWh/km	60.54	52.63	43.34
Electrical energy consumption	kWh	24,008,450	23,452,985	10,568,207
Gasoline consumption <sup>3</sup>	Litre	341,778	259,268	330,672
Diesel consumption <sup>8</sup>	Litre	177,071	137,690	187,034
LPG consumption	Ton	73	62	347
Natural gas consumption <sup>9</sup>	m <sup>3</sup>	15,211	7,858	3,851
<b>Use of resources</b>				
Pitch mixture <sup>10</sup>	Ton	217,077	85,823	16,770
Cement concrete (new material)	Ton	6,487	35,679	11,076
Stone materials	Ton	42,501	5,247	444
Snow melting agent	Ton	476	763	905
Curing agent	Ton	0	0	0
Paint	Ton	7	26	8
Steel	Ton	1,518	1,234	136
<b>Water consumption in total and density</b>				
Total water consumption	m <sup>3</sup>	416,661	229,737	193,095
Water consumption per capita	m <sup>3</sup> /person	206.06	114.35	96.69



## APPENDIX

ESG Indicators	Unit	2021	2020	2019
<b>Social indicators <sup>1,2</sup></b>				
<b>Total workforce</b>				
Total employees	Person	2,022	2,009	1,997
<b>By gender</b>				
Male	Person	1,105	1,106	–
Female	Person	917	903	–
<b>By age</b>				
29 and below	Person	681	818	–
30 to 49	Person	1,202	1,083	–
50 and above	Person	139	108	–
<b>By employment type</b>				
Managerial staff	Person	175	72	–
Non-managerial staff	Person	1,847	1,937	–
<b>By region</b>				
Employees whose registered permanent residence is in the province	Person	1,746	–	–
<b>Employee turnover rate</b>				
Total turnover rate of employee	%	12.31	12.00	11.23
<b>By gender</b>				
Male	%	12.31	–	–
Female	%	12.32	–	–
<b>By age</b>				
29 and below	%	22.17	–	–
30 to 49	%	6.74	–	–
50 and above	%	12.23	–	–

## APPENDIX

ESG Indicators	Unit	2021	2020	2019
<b>By employment type</b>				
Managerial staff	%	8.00	–	–
Non-managerial staff	%	12.72	–	–
<b>By region</b>				
Turnover rate of employees whose registered permanent residence is in the province	%	11.05	–	–
<b>Health and safety</b>				
Work-related fatalities	Person	0	0	0
Work-related death rate	%	0	0	0
Number of work-related injuries	Time	0	1	5
Total days lost due to work-related injuries	Day	0	83	173
<b>Number of employees trained</b>				
Total number of trained employees	Person	2,022	–	–
Percentage of trained employees to total employees	%	100	–	–
<b>By gender</b>				
Male	%	54.65	–	–
Female	%	45.35	–	–
<b>By employment type</b>				
Managerial staff	%	8.65	–	–
Non-managerial staff	%	91.35	–	–

## APPENDIX

ESG Indicators	Unit	2021	2020	2019
<b>Social indicators <sup>1,2</sup></b>				
<b>Training hours of employees</b>				
Total training hours	Hour	108,293	166,839	52,155
Average training hours	Hour/person	54	83	34
<b>By gender</b>				
Male	Hour/person	56	79	–
Female	Hour/person	51	89	–
<b>By employment type</b>				
Managerial staff	Hour/person	46	119	–
Non-managerial staff	Hour/person	54	82	–
<b>Management of suppliers</b>				
Total number of suppliers	Number of suppliers	1,758	1,292 <sup>2</sup>	682
Within province	Number of suppliers	579	478 <sup>2</sup>	–
Out of province	Number of suppliers	1,179	814 <sup>2</sup>	–
<b>Complaints statistics</b>				
Total complaints <sup>11</sup>	Time	139	259	63
Business complaints <sup>11</sup>	Time	62	147	19
Service complaints <sup>11</sup>	Time	28	62	30
Other complaints <sup>11</sup>	Time	49	50	14
<b>Anti-corruption</b>				
Number of corruption cases filed or closed	Cases	0	0	0
Anti-corruption training provided to internal directors and staff – anti-corruption warning education	Number of trainings	34	–	–
<b>Community investment</b>				
Community charity Investment	RMB 10k	22.46	105.3	171.6



## APPENDIX

## Remarks:

1. The ESG data of 2021 covers the headquarters and subsidiaries of Yuexiu Transport, including the Hancui Expressway, Han'e Expressway and Daguanqian Expressway acquired by the Company in November 2019, but excluding the Han-Xiao Expressway. Due to changes in the scope of statistical data, the data of 2021 has certain changes compared with the data of previous years.
2. In 2021, Yuexiu Transport optimized the management of ESG data. Therefore, the data of nitrogen oxides emissions, particulate matter emissions, and the number of suppliers within and out of province of 2020 were adjusted and restated to improve accuracy and transparency. Also, for the consistency of data we have converted the data of hazardous waste in 2019 and 2020, and the unit of data has been changed from quantity to weight.
3. The number and overall use of Yuexiu Transport vehicles increased in 2021, so the emissions of nitrogen oxides, particulate matter, greenhouse gases and gasoline use also increased compared to 2020.
4. Due to the business nature of Yuexiu Transport, waste gas emissions generated from its operations are not distinctive, and include nitrogen oxides, sulfur oxides and other pollutants regulated by national laws and regulations.
5. The greenhouse gases refer to the emissions of CO<sub>2</sub>, which exclude greenhouse gases such as methane and nitrous oxide emitted by other emissions sources.
6. The emission of CO<sub>2</sub> is calculated in accordance with *Appendix 2: Reporting Guidance on Environmental KPI of How to Prepare An ESG Report* issued by the Hong Kong Stock Exchange. In particular, the emission factor of 2021 purchased electricity uses the National Emission Factors for Mainland China, from the latest *Appendix 2: Reporting Guidance on Environmental KPI* issued by the Hong Kong Stock Exchange in May 2021, which were released by The Ministry of Ecology and Environment of People's Republic of China in 2019.
7. According to the ISO 14064 greenhouse gas standards, the direct greenhouse gas emissions (scope 1) refer to emission directly from the emission sources owned and controlled by the organization, such as emissions from its own vehicles. Indirect greenhouse gas emissions (scope 2) refer to emission from the indirect emission sources of energy, such as indirect greenhouse gas emissions caused by purchased electricity.
8. Diesel usage to maintain day-to-day operations rose due to an increase in the number of power outages.
9. Yuexiu Transport implemented a closed management system during the COVID-19 epidemic. As a result, the amount of natural gas used for cooking in the canteen and bathing for employees increased.
10. The usage of Yuexiu Transport's asphalt mixture increased significantly in 2021, mainly due to increase in overhaul and maintenance projects in 2020 and 2021. Some of the maintenance projects in 2020 were implemented in 2021. As a result, there was increase in the amount of mixture used in 2021.
11. Yuexiu Transport continued to optimize the service experience and achieved positive results, with the number of complaints dropping significantly.
12. The kilometer values in the data table are calculated based on the total mileage (calculated by 100%) of the holding company.

## APPENDIX

## 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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P26, P32 and P65
<b>A1.1</b>	The types of emissions and respective emissions data.	Data List	P70
<b>A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection Data List	P29, P70
<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data List	P70
<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Data List	P70
<b>A1.5</b>	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection	P26, P27 and P29
<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Protection	P26, P30 and P31

## APPENDIX

Aspect	Key performance indicators	Report chapter and statement	Page
<b>A2</b>	<b>Use of Resources</b>		
<b>General Disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmental Protection List of Main Applicable Laws, Regulations, Standards and Internal Policies	P30, P32, P65
<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Data List	P71
<b>A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Data List	P71
<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection	P26, P29
<b>A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Protection	P26, P30
<b>A2.5</b>	Total packaging material used for finished products (in tonnes) 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
<b>A3</b>	<b>Environment and Natural Resources</b>		
<b>General Disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environmental Protection List of Main Applicable Laws, Regulations, Standards and Internal Policies	P31, P32, P65
<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	P31, P32, P33
<b>A4</b>	<b>Climate Change</b>		
<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Environmental Protection List of Main Applicable Laws, Regulations, Standards and Internal Policies	P33, P65
<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection	P33, P34



## APPENDIX

Aspect	Key performance indicators	Report chapter and statement	Page
<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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P53, P66
<b>B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Data List	P72
<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Data List	P72, P73
<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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P38, P66
<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Data List	P73
<b>B2.2</b>	Lost days due to work injury.	Data List	P73
<b>B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Road Safety and Quality Services	P38-P43

## APPENDIX

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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P55, P67
<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Data List	P73
<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	Data List	P74
<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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P54, P67
<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Employment	P54
<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Employment	P54

## APPENDIX

Aspect	Key performance indicators	Report chapter and statement	Page
<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 List of Main Applicable Laws and Regulations and Internal Policies	P49, P66
<b>B5.1</b>	Number of suppliers by geographical region.	Data List	P74
<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, P51
<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management	P49, P50, P51
<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management	P51
<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 List of Main Applicable Laws and Regulations and Internal Policies	P36, P68
<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 List	P47, P74
<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



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Aspect	Key performance indicators	Report chapter and statement	Page
<b>B6.4</b>	Description of quality assurance process and recall procedures.	Road Safety and Quality Services	P36
<b>B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Road Safety and Quality Services	P47
<b>B7</b>	<b>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 List of Main Applicable Laws, Regulations, Standards and Internal Policies	P22, P69
<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.	Data List	P74
<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption	P22, P23, P24
<b>B7.3</b>	Description of anti-corruption training provided to directors and staff.	Anti-corruption	P23
<b>B8</b>	<b>Community Investment</b>		
<b>General Disclosure</b>	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Building List of Main Applicable Laws, Regulations, Standards and Internal Policies	P59, P70
<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Building	P59-P64
<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	Data List	P60, P74

## APPENDIX

### FEEDBACK

Dear readers,

Thank you for reading the Report! This is our 2021 Environmental, Social and Governance (ESG) Report. We do wish that you can make a comment on the Report and provide 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 Environmental, Social and Governance Report of Yuexiu Transport Infrastructure Limited 2021

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 comments: (please tick as appropriate)

	Excellent	Good	Average	Bad	Poor
Do you think the Report highlights the important information pertaining to 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 the 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 content arrangement and design of the 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 would like to know about is not reflected in the Report?

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What advice do you have for our future Environmental, Social and Governance reports?

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