



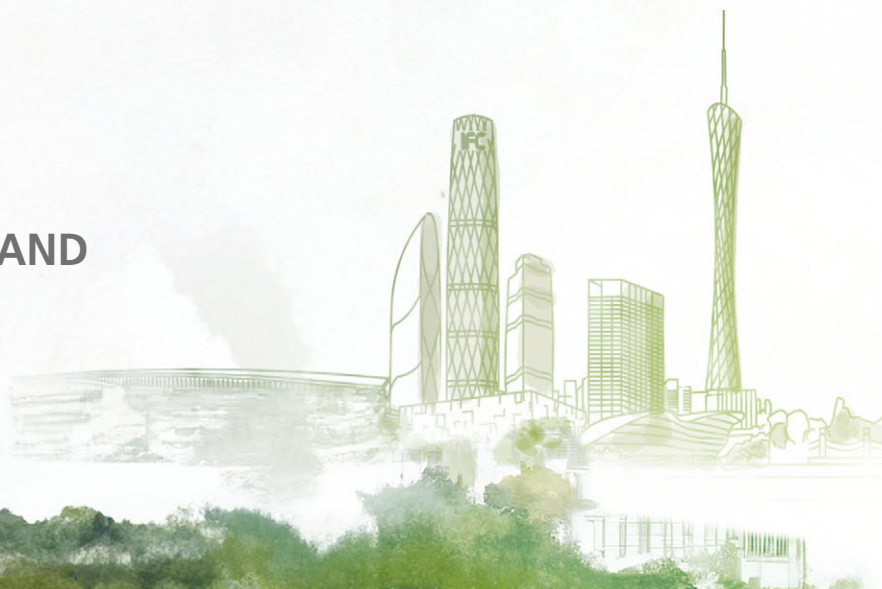
越秀交通基建有限公司

YUEXIU TRANSPORT INFRASTRUCTURE LIMITED

(Stock Code: 01052)

2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE REPORT



CREATING
EXCELLENT VALUES

01

| | |
|--|----|
| ABOUT THIS REPORT | 2 |
| CHAIRMAN'S MESSAGE | 6 |
| STATEMENT OF THE BOARD | 8 |
| ABOUT YUEXIU TRANSPORT | 9 |
| OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2024 | 12 |
| OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT | 14 |

02

| | |
|---|----|
| RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION | 32 |
| SUSTAINABLE DEVELOPMENT GOVERNANCE | 34 |
| CORPORATE GOVERNANCE | 47 |
| ANTI-CORRUPTION | 48 |
| COMPLIANCE MANAGEMENT AND RISK CONTROL | 55 |

03

| | |
|---|----|
| LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT | 61 |
| GREEN PROJECT IMPLEMENTATION | 64 |
| GREEN OPERATION PRACTICING | 66 |
| GREEN ECOLOGY PROTECTION | 80 |

04

| | |
|---|-----|
| QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT | 86 |
| IMPLEMENTING SAFETY MANAGEMENT | 89 |
| INTELLIGENT AND SMOOTH TRANSPORT CREATES VALUES | 105 |
| HIGH-QUALITY ROAD SERVICES | 116 |

05

| | |
|---|-----|
| PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT | 123 |
| COMPREHENSIVE PROTECTION OF RIGHTS AND INTERESTS | 125 |
| SUPPORTING TALENT DEVELOPMENT | 135 |

06

| | |
|--|-----|
| MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY | 140 |
| BUILDING A RESPONSIBLE SUPPLY CHAIN | 143 |
| PROMOTING DEVELOPMENT OF THE INDUSTRY | 148 |
| JOINTLY BUILDING HARMONIOUS COMMUNITIES | 151 |

CONTENTS

07

| | |
|-----------------------------|-----|
| CLIMATE-RELATED DISCLOSURES | 156 |
| GOVERNANCE | 157 |
| STRATEGY | 160 |
| RISK MANAGEMENT | 164 |
| METRICS AND TARGETS | 175 |

08

| | |
|---|-----|
| OUTLOOK for 2025 | 176 |
| APPENDIX | 177 |
| LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES | 177 |
| CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF APPENDIX C2 TO THE LISTING RULES | 182 |
| GRI CONTENT INDEX | 188 |
| PERFORMANCE INDICATORS | 196 |
| FEEDBACK | 202 |

ABOUT THIS REPORT

| • Content of this Chapter | |
|--|----------|
| Global Reporting Initiative (GRI) | 2-2, 2-3 |
| Key Performance Indicators of the Stock Exchange | / |

OVERVIEW

This is the ninth Environmental, Social and Governance (“ESG”) Report 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 this Report can help you better understand our efforts on sustainable development, in order to enhance communication and trust, and move towards sustainable development together.

TITLE DESCRIPTION

To facilitate presentation and reading, the company abbreviations in this Report are as follows:

| | | |
|--|------------|--|
| “Yuexiu Group” | represents | Guangzhou Yue Xiu Holdings Limited |
| “The Company” and “Company” | represents | Yuexiu Transport Infrastructure Limited |
| “The Group”, “We” and “Yuexiu Transport” | represents | Yuexiu Transport Infrastructure Limited and its subsidiaries |
| “Yuexiu (Hubei) Company” | represents | Yuexiu (Hubei) Expressway Company Limited |
| “GNSR Company” | represents | Guangzhou North Second Ring Transport Technology Company Limited |
| “Jinfu Company” | represents | Tianjin Jinfu Expressway Company Limited |
| “Cangyu Company” | represents | Guangxi Yuexiu Cangyu Expressway Company Limited |
| “Changzhu Company” | represents | Hunan Changzhu Expressway Development Company Limited |
| “Weixu Company” | represents | Henan Yuexiu Weixu Expressway Company Limited |
| “Lanwei Company” | represents | Henan Yuexiu Lanwei Expressway Company Limited |
| “Suiyuenan Company” | represents | Hubei Suiyuenan Expressway Company Limited |
| “Pinglin Company” | represents | Henan Yuexiu Pinglin Expressway Company Limited |

ABOUT THIS REPORT

BASIS OF PREPARATION

This Report strictly follows the disclosure requirements of the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including Appendix C2 Environmental, Social and Governance Reporting Code, with reference to internationally recognised guidelines and frameworks such as the United Nations Sustainable Development Goals (SDGs) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

To enhance information disclosure, we have incorporated the Global Reporting Initiative (GRI) Sustainability Reporting Standards in disclosing information about material sustainability issues in 2024, with reference to the International Financial Reporting Standards (“IFRS”) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by International Sustainability Standards Board (“ISSB”).

| Institution | Guide, standards or recommendations |
|--|---|
| Stock Exchange | Appendix C2 Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) of the Main Board Listing Rules |
| Global Sustainability Standards Board | GRI Sustainability Reporting Standards (GRI Standards) |
| Task Force on Climate-Related Financial Disclosures (“TCFD”) | Governance, Strategies, Risk Management, Metrics and Targets |
| International Sustainability Standards Board (“ISSB”) | International Financial Reporting Standards (“IFRS”) S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures |
| SASAC of the State Council | Guidelines on State-Owned Enterprises Better Fulfilling Social Responsibilities |

PREPARATION PROCESS

The content of this Report is determined based on a set of systematic procedures. The process of compiling the Report includes identifying key stakeholders, conducting stakeholder surveys, identifying and ranking important ESG issues, determining the boundaries of the Report, collecting relevant materials and data, organising and reviewing the data, and compiling the report content, etc.

ABOUT THIS REPORT

REPORTING PRINCIPLES

The preparation of this Report complies with the four reporting principles of the ESG Reporting Code of the Stock Exchange.

| Principles | Response |
|--------------|--|
| Materiality | The Company engages a third-party professional institution to identify the current material ESG issues based on the business characteristics of the Group, the analysis of the industry and surveys on the stakeholders, and submits the results to the board of directors of the Company (the “Board”) for approval to ultimately determine the ESG issues that are significant to the Group as the basis for the preparation of the ESG Report and respond to the issues through the Report. |
| Quantitative | Quantitative ESG objectives of this Report have been disclosed under the coordination of the ESG Committee. Where applicable, this Report shall disclose the comparative data of prior year to enable the stakeholders to understand the ESG management progress of the Group. |
| Balance | This Report presents the ESG performance of the Group in an unbiased manner. In addition to the disclosure of the work results, it also discusses the room and plans for improvement on relevant issues. |
| Consistency | Under reasonable and feasible circumstances, the quantitative information in this Report is calculated and disclosed in a manner consistent with the past so that the stakeholders could analyse and assess the performance of the Group in different periods. If there are changes in the scope of data collected, data updates or changes in calculation methods (if any), explanations shall be provided accordingly for the information of the users of the Report. |

SCOPE AND BOUNDARY

This is an annual report for the period from 1 January 2024 to 31 December 2024, with certain contents extended where appropriate.

The ESG-related policies, statements, management measures and the performance of quantitative data in this Report cover the Company and its subsidiaries. Among them, Pinglin Company’s full-year 2024 ESG data have been included in the statistical scope. Jinfu Company completed its equity transfer on 18 December 2024, and therefore falls outside this year’s ESG statistical scope. Pinglin Company was merged into the Group on 27 November 2024 while its data prior to this date have been classified as external data and is for reference only. The definitions used in the ESG Report have the same meaning as those in the Company’s “2024 Annual Report”. It is recommended to read together with the Company’s “2024 Annual Report”.

ABOUT THIS REPORT

DATA SOURCE AND RELIABILITY STATEMENT

The information and cases disclosed herein come from the Group’s official documents, statistical reports or public information. We are committed to the truthfulness, accuracy and completeness of this Report.

OBTAINING AND RESPONDING TO THIS REPORT

The monetary amounts stated in this Report are measured in RMB unless otherwise specified. This Report is prepared in both Chinese and English. If there is any difference between the two versions, the Chinese version shall prevail. The electronic version of this Report is available on HKEX news: <https://www.hkexnews.hk> and can be downloaded from the official website of Yuexiu Transport Infrastructure Limited: www.yuexiutransportinfrastructure.com.

If you have any questions or suggestions related to this Report, please call or email us using the contact information provided below:

Contact department: Capital Management Department
Address: 17A Yuexiu Building, 160 Lockhart Road, Wanchai, Hong Kong
Tel.: (852) 2865 2205
Fax: (852) 2865 2126
Email: contact@yuexiutransport.com.hk

CHAIRMAN'S MESSAGE

In 2024, remaining committed to our founding principles and confident in our path forward, Yuexiu Transport pursued unrelentingly the “3331” strategy and vision, and took bold and responsible actions to drive sustained growth in both scale and efficiency under the guidance of core corporate values and around the themes of “enhancing lean management to ensure steady growth and tackling challenges to facilitate development”, fulfilling the mission of “Three Returns” and driving sustainable development of Yuexiu Transport with powerful unity and by pooling resources.

Strengthening Climate Risk Response and Opportunity Capture, Committed to the Path of Green Sustainability

Amidst the global climate crisis, we vigilantly monitored the potential risks and opportunities on our operations and growth, remained focused on innovation for greater achievements, and nurtured the boom of green transportation with advanced technologies. In 2024, we assessed the effects of climate change on our business, developed robust strategies to mitigate risks, and took a proactive posture to capitalize on emerging opportunities. Pooling efforts on the GNSR Expressway Reconstruction and Expansion Project to build a model of excellence, we were devoted to the construction of expressway energy management system with “source-grid-load-storage” integration, building green and low-carbon expressways and contributing to the achievement of “carbon peaking and carbon neutrality” goals. During our operation, we steadfastly enhanced environmental consciousness by comprehensive training programmes, and propelled our journey towards a low-carbon future with unwavering determination.



CHAIRMAN'S MESSAGE

Harnessing Technology to Empower Business Improvement, Adhering to Lean Management

In the era of digital transformation, we leveraged technological advancements to foster new quality productivity, embodying FCTC core values through tangible actions, consolidating compliant operation as the foundation of business development, solidifying the frameworks of internal control system, risk management system and anti-corruption system with extended connotation, and enabling the engine of high-quality development under the leadership of the Party. In 2024, Yuexiu Transport recorded revenue of RMB3.867 billion and profit attributable to the shareholders of RMB657 million.

Taking road safety and unobstructed traffic flow as our responsibility, we promoted intelligent transportation system in all-round manner, accelerating construction of unmanned smart toll stations and actively exploring smart highways. We advanced pavement repair and specialized maintenance projects for Suiyuan Expressway, Lanwei Expressway and Weixu Expressway in a systematic fashion, aiming to improve road performance. For the GNSR Expressway Reconstruction and Expansion Project, a key project of national and provincial level bustling with activity, is in full swing. GNSR Company has achieved a significant increase in the number of technology R&D projects, intellectual property holdings, and commercialization outcomes, and has been recognized as a National High-Tech Enterprise three times, as well as the sole enterprise in the industry to be simultaneously certified as a “High-tech Enterprise”, an “Innovative Enterprise” and a “Specialised and Sophisticated Enterprise with Unique and Innovative Technologies”.

Uniting Employees and Giving Back to the Society, Cultivating a Culture of Harmony and Responsibility

Guided by the people-first philosophy, we prioritise the development of our employees and our obligations to the society. In the path of supporting employees to grow and develop, we never stopped moving by safeguarding the legitimate rights and interests of employees, offering them a comfortable and efficient working environment, and providing diverse training programmes, with the goal of providing every employee with a broad platform to achieve personal fulfillment and nurturing the spirit of “constant transcendence and greater excellence”. As a member of the society, we actively engaged in philanthropic endeavours to give back to the society through donations, supports and assistances, volunteer services and other actions, maintained open dialogues with different groups and built channels to enhance effective communication, thereby strengthening our commitment to social responsibility and progress of sustainable development.

The year 2024 heralds the 75th anniversary of the People’s Republic of China and stands as a crucial juncture for achieving the objectives of the 14th Five-Year Plan. As time etches its grand narrative and years unfold their epic tales, we acknowledge that no distance is too great for the traveler, no challenge is too formidable for the determined. We pledge to carry forward the Yuexiu legacy and pen further tales of perseverance. Moving forward, we will embrace a spirit of optimism, soar on the wings of conviction, and unite our collective drive to advance. Together with our key stakeholders, we will sketch a new epoch of sustainable development.

LIU YAN

Chairman

Hong Kong, 13 March 2025

STATEMENT OF THE BOARD

| • Content of this Chapter | |
|--|------------------|
| Global Reporting Initiative (GRI) | 2-12, 2-13, 2-14 |
| Key Performance Indicators of the Stock Exchange | / |

The Board of the Company attaches great importance to sustainable development management and actively integrates ESG concepts into operational management practices. According to the requirements of ESG Reporting Code, Yuexiu Transport has established an effective ESG management system and mechanism, continuously improving the sustainable development governance structure of the Group, and strengthening the supervision and participation in ESG affairs of the Board.

ESG Governance Policy and Strategy

As the top decision-maker for the ESG governance of the Group, the Board is responsible for supervising the Group’s ESG development direction and strategy including climate-related issues, and assumes overall responsibility for the Group’s ESG work; regularly discusses and reviews the implementation of relevant ESG work and future development opportunities. The Environmental, Social and Governance Committee is authorized by the Board to be responsible for the ESG strategic development and decision-making management of the Group, and to report to the Board on ESG-related performance on a regular basis.

ESG Risk Management

The Group attaches great importance to the significant impact of ESG-related risks including climate-related risks on its operation. To this end, the Group updates its ESG issue database every year based on the ESG risks of the industry, regulatory requirements and macro policies, and performs a materiality assessment of ESG issues by means of stakeholders surveys, questionnaire surveys, expert assessments, and discussions with the Board. The Board prioritizes ESG issues based on materiality, and then guides the Group’s annual ESG management accordingly. The Board has participated in the materiality assessment of the Group’s ESG issues in 2024, and has reviewed and confirmed the results of this year’s material issues analysis. The Group incorporates ESG-related risks, including those related to climate, into its overall risk management system. In 2024, the Group further deepened the identification and assessment of climate-related risks and opportunities, and formulated targeted response measures, with reference to the recommended framework of the Task Force on Climate-Related Financial Disclosures (TCFD). The Board regularly reviews key ESG risks and oversees the effective implementation of response strategies.

ESG Objective Management

The Group has set the relevant targets for greenhouse gas emissions, waste disposal, energy consumption and water consumption in accordance with the requirements of the ESG Reporting Code. During the reporting period, the Board reviewed and examined the ESG objectives of the Group and their progress.

From January 1, 2024 to the date of this Report, the Board held three meetings to review and examine the following ESG management matters of the Group: (i) ESG objectives and progress of the Group; (ii) ESG risks, opportunities and significant issues; (iii) matters related to climate change; and (iv) matters related to health and safety.

This Report disclosed in detail the ESG management practices of the Group during the reporting period, which was reviewed and approved by the Board on March 13, 2025.

ABOUT YUEXIU TRANSPORT

| • Content of this Chapter | |
|--|----------|
| Global Reporting Initiative (GRI) | 2-1, 2-6 |
| Key Performance Indicators of the Stock Exchange | / |

CORPORATE PROFILE

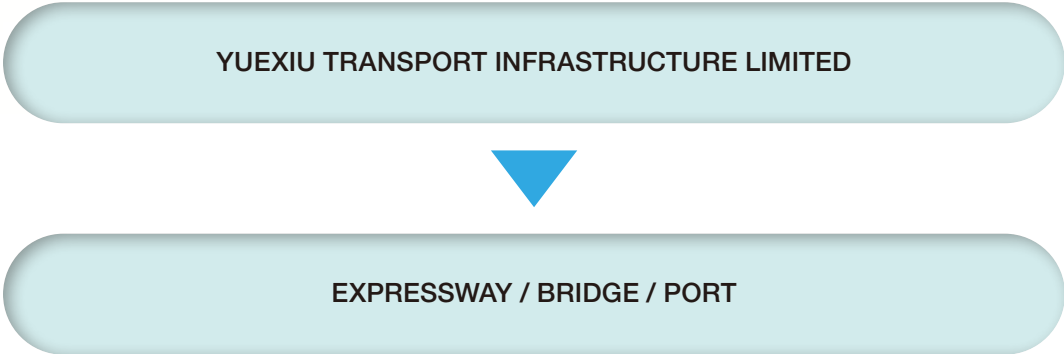
Yuexiu Transport Infrastructure Limited (the “Company”) and its subsidiaries are principally engaged in the investment, construction and development, operation and management of toll expressways, bridges and ports in Guangdong Province and other high-growth provinces in the People’s Republic of China (the “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 of the Guangzhou Municipal People’s Government.



ABOUT YUEXIU TRANSPORT

BUSINESS DEVELOPMENT

As at the end of 2024, the Company’s total assets amounted to RMB37.507 billion, with annual revenue amounting to RMB3.867 billion, employing 2,317 employees. The Company invested in 16 projects including toll roads, bridges and ports in 5 provinces and municipalities nationwide. The total toll mileage of expressways and bridges held by the Company is approximately 638.8 km, and the attributable toll mileage is approximately 521.9 km.



- GNSR Expressway
- Cangyu Expressway
- Changzhu Expressway
- Weixu Expressway
- Suiyuenan Expressway
- Hancai Expressway
- Han’e Expressway
- Daguangnan Expressway
- Lanwei Expressway
- Pinglin Expressway

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

- Subsidiaries
- Associates and joint ventures

ABOUT YUEXIU TRANSPORT

CORPORATE CULTURE

Yuexiu Transport advocates the corporate culture of “Faith, Credit, Trust and Confidence” to lead the sustainable development of the Group, which facilitates the full integration of the concept of sustainable development into the strategic planning, corporate governance, and business operation etc. of the Group to improve the sustainable development management continuously.

- Faith means striver orientation, customer focus and always striving to excel
- Credit means integrity, respect for the market and specialty
- Trust means excellent performance, synergy and efficiency, honesty and self-discipline
- Confidence means breakthrough power, responsibility and dedication



FCTC Model of Core Value

OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2024

KEY PERFORMANCE

| Sustainable development responsibilities | Management Practice in 2024 |
|--|--|
| Economic responsibilities | <ul style="list-style-type: none">Total assets: RMB37.507 billionRevenue: RMB3.867 billionGross margin: 47.7%Profit after income tax: RMB964 millionProfit attributable to shareholders of the Company: RMB657 millionBasic earnings per share: RMB0.3925 |
| Road responsibilities | <ul style="list-style-type: none">Number of toll road, bridge and port projects: 16Standard of Maintenance Quality Index (MQI) and Pavement Quality Index (PQI) of roads with controlling interest: over 90R&D investment for road quality improvement: RMB3.534 millionTraffic accident rate less than 0.01%, down by 3% from 2023Investment in work safety: RMB31.7762 millionA total of 1,036 safety inspections were carried out, and 1,925 hidden hazards were identified and addressed, with a addressing rate of 99.9% |
| Environmental responsibilities | <ul style="list-style-type: none">Greenhouse gas emission intensity: 24.49 tCO₂e/km, down by 23.6% from 2023Energy consumption intensity: 50.74 MWh/km, down by 14.8% from 2023Water use intensity: 378.91 m³/km, down by 40.3% from 2023Asphalt pavement material recycling rate: 100% |
| Employee responsibilities | <ul style="list-style-type: none">Number of total employees: 2,317Percentage of female employees: 45%Coverage rate of employee trained: 100%Safety training including employees of related parties: 309 times |
| Social responsibilities | <ul style="list-style-type: none">Employees of Yuexiu Transport participated in about 70,000 hours of volunteer service |

OVERVIEW OF SUSTAINABLE DEVELOPMENT IN 2024

RECOGNITIONS



Five-star ESG Reporting Excellence
China Association of Communication Enterprise Management



Outstanding Case
China Association of Communication Enterprise Management



Listed Enterprise Excellent Awards 2023 – Business Performance Award
CAPITAL



1st Mao Yi-sheng Transportation Technology and Process Innovation Competition
Second Prize
Peking Mao Yi-sheng Science and Technology Education Foundation



1st Mao Yi-sheng Digital Transportation and Intelligent Construction Technology Application Competition – Silver Award
Peking Mao Yi-sheng Science and Technology Education Foundation



Science and Technology Award – First Prize
China Communications and Transportation Association



Guangdong Intelligent Transportation Science and Technology Progress Award – Third Prize
Guangdong Intelligent Transportation Association



Outstanding Project Case – Second Prize
Guangdong Intelligent Transportation Association



Science and Technology Award of Science and Technology First Prize
Guangdong Civil Engineering and Architecture Society



Science and Technology Award of Science and Technology Second Prize
Guangdong Civil Engineering and Architecture Society



4th Quality Innovating and Improving Achievement Presentation Competition of Guangdong Province
Lean Management Achievement of Grade 1



4th Quality Innovating and Improving Achievement Presentation Competition of Guangdong Province
Lean Management Achievement of Grade 2



4th Quality Innovating and Improving Achievement Presentation Competition of Guangdong Province
Lean Management Achievement of Grade 2

Guangdong Association for Quality

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

RIDING THE TIDE OF THE TIMES, WE ARE EMBARKING ON A NEW JOURNEY TOWARDS GREEN AND INTELLIGENT TRANSPORTATION

In an era when China is striving to be a great power with advanced transportation infrastructure and vigorously developing green and intelligent transportation, a stream of development concepts known as “innovation, coordination, eco-friendliness, openness and sharing” runs through the vein of China’s transportation transformation. With energy conservation, emission reduction and eco-friendliness as the core pursuits, green transportation aims to develop a transportation system featuring low pollution and low energy consumption. Intelligent development relies on cutting-edge technologies such as big data, the Internet of Things and artificial intelligence to enable the upgrade of the transportation system towards intelligence and efficiency.

As a state-owned enterprise, Yuexiu Transport vigorously responds to the call of our country, courageously undertaking its responsibility, advances in steady paces under the guidance of its FCTC Philosophy, and relentlessly puts the concept of green transportation and intelligent development into practice. From blueprint design, construction process to operation management, we strive to reduce energy consumption and the impact on our environment in every aspect. Meanwhile, leveraging the cutting-edge technologies such as big data, the Internet of Things and artificial intelligence, we relentlessly promote the intelligent upgrading of the transportation infrastructure, striving to achieve smart mobility, intelligent management, and eventually the improvement in overall efficiency and service quality of the transportation system.

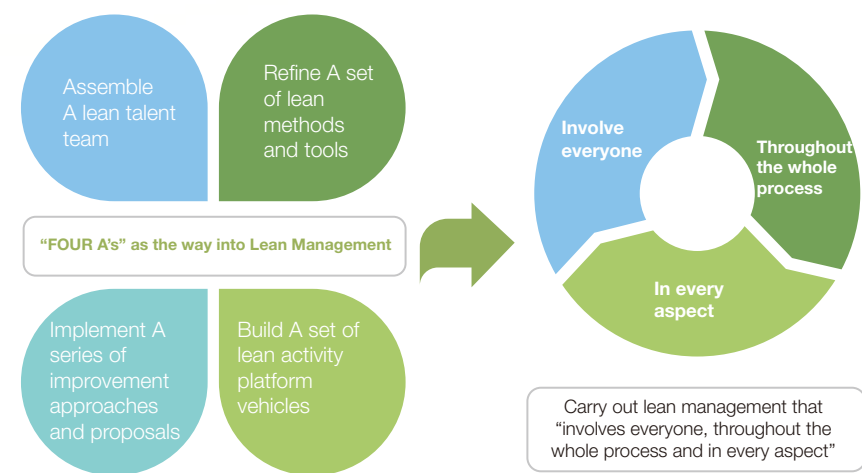
THE PROSPERITY OF OUR CORPORATE CULTURE BASED ON OUR FCTC PHILOSOPHY TAKES ROOT IN THE FERTILE SOIL WHERE WE GROW

➤ Guided by our FCTC Philosophy, we strive to achieve sustainable development through lean management

In 2023, Yuexiu Transport officially launched the lean management campaign in response to the call of the Yuexiu Group, during which it painstakingly cultivated its lean management capability as its core competitiveness by pivoting on the key goals of “anchoring to the 3331 strategy while improving the three core competencies”, and relentlessly practising the core concepts of customer-centricity, continuous improvement and the pursuit of efficiency.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

In respect of the construction of the supporting system, the Company has consolidated the foundation of lean management in terms of organizational structure, corporate culture, performance appraisal and regulatory system, and is committed to fostering an aggregable corporate culture that is constantly improving and inspiring the active participation of its employees. In a striving to achieve the “Four A’s”, we generally put lean management into practice in a way that “involves everyone, throughout the whole process and in every aspect”, aiming to continuously cultivate and optimize the platform for lean management, and inject strong impetus into our striving for the high-quality and sustainable development of the Company.



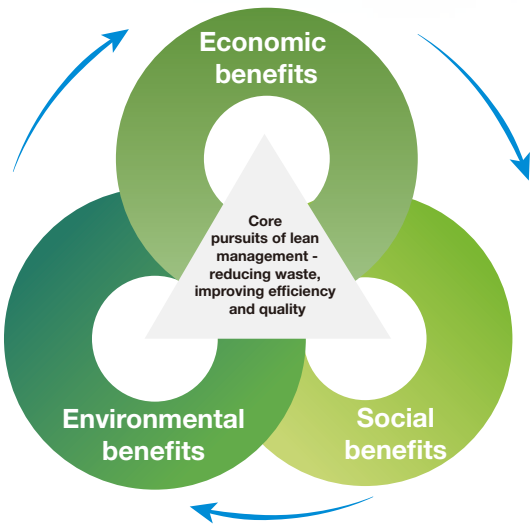
Yuexiu Transport’s FCTC Philosophy fits well with its pursuit of lean management, both working together to power the Company’s development in the field of green and intelligent transportation.

| Yuexiu Transport’s FCTC culture | |
|---------------------------------|--|
| Faith | As the core driver of its development, the faith in pursuing excellence inspires us to adopt lean management to optimize our processes, reduce waste, and improve efficiency; |
| Credit | Credit is the cornerstone of a win-win cooperation. Professionalism requires professional division of labor and fine operation to support lean management, which will be conducive to our employees in improving their ability and achieving efficiency; |
| Trust | Trust is the foundation of a productive collaboration, which can break down communication barriers and facilitate resource sharing and cooperation leveraging the lean management synergy; |
| Confidence | As the propelling force for continuous advancement, confidence integrates ground-breaking power with responsibility, providing spiritual impetus for lean management practice and facilitating its application in green and intelligent transportation, thus laying the solid foundation for the sustainable development of the Company. |

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

Lean management is the paint used to draw a new picture for ESG

In accordance with the Plan-Do-Check-Act (“PDCA”) cycle principle and with “reducing waste and improving efficiency and quality” as the core pursuit, the Group launched the lean management campaign to achieve environmental, social and economic benefits.



Perfect implementation of the concepts will advance the project smoothly

Lean management runs through the whole process of the projects of Yuexiu Transport from planning in the beginning to operation in the end. In the early stage of a project, comprehensive investigation and data collection were kicked off as the first steps, and then a professional team was assembled to carry on the project. In the stage of planning, lean management was introduced to optimize the plan, including precise planning of the routes to reduce expropriation of land. At the stage of construction, all parties involved work together whole-heartedly to keep the progress and quality under control and ensure safety. At the stage of operation and maintenance, lean management is also applied to reduce costs, improve efficiency, and achieve economic, environmental and social benefits for all parties.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

| Core pursuits of Yuexiu System's lean management: reducing waste, improving efficiency and quality | | | | | Lean management promotes ESG improvement | | |
|--|---------------------------|---|---|--|---|--|--|
| Approach of lean management: "PDCA" process | | | | | | | |
| | | ④ Cost effectiveness and efficiency improvement | | | | | |
| Stages | ① Identify key issues | ② Clarify concerns | ③ Direction of lean management actions | | Environmental benefits | Social benefits | |
| Renovation and expansion projects | Preliminary preparation | ensure the feasibility of the project and coordinate various stakeholders. | <ul style="list-style-type: none">• Necessity of the project• Investment benefit analysis• Preliminary assessment of environmental impact | <ul style="list-style-type: none">• Introduction of data analysis tools to achieve scientific decision-making• Plans on reducing impact on communities | <ul style="list-style-type: none">• Optimize resource inputs• Reduce project costs | <ul style="list-style-type: none">• Ensure that environmentally sensitive risks are effectively dealt with• Protect surrounding ecological environment | <ul style="list-style-type: none">• Maintain community relationship• Further meet the public travel demand |
| | Plan design | Improve cost efficiency and reduce environmental impact while ensuring quality. | <ul style="list-style-type: none">• Functional requirements analysis• Cost control• Environmental protection measures• Community impact assessment | <ul style="list-style-type: none">• Land conservation• Reduce expropriation and demolition• Recycling• Noise control• Reuse of relocated trees• Renewable energy design | <ul style="list-style-type: none">• Save construction costs• Save relocation costs• Receive subsidies for digital transformation projects | <ul style="list-style-type: none">• Reduce potential green space occupation• Reduce excavation and abandonment, and minimize resource utilization• Reduce noise pollution | <ul style="list-style-type: none">• Maintain the quality of life of nearby residents• Link railway, water transport and other departments |
| | Construction | Carry out construction works efficiently with high quality. | <ul style="list-style-type: none">• Construction progress control• Quality control• Safety management• Implementation of environmental protection measures | <ul style="list-style-type: none">• Safety lean management project• Intelligent site supervision• Prefabricated construction | <ul style="list-style-type: none">• Cost control during construction period• Minimize compensation due to safety accidents | <ul style="list-style-type: none">• Implement environmental protection requirements during the construction process• Safeguard the surrounding ecology of the construction site | <ul style="list-style-type: none">• Reduce the impact of construction on surrounding residents• Ensure the safety of construction workers |
| On-going projects | Operation and maintenance | Optimize operation efficiency, reduce maintenance costs, and improve service quality. | <ul style="list-style-type: none">• Improve operational efficiency• Preventive maintenance plan• Customer service• Energy efficiency management | <ul style="list-style-type: none">• Smart transportation systems• Green maintenance technology• Waste asphalt utilization• Energy consumption monitoring• Energy-saving transformation | <ul style="list-style-type: none">• Ensure smooth traffic flow and toll revenue• Preventive maintenance reduces major repair costs• The use of recycled asphalt reduces the cost of new resources | <ul style="list-style-type: none">• Green maintenance technology reduces the impact of our operations on the environment• The use of recycled asphalt reduces the cost of new resources• Reduce energy consumption | <ul style="list-style-type: none">• Improve road safety• Increase customer satisfaction |

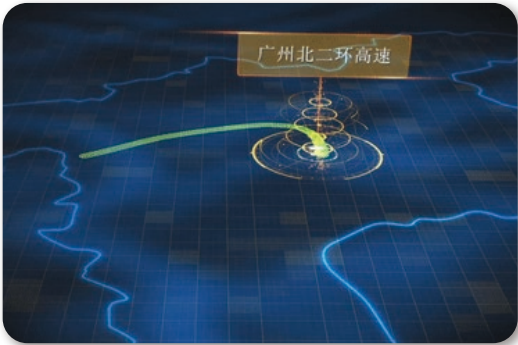
OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

PRACTICE OF LEAN MANAGEMENT RADIATES SPLENDOR DURING THE COURSE OF OUR ENDEAVOR

Yuexiu Transport focused on “improving efficiency, effectiveness and cost reduction”, proactively implemented lean management, established related working systems, and steadily enhanced the operation and management quality of the Company.

➤ The wonderful transformation of “super projects” towards lean management

- The total length of 38.284km, the GNSR Expressway Reconstruction and Expansion Project boasts a total investment of approximately RMB17 billion and a duration of five years.
- The project has a long duration, huge investment, high difficulty, a large number of parties involved to coordinate, and diverse patterns for reconstruction and expansion. It is recognized as a “super project” and “museum” in the field of expressway reconstruction and expansion.



From the design to the construction of the GNSR Expressway Reconstruction and Expansion Project, Yuexiu Transport vigorously put lean management into practice, focusing on the core pursuits of “Four Reductions”, striving to reduce the negative impact of project construction on the ecological environment and social livelihood through scientific planning and lean management, and advancing the project steadily in the direction of sustainable development with practical approaches.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER,
STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

Reduce the scale of works

- We assembled a professional design team to optimize the plan, for the purpose of meeting the demand of traffic flow with rationally planned routes, reducing land occupation.

**Reduce the amount
of expropriation
and demolition**

- In consultation with the government and local residents, we employed advanced surveying and mapping technology to determine the scope of the red line with accuracy, so as to avoid excessive expropriation and demolition, preserve the livelihood of nearby residents, reduce ecological damage, and ease the residents' pain in relocation.

Reduce the impact on traffic

- We advanced in stages, strengthening our efforts to clear congestion and release information on project progress, reduce the impact of construction on the roads to ensure smooth traffic, and promote regional economic development.

Reduce external impact

- We set limits on construction time, installed noise barriers next to the residential areas, and use environmentally friendly materials to reduce emissions. We communicated with the community regularly, provided feedback on the progress of construction and our environmental protection efforts, set up a group of liaison to follow up residents' opinions, and maintain order in community and safeguard the residents' health.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER,
STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

- **Stage of planning**

WE CONDUCTED COMPREHENSIVE RESEARCH AND EVALUATION OF THE "12 + 10 LANES" DESIGN OPTIMIZATION PROPOSAL, WHICH HAS SIGNIFICANTLY REDUCED THE SCALE OF THE PROJECT, AND ACHIEVED REMARKABLE ENVIRONMENTAL, SOCIAL AND ECONOMIC BENEFITS



➤ **Before improvement**

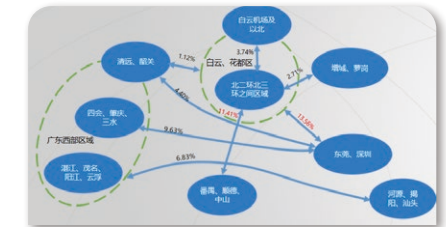
At the stage of the feasibility review, the 12-lane 3D expansion scheme was proposed for the entire section. However, it can barely meet the demand for traffic efficiency and the requirements of project scale control and reduction of negative impact on the surrounding environment and communities.

➤ **Improvement measures**

The GNSR Expressway Reconstruction and Expansion Project team considered from multiple perspectives, and made a comprehensive comparison between the proposed 12-lane 3D expansion plan and our “12 + 10 lanes” (12 lanes for certain sections and 10 lanes for the others) plan based on scientific methods and detailed data. Leveraging big data analysis of traffic flow, field mapping of environmental sensitive points, simulation operation, department coordination and other means, they gave comprehensive consideration to traffic flow, geographical conditions, operational effectiveness, land use policy etc., with the support of detailed demonstration reports and data, and communicated repeatedly with the industry authorities.



We conducted dragnet surveillance with drones and found environmentally sensitive points that have ruled out the choice of twelve lane 3D expansion plan for the whole line



After analysing the multi-dimensional traffic data for the past 20 years of operation, we concluded that ten lanes in certain sections will be well enough to meet the needs while maintaining the reasonable scale of the project



Using traffic simulation software, we were convinced that ten lanes would be enough in certain sections to clear congestion and meet the requirements of traffic flow



With detailed illustration as well as sufficient supporting data to soothe the concern of industry authorities, our recommended scheme was eventually approved.

➤ Improvements

- After adequate communication and demonstration, the industrial authorities finally agreed on our design scheme (i.e. 12 lanes in both directions for Huocun to Badou section, and 10 lanes in both directions for Badou to Longshan section). Compared with the original scheme, **our scheme reduces the amount of building demolition by 40%, the area of occupied land by 19%, and the amount of demolition of high voltage towers by 55%**, significantly reducing the scale of the project.
- In terms of environmental benefits, our scheme has reduced land occupation and building demolition, dust, noise and other pollution, safeguarding the surrounding ecological system.
- In terms of social benefits, our scheme has reduced the amount of building demolition, effectively solved the problems in land expropriation and demolition, promoted social harmony and stability, reasonably controlled the scale of project, optimized the allocation of resources, and ensured the smooth progress of the project.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

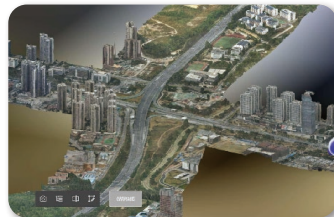
AFTER PAINSTAKING CONSIDERATION, WE CAME UP WITH AN INNOVATIVE OPTION OF UNEQUAL DEVIATION ALONG THE CENTRAL LINE, GREATLY REDUCING THE AMOUNT OF LAND EXPROPRIATION AND BUILDING DEMOLITION



➤ Before Improvement

The conditions of the Shihu-Beicun section are complicated, with the south side closely adjacent to the communities and a large number of residential buildings, making it difficult to expropriate and demolish. The northern side, on the other hand, is closely adjacent to the railway, making coordination a great challenge. If we adopt the traditional widening scheme on both sides, the residential buildings on the south side will face large-scale demolition; if we adopt the traditional north-side widening scheme, we will have to occupy railway access for emergency repairs, the railway authorities will have strong opinions as it is adjacent to the operating railway. With such tight limitations in construction space, how to safeguard the interests of the surrounding residents, as well as the railway authorities and other stakeholders while finding the best route with the lowest cost, has become a critical problem for us to solve.

➤ Improvement measures



Accurate measurement: Advanced technologies such as aerial survey with drones were adopted to accurately measure the buildings along the route, and technologies such as laser point cloud and oblique photography were also applied to establish high-precision models and obtain accurate foundational data



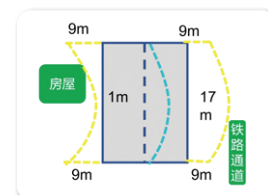
Clarifying boundary: We have repeatedly met with China Railway Guangzhou Group Co., Ltd. to reemphasize the requirements for expansion along the railway to provide key boundary conditions for the scheme design



Demonstration of feasibility: We conducted a special study on traffic flow during the construction period, and with methods such as scenario planning and coordination with the relevant authorities, we finally came up with a scheme with 6 lanes open all the time to keep the traffic going



Innovative research: After more than 10 rounds of study and consultation which resulted in more than 10 options, we finally came up with an innovative option of unequal deviation along the central line. This scheme combines the advantages of two conventional schemes, which increases the deviation to the north in the densely populated areas and decreases the deviation in the railway emergency access areas



➤ Improvements

Compared with the traditional scheme, our innovative option of unequal deviation along the central line **reduces the amount of building demolition to the south by 14,000 sq.m. and saves an investment of about RMB290 million**, which not only avoids large-scale building demolition, minimizes the impact on the livelihood of the surrounding residents, and safeguards the stability of the community and the interests of the residents, but also serves the needs of the railway authorities and other stakeholders, enhancing the social benefits of the project, and thus achieving a win-win outcome with noteworthy economic and social benefits.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

AS AN EXAMPLE OF OUR PURSUIT OF EXCELLENCE, WE PIONEERED THE USE OF PIER REPLACEMENT TECHNOLOGY AT THE TAIHE INTERCHANGE OF SOUTH CHINA EXPRESSWAY, WHICH SIGNIFICANTLY CUT THE COST



➤ Before improvement

The Northern Second Ring Road crosses underneath a bridge of the South China Expressway at the Taihe Interchange. The bridge piers at this location are adjacent to the Northern Second Ring Road leaving no room for widening on both sides. After comprehensive consideration of the cost, safety, and distance from the railway, we have finally concluded that it is still necessary to widen the road at both sides. For the implementation of this scheme, we need to solve the problem of insufficient space for widening due to the obstruction of the existing bridge piers, in another word, we must remove and replace the eight bridge piers of the South China Expressway, and the construction of which has to be completed without interrupting the traffic of the two busy highways with an average daily traffic volume of more than 100,000 vehicles, making the design and construction of this scheme extremely difficult, and a plan that minimizes the impact on the existing highway operation and tolling desperately needed.

➤ Improvement measures

The management office of the project, in collaboration with a number of units involved, established a structural model to analyze the conditions of the piers under stress by collecting data of the bridge of South China Expressway and conducting a comprehensive survey with professional technologies, and finally determined the pier replacement scheme for the bridge. When working on the scheme, our designers used professional software to conduct analogical analysis, and adopted visualization technology to simulate unfavorable working conditions, and finally came up with an inverted L-shaped piers replacement scheme with temporary holes. After the design and construction plan was completed, the management office conducted another site survey with professional software to simulate the construction conditions for virtual testing to ensure the safety and feasibility of the scheme.



OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT



Technical highlights:

- Temporary holes were drilled on the inverted L-shaped piers to ensure the smooth construction process without demolishing the old piers and erection of full-size scaffolding, which had zero impact on the toll revenue of the GNSR Company.
- With programmable logic controller (PLC) jacking devices, together with adjustable height support to gradually compensate the deflection of the cantilever, we have achieved millimeter-level control, and ensured that the traffic of South China Expressway was not interrupted.
- We tracked and monitored the displacement and internal force changes in the existing structure, analyzed and compared them with simulation technology, so as to control the changes in the structure in real time during the process of pier replacement, and ensure the safety of the structure.

Improvements

Adoption of the replacement plan will result in the two highways with an average daily traffic of more than 100,000 vehicles remain open to achieve continuous stability of traffic operation, which not only ensured that the Northern Second Ring Road’s traffic and toll revenue would not be affected, but also avoided regional traffic congestion that may be triggered by the disruption, thus ensuring the travel smoothness and convenience of the public, and greatly enhancing the social benefits.

Stage of construction

WITH A CLEVER SOLUTION TO THE PROBLEM OF TREE DISPOSAL, THE GNSR EXPRESSWAY RECONSTRUCTION AND EXPANSION PROJECT HAS TAKEN A REFRESH LOOK



Before improvement

According to the preliminary plan, the reconstruction and expansion of the GNSR Expressway requires temporary relocation of a large number of trees, with a relocation rate of 42%, a cost exceeding RMB40 million, and additional land requirement of approximately 30 mu. This not only increases the costs of the project, including relocation and maintenance costs, and wastes land resources, but also affects the survival rate of relocated trees and threatens the ecological conditions of the relocation area, posing a contradiction to the concept of environment protection.

Improvement measures

- Setting up piles and marking lines in advance to optimize the construction areas: We demanded adding tree locations to the design drawings, identify tree involved areas, coordinated with construction units to refine the construction plans, optimized equipment placement, precisely marked construction areas with piles and lines, with which we have reduced the number of affected trees from approximately 11,500 to 7,358.



OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

- Reasonable planning of relocation and promotion of resource utilization: We arranged for the departments involved to meet and communicate on project progress while taking into account the conditions of the relocated trees and landscaping requirements to explore opportunities of reusing them, and we have develop a phased implementation plan, with which we expect that 100% of relocated trees will be reused, thus reducing the time of the relocated trees in the nurseries by approximately 1 year.

Improvements

- **Resource utilization and cost control:** 100% of the temporarily relocated trees along GNSR Expressway **were used for greening purpose along the entire line during the reconstruction and expansion**, achieving effective resource utilization. The tree relocation rate was **reduced from 42% to 25%** with tree disposal costs **decreasing by over 70%**, with zero increase in permanent land use, and limiting new temporary land use to no more than 15 mu.
- **Summarization and promotion of experiences:** We have compiled our tree handling methods into a guiding manual for our subsequent projects, aiming to establish a standardized work procedure.

THE RECONSTRUCTION AND EXPANSION OF THE GNSR EXPRESSWAY WERE CARRIED OUT IN A MULTI-PRONGED MANNER TO SOLVE ENVIRONMENTAL CONCERNS OF THE COMMUNITY



Before improvement

The GNSR Expressway reconstruction and expansion team actively conducted surveys from the very beginning by distributing over 1,700 questionnaires to collect the nearby residents’ opinions, as an effort to reduce the project’s negative impact on the community. Complaints have been received from some residents, mainly about potential environmental impacts, especially noise pollution issues.

Improvement measures

- **Establishing cooperation:** The Company collaborated with the Political and Legal Affairs Committees of districts to establish a dedicated resolution mechanism, explaining project adjustments and control measures to the residents and stakeholders in detail, which has enhanced the authority and credibility of our communication with them.
- **Multiple rounds of environmental assessment disclosure:** In August 2023, when the project entered the phase of environmental assessment, the Company made multiple rounds of public disclosure, announcing our environmental protection measures in details, and promised to carefully implement those measures during the construction and acceptance phases, aiming to enhance the residents’ trust on us.
- **Special communication on noise control:** Regarding complaints about noises, the GNSR Company Engineering Management Department, together with the Technical Department and relevant units, held 4 meetings to determine the fully-enclosed and semi-enclosed shielding plans. Meanwhile, we cooperated with the Environmental Protection Bureau and sub-district offices in explaining the scientific nature and effectiveness of the solutions to the residents, which has improved communication effectiveness.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

Improvements

During the progress of the project, the multiple rounds of environmental assessment disclosure and explanation of our environmental protection measures have significantly improved project transparency, enhanced the residents' trust on us, resolved misunderstandings and concerns caused by information asymmetry, and won us understanding and support from the public. In respect of the complaints on noises, the shielding plan has been approved by the residents, showing that our efforts had met the residents' expectations, promoted harmonious coexistence between the project and community, and guaranteed the smooth progress of the project.



Aerial photo of the steel structure construction site of China's first fully enclosed sound barrier built on an existing ten-lane highway: The fully enclosed sound barrier construction project at the Baoli-Luolan Community section of the GNSR Expressway

Operation of continuing projects: upholding and innovation of lean maintenance

The steady advancement of the operation and maintenance work is key to ensuring the long-term stable operation and continuous benefit delivery of our continuing projects. We employ green and intelligent maintenance technologies and smart road operation models, with the "Four Improvements" as our goal, to vigorously strengthen road safety and make every journey on the road safe and enjoyable. Meanwhile, we continuously improve the quality of the roads to extend their service lives while relentlessly improving traffic efficiency and enhancing customer experience in all aspects, so that the roads will be able to better serve the public.

Improvement on road safety

- We use our intelligent platform to analyze the accident-prone areas, study abnormal driving behaviors, and gain insights into potential risks. Meanwhile, we have upgraded the tunnel lighting system to ensure sufficient and uniform illumination, eliminate visual blind spots, and ensure safety

Improvement on traffic efficiency

- We use big data analysis and artificial intelligence technology to accurately predict traffic flow and formulate traffic guidance plans in advance; we have established an efficient emergency response mechanism to take quick actions and ensure smooth traffic flow when emergencies occur



Improvement on road quality

- We intelligent inspection and maintenance technology that utilizes advanced sensors and data analytics to monitor road conditions in real-time, detect potential issues promptly, conduct preventive maintenance, and extend the service life of the roads

Improvement on customer experience

- We have upgraded the service area infrastructure, optimizing their layout, enhancing convenience and comfort; we strengthen staff training to improve service quality, and provide enthusiastic and professional service to drivers and passengers

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

Stage of operation

GNSR COMPANY'S SMART ROAD INSPECTION PROJECT FACILITATES INTELLIGENT ROAD MAINTENANCE



Before Improvement: With the increase in operating time and the influence of natural and human factors, high slopes along highways are prone to geological hazards such as surface erosion, landslides, and collapses. Highway slope monitoring and inspection mainly relied on manual work, resulting in insufficient monitoring frequency, inability to determine stability trends, difficulty in inspection, low efficiency, significant safety risks for personnel climbing high slopes, inability to achieve all-weather monitoring of slope, and ineffective assessment of slope stability trends.

Improvement measures

- Building a full life-cycle safety monitoring system for high slopes along highways, integrating Beidou satellite positioning monitoring, oblique photography by drones, and electronic sensor monitoring technologies to track the safety conditions of high slopes in real-time.
- Developing an intelligent mechanized edge inspection system for highway maintenance, integrating deep-learning defect recognition algorithms and a cloud computing data management platform. Through vehicle-mounted equipment to collect road surface defects data and the establishment of a YOLOv7 rapid target detection network to achieve precise defect identification and recording. Intelligent inspection vehicles, drones, and other advanced equipment are also introduced to replace traditional manual inspection methods.

Improvements

Intelligent inspection vehicles equipped with HD cameras, laser radar, sensors, and other vehicle-mounted devices can quickly and accurately collect information about road surface defects and facility damage, and automatically identify and classify them through data analysis software. Drones can conduct aerial inspections of complex areas along highways such as bridges, tunnels, and slopes, obtaining more comprehensive images and data, improving inspection efficiency and safety. By establishing a complete maintenance solution chain of "intelligent inspection – intelligent image recognition – defect diagnosis – precise maintenance – dynamic tracking," the efficiency and quality of highway maintenance have been improved to ensure road safety and smooth traffic flow, as a good example of our implementation of the safety-first concept.



Intelligent inspection and monitoring platform

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

ILLUMINATING HIGHWAY TUNNELS, ENHANCING SAFETY AND REDUCING ENERGY CONSUMPTION



➤ Before improvement

Through field research and cause analysis, our project team found that the light changes inside and outside the tunnel causing glare for drivers was a major factor for high risks in tunnel-driving safety, as tunnel lighting brightness being higher than actual need resulted in low tunnel energy utilization. Thus, our focus was clear, i.e. to promote lean management in tunnel lighting applications, improving tunnel lighting and comfort, and reducing energy consumption and operating costs of tunnel lighting.

➤ Improvement measures

Through in-depth research on lighting quality changes of asymmetric light distribution in highway tunnels, the project team has proposed technical requirements for tunnel forward lighting; after studying the intelligent dimming technology and its effects for tunnel lighting, we have developed control strategies and standards for intelligent tunnel lighting.



Before renovation



After renovation

➤ Improvements

Through the persistent efforts of the project team, the pilot tunnel's new lighting system after renovation achieved a 17.24% reduction in energy consumption. The automated lighting control effectively reduced labor and maintenance costs, and ensured drivers experience with no glare while driving, with smooth transitions between night lighting and tunnel lighting, significantly improving the lighting environment. Accidents in the renovated tunnel section decreased by 55% year-on-year, achieving the goals of energy conservation, cost reduction, and enhanced safety and comfort. The project won the Gold Award of Continuous Improvement Project of Yuexiu Group for 2023.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT

ACHIEVING LEAN EXCELLENCE, HARVESTING SUSTAINABLE GROWTH

➤ Project Level: Lean Transformation in Every Detail



Saving

Reduce

Maintain

Safeguard

| | |
|------------------------------|--|
| Cost reduction and savings | Innovative design solutions leverage scientific evaluation models to analyse the economics and feasibility of multiple options comprehensively, selecting the most cost-effective solution |
| Reduce land use | Scientifically optimize design to minimize the occupation of potential green spaces and farmland, avoiding unnecessary land-use changes |
| Reduce resource consumption | Reduce excavation and disposal to minimize resource consumption |
| Reduce house demolition | For projects involving residential areas, adhere to the principle of public participation, engage with stakeholders to ensure a reasonable layout, minimize demolition, and safeguard residents' rights and interests |
| Integrate transport network | Deep integration with surrounding facilities, collaborating with relevant authorities to develop traffic diversion plans and optimize design to enhance traffic flow and operational efficiency |
| Maintain community relations | Prioritize the project's impact on the surrounding community, establish effective communication channels, actively gather resident feedback, and maintain positive engagement |
| Safeguard quality and safety | Continuously improve road safety, environmental sustainability, and driving comfort by enhancing energy efficiency, reducing accident rates, and optimizing lighting quality, thereby creating a better transportation environment |

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT



Yuexiu Transport submitted **3,614** valid proposals, with a **99%** participation rate; and initiated **35** key improvement projects, all of which have been completed



Yuexiu Transport participated in the 4th Quality Innovating and Improving Achievement Presentation Competition of Guangdong Province organized by the Guangdong Association for Quality, and won **1** Lean Management Achievement of Grade 1 and **2** Lean Management Achievement of Grade 2



Yuexiu Transport participated in Yuexiu Group’s First Continuous Improvement Achievement Conference and achieved outstanding results, winning **2 Gold** and **3 Bronze** awards

➤ **Group Level: Yuexiu Transport’s Holistic Advancement in Lean Management**

Yuexiu Transport has embedded the lean management philosophy into corporate standardization, developing replicable management processes and operational guidelines that have been implemented in the GNSR Expressway Reconstruction and Expansion Project and extended to other initiatives, covering multiple functional areas such as engineering construction, road maintenance, and operations management to enhance operational efficiency and management standards. Through the implementation of lean management principles, corporate communication and collaboration have become more efficient, resource allocation has become more optimized, and risk control capabilities have become stronger, laying a solid foundation for sustainable development.

➤ **Industry Level: A New Chapter of Lean Management Under Industry Leadership**

Amid the transportation industry’s transition towards green and intelligent development, Yuexiu Transport is proactively driving industry transformation. Guided by the philosophy of “Craftsmanship Leadership, Outstanding Quality, Intelligent Environmental Protection, and Yuexiu Integrity (匠心引領、品質卓越、智慧環保、品秀至信)”, the Company has embedded “Safety and Smooth Traffic” into the design, construction, and operation of the GNSR Expressway project to address its challenges and requirements, while also committing to technological innovation to set a benchmark for green and intelligent expressway reconstruction and expansion.

During the research and development planning phase, Yuexiu Transport studied provincial reconstruction and expansion research achievements and, based on its own technical capabilities, conducted eight research projects across four key areas: safety and smooth traffic, design and construction, green and low-carbon development, and intelligent expressway construction. Through dedicated efforts, the Company has overcome numerous technical challenges, resulting in forward-looking, innovative, and replicable technological achievements and experiences.

OUR FCTC (FAITH, CREDIT, TRUST AND CONFIDENCE) PHILOSOPHY GETS US TOGETHER, STREAMLINES OUR OPERATION AND STRENGTHENS OUR MANAGEMENT



Green expressway

- Exploration of harmless treatment and resource utilization of waste slurry in construction
- key technologies and applications for in-situ solidification and reuse of excavated soil in construction projects

Technology application:
Overcoming challenges in construction waste disposal, reducing resource consumption and environmental pollution, pioneering new pathways for green development in transportation infrastructure, minimizing the project's negative impact on the surrounding ecosystem, and providing an effective solution for the harmonious coexistence of transportation development and ecological sustainability



Intelligent expressways

- Formulation of the Guangdong Province Intelligent Expressway Construction Guidelines
- Research topics on intelligent expressways related to the Reconstruction and Expansion of the Huocun – Longshan Section of the Shenyang – Haikou National Expressway (瀋陽至海口國家高速公路火村至龍山段改擴建工程)

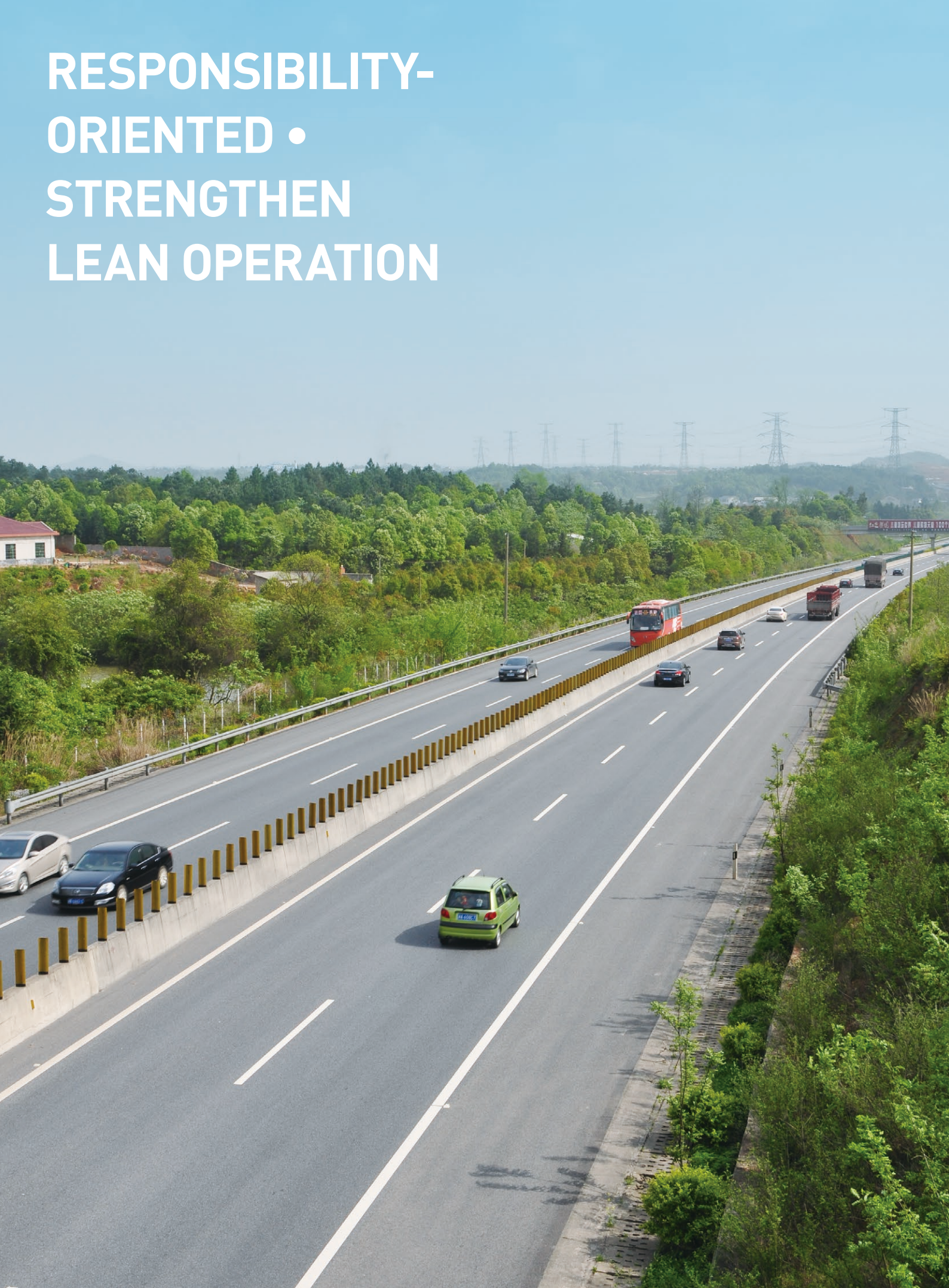
Technology application:
Establishing a solid theoretical foundation for intelligent expressway construction, providing practical guidance, advancing the digital and intelligent transformation of the transportation industry, enhancing the operational efficiency and service quality of transport systems, and making travel more convenient, efficient, and safe for the public

Yuexiu Transport’s technological innovations have not only provided strong support for the smooth progress of the GNSR Expressway project but have also contributed to the overall advancement of industry technology through technology export and experience sharing, driving the rapid development of green and smart transportation in China.

BLUEPRINT FOR THE FUTURE: WRITING A NEW CHAPTER IN LEAN DEVELOPMENT

Looking ahead, Yuexiu Transport will further deepen the application of lean management methods across more projects. On one hand, it will continue to optimize the lean management system throughout the entire project lifecycle, refining standards and operational guidelines at each stage. On the other hand, it will increase investment in technological innovation, seamlessly integrating emerging technologies such as artificial intelligence and big data analytics to drive project management towards greater intelligence and precision. Yuexiu Transport aims to continuously enhance customer service quality, corporate efficiency, and sustainability through lean management, contributing to the green and intelligent development of the transportation industry, setting industry benchmarks, and driving sector-wide progress. At the same time, it will actively strengthen collaboration and knowledge exchange with industry peers, sharing best practices in lean management and technological advancements while jointly exploring innovative pathways for the future development of the transportation sector.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION



RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Yuexiu Transport always takes responsibility management as the foundation and compliance development as the core, follows the requirements of local laws and regulations and regulatory bodies, constantly improves the level of corporate governance and operational capacity, and continuously improves the ESG management system. Yuexiu Transport adopts a zero-tolerance attitude towards any unethical business practices, establishes communication channels with stakeholders through transparent and diversified channels, actively listens to the voices of all stakeholders, and incorporates them into the operation decision-making process, so as to work hand in hand with stakeholders on the road to the lean operation of sustainable development.

• United Nations SDGs



• Contents of this chapter

| | |
|--|--|
| Global Reporting Initiative (GRI) | 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18, 2-23, 2-24, 2-25, 2-26, 2-27, 2-29, 3-1, 3-2, 3-3, 205-1, 205-2, 205-3, 205-1 |
| Key Performance Indicators of the Stock Exchange | B6.1, B6.2, B6.3, B6.4, B6.5, B7.1, B7.2, B7.3 |

• Overview of Related Issues and Management Practices in 2024

| | |
|--------------------|--|
| Related ESG issues | Compliant operations and business ethics Sustainable development management |
| Strategy | Strengthen and deepen clean management, improve the management level of lawful compliant operations, actively carry out regular anti-corruption propaganda and training for all staff, organize actions to investigate integrity risks, and resolutely prevent corruption. |
| Action | <ul style="list-style-type: none">Comply with and improve the Group's systems to prevent corruptionCarry out anti-corruption training and warning education on a regular basisCarry out daily integrity risk investigation |
| Outcome | <ul style="list-style-type: none">Carry out warning education and integrity risk investigation activitiesWrite integrity summary reports on a regular basisDevelop and improve integrity risk prevention and control mechanism |
| Improvement | We improve the anti-corruption system, promote the construction of anti-corruption mechanism of Yuexiu Transport, and continue to implement anti-corruption publicity and training to enhance the ability to prevent corruption. |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

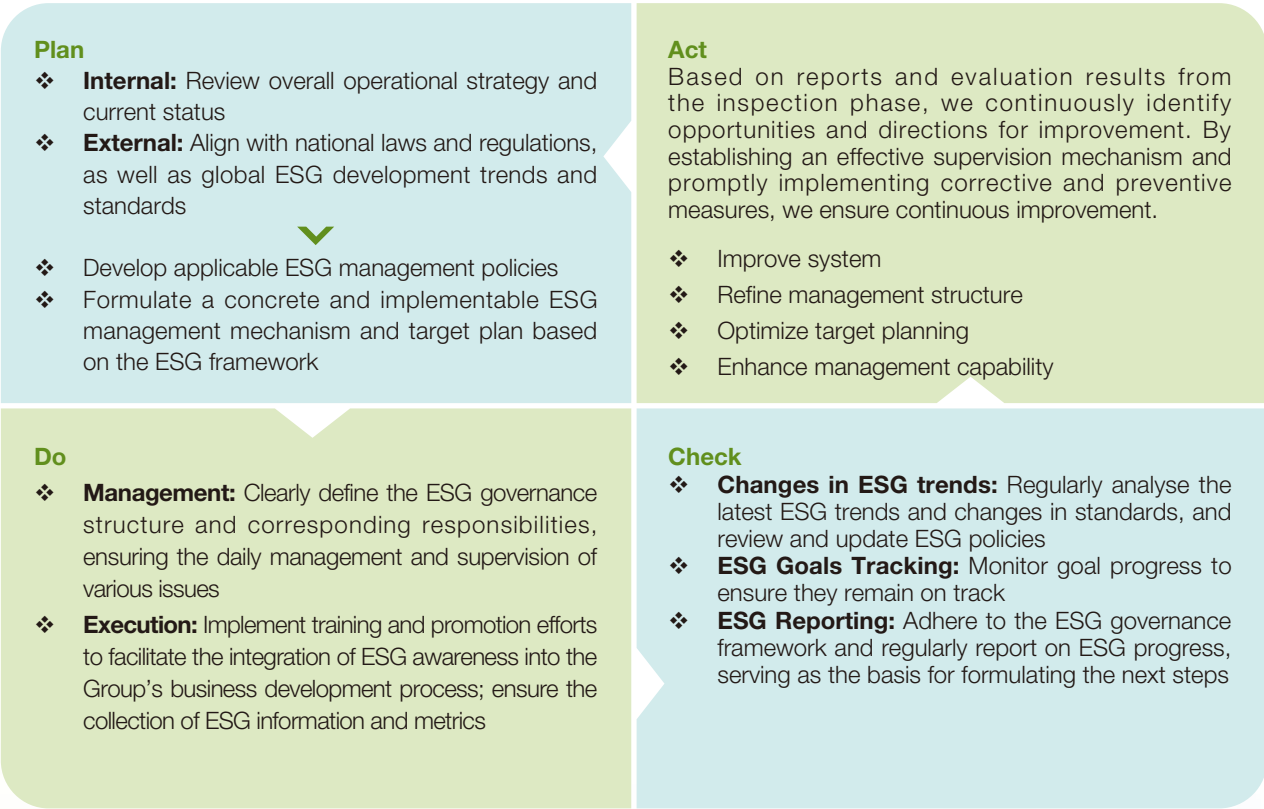
SUSTAINABLE DEVELOPMENT GOVERNANCE

Sustainable Development Management

Yuexiu Transport continues to deepen its commitment to sustainable development, taking “Giving Back to Shareholders, Employees, and Society” as its focus, embracing economic responsibility, road responsibility, environmental responsibility, employee responsibility, and community responsibility as its mission, striving for a safe and smooth transportation network, intelligent and innovative green roads, a diverse, equitable, and inclusive workplace, and a business ecosystem built on integrity and trust, and committing to working hand in hand with all stakeholders to create a sustainable society

Sustainable Development Management Approach

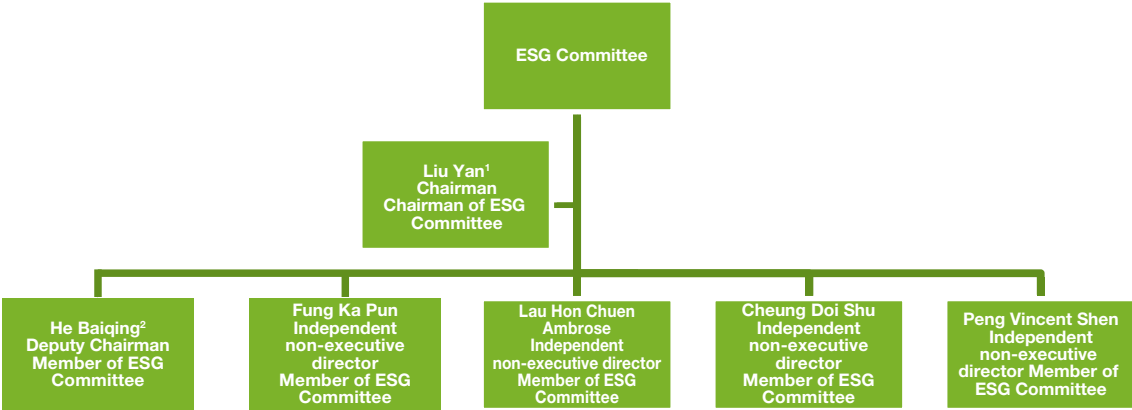
As the highest decision-making body for ESG governance within the Group, the Board actively oversees the supervision and execution of Yuexiu Transport’s sustainable development management efforts. Under the Board’s guidance, the Group implements sustainability management through the P-D-C-A (Plan-Do-Check-Act) management cycle, aiming to continuously enhance ESG performance and improve the transparency of ESG information disclosure.



RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Sustainable Development Structure

Yuexiu Transport is committed to enhancing its sustainable development structure, and has set up a three-tier governance structure comprising the ESG Committee, the ESG Leading Group and the ESG Working Group, with clear delineation of responsibilities at all levels from decision-making, communication, execution to reporting, to ensure the orderly implementation of ESG work. The Company conducts an annual review of its sustainable development framework and reports ESG-related standards and trend changes to the Board every six months, ensuring that the Board maintains the necessary skills and competencies.



ESG Committee of Yuexiu Transport³

¹ Mr. Li Feng resigned as an executive Director on 17 April 2024. Ms. Liu Yan, was appointed as an executive Director and Chairman of the Board of the Company on 17 April 2024, served as the chairman of the ESG Committee.

² Mr. He Baiping resigned on 28 February 2025 due to retirement.

³ The composition of the ESG Committee as at the end of the reporting period.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

ESG STRUCTURE AND DUTIES

| Roles | Structure Level | Members | Duties |
|------------|--|--|---|
| Leadership | Environmental, Social and Governance Committee (the “ESG Committee”) | During the reporting period, the ESG Committee is chaired by the Chairman and consists of two executive Directors and four independent non-executive Directors | <div><div>➤</div>To review, formulate and approve the vision, objectives, strategies and management policies of the Group in relation to ESG matters and climate change response and make recommendations to the Board on relevant ESG matters and climate-related development strategies;</div> <div><div>➤</div>To review and assess the adequacy and effectiveness of the management structure for ESG matters of the Group;</div> <div><div>➤</div>Regularly review and monitor the Group’s ESG and climate change response policies to ensure compliance with legal and regulatory requirements and corporate development strategies;</div> <div><div>➤</div>Formulate the Group’s key objectives for ESG management and climate change response, and regularly review the achievement of the objectives;</div> <div><div>➤</div>To review and report to the Board on major international trends in legislation and regulations on corporate ESG, and to identify and assess ESG-related risks and opportunities that have an impact on the Group’s operations;</div> <div><div>➤</div>Report the annual ESG report and climate change disclosure information to the Board of Directors at least once a year;</div> <div><div>➤</div>Oversee and manage other ESG and climate change response management activities.</div> |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

| Roles | Structure Level | Members | Duties |
|------------|---|--|---|
| Management | ESG Leading Group (the “ESG Leading Group”) | The heads of all departments carry out related work and designate contact persons or communication | <div><div>➤</div>Study the ESG management policy applicable to Yuexiu Transport, and coordinate the system and working mechanism of ESG and climate change response;</div> <div><div>➤</div>Assess and report on the current status of ESG management and the progress of climate-related strategies and objectives;</div> <div><div>➤</div>Plan the short and medium term ESG work plan and monitor the progress of related work;</div> <div><div>➤</div>Assess specific climate-related risks and opportunities and oversee the implementation of climate-related risk and opportunity management;</div> <div><div>➤</div>Coordinate and compile annual ESG information and climate-related information disclosure;</div> <div><div>➤</div>Report regularly to the ESG Committee on ESG and climate-related management performance.</div> |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Sustainable Development Goals

| Responsibility for sustainable development | Related ESG issues | Sustainable development initiatives | United Nations Sustainable Development Goals (SDGs) |
|--|---|---|---|
| Economic responsibilities | Compliant operations and business ethics Information security and privacy protection Service quality and complaint handling | <ul style="list-style-type: none">Optimize operation and managementEnhance assets valuesCreate economic valueStrengthen integrity building | <div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>16PEACE, JUSTICE AND STRONG INSTITUTIONS</div></div> |
| Road responsibilities | Smooth traffic Road quality and safety in operations | <ul style="list-style-type: none">Ensure road safetyMaintain smooth trafficLead intelligent transportation | <div><div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> |
| Environmental responsibilities | Energy management Resource utilization and recycling Waste management Water resources protection Response to climate change Land use Biodiversity Noise management | <ul style="list-style-type: none">Identify environmental risksInvest in environmental protectionPractice low-carbon development | <div><div>6CLEAN WATER AND SANITATION</div><div>7AFFORDABLE AND CLEAN ENERGY</div><div>13CLIMATE ACTION</div><div>14LIFE BELOW WATER</div><div>15LIFE ON LAND</div></div> |
| Employee responsibilities | Employees' rights and interests protection Health and safety Remuneration and welfare Talent development and retention | <ul style="list-style-type: none">Protect employees' rights and interestsCare for physical and mental healthEnhance the platform for development | <div><div>3GOOD HEALTH AND WELL-BEING</div><div>5GENDER EQUALITY</div><div>8DECENT WORK AND ECONOMIC GROWTH</div><div>10REDUCED INEQUALITIES</div></div> |
| Community responsibilities | Community relations Supply chain management Noise management Sustainable development management Rural revitalization | <ul style="list-style-type: none">Build a harmonious communityEmpower community developmentFulfil social responsibilities | <div><div>1NO POVERTY</div><div>2ZERO HUNGER</div><div>4QUALITY EDUCATION</div><div>17PARTNERSHIPS FOR THE GOALS</div></div> |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Sustainable Development Lean Management

Yuexiu Transport integrates sustainability principles with lean management objectives, aiming to minimize waste, enhance operational efficiency and quality, and emphasize environmental and social responsibility to achieve sustainable development.

| Yuexiu Transport's lean management principles for sustainable development | Management strategies |
|--|--|
| <ul style="list-style-type: none">Enhance material and energy efficiencyMinimize waste during design, construction, and maintenanceIncrease material reuse and recyclingEncourage environmentally friendly design whenever possible | <ul style="list-style-type: none">Foster cross-departmental collaboration to advance lean and sustainable management across the entire operational lifecycleFoster employees' awareness of lean operations through regular and ad-hoc training and awareness programsLeverage innovative technologies to continuously optimize processes, minimize resource waste, enhance environmental friendliness, and refine intelligent transportation systems for efficient and safe operations |

Under the lean management system, Yuexiu Transport launched a specialized internal ESG data audit in 2024 to enhance the understanding of ESG data collection personnel regarding the data collection scope, indicator definitions, and reporting accuracy, ensuring the completeness of data related to environmental performance, social responsibility, and workplace safety. With data as the starting point, we drive the continuous optimization of sustainable lean management practices across project companies through indicator comparisons, exchange and research, and the sharing and reporting of outstanding lean management case studies.

Communication with Stakeholders

Identification of Stakeholders and Means of Communication

Yuexiu Transport insists on establishing a multi-channel and positive normalized communication mechanism among the key stakeholders, such as the government, employees, drivers and passengers, investors, suppliers, and local communities, actively respond to the expectations and demands of stakeholders, and jointly realizes the sustainable development of economic, social and environmental values.



RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Materiality Assessment of ESG Issues




Yuexiu Transport continues to engage external professional consultants to review and evaluate the Group’s sustainable development issues, and pays attention to the expectations and needs of stakeholders for sustainable development, forming the Materiality Matrix of ESG Issues in 2024. During the Year, we conducted a sustainable development issues assessment by adhering to the double materiality principle through the following methodology and steps.

Double materiality principle

- Impact materiality: The actual or potential impact of business activities on the environment, society and economy, taking into account both severity and likelihood
- Financial materiality: The impact of an issue on the Company’s financial performance, including potential effects on revenue, costs, investments and reputation

1

Establishment of material issues database
Considering six key dimensions – national policies, regulatory requirements, corporate development planning, disclosure standards, capital markets, and peer benchmarking – as well as the original list of material issues, the Group conducted a multi-dimensional identification and review of the material issues for 2024, establishing a material issues database. Throughout the year, Yuexiu Transport made appropriate adjustments to material issues based on SASAC guidance, business characteristics, and peer disclosures, resulting in the formation of the 2024 material issues database.

| 2024 issue database | | |
|---|---|--|
| Category | The material issues of 2024 | Adjustments |
| <div>Environmental</div> <div></div> | <ul style="list-style-type: none">Energy managementResource utilization and recyclingWaste managementWater resources protectionResponse to climate changeLand useBiodiversityNoise management | <ul style="list-style-type: none">Integrate the scope of the “carbon emission management” issue with the “climate change response” issue to align with global trends |
| <div>Social</div> <div></div> | <ul style="list-style-type: none">Rural revitalizationInformation security and privacy protectionService quality and complaint handlingSmooth trafficRoad quality and safety in operationsEmployees’ rights and interests protectionHealth and safetyRemuneration and welfareTalent development and retentionCommunity relationsSupply chain management | <ul style="list-style-type: none">Introduce the “rural revitalization” issue in response to SASAC guidelines |
| <div>Governance</div> <div></div> | <ul style="list-style-type: none">Compliant operations and business ethicsSustainable development management | <ul style="list-style-type: none">Updated the “business ethics” issue to “compliant operations and business ethics”, expanding its scope to include internal control and risk management |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

2

Identification of Material Issues
We conduct a questionnaire survey every two years, covering stakeholders such as the Group’s directors, employees, drivers and passengers, investors, government and regulatory agencies, suppliers, and local communities. During the Year, based on the 21 ESG issues identified as having a significant impact on Yuexiu Transport, we invited internal and external stakeholders to assess the materiality of these issues from their perspectives through an online questionnaire survey. In 2024, the stakeholder survey covered the Group’s directors, employees, drivers and passengers, investors, government and regulatory agencies, suppliers, communities, and the public, collecting more than 230 valid questionnaires in aggregate. We analysed the survey results to comprehensively assess the materiality level of each issue.

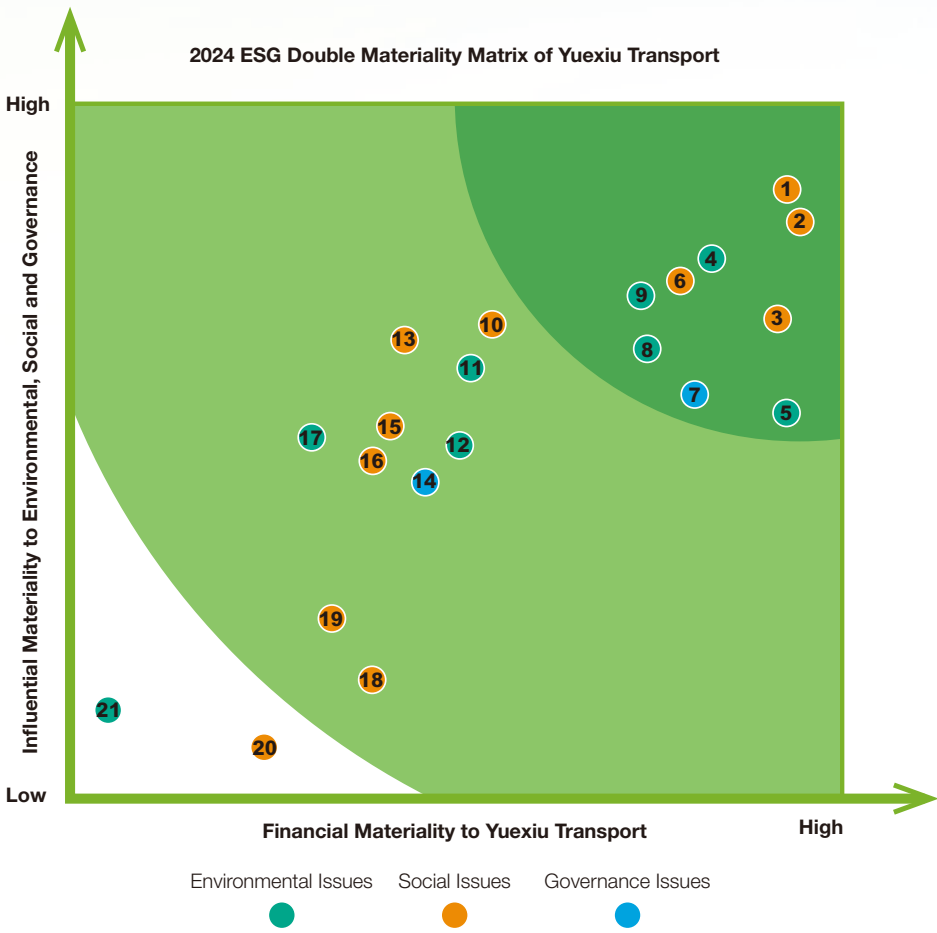
3

Analysis and Review of Financial Material Issues
Taking into account the opinions of corporate management and external experts, we explored the “extent and likelihood of financial impact for each issue in the absence of management measures” to assess its financial materiality level.

4

Response to and Disclosure of Double Materiality Issues
We prioritized material issues based on the assessment results of both impact materiality and financial materiality. For material issues, action plans were developed and implemented, material issues were included in ESG strategies of Yuexiu Transport, then submitted to the Board of Directors for confirmation, and responded and disclosed in the report specifically.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION



RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

| No. | Name of Issues | Category | Double Materiality Level |
|-----|---|---------------|--------------------------|
| 1 | Road quality and safety in operations | Social | Highly material |
| 2 | Smooth traffic | Social | |
| 3 | Service quality and complaint handling | Social | |
| 4 | Energy management | Environmental | |
| 5 | Response to climate change | Environmental | |
| 6 | Health and safety | Social | |
| 7 | Compliance operation and business ethics | Governance | |
| 8 | Land use | Environmental | |
| 9 | Waste management | Environmental | |
| 10 | Employees' rights and interests protection | Social | Moderately material |
| 11 | Resource utilization and recycling | Environmental | |
| 12 | Noise management | Environmental | |
| 13 | Remuneration and welfare | Social | |
| 14 | Sustainable development management | Governance | |
| 15 | Information security and privacy protection | Social | |
| 16 | Talent development and retention | Social | |
| 17 | Water resources protection | Environmental | |
| 18 | Community relations | Social | |
| 19 | Supply chain management | Social | |
| 20 | Rural revitalization | Social | |
| 21 | Biodiversity | Environmental | |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

5

Identification of Strategic Issues and Assessment of Value Chain Impact

Based on the 2024 issue assessment results, we distilled nine strategic issues from 21 ESG material issues by integrating Yuexiu Transport’s business development practices and the principle of double materiality, prioritizing them across financial and impact materiality dimensions to formulate a targeted disclosure strategy.

| Category | Environment | Society | Governance |
|---|--|--|--|
| Strategic issues With both financial and impact materiality | <ul style="list-style-type: none">Response to climate changeWaste managementLand useEnergy management | <ul style="list-style-type: none">Smooth trafficHealth and safetyRoad quality and safety in operationsService quality and complaint handling | <ul style="list-style-type: none">Compliant operations and business ethics |
| Material issues With impact materiality only | <ul style="list-style-type: none">Resource utilization and recyclingNoise management | <ul style="list-style-type: none">Community relationsSupply chain managementEmployees’ rights and interests protectionTalent development and retentionRemuneration and welfare | <ul style="list-style-type: none">Sustainable development management |
| General issues With impact but not significant | <ul style="list-style-type: none">BiodiversityWater resources protection | <ul style="list-style-type: none">Information security and privacy protectionRural revitalization | |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Yuexiu Transport has conducted a value chain impact assessment on nine strategic issues and provided a comprehensive disclosure of our management strategies and practices under each corresponding issue in this report.

| Strategic issues | Impacted stakeholders | Potential Risks | Potential opportunities | Corresponding chapters |
|----------------------------|--|--|--|--|
| Response to climate change | <ul style="list-style-type: none">Drivers and passengersEmployeesSuppliers | Extreme weather events may impact smooth flow of roads and result in casualties, while evolving trends such as policy updates and shifting market preferences could lead to higher insurance and maintenance costs, increasing overall expenditures | Strengthening climate risk resilience reduces carbon emissions in business operations and enhances corporate image | Climate-related information disclosure |
| Waste management | <ul style="list-style-type: none">Local communityInvestors | Improper waste management practices may violate emission management laws and regulations or pose compliance risks, leading to fines and other financial losses, which could negatively impact the Company's reputation and image | The continuous implementation of waste recovery and recycling can lower material costs, reduce waste impact on surrounding communities and the environment, and enhance corporate image | Reduce waste pollution |
| Land use | <ul style="list-style-type: none">Local community | Excessive land use may amplify impacts on surrounding communities and ecosystems or lead to non-compliance with relevant land use regulations, resulting in higher fines and reputational damage | Through optimizing the integration of land use and transportation infrastructure, land value and development potential can be enhanced. | Regulate land use |
| Energy management | <ul style="list-style-type: none">Local community | In the context of the “carbon peak and carbon neutrality” objective, a lack of energy control may result in increased environmental pollution and excessive carbon emissions, rising operating costs, and damage to corporate reputation due to violations of environmental laws and regulations | Through the optimization of the energy structure, new energy technologies can be introduced to enhance energy utilisation efficiency, thereby reducing operating costs, improving economic benefits, and creating new business models and market opportunities | Promote energy saving and emission reduction |
| Smooth traffic | <ul style="list-style-type: none">Drivers and passengersInvestors | Improper handling of road construction and regular maintenance may result in safety accidents, adversely affecting the normal operation, cost control, project progress, as well as the reputation and image of the Company | Through the optimization of road networks and traffic management, the Company can better participate in urban renewal projects, thereby gaining more market opportunities and promoting the sustainable development of the regional economy | Smooth traffic |

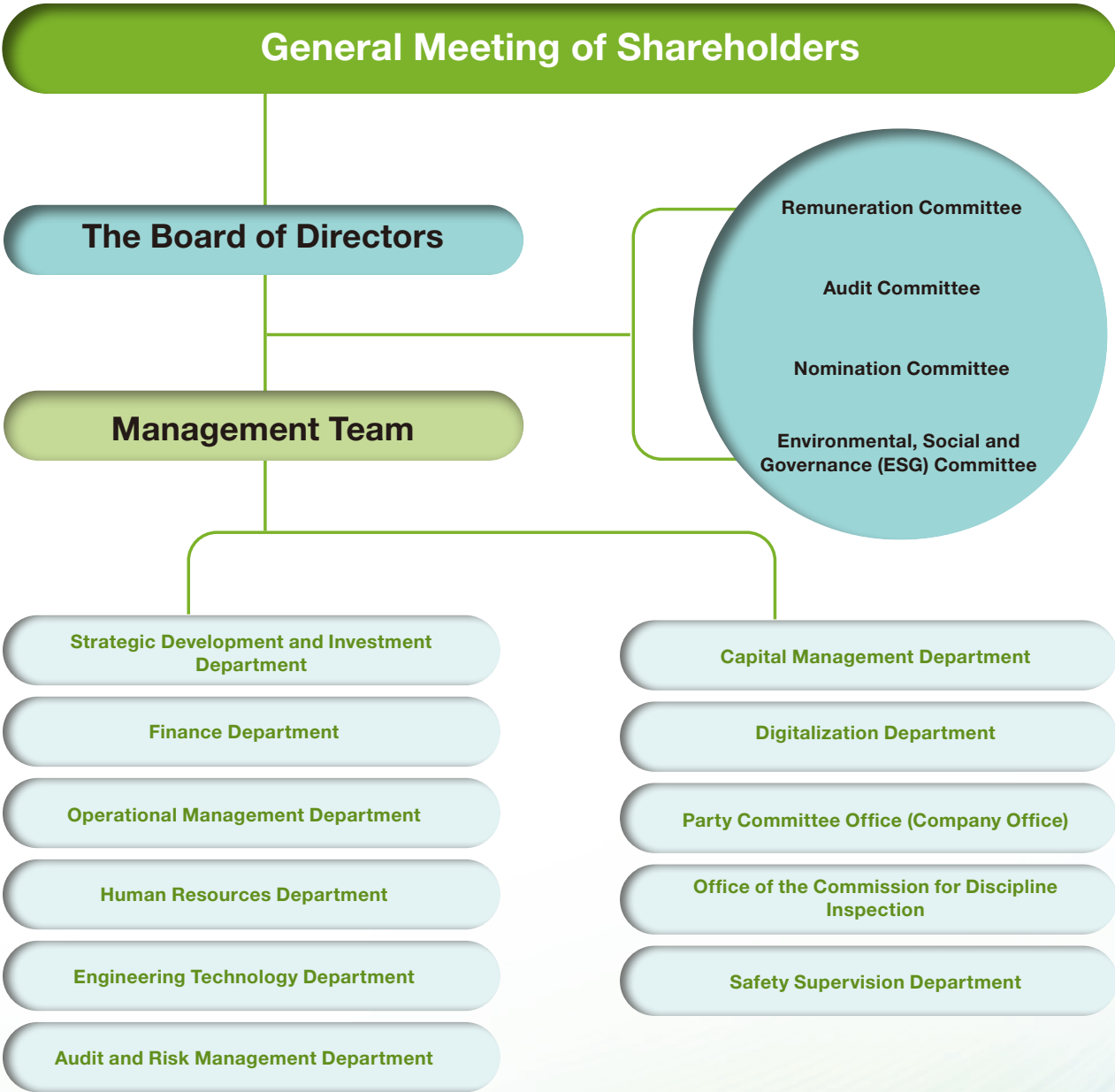
RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

| Strategic issues | Impacted stakeholders | Potential Risks | Potential opportunities | Corresponding chapters |
|--|--|--|---|---|
| Health and safety | <ul style="list-style-type: none">Employees | Due to the unique nature of the construction environment, employees may face occupational diseases and health issues, leading to increased downtime, medical expenses and compensation costs | Effective health and safety management measures help reduce employee turnover and enhance the Company's image in terms of social responsibility. | Safeguard employees' health and safety |
| Road quality and safety in operations | <ul style="list-style-type: none">Drivers and passengersSuppliers | Neglecting road environment safety will lead to a higher incidence of safety accidents, resulting in direct economic losses from compensation and fines, as well as increased maintenance costs due to the need for additional materials | High-quality road construction and strict operational safety management can reduce accident risks and extend road service life, thereby enhancing the brand image and market competitiveness of the Company | Implement safety management |
| Service quality and complaint handling | <ul style="list-style-type: none">Drivers and passengersEmployees | Poor service quality may lead to an increase in customer complaints, which, if not addressed promptly and properly, can negatively impact reputation and result in legal actions and compensation losses | High-quality service and effective handling of customer complaints can enhance customer satisfaction and loyalty, strengthening the Company's market competitiveness | Create quality service |
| Compliant operations and business ethics | <ul style="list-style-type: none">GovernmentInvestorsEmployeesSuppliers | Violating national or local laws, regulations, policies, or standards during operations may lead to project acceptance delays or failures, termination or suspension of business contracts, and financial losses due to fine | Establishing and maintaining a robust compliance management system can foster a positive corporate image and earn the trust and support of customers, investors and partners | Corporate Governance Integrity and anti-Corruption Compliance and risk management |

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

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 the top-down governance standards based on the Bye-Laws to specify their duties, authorities and code of conduct, and continuously review and improve the above governance structure and governance standards in the actual operation process to make corporate operation more transparent, independent and efficient.

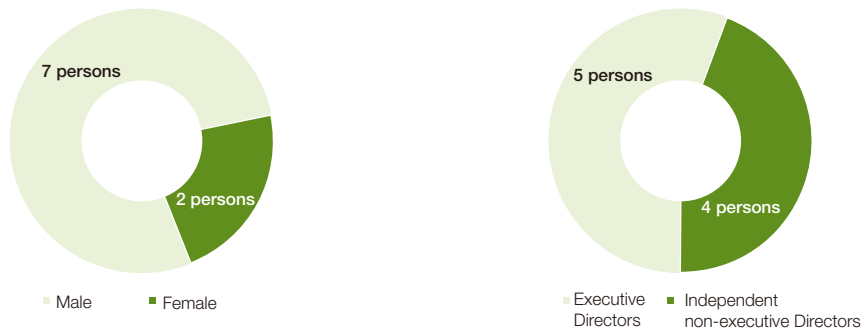


Corporate Governance Structure

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

The Nomination Committee of Yuexiu Transport considers the board of directors’ structure, size and composition when selecting board members, and evaluates the independence of independent non-executive Directors. In addition, the Nomination Committee also comprehensively considers the diversity situation, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and term of service. Ultimately, decisions will be made based on the strengths of the selected Board members and the contributions they can make to the Board, while fully taking into account the benefits of Board member diversity. The “Policy on Diversity of Board Members” can be viewed on the Company’s website. The Board of Directors will review and monitor the implementation of the policy from time to time to ensure its effectiveness and applicability.

During the reporting year, the Board comprises diversified members, including nine Directors¹, two of whom were female (2023: one). Five Directors are experienced in finance, toll road construction/operation, financial, capital operations, administrative management and human resource management and the other four directors, being the independent non-executive Directors, contribute extensive experiences in the legal and compliance, acquisitions and mergers as well as financial businesses to the Board. In order to ensure that the Board possesses experiences and skills relevant to its strategy and the ability and mindset to manage changes from time to time, the Nomination Committee formulates the following measurable objectives: gender, age, length of tenure, professional experience and knowledge (e.g. legal, accounting, establishment/operation of highways, finance and capital management, etc.), reviews the diversity of the Board and makes proposal to the Board if necessary.



ANTI-CORRUPTION

Yuexiu Transport continues to focus on the construction of anti-corruption and advocating integrity. It complies with relevant laws and regulations, formulates integrity systems, and establishes a sound corporate system for building a clean Party conduct, an honest administration and anti-corruption governance. It conducts diverse anti-corruption education activities for employees, suppliers and partners, and continuously optimizes the reporting handling procedures and reporting channels. In 2024, Yuexiu Transport emphasized the integrity supervision work of “catching problems early and dealing with minor issues”, focusing on key and difficult points. It continuously consolidated the ideological defense line of “not wanting to corrupt”, seriously promoted the construction of integrity culture and discipline education, and enhanced the professional capabilities of the discipline inspection team.

Highlight data

There were no litigation cases due to corruption or bribery occurred during the reporting period.

¹ Mr. Li Feng resigned as an executive Director on 17 April 2024. Ms. Liu Yan was appointed as an executive Director and the Chairman of the Board of the Company on 17 April 2024, and Mr. He Baiqing resigned as an executive Director and the Deputy Chairman of the Board of the Company on 28 February 2025 due to retirement.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Anti-corruption Management Mechanism

Anti-corruption Management System

Yuexiu Transport strictly complies with the provisions of the Corporate Governance Code of the Listing Rules of the Stock Exchange and constantly improves the corporate governance structure and management system. We have built a three-tier system of integrity risk prevention and control, including the management team’s decision-making on the Company’s integrity risk prevention and control system, the establishment of integrity risk prevention and control system in key areas, and the risk warning education prevention and control system.

Three-tier system of integrity risk prevention and control

- The Board of Directors: As the leading organization of overall risk management of Yuexiu Transport, it is ultimately responsible for the construction and effective operation of the Company’s overall risk management system.
- The General Manager’s Office: As the decision-making body of daily risk management matters, it makes decisions on risk management matters according to the authorization of the Board of Directors.
- The Company’s Party Committee Office: It is mainly responsible for the organization and coordination of the primary responsibility of the Company’s Party integrity building and the implementation of the relevant assignment of tasks.

Anti-corruption System Construction

To standardize the compliance processes of all business segments and effectively prevent the occurrence of corruption, Yuexiu Transport has established a comprehensive corporate integrity governance system, and continuously implemented the internal anti-corruption system and the supporting systems for discipline inspection work. We encourage all stakeholders to jointly supervise the work related to building a clean Party conduct and anti-corruption of Yuexiu Transport, and to put forward suggestions or make truthful complaints and reports.

- Implementation Methods for Implementing the “Three Importances and One Greatness” Decision-making System of Yuexiu (China) Transport Infrastructure Investment Company Limited
- Table of Decision-Making Events of Yuexiu Transport’s “Three Importances and One Greatness” Monitoring Platform
- Yuexiu Transport’s Implementation Methods for Implementing the Primary Responsibility of Party Integrity Building Work
- Provisions of the Party Committee of Yuexiu (China) Transport Infrastructure Investment Company Limited on the Implementation of Political Responsibility for Strict Governance of the Party in a Comprehensive Manner
- Measures for the Management of Risk Incident Accountability of Yuexiu Transport Infrastructure Limited
- Administrative Rules on the Remuneration and Business Expenditure of the Principals In-Charge of Enterprises of Yuexiu Transport Infrastructure Limited
- 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

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Internal Whistle-blowing and Protection System

In terms of internal reporting, Yuexiu Transport abides by relevant provisions of the Discipline Inspection and Supervision Institutions’ Administrative Measures for the Handling of Letters, Visits and Whistle-blowing of Yuexiu Group, and established a formal and comprehensive internal real name/anonymous reporting system and protection system. We have opened an internal whistle-blowing mailbox and encourage employees to report any actual or suspected corruption or misconduct in real name, or anonymously.

In addition, we have opened reporting channels for external stakeholders, hoping that all stakeholders will collaborate to supervise the integrity and anti-corruption work of Yuexiu Transport.

Public Reporting Channels of Yuexiu Transport

Email: jt_jjjc@yuexiutransport.com
Hotline: (86) 020-88835158

Yuexiu Transport will take reasonable measures to protect whistleblowers from being retaliated against for reports made within the scope of application of the internal system. This includes protection against unfair dismissal, persecution, or improper disciplinary actions. If any person initiates threats or retaliation against a whistleblower (including anonymous whistleblowers) or leaks reporting information, the Group reserves the right to take appropriate actions against them. Those suspected of illegal acts and crimes related to their duties will be investigated for legal liability in accordance with the law, providing legal protection for whistleblowers. The Group attaches great importance to the protection of whistleblowers’ information. Except for cases where disclosure is required in accordance with laws and regulations, for audit purposes, or when the information needs to be handed over to regulatory authorities or law enforcement agencies, all received information will be kept confidential.

Yuexiu Transport Whistleblowing Handling Process

Report in time: As the acceptance and handling department of the reported information, the Discipline Inspection and Supervision Department reports the situation to the Group’s senior management after receiving the reported information

Verification of reporting information: Conduct inspections according to management instructions and the relevant policies of the Group

Handle it as it is: Protect 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

Continuously improvement: Regularly assess the areas for optimization of the management structure, policies, mechanism systems, and management measures in an appropriate time based on the reporting information, and carry out prompt rectifications

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

ANTI-CORRUPTION MANAGEMENT MEASURES

Anti-corruption Supervision and Inspection

Yuexiu Transport continues to carry out comprehensive supervision and review on anti-corruption and business ethics, adopting a working method that combines daily supervision with specific supervision and carry out multi-department joint supervision involving discipline supervision of the disciplinary inspection department, the legal affairs, auditing 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. We hold two working conferences on Party integrity building every year, conduct one on-site inspection covering the building of clean governance, business ethics and other work of all operations every year, and require subsidiaries to report the integrity work on a quarterly basis through written reports and video presentations, so as to effectively achieve the goal of full coverage of the Group’s supervision.

In 2024, Yuexiu Transport strengthened the supervision of the cadre team during its daily operation and carried out “early detection and early resolution” interviews. Regarding the reconstruction and expansion project of the GNSR Expressway, we hired an external third-party agency to conduct a special audit. We promptly rectified the identified problems and carried out reviews.



During the reporting period, we carried out **2** work conferences on Party integrity building
Carried out one on-site inspection covering the building of clean governance and business ethics to achieve **100% coverage** of all companies

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

ORGANIZED AND CONVENED A SPECIAL INTEGRITY SUPERVISION EXCHANGE MEETING FOR HIGHWAY ENGINEERING PROJECTS



In 2024, Yuexiu Transport organized special work related to highway engineering projects. It carried out investigations on special supervision of engineering projects and the construction of integrity culture, and convened special integrity supervision exchange meetings. The supervision experience of integrity demonstration projects was promoted to the subsidiaries operating 8 expressways, and a full-process assessment and evaluation system for integrity-building projects of subsidiaries was established.



The scene of the Integrity Co-construction Exchange Meeting

- At the meeting site: Suiyuenan Company reported on the supervision work of the third phase of the pavement overhaul and exchanged experience in the construction of integrity demonstration projects. All subsidiaries carried out in-depth investigations and discussions on special supervision of engineering projects and the construction of integrity culture.
- Enhancements after the meeting: The integrity joint-construction model of Suiyuenan Expressway overhaul project was sorted out. A “Guidelines for Integrity Demonstration Projects” was formulated for subsidiaries, gathering “integrity energy” and stimulating “integrity motivation”.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Construction of Anti-corruption Culture

Yuexiu Transport adheres to a zero-tolerance attitude towards corruption and fraud, takes severe punitive measures against corrupt behaviors, and strictly adheres to disciplinary review and moral standards. We integrate anti-corruption work into our daily management. We set up ledgers for integrity risks in positions, sign integrity commitment letters, and regularly carry out integrity education. Anti-corruption training and publicity are provided to all employees of Yuexiu Transport, including the Directors and senior executives of the Group, as well as relevant parties. In the aspects of talent appointment and promotion, we require department leaders and employees in important positions of the Group to participate in the “report on integrity” work every year. For the promotion of middle-level employees in the Group, integrity opinions are required to be issued, continuously strengthening the integrity awareness of its staff in key positions.

In 2024, Yuexiu Transport reminded employees to maintain integrity during major festivals through methods such as creating integrity reminder short videos, learning “Songs of Chu (楚辭)” and watching “integrity-themed” films, enhancing the integrity awareness of all its employees. In addition, the Company continuously strengthened the publicity of clean governance. Integrity education was carried out through learning materials, themed activities, and lectures for all employees, including leaders at all levels, employees of subsidiaries, new employees, and some contractors’ employees. All contractors were encouraged to carry out integrity education for their own employees. Party members and cadres from the Company’s headquarters were organized to visit Yulian Hall, an anti-corruption and probity education base in Guangzhou Development Zone, and watch the large original anti-corruption-themed drama “Traces (痕跡)” and the warning education film produced by the Guangzhou Municipal Commission for Discipline Inspection and Supervision. This campaign has cumulatively covered 450 attendances, and continuously deepened the concept of anti-corruption and advocating probity.

BUILDING THE CHARACTERISTIC INTEGRITY CULTURE BRAND OF “YUE LIAN YUE CHANG (越廉悦暢)”



In 2024, Yuexiu Transportation meticulously developed a distinctive integrity culture brand and progressively established a systematic framework for integrity culture initiatives. With strong support from the Commission for Discipline Inspection of the Group, the Company coordinated efforts throughout the entire Group to jointly create and build the brand. By integrating elements of its core toll-road business, Yuexiu’s corporate identity, and the symbolic meaning of lotus flowers, the Company launched “Yue Lian Yue Chang”– an integrity culture brand uniquely tailored to the transportation industry. Building on past experiences in integrity culture development, Yuexiu established a structured “12345” Integrity Culture Framework. To promote this initiative, the Company organized a brand launch event, compiled an integrity culture handbook, produced thematic promotional videos, and formed a dedicated advocacy team, marking a new chapter in the Company’s integrity culture advancement.

One brand

The “Yue Lian Yue Chang” culture brand

One conference

The Integrity culture brand launch Conference

One booklet

The integrity culture booklet

One film

The publicity film on the theme of integrity culture

One troupe

The integrity culture lecture troupe

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

In November 2024, Yuexiu Transport officially launched the characteristic integrity culture brand of “Yue Lian Yue Chang” at the characteristic integrity culture brand launch conference. More than 170 people, including members of the leadership team of Yuexiu Transport, members of the Disciplinary Committee, and Party affairs and discipline inspection personnel, as well as members of the leadership teams of each subsidiary, main responsible persons of departments, and Party member representatives, participated in the meeting online and offline. The meeting introduced the brand creation process and the connotation of the “12345” integrity culture work system, and put forward plans for future integrity culture construction work from the dimensions of strengthening publicity, improving mechanisms, integrating resources, innovating forms, and strengthening overall planning.

In addition, the participants visited the integrity culture education base of GNSR Company and signed integrity commitment letters on the spot. The first batch of integrity culture lecturers participated in the first phase of training. The leaders of the Disciplinary Committee Office preached the concept of “Yue Lian Yue Chang” integrity culture, and experts were invited to give lectures on “How to Deliver Excellent Integrity Culture Courses”, so as to ensure the steady and long-term high-quality development of the Group through the construction of characteristic integrity culture.



The Launch Conference of Characteristic Integrity Culture Brand “Yue Lian Yue Chang”



The Scene of Awarding Letters of Appointment for Integrity Culture Lecturers



The Group carried out **81** anti-corruption related trainings for its Directors and employee More than **60** Directors person-times and **8,800** employees person-times participated in anti-corruption trainings
Compiled **11** sets of learning materials on clean governance topics and organized learning activities
Organized **10** integrity warning education sessions
Each subsidiary, in combination with the study and education of Party discipline, actively carried out various integrity-themed activities, totaling **79** sessions covering **3,800** visitors

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

COMPLIANCE MANAGEMENT AND RISK CONTROL

Compliance Management

Yuexiu Transport has set up a complete corporate compliance management structure and compliance governance structure, established a leading group for the construction of a compliance management system. The corresponding functions of the management team is defined as the highest responsible organization and decision-making level of corporate compliance management of Yuexiu Transport, the leaders as the person in charge of compliance management, the compliance management department as the management and supervision level of compliance management and the business department as the executive level of daily compliance management.



Compliance Management System and Main Management Responsibilities of Departments

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Yuexiu Transport has formulated and implemented the Work Guidelines for Compliance Management of Yuexiu Transport Infrastructure Limited and formulated corresponding compliance guidelines for the 7 key compliance areas such as project bidding management, information disclosure, related-party transactions, investment management, and labor contract management, etc., and issued them to relevant departments and subsidiaries for publicity and implementation. We focus on deepening the construction of the compliance management system of Yuexiu Transport and continue to strengthen the integration and collaboration of internal audit, internal control, risk control, purchasing management, and legal affairs to promote the normal operation of compliance management. We implemented planned audit initiatives, including performance audit, economic responsibility audit and special audit, to promptly identify issues and implement corrective actions.

Internal control self-evaluation:

Carry out internal control self-evaluation and promote internal control self-evaluation rectification, improve Yuexiu Transport’s emphasis on internal control, further strengthen the construction of internal control and improve the internal control system.

Procurement supervision:

Carry out supplier management and daily evaluation, implement procurement supervision and strengthen related policies and system construction.

Preventing and controlling investment risk:

Coordinate with Yuexiu Transport in investing projects, preventing and controlling projects risks and compliance risks.

In 2024, in order to further optimize the construction of compliance management, Yuexiu Transport reviewed its own compliance system and made appropriate adjustments:


Synergy mechanism

The unified revision of the articles of association of subsidiaries was carried out, review and modification opinions were provided, and a Q&A exchange meeting on the revision and formulation of the articles of association was held for our subsidiaries to answer their questions.

Policy system

In accordance with the latest “Company Law of the People’s Republic of China”, “Foreign Investment Law of the People’s Republic of China” and the current business situation of the Company, the Compliance Guidance Manual for the Drafting and Revision of Articles of Association was updated which provided an effective guidance its subsidiaries on adjusting their articles of association.

 Issued **11** audit reports on the completion of performance assessment indicators and **4** business management documents

 Put forward a total of **60** audit and management suggestions

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

RISK CONTROL AND CRISIS MANAGEMENT

Risk management system

Yuexiu Transport strictly constructs and operates a risk management and internal monitoring system in accordance with relevant laws, regulations and the requirements of regulatory authorities. In accordance with the requirements of the State-owned Assets Supervision and Administration Commission and the Stock Exchange, the Company has established an internal control system, and established a stable framework with the Board of Directors as the highest person in charge of risk management. It has incorporated ESG risks into the scope of management and controls risks according to the three-line model. The relevant situations are submitted to the Board of Directors and the audit committee for review on a quarterly basis.

The Board of Directors is the highest risk responsibility institution, responsible for evaluating and determining the nature and extent of the risks borne by the Group (including ESG risks such as human rights, project quality, health and safety, etc.) to achieve strategic goals. Through the audit committee and the ESG committee, it regularly reviews the efficiency of the risk management and internal audit systems, and supervises corporate governance, compliance, and environmental, social and governance practices. The Board of Directors (via the audit committee subordinate to it) is responsible for approving the annual risk appetite policy and management measures, listening to the reports of the management, supervising the implementation of the risk appetite, evaluating its suitability with the business environment and development strategy, and urging the management to make improvements.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

1

First Line

Functional Departments and subsidiaries

Each functional department shall promptly identify and assess risks according to its business scope; the subsidiaries shall independently control business risks in combination with their own business and market environment.

2

Second Line

Risk functional departments

As the overall risk management institution, it is responsible for drafting and revising the risk appetite management measures, taking the lead in formulating the risk appetite, and coordinating all parties to develop a risk assessment index system and scale; monitoring risk appetite indicators, collecting and summarizing implementation data, and analyzing abnormal indicators; collecting front-line feedback, analyzing the fit between the risk appetite and the businesses, putting forward adjustment suggestions to the management and submitting them for review.

3

Third Line

Audit functional departments

Conduct a comprehensive audit of the effectiveness of the Company’s risk management system, review the risk control work of each department to ensure compliance with laws, regulations and internal systems; review the compliance of the Company’s business activities, identify risk points and put forward rectification suggestions, feedback the audit results to the Board of Directors, provide evaluation references and put forward optimization suggestions.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Yuexiu Transport continuously improves its risk management and internal control system, and fully implements risk control measures. These measures include the implementation of annual risk assessments and corresponding countermeasures, tracking of risk events, monitoring of the risk appetite system and risk early warning indicators, response to major investment risks, various special risk management tasks, and digital risk management work, etc., forming an effective internal control monitoring and comprehensive risk management work system. To ensure the effectiveness of internal risk control, multi-dimensional key audits were carried out this year, covering key business performance, special investigations on first-level control, economic responsibilities of leading cadres, and audits of outsourced projects.

ESG Risk Management

Yuexiu Transport regularly conducts comprehensive inspections to accurately identify the potential impact of ESG related risks, including climate change on the stability of transportation infrastructure, the potential ecological environment damage risks involved in project construction, potential hazards to employees’ occupational health and safety, data security risks during the digital transformation process, etc. In the assessment stage, scientific assessment models and professional methods are used to comprehensively consider the likelihood and impact of risks, and quantify the levels of various ESG risks. For the identified and assessed risks, detailed and targeted management strategies are formulated. For example, in response to the risks of climate change, the design and maintenance plans of transportation facilities are optimized, and emergency plans for extreme weather are formulated to enhance their disaster resistance capabilities. In response to the risks of employees’ health and safety, safety training is strengthened, and protective facilities are provided. At the same time, it actively seizes the opportunities for smart and green development in the ESG field, increases investment in new energy transportation facilities and innovative research and development, and promotes the coordinated handling of ESG risks and opportunities in the overall business risk management.

RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION

Crisis management

Yuexiu Transportation adheres to the philosophy of comprehensive crisis management and actively carries forward the relevant work. During the reporting period, it has completed the preliminary sorting of crisis scenarios, utilized professional tools and methods to identify and analyze crisis factors that may jeopardize the Company’s operations and reputation, such as public opinion, operations, major traffic safety accidents and environmental responsibilities, and categorized such crisis scenarios in accordance with the features of the risks and the degree of impact. Furthermore, for certain critical crisis scenarios, such as environmental accidents and traffic safety accidents, contingency plans have been formulated at the subsidiary level and inter-departmental drills are organized on a regular basis to enhance collaboration and improve the response plans based on the drills and real-world feedbacks. Going forward, we will work with our functional departments and project-based subsidiaries to formulate practicable contingency plans for different crisis scenarios and improve them on an ongoing basis, so as to sustainably enhance the enterprises’ risk-resistant capability and operational robustness.



Organized **106** emergency drills, with a total of **2,370** people participating in

Intellectual Property Rights Protection

The Group attaches great importance to the protection of its own intellectual property rights, encourages and protects fair competition, prevents and strictly prohibits any form of infringement, and makes every effort to safeguard the legitimate rights and interests of itself and others from being violated. We strictly abide by laws and regulations such as the Trademark Law of the People’s Republic of China, the Copyright Law of the People’s Republic of China and the Patent Law of the People’s Republic of China, and refer to industry standards to continuously improve the intellectual property rights management system, optimize the collaboration processes of each project company, and improve the management of intellectual property rights covering the processes of application, submission for review, use and maintenance. We regularly review the effectiveness of the intellectual property rights management system. We enhance the protection of intellectual property rights through means such as trademark registration, patent application, and copyright registration.



5 invention patents



13 utility model patents

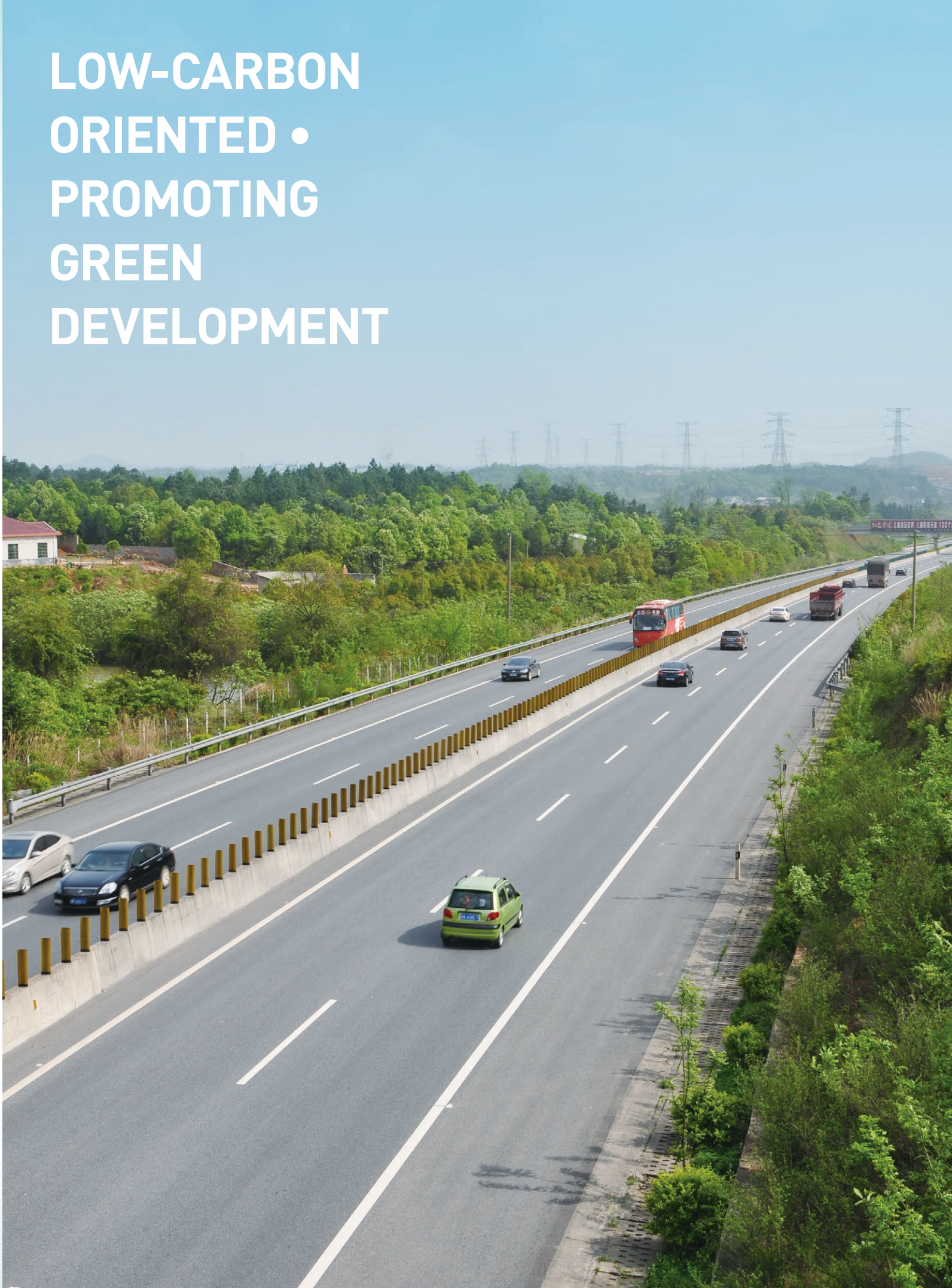


16 software copyrights



won **8** science and technology awards

LOW-CARBON
ORIENTED •
PROMOTING
GREEN
DEVELOPMENT



LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Yuexiu Transport steadfastly adheres to the concept of green development, thoroughly implements the strategic guidance of the integrated transportation plan in China’s “14th Five-Year Plan”, and is committed to establishing an efficient, low-carbon and sustainable green transportation system. In the whole life cycle of the planning and development of a project, Yuexiu Transport strictly abides by the principle of ecological priority, fully evaluates and reduces the impact of the project on the surrounding ecological environment, and makes great efforts to promote green operation measures, explore the application of renewable energy, reduce greenhouse gas emissions and efficiently utilize water resources. We are committed to becoming a leader of green transportation, and work together with all sectors of society to realize the harmonious coexistence of transportation development and ecological protection.

• United Nations Sustainable Development Goals

6

CLEAN WATER AND SANITATION

7

AFFORDABLE AND CLEAN ENERGY

13

CLIMATE ACTION

14

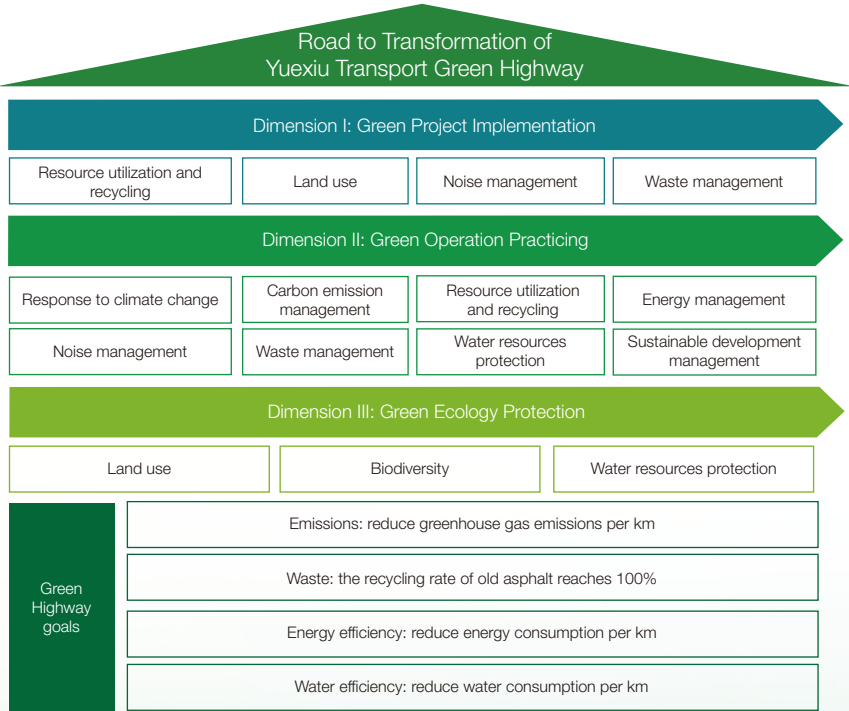
LIFE BELOW WATER

15

LIFE ON LAND

• Contents of this Chapter

| | |
|--|---|
| Global Reporting Initiative (GRI) | 301-1, 301-2, 302-4, 302-5, 303-1, 303-2, 304-1, 304-2, 304-3, 304-4, 305-1, 305-2, 305-3, 305-4, 305-5, 306-1, 306-2 |
| Key Performance Indicators of the Stock Exchange | A1, A1.5, A1.6, A2, A2.3, A2.4, A3, A3.1, A4 |



Road to Transformation of Yuexiu Transport Green Highway

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

| • Overview of Related ESG Issues and Management Practices in 2024 | |
|---|---|
| Related ESG issues | <ul style="list-style-type: none">Resource utilization and recyclingNoise managementEnergy managementWaste managementResponse to climate changeLand useWater resources protectionBiodiversitySustainable development management |
| Strategy | Actively respond to the national strategic decision to achieve carbon peak and carbon neutrality, implement sustainable transportation construction, and continue to deepen green engineering and green operation by insisting on technological innovation and management capacity improvement, so as to minimize the impact of road construction, construction and operation on the environment. |
| Action | We vigorously promote the construction of green roads, carry out photovoltaic projects, and reduce the high greenhouse gas emissions generated by traditional fossil energy. Tunnel lighting technology optimization combined with intelligent control reduces energy consumption and improves travel safety. |
| Outcome | We have reduced carbon emissions in the process of road operation and use, implemented cost reduction and efficiency enhancement, energy saving in operation, and strengthened the safety guarantee of tunnel driving. |
| Improvement | <p>In response to the requirements of the country to promote the green development of highways, the deepening of green highway construction is included in the future work plan, and the following green highway objectives are formulated to guide the future direction of enterprise operation:</p> <ul style="list-style-type: none">Emissions: reduce greenhouse gas emissions per kmWaste: the recycling rate of old asphalt reaches 100%Energy efficiency: reduce energy consumption per kmWater efficiency: reduce water consumption per km |

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

GREEN PROJECT IMPLEMENTATION

Yuexiu Transport strictly abides by 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 Prevention and Control of Environmental Pollution by Solid Waste*, and the *Law of the People's Republic of China on Environmental Impact Assessment*. We actively respond to national policies such as the “14th Five-Year Plan for the Development of Modern Comprehensive Transportation System”, and is committed to building a green and modern road transportation system and building sustainable development highways.

Yuexiu Transport strictly controls the environmental impact in the process of the project, identifies, monitors and handles the environmental pollution in the project in strict accordance with relevant laws and regulations, and requires the construction team to carry out civilized construction, and such treatment measures ensures that the emissions, wastes and noise are effectively controlled in accordance with laws and regulations. We actively apply new materials, new technologies, new processes and new equipment to reduce resource consumption and waste generation, reduce environmental pollution risks and help save energy and reduce emissions, and strive to make positive contributions to the integrated development of transport and energy and to the country’s “carbon peak and carbon neutrality” strategic goal.

In 2024, Yuexiu Transport did not have any penalties and legal proceedings caused by environmental problems.

Green Construction

Yuexiu Transport is committed to building green and low-carbon highways, integrating the green concept into the whole life cycle of scheme design and construction, deepening the resource utilization of solid waste, creating green projects, controlling land use, and reducing the impact on surrounding communities and ecological environment. The Project of “Research and Industrialization of New Super Tough Thin Asphalt Pavement Materials” and the “Harmless and Resource Disposal Technology of Waste Mud in Highway Engineering Pile Foundation” have been supported by the government and industry management authorities.

More contents about the green construction of Yuexiu Transport are stated in the annual special topic of “Our FCTC (Faith, Credit, Trust and Confidence) Philosophy Gets Us Together, Streamlines Our Operation and Strengthens Our Management”.

Green Maintenance

In recent years, Yuexiu Transport has continuously promoted the application of hot recycling green maintenance technology and NovaChip ultra-thin wearing course overlay construction technology, and adopted the green environmental protection process to reduce the pavement damage rate and the demand for road maintenance, thus effectively reducing the waste and energy consumption caused by pavement maintenance.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

YUEXIU (HUBEI) COMPANY REDUCED MAINTENANCE COSTS BY ADOPTING NEW MATERIALS



In 2024, in order to solve the problems of the natural rock aggregate asphalt concrete on the surface of highways such as poor durability, high maintenance costs and limited supply of natural stone, Yuexiu (Hubei) Company, together with CCCC Second Highway Consultants Co., Ltd. and other units, carried out a steel slag asphalt pavement test based on the pavement maintenance project of Daguangnan Expressway. the test section was 415m in length and 3.85m in width, and steel slag was used as asphalt concrete aggregates instead of natural stone. The results showed that the technical indicators of the steel slag asphalt concrete pavement meet the design requirements, and the material cost can be saved by RMB8.18 per 1m² of anti-skid surface maintenance project, saving about 18.06% of material costs. After its large-scale popularization and application, this technology will reduce the maintenance cost, and align with the environmental protection policy to reduce the exploitation of natural resources and environmental pollution, improve the utilization rate of steel slag, and promote the construction of a resource conservation and environment-friendly society, thus facilitate the green and low-carbon development of expressways.



Pavement Test Site



Pavement Maintenance Effectiveness

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

GREEN OPERATION PRACTICING

Yuexiu Transport adheres to implementing the policy of “green development, energy saving and intensive, low-carbon and environmental protection” as a strong transport policy, strictly abides by 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*, improves energy and resource utilization efficiency, formulates emission reduction goals and strategies, promotes zero-carbon pilot projects in service areas, and promotes low-carbon transformation and technological innovation. We avoid unnecessary consumption of water resources and office supplies, and minimize the impact of business operations on the environment.

Energy Conservation and Emission Reduction

Yuexiu Transport supports the national carbon neutrality strategic plan with practical actions, and actively takes a number of measures to reduce greenhouse gas emissions in the operation process. In 2024, about 90.36% of Yuexiu Transport’s greenhouse gas emissions came from indirect emissions, mainly derived from purchased electricity. The main power consumption scenarios of project companies included office and living power consumption and lighting of toll stations, self-operated service areas and roads. Subject to government requirements, GNSR Expressway was the only full lighting project in the affiliated companies, and the intensity of its purchased electricity was higher than that of other project companies. At present, we have used the idle resources of Longshan Management Office and Xiangxue Toll Station to build a photovoltaic system, and introduced energy-saving and carbon-reducing measures under pavement lighting scenarios such as intelligent upgrading of tunnel lighting. Direct emissions came from the consumption of gasoline, diesel and natural gas by self-owned vehicles and boiler equipment.

In our daily office and road operations, we have optimized the management scheme from the dimensions of green operation energy-saving transformation, renewable energy use and equipment energy-saving transformation, promoted a number of renovation projects and green operation measures, and reduced energy consumption and carbon emissions in the operation process.

Green Operation and Energy-Saving Renovation

For large-scale or high-energy-consumption service areas, we actively promote the zero-carbon pilot project in service areas, apply energy intelligent management and control technology, deploy intelligent management and control systems by using intelligent lighting control technologies such as induction adjustment and remote control according to the lighting needs and characteristics of different functional areas in self-operated service areas, and optimize the energy-saving design of the buildings in service areas with thermal insulation materials, so as to improve the energy efficiency of air conditioning and heating systems to improve energy efficiency and reduce carbon emissions.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

YUEXIU TRANSPORT CHANGSHA-ZHUZHOU EXPRESSWAY SERVICE AREA WAS INCLUDED IN THE FIRST BATCH OF ZERO-CARBON SERVICE AREAS OF THE MINISTRY OF TRANSPORT



Taking the theme of “Green Construction, Zero-Carbon Operation and Open Sharing” and starting with four dimensions of “Low Carbon in Production Capacity, Carbon Reduction in Energy Consumption, Carbon Reduction through Management, and Carbon Elimination with the Environment”, the zero-carbon pilot project in the Changsha East Service Area of Changsha-Zhuzhou Expressway adopted multiple measures to reduce energy consumption, applied photovoltaic technology in multiple scenarios and improved the carbon reduction capacity in multiple ways. This project is not only the first zero-carbon service area renovation project in the system of Yuexiu Transport, but also the first zero-carbon pilot project in the field of highway and water transport facilities in Hunan Province. This project is expected to realize the integration of photovoltaic power generation, energy storage system and charging facilities, the integration of sewage and waste treatment and the intelligent energy management, and form a replicable zero-carbon solution.

In 2024, the construction project of photovoltaic power generation new energy facilities of Changsha-Zhuzhou Expressway was included in the list of the fourth batch of smart photovoltaic pilot demonstration projects issued by the Ministry of Industry and Information Technology, the Ministry of Housing and Urban-Rural Development, the Ministry of Transport and other departments. In 2024, the zero-carbon pilot project of Changsha East Service Area was included in the list of the first batch of zero-carbon pilot projects of typical highway and waterway transportation and facilities issued by the Ministry of Transport, becoming one of the seven pilot zero-carbon service areas in China.



Distributed Photovoltaic of Huanghua Interconnection in Hunan Changsha-Zhuzhou Expressway

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

In 2024, Yuexiu Transport continued its research in the field of expressway energy, such as tunnel lighting, intelligent adjustment and control of road lamps, intelligent control of air conditioners and charging piles in service areas, achieving technological innovation and management optimization, such as researching and developing new lighting fixtures, eliminating glare and improving driving safety, using intelligent switches to control air conditioning to reduce energy consumption, developing a smart energy management and control platform, integrating photovoltaic power generation, tunnel lighting, intelligent adjustment and control of road lamps and other functions, and realizing intelligent energy management. By exploring a new model of integration of transport and energy, which is suitable for the “source – grid – load – storage” multi-terminal energy collaborative management and control of expressways, the Company has provided a new pathway for energy management that can be used as a reference for the industry and achieved a series of honorary achievements.

| Project Name | Received Award |
|--|---|
| “Research Project on Key Technologies of Highway Energy Efficient Supply and Intelligent Control Based on Energy Internet” | The First Prize of Scientific and Technological Progress Issued by China Communications and Transportation of Association |
| Intelligent Control Technology of Front Lighting in Expressway Tunnel | Selected in the Key Energy-saving and Low-carbon Technology Library of China Highway and Transportation Society in 2024 |
| Complete Technology of Expressway Energy Collaborative Management and Control Based on AIOT and its Application | The Third Prize of Scientific and Technological Progress Issued by Guangdong Intelligent Transportation Association |

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

YUEXIU TRANSPORT FRONT LIGHTING TEAM WON THE GOLD AWARD ISSUED BY YUEXIU GROUP FOR ITS CONTINUOUS IMPROVEMENT PROJECT



On April 18, 2024, Yuexiu Transport Front Lighting Team won the gold award for its continuous improvement project of “Lighting Expressway Tunnels, Improving Safety and Reducing Energy Consumption” in the First Continuous Improvement Achievement Conference of Yuexiu Group. Yuexiu Transport conducted research on the “glare” phenomenon in expressway tunnels, and found the light distribution curve that was most beneficial to the recognition by human eyes, thus ensuring the driving comfort and safety of drivers, and reducing lighting energy consumption through intelligent adjustment and control. The Company took two measures: firstly, the Company researched and developed a brand-new tunnel front lighting technology, including the research and development of lamps, the verification of light distribution and the verification of brightness control schemes in different environments; secondly, the Company developed an intelligent control system for tunnel lighting, equipped with a front lighting control system, which realized the light adjustment at the entrance section according to the brightness outside the tunnel and the change of traffic volume, and the real-time detection and automatic adjustment of brightness at the middle section and the exit section. The lighting method of the new lamps adopted by the system saved 17% energy consumption, and the automatic control of lighting and remote fault reporting reduced the manual maintenance cost, and ensured that drivers had no glare when driving, and the lighting at night made a smooth transition. The number of accidents in the renovated tunnel sections decreased by 41% on a year-on-year basis.



Effectiveness of Tunnel Lighting Renovation

Improvement of Equipment Energy Efficiency
We monitor the energy use and carbon emission data of toll stations and other equipment in real time, conduct comprehensive inspections on facilities and equipment on a regular basis, focus on the screening and optimization of equipment with high energy consumption, conduct data analysis according to seasons and time periods, automatically adjust energy supply and equipment operation through intelligent terminals, and continuously optimize energy efficiency management.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

INTELLIGENT MANAGEMENT AND CONTROL OF ENERGY CONSUMPTION OF THE COMPUTER ROOM SYSTEM



In order to reduce the energy consumption of the intelligent management and control system of the computer room, Pinglin Company adopted equipment improvement measures to solve the problem of unattended and long-term operation of air conditioners in the computer room. According to the national mandatory regulations (Article 4.4.1.3 of GB2887-89), the air conditioner in a computer room keeps running even at a suitable temperature, which wastes electricity and affects the service life of the equipment. In order to solve this problem, the company installed temperature and humidity sensors, used the existing moving ring monitoring equipment and software platform to set the indoor temperature to automatically control the switch and adjustment of air conditioners, thus improving the utilization rate of air conditioners and saving electricity scientifically. After the renovation, it is estimated that the annual electricity consumption rate of the precision air conditioner in a single computer room will be reduced by 20%, and the cost of the annual electricity consumption of six sets of equipment will be saved by RMB26,000. At the same time, the air conditioning equipment will be shut down regularly, effectively improving the service life of the equipment.



Temperature and Humidity Sensors Installation



Air Conditioning Automatic Switch Setup

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Development and Utilization of Renewable Energy

We continue to promote the application of renewable energy in expressway operations, make full use of road-attached assets such as roofs of service areas, and carry out renovation projects such as photovoltaic power generation projects, LED lamps replacement and new energy power generation pilot projects along the lines, so as to provide clean electricity, reduce the electricity costs of service areas and toll stations, and help reduce carbon emissions during road operation.

In 2024, Yuexiu Transport promoted the construction of photovoltaic power generation projects in areas such as roofs of buildings and tunnel entrances on road sections, with a total installed capacity of 6.7MWp, continuously increasing the proportion of clean energy use. Photovoltaic power generation is preferentially used in road sections and the rest is sold to the grid.



During the reporting period, the photovoltaic power generation of Yuexiu Transport was **7.3 million** kWh, reducing carbon emissions by about **7,277** tonnes. The photovoltaic power generation consumed by Yuexiu Transport was **1.13 million** kWh, and that sold to the grid were **6.17 million** kWh

Lean Management of Office Energy

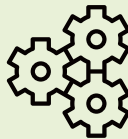
In response to the lean management requirements put forward by the Group, Yuexiu Transport encouraged employees to put forward reasonable personal proposals for energy saving and consumption reduction of the Company. Once the proposal put forward by an employee was adopted, the Company would reward the employee according to the management measures. The Company strengthened the management of official vehicles through the OA system and management process, gradually eliminated old official vehicles, and introduced new energy official vehicles, so as to reduce the energy consumption generated by the operation of official vehicles. The Company continued to promote energy conservation and emission reduction in the workplace, conducted regular inspections, and optimized the energy consumption performance of the workplace through measures such as using inverter air conditioners and replacing the old lamps with energy-saving lamps. The Company issued and posted the proposal for energy saving and consumption reduction, and strengthened the training of employees' awareness of energy saving, so as to make employees develop the good habit of turning off the lights and power supply when leaving, saving office electricity.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT



MANAGEMENT OF NEW ENERGY VEHICLES OF GNSR COMPANY

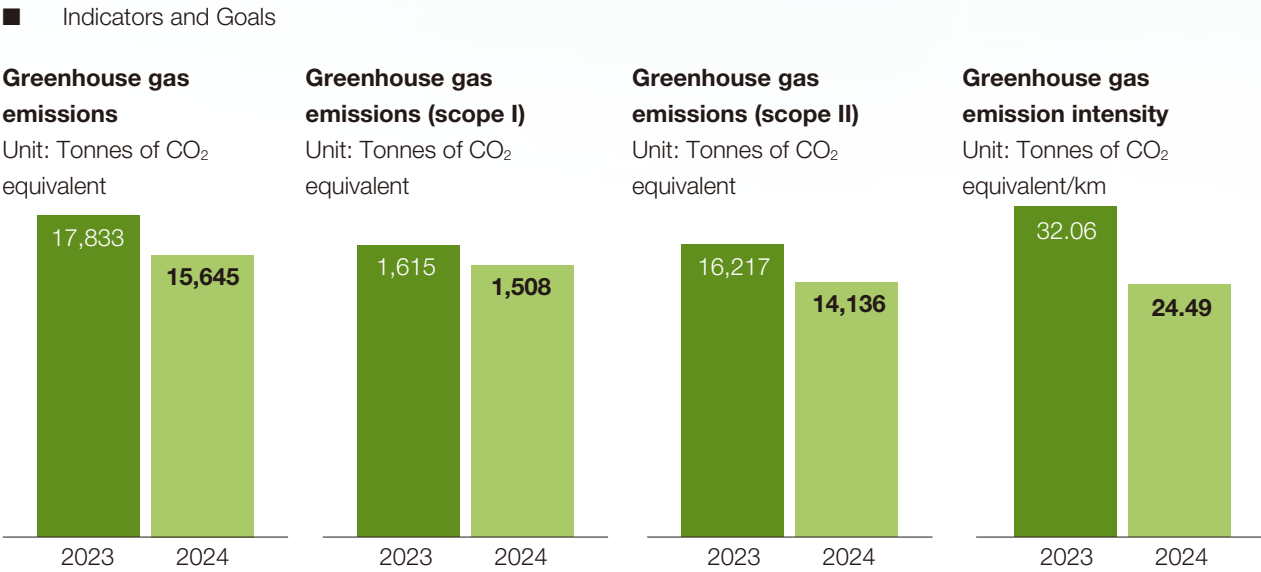
In 2024, GNSR Company, a subsidiary of Yuexiu Transport, purchased one new energy vehicle, with a total of three new energy vehicles. For daily use of vehicles, the company gives priority to new energy vehicles, reducing the use of traditional fuel vehicles, so as to reduce environmental pollution. In terms of vehicle management, the company established a repair and maintenance cost statistical system, optimized the repair and maintenance scheme, and extended the maintenance interval to 7,000 kilometers, significantly reducing the repair and maintenance cost. At the same time, relying on the vehicle management system, the company coordinated the arrangements for vehicle use, implemented the carpooling mobility mode, and gave priority to the use of new energy vehicles, thus further reducing fuel costs, effectively reducing carbon emissions, optimizing operating costs and improving management efficiency.



MANAGEMENT OF NEW ENERGY VEHICLES OF SUIYUENAN COMPANY

In 2024, Suiyuenan Company systematically carried out management upgrade for the bottleneck of energy consumption efficiency caused by the high-frequency use of operating vehicles and the aging structure of vehicles, including organizing the inspection of drivers' class business, promoting the examination of approval of vehicle use online, merging the demand for vehicle use on road sections, and reducing the use of old oil vehicles, thus achieving a year-on-year decrease of 11% in vehicle expenses and a decrease of 6.59% in fuel consumption, so as to effectively improve energy efficiency.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

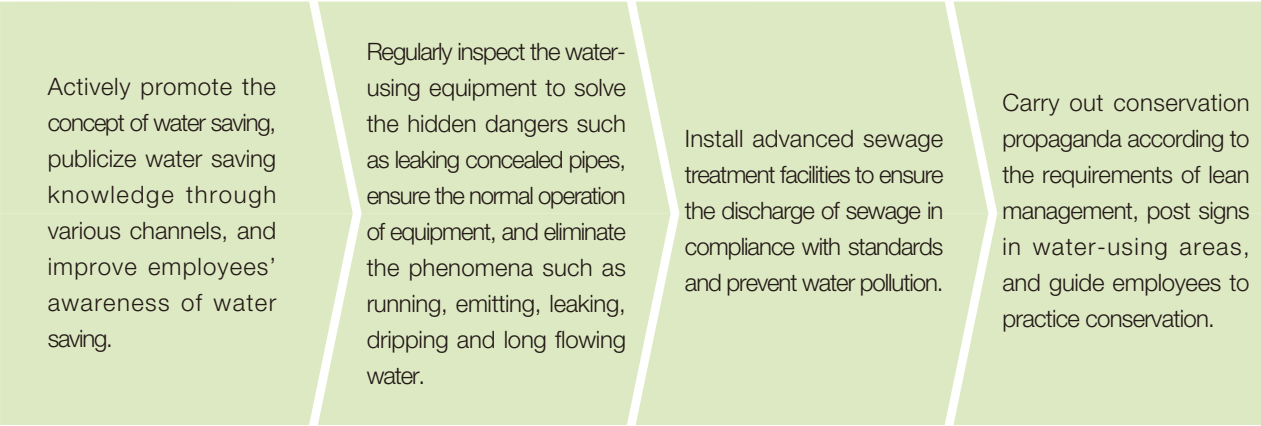


✓ Water Resources Management

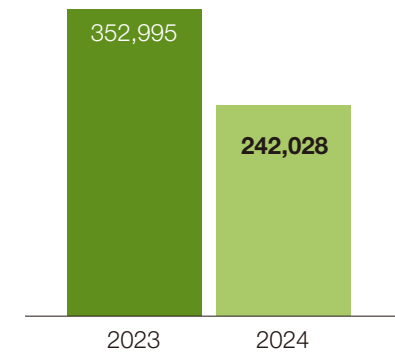
Yuexiu Transport attaches great importance to the rational utilization and protection of water resources in the management of road operations, and has implemented a series of scientific and reasonable water management measures to improve water use efficiency and reduce the impact on water resources. All water resources used by Yuexiu Transport for its own operations come from the municipal network, and no issue in water supply was identified. At present, our greening contractors primarily used rainwater saved and their own pond water for road greening and maintenance activities. Furthermore, the frequency and amount of watering have been scientifically adjusted according to the seasonal change and the water demand patterns of plants so as to improve the water use efficiency.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

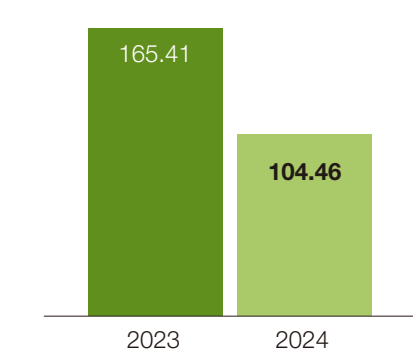
Measures for Water Resources Management



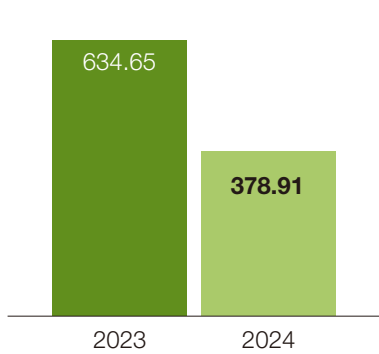
Total water consumption
Unit: m³



Average water consumption per person
Unit: m³/person



Water consumption per km
Unit: m³/km



Improvement of the Resource Utilization Efficiency

Yuexiu Transport continues to implement the concept of lean management and green office, implement the strategy of saving paper in road operations and daily office, and improve the utilization rate of resources, so as to achieve sustainable development. On the one hand, we have promoted the paperless toll road and bridge stations, realizing paperless tolls by issuing composite cards that drivers can use repeatedly and automatically calculating the toll amount by adopting the RFID, so as to avoid the waste of paper for toll collection documents. In 2024, Yuexiu (Hubei) Company, Suiyuenan Company and Cangyu Company under Yuexiu Transport have achieved the goal of not using invoice paper. On the other hand, we have used the online office system to manage the procurement of office supplies in a unified way, established a waste paper recycling station to regularly deliver excess waste paper to Guangzhou Paper Group Co., Ltd., thus realizing the optimization of office processes and recycling of resources.

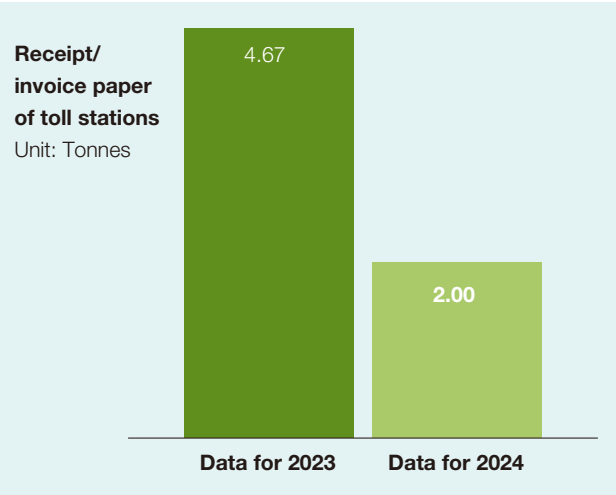
LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

In order to implement the lean management requirements of the Group, Yuexiu Transport implemented paperless office measures, aiming at reducing office costs and improving work efficiency. The above measures included the implementation of electronic meeting materials, installing a card-activated printing system, implementing real-name registration printing management, reducing the number of printers, issuing the Notice on Strengthening the Lean Management of the Office of the Department to strengthen publicity and education, guiding employees to abide by the principle of “not printing unless necessary, printing in black and white when color printing is not required, and printing double-sided unless single-sided is necessary” and properly keeping office equipment and supplies.

Since the implementation of paperless office, in the first two quarters of 2024, the printer cost decreased by 35.15% on a year-on-year basis, the office paper cost decreased by 17.56%, and the office cost was saved by about RMB30,000. At the same time, the management efficiency of meeting materials has been improved, the manpower and material resources have been saved, the risk of divulgence of confidential information has been reduced, the cleanliness of meeting desktop and the comfort of participation in meeting have been improved, and the phenomenon of repeated printing has been effectively controlled.



Card-activated Printer Device and System



LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Reduce Waste Pollution

In the process of road operations and maintenance, waste management is a key component of environmental protection. Yuexiu Transport always adheres to the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations, and has taken a series of effective measures to reduce the impact of operational, engineering and office wastes on the environment and reduce environmental pollution. We require our construction contractors to properly dispose of project wastes, implement civilized construction practices and reduce the environmental impact of road deicing and snow melting.

Road Engineering

We have raised the standard of asphalt recycling, requiring our construction contractors to centrally stack the waste asphalt in the road maintenance projects and take rainproof measures to ensure a 100% recycling rate of asphalt surface milling materials. The recycled asphalt materials were used for backfilling local roads and industrial parks, and producing base mixtures at mixing stations. In the reconstruction and expansion project of the GNSR Expressway, we used the asphalt recycling technology to combine old asphalt mixture with new materials to produce the recycled asphalt mixture, so as to reduce the use of new materials and waste discharge, and reduce land occupation and resource waste.



The asphalt waste of road maintenance projects was centrally stacked and treated properly, realizing **100% recycling** of asphalt waste

Road Operations

In the operation of projects, we carry out pollution prevention and control work, regularly clean the squares, lanes and surrounding areas inside and outside toll stations, timely clean up the dust, garbage and spilled objects generated during the driving of vehicles, utilize professional mist cannon truck to spray water for dust control, and strengthen traffic guidance, thus improving vehicle traffic efficiency and reducing the impact of road operations on the environment.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

YUEXIU (HUBEI) COMPANY ENHANCED TOLL STATION SAFETY ISLANDS



In order to solve the problem that the paint of safety islands falls off at the toll collection site, which affects the service image, Qintai Toll Station of Hancui Expressway put forward an improvement plan, choosing to lay artificial lawns with low cost and short construction period, so as to avoid the problems of cost and construction period of repainting epoxy floor paint. At the same time, Qintai Toll Station collected waste tires, stimulated employees' creativity, and transformed the waste tires into flower boxes, beautifying the environment. This plan was replicated and promoted in Huangshi West Toll Station of Daguangnan Expressway, saving a total cost of RMB51,000, including saving lawn fees of RMB43,000 and flower box fees of RMB8,000, and encouraging the participation of employees in lean management and improving the image of front-line service.



Artificial Lawn Laying



Waste Tire Renovation

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Yuexiu Transport purchases and uses environmental-friendly snow melting agent in winter, which is less corrosive than traditional snow melting agent. The environmental-friendly snow melting agent can reduce the damage to expressway infrastructure (such as bridges, road metal parts, etc.), prolong their service life, and indirectly reduce the resource consumption and environmental pressure caused by frequent replacement of facilities. At the same time, the pollution risk of environmental-friendly snow melting agent to surrounding soil and water bodies is also greatly reduced, helping to protect the ecological environment along the expressway, including surrounding farmland, rivers and forests.



In 2024, the affiliated companies of Yuexiu Transport distributed a total of **6,493.45 tonnes** of environmentally friendly snow melting agent

Office Waste Management

For offices, we have provided waste sorting bins, and handed over all used lamps and waste toner cartridges to a qualified third-party for further handling to reduce the impact of environmental pollution.

| Category | Unit | 2024 | 2023 |
|-------------------------------|--------|---------|---------|
| Waste light tube | Kg | 112.65 | 214.15 |
| Waste printer/toner cartridge | Kg | 430.01 | 481.89 |
| Waste asphalt concrete | Tonnes | 279,375 | 121,021 |
| Waste office paper | Kg | 7,828 | 7,769 |

Reduce Road Noise

Yuexiu Transport is well aware of the impact of traffic noise and construction noise on the surrounding residents and living environment, so we adhere to abiding by the *Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution* and other laws and regulations, and constantly explore and practice effective noise management strategies. We apply new road maintenance materials to reduce road noise at the source, and set up sound barriers in key road sections to insulate noise generated in the process of road operation and mitigate impact of noise on the surrounding communities and the environment.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Traffic noise control

Optimize route planning
Through scientific route planning and design, keep a reasonable distance from residential areas, try to keep vehicles away from residential areas, and reduce noise interference to the residents

Use noise-reducing asphalt
Use the high-performance environment-friendly ultra-thin wear layer (GET) technology to construct the thin overlay of cement concrete pavement, which is applied to the preventive maintenance of high-grade pavement and the maintenance of minor pavement diseases, with a noise reduction of 3-7dB as compared with the conventional pavement

Noise barrier construction
Use green construction technology, and build noise barriers in key sections to block noise transmission

Construction noise control

Reasonable arrangement of construction time
Plan construction activities to avoid construction during the rest time of residents, and communicate with the surrounding residents before construction to gain their support and understanding

Use of low-noise construction equipment
Priority is given to low-noise construction machinery and equipment to reduce the noise impact on surrounding communities during construction

Strengthen construction site management
Ensure that the construction site strictly abides by environmental protection laws and regulations. We strengthen noise monitoring, and take immediate corresponding measures to rectify excessive noise once found



In 2024, affiliated companies laid a total of **369m²** of noise-reducing pavement and invested **RMB9.99 million** in noise reduction

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

GREEN ECOLOGY PROTECTION

Yuexiu Transport is committed to building a green and environmentally friendly transportation system and eco-friendly transportation operation projects. We attach 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*, the *Water and Soil Conservation Law of the People's Republic of China*, and 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 clarify the work requirements of ecological and environment protection and related evaluation indicators in our internal policies, including Measures for Administration of Business Plans of Yuexiu Transport Infrastructure Limited, Work Guidelines for Mechanical and Electrical Maintenance and Management of Yuexiu Transport Infrastructure Limited, Yuexiu Transport Infrastructure Limited Road Maintenance Engineering Bidding and Procurement Management Implementation Rules (Trial). These management rules are strictly implemented in our business links, such as infrastructure investment, construction and operations.

Standardized Land Use

In land use, Yuexiu Transport always adheres to all relevant laws and regulations, such as the *Environmental Protection Law of the People's Republic of China*, the *Land Administration Law of the People's Republic of China*, the *Forestry Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, and the *Regulations on Environmental Protection Management of Construction Projects*, to ensure that our operations and construction projects have minimal impact on the environment and the community. At the same time, we follow the internal policies such as Yuexiu Transport Infrastructure Limited Expressway Maintenance Management Comprehensive Inspection Implementation Method (Trial), require all projects to carry out the environmental impact assessment, clearly stipulate the management requirements of land use and related assessment indicators, and form a complete set of processes in land procurement, use, management and protection. In the process of maintenance of all our operations, we use industry standards related to land use such as Quality Inspection and Evaluation 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.

Yuexiu Transport Land Use Policy Statement

Yuexiu Transport promises to follow the following land use standards in all business scope:

For the project development, environmental impact assessment shall be carried out continuously in the site selection stage, collecting information on ecological red line, water source protection area and environmentally sensitive points. Green space and ecological protection area shall be avoided as far as possible when conducting projects. Otherwise, the national standards such as Technical Guideline for Environmental Impact Assessment Ecological Impact shall be complied with and other measures shall be considered, including but not limited to the completion of ex-situ conservation in accordance with local laws and regulations, optimization of construction methods to reduce development, etc., with the aim to protect the ecosystem from the root. At the same time, Yuexiu Transport shall carry out vegetation restoration, dustproof, light-proof, noise-proof and other pollution protection measures to compensate, and continuously track and restore the ecosystem in the areas disturbed by the project.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Yuexiu Transport Land Use Management System

In order to regulate land use, Yuexiu Transport has continuously improved the full-cycle process of “before-during-after” project development, optimized the management of existing projects, promoted the application of green innovation technology in new projects, and reduced the impact on the ecological environment.

| Project development stage: Before the project | Project development stage: During the project | Project development stage: After the project |
|--|--|--|
| <p>Measures taken</p> <p>We conduct due diligence investigations on all potential development projects and reconstruction and expansion projects to ensure that projects have passed the environmental impact assessment and stipulate matters such as the acquisition of a land use certificate in the purchase agreements. In the project design stage, we also investigate, forecast, and evaluate the possible ecological impact of the projects and propose and implement measures and programs to protect the ecological environment. At the same time, we will actively introduce new technologies to reduce the impact of road construction on the environment, conduct intelligent road research on the reconstruction and expansion project of the GNSR Expressway, and reduce the project land occupancy through intelligent technology.</p> | <p>Measures taken</p> <p>We have marked up a special construction environmental protection fee in project cost, which is specially used to implement environmental protection requirements in construction. At the same time, we have implemented the environmental protection management in accordance with the Standard Bidding Document for Highway Construction (2018 Edition) Chapter VII Technical Specification in terms of water and soil conservation, pollution prevention and control, vegetation protection, etc., and required the construction party to carry out civilized construction, dispose of engineering wastes in time, and use environmentally friendly maintenance materials to avoid ecological damage. During the construction of the reconstruction and expansion project of the GNSR Expressway, we regularly hired third-party organizations to carry out environmental monitoring work, with no environmental protection indicators below standard and no environmental pollution incidents.</p> | <p>Measures taken</p> <p>We have established the goal of 100% reclamation and greening of the land occupied by reconstruction and expansion projects. We plan to adopt greening technology to reclaim and green the land temporarily occupied during the construction process, improve the quality of the land, and regularly monitor the reclamation and greening area to ensure that its ecological function is effectively restored.</p> |

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Ecosystem Preservation

Policy Statement of Ecological and Environmental Protection of Yuexiu Transport

Yuexiu Transport is committed to reducing the adverse environmental impact of its operation 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 strict protection zones, such as world heritage sites and natural reserves.
- All projects pass environmental impact assessments and obtain land use permits, e.g. land use right certificates.
- Reduce environmental impacts of the construction of its projects, actively adopt necessary measures to mitigate the environmental disturbance of the projects, including but not limited to:
 - ✓ Designate ecological no-disturbance areas according to the results of the environmental impact assessment if required by the 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 the forms of raised or underground pipelines or cross-over bridges) in the project design plan when necessary in order to minimize the disturbance to the ecosystem.
 - ✓ Monitor and address changes in local eco-systems along expressways constantly during the project operation, 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.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

- 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 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 Wildlife Fund (WWF).
 - ✓ Establish communication channels such as hotlines and email for local communities to enhance the community participation in environmental protection issues of projects, and set up a community council with local community representatives and external parties to fully express opinions on issues of biodiversity and protection of the community’s rights and interests and jointly verify the achievement of biodiversity conservation.

Highlight data

In 2024, the Group had no violations of laws and regulations in the field of environment.

Biodiversity Conservation

We strictly abide by relevant laws and regulations such as the *Law of the People’s Republic of China on the Protection of Wildlife*, as well as policy documents such as the *Red List of China’s Biodiversity* and the *China National Biodiversity Conservation Strategy and Action Plan*, incorporating protection, monitoring and research of biodiversity into the process of project planning and operation and requiring our projects to strengthen the biodiversity impact assessment in accordance with the requirements of the environmental impact assessment policy, so as to ensure that the impact of construction projects on biodiversity is minimized.

When planting on road slopes, we avoid the situation of planting a single species of plants and maintain suitable diversity. At the same time, we commit to planting indigenous vegetation such as pine and cypress for later replacement to avoid the occurrence of biological invasion at all reclamation sites.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

BIODIVERSITY CONSERVATION INITIATIVES FOR GNSR EXPRESSWAY RECONSTRUCTION AND EXPANSION PROJECT



The GNSR Expressway Reconstruction and Expansion Project has initiated a review and validation of work for red-line greenery protection, prepared the special conservation guidelines for urban greenery patches and the special conservation guidelines for shelter belts, and engaged industry experts to review and validate the preservation plan for greenery along the roads, ensuring compliance with relevant laws and regulations. Further, transplanting and preservation of Cibotium Barometz, a wild plant under the national second-class protection catalogue, is being promoted, with tailored conservation plans to effectively preserve the ecological resources within the coverage of the project, which serves a benchmark for biodiversity conservation practices.

Water Resources Protection

Yuexiu Transport emphasizes protection of water resources in the course of engineering design and management improvement, regularly carrying out water body inspection, inspecting the security level of facilities along the road, the degree of water pollution and the sewage treatment work along the road, controlling the possible impact of sewage in a timely manner, and minimizing the interference of sewage in the road operation process to the nearby environment.

Highlight data

During the reporting period, we carried out 100% simultaneous vegetation inspection, soil erosion inspection and water pollution inspection in the red line areas along the road.

LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT

Improving Carbon Fixation Capability

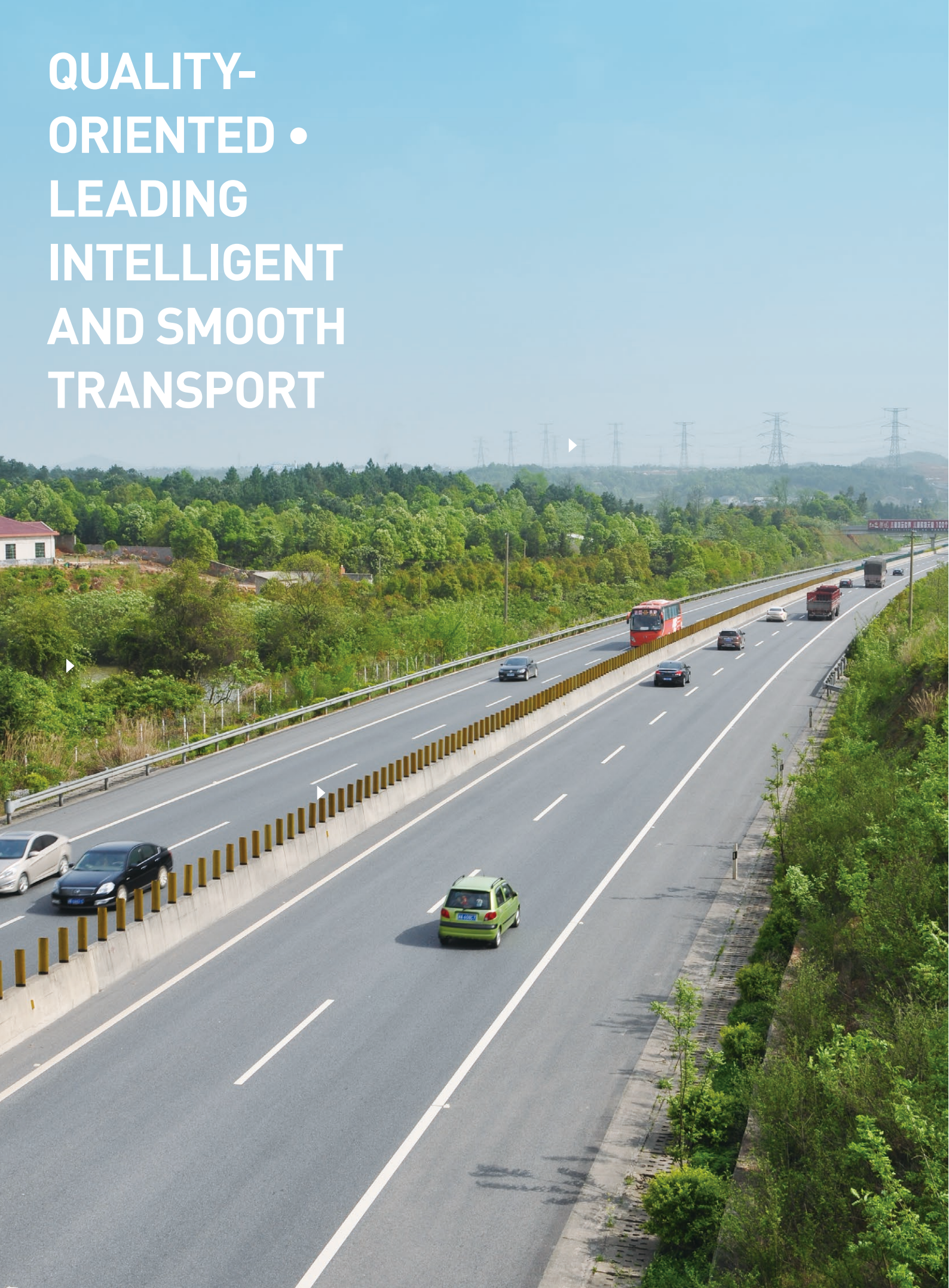
Yuexiu Transport places great emphasis on greenery maintenance along highways and implement regular maintenance and management of green belts on both sides of the roads in strict compliance with requirements on protecting highway greenery and the environment outlined in the Technical Specifications for Highway Maintenance, further improving the landscape along the highways, enhancing services for ecological preservation, strengthening the carbon fixation capability of greenery covered areas and actively contributing to mitigation of climate change.

| Project development process | Measures taken |
|---|--|
| Professional maintenance cooperation | All subsidiaries of Yuexiu Transport have signed agreements with third-party professional maintenance service providers, to ensure that greenery along the roads and in overpass and toll station areas are under professional maintenance and regular trimming, thereby conforming to greening standards and enhancing the carbon fixation function. |
| Ecological inspections | Yuexiu Transport conducts regular ecological inspections for road median strips, shoulders, slopes, interchanges and toll station areas, to immediately identify and address potential issues and further to ensure healthy growth and carbon fixation effect of the green belts. |
| Holistic approach to pest and disease control | Yuexiu Transport adopts comprehensive prevention and control policies that combine biochemical solutions and forest management measures, reduces the use of chemical pesticides as much as possible, and with regular care such as watering, pruning and fertilizing, maintains the ecological balance and carbon fixation capability of greenery covered areas. |



In 2024, the length of the landscape green belt of the expressway was **918.34 km**, with greenery coverage rate of **100%**.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT



QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Under the policy of the “14th Five-Year Plan” leading the development of intelligent highways and intelligent transportation, the transportation industry is undergoing digital and intelligent transformation and innovation. Yuexiu Transport regards “creating excellent values” as an important business philosophy and provides high-quality and intelligent transportation services to society as its core mission.

Yuexiu Transport strengthens the accountability system on safe production by strictly adhering to the bottom lines of safe production, regularly carries out safety hazard inspection and management, and strengthens safety awareness training for all employees, thereby laying a solid foundation for the stable operation of intelligent transportation. Intelligent traffic creates values and thus we follow the general trends of technological development. Through smart road construction, maintenance and operation, we have been making full use of advanced technologies such as big data, the Internet of Things and artificial intelligence to improve traffic capacity and reduce operating costs, aiming to achieve the integration of economic and social benefits. By focusing on the travellers’ experience and continuously providing high-quality road services, from optimizing drivers and passengers services, to properly handling customer complaints, to strictly protecting information security and customer privacy, we strive to integrate lean concepts into every link and solve the real needs of customers.

Yuexiu Transport deeply understands that only continuous improvement of quality and innovative development are the keys to its core competitiveness. In the future, Yuexiu Transport will continue to explore and increase investments, so as to interpret the profound connotation of “creating excellent values” with practical actions, and make unremitting efforts for a safer, more efficient and more convenient transportation network.

• UN Sustainable Development Goals



• Contents of this Chapter

| | |
|--|--|
| Global Reporting Initiative (GRI) | 403, 416-1, 417-1, 416-1, 317-1, 418-1 |
| Key Performance Indicators of the Stock Exchange | B2, B6 |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

| • Overview of Related ESG Issues and Management Practices in 2024 | |
|---|--|
| Related ESG issues | <div><div>➢</div>Road quality and safety in operations</div> <div><div>➢</div>Health and safety</div> <div><div>➢</div>Smooth traffic</div> <div><div>➢</div>Service quality and complaints handling</div> <div><div>➢</div>Information security and privacy protection</div> |
| Strategy | <div><div>➢</div>Ensure the quality, safety and smooth traffic flow on roads, and improve operational capacity and service quality</div> |
| Action | <div><div>➢</div>Strengthen safety management system and capacity building</div> <div><div>➢</div>Strengthen the investigation and management of hidden dangers</div> <div><div>➢</div>Safety and smoothness of major holiday nodes</div> <div><div>➢</div>Promote the construction of demonstration areas for safe and lean management</div> <div><div>➢</div>Deepen emergency management</div> |
| Outcome | <div><div>➢</div>Safety inspections and trainings were offered</div> <div><div>➢</div>Hidden hazards were identified and addressed</div> <div><div>➢</div>The safety goal of “five zeros” has been achieved</div> |
| Improvement | <div><div>➢</div>Improve road quality, standardize safety management measures, offer quality road services, and ensure smooth flow of roads</div> |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

IMPLEMENTING SAFETY MANAGEMENT

While pursuing high-quality development, the Company always regards “life first” as the highest principle of safe production. Yuexiu Transport strictly abides by the Work Safety Law of the People’s Republic of China, the Occupational Disease Prevention and Control Law of the People’s Republic of China and other applicable occupational health and safety laws and regulations. Yuexiu Transport has formulated a set of safety management rules such as the Measures for the Management of Work Safety Responsibility of Yuexiu Transport Infrastructure Limited, the Measures for Investment on Safety of Yuexiu Transport Infrastructure Limited, the Safety Risk Classified Control Work Guide of Yuexiu Transport Infrastructure Limited (Trial), and regularly reviewed and updated. We aim to establish a unified, efficient and comprehensive safety management system covering all employees and contractors within Yuexiu Transport.



In 2024, Yuexiu Transport’s investment in safety production amounted to **RMB31.1762 million**.

“1441” WORK SAFETY SYSTEM



- “1”: Developing one safety culture-Including the establishment of employees’ work safety awareness, corporate safety culture, safety development concept and other related work;
- “4”: Developing four safety management systems-Organizational management system, institutional system, work safety standardization system, and education and training system;
- “4”: Developing four safety management capabilities-Safety management capability, hierarchical safety risk prevention and potential hazard screening capability, emergency response capability, and safety assurance capability;
- “1”: One assessment mechanism-Formulating work safety responsibility assessment programs and clarifying assessment checklists, conducting assessments on subsidiaries semi-annually and issuing public notice, so as to give full play a guiding role of the assessment on the safety work.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

SAFETY MANAGEMENT PERFORMANCE AND OBJECTIVES

Safety production objectives

During the year, Yuexiu Transport firmly adheres to the safety bottom line of “Four Ensures” and the safety goal of “Five Zeros”, and is committed to ensuring that employees and related personnel achieve the goal of zero production safety death liability accidents.

“FOUR ENSURES” SAFETY BOTTOM LINE AND
“FIVE ZEROS” SAFETY GOALS

- “Four Ensures”
 - Ensure no major production safety accidents;
 - Ensure no major food safety accidents;
 - Ensure no major environmental emergencies;
 - Ensure no major internal security liability accidents.
- “Five Zeros”
 - Zero employee deaths and production safety liability accidents;
 - Zero production safety liability accidents involving the death of personnel of a related party;
 - Zero general food safety accidents with a single poisoning of more than 30 people and no fatal cases;
 - Zero other responsible accidents with a direct economic loss of more than RMB1 million;
 - Zero general environmental emergencies resulting in death, poisoning or serious injury of more than 3 people due to environmental pollution.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

SAFETY PRODUCTION INDICATORS

| Health and Safety Indicators | 2024 | 2023 | 2022 |
|--|------|------|------|
| Number of work-related deaths (person) | 0 | 0 | 0 |
| Work-related death rate (%) | 0 | 0 | 0 |
| Number of work-related injuries (times) | 0 | 0 | 0 |
| Total days of injury due to work-related injury (days) | 0 | 0 | 0 |

SAFETY SUPERVISION MANAGEMENT SYSTEM

Regulatory framework on safe production

Yuexiu Transport attaches great importance to safety production management and has established a three-level safety supervision system centrally managed by Yuexiu Transport headquarters. The Board is the highest decision-making body for health and safety issues, and it 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.

We have also set up the Work Safety Committee (the “Safety Committee”). The General Manager (CEO) of the Company chairs the committee that manages the strategy and performance of health and safety and reports regularly to the Board. We established a corresponding Safety Committee system at the subsidiary level which implements the safety production management at the subsidiary level and regularly reports the work to the headquarters safety committee. The labor union undertakes the supervision function of safety production, regularly puts forward suggestions on the system and policy of the Group, and comprehensively supervises and coordinates the health and safety work of the Company.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

| Management Structure | Management Responsibilities |
|---|--|
| Board of Directors | <div><div>✓</div><div>The Board is the highest decision-making body for health and safety issues, and it 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;</div></div> <div><div>✓</div><div>The Board of Directors listens to the reports of the Safety Committee and safety management every quarter, reviews and monitors Yuexiu Transport's systems and work performance in production safety, and deliberates on matters related to production safety;</div></div> <div><div>✓</div><div>The Chairman of the Board, the Party Committee Secretary, and the General Manager of the Company are jointly the primary persons responsible for work safety and occupational health, fully accountable for matters related to work safety and occupational health.</div></div> |
| Work Safety Committee of the Group | <div><div>✓</div><div>The General Manager (CEO) of Yuexiu Transport serves as the director of the Safety Committee, responsible for managing the strategy and performance of health and safety;</div></div> <div><div>✓</div><div>Responsible for implementing major production safety policies, centrally deploying, guiding and supervising Yuexiu Transport's production safety work, and coordinating and resolving major production safety issues;</div></div> <div><div>✓</div><div>Report safety management work to the Board of Directors every quarter, and report on the safety management work of employees and contractors, including the progress of safety education and training, the number of safety hazards and the rectification rate, etc.</div></div> |
| Safety Supervision Department of the Group | <div><div>✓</div><div>Establish a safety supervision and management system and promote the normalization and standardization of safety management of subsidiaries in a bid to provide support for the Company's strategic goals;</div></div> <div><div>✓</div><div>Formulate emergency plans for the Company's headquarters and guide subsidiaries to improve and dill the plans;</div></div> <div><div>✓</div><div>Inspect and assess production safety management, and supervise the implementation of the dual prevention mechanism;</div></div> <div><div>✓</div><div>Conduct internal investigations into safety incidents and build a safety culture system;</div></div> |
| Work Safety Committee and Safety Supervision Department of Subsidiaries | <div><div>✓</div><div>Establish supporting safety committees and safety supervision departments at the subsidiary level as executive bodies responsible for implementing safety production management at the subsidiary level, accept guidance and supervision from the Work Safety Committee of the Group, and report work progress to the Work Safety Committee of the Group on a regular basis.</div></div> |
| Labor Union | <div><div>✓</div><div>As a supervisory body for production safety, it supervises production safety work in accordance with the laws, including providing regular feedback on the formulation or revision of Yuexiu Transport's various production safety management systems, and supervising and providing suggestions on the simultaneous design, construction, production and use of safety facilities and main bodies of major construction projects.</div></div> |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

CONSTRUCTION OF SAFETY MANAGEMENT SYSTEM

Work safety responsibility system

Yuexiu Transport has been comprehensively strengthening the work safety responsibility system by thoroughly implementing the “Three Managements and Three Musts” principle (i.e. “those who manage the industry must manage safety, those who manage business must manage safety, and those who manage production and operation must manage safety”) and formulating the Full Production Responsibility Management Measures of Yuexiu Transport Infrastructure Limited, so as to improve the safety responsibility list, clarify the specific tasks and requirements of each department and position in production safety work and ensure that safety responsibilities are implemented in place.

We strengthen supervision and inspection of the implementation of responsibilities and incorporate the fulfilment of production safety responsibilities into the performance appraisal system, so as to give full play to the guiding role of appraisal standards in the implementation of safety responsibilities and the improvement of safety management. The remuneration of the persons in charge of production safety at all levels including the General Manage is linked to the health and safety performance of the Group, so as to motivate the persons in charge at all levels to fulfill their production safety responsibilities.

In 2024, in order to effectively improve the Company's safety production management and strengthen the implementation of responsibilities, we further improved the safety production responsibility system assessment scheme based on the Group's assessment scheme and the Company's actual operation, and added and reduced the management assessment and on-site assessment scoring rules and regulations of the Company's functional departments and subsidiaries. At the same time, we have added an assessment and scoring difficulty coefficient based on the operational safety management characteristics of each road section to effectively balance the difficulty differences in the safety management of different sections. We have also added 151 special assessment and scoring rules around various links and key risk points in the construction process of the GNSR Expressway Reconstruction and Expansion Project to ensure that project construction and safety work advance in coordination.

Safe production system

Yuexiu Transport has formulated a set of health and safety systems including the Production Safety Management Measures of Yuexiu Transport Infrastructure Limited, the Production Safety Responsibility Management Measures of Yuexiu Transport Infrastructure Limited, the Safety Risk Grading Management Guidelines (Trial) of Yuexiu Transport Infrastructure Limited and the Safety Investment Management Measures of Yuexiu Transport Infrastructure Limited. Such health and safety policies cover all areas of operations and are applicable to all contractors. We have clearly required contractors to comply with the Company's health and safety regulations since the contract signing stage, and we have also strictly supervised the implementation of the system during the construction process to ensure that the contractor's operations comply with our safety standards.

In 2024, we updated and improved the Company's relevant safety management systems based on the latest safety production laws, regulations, standards and specifications, including completing the revision of four emergency plans (including the overall emergency plan for emergencies) and the safety production responsibility system assessment plan. We also guided and supervised each subsidiary to promote system construction, and a total of 90 new or revised systems were added to our subsidiaries.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Standardization of safe production system

Yuexiu Transport has formulated the Work Safety Standardization Work Guidelines of Yuexiu Transport Infrastructure Limited to continuously supervise its subsidiaries in promoting the standardization of work safety systems, establish unified and standardized safety management and control standards and regularly participate in safety standardization certification re-evaluations. In 2024, the Company revised the Work Safety Standardization Work Guidelines of Yuexiu Transport Infrastructure Limited in accordance with the Guangdong Province Highway Engineering Construction Safety Standardization Guidelines. Special safety management measures have been added to the renovation and expansion projects, and the safety management process has been optimized to meet the special requirements of the renovation and expansion projects. Safe construction site construction assessment and evaluation standards issued by the Department of Transport of Guangdong Province have been incorporated to ensure the comprehensiveness and standardization of safety management and control of the renovation and expansion projects.

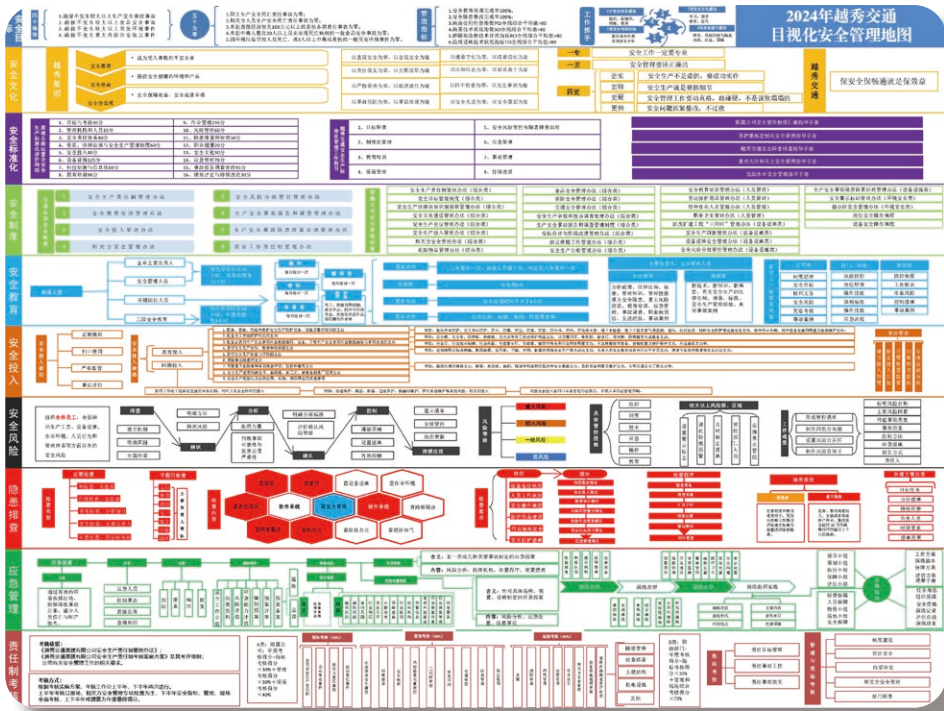
In 2024, all of our subsidiaries have obtained the Ministry of Transport’s highway operating enterprise safety standardization certification. Three out of such subsidiaries successfully passed the re-evaluation of the first-level certification of transportation enterprise safety production standardization, and the other subsidiaries passed the re-evaluation of the second-level certification of national, provincial, municipal or industrial safety production standardization. Yuexiu Transport will continue to deepen the construction of safety production standardization, and constantly improve and enhance the level and effectiveness of safety work.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

CAPACITY BUILDING OF SAFETY MANAGEMENT

Safety lean management capability

Yuexiu Transport applies lean management methods to safety management and promotes continuous improvement in production safety through multiple approaches. In terms of promoting concepts and methods, we actively introduced the concept of safety lean management, with standardization, process-based and lean management as our goals. Taking the GNSR Company as a model, we vigorously promoted the excellent experience of lean demonstration enterprises, and continued to deepen the application of 6S, visualization, SOP, TPM and other tools in daily safety management in various subsidiaries to create benchmarks for safety lean management.



Visual safety management map of Yuexiu Transport in 2024

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

In terms of talent team building, we focus on building a management team with lean capabilities. A safety production expert pool was established by supplementing and adjusting 23 members to cover all subsidiaries and optimize management guidance and technical levels. A total of 37 safety managers from various subsidiaries were organized to participate in the training for the registered safety engineer examination, and three Quality Control (QC) teams for the safety continuous improvement project were established in North China, South China and Central China. A total of 73 employees from various subsidiaries were organized to participate in the “Six Sigma Yellow Belt” training, among them, 9 passed the exam and obtained certification.

In the actual implementation process, we strengthened the promotion and implementation of lean management proposals. The safety management line has deeply explored and refined safety lean management methods that are highly compatible with the highway industry, such as promoting the human-vehicle coordination system in toll lanes, promoting the establishment of a road construction operation monitoring and inspection mechanism, etc., and put forward a total of 211 proposals for improvement in the field of safe production in terms of “civil air defense, technical security precautions, engineering defense, and management defense”, and all of them have completed the closed loop. All subsidiaries completed the installation of the human-vehicle coordination system in 91 toll lanes, and all the work on establishing safety lean management demonstration enterprises was accepted and passed, effectively improving the level of safety management.

THE SAFETY LEAN MANAGEMENT PROPOSAL OF “IMPROVING THE STANDARDIZATION OF FIRE EXTINGUISHER MANAGEMENT IN SUBSIDIARIES” WON THE 2024 YUEXIU GROUP SAFETY COMMITTEE SAFETY LEAN CONTINUOUS IMPROVEMENT PROJECT QC ACHIEVEMENT EXCELLENCE AWARD

The Company actively introduces safety lean management concepts and thinking methods, and strives to promote safety production work towards standardization, process-based and lean management. In 2024, due to the uneven operating hours of various subsidiaries and the lack of detailed standard guidance manuals, the managers could only rely on experience to carry out fire extinguisher configuration management, which led to high management costs and low work efficiency. The safety management improvement project of “improving the standardization of fire extinguisher management in subsidiaries”.

During the project implementation process, a working group was set up to conduct in-depth on-site investigations, accurately analyze the causes of the problems, carefully discuss response strategies, clearly define improvement goals, and continuously advance research on the subject. Through a series of efforts, not only have the relevant fire safety management systems been further improved, a standard system for fire extinguisher configuration for highway operating companies has been successfully established, and the professional management capabilities of safety managers have also been significantly improved.

Ultimately, the project improved safety management efficiency while effectively reducing management costs, and won the 2024 Yuexiu Group Safety Committee Safety Lean Continuous Improvement Project QC Achievement Excellence Award.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

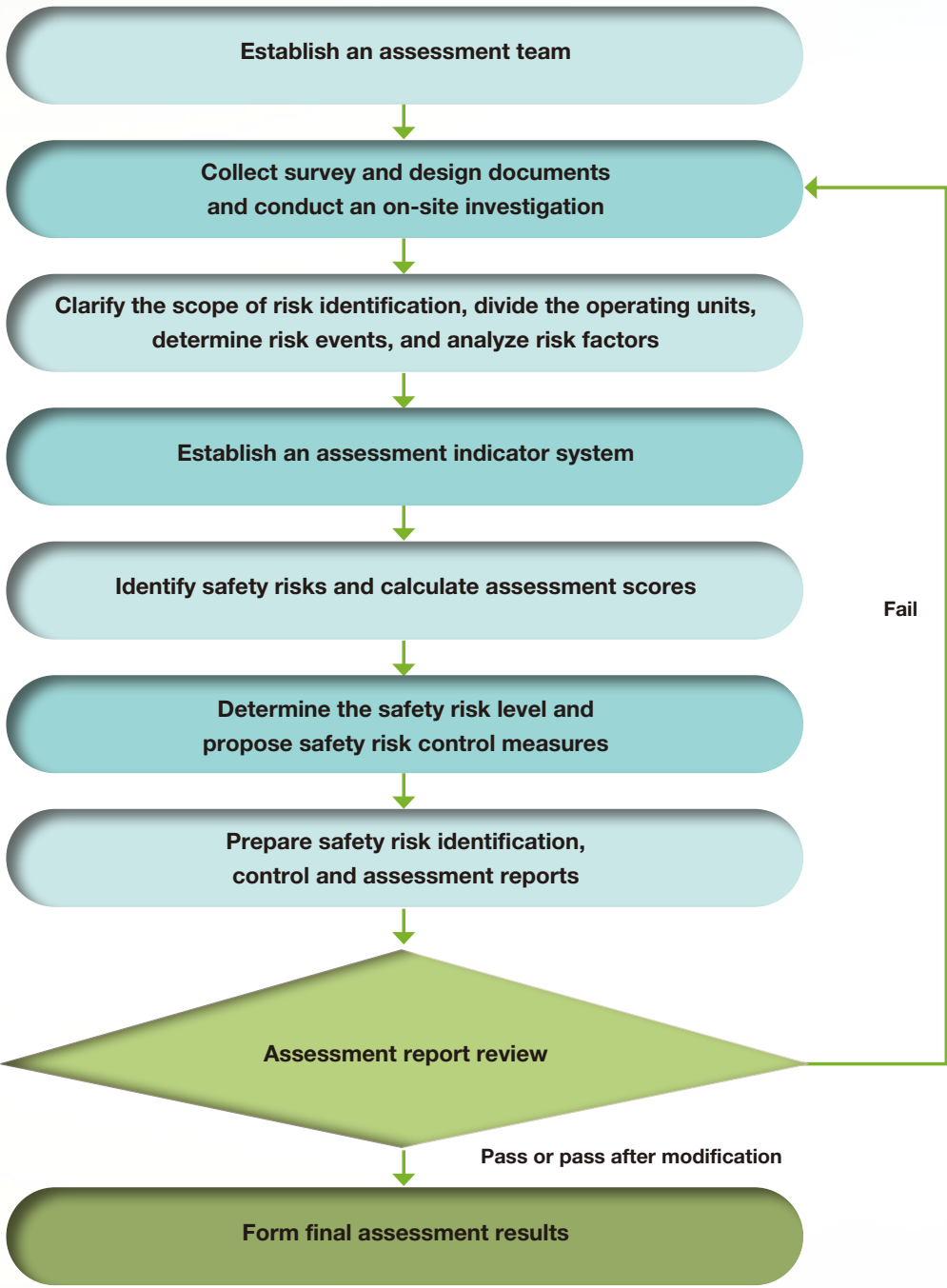
Driven by the wave of digitalization, Yuexiu Transport actively explores innovative models of safety management and vigorously promotes the process of online safety management. Relying on Yuexiu Group’s DevOps platform, Yuexiu Transport independently took over the code development of the intelligent operation management platform, laying a solid foundation for platform function optimization and customization. In May 2024, the platform completed the upgrade of the production safety module and improved functions such as responsibility management, risk management, hidden danger management, and emergency management. In addition, the platform has added new functions such as safety production investment statistics and online signing of responsibility letters, which have significantly improved the efficiency of safety management work. At present, the two new functions have been successfully promoted and applied in Pinglin Company.

Security risk management capabilities

Yuexiu Transport strictly implements the “double-prevention mechanism” of risk classification control and hidden danger investigation and management. In the risk assessment phase, the event types are optimized by referring to the standards set out in the Classification of Employee Injury and Death Accidents in Enterprises (GB6441-86), the Standards for Identifying Major Hazards in Manufacturing and Trade Enterprises, the Standards for the Determination of Major Hazards in Highway Operations, and other standards for hazard identification and combining the construction characteristics of various projects and the surrounding environment. At the same time, we improve the assessment system and indicators to ensure that the scoring is more in line with the actual situation and to achieve an accurate assessment of risks.

In terms of risk classification management, Yuexiu Transport implements risk assessment and hidden danger investigation according to the assessment results, forms a detailed risk point and hazard source investigation and control list, and reports on it at the Company’s general manager’s office meeting every month. As the project construction progresses, risk identification is dynamically updated to ensure that the hierarchical management and control measures are targeted and effectively address various risks during the project construction process.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT



Project Security Risk Management Process

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Highlight achievements

- In 2024,
- Yuexiu (Hubei) Company took the opportunity of establishing safety standardization to innovatively compile a hidden danger inspection manual of “four houses and two rooms”;
 - Yuetong Wuhan Branch summarized and refined the safety hazard management methods, established the safety hazard classification and grading management standards, and its research results are in the leading position in the industry.

The Company takes multiple measures to investigate and manage safety hazards. A total of 1,036 safety inspections were carried out throughout the year, and 1,925 general safety hazards were discovered and rectified in a timely manner. We implemented the “guarantees on risk and hidden danger” system and successfully completed the rectification of safety accident hidden dangers that were guaranteed by the headquarters and were the Group’s key concerns. Moreover, we have deepened the “four checks and four preventions” work, covering checks on hidden dangers during the flood season, dangerous operations, construction safety, and maintaining smooth traffic before the holidays. We successfully defended against Typhoons Makar and Bebinca during the flood season, strengthened safety management by inspecting dangerous operations, and conducted special inspections on construction safety. Our pre-holiday traffic maintenance efforts ensured smooth traffic on major holidays, and our subsidiaries in the central region successfully withstood two rounds of rain, snow and freezing weather in early 2024. Throughout 2024, the Company’s leaders led teams to conduct 55 “four no’s and two directs” inspections, issued 53 safety hazard rectification instructions and completed all rectifications, effectively ensuring the Company’s operational safety.

INSPECT HAZARDOUS OPERATIONS TO STRENGTHEN SAFETY MANAGEMENT AND FOCUS ON THE RISKS OF OPERATIONS AT HIGH ALTITUDES AND IN CONFINED SPACE



In 2024, in accordance with the Notice on Further Strengthening Safety Management of High-altitude and Confined Space Operations issued by the Group, each subsidiary strengthened risk identification and assessment, strictly implemented the operation approval process and conducted a comprehensive investigation of high-altitude and confined space operations.

In terms of safety in high-altitude operations, by the end of 2024, all project companies uniformly replaced the three-point safety belts with more compliant five-point safety belts to effectively detect hidden dangers of falling from heights and reduce the risk of falling from heights.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Regarding confined space operations, the subsidiaries have made a detailed investigation into a total of 129 confined spaces that can be entered for operations, including fire water tanks, water storage tanks, sewage tanks, etc. To ensure the safety of these confined space operations, each subsidiary has established a comprehensive management system. On the one hand, we have formulated operational safety management methods and operating procedures, clarified the responsibilities of each functional department, incorporated confined spaces into the scope of safety risk management, established a management ledger, and conducted risk assessments every month. On the other hand, safety warning signs and risk notification signs have been set up in all confined spaces, daily inspections and hidden danger investigations and controls are carried out regularly, and confined space operation management regulations are strictly implemented. Currently, all confined spaces are under control.

Through this round of investigation and management of hidden dangers in dangerous operations, the various measures taken by Yuexiu Transport’s subsidiaries in the safety management of high-altitude and confined space operations will effectively reduce operational risks and ensure the safety of operators.

Safety emergency response capabilities

Yuexiu Transport attaches great importance to safety emergency management and emergency management and accident handling, and improves the level of emergency management in multiple dimensions, building a solid line of defense for safe production and road safety.

In terms of emergency plan revision, the Company closely combined the adjustment and promulgation of the Group’s emergency plans, and comprehensively revised four key emergency plans, including the Overall Emergency Plans of Yuexiu Transport Infrastructure Limited. Such revision deeply analyzed the experiences and shortcomings in past emergency responses, further standardized the prevention of production safety accidents and the emergency management process, and sorted out the entire process from accident warning, response level, disposal measures to post-recovery, to ensure that rescue work can be carried out quickly, orderly and efficiently in emergencies.

We improve our emergency response capabilities through regular emergency drills. In 2024, the Company and its subsidiaries conducted a total of 106 emergency drills, involving 2,370 participants. The drills focused on effectiveness and practicality, emphasized “double-blind” practises, and simulated the most realistic emergency scenarios without prior notice of the drill time, location and content, aiming to test the emergency response speed and coordination and cooperation capabilities of various departments and personnel.

In 2024, the Group successfully formed 14 volunteer fire brigades with a total of 215 volunteer firefighters. By regularly conducting professional skills training covering firefighting, personnel rescue, emergency evacuation and other aspects, we continuously strengthen the emergency response capabilities of employees. Actual emergencies were handled in a timely and efficient manner, ensuring no casualties and fully demonstrating emergency response and teamwork capabilities.

- On 21 August 2024, 30 passengers stranded due to a bus breakdown were quickly transferred together with Suiyuenan Company;
- On 29 August 2024, they worked with Suiyuenan Company to efficiently put out the fire caused by a large truck rear-end collision;
- On 12 October 2024, GNSR Company effectively rescued the burning truck that was transporting trehalose.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Safety Management Assessment Mechanism

Yuexiu Transport has established a strict and scientific safety management and assessment mechanism to ensure the effective implementation of safety responsibilities. The Group has fully incorporated the fulfilment of production safety responsibilities into the performance appraisal system, and conducts quantitative assessments of each department and position based on clear appraisal indicators. In terms of assessment methods, a combination of regular inspections and irregular spot checks is adopted, which includes both routine inspections on the implementation of daily safety work and unannounced inspections on key projects and critical periods. For departments and individuals that have performed well in safety management, such as achieving high safety goals, achieving significant results in potential hazards investigation and control, and handling emergencies in a timely and effective manner, material rewards and spiritual recognition will be given to encourage employees to actively participate in safety management; and those who fail to fulfil their safety responsibilities, fail to rectify safety accidents or hidden dangers effectively will be punished in strict accordance with regulations, including performance point deductions, bonus deductions, and even job adjustments. Through this measure of clear rewards and punishments, a strong incentive and restraint effect has been formed, which will promote the continuous improvement of the Group’s overall safety management level.

CONSTRUCTION OF SAFETY CULTURE

Yuexiu Transport regards the construction of safety culture as the core driving force for safe production, and promotes the dissemination and implementation of safety concepts in an all-round and multi-level manner. The goal of safety culture construction is to put “life first”, with the changing from “want me to be safe” to “I want to be safe and I know how to be safe”, and with the “four ones” as the driving force, we will strengthen the promotion of safety culture among all employees and create a safe production atmosphere.

| Four ones | Practical action |
|-------------------------|--|
| 1 propaganda activity | Closely combine the theory of safety culture with the practical work of safety production, organize a propaganda activity, deeply study and practice, firmly establish the concept of safety development, carry forward the main theme and spread positive energy. |
| 1 safety survey | The leaders in charge of safety production of each subsidiary shall organize and carry out safety production research, and form research reports and work measures to solve the key and difficult problems of safety production of the unit, so as to ensure effective results. |
| 1 safety Culture manual | Focus on learning and publicizing the safety culture concept of the Group and the Company, gather consensus, compile a safety culture manual, and continue to promote the construction of “safe transportation”. Each subsidiary is required to build a safety culture demonstration site to form a demonstration-driven effect. |
| 1 safety competition | Organize a series of safety culture activities such as “Safety Production Month” and “Ankang Cup”, organize a safety knowledge and skills competition, make safety culture close to employees, mobilize their enthusiasm and create a strong safety atmosphere. |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Yuexiu Transport has always adhered to the principle of “life first” and integrated the concept of safe production into the daily work of employees. By organizing an in-depth study of important discussions on safe production and laws and regulations such as the Occupational Safety and Health Law, the concept of safety has been rooted in the hearts of employees. By producing and promoting the Visual Safety Management Map of Yuexiu Transport in 2024, the concept of “ensuring safety and smooth traffic is to ensure efficiency” will be integrated into daily work, helping the Company and employees to develop together.

Highlight performance

- The paper titled “Road Access, Safe Travelers and Smooth traffic: Taking GNSR Expressway as a Pilot to Build Yuexiu Transport’s Safety Culture Concept System” compiled by GNSR Company was nominated as one of the top ten cases of the fifth session of best practices in corporate safety culture held by the Ministry of Emergency Management.

In terms of safety education and training, Yuexiu Transport continues to strengthen system construction. With the help of the “Yuexiu on the Cloud (云上越秀)” platform, safety education and training can be covered for all employees. Special training was conducted for the 58 new employees and 48 special operations personnel joining the Company in 2024 to instil in them the awareness that “I am responsible for my own safety and I am responsible for the safety of others.” The Safety Committee organizes safety experience sharing or accident case warning and education activities every month, and the Safety Supervision Department holds the “Ankang Cup” safety knowledge competition to stimulate employees’ enthusiasm for learning. At the same time, thematic training is offered to safety management personnel to deepen their understanding of safety responsibilities.

HIGHLIGHT CASE

In September 2024, the headquarters organized a safety management experience-sharing meeting at Henan Weixu Company and invited Dr. Yuan Wenjuan from China University of Geosciences to conduct a special training titled “Safety Culture and Safety Leadership”, which profoundly explained the cornerstone role of safety culture construction and the key role of safety leadership in leading safety work, providing a valuable reference for the future safety work direction of each subsidiary.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Yuexiu Transport takes “prevention first” as its orientation and actively carries out various safety emergency drills. We supervised our subsidiaries to carry out activities such as “Safe Production Month” and “Fire Protection Promotion Month”, watch warning education films with relevant topics, carry out “double-blind” emergency drills and hold “Publicity and Consultation Days”. During the period, 11 experiential safety education and training activities were carried out, with 764 participants. We use new media platforms such as internal websites and WeChat official accounts, as well as publicity platforms such as road electronic information boards and blackboards to release safety knowledge and cases, create a strong safety culture atmosphere and enhance employees’ safety awareness.

During the year, a total of **309** safety training sessions covering employees of relevant parties and **106** emergency drills were organized, with **2,370** participants.

Safety Management of Related Parties

Yuexiu Transport attaches great importance to the safety management of related parties and incorporates it into the Group’s production safety management system. The Guidelines for Safety Management of Related Parties of Yuexiu Transport Infrastructure Limited was formulated to set standards for the contractor’s production safety responsibilities and the management department’s supervisory responsibilities, and to review the contractor’s employee safety standards and measures. Moreover, we sign the Safety Agreement with related parties, requiring them to cover all their employees with safety training, and conduct regular inspections on the compliance of their training records, training times and training data. We also organize related parties to participate in training programs held by the Group. In addition, we have included the safety work of related parties into the safety production performance evaluation indicators, and included “zero production safety responsibility accidents with fatalities of related parties” into the “five zeroes” safety production target requirements. In 2024, the Group Headquarters formulated and issued the Guidebook on Safety Management of Key Related Parties and the Guidebook on Safety of Hazardous Operations to provide clear guidance for the safety management of related parties.

In 2024, the Safety Committee of the Group held a safety rectification meeting to strengthen the publicity and implementation of the Group’s overall emergency response plan and information reporting regulations for sudden incidents, organize subsidiaries to carry out special concentrated actions to tackle the safety of hazardous operations, and strengthen the safety management of hazardous operations. We thoroughly investigated the safety management issues of related parties and discussed improvement measures at the theory-discussing meeting of the Group. The Group requires all subsidiaries to conduct hidden danger inspections and rectifications in the management of related parties, further strengthen management, and effectively ensure the operational safety of employees and related parties, so as to achieve safe and coordinated development of the Company and related parties.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

SAFETY TRAINING FOR RELATED PARTIES



Safety education and training for post-job-related parties of the third phase of the Henan Weixu Expressway road overhaul project



Safety education and training for related parties of the Weixu (Lanwei) Expressway video monitoring optimization and improvement project

INTELLIGENT AND SMOOTH TRANSPORT CREATES VALUES

We believe that lean management represents the high-level pursuit of “innovation, creation and industry leadership”. Driven by innovation, Yuexiu Transport has pioneered many industry firsts and injected strong impetus into lean management, achieving its business goal of “promoting revenue through smooth transport”. In order to further enhance the Group’s overall scientific research and innovation capabilities and project management level, Yuexiu Transport has formulated the Scientific Research Project Management Measures of Yuexiu Transport Infrastructure Limited to ensure the efficient operation of scientific research work and the transformation of results, and achieve the Company’s sustainable development and technological leadership.

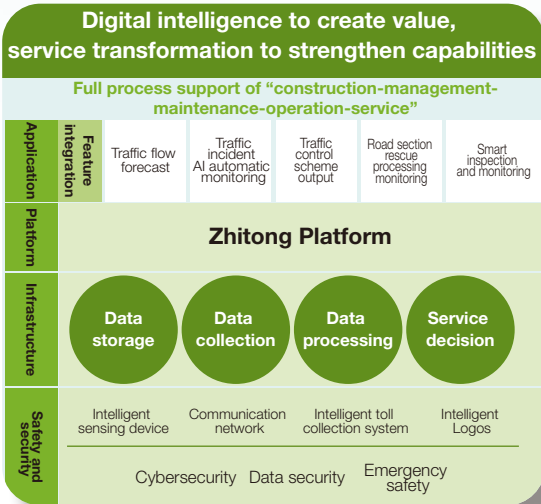
At the group level, we have set up a digitalization and customer resource coordination department, closely focusing on the theme of “digital intelligence to create value, service transformation to strengthen capabilities”, following the five main lines of “construction, management, maintenance, operation and service”, actively promoting the improvement of business capabilities, and enhancing the construction and development level of “intelligent transport”.

Construction of Intelligent Roads

Yuexiu Transport focuses on strengthening digital coordination throughout the entire life cycle of highways, and digitally integrates the entire process of its various road sections from planning and design, construction to operation and maintenance. By establishing an integrated digital management platform, real-time sharing and efficient collaboration of data at all stages can be achieved, providing strong support for scientific decision-making. We vigorously promote digital surveying of highways, using cutting-edge technologies such as satellite positioning and geographic information systems to accurately obtain key data such as topography and geology, ensuring that the survey work is carried out efficiently and accurately, laying a solid foundation for subsequent design and construction.

In addition, Yuexiu Transport actively promotes intelligent highway construction and smart construction sites, introduces automated construction equipment and Internet of Things monitoring systems to achieve precise control and real-time supervision of the construction process, effectively improving project quality and progress. At the same time, we implement digital supervision for major projects, build a unified supervision platform, conduct all-round dynamic monitoring of key indicators such as project progress, quality, and safety, discover and solve problems in a timely manner, so as to ensure the smooth progress of our major highway projects, improve the level of highway construction and operation through intelligent means, and create a better transportation environment for travellers.

For more cases, please see the subsection titled “The wonderful transformation of “super projects” towards lean management”.



QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Intelligent Road Maintenance

The Group attaches great importance to road quality and traffic safety. We comply with relevant laws and regulations such as the Highway Law of the People's Republic of China, the Management Measures for Highway Maintenance Projects, and the Standards for Assessment of Highway Technical Conditions. In combination with the inspection and special audits of Yuexiu Transport, we have formulated management systems such as the Highway Maintenance Management Comprehensive Inspection Implementation Measures (Trial) of Yuexiu Transport Infrastructure Limited and the Highway Maintenance Project Completion (Delivery) Acceptance Management Measures of Yuexiu Transport Infrastructure Limited to standardize the governance structure, technology application and engineering management of road maintenance work, clarify the responsibilities and powers of the headquarters and subsidiaries, and clarify the management process and content.

MAINTENANCE OF THIN LAYER ASPHALT PAVEMENT ON
PINGLIN EXPRESSWAY



Due to years of use and the influence of natural climate, the Pinglin Expressway has suffered serious damage, cracks and rutting on its road surface. These problems not only reduced driving comfort and safety, but also led to increased vehicle energy consumption and increased noise pollution, seriously affecting road service levels and the travel experience of drivers and passengers. Special road maintenance projects were implemented on multiple up-and-down sections of the Pinglin Expressway, with a maintenance area of approximately 90,000 square meters. The project adopted the solution of adding a thin layer of asphalt pavement and fully completed in 2024.

- Improved security:** The road surface after coating remains uniformly dark for a long time, which significantly improves the visual effect of the road surface, effectively reduces visual fatigue caused by road reflection, and improves driving safety; and the large structural depth and high friction coefficient provide a sufficiently safe surface for vehicles to travel on, greatly improving driving safety.
- Improved environmental performance:** Compared with the traditional 4-cm thick asphalt wearing layer, the 1-cm paving thickness of the low-carbon ultra-tough thin layer saves about 60% of asphalt materials and 75% of high-quality stones, reduces carbon emissions by about 65%, and achieves resource conservation and environmental protection goals.
- Improved comfort:** After maintenance, the smoothness of the original road surface is effectively improved. Combined with the dense skeleton gradation with high asphalt dosage, it reduces noise by 3–7dB compared with ordinary asphalt pavement and drainage asphalt pavement, greatly improving driving comfort.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT



The new technology of low-carbon ultra-tough thin layer with a thickness of 1.5 cm is being used for construction



Deck milling of Shahe Bridge



The top paving site of Shahe Bridge



Post-maintenance condition of the Shahe Bridge deck

Yuexiu Transport relies on advanced technology to build a comprehensive digital maintenance system, using technologies such as the Internet of Things, big data, and cloud computing to achieve full-process digital management of maintenance data from collection, transmission, storage, and analysis. Through the real-time collection of highway facility status data through intelligent equipment, the development trend of diseases is predicted using data analysis models, providing a scientific basis for maintenance decisions, achieving networked sharing, intensive integration and efficient utilization of disease data, and improving the efficiency and accuracy of maintenance management. At the same time, intelligent inspection equipment such as drones and vehicle-mounted intelligent detection equipment are introduced, combined with satellite positioning, sensors and other technologies to achieve all-round and efficient inspection of highway facilities, and automatic identification of problems such as road surface diseases and damage to traffic safety facilities, thereby greatly reducing dependence on manpower, improving inspection efficiency and highway safety levels, and promoting maintenance work to move towards intelligence and digitalization.

| Performance indicators | Unit | 2024 | 2023 | 2022 |
|--|--------|------|------|------|
| Maintenance Quality Index (MQI) | points | 92.7 | 91.8 | 92.4 |
| Pavement Quality Index (PQI) | points | 93.4 | 91.9 | 92.5 |
| Proportion of Class I and II bridges | % | 99.2 | 99.3 | 98.8 |
| Asphalt pavement material recycling rate | % | 100 | 100 | 100 |



In 2024, Yuexiu Transport recorded **RMB3.534 million** of R&D investment for road quality improvement.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

INTELLIGENT ROAD OPERATION

Safety and smooth traffic via intelligence

Yuexiu Transport complies with laws and regulations such as the Highway Law of the People’s Republic of China, the Road Traffic Safety Law of the People’s Republic of China and the Emergency Response Law of the People’s Republic of China, and has also formulated internal systems such as the Traffic Safety Management System of Yuexiu Transport Infrastructure Limited and the Overall Emergency Response Plan for Emergencies of Yuexiu Transport Infrastructure Limited. We insist on being intelligence-driven, realize accurate prediction and forward-looking prevention through the Yuexiu Zhitong Platform, strengthen the multi-party linkage response mechanism, continuously improve the efficiency of smooth traffic and emergency response, and are committed to creating highways with “smooth roads and safe travellers”.



QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

➤ Accurate prediction

In 2024, the traffic flow simulation and prediction platform integrated into the Zhitong Platform was successfully launched and integrated into the GNSR simulation model. The platform integrates real-time data from the Zhitong Platform, historical traffic data, real-time traffic flow, third-party maps and other information to achieve renovation and expansion construction, temporary construction and accident simulation based on dynamic traffic flow, and provide all-weather congestion warnings. The simulation and prediction platform is integrated with the Yuexiu Zhitong Platform to refine management and control measures, help road sections deal with traffic congestion in advance, quickly respond and adjust traffic relief strategies, and reduce toll losses. In the first half of 2024, we completed the report titled “Analysis and Impact of Flow Limitation at GNSR Toll Station and Speed Limitation on Main Line on Congestion” based on the simulation engine, providing decision-making support for ensuring smooth traffic during the construction of the GNSR Expressway Reconstruction and Expansion Project.



Traffic flow simulation and prediction platform

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

➤ Effective prevention

Relying on the analysis results of the Zhitong Platform, we actively adopt control strategies such as traffic diversion and evacuation. We have improved the efficiency of information dissemination and guided the public to plan their travel time reasonably and ensure safe driving through various media channels such as WeChat, Weibo, Toutiao, Douyin, and radio. At the same time, based on the platform's prediction results, we deploy human resources and materials in advance and rationally plan emergency rescue points to ensure that we can respond quickly to road congestion and emergencies and effectively ensure road safety and smooth traffic.

Traffic flow simulation and prediction platform helped frontline personnel output traffic control suggestions

The GNSR Expressway has been upgraded to a road with a “lane-level” high-precision base map, and the traffic flow simulation and prediction platform has realized congestion queue prediction. Based on the length, time and congestion point preference, the platform outputs traffic control strategy solutions such as ramp control, variable speed limit, toll lane control, and emergency lane control, helping front-line operators to efficiently relieve traffic.



QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

➤ Quick response

In the response phase, we continue to deepen the four-party cooperation mechanism of “road administration, traffic police, monitoring, and rescue”, strengthen road surface monitoring of the entire line through a centralized monitoring system, and introduce artificial intelligence video monitoring to ensure that abnormal incidents are discovered and handled promptly, thereby improving the safety and smooth operation efficiency of roads.

Pinglin Company's monitoring system optimized and improved operational efficiency

Pinglin Company originally had a two-level monitoring system of “monitoring center level – toll station level”, which had problems such as high maintenance cost, complicated information flow, low efficiency and redundant personnel. In 2024, through equipment upgrade and optimization, the station-level monitoring room was cancelled and the original two-level monitoring system was simplified to a one-level monitoring system. The monitoring center is directly connected to six toll stations and has the ability to supervise and handle special situations, which improves the coordination efficiency with the provincial road police command center, highway traffic police, road property, maintenance and other departments, and can quickly handle lane special situations, emergency rescue, road traffic maintenance, and customer inquiries and complaints.

After the improvement, the maintenance cost of the original six toll station monitoring stations was saved by approximately RMB1.188 million, the information transmission time was shortened from 3-5 minutes to 1 minute, and the general special situation processing time of the lane was reduced from more than 5 minutes to an average of fewer than 3 minutes, greatly improving the efficiency of information transmission and the speed of special situation processing.

By the end of 2024, the Yuexiu Zhitong Platform has covered all of the Company's controlled road sections, and the AI detection algorithm has been continuously optimized based on the Yuexiu Zhitong Platform. In the first half of 2024, in the face of severe weather conditions, the Zhitong Platform vigorously carried out AI algorithm operation and maintenance work in more than 700 video detections, continuously monitored and analyzed videos with low detection indicators, and cross-verified with video recordings, and timely adjusted the AI detection algorithm (lane marking, detection threshold, camera pre-set position, event logic, etc.) to ensure that the accuracy of traffic event detection on 10 sections remains above 98%, and always maintains a high level. A total of 145,000 abnormal traffic incidents were automatically identified, significantly reducing underreported traffic accidents and secondary accidents. For example, the number of traffic accidents on the GNSR Expressway decreased by 17% in 2024 compared to 2023.



As of the end of the reporting period, the AI monitoring system had reported a total of **145,000 incidents**, with a detection accuracy rate of **98%**.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

We continue to improve our incident response mechanism, build a “one-way, multiple-party” incident handling efficiency assessment system, and establish a continuous improvement mechanism. In 2024, the Zhitong Platform clearly displayed the processing efficiency of each node of road rescue, fully supported the assessment of rescue efficiency indicators of all road sections, and helped each road section optimize the rescue efficiency in a targeted manner based on actual data.

GNSR Company held the highway administration business knowledge and skills competition

In order to comprehensively improve the overall quality of the road administration team and enhance the efficiency of accident response and handling, in May 2024, the GNSR Management Center launched a highway administration business knowledge and skills competition. The competition was divided into two major projects: road administration professional skills and comprehensive knowledge theory, covering traffic safety management, PDA case entry practice, and knowledge of laws and regulations. The practical operation of “traffic accident on-site handling” and the “business knowledge quiz” attracted much attention. Each participating team demonstrated superb skills and rich experience, and was able to complete the task efficiently within the specified time.

The “Team Collaboration Challenge” was the core of the competition, requiring all teams to work closely together and quickly handle complex road emergencies, testing the players’ professional skills, teamwork and emergency response capabilities. Through the competition, employees of the road administration team of the GNSR Management Center broadened their professional horizons, identified their own shortcomings, and clarified the direction of capacity improvement for the subsequent protection of road property, maintenance of road rights, and ensuring safe and smooth roads. This competition has promoted the road administration team’s accident response capabilities and work efficiency, and ushered road management work into a new stage.



QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

➤ **Continuous improvement**
Using the Zhitong platform, we conduct spatiot-emporal analysis of accident-prone areas, deeply explore abnormal driving behaviours, and reveal potential safety risks. By integrating navigation software information data, we can identify abnormal driving characteristics such as sudden lane changes, sudden acceleration, sudden deceleration, speeding, etc., explore safety hazards to generate risk heat maps, identify areas with frequent abnormal accidents, and conduct dynamic, multi-dimensional analysis. Pre-analysis of safety risk data provides decision-making support for the continuous improvement of roads, guiding us to relocate signboards, modify long solid lines, build shields, scientifically deploy emergency rescue stations, etc., to reduce the frequency of traffic accidents and improve the efficiency of emergency response to accidents.



The traffic accident rate of each operating section this year was less than one in ten thousand, and no responsible accidents or major or above traffic accidents occurred. The accident rate decreased slightly despite the year-on-year increase in traffic volume.

During the National Day Golden Week, Yuexiu Transport’s digital technology contributed to smooth traffic

During the National Day Golden Week, the combined traffic volume of subsidiaries was 7.21 million vehicles, with an average of approximately 1.03 million vehicles per day, an increase of 12% over the same period last year and more than 20% over normal times. Yuexiu Transport fully utilized digital technologies such as the Yuexiu Zhitong Platform to strengthen the “one-way, multiple-party” linkage mechanism. The average accident handling time was 15 minutes, an increase of about 6% year-on-year. The overall operation of the road network was stable with smooth travel for the people, and no long-term, large-scale congestion or safety accidents occurred.

In 2024, the “Highway Intelligent Control System Based on Front Lighting Facilities” and “Video Traffic Incident Intelligent Monitoring System” submitted by Yuexiu Transport were successfully selected into one of the Ministry of Transport’s highway monitoring and early warning application demonstration projects, indicating that Yuexiu Transport’s solutions have advanced technology and good application effects, and have been recognized at the national level for their technical strength and innovation capabilities.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

SERVING INTELLIGENT TRAVEL

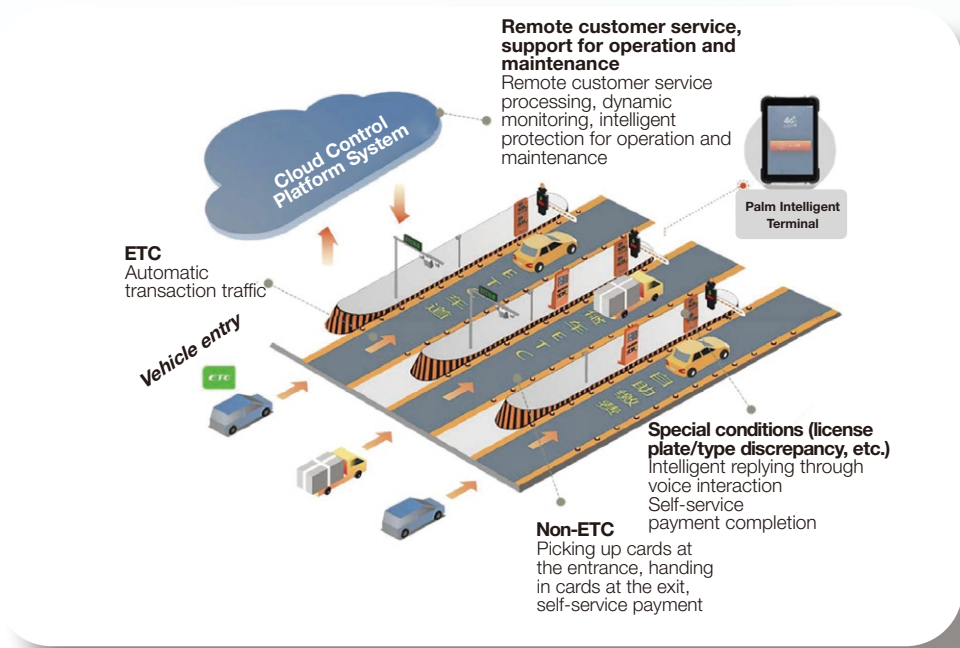
Since the start of the 14th Five-Year Plan, Yuexiu Transport has been actively responding to the strategy of building a strong transportation country, taking scientific and technological innovation as the core driving force for development, and is committed to building smart highways to improve operational and management efficiency and reduce operating costs, practicing the concept of “creating excellent values” and meeting the people’s growing demand for better travel.

Yuexiu Transport’s intelligent toll collection equipment based on visual tracking AI one-stop services integrates advanced artificial intelligence technology, visual tracking AI and multi-sensor fusion technology, and consists of three core modules: intelligent toll collection robot, palm intelligent terminal and cloud control platform.

Feature highlights:

- ✓ The entrance and exit machine adopts the design of upper and lower double stations, which can adapt to all kinds of vehicles and ensure charging efficiency;
- ✓ Export equipment large space card module, support WeChat, Alipay, ETC and other payment methods, to achieve efficient and convenient;
- ✓ Entrance self-service card issuing equipment uses AI video tracking technology to automatically identify license plates and vehicle type and issue cards quickly and accurately;
- ✓ Palm intelligent terminal provides comprehensive support for operation management, including toll plaza management, special situation processing, transaction inquiry and other services;
- ✓ The cloud control platform is deployed in the road monitoring center to monitor the operation status of equipment in real-time, provide business reports, and realize remote assistance and multi-control through audio and video interaction.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT



In 2024, in the process of continuously optimizing intelligent toll collection equipment, Yuexiu Transport’s subsidiaries took a series of practical and effective improvement measures to address the problems encountered in actual operations:

- **Optimize smart toll collection equipment:** In order to solve the problem that the material of the card insertion area of the exit intelligent toll collection device is easy to cause CPC cards to pop out and affect traffic efficiency, a velvet material base is pasted on the card insertion area. Taking Yanling West Station under the Weixu Company as an example, after the improvement, the average transit time was reduced by 18 seconds, a decrease of 35%;
- **Adjust the billing mode:** We changed the CPC card billing model from media billing as the main one, online billing as the supplement, and minimum billing as the bottom line, to online billing as priority, in-card billing as the supplement, and minimum billing as the bottom line. The online billing success rate of the pilot lanes reached 99.97%, with an average response time of 22ms, effectively reducing abnormal charges and facilitating the collection of all tolls;
- **Research and development of intelligent toll collection robots:** We created intelligent toll collection robots to replace manual toll collection, so as to work with vehicle type recognition equipment to improve vehicle passing efficiency. The optimal average vehicle passing time at the entrance was 8 seconds per vehicle, and the optimal time at the exit was 16 seconds per vehicle. At the same time, the number of on-site toll collectors has been gradually reduced to create an “unmanned toll station” solution;

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

➤ **Use RPA technology to process work orders:** In the toll collection intranet, a Robotic Process Automation (RPA) data audit robot is deployed to simulate manual operations to process audit work orders and route review work orders issued by the road network center. The average time it takes to process an audit work order was 2 minutes per order, which is 5 times more efficient than manual auditing; and the average time it takes to process a path review was 0.7 minutes per order, which is 6 times more efficient than manual review.

| Indicator | Unit | 2024 |
|--|------|-------|
| Coverage rate of highway video monitoring facilities | % | 100% |
| Success rate of highway network toll collection transactions | % | 98.5% |
| Timely rate of uploading transaction data | % | 99.9% |

HIGH-QUALITY ROAD SERVICES

Yuexiu Transport adheres to the concept of “creating excellent services” and takes satisfying people’s needs for better travel as its mission. It continues to promote the quality upgrade of service areas, and integrate resources from all parties to optimize service experience.

ROAD SERVICES FOR DRIVERS AND PASSENGERS

Serving green travel

Yuexiu Transport attaches great importance to the development trend of green travel and actively carries out charging pile upgrading and renovation projects. In order to truly meet the charging needs of new energy vehicle owners, the Company vigorously promotes the upgrading and renovation project of charging piles in service areas. Through precise planning and efficient implementation, we will significantly increase the number of charging piles, comprehensively improve the charging speed, and scientifically optimize the layout of charging facilities. We are committed to creating a more convenient and efficient charging service system for car owners. During peak travel periods such as holidays, all subsidiaries of Yuexiu Transport have increased the frequency and intensity of inspections of charging facilities, making every effort to ensure that the charging facilities in the service areas are always in good operating condition, thus safeguarding green travel.

Highlight data

- As of the end of the reporting period, our project companies had installed a total of 4 battery swap stations and 182 charging piles in their service areas, including 43 new charging piles added during the reporting period. The number of new energy vehicles entering out service areas has increased to varying degrees.

Improving travel experience

Yuexiu Transport has always adhered to the core purpose of “serving drivers and passengers, serving the local area”, and deeply integrated this concept into the entire process of planning, construction and operation of road service areas. We are not only committed to creating a comfortable resting place for drivers and passengers, but also to turning it into a display window for showcasing the regional culture and humanistic features along the route. To achieve this goal, Yuexiu Transport continues to promote the upgrading and renovation of service areas, constantly improves supporting facilities and resources, and comprehensively improves service levels.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Yuexiu Transport’s Jianli and Xiantao service areas on Suiyuenan Expressway have been newly upgraded and put into operation

In June 2024, the upgrade and renovation of the Jianli and Xiantao service areas on the Suiyuenan Expressway of Yuexiu Transport was completed and put into operation after 110 days. The two service areas are located in the southernmost section of the Suiyuenan Expressway in Hubei, with a total construction area of over 4,500 square meters. They include landscapes, service buildings, drivers’ homes, public toilets and other facilities. Their design combines modern and classical elements, fully displaying the characteristics of Jingchu culture.

The Jianli Service Area is themed “Red Jianli” and delves into the battle history of martyrs such as He Long. The lobby features giant revolutionary oil paintings and cultural display boards to carry forward the red spirit, and is paired with reasonable functional areas and well-known restaurants to enhance the passenger experience. The parking area is scientifically laid out, with passenger and cargo separation and zoned parking. It introduces intelligent guidance, improves the level of software and hardware, and is also equipped with battery swap stations and charging piles to facilitate green travel.

As a north-south logistics hub, the Xiantao Service Area is a frequent stop for trucks. After the renovation, one-stop services including 24-hour convenience stores, bathing and laundry, dining and accommodation, and branded auto repair stores will be provided to meet the needs of drivers and passengers.

In the future, the Jianli and Xiantao service areas will explore speciality agricultural products and intangible cultural heritage derivatives, build a food display platform, and play the role of service “windows”. Yuexiu Transport will also continue to promote upgrades to its other service areas, improve operational quality, and meet the travel needs of the public.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT



Jianli and Xiantao service areas after upgrading and renovation



The special food of Jingchu can be tasted in the service area



Supporting infrastructure such as battery swap stations and charging piles



“Drivers’ Home” provides one-stop services for drivers

During major holidays, Yuexiu Transport will set up special “convenience service desks” at toll stations and service areas along the route to provide thoughtful guidance and assistance to passing drivers and passengers. A timely response can be received for directions or emergency assistance. During holidays, Yuexiu Transport’s subsidiaries also organize various themed activities to provide drivers and passengers with a richer travel experience.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

A series of activities with the theme of “National Day Joyful Travel, Safe Travel with You”

During the National Day holidays, Yuexiu Transport’s Hunan Changsha-Zhuzhou, Yuexiu Hubei and other sections launched the “National Day Joyful Travel, Safe Travel with You” campaign to create a safe and convenient travel experience for drivers and passengers.

Through Douyin, Video Accounts, Traffic Radio, etc., companies on various road sections held 22 live broadcasts, attracting 1.017 million viewers. The live broadcast content covered practical information such as road conditions, weather, and travel guides. At the same time, we cooperated with service areas and scenic spots to promote the campaign, and released 54 short videos with 235,000 viewers attracted, increasing public exposure and brand awareness.

In order to quickly respond to the needs of drivers and passengers, the customer service teams on each road section were online 24 hours a day, and provided services to a total of 2,058 people during the holidays. In addition, more than 1,300 volunteers were deployed in 49 locations (including toll stations) in 6 provinces to create a harmonious travel environment.

In 2024, Yuexiu Transport’s subsidiaries employed a variety of methods such as simulation drills, case analysis, and on-site operations to ensure that the training content could be effectively transformed into employees’ actual work capabilities to steadily improve the service level of drivers and passengers, and strive to enhance customer satisfaction.

| Affiliated project company | Practice |
|----------------------------------|---|
| GNSR Company | Carry out the “Flying Geese” activity, activate the supervisory team through assessment and rotation mechanism, and promote personnel exchanges and capacity improvement; and organize “sharing empowerment” activities and set up “business lectures” and other scenarios to achieve experience sharing; |
| Cangyu Company | Carry out special customer service training for monitors, including communication skills, emergency handling, service standards, etc., to improve the external service level of monitors; |
| Pinglin Company | Convene a service guarantee and civilized service training meeting for large-scale-cargo transport vehicles to learn relevant notices, train special vehicle communication skills, etc., so as to enhance employees’ service awareness and response capabilities; |
| Suiyuenan Company | During the holidays with free highway toll, relevant personnel are organized to carry out training on matters needing attention and improving service levels, emphasizing the key points of holiday services; |
| Yuexiu (Hubei) Company | Organize and carry out training on communication skills with drivers and passengers, dialogue art, customer service, etc. to create a civilized service window; |
| Weixu Company and Lanwei Company | Organize employees to watch videos of excellent service cases, and continuously optimize the smiling service standards and civilized language standards through mutual comments, exchanges and on-site training; and organize managers of toll stations to visit neighbouring units to learn excellent service concepts, absorb advanced experience, make up for their own shortcomings, and achieve common progress. |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

Each subsidiary actively conducts customer satisfaction surveys, using a diversified survey model that combines online questionnaires with offline one-on-one interviews. We conducted in-depth research on drivers and passengers from multiple dimensions, including overall service quality, driving experience, toll station services, and traffic smoothness, and quickly followed up to implement improvement measures. In 2024, Suiyuenan Company focused on the pain points reported by drivers and passengers, such as high transportation costs, incomplete supporting facilities in service areas, and poor road conditions on some roads, and implemented targeted policies. Through a series of measures such as innovatively linking the “highway + tourism” model, optimizing service area business formats, implementing road overhaul projects, comprehensively improving service quality, increasing publicity and promotion efforts, and conducting in-depth research on surrounding competitive sections, we have successfully overcome the outstanding problems reported by drivers and passengers. In 2024, the satisfaction level of Yuexiu Transport’s subsidiaries in overall customer surveys was close to 100%.

HANDLING CUSTOMER COMPLAINTS

Yuexiu Transport always puts customer demands first and is committed to building an efficient and considerate complaint-handling system to effectively protect customer rights and interests and continuously improve service quality. We have established a multi-channel complaint reception method, integrating the 24-hour service hotlines with the provincial customer service hotlines to form a telephone complaint network; opened an online social platform to facilitate customers to provide online feedback; and posted complaint hotlines in prominent locations such as toll plazas and service areas to facilitate drivers and passengers in obtaining complaint information and providing feedback at any time.

All subsidiaries of Yuexiu Transport have established sound customer complaint-handling mechanisms to carry out complaint verification, investigation, reporting and feedback work in an orderly manner. The staff will maintain a serious and responsible attitude, conduct in-depth investigations into the details of the complaints, and ensure that customer feedback is responded to and handled properly in a timely manner, so that customers can truly feel valued and cared for.

- **Special management:** Actively promote the construction and optimization of the complaint handling system and set up a special complaint handling team to keep detailed records of each complaint and handle it in a timely manner in conjunction with relevant departments in accordance with relevant regulations;
- **Quick response:** The complaint handling personnel shall fully understand the content of the complaint, conduct an in-depth investigation into the cause, and formulate a preliminary handling plan, which shall be submitted to the department head or leader for review;
- **Timely feedback:** We contact customers within 3 working days to understand their feedback and strive to seek consensus and continuously optimize service quality;
- **Optimized management:** In order to better meet customer needs, we will communicate with local government authorities and third-party service agencies when necessary to resolve customers’ reasonable requests.
- **Closed-loop management:** All subsidiaries strictly implement closed-loop management for all of complaint cases. At the same time, some project companies set up complaint settlement follow-up mechanisms to further understand customer satisfaction and continuously optimize service quality.



During the reporting period, a total of **7** valid and responsible complaints were received from customers, with a resolution rate of **100%**.

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

ENSURING INFORMATION SECURITY

Yuexiu Transport strictly abides by the Cybersecurity Law of the People’s Republic of China, the Data Security Law of the People’s Republic of China and other relevant laws and regulations, and has formulated internal policies such as the Information Management Measures of Yuexiu Transport Infrastructure Limited, the Measures of Cyber and Information Security Incidents of Yuexiu Transport Infrastructure Limited and the Emergency Response Plan for Cyber and Information Security of Yuexiu Transport Infrastructure Limited according to the Company’s actual situation. The Company has established an information security management framework, which includes an information security committee and working groups. The committee is headed by the general manager and forms a cross-business team. The heads of each project company are the primary persons responsible for information security and are responsible for guiding system construction, formulating guidelines and policies, improving responsibility mechanisms, and reviewing safety incidents. As the executive body, the working group is responsible for promoting the implementation of the digital strategy, carrying out risk assessments, equipment inspections, vulnerability rectification, handling security incidents and reporting them in a timely manner.

Yuexiu Transport conducts information security level protection assessments on infrastructure systems and business systems based on technical standards such as the Basic Requirements for Information Security Technology Network Security Level Protection. As of the end of the reporting period, our information security level protection assessment has obtained Level 2 certification, covering all highway toll networks and equipment that is publicly accessible.

| Information security management measures of Yuexiu Transport | |
|--|---|
| Technical protection | <ul style="list-style-type: none">Follow the regulations on innovation in information technology applications and establish internal confidentiality mechanisms such as zero-trust, information encryption, traceability, and non-tamperability;Carry out security standardization transformation of office network, introduce firewall to monitor and analyze network traffic in real-time, and ensure internal network security. |
| Data management | <ul style="list-style-type: none">Finely control data access rights, limit data access scope and operation rights according to employee positions and business needs, and prevent abuse of rights;Standardize the transmission of confidential documents and trade secrets, strictly prohibit the use of external software for transmission, and ensure the security of transmission. |
| Collaborative assessment | <ul style="list-style-type: none">Establish long-term cooperative relationships with professional third-party security vendors and regularly conduct comprehensive security risk assessments on the Company’s information systems. |
| Emergency support | <ul style="list-style-type: none">Formulate special support plans, equip emergency human resources, and clarify emergency plans, action procedures and reporting mechanisms;Strengthen network security monitoring and protection during critical periods to ensure system stability. |
| Training and education | <ul style="list-style-type: none">We attach importance to employee information security training, regularly organize knowledge training, case analysis and simulation exercises to enhance employees’ safety awareness and prevention capabilities. |

QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT

In 2024, the Group’s cloud platform host security and situational awareness system was used to conduct penetration testing and baseline configuration inspection and repair of production information systems, and continuously update host system vulnerabilities. In Yuexiu Group’s 2024 cybersecurity attack and defense drill, Yuexiu Transport’s application systems were all in a low-risk state, and have been at the forefront of evaluations among various sectors for two consecutive years.



In 2024, we did not experience any major information security incidents such as data leakage, loss, or illegal access and attack on information systems, and the system failure-free rate was nearly 100% throughout the year.

CUSTOMER PRIVACY PROTECTION

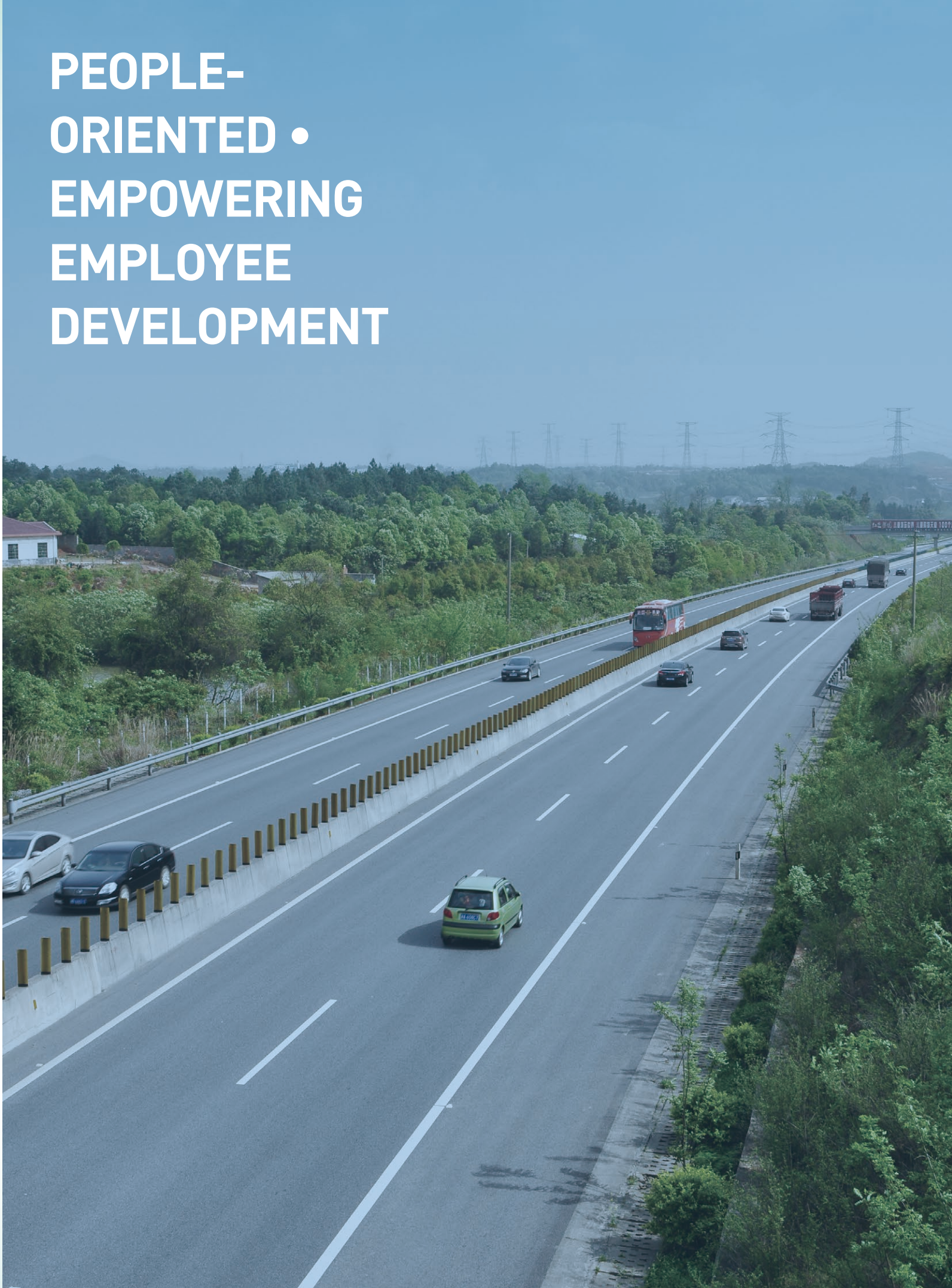
Yuexiu Transport values the protection of the identity and personal information of drivers and passengers, ensuring that the collected data is only used for internal operations and management of the Company. In order to enhance the confidentiality, integrity and availability of information assets, we strictly abide by the Personal Information Protection Law of the People’s Republic of China and other laws and regulations, and have formulated the Yuexiu Transport’s Yuechangxing Mini Program Privacy Policy for the Yuechangxing Mini Program, which clearly states our management principles for the collection, use, sharing, entrusted processing and storage of customer information, emphasizes the protection of user personal information, and fully respects the users’ privacy rights. Each subsidiary formulates corresponding monitoring center management policies based on its own operating conditions, and strictly controls work such as information collection and release, and video data management.

We introduced Yuexiu Group’s zero-trust tools and deployed them on the transportation service platform to continuously detect and block abnormal access behaviours in real-time, and to protect intranet security and customer privacy on a regular basis. The risk control strategies of travel service platforms on the C-end and PC-end have also been implemented on a regular basis. We continued to use technologies such as WeChat mobile phone number quick verification components, Tencent Cloud non-sensing verification services, mobile phone number risk profiling SaaS services, and HTTPS SSL encrypted transmission on the C-end. We used HTTPSSSL encrypted transmission technology on the PC-end to maintain privacy protection for pages and reports involving user mobile phone numbers. At the same time, we strictly limited the login method of business users and controlled the platform’s access rights on the internal network.



During the reporting period, Yuexiu Transport did not have any incidents of customer privacy leakage.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT



PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Yuexiu Transport has been actively exploring and practicing in aspects such as the protection of employees’ rights and interests, talent cultivation and development. It has been making great efforts to create a fair, just and caring working atmosphere, injecting a continuous stream of vitality into the sustainable development of the Company. Meanwhile, it helps employees acquire the ability of continuous learning, enabling them to achieve the synchronous resonance between their self-worth and career aspirations.

United Nations Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

The content of this chapter

| | |
|--|--|
| Global Reporting Initiative (GRI) | 2-7, 2-30, 201-3, 201-4, 401-2, 401-3, 403, 404-2, 404-3, 405-1, 406-1, 407-1, 408-1, 409-1, 410-1 |
| Key Performance Indicators of the Stock Exchange | B1, B2, B3, B4 |

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

| Overview of Related ESG Issues and Management Practices in 2024 | |
|---|---|
| Related ESG issues | <ul style="list-style-type: none">Remuneration and welfareEmployees’ rights and interests protectionOccupational Health and SafetyTalent development and retention |
| Strategy | 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 talents, and create a broad career development platform for employees |
| Action | <ul style="list-style-type: none">Establish incentive mechanisms with long-term effectsConduct diversity training programsDeepen the talent review project |
| Outcome | <ul style="list-style-type: none">There were no violations of labor standards or related complaints during the current yearThis year, 100% of employees have been provided with occupational health check-ups. The investment in occupational injury insurance for employees amounts to RMB1.115 million, achieving a 100% coverage rate |
| Improvement | We will continue to focus on relevant policies and trends in this sector, and review our employees’ structure and capabilities, in order to keep our teams competitive, strengthen team cohesion, and promote the growth of employees and the Company together |

COMPREHENSIVE PROTECTION OF RIGHTS AND INTERESTS

Compliance Employment

Yuexiu Transport strictly adheres to relevant laws and regulations such as the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, and the *Regulations on Prohibition of Child Labor*. It consistently supports relevant principles and initiatives including the *Universal Declaration of Human Rights*, the *International Bill of Human Rights*, the *SDGs*, the *United Nations Guiding Principles on Business and Human Rights*, and the *ILO Declaration on Fundamental Principles and Rights at Work*. The Company integrates the United Nations Sustainable Development Goals (SDGs) into its employee rights protection policies, responsibility targets, and daily business management. It commits to strictly complying with all labor laws, regulations, and human-rights standards in the countries and regions where it operates. Based on the actual situation of its business, the Company has formulated human-resources systems and procedures such as the *Measures for the Management of Recruitment of Yuexiu Transport Infrastructure Limited*, the *Administrative Measures for Labor Contracts of Yuexiu Transport Infrastructure Limited* and the *Compensation Management Measures of Yuexiu Transport Infrastructure Limited* to ensure the employees’ legitimate rights. We sign collective contracts with employees. The content of the collective contracts covers aspects such as labor safety and hygiene, insurance, and welfare, safeguarding employees’ rights and interests in multiple dimensions.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

We firmly oppose any incidents that violate labor standards or infringe upon employees’ rights and interests. In 2024, all of Yuexiu Transport’s operations were free from the risk of violating the rights of freedom of association or collective bargaining. Moreover, there were no instances of forced labor or child labor. In the event that such situations are discovered, we will immediately halt the relevant practices and handle them in accordance with laws, regulations, and relevant requirements.

| Labor and Human Rights Risk Management Procedures | |
|---|---|
| Risk assessment | <div><div>➤</div><div>Establish a risk assessment management mechanism and process, and sort out risk categories, the departments where risks exist, and the locations/processes where risks occur</div></div> <div><div>➤</div><div>Conduct regular risk identification annually. Based on the “likelihood of occurrence” and “severity”, create a labor risk identification and evaluation form and draw up a list of high, medium, and low-level risks</div></div> <div><div>➤</div><div>Track the effectiveness of risks on a quarterly basis and implement continuous control over high-risk categories</div></div> |
| Policies and Objectives | <div><div>➤</div><div>Set the safety baseline of “Four Ensures” and the safety goals of “Five Zeros”</div></div> |
| Preventive measures and complaint channels | <div><div>➤</div><div>Implement the “dual prevention mechanism” of risk hierarchical control and hidden danger investigation and management. Formulate a checklist for the investigation and control of risk points and hazard sources, and conduct special investigations on potential hazards</div></div> <div><div>➤</div><div>Regularly organize health check-ups for employees</div></div> <div><div>➤</div><div>Establish internal complaint and reporting channels. Encourage employees to lodge complaints or reports regarding any discovered situation, and establish strict information confidentiality procedures (see “Smooth the Communication Channels” for details)</div></div> |
| Remedial actions | <div><div>➤</div><div>Once a complaint or report is received, our Group will assign a dedicated person to follow up on the incident investigation. If the situation is found to be true, our Group will promptly take measures to terminate the relevant behavior and handle it properly in accordance with laws, regulations, and the Company’s policies</div></div> |

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

In 2024, to further enhance the professional knowledge and skills of the human resources departments in subsidiary companies, the Company’s Human Resources Department focused on existing problems and weak points and organized training programs on employment risk prevention. The training content covered multiple key areas, including an overview of the *Labor Contract Law of the People’s Republic of China* and labor laws, recruitment and employment as well as labor contract management, the termination and dissolution of labor contracts, the performance and modification of labor contracts, labor dispatch, labor outsourcing, and legal practices related to social insurance. Through systematic learning, the awareness and capabilities of subsidiary companies in preventing employment risks have been improved, providing strong human resources support for the stable operation of Yuexiu Transport.

Yuexiu Transport fully respects employees’ democratic rights and freedom of speech. It has established and improved a democratic communication mechanism, and promotes democratic management in the enterprise with the workers’ congress as the platform. Employees enjoy the freedom of association, and the Company respects this right of all employees. In accordance with the provisions of China’s Constitution and laws, the Company supports employees in participating in social groups and labor union organizations. It recognizes and respects the democratic management rights of labor unions, and ensures employees’ rights to information, expression, and supervision.

In 2024, both the headquarter and each subsidiary held the workers’ congress or general meetings of employees more than once. At these meetings, worker representatives carefully reviewed matters such as the annual general manager’s work report, collective contracts, company rules and regulations, and employee welfare, fully exercising their rights to participate in democratic management. Meanwhile, in strict accordance with the corporate affairs disclosure catalog and established procedures, the Company made public matters related to employees’ interests, as well as the company’s production, operation, development, and stability. This effectively safeguards employees’ rights to information, participation, and supervision, and promotes the common development of the enterprise and its employees.

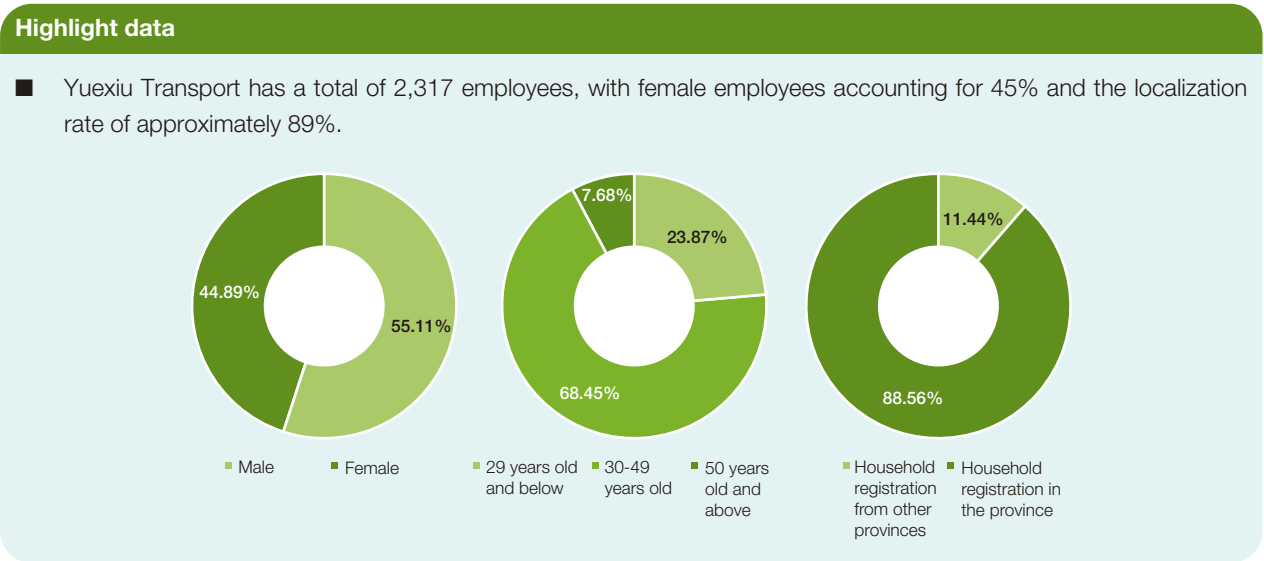
Yuexiu Transport has established a comprehensive system of employee privacy protection policies and strictly regulates the information collection process. When collecting employee information, it only does so on the premise of necessity and legality. We encrypt and store employee information, ensuring the security of the data. At the same time, access to the data is strictly restricted. Only authorized personnel are allowed to access relevant information. When using employee information, the company strictly adheres to the established purposes and scope. In addition, the Company regularly conducts internal reviews and updates of its employee privacy protection policies and measures to adapt to the ever-changing legal regulations and technological environment, effectively safeguarding employees’ personal privacy from infringement.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Diversity, Equality and Anti-discrimination

Yuexiu Transport adheres to the talent management concept of fairness and equality, treating everyone equally. It opposes and prohibits any form of employment discrimination. During the processes of recruitment, onboarding, training, promotion, and rewards, discriminatory behaviours and differential treatment based on factors such as employees’ gender, age, race, skin colour, nationality, and native place are strictly prohibited. Yuexiu Transport adopts a zero-tolerance policy towards any form of discrimination, harassment, or bullying in the workplace. Meanwhile, we disseminate relevant information on anti-discrimination and anti-harassment to new employees during onboarding training. In 2024, no discrimination incidents occurred at Yuexiu Transport.

To further promote the diversified development of the enterprise, Yuexiu Transport comprehensively takes into account the professional backgrounds of employees, such as gender, culture, and experience. It actively expands recruitment channels to provide equal employment opportunities for talents from different ethnic groups and regions. The Company strictly adheres to the principle of equal pay for equal work regardless of gender. By recruiting talents from all walks of life, it aims to build a diversified talent pool. The Company makes great efforts to form a workforce with a diverse structure and rich levels, which provides strong intellectual support and innovative impetus for the Company’s sustainable development.



PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

We pay close attention to the rights, interests and welfare of female employees, and give full play to the role of the female employees’ committee, focusing on solving problems for female employees. On the occasion of International Women’s Day in 2024, the labor union organized a variety of unique activities. For example, there was a themed event titled “Forge Ahead on a New Journey, Women Shine with Glory”, through which care and blessings were sent to female employees.

“FORGE AHEAD ON A NEW JOURNEY, WOMEN SHINE WITH GLORY”

On International Women’s Day in 2024, the Female Employees’ Committee of Cangyu Company held a themed event titled “Forge Ahead on a New Journey, Women Shine with Glory”. The committee organized female employees to visit the Exhibition Hall of the Women’s Movement and Development History in Wuzhou. During the visit, they recalled the heroic deeds of Li Shengqun, the first female Communist Party member in Guangxi. They also listened to the story of Huang Zhenlin, a female Communist Party member, and her mother secretly sewing the first Five-Starred Red Flag hoisted in Wuzhou at home. Through these activities, the female employees learned about the inspiring history of the women’s movement and development in Wuzhou, allowing the red spirit to be ingrained in their blood.



In addition, the Company completed the special health check-ups for female employees in 2024, providing comprehensive care for female employees in terms of both physical and mental health. Meanwhile, the Company improved the infrastructure continuously. The supplies in the “Nursing Rooms for Mothers” are regularly organized and replenished to provide a private and comfortable space for breastfeeding female employees, thus putting the concept of equality and care into practice with concrete actions.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Safeguard Occupational Health and Safety

Yuexiu Transport strictly adheres to laws and regulations such as the *Labor Law of the People's Republic of China* and the *Production Safety Law of the People's Republic of China*. It has formulated internal management policies including the *Measures for the Protection of Employee Rights and Interests of Yuexiu Transport Infrastructure Limited* and the *Administrative Measures for Work Safety of Yuexiu Transport Infrastructure Limited*. Moreover, it stipulates that safety targets such as zero workplace injuries, zero fires, and zero traffic accidents involving official vehicles should be broken down level-by-level to each department. This clear goal-orientation strengthens the safety responsibility awareness of each department. Meanwhile, the Company improves the processes for reporting and investigating work-related accidents and calculating work-related injury leave. This ensures that employees who are injured at work or suffer from occupational diseases can receive timely treatment and financial compensation in accordance with laws and regulations.

- **Employee health and safety risk prevention and control:** Continuously improve the safety management system and optimize the safety organizational structure. Strictly monitor the key nodes in business processes, proactively identify and eliminate potential safety hazards during the production process. Provide employees with necessary safety protection equipment, such as safety helmets, safety shoes, and protective gloves, to prevent work-related accidents at the source.
- **Prevention of occupational diseases:** In accordance with relevant laws and regulations, identify potential occupational disease-causing hazards in the workplace. Then, take corresponding protective measures, including set up warning signs, and providing professional protective gear, if workplaces, workstations, equipment and facilities where occupational diseases are found to exist or to be present. Regularly organize occupational health examinations for employees exposed to occupational disease-causing hazards. Establish and improve occupational health surveillance files to promptly detect and address potential occupational disease issues. In 2024, the Company strictly implemented occupational health protection measures, and no cases of occupational diseases occurred throughout the year.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

➤ Health promotion activities:

- **Health check-ups and lectures:** The Company continues to implement the annual health check-up program for employees. In 2024, it provided health examinations for 100% of its employees and further optimized the check-up items according to employees' needs and actual circumstances. Regular health lectures are held, covering topics such as emergency response to public health emergencies, personal health management, prevention and treatment of cardiovascular and cerebrovascular diseases, and interpretation of medical examination reports. These lectures aim to enhance employees' health awareness and preventive capabilities.
- **Carrying out cultural and sports activities:** Actively promote the "Healthy Guangzhou Initiative" and organize a wide variety of cultural activities. The labor unions of the Company and its subsidiaries have established interest groups for fitness dance, yoga, badminton, basketball, etc., and regularly hold internal competitions. In 2024, the labor union of GNSR Company organized a workers' basketball game titled "Unite in Dreams, Rise to the Basketball Challenge", with more than 100 athletes and staff participating. Yuexiu (Hubei) Company held a friendly basketball match. Through these cultural and sports activities that are popular among employees, the sense of fulfillment among employees has been enhanced.



- **Health care and condolences:** The Company pays close attention to the physical and mental health of employees, purchases relevant insurance plans for them, and improves the level of employee welfare. The Company completed the special health check-ups for female employees in the first half of the year and carried out care activities for employees' health during the Dog Days. In response to employees' situations such as being hospitalized due to illness, getting married, or having a baby, the Company offers timely condolences. It also takes effective measures to protect employees from heatstroke and ensure their safety and well-being during the hot summer days, and conducts cooling-relief condolence activities for front-line workers.



Yuexiu Transport provided health check-ups for **100%** of its employees.



100% of all employees participated in safety education and training programs.



The Company invested **RMB1.115 million** in occupational injury insurance for employees in the line of work, achieving a **100%** employee coverage.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Guarantee of Salary and Welfare

The construction of a compensation and benefits system is a crucial factor in attracting, motivating, and retaining talents. Yuexiu Transport strictly complies with laws and regulations such as the *Labor Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, and the *Social Insurance Law of the People’s Republic of China*. According to the specific situation of the Company, it formulates compensation and benefits management systems such as the *Compensation Management Measures of Yuexiu Transport Infrastructure Limited*. It determines employees’ compensation in a timely manner in accordance with the four principles of market orientation, reasonableness and fairness, value contribution, and efficient distribution. Moreover, it adjusts the compensation according to national policies, price levels, and industry competition situations, implements differentiated salary determination, and is committed to formulating a compensation and benefits mechanism that meets the requirements of the modern enterprise system.

In terms of welfare protection, Yuexiu Transport legally pays the five social insurances and one housing fund in full for all employees, and actively expands diversified corporate welfare programs, covering multiple dimensions such as health care, living allowances, and festival benefits, comprehensively enhancing employees’ quality of life and work experience.

| Corporate welfare programs | Welfare contents |
|----------------------------|---|
| Health care | ✓ Regularly organize employees’ health check-ups, etc. ✓ Carry out the labor union activity of providing cooling items in summer |
| Living allowance | ✓ Provide catering allowance, etc. |
| Festival benefits | ✓ In addition to legal holidays, provide paid annual leave, marriage and bereavement leave, maternity leave, paternity leave and other types of leave |

The Company encourages employees to actively provide feedback on their opinions and suggestions regarding compensation and benefits, ensuring that the compensation and benefits system can be continuously optimized. This is to better meet employees’ needs, enhance their sense of happiness and belonging, and provide strong talent support for the Company’s sustainable development.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Smooth the Communication Channels

Yuexiu Transport believes that employees’ ideas and suggestions are the key driving force for the Company’s progress. The Company actively listens to the voices of its employees, constructs a multi-dimensional communication network, and builds a communication bridge between the management and employees to facilitate information exchange.

| Communication Channels for Employees of Yuexiu Transport |
|--|
| • Employees' Representative Congress |
| • Labor union |
| • Staff Symposium |
| • “Face-to-Face” Meeting with Senior Executives |
| • Suggestion Box |

Yuexiu Transport fully respects the right of employees to express themselves freely. The Company faces up to existing problems, actively seeks solutions and optimization approaches, and promotes the closed-loop improvement of the Company’s internal management. After receiving relevant feedback from employees, the Company will provide feedback and follow-up in accordance with the established internal handling procedures, and promptly keep track of the relevant situations to ensure that every piece of feedback from employees is responded to and every matter is properly addressed.

Yuexiu Transport has established internal channels for appeals and reports, encouraging employees to lodge appeals or reports regarding any behavior that may violate labor standards or situations of unfair treatment they have discovered. It has also established strict information confidentiality procedures. Once an appeal or report is received, the Group will assign dedicated personnel to follow up on the investigation of the incident. If the situation is found to be true, the Group will promptly take measures to terminate the relevant behavior and handle it properly in accordance with laws, regulations and the Company’s policies.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Employee Support

Yuexiu Transport attaches great importance to the well-being of its employees and actively conducts employee assistance work to create a warm and harmonious corporate atmosphere. The Company has formulated the *Regulations on the Staff Mutual Aid Fund of Yuexiu Transport Infrastructure Limited* and supporting management measures, established a database of employees in need, and provided a number of assistance measures such as assistance and relief funds for employees in difficulties, mutual assistance guarantees from the labor union, and supplementary medical insurance to relieve their financial pressure.

In the actual assistance work, Yuexiu Transport continuously pays attention to the living conditions of employees and effectively solves the difficulties they face. In 2024, the Company fully completed the review work of employees in difficulties and those on the verge of being in difficulties within the Group, promptly followed up and carried out assistance actions for employees in difficulties. The Company actively coordinates and organizes all subsidiaries to closely communicate and cooperate with local labor unions, fully integrates resources from all parties, provides more comprehensive and targeted assistance to employees in difficulties, and ensures that the warmth of assistance reaches every employee in need.

Yuexiu Transport has carried out in-depth the activity of “Doing Practical Things for the People”. The labor union has gone deep into the grassroots level, gained an in-depth understanding of the urgent needs of employees in their work and life, and actively coordinated the efforts of all parties to solve practical problems. It has carried out paired assistance actions and provided one-to-one services for 14 employees in difficulties through the “one leads one and helps one” model.

Work-life Balance

Yuexiu Transport cares about the physical and mental health of its employees and is committed to helping them achieve a balance between work and life. Yuexiu Transport continuously optimizes the working environment for employees, organizes various types of employee activities to help them relieve work pressure, cultivate a healthy and positive mindset, and creates a healthy and dynamic team atmosphere, thus promoting the healthy and sustainable development of the enterprise.

In 2024, the Company’s headquarter and various project companies took active actions to optimize the working environment for employees. They respectively established infrastructure such as employee activity centres, psychological counselling rooms, basketball courts, and badminton courts, and actively participated in the selection of employee service positions in various places to strengthen the creation of a favourable atmosphere.

In order to relieve employees’ work pressure, ensure their mental health, and enrich their after-work lives, the Company’s labor union has always adhered to the principle of “facing the grassroots level and encouraging widespread participation”, and actively organized a variety of colourful activities, such as spring and autumn outings, essay, photography, calligraphy and painting series competitions, and employee sports meetings. At the same time, the Company actively encourages employees to participate in local competition activities. In 2024, employees of Yuexiu Transport (Wuhan) participated in the Huangpi District Employees’ Reading and Speech Competition themed “The Overall National Security Concept, On the 10th Anniversary of Innovation Leadership” held in Huangpi District, Wuhan City, and won the “Excellence Award”, which fully demonstrated the good spirit of the Company’s employees who are brave in struggling and have a positive attitude, and enhanced the Company’s social image.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

SUPPORTING TALENT DEVELOPMENT

Talent Development Mechanism

Yuexiu Transport has formulated a series of rules and regulations, such as the *Position Management Measures of Yuexiu Transport Infrastructure Limited*, the *Management Measures for Employee Position Promotion of Yuexiu Transport Infrastructure Limited*, and the *Implementation Guidelines (Trial) for the Dual Career Development Path System of Employees in Subsidiaries of Yuexiu Transport Infrastructure Limited*. These regulations establish a “dual-channel” for employees’ promotion in both the management and professional tracks, clarifying diversified career development paths for employees. This enables employees to choose a development direction that suits them according to their own abilities and interests, stimulating their work enthusiasm and creativity.

The Company has established a well-equipped talent development mechanism, which includes three major mechanisms: the new employee coaching mechanism, the job rotation mechanism, and the selection and promotion mechanism. These mechanisms provide open promotion channels and platforms for various types of talents, enabling them to enhance their personal abilities, enrich their job experiences, and contribute to the robust development of the organization’s business.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

| | |
|------------------------------------|---|
| New employee coaching mechanism: | The Company attaches great importance to the cultivation of new employees during their probation period and continuously implements the new employee coaching mechanism. For newly recruited employees, senior colleagues in corresponding internal positions are assigned to provide one-on-one guidance. During the probation period, these mentors will instruct new employees on work skills, career planning, corporate culture, and other aspects. This helps new employees quickly master the essentials of their work, reduces their confusion, improves work quality and efficiency, and accelerates their growth into key business personnel, thus reserving talents for the long-term development of the enterprise. In 2024, in collaboration with young league cadres, the Company innovated the organizational model of new employee training. A new seminar session on cultural leadership was added, and activities such as “Face-to-Face with the General Manager” and sharing sessions by key employees were continuously carried out. From top to bottom, efforts were made to strengthen the integration and assimilation of the young workforce. |
| Job rotation mechanism: | Based on talent development and business needs, the Company implemented a job rotation mechanism to help employees broaden their horizons, gain a deeper understanding of business operations, enhance their comprehensive capabilities, and expand their career development pathways, while promoting cross-departmental communication and collaboration. In 2024, in line with the annual business requirements, job rotations were arranged for the middle-level professional managers and key talents. Continuous efforts were made in tracking the job rotation process and having personnel submit regular reports. The value of the job rotation mechanism was further enhanced, and the culture of talent job rotation and exchange between the headquarter and subsidiaries was further deepened. |
| Selection and promotion mechanism: | The Company conducts employee selection and promotion in accordance with three major principles: strategic and business requirements, talent development needs, and fairness and justice. This ensures the fairness and transparency of employee promotions, enabling outstanding talents with both integrity and ability, remarkable performance, excellent capabilities, and rich experience to stand out, thus achieving a “win-win” situation for both employee development and corporate growth. |

In 2024, the Company actively explored and implemented optimization measures for the configuration of the middle-level professional manager team. On the one hand, it further promoted the application of the results of the talent assessment in 2023. Through job allocation and talent selection, the structure of the professional manager team was further optimized. On the other hand, by benchmarking against industry leaders and conducting in-depth interviews, and considering the performance of the top leaders of excellent project companies, precise talent profiles were developed, providing a strong reference for the cultivation and selection of “leading-geese” talents.

In terms of the talent echelon construction for key projects, the focus was on the talent echelon construction for the GNSR Expressway reconstruction and expansion project. Through exchange and research with multiple industry-leading units and internal personnel interviews, the project reached a consensus on key matters such as control empowerment and collaborative mechanisms. At the same time, the project team was guided to build competency models for middle-level managers and backbones, clarify the profiles of key talents, and finally form the results of talent assessment and application plans, providing solid talent support for project promotion.



During the reporting period, there were 58 instances of internal job rotations among employees, and 86 employees were successfully appointed through internal competitive recruitment.

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

Employee Training System

Yuexiu Transport has established a systematic and diversified employee training system in line with the strategic and business development needs. The Company has formulated the *Training Management Measures of Yuexiu Transport Infrastructure Limited*. By combining internal training, external training, personalized employee training, and online learning, it provides various types of training for employees at different levels and in different business scenarios, including leadership training, knowledge and professional skills training, quality training, and corporate culture training. It offers career-long training resources for every employee. Moreover, through methods such as knowledge competitions, centralized examinations, and action learning, the training effectiveness is further strengthened, and the strategic vision, comprehensive quality, and professional level of employees are comprehensively improved.



Panorama of employee training system

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT

IMPROVE THE LEAN MANAGEMENT TRAINING SYSTEM FOR EMPLOYEES AND FOSTER A COMPANY-WIDE LEAN CULTURE



To foster a company-wide lean culture, Yuexiu Transport has established an employee lean management training system, integrating lean concepts into business scenarios to drive problem-solving and continuous improvement.

In 2024, the Human Resources Department at the headquarter formulated an annual plan. Through multiple offline training sessions, it explained knowledge such as lean concepts, the Yuexiu Six-Step Method, and the seven major QC tools to employees at all levels. Meanwhile, it urged the lean pioneers from project companies to conduct training back at their units to ensure that lean concepts are implemented at the grass-roots level.

In terms of training channels, an online learning zone was established. External resources were integrated to record online and transferred training courses, and outstanding lean practices were regularly pushed to broaden employees' horizons. Regarding talent cultivation, a lean talent echelon system was established, and the evaluation criteria for lean management talents were defined. Through online and offline training, practical projects, and mentor guidance, a lean talent cultivation plan was implemented. By the end of 2024, the first batch of lean management practitioners and improvement specialists of Yuexiu Transport were successfully developed, injecting new vitality into the Company's lean management work.



Lean management training



Training workshop on lean management process optimization

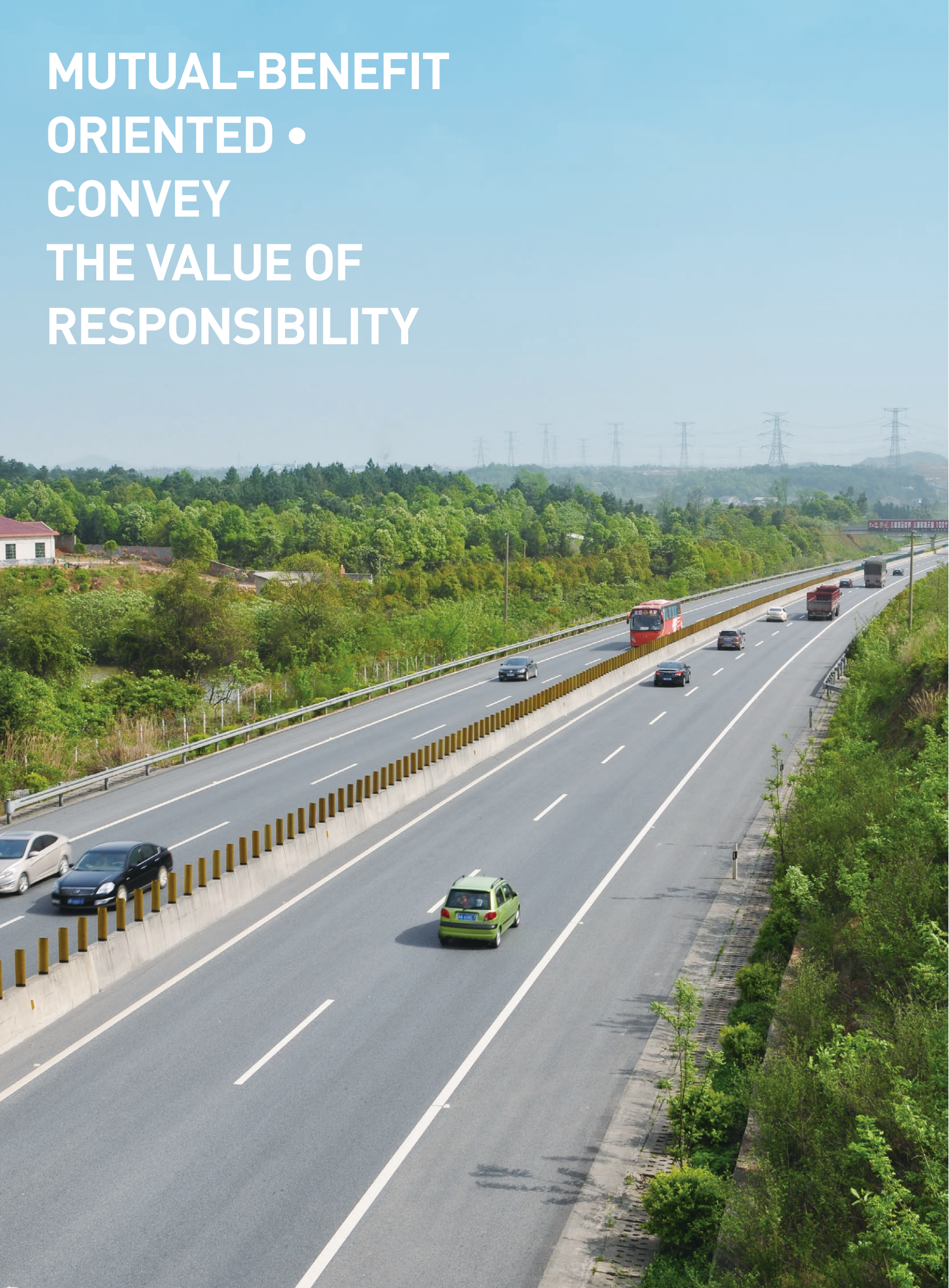


This year, the training coverage rate for new employees recruited through campus recruitment and management-related social recruitment reached **100%**.

Performance Management

Yuexiu Transport has formulated internal management systems such as the *Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited* and the *Standardized Guidelines for Performance Management of Subsidiaries of Yuexiu Transport Infrastructure Limited*. It continuously adheres to the five principles of "business-orientation, full-staff coverage, fairness and transparency, coaching and improvement, and incentive implementation". It implements the performance management and result application mechanisms, carries out the performance management optimization plan, deepens the performance-oriented approach, and gives full play to the role of performance management in the mechanisms of talent identification, utilization, reserve, and exit. We implement performance management by formulating performance plans, specifying performance goals, initiating performance guidance and monitoring, conducting regular annual multi-dimensional assessment and evaluation of performance, launching regular annual performance result feedback and communication, and finalizing the application of performance results.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY



MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

In the enterprise’s operational activities, the Company’s development is closely linked to all parties. Upholding the concept of “mutual benefit and symbiosis, value sharing”, Yuexiu Transport actively engages in responsibility-related practices and conveys the value of responsibility. To build a responsible supply chain, we promote full-process management, encourage upstream and downstream enterprises to jointly assume responsibilities, and facilitate the sustainable development of the supply chain. Meanwhile, we actively carry out industry-university-research cooperation, integrate resources, and share achievements to contribute to industry innovation. In addition, we establish a community communication mechanism. We assess the impacts, formulate communication plans, minimize the impacts of our operations on the community, and truly give back to society.

United Nations Sustainable Development Goals



The content of this chapter

| | |
|--|--|
| Global Reporting Initiative (GRI) | 203-1, 203-2, 204-1, 413-1, 414-1, 414-2 |
| Key Performance Indicators of the Stock Exchange | B5, B8 |

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

| • Overview of ESG Related Issues and Management Practices in 2024 | |
|---|---|
| ESG related issues | <ul style="list-style-type: none">• Compliance and business ethics• Supply chain management• Sustainable development management• Community relations• Land use• Noise management |
| Strategy | <ul style="list-style-type: none">• Standardize supplier management, carry out responsible procurement, and develop a sustainable supply chain.• Deepen industry-university-research cooperation, implement transformation of scientific research achievements together with universities.• Actively develop business expertise, fulfil corporate social responsibilities, implement the work of rural revitalization and convergence, maintain harmonious relationship with residents surrounding the place of business. |
| Action | <ul style="list-style-type: none">• Dynamic management and update of supplier information base• Signing anti-corruption contracts with suppliers• Ensuring suppliers obtain system certification |
| Outcome | <ul style="list-style-type: none">• Full use of information procurement system• No supplier misconduct was found this year• Obtained industry-university-research achievements and released a series of guidelines |
| Improvement | <ul style="list-style-type: none">• We will deepen the sustainable supply chain management, improve supply chain quality, further reduce supply chain environment and social risks. We will respond to the national call, continuously promote social responsibility work, deepen industry-university-research cooperation and application of achievements, and actively respond to social concern and continuously strengthen the sense of corporate social responsibilities. |

BUILDING A RESPONSIBLE SUPPLY CHAIN

Whole Process Management of Supply Chain

Yuexiu Transport strictly adheres to a series of national laws and regulations, such as *the Tendering and Bidding Law of the People's Republic of China*, and the *Implementation Regulations for Tendering and Bidding Law of the People's Republic of China*. Based on actual business needs, it has formulated systematic supply chain management policies, including 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 requires full compliance from all suppliers. This ensures the standardization and scientific management of the supply chain at the system level. In 2024, we revised the supplier management system and continuously optimized the management process. By reviewing the entire process of supplier evaluation, we optimized the evaluation rules, reduced the operational steps of evaluation, streamlined the approval process, and improved the efficiency and effectiveness of the evaluation results. Meanwhile, we further clarified the rules for supplier grade management and the measures for managing blacklisted suppliers, which not only ensures the efficiency and quality of supplier management work but also strengthens the supply chain's ability to resist risks.

We have established a supply chain management system covering the entire supply chain process, continuously optimizing the workflows of supplier access, review, grading, and exit to build sustainable cooperative relationships.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

| Supply chain management process | Management key points |
|-----------------------------------|--|
| Supplier qualification management | <div>➤ Conduct a comprehensive review of suppliers' registration materials, verify their business qualifications and the professional capabilities required for contract performance. Comprehensively assess suppliers' contract-fulfilling capabilities and sustainable operation capabilities;</div> <div>➤ Suppliers are required to complete registration. After passing the approval process, they will be included in the database of qualified suppliers;</div> <div>➤ Suppliers are responsible for maintaining and updating their own information. The procurement department shall promptly remind suppliers whose information update is overdue.</div> |
| Supplier evaluation and grading | <div>➤ Every year, a credit evaluation of suppliers is carried out by combining daily evaluations, annual evaluations, and dynamic management;</div> <div>➤ A comprehensive scoring system is adopted. The evaluation basis includes the inspection results of national and industry departments, company management documents, the handling results of reports and complaints, judicial judgments, etc. Suppliers are classified into five grades: AA, A, B, C, and D;</div> <div>➤ Yuexiu Transport regularly reviews the daily evaluation results of suppliers in the annual database every year to form the annual evaluation results. Suppliers rated C will be subject to enhanced review and supervision, while those rated D will be included in the blacklist of the group-wide sharing system;</div> <div>➤ In the process of dynamic management, if a subsidiary discovers that a supplier has committed serious acts of dishonesty, it must report the situation to the Audit and Risk Management Department at the headquarter within 3 days. After review and processing, the system should be updated promptly.</div> |
| Supplier exit | <div>➤ Based on the credit evaluation results, suppliers on the system's blacklist will be removed from the database, and they will not be eligible for registration within three years.</div> |

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Yuexiu Transport builds the “Smart Procurement” digital tendering and procurement platform to integrate and uniformly manage supplier data, optimize cooperation and transaction processes, and enhance collaborative efficiency. In 2024, the “Smart Procurement” system was updated with two core objectives: compliance management and business optimization. In terms of compliance management, in accordance with the Company’s regulations, the system precisely controls the tendering and procurement processes, rules, and permissions. It solidifies 40 compliance control rules, meeting management and control requirements from multiple dimensions. This strengthens the level of procurement compliance management and ensures the compliant operation of the procurement process. Regarding business optimization, the system has added functions such as document templating, real-time interaction, online bid evaluation, and automated archiving. It constructs an integrated management model, enabling real-time online communication among all parties. It also uniformly manages procurement methods, increases the online level of procurement projects, and makes the processes more convenient and efficient.

PROMOTING RESPONSIBLE SUPPLY CHAIN

Yuexiu Transport is committed to building a high-quality supply chain, reducing ESG risks within the supply chain. By implementing a mechanism for selecting and managing suppliers, we aim to mitigate the negative impacts associated with ESG. Meanwhile, we adhere to business ethics, engage in positive interactions with all parties, and actively promote the construction of sustainable development in the supply chain.

Sustainable supply chain

Yuexiu Transport pays attention to the contractors’ management capabilities in aspects such as health, safety, and environmental protection. Through measures like signing safety responsibility statements, holding project safety briefing meetings, and conducting regular training, it conveys Yuexiu Transport’s ESG management requirements to the contractors, thereby enhancing the contractors’ awareness of environmental and social responsibilities.

- **During the qualification management phase,** we conduct a comprehensive review of the health and safety certifications of engineering construction contractors, including the Work Safety Permit for Construction Enterprises. We also require contractors to fully comply with Yuexiu Transport’s relevant management systems for work safety, and to provide quality and safety training to project personnel.
- **In the credit evaluation process,** we inspect suppliers’ unethical behaviors in areas such as business ethics, quality control, work safety, and social responsibility, and implement a point-deduction or one-vote-veto mechanism to prevent ESG risks. Negative actions by suppliers, such as non-compliance with quality and safety regulations, failure to establish and implement safety education and training programs, and causing ecological and environmental damage during construction and maintenance, will result in deductions from their credit scores. These deductions will affect the suppliers’ evaluation and grading results, and subsequently impact their future cooperation opportunities. Suppliers found to have engaged in behaviors that violate business ethics, such as bid-rigging, bribing to win contracts, or subcontracting in violation of regulations, or those with major safety hazards that are not properly rectified, those involved in major quality and safety accidents, or those who conceal quality and safety accidents, will be regarded as having committed serious acts of dishonesty. They will be directly rated as Class D and included in the blacklist for future prohibition.
- **When contractors exit the project site upon completion of the engineering project,** we require construction contractors to fully rehabilitate and re-vegetate any damaged land, minimizing the negative impact on the environment.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Anti-corruption construction of supply chain

Yuexiu Transport has always adhered to the procurement principles of “openness, fairness, and impartiality”, and strictly followed national and local laws and regulations in conducting tendering and procurement activities. It comprehensively implements the *Procurement Management System of Yuexiu Transport Infrastructure Limited* and requires all suppliers to have adequate anti-corruption systems and management procedures.

In 2024, Yuexiu Transport strictly adhered to the requirements of integrity and compliance, increased supervision over key links and areas such as the tendering and supply chain, and continuously promoted the full-scale signing of the *Integrity Contract* and the *Integrity Cooperation Commitment Letter* by suppliers. Meanwhile, to enhance suppliers’ awareness of integrity, Yuexiu Transport regularly organized integrity training for suppliers. Through case analysis, legal regulation interpretation and other methods, the concept of integrity was deeply ingrained in suppliers’ minds.

In addition, Yuexiu Transport actively strengthens the linkage between discipline inspection and auditing, and strictly implements the system of reporting and transferring problem clues. In 2024, in response to the problem clues suspected of bid-rigging, the Company took swift action. It closely monitored key links such as supplier onboarding, tender evaluation, and contract performance. Working together with the procurement department, it conducted a comprehensive investigation in an objective and practical manner to urge subsidiaries to enhance compliance management in the procurement process and ensure employees’ due diligence.

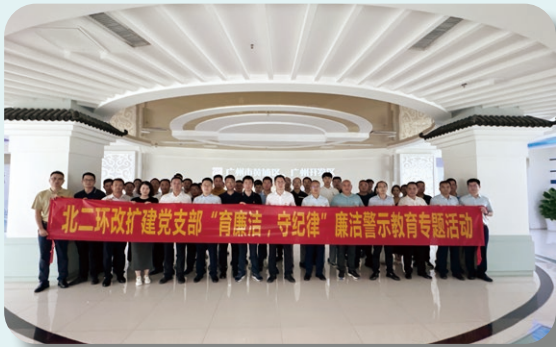
MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Joint integrity-building initiatives among parties in the GNSR Expressway reconstruction and expansion project

In 2024, the management office of the GNSR Expressway reconstruction and expansion project collaborated with all participating parties to carry out joint integrity-building activities. During the event period, a themed event on joint integrity-building and a publicity and implementation meeting on discipline inspection work were held. Representatives from Yuexiu Transport, the management office, and participating units signed an integrity-building agreement after pledging to practice self-discipline, thus uniting the efforts of all parties. Subsequently, leaders of the discipline inspection and supervision department of Yuexiu Group conducted a publicity campaign on discipline inspection work for over 70 relevant personnel, aiming to strengthen their awareness of the bottom-line and red-line principles.

Previously, the Party branch of the management office organized a warning and educational activity themed “Fostering Integrity and Upholding Discipline”. More than 40 Party members and representatives from participating units visited the Integrity Education Museum in Huangpu District, Guangzhou. Through the visit to each exhibition hall, their awareness of integrity and legal concepts were enhanced.

Through this series of activities, a favourable construction environment has been created for the GNSR Expressway reconstruction and expansion project. The employees’ awareness of honest work has been improved, which helps avoid violations, ensures the quality and progress of the project, and turns it into a high-quality project. This also provides valuable experience for integrity-building initiatives in the industry.



Special Campaign on Integrity Warning Education: “Fostering Integrity and Upholding Discipline”



Themed Event on Joint Integrity-building and Publicity and Implementation Meeting for Discipline Inspection Work

In the future, Yuexiu Transport will continue to deepen the integrity building of the supply chain. It will constantly improve relevant systems, strengthen supervision, and innovate training methods. By joining hands with suppliers, it aims to jointly create a business environment featuring integrity and uprightness, thus safeguarding the high-quality development of the enterprise.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

PROMOTING DEVELOPMENT OF THE INDUSTRY

Develop Industry-university-research Cooperation

Yuexiu Transport actively engages in industry-university-research cooperation and establishes close strategic partnerships with universities and research institutions. By setting up joint R&D platforms, providing application scenarios, and integrating the superior resources of all parties, it jointly tackles industry-specific technological challenges and promotes the transformation and application of scientific research achievements. On the path of technological innovation, the efforts and achievements of Yuexiu Transport have been widely recognized.

| Awarded Project Names | Award Level | Award-presenting Organization |
|--|--------------------------------|---|
| Certificate of Scientific and Technological Achievement Evaluation | Internationally advanced level | Guangdong Intelligent Transportation Association |
| Science and Technology Award of Guangdong Civil Engineering and Architecture Society | First-class award | Guangdong Civil Engineering and Architecture Society |
| Science and Technology Award of Guangdong Civil Engineering and Architecture Society | Second-class award | Guangdong Civil Engineering and Architecture Society |
| Guangdong Province Intelligent Transportation Science and Technology Award | Third-class award | Guangdong Intelligent Transportation Association |
| The First Mao Yisheng Traffic Technology and Construction Method Innovation Competition | Second-class award | Peking Mao Yi-sheng Science and Technology Education Foundation |
| The First Mao Yisheng Digital Transportation and Intelligent Construction Technology Application Competition | Silver award | Peking Mao Yi-sheng Science and Technology Education Foundation |
| Certificate of Scientific and Technological Achievement Evaluation for Natural Lighting System | Internationally advanced level | China International Association for Promotion of Science and Technology |

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Empower Progress of the Industry

In 2024, Yuexiu Transport and its subsidiaries actively participated in the formulation of industry standards, contributing to the development of the industry.

Industry standards formulated and released by Yuexiu Transport and its subsidiaries in 2024

| Standard Name | Issuing Entity | Standard Level |
|---|---|------------------------------|
| Standard for Application of Building Information Modelling in Highway Engineering Operation and Maintenance | Guangdong Administration for Market Regulation | Provincial-ministerial level |
| Design Specification for Intelligent Early-warning System of Bridge Anti-ship Collision | China Technology Market Association | Association level |
| Technical Specification for Ultra-thin Overlay of Discontinuous Graded Asphalt Mixture | China Communications and Transportation Association | Association level |

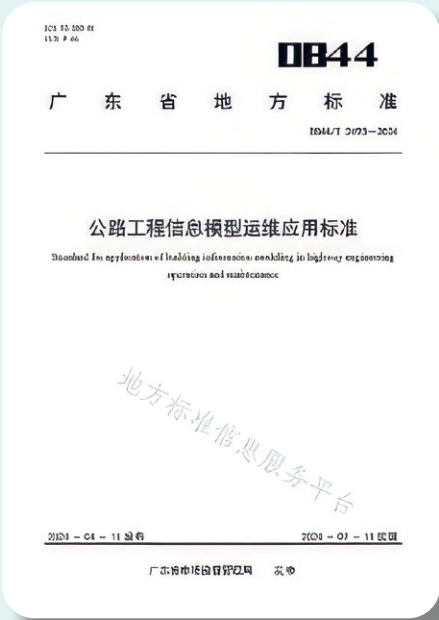
MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Participation in the Formulation of the *Standard for Application of Building Information Modelling in Highway Engineering Operation and Maintenance*

Yuexiu Transport was deeply involved in formulating the *Standard for Application of Building Information Modelling in Highway Engineering Operation and Maintenance*, which effectively promoted the digital transformation of the highway industry. This standard focuses on the application of Building Information Modelling (BIM) throughout the entire life-cycle of highway projects, covering various stages such as planning, design, construction, operation and maintenance, and demolition. Its aim is to achieve data collaboration and integrated management across the project’s entire life-cycle.

During the standard-formulating process, the drafting team fully drew on advanced domestic and international experiences and closely integrated the actual situation, application level, and development direction of Guangdong Province. They established a BIM standard system for highway engineering in Guangdong Province, unified the classification and coding of highway engineering information models, and specified the requirements for BIM application at each stage. Especially in the operation and maintenance stage, detailed regulations were made regarding model creation, use, management, and result delivery.

Relying on its rich practical experience in the operation and maintenance of highway projects, Yuexiu Transport provided important references for the standard formulation. The *Standard for Application of Building Information Modelling in Highway Engineering Operation and Maintenance* not only standardizes BIM application behaviours, resources, deliverables, as well as data semantics, exchange, and storage rules but also offers practical guidance for the industry’s digital transformation. It effectively enhances the efficiency and quality of highway operation and maintenance, reduces operation and maintenance costs, and helps the highway industry enter a new era of intelligent operation and maintenance.



MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

JOINTLY BUILDING HARMONIOUS COMMUNITIES

Community Communication Mechanism

Policy Statement of Community Relations

Yuexiu Transport is firmly convinced that good community relations will bring a positive impact on 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 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 Comprehensive Department is responsible for the continuous monitoring of the project's impact on the community and provide local community with formal communication channels, such as complaints hot-line, letters and visits.
- 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 concerns, participate in the formulation of local community rights protection policy and corresponding protection action plans, and make sure the effectiveness of the protection of community rights.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Community Impact Assessment and Mitigation

Yuexiu Transport always takes the development of residents and communities along the way into consideration in the planning, and fully evaluates the potential environmental and social impacts before the project is launched.

- Environmental impact assessment: before the approval of the construction project, carry out an in-depth planning coordination analysis, identify the environmentally sensitive areas that may be involved in the project site selection, and analyse the environmental impacts caused by the project construction and operation ecology, noise, water, atmosphere, etc. Reconstruction and expansion projects attach importance to the research and implementation of environmental protection, ecological compensation and risk prevention measures.
- ◆ Mitigation Plan: Yuexiu Transport requires its subsidiaries and contractor construction units to implement relevant environmental protection measures and environmental protection requirements of relevant competent authorities, and strictly implement the “Three Simultaneities” regulation that pollution prevention facilities and main works are designed, constructed and put into operation at the same time.
- Social impact assessment: during the implementation of the project, the Company regularly assesses the potential social impact and carries out risk degree analysis for the factors that may cause risks to the community, including but not limited to land demolition, land acquisition, biomass reduction, noise increase, and the impact of construction on the quality of life of the local community.
- ◆ Mitigation Plan: Yuexiu Transport requires its subsidiaries and contractor construction units to inform the public of the potential impact in advance before the project is launched, and actively invite the public to participate in the community impact assessment, and fully listen to the public’s demands. Yuexiu Transport will stay problem-oriented and goal-oriented, actively respond to public demands, and seek advanced technological solutions to minimize social impact.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

| Impact category | Risk factors | Risk mitigation measures |
|----------------------|--|---|
| Environmental impact | Water resources | <ul style="list-style-type: none">• Upgrade the guardrail grade and set up roadside anti-drop net to prevent vehicles or road garbage from falling into the water source protection area;• Pavement runoff collection system and sedimentation tank shall be set up to collect and deposit oil and other pollutants on the road and prevent pollutants from entering the water body. |
| | Atmospheric environment | <ul style="list-style-type: none">• During the construction period, measures such as setting up enclosure, sprinkling water on the construction site, reasonable site selection of mixing station, installation of dust removal equipment for mixing equipment, etc. shall be implemented;• The appropriate width of green belt should be planted between the highway sideline and the community red line. |
| | Sound environment | <ul style="list-style-type: none">• Diversified noise reduction equipment such as noise reduction forest, noise barrier and low-noise asphalt pavement shall be provided. |
| | Ecological impact | <ul style="list-style-type: none">• Suitable arbors, shrubs and grasses shall be planted on the highway slope within the scope of land acquisition for slope protection and ecological environment restoration. |
| Social impact | Land acquisition and demolition | <ul style="list-style-type: none">• Implement compensation for demolition according to law, and strictly implement the policies, laws and regulations of the local government;• We should do a good job in demolition and resettlement, and mobilize all parties to solve the livelihood problems of landless residents, such as housing, employment and living expenses. |
| | Change in use of land resource | <ul style="list-style-type: none">• Optimize route design and reduce land occupation by means of tunnels and overpasses. |
| | Impact on the quality of life of residents along the way | <ul style="list-style-type: none">• Maintain openness and transparency, and communicate the progress of the project with the public in a timely manner.• Open public feedback channels and actively understand the health and mood of residents. |

Community risks from common environmental and social impacts and mitigation plans

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Community Impact Monitoring

Before the approval of the project, the surrounding environment, society, economy and other factors are fully investigated, and social stability research is carried out from the dimension of noise indicators and other indicators; at the same time, the Company formulates the community monitoring plan for the whole life cycle of the project, monitors the performance of the above indicators in each stage of the project in real time, and analyzes the reasons for fluctuations.

During the construction and operation of the project, real-time monitoring is carried out according to the community monitoring plan to ensure timely understanding of the views and needs of the surrounding communities. Our subsidiaries assign special personnel to monitor public opinion 24 hours a day, quickly identify key information, to be the first to understand the opinions and suggestions of the community on highway operations, adjust construction or operation management strategies in time for existing problems, and take mitigation measures. For example, in the construction process, if noise, dust and other problems are found to affect the lives of community residents, subsidiaries can quickly take measures to mitigate the impact, such as adjusting the construction time, increasing environmental protection facilities, etc.

Community Communication Program

Yuexiu Transport has established a comprehensive community communication plan to enhance the trust and understanding between the Company and the community and create a positive community relationship. Before the implementation of the new construction and expansion projects, a questionnaire survey was conducted among the residents within 200 meters of the project site to deeply understand the needs and concerns of the community residents. We actively respond to the concerns of residents and other stakeholders by holding seminars and face-to-face exchanges, and communicate the mitigation measures planned or taken by the Company to reduce the concerns of residents.

The Company has established a complaint handling mechanism, and community residents and other stakeholders can make appeals or complaints through open telephone and mailbox at any time. After receiving the relevant report, the Company promptly appoints a special person to follow up and solve the problem and pay a return visit in time, so as to properly handle the relevant problems. GNSR Company has set up a complaint-handling leading group and a working group. After receiving a complaint, the relevant departments are required to fully understand the content of the complaint, investigate the causes, and initially formulate the handling measures based on the principles of full cooperation, rapid response, satisfactory reply and clear responsibility. According to the degree and scope of the impact of the complaint, it shall be submitted to the head of the department or the designated leader of the Company. In principle, we reply to the complainant within three working days and communicate with the complainant, to win the understanding and satisfaction of the complainant. The complaint handed over by the superior department shall be reported to the superior department in writing within three working days.

MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY

Public Welfare and Charity

Yuexiu Transport gave back to society by means of practical actions, actively maintaining good communications with communities and participating in various public welfare and volunteer activities. We abide by laws and regulations such as the *Charity Donation Law of the People's Republic of China* and the *Regulation on Volunteer Services*, actively participate in public welfare, care about vulnerable groups and fulfil our social responsibilities. Our employees are regularly organized to participate in activities such as visiting and consoling people in difficulty during festivals and donating blood. Through these social services, we convey warmth and promote positive social energy.

During holiday periods, convenient service areas are established at all toll stations, where volunteer teams are organised. Always adhering to enthusiasm and responsibility, from the scorching summer to the bitter cold winter, they meet the diverse needs of drivers and passengers, demonstrating the warmth and strength of volunteer service with practical actions.

Highlight cases



In summer: “Cooling Refreshment in Summer (夏日送清凉)” Volunteer Service Activity

Amidst the scorching summer sun and escalating temperatures after the beginning of the dog days, compounded by heightened activities of mosquitoes and other insects, toll station volunteers closely monitor the conditions of passing drivers and passengers, and carefully prepare and provide them with cooling items such as tea bags, watermelons and mosquito-repellent gift packs. They also remind drivers to take precautions against heatstroke and keep themselves cool.



In winter: “Accompanying All the Way and Moving Forward with Warmth Together (一路相伴、温暖同行)” Volunteer Service Activity

When bitter cold winter arrives quietly, for long-haul truck drivers, their hands often turn red from the cold during their driving process. Toll station volunteers take action again, carefully prepare portable hand warming devices, adhesive thermal pads, gloves and other thermal supplies, and serve hot drinks to dispel the cold, truly bringing warmth to the hearts of the drivers and passengers.



During the reporting period, Yuexiu Transport carried out voluntary service activities for a total of nearly **70,000 hours** participated in volunteer activities for a total of approximately **1,100 person-times**.

CLIMATE-RELATED DISCLOSURES

CLIMATE-RELATED DISCLOSURES

Climate change is a common challenge for all mankind. According to the report of the United Nations Intergovernmental Panel on Climate Change (IPCC), under the background of global warming, the frequency and intensity of extreme climate events are increasing, which has brought unprecedented impact on human society. Governments and international organizations have introduced a series of policies and measures to deal with the negative impact of climate change on the global economy and society. Under the guidance of strategies and policies such as the *Action Plan for Carbon Peak by 2030*, the *National Strategy for Adaptation to Climate Change 2035*, and the *White Paper on China's Policies and Actions to Address Climate Change*, the Chinese government has implemented a series of reform measures, including improving energy efficiency and accelerating the transformation of energy consumption structure to clean and low-carbon. In the transportation infrastructure industry, the application of advanced green and low-carbon new technologies and equipment is strengthened, and the construction of intelligent transportation system is promoted. Short and long-term goals and phased measures are identified to address climate change risks.

Yuexiu Transport has been aware of the potential impact of climate change on the operation of enterprises. Under climate change, the probability of extreme weather such as rainstorm and flood may increase, and there is a possibility that the income of highway construction and operation enterprises may decrease due to the decline of road capacity. At the same time, due to the increasing concern of the country and the public on climate change issues, if the highway construction and operation industry fails to take appropriate measures, it may lead to the increase of long-term construction and operation costs and the loss of customers. Since 2022, Yuexiu Transport has disclosed climate-related work plans and achievements in four areas of governance, strategy, risk management, indicators and objectives, with reference to the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD). In 2023, Yuexiu Transport integrated climate change response into the ESG work structure, carried out research and assessment on the physical risks and transition risks that may be caused by climate change events to Yuexiu Transport's operation, explored and formulated climate change risk response plans, improved the effectiveness of climate risk management, and seized climate opportunities. In 2024, we continued to sort out and update our assessment of climate change risks and opportunities for Yuexiu Transport, and improved our work plan and response strategies in light of the effectiveness of the Company's annual climate risk response efforts.

GOVERNANCE

Yuexiu Transport established the ESG Committee, set up the ESG Leading Group and ESG Working Group for a three-tier governance structure, and built a closed-loop management system from decision-making, communication, actual implementation to reporting and assessment, providing a solid guarantee for the sustainable development of the enterprise. Yuexiu Transport has clarified the governance structure of climate-related risks and opportunities in the existing governance structure, continued to pay attention to the impact of climate change on business operations. We enhanced climate resilience by strengthening climate-related risk assessment and actively formulating response measures and grasped the opportunities brought by green transformation.

CLIMATE-RELATED DISCLOSURES

| Structure | Duties |
|--------------------|---|
| Board of Directors | <ul style="list-style-type: none">The Board is the highest decision-making body of the Company's climate change work, responsible for leading the Company's strategic direction and decision-making related to climate change;The Board has full discretion to assess and determine the nature and extent of climate risks to which the Group is exposed in order to achieve its strategic objectives;The Board of Directors authorizes the ESG Committee to regularly review and supervise the management of climate change;Through regular meetings and special discussions, the Board hears, reviews and examines the Group's climate-related information management practices and reviews the annual climate-related information disclosure report. |
| ESG Committee | <ul style="list-style-type: none">To review, formulate and approve the vision, objectives, strategies and management policies for climate change response and make recommendations to the Board on relevant climate-related development strategies;To review and assess the adequacy and effectiveness of the governance structure for climate-related governance issues;Regularly review and monitor the Group's climate change response policies to ensure compliance with legal and regulatory requirements and corporate development strategies;Set key targets for the Group's response to climate change, and regularly review and examine their achievement;Report annual climate change disclosures to the Board at least once a year;Supervise and manage other management work related to climate change response. |
| ESG Leading Group | <ul style="list-style-type: none">To study the system and working mechanism of climate change response applicable to Yuexiu Transport;Assess and report on progress on climate-related strategies and targets;Assess specific climate-related risks and opportunities and oversee the implementation of climate-related risk and opportunity management;Coordinate and prepare annual climate-related information disclosure;Report regularly to the ESG Committee on the performance of climate-related management work. |
| ESG Working Group | <ul style="list-style-type: none">Carry out daily management and statistics on the corresponding climate information of the Company and subsidiaries;Be responsible for coordinating the implementation of specific climate-related risk and opportunity management tasks by various departments and affiliated project companies, and assisting in solving implementation problems;Identify and manage specific climate-related risks and opportunities and report periodically on the corresponding indicators;Make suggestions on daily management. |

Climate Change Governance Structure of Yuexiu Transport

CLIMATE-RELATED DISCLOSURES

The Board of Directors is the highest decision-making body for the Company's climate change work and is responsible for leading the Company's strategic direction and decision-making related to climate change. The Board of Directors meets regularly to hear and review the reports of the ESG Committee to ensure that climate-related risks and opportunities are effectively managed.

The Board's ESG Committee oversees climate-related risks and opportunities. During the reporting year, the ESG Committee comprised two executive directors and four independent non-executive directors, with Mr. Li Feng (resigned on April 17, 2024) and Ms. Liu Yan (appointed on April 17, 2024) as the chairmans of the committee, and Mr. He Baiqing (resigned on February 28, 2025), Mr. Fung Ka Pun, Mr. Lau Hon Chuen Ambrose, Mr. Cheung Doi Shu and Mr. Peng Vincent Shen as members. ESG Committee members have extensive expertise and industry experience, and external experts are regularly invited to provide professional advice to ensure that appropriate skills and capabilities are available to oversee strategies for climate-related risks and opportunities. The ESG Committee ensures that climate-related risks and opportunities are adequately considered by reviewing, developing and approving the Group's vision, objectives, strategies and management policies on environmental, social and governance matters.

The ESG Committee holds regular meetings to listen to and review reports on climate-related work, and actively pays attention to industry trends, policies and regulations, so as to ensure timely understanding of the impact of risks and opportunities brought about by climate change on the Company's business. The ESG Committee regularly reviews the performance of climate management and plans to gradually incorporate relevant performance indicators into the remuneration policy of managers. The ESG Committee must report to the Board on climate change disclosures at least annually to ensure that climate-related risks and opportunities are managed effectively.

We have set up an ESG Leading Group to undertake the management responsibilities related to climate change, plan and implement various mitigation and adaptation policies and measures, and regularly report to the ESG Committee on the performance of ESG and climate-related management. At the executive level, the ESG Working Group, composed of members of the Company's headquarters and subsidiaries dedicated to climate change, coordinates various departments and subsidiaries to promote the integration of climate-related issues into daily operations. Team members have expertise on climate-related issues and practical experience in front-line operations, and regularly provide feedback on climate change-related work and recommendations for action.

CLIMATE-RELATED DISCLOSURES

STRATEGY

Climate change poses a variety of physical risks to our business, including fluvial flooding, extreme precipitation, extreme heat, etc., which may adversely affect road operations and the safety of drivers and passengers. At the same time, the global low-carbon economic transition requires large-scale transfer of resources, innovation and new technologies to improve energy efficiency and resource productivity, which may bring climate transition risks such as policy and law, technology, market and reputation, thus causing potential financial impact on the Company. On the other hand, climate change also creates opportunities to stimulate the Company to innovate and make new attempts in business, boost the transformation of Yuexiu Transport to a low-carbon economic development model, provide perfect infrastructure construction for a low-carbon society, and form core competitiveness. Under the background of “carbon peaking and carbon neutrality”, Yuexiu Transport continues to improve the climate risk management process by studying and judging policies and actively formulating measures for policies, so as to achieve effective management of own climate risks.

According to the *Emergency Response Law of the People's Republic of China*, the *Meteorological Disaster Prevention Regulations*, the *National Meteorological Disaster Contingency Plan* and other relevant national and local laws and regulations, and in combination with the actual situation of the Company, Yuexiu Transport has formulated the *Meteorological Disaster Contingency Plan of Yuexiu Transport Infrastructure Limited* to deal with the meteorological disasters in the operating area of projects, such as typhoon, rainstorm, high temperature, thunderstorm and gale. We are committed to improving our own climate resistance in an all-round way, so as to better cope with the risks brought by climate change, seize the new development and opportunities brought by climate change, and realize the low-carbon transformation of ourself and the industrial chain.

In the design and renovation stage of the project, we fully consider the local extreme climate risks to enhance the resilience of infrastructure to natural disasters. It is committed to reducing the carbon emissions generated by its own construction and operation, and tries to choose the scheme with low development and demolition to reduce carbon emissions under the condition of ensuring safety and quality in design.

In the operation stage, we has increased investment in new energy, energy-saving and environmental protection technologies. We continue to carry out the planning and implementation of photovoltaic projects, make full use of idle highway resources such as the roof of highway service stations, the roof of parking lots and noise barriers to provide clean energy for our own operations, and promote the development and transformation of energy-saving technologies for lighting equipment to reduce unit energy consumption and carbon emissions.

Yuexiu Transport has continuously strengthened disaster early warning and prevention work, established and improved the natural disaster early warning system. The headquarters and subsidiaries seriously implemented defense and emergency response measures in accordance with the meteorological disaster emergency response plan issued by the local government departments, so as to ensure timely access to meteorological, geological and other disaster information, formulated a contingency plan, and improved the ability to respond to natural disasters.

CLIMATE-RELATED DISCLOSURES

In February 2024, the northern and central-eastern regions of China were hit by a cold wave, leading to severe weather conditions such as low temperatures, freezing rain and heavy snow. Yuexiu Transport responded swiftly, and its projects in Hubei, Henan and other regions under its management made early arrangements and implemented precise measures, fully committing to the battle of “fighting against ice and snow and ensuring smooth traffic”. The “Sending Warmth in Snow” campaign was also carried out, providing stranded drivers and passengers with hot water and light meals. The Hubei project company adopted the model of “taking snow as an order, clearing it as it falls and clearing the roads when the snow stops”. It strengthened the “one road and many parties” mechanism, formulated a snow-melting and ice-removal work plan for cold wave weather, maintained 24-hour duty, and fully utilised the joint operation and coordination mechanism. The Henan project company made early arrangements and adopted the echelon operation method of “pushing forward and spreading behind”, carrying out snow removal without interruption to ensure the safety and smoothness of the roads. Tianjin Jinfu Company carried out the “Sending Warmth in Snow” campaign, providing stranded drivers and passengers with hot water and light meals. Yuexiu Transport continued to pay close attention to the changes in weather, made scientific judgments and meticulous arrangements, and spared no effort to ensure the travel safety of the people.



Replenishing snow-melting agent



A snowplough is carrying out snow removal operation in the service area



Clearing snow from lanes in the toll station



“Sending Warmth in Snow” campaign

CLIMATE-RELATED DISCLOSURES

GNSR COMPANY STRENGTHENED SAFETY PRODUCTION WORK BEFORE THE MAY DAY HOLIDAY AND DURING THE FLOOD SEASON



In 2024, GNSR Company strengthened safety production work before the “May Day” holiday and during the flood season. It implemented safety and smoothness guarantee measures, made preparation for heavy rainfall during the flood season and guaranteed the construction of fully enclosed noise barrier project to prevent production safety accident and ensure business security and stability in key areas such as the Xiangxue Toll Station, construction site of fully enclosed sound barrier project, the East Service Area of Huocun, etc. At the same time, it strengthened the investigation and management of safety risks and hidden dangers, ensured smooth drainage in key parts such as bridges and tunnels to avoid water accumulation affecting traffic safety, and strictly managed the safety operations of related parties, and strengthened coordination and linkage with traffic police, rescue and other institutions. It implemented the “one road and many parties” emergency mechanism, ensured safety and smooth traffic during peak traffic periods, promptly dealt with emergencies, and fully protected the travel safety of the people.



The scene of safety production work report presentation



Investigation of safety risks and hidden dangers

CLIMATE-RELATED DISCLOSURES

YUEXIU TRANSPORT HELD A SYMPOSIUM ON FLOOD PREVENTION AND CONTROL



In order to strengthen our efforts in flood prevention and control, Yuexiu Transport held a symposium on 26 July, highlighting the key tasks during the critical flood prevention period of “the latter half of July and the first half of August”. At the meeting, each subsidiary reported on their flood prevention and control efforts, including monitoring rainstorm warnings, intensifying patrols and maintenance, identifying hidden dangers, implementing the “three clears and one unimpeded” criteria, focusing on key patrols, strictly implementing duty rosters and preparing for emergencies. The Safety Supervision Department elaborated on the key tasks for production safety during the critical flood prevention period. The meeting emphasized the impact of extreme weather since the start of the flood season, especially after the landfall of No. 3 typhoon “Gaemi” of the year, which was expected to hit several sections of the Company’s highways in Hubei and Henan. The importance of organisational leadership, patrol intensity and early warning systems was underlined, and some subsidiaries were urged to focus on construction safety supervision for large- and medium-scale repair projects and to deploy anti-collision vehicles to ensure operation safety.



The scene of the working meeting on flood prevention and control

Going forward, the Company will continue to pay attention to climate change issues, pay close attention to market dynamics, and adjust business strategies in a timely manner according to climate change and policy guidance.

CLIMATE-RELATED DISCLOSURES

RISK MANAGEMENT

We have identified, ranked and managed the physical risks and transition risks that potentially affect the Company’s assets in accordance with the TCFD disclosure recommendations, including the following main processes:

| | |
|------------------------|---|
| Asset Sorting | <ul style="list-style-type: none">A comprehensive combing of the geographic location of the existing motorway project assets held by us is carried out as a basic data input for risk identification. |
| Risk Identification | <ul style="list-style-type: none">Physical risk identification: Based on the geographic location of the asset, the physical risk exposure of the asset is determined by combining historical data and future climate change projections.Transition risk identification: Identify transition risks by combining industry trends, peer analyses, and interviews with various business units. |
| Risk Assessment | <ul style="list-style-type: none">Based on the results of the degree of risk exposure assessment from scenario analysis, interviews were conducted with key departments, and combined with expert opinions, an assessment and scoring of the impact degree of physical and transition risks were carried out. By integrating the degree of risk exposure and the degree of risk impact, a climate risk matrix for Yuexiu Transport was formed. A list of significant climate risks for Yuexiu Transport was obtained by comprehensively considering the degree of risk exposure and the degree of risk impact. This list was reported to the Board of Directors by the ESG Committee. |
| Coping Strategies | <ul style="list-style-type: none">Based on the results of the climate risk assessment, the Board of Directors formulates strategies, policies and mechanisms to address climate change, and through the ESG Committee, the Board of Directors issues strategic plans to the executive level to address climate change, and the ESG Working Group supervises the relevant work at the departmental and project levels. |

Climate Risk Scenario Analysis

In order to develop a long-term strategy to protect our business from the risks associated with the transition to a green and low-carbon economy, we carefully assessed the significant business risks posed by climate change to our assets and businesses. We use scenario analysis, as recommended by the TCFD, to identify the transition risks that the Company may face.

The scenarios we use are based on climate scenarios published by Network for Greening the Financial System (“NGFS”), an international authority composed of central banks and financial regulators, incorporating global and local government policies, as well as environmental, economic, social and technological indicators and market trends, to assess the physical and transition risks that our assets may encounter in different scenarios.

| | |
|---|---|
| 1.5°C – Net Zero World Scenario | 3°C – Greenhouse World Scenario |
| “Net Zero 2050”: Limit global warming to 1.5°C through rigorous climate policies and innovation to achieve net zero CO ₂ emissions by around 2050. | Only the current policy is implemented, assuming that the target plan of “Nationally Determined Contributions (NDCs)” is not implemented. |

CLIMATE-RELATED DISCLOSURES

Climate Risk Identification and Ranking

Physical risk

We assess the physical risks and risk levels that may be encountered by Yuexiu Transport’s assets under the two scenarios according to the distribution of the assets in provinces and cities, referring to the climate scenarios publicly released by NGFS, and according to the hypothetical scenarios of 1.5°C and 3°C warming by 2050.

| Physical risk classification | Disaster category | Indicator (unit of measurement) | Identification method |
|---------------------------------|----------------------|---|---|
| Chronic | Extreme heat | Number of days/year with temperature above 30°C (>30°C: moderate extreme high temperature, >35°C: severe extreme high temperature) | The raw data are from Coupled Model Intercomparison Project Phase 6 (CMIP6) and are corrected for bias based on the reshaped observational data (ERA5-based reanalysis data) from Inter-Sectoral Impact Model Intercomparison Project (ISIMIP) as the input data set for the climate impact assessment. |
| | Extreme cold | Number of days/year with temperature below 0°C (<0°C: moderate extreme cold, <-20°C: severe extreme cold) | The raw data are from CMIP6 and are corrected for bias based on the reshaped observational data from ISIMIP (ERA5-based reanalysis data) as the input data set for the climate impact assessment. |
| | Wind gusts | Number of days/year with maximum wind speed higher than 24 m/s (>24 m/s: moderate extreme gale, >27 m/s: severe extreme gale) | ERA-Interim reanalysis data preprocessed by Potsdam Institute for Climate Impact Research (PIK) were used as the historical baseline for the statistics. |
| | Heavy rain | Number of days/year with precipitation exceeding 2.5 mm/h (>2.5 mm/h: moderate extreme precipitation, >7.6 mm/h: severe extreme precipitation) | The raw data are from CMIP6 and are corrected for bias based on the reshaped observational data from ISIMIP (ERA5-based reanalysis data) as the input data set for the climate impact assessment. |
| | Heavy snowfall | Number of days/year with snowfall exceeding 5 cm/day (>5 cm/day: moderate extreme snowfall, >20 cm/day: severe extreme snowfall) | ERA-Interim reanalysis data preprocessed by PIK were used as the historical baseline for the statistics. |

CLIMATE-RELATED DISCLOSURES

| Physical risk classification | Disaster category | Indicator (unit of measurement) | Identification method |
|------------------------------|-------------------|--|--|
| Acute | Tropical cyclones | Maximum wind speeds in meter/second | Based on that best track and wind speed of tropical cyclone provided by IBTrACS (International Best Track Archive for Climate Stewardship), the risk of typhoon attack each asset is exposed to during the base period is determined. According to the climate model, the intensity of tropical cyclones in the future is predicted, and the risk of typhoon attack for each asset in different periods and emission scenarios in the future is predicted. |
| | Coastal flooding | Maximum flood height in meter | PIK provides daily river flood time series data. Intergovernmental Panel on Climate Change (IPCC) assessment report provides sea level rise scenarios. The Climate Center provides Digital Elevation Models (DEMs). The Global Tide and Wave Reanalysis data set provides extreme sea level statistics for more than 16,000 coastal zones. FLOPROS data set provides regional flood-prevention levels. |
| | Fluvial flooding | Maximum flood height in meter | |
| | River low flow | Number of days/year with flow lower than 2.5% | Current and future simulated daily surface water discharge data sets from ISIMIP. |
| | Wildfires | Fire probability in % for a 1-yr return period | Canadian Forest Fire Weather Index (FWI) combines daily measurements of meteorological variables such as global temperature, relative humidity, wind speed and accumulated precipitation. ISIMIP project at PIK provides forecast data. Global Fire Atlas provides historical data for the period 1979-2016. Land cover is from the Global Land Cover 2000 dataset. Altitude is from GMTED201. Fire duration is from the Global Fire Atlas. |

- According to the degree of risk exposure and in combination with the projects of Yuexiu Transport in different regions, we divide the risks by the score of risk exposure into low risk, medium risk, higher risk and high risk, and conduct physical risk thermal map analysis;
- Taking the proportion of daily average toll revenue as the weight, the physical risks faced by Yuexiu Transport are ranked (from high to low): heavy precipitation, extreme heat, fluvial flooding, extreme cold, heavy snowfall, river low flow, tropical cyclones, coastal flooding, wildfire and wind gusts.

CLIMATE-RELATED DISCLOSURES

In 2024, the projects in Hubei and Hunan regions are affected by multiple rounds of rain, snow and freezing weather. In light of this, we have leveraged historical weather data collected by our subsidiaries in 2024 to assess climate risks. Additionally, we updated the physical risk thermal map, increasing the risk exposure for heavy snowfall to better reflect the climate risk situation, which provided strong support for subsequent prevention and control measures. Following the adjustment, heavy precipitation, extreme heat, fluvial flooding, extreme cold and heavy snowfall are the main physical risks the Company facing at present.

| Risks | Current policy | 1.5°C | 3°C |
|---------------------|----------------|-------|-----|
| Heavy precipitation | | | |
| Extreme heat | | | |
| Fluvial flooding | | | |
| Extreme cold | | | |
| Heavy snowfall | | | |
| River low flow | | | |
| Tropical cyclones | | | |
| Coastal flooding | | | |
| Wildfires | | | |
| Wind gusts | | | |

| Risk exposure | | | |
|---------------|--------|--------|------|
| Low | Medium | Higher | High |

List of Physical Risk Assessment of Yuexiu Transport

CLIMATE-RELATED DISCLOSURES

Transition risk

To achieve the goal of controlling the temperature rise within 1.5 degrees Celsius, the world needs to make significant and rapid changes, policies and regulations will be further tightened, technology may undergo significant changes due to the impact of market demand and capital inflows, and the market will also have higher and higher requirements for green low carbon engineering products. Yuexiu Transport is facing more material risks in terms of policies and regulations, technology, market reputation and supply chain.

Yuexiu Transport refers to the classification of transition risks by TCFD, focuses on the risks of policies and regulations, technology, market and reputation brought by the transformation of social economy to low carbon economy, combines policy sorting, industry analysis, and the internal operation management of enterprises to identify the transition risks applicable to Yuexiu Transport and assess the risk exposure. We divide the risks by the score of risk exposure into low risk, medium risk, higher risk and high risk. Carbon pricing and carbon tax, energy technology, company reputation and shifts in customer preferences are the major transition risks currently the Company facing.

| Risks | 1.5°C | 3°C |
|--------------------------------------|-------|-----|
| Carbon pricing and carbon tax | | |
| Energy technology | | |
| Company reputation | | |
| Shifts in customer preferences | | |
| Investors' concerns | | |
| Energy structure and energy use | | |
| Rising cost of raw materials | | |
| Customer security | | |
| Smart and green highway construction | | |

| Risk exposure | | | |
|---------------|--------|--------|------|
| Low | Medium | Higher | High |

List of Transition Risk Assessment of Yuexiu Transport

Note: 3°C scenario refers to the assumption that in addition to the policies implemented in 2024, no other measures will be added in terms of policies, regulations and technologies, which means that the policies and regulations will not be gradually tightened, the technology will not undergo major changes, and the market demand will not change dramatically. The world, including China, still relies mainly on fossil energy, and the investment in low-carbon technology is insufficient.

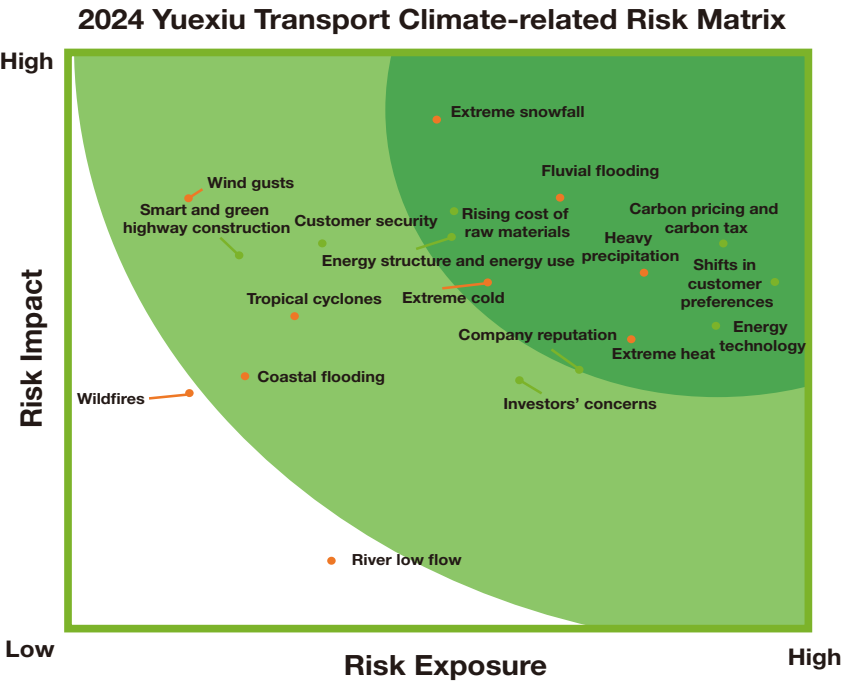
CLIMATE-RELATED DISCLOSURES

Climate Risk Ranking

We comprehensively assessed the level of risk exposure to physical and transition risks under various climate scenarios. We conducted questionnaire surveys and interviews, and by integrating expert opinions, we evaluated the risk impact of physical and transition risks.

Considering the level of climate risk exposure (derived from climate scenario analysis) and the degree of risk impact (from questionnaire surveys and interviews), we prioritized climate risks and formed the Yuexiu Transport Climate-related Risk Matrix. This matrix is designed to provide information for risk response decisions and optimize resource allocation.

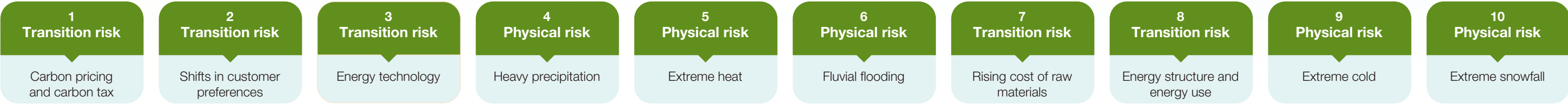
The Yuexiu Transport Climate-related Risk Matrix for the year 2024 is as follows:



CLIMATE-RELATED DISCLOSURES

CLIMATE-RELATED DISCLOSURES

The ten most significant risks are:



Response to Climate-related Risks

Based on the results of climate risk ranking, we have identified ten major climate-related risks and initially planned corresponding countermeasures, which are listed in the following table.

Major Physical Risk Impacts and Coping Strategies

| Risk category | Risk factors | Impact on business | Coping strategies |
|---------------|------------------|--|--|
| Chronic | Heavy rain | <ul style="list-style-type: none">May lead to an increase in the number of potholes on the road surface, raising maintenance costs and affecting driving safety;May cause natural disasters such as landslides and debris flows, cause damage to infrastructure such as bridge foundations and masonry. Carrying out repair projects may increase the Company's operation and maintenance costs;May lead to deterioration of road conditions, traffic and power outages, resulting in road congestion or closure, affecting traffic flow and resulting in a decline in toll revenue;It may cause the delay of the construction project and affect the progress of the project, resulting in additional time impact and cost impact. | <ul style="list-style-type: none">Increase the frequency of inspections, use intelligent devices to monitor the road surface, repair potholes promptly when detected, and conduct regular maintenance on preventive coat;Strengthen the identification of potential risks of major disasters and the management of mountainous areas along the way, such as afforestation, the establishment of protective nets, etc., to reduce the likelihood of landslides, debris flows and other geological disasters;Improve the design standards of road drainage facilities, strengthen the construction of drainage systems, and reduce the risk of road water accumulation;Pay close attention to meteorological conditions, obtain early warning of extreme precipitation, and take temporary traffic control measures to reduce the impact of traffic disruption. |
| Chronic | Extreme heat | <ul style="list-style-type: none">May cause damage to infrastructure such as roads and bridges. Continuous high temperature may cause road surface cracking, asphalt softening, and even bridge bulging, resulting in an increase in the cost of maintenance and repair, and impact on the life and long-term value of the Company's assets;May increase the difficulty of outdoor operations or lead to work stoppages, resulting in delays in the construction progress of the project, increased project costs, and greater uncertainty in the completion time. | <ul style="list-style-type: none">Use high temperature resistant materials to build infrastructure, such as the use of concrete and asphalt with good thermal stability;Reasonably arrange the construction time, avoid the high temperature period, and reduce the impact of labor productivity decline;Improve heatstroke prevention and cooling facilities and health care measures for employees to ensure construction safety. |
| Acute | Fluvial flooding | <ul style="list-style-type: none">May result in damage to infrastructure, for example, flooding may destroy pavement and damage bridge support structures. Carrying out emergency repair and maintenance work, may increase operation and maintenance costs;May result in power supply disruption or business interruption requiring additional time and resources to restore normal operations, including cleanup, repairs, safety inspections, etc. | <ul style="list-style-type: none">Strengthen the flood control capacity of infrastructure, such as raising the height of pavement, strengthening the design of bridge structure, etc.;Establish a flood warning system and take preventive measures in advance, such as reserving electricity and supplies;Carry out regular maintenance and overhaul to ensure that the infrastructure is in good condition. |
| Chronic | Extreme cold | <ul style="list-style-type: none">May result in damage to infrastructure, impact its structural stability and service life. Carrying out repair work may increase operation and maintenance costs of the Company;May lead to deterioration of road conditions, traffic accidents, road congestion or closure, leading to reduced traffic flow and toll revenue;May increase the difficulty of outdoor operations, decrease the performance of construction materials, reduce work efficiency, and delay project progress, which in turn raises project costs and financial pressures. | <ul style="list-style-type: none">Strengthen infrastructure inspections and maintenance, use materials with better frost resistance, optimise road designs, enhance drainage systems, and introduce anti-freeze measures to prevent road icing;Establish a comprehensive low-temperature weather warning system to reduce the risk of road icing, strengthen road patrols, ensure normal equipment operations, and reinforce safety management;Optimise construction scheduling, implement effective thermal insulation measures, provide adequate heating equipment and facilities, ensure the safety and health of construction workers, and improve work efficiency. |
| Chronic | Extreme snowfall | <ul style="list-style-type: none">Snow accumulation on roads could reduce visibility, trigger traffic accidents, road congestion or closure, leading to reduced traffic flow and toll revenue;May damage road infrastructure, complicating repairs and raising maintenance costs;Snow may cover construction sites, making it difficult for equipment to function, resulting in project delays and increased costs, including additional equipment rental and wages. | <ul style="list-style-type: none">Deploy snow removal teams and equipment promptly to clear snow and obstacles, ensure roads remain clear, and use announcements and digital signage to communicate road closures or restrictions, guiding traffic and reducing accidents;Regularly prune and reinforce trees along roads to prevent them from toppling during heavy snow, raise snow-resistance design standards for infrastructure, and install protective measures;Fully consider the impact of extreme weather, reasonably allocate buffer time for construction schedule, clear and inspect construction sites, and control project schedules. |

CLIMATE-RELATED DISCLOSURES

CLIMATE-RELATED DISCLOSURES

Major Transition Risks Impacts and Coping Strategies

| Risk category | Risk factors | Impact on business | Coping strategies |
|--------------------------------|---------------------------------|---|---|
| Policies, laws and regulations | Carbon pricing and carbon tax | <ul style="list-style-type: none">Increasing budgetary uncertainty;Fluctuations in the prices of road construction materials, such as cement, may require price reductions or the search for alternative materials, resulting in a longer procurement cycle for the project;Fluctuations in raw material prices may lead to uncertainty in the return on investment of the project. | <ul style="list-style-type: none">Gradually establish a carbon emission monitoring system to grasp carbon emission data in real time so as to adjust strategies and decisions;Actively carry out carbon emission reduction projects, such as energy conservation and emission reduction, renewable energy utilization, etc., to reduce the cost of carbon tax;Pay attention to the dynamics of carbon pricing policy, and make budget adjustments and coping strategies in advance. |
| Market and reputation | Shifts in customer preferences | <ul style="list-style-type: none">In order to meet the new demands of charging and battery maintenance services in the market, the cost of infrastructure upgrading projects such as reconstruction and expansion has increased. | <ul style="list-style-type: none">Pay attention to the market dynamics, adjust the product and service strategy in time to meet the new needs of customers;Strengthen communication and interaction with customers, understand changes in customer needs, and optimize business layout;Carry out infrastructure upgrading projects, such as charging piles and power exchange stations, to adapt to market changes. |
| Technology | Energy technology | <ul style="list-style-type: none">Prompt the Company to increase its investment in the field of digital transformation such as digital maintenance under regulatory requirements;It is impossible to achieve efficiency in energy use and increase energy costs;Increase the cost of purchasing commercial carbon reduction technologies. | <ul style="list-style-type: none">Closely monitor regulatory developments, set aside special funds in the annual budget for transformation projects such as digital maintenance, and estimate the scale of investment based on past policy changes;Introduce advanced energy management system to improve energy efficiency and reduce energy costs;Develop energy technology research and development, master core technologies, and reduce the cost of purchasing commercial carbon reduction technologies;Regularly evaluate the development trend of energy technology and lay out the application of new technology in advance. |
| Market and reputation | Rising cost of raw materials | <ul style="list-style-type: none">Direct impact on highway construction and maintenance costs. | <ul style="list-style-type: none">Establish a diversification strategy of raw material suppliers to cope with price fluctuations and supply risks;Strengthen procurement management by establishing preliminary procurement requirements and developing a comprehensive annual maintenance plan in advance, to determine procurement needs and progress management, and reduce costs through bulk procurement, long-term contracts, and other methods;Optimize engineering process, improve resource utilization and reduce raw material consumption. |
| Policies, laws and regulations | Energy structure and energy use | <ul style="list-style-type: none">The need for increased capital investment and expenditure to meet policy requirements;Managing and improving emissions requires the introduction of new carbon reduction schemes, resulting in higher R&D investment and operating costs. | <ul style="list-style-type: none">Increase investment in and research and development of clean energy, gradually replace traditional energy, and reduce carbon emissions;Gradually introduce energy management system, optimize energy use structure and improve energy efficiency;Strengthen cooperation with the government, universities and scientific research institutions to jointly promote energy technology innovation. |

In response to the challenges of extreme weather, Yuexiu Transport builds a solid flood-prevention barrier

In 2024, with the increasing frequency of extreme weather events nationwide due to climate change, the flood season saw a significant rise in heavy rainfall, and the road infrastructure, particularly structural elements, were under unprecedented strain. After disaster accidents such as the landslides on the Meizhou-Dapu Expressway and the collapse of the Shangzhou-Luonan Expressway bridge, Yuexiu Transport responded swiftly, convening a special meeting to ensure that all subsidiaries learned from the incidents and conducted a comprehensive safety inspection during the flood season.

Meanwhile, Yuexiu Transport sent professionals to the frontline to guide and supervise the subsidiaries, conducting risk and hazard investigation work for key sections of the roads. A detailed list of issues was established, with each identified risk assigned a responsible person and a specific deadline for resolution. Progress was tracked to ensure that corrective and mitigation measures were implemented effectively. These have significantly improved the safety of road infrastructure during extreme weather, effectively reduced the risks of climate-related disasters, guaranteed the safety and smooth flow of roads as well as the lives and property of passing drivers and passengers.

CLIMATE-RELATED DISCLOSURES

Climate-related Opportunity Identification and Strategies

Climate change brings not only associated risks, but also new opportunities. As a leading transportation infrastructure investment operator in China, Yuexiu Transport attaches great importance to the challenges and opportunities brought by climate change, and actively takes measures to deal with them and seize the green opportunities. Yuexiu Transport identifies the following five climate-related opportunities by analyzing the potential impact of climate change on the transport industry and combining its own core competitiveness elements:

| Category | Climate-related opportunities | Next step plan |
|--------------------------------------|---|--|
| Climate resistance | Implement relevant plans to enhance climate resistance | <ul style="list-style-type: none">Risks related to climate change shall be taken into account in the new construction, renovation and operation of a project, and planning shall be made in advance according to the temperature, precipitation, snowfall and other factors in different regions, so as to enhance climate resilience and reduce the losses caused by the climate. |
| Smart and green highway construction | Deploy the transformation and upgrading route of smart and green highway in advance | <ul style="list-style-type: none">Promote energy conservation and emission reduction by upgrading intelligence in highway operation process and promoting lean management by strict control over the use of supplies, so as to achieve long-term cost reduction and efficiency enhancement. |
| Shifts in customer preferences | The market has a greater demand for roads with perfect intelligent green infrastructure | <ul style="list-style-type: none">Provide complete supporting new energy infrastructure to attract traffic and increase charging channels.Actively promote intelligent toll stations and expand the supporting equipment of charging piles in service stations. |
| Company reputation | Maintain openness and transparency, actively disclose to the public, actively listen to public feedback and improve accordingly | <ul style="list-style-type: none">Actively pay attention to the world climate change situation, participate in relevant industry activities or public welfare activities, create a responsible corporate image, and enhance public trust. |
| Investors' concerns | Increased investor demand for environmental and low-carbon financing and investment | <ul style="list-style-type: none">Actively strengthen ESG management practices and information disclosure, improve its environmental and social performance, and create high-quality underlying assets to enhance financing capacity. |

Yuexiu Transport continues to pay attention to the impact of climate change on the transport industry, and regularly assesses climate-related opportunities and risks. According to the evaluation results, Yuexiu Transport adjusts the investment strategy and operation direction to ensure that the Company's business is compatible with climate change.

CLIMATE-RELATED DISCLOSURES

METRICS AND TARGETS

Yuexiu Transport supports China's plan to achieve carbon dioxide peaking and 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 deepen energy conservation and emissions reduction measures in all aspects of its business operations.

To address the transition risk, the corresponding business departments of Yuexiu Transport actively studies policies to ensure timely response. For extreme weather, in both flood season and typhoon season, we perform safety management properly, organize affiliates to develop work programs for flood control and preparation and typhoon control, and apply special safety inspections to key flood control sites as well as equipment and facilities including roads, traffic safety facilities, drainage facilities, power-consuming facilities and contractors' operation sites.

In addition, Yuexiu Transport will take emissions, waste, energy efficiency, water efficiency and other environment targets as climate change-related tracking metrics and targets. The following table lists the core indicators that we continue to focus on.

| Indicators | Aim | Achievements in 2024 |
|-------------------|--|---|
| Emissions | Reduce greenhouse gas emissions per kilometer | Greenhouse gas emissions per kilometer were 24.49 tonnes of carbon dioxide equivalent, down 23.6% from the previous year. |
| Waste | Recycling rate of used asphalt materials to reach 100% | The recycling rate of old asphalt reached 100%. |
| Energy efficiency | Reduce energy consumption per kilometer | Energy consumption per kilometer was 50.74 MWh, down 14.8% from the previous year. |
| Water efficiency | Reduce water consumption per kilometer | Water consumption per kilometer was 378.91 m³, down 40.3% from the previous year. |

OUTLOOK FOR 2025

Looking forward to 2025, the final year of the 14th Five-Year Plan, Yuexiu Transport will closely align with the guiding principles of the “15th Five-Year Plan” for transport, striving to drive the deepening development and innovative transformation of its operations.

Over the next five years, the steady progress of the GNSR Expressway Reconstruction and Expansion Project will remain the core focus. Guided by strategic planning, Yuexiu Transport will meticulously control project quality and timelines, introduce advanced construction techniques and smart building technologies to ensure efficient and high-quality completion of the project. Throughout the construction phase, the interests of local communities will be fully considered, with effective measures implemented to minimise disruption to residents’ daily lives, fostering mutual development between the Company and the community. Upon completion, the reconstruction and expansion will enhance road capacity, alleviate traffic congestion, and optimise the regional transport network, thus maximising the supportive role of transport infrastructure in economic development and injecting strong momentum into coordinated regional growth.

Yuexiu Transport will actively respond to the call for smart and green development, increase investment in the R&D and application of environmentally friendly materials and technologies, prioritise the use of eco-friendly materials in road construction and maintenance, thus improving resource utilisation and reducing carbon emissions during construction. Additionally, efforts will be made to strengthen ecological protection and restoration along highways, creating green landscape corridors that foster a harmonious coexistence between transport infrastructure and the ecological environment, contributing to the green transformation of the transport industry. Leveraging technological innovation, the Company will continue to refine the intelligent transportation system. By utilising cutting-edge technologies such as big data, the Internet of Things and artificial intelligence, Yuexiu Transport will enable real-time, precise monitoring and intelligent regulation of traffic flow, thereby improving road efficiency.

Yuexiu Transport will increase investment in public transport and new energy transport facilities, making full use of idle resources in service areas to promote the application of photovoltaic renewable energy. Charging stations and battery-swapping stations will be strategically placed in service areas, parking lots and other locations along highways, ensuring comprehensive energy supply for new energy vehicles and supporting the widespread of green travel.

In terms of community relations, Yuexiu Transport will continue to strengthen its communication and cooperation with surrounding communities. It will actively engage in community development, organise traffic safety campaigns, volunteer services and other initiatives to enhance the understanding and support of local residents for transport infrastructure development and operations, thus fulfilling its corporate social responsibility.

In terms of corporate responsibility, Yuexiu Transport will steadfastly adhere to “The Way of Faith”, comprehensively implement lean management practices. The Company aims to enhance operational performance through process optimisation, improved efficiency and cost reduction. The ESG management system will be further refined, with ESG indicators integrated into key performance evaluation metrics. The Company will deepen its climate-related disclosures, strengthen climate resilience, and enhance its ability to respond to climate change. Yuexiu Transport will strengthen communication with investors, partners and other stakeholders, gathering feedback to optimise ESG practices and contribute to the Company’s sustainable development.

APPENDIX

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

| Aspect | Laws, regulations and standards | Internal policies |
|--------------------------------------|---|--|
| A1 Emissions | Environmental Protection Law of the People’s Republic of China | Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited |
| | Law of the People’s Republic of China on Prevention and Control of Environmental Pollution by Solid Waste | Measures of Yuexiu Transport Infrastructure Limited for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery) |
| | Law of the People’s Republic of China on Prevention and Control of Water Pollution | Measures of Yuexiu Transport Infrastructure Limited for Management of Mechanical and Electrical Projects |
| | Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution | Implementation Measures of Yuexiu Transport Infrastructure Limited for Comprehensive Inspection of Expressway Maintenance Management (Interim) |
| | Environmental Impact Assessment Law of the People’s Republic of China | Measures of Yuexiu Transport Infrastructure Limited on Change Management for Highway Maintenance Projects |
| | National Catalogue of Hazardous Wastes | |
| | Regulations on the Administration of Construction Project Protection – Environmental Protection | |
| A2 Resource use | Specifications for Environmental Impact Assessment of Highway | |
| | | |
| A3 Environment and Natural Resources | Energy Conservation Law of the People’s Republic of China | Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident |
| | Law of the People’s Republic of China on Promotion of Clean Production | |
| | Water and Soil Conservation Law of the People’s Republic of China | |
| | Inspection and Evaluation Quality Standards for Highway Maintenance Engineering Section 1 Civil Engineering | |
| | Land Administration Law of the People’s Republic of China | |
| | Regulations of the People’s Republic of China on the Protection of Basic Farmland | |

APPENDIX

| Aspect | Laws, regulations and standards | Internal policies |
|-------------------|---|--|
| A4 Climate change | Responding to Climate Change: China's Policies and Actions | Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident |
| | Meteorological Law of the People's Republic of China | Meteorological Disaster Contingency Plan of Yuexiu Transport Infrastructure Limited |
| | Flood Control Law of the People's Republic of China | |
| | Regulations on Forest Fire Prevention | Yuexiu Transport Infrastructure Limited General Emergency Response Plan for Contingency Incidents |
| | Regulations on Prevention of Meteorological Disasters | |
| | National General Contingency Plans for Public Emergencies | |
| | National Meteorological Disaster Contingency Plans | |
| | Regulations of Guangdong Province on Prevention of Meteorological Disasters | |
| B1 Employment | Contingency Plans of Meteorological Disasters in Guangdong Province | |
| | Labor Law of the People's Republic of China | Yuexiu Transport Infrastructure Limited Recruitment Management System |
| | Labor Contract Law of the People's Republic of China | |
| | Social Insurance Law of the People's Republic of China | Salary Management Measures at Yuexiu Transport Infrastructure Limited |
| | Individual Income Tax Law of the People's Republic of China | Measures for Administration of Labor Contracts at Yuexiu Transport Infrastructure Limited Yuexiu Transport Infrastructure Limited Human Resources Management Regulations for Subsidiaries Trade Union Work Management Regulations of Yuexiu (China) Transport Infrastructure Investment Company Limited Regulations on the Staff Mutual Aid Fund of Yuexiu Transport Infrastructure Limited Measures for Supplementary Medical Fund at Yuexiu Transport Infrastructure Limited |

APPENDIX

| Aspect | Laws, regulations and standards | Internal policies |
|-----------------------------|--|--|
| B2 Health and safety | Labor Law of the People's Republic of China | Measures for Work Safety Management of Yuexiu Transport Infrastructure Limited |
| | Labor Contract Law of the People's Republic of China | |
| | Social Insurance Law of the People's Republic of China | Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident |
| | | Measures of Yuexiu Transport Infrastructure Limited for the Management of Work Safety Responsibility System Yuexiu Transport Infrastructure Limited Guidelines for Graded Control of Safety Risks (Interim) Measures for Investment on Safety of Yuexiu Transport Infrastructure Limited Yuexiu Transport Infrastructure Limited Regulations on Safety Management of Related Parties Yuexiu Transport Infrastructure Limited Measures for the Management of Safety Education and Trainings |
| B3 Development and training | Labor Law of the People's Republic of China | Position Management Regulations of Yuexiu Transport Infrastructure Limited |
| | Labor Contract Law of the People's Republic of China | |
| | Social Insurance Law of the People's Republic of China | Measures for the Management of Staff Promotion of Yuexiu Transport Infrastructure Limited Dual-Career Pathway System Implementation Guidelines for Subsidiary Employees of Yuexiu Transport Infrastructure Limited (Interim) Performance Management Measures for Employees of Yuexiu Transport Infrastructure Limited Yuexiu Transport Infrastructure Limited Training Management Measures |
| B4 Labour standards | Labor Law of the People's Republic of China | Measures for the Management of Recruitment at Yuexiu Transport Infrastructure Limited |
| | Labor Contract Law of the People's Republic of China | |
| | Social Insurance Law of the People's Republic of China | Measures for Administration of Labor Contracts at Yuexiu Transport Infrastructure Limited |
| | Provisions on Prohibition of Child Labor | Measures for Supplementary Medical Fund at Yuexiu Transport Infrastructure Limited |

APPENDIX

| Aspect | Laws, regulations and standards | Internal policies |
|----------------------------|---|--|
| B5 Supply chain management | Company Law of the People's Republic of China | Regulations on Procurement Management of Yuexiu Transport Infrastructure Limited |
| | Civil Code of the People's Republic of China | |
| | Law of the People's Republic of China on Tenders and Bids | Yuexiu Transport Infrastructure Limited Implementation Rules for Tender and Procurement Management of Highway Maintenance Projects (Interim) |
| | Regulation on the Implementation of the Bidding Law of the People's Republic of China | Measures for the Management of Suppliers of Yuexiu Transport Infrastructure Limited |
| | Government Procurement Law of the People's Republic of China | |
| B6 Product responsibility | Law of the People's Republic of China on Road Traffic Safety | Traffic Safety Management Regulations of Yuexiu Transport Infrastructure Limited |
| | Production Safety Law of the People's Republic of China | Measures of Yuexiu Transport Infrastructure Limited for Administration of Inspection and Acceptance of Road Maintenance Projects Upon Completion (or Delivery) |
| | Emergency Response Law of the People's Republic of China | Measures for Highway Maintenance Engineering of Yuexiu Transport Infrastructure Limited |
| | Measures for the Administration of Contingency Plans for Work Safety Accidents | Implementation Measures of Yuexiu Transport Infrastructure Limited for Comprehensive Inspection of Expressway Maintenance Management (Interim) |
| | Highway Law of the People's Republic of China | Yuexiu Transport Infrastructure Limited Emergency Response Plan for Operation Safety Accident |
| | Measures for the Management of Highway Maintenance | |
| | Technical Specifications for Highway Maintenance | Yuexiu Transport Infrastructure Limited General Emergency Response Plan for Contingency Incidents |
| | Cyber Security Law of the People's Republic of China | Measures of Cyber and Information Security Incidents at Yuexiu Transport Infrastructure Limited |
| | Evaluation Standards for Highway Technical Conditions | Emergency Response Plan for Cyber and Information Security of Yuexiu Transport Infrastructure Limited (Interim) |
| | | Yuexiu Transport Infrastructure Limited Regulations on Research Project Management (Interim) |
| | | Information Management Regulations of Yuexiu Transport Infrastructure Limited |
| | | Information Security Management Regulations of Yuexiu Transport Infrastructure Limited |
| | | Yuexiu Transport YueChangXing Mini Program Privacy Policy |

APPENDIX

| Aspect | Laws, regulations and standards | Internal policies |
|-------------------------|--|---|
| B7 Anti-corruption | ICAC Ordinance of Hong Kong Special Administrative Region | Yuexiu (China) Transport Infrastructure Investment Company Limited Implementation Measures for the "Three Major and One Big" Decision-Making System |
| | Prevention of Bribery Ordinance of Hong Kong Special Administrative Region | Detailed Rules for Implementation of Responsibility System for Development of Party Style and Honest Administration of Yuexiu Transport |
| | | Regulations on Procurement Management of Yuexiu Transport Infrastructure Limited |
| | | 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 |
| | | |
| B8 Community investment | Charity Law of the People's Republic of China | Policy Statement on Community Relations |
| | Law of the People's Republic of China on Donations for Public Welfare | |

CONTENT INDEX FOR ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF APPENDIX C2 TO THE LISTING RULES

| Aspect | Key performance indicators | Corresponding chapter and statement |
|---------------------------|---|--|
| A1 | Emissions | |
| General disclosure | 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. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| A1.1 | The types of emissions and respective emission data. | Data table |
| A1.2 | 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). | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT Data table |
| A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Data table |
| A1.4 | Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | Data table |
| A1.5 | Description of emissions target(s) set and steps taken to achieve them. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT CLIMATE-RELATED DISCLOSURES |
| A1.6 | Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT |

| Aspect | Key performance indicators | Corresponding page number of report chapter and statement |
|---------------------------|--|--|
| A2 | Use of resources | |
| General disclosure | Policies on efficient use of resources, including energy, water and other raw materials. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| A2.1 | 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 table |
| A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Data table |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT CLIMATE-RELATED DISCLOSURES |
| A2.4 | 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. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT |
| A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | Not applicable, no package in materials for finished products would be generated. |
| A3 | Environment and Natural Resources | |
| General disclosure | Policies on minimizing the issuer's significant impacts on the environment and natural resources. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | LOW-CARBON ORIENTED • PROMOTING GREEN DEVELOPMENT |

APPENDIX

| Aspect | Key performance indicators | Corresponding page number of report chapter and statement |
|---------------------------|---|---|
| A4 | Climate change | |
| General disclosure | Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. | CLIMATE-RELATED DISCLOSURES LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| A4.1 | Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them. | CLIMATE-RELATED DISCLOSURES |
| B1 | Employment | |
| General disclosure | 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. | PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B1.1 | Total workforce by gender, employment type (for example, full – or part-time), age group and geographical region. | Data table |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Data table |
| B2 | Health and safety | |
| General disclosure | 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. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years including the reporting year. | Data table |
| B2.2 | Lost days due to work injury. | Data table |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT |

APPENDIX

| Aspect | Key performance indicators | Corresponding page number of report chapter and statement |
|---------------------------|--|--|
| B3 | Development and training | |
| General disclosure | Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | Data table |
| B3.2 | The average training hours completed per employee by gender and employee category. | Data table |
| B4 | Labor standards | |
| General disclosure | 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. | PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | PEOPLE-ORIENTED • EMPOWERING EMPLOYEE DEVELOPMENT |
| B5 | Supply chain management | |
| General disclosure | Policies on managing environmental and social risks of the supply chain. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B5.1 | Number of suppliers by geographical region. | Data table |

APPENDIX

| Aspect | Key performance indicators | Corresponding page number of report chapter and statement |
|---------------------------|---|---|
| B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY |
| B6 | Product responsibility | |
| General disclosure | 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. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not applicable. Yuexiu Transport does not provide products to road users. |
| B6.2 | Number of products and service-related complaints received and how they are dealt with. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT Data table |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION |
| B6.4 | Description of quality assurance process and recall procedures. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT |
| B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. | QUALITY-ORIENTED • LEADING INTELLIGENT AND SMOOTH TRANSPORT |

APPENDIX

| Aspect | Key performance indicators | Corresponding page number of report chapter and statement |
|---------------------------|--|--|
| B7 | Anti-corruption | |
| General disclosure | 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. | RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B7.1 | 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 table |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION |
| B7.3 | Description of anti-corruption training provided to directors and staff. | RESPONSIBILITY-ORIENTED • STRENGTHEN LEAN OPERATION |
| B8 | Community investment | |
| General disclosure | Policies on community engagement to understand the needs of community where the issuer operates and to ensure its activities take into consideration the communities' interests. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY LIST OF MAIN APPLICABLE LAWS, REGULATIONS, STANDARDS AND INTERNAL POLICIES |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY |
| B8.2 | Resources contributed (e.g. money or time) to the focus areas. | MUTUAL-BENEFIT ORIENTED • CONVEY THE VALUE OF RESPONSIBILITY Data table |

APPENDIX

GRI CONTENT INDEX

| GRI Guidelines Indicators | Details | References |
|--|---|---|
| General standard disclosures | | |
| The organization and its reporting practices | | |
| 2-1 | Organizational details | About Yuexiu Transport |
| 2-2 | Entities included in the organization's sustainability reporting | About This Report |
| 2-3 | Reporting period, frequency and contact point | About This Report |
| 2-4 | Restatements of information | Data table |
| 2-5 | External assurance | / |
| Activities and workers | | |
| 2-6 | Activities, value chain and other business relationships | About Yuexiu Transport |
| 2-7 | Employees | People-Oriented • Empowering Employee Development |
| 2-8 | Workers who are not employees | People-Oriented • Empowering Employee Development |
| Governance | | |
| 2-9 | Governance structure and composition | Responsibility-Oriented • Strengthen Lean Operation |
| 2-10 | Nomination and selection of the highest governance body | Responsibility-Oriented • Strengthen Lean Operation |
| 2-11 | Chair of the highest governance body | Responsibility-Oriented • Strengthen Lean Operation |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Responsibility-Oriented • Strengthen Lean Operation |
| 2-13 | Delegation of responsibility for managing impacts | Responsibility-Oriented • Strengthen Lean Operation |
| 2-14 | Role of the highest governance body in sustainability reporting | Responsibility-Oriented • Strengthen Lean Operation |
| 2-15 | Conflicts of interest | For details, please refer to Yuexiu Transport Infrastructure Limited's Annual Report 2024 |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|----------------------------------|--|--|
| General standard disclosures | | |
| 2-16 | Communication of critical concerns | Responsibility-Oriented • Strengthen Lean Operation |
| 2-17 | Collective knowledge of the highest governance body | Responsibility-Oriented • Strengthen Lean Operation |
| 2-18 | Evaluation of the performance of the highest governance body | / |
| 2-19 | Remuneration policies | For details, please refer to Yuexiu Transport Infrastructure Limited's Annual Report 2024 |
| 2-20 | Process to determine remuneration | For details, please refer to Yuexiu Transport Infrastructure Limited's Annual Report 2024 |
| 2-21 | Annual total compensation ratio | / |
| Strategy, policies and practices | | |
| 2-22 | Statement on sustainable development strategy | Sustainable Development Governance |
| 2-23 | Policy commitments | Sustainable Development Governance |
| 2-24 | Embedding policy commitments | Sustainable Development Governance |
| 2-25 | Processes to remediate negative impacts | During the reporting period, Yuexiu Transport had no violations of laws and regulations in the field of environment. |
| 2-26 | Mechanisms for seeking advice and raising concerns | Responsibility-Oriented • Strengthen Lean Operation |
| 2-27 | Compliance with laws and regulations | List of main applicable laws, regulations, standards and internal policies |
| 2-28 | Membership associations | About Yuexiu Transport |
| Stakeholder engagement | | |
| 2-29 | Approach to stakeholder engagement | Sustainable Development Governance |
| 2-30 | Collective bargaining agreements | People-Oriented • Empowering Employee Development |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|---------------------------|--|---|
| Material topics | | |
| 3-1 | Process to determine material topics | Sustainable Development Governance |
| 3-2 | List of material topics | Sustainable Development Governance |
| 3-3 | Management of material topics | Sustainable Development Governance |
| Economic performance | | |
| 201-1 | Direct economic value generated and distributed | For details, please refer to Yuexiu Transport Infrastructure Limited's Annual Report 2024 |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate-Related Disclosures |
| 201-3 | Defined benefit plan obligations and other retirement plans | People-Oriented • Empowering Employee Development |
| 201-4 | Financial assistance received from government | / |
| Indirect economic impacts | | |
| 203-1 | Infrastructure investments and services supported | About Yuexiu Transport |
| 203-2 | Significant indirect economic impacts | About Yuexiu Transport |
| Procurement practices | | |
| 204-1 | Proportion of spending on local suppliers | / |
| Anti-corruption | | |
| 205-1 | Operations assessed for risks related to corruption | Responsibility-Oriented • Strengthen Lean Operation |
| 205-2 | Communication and training about anti-corruption policies and procedures | Responsibility-Oriented • Strengthen Lean Operation |
| 205-3 | Confirmed incidents of corruption and actions taken | There were no litigation cases due to corruption or bribery occurred during the reporting period. |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|------------------------------|--|---|
| Anti-competitive behavior | | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices | There were no cases of anti – competition or anti-monopoly violations during the reporting period in which the Group was identified as a participant. |
| Materials | | |
| 301-1 | Materials used by weight or volume | Data table |
| 301-2 | Recycled input materials used | Low-Carbon Oriented • Promoting Green Development |
| 301-3 | Reclaimed products and their packaging materials | Not applicable, no package in materials for finished products would be generated. |
| Energy | | |
| 302-1 | Energy consumption within the organization | Data table |
| 302-2 | Energy consumption outside of the organization | Data table |
| 302-3 | Energy intensity | Data table |
| 302-4 | Reduction of energy consumption | Data table |
| 302-5 | Reductions in energy requirements of products and services | Low-Carbon Oriented • Promoting Green Development |
| Water and effluents | | |
| Topic management disclosures | | |
| 303-1 | Interactions with water as a shared resource | Low-Carbon Oriented • Promoting Green Development |
| 303-2 | Management of water discharge-related impacts | Low-Carbon Oriented • Promoting Green Development |
| Topic disclosures | | |
| 303-3 | Water withdrawal | All water resources used by Yuexiu Transport for its own operations come from the municipal network, and no issue in water supply was identified. |
| 303-4 | Water discharge | Low-Carbon Oriented • Promoting Green Development |
| 303-5 | Water consumption | Low-Carbon Oriented • Promoting Green Development |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|---------------------------|---|---|
| Biodiversity | | |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Low-Carbon Oriented • Promoting Green Development |
| 304-2 | Significant impacts of activities, products and services on biodiversity | Low-Carbon Oriented • Promoting Green Development |
| 304-3 | Habitats protected or restored | Low-Carbon Oriented • Promoting Green Development |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Low-Carbon Oriented • Promoting Green Development |
| Emissions | | |
| 305-1 | Direct (Scope 1) GHG emissions | Low-Carbon Oriented • Promoting Green Development; Data table |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Low-Carbon Oriented • Promoting Green Development; Data table |
| 305-3 | Other indirect (Scope 3) GHG emissions | Low-Carbon Oriented • Promoting Green Development; Data table |
| 305-4 | GHG emissions intensity | Low-Carbon Oriented • Promoting Green Development; Data table |
| 305-5 | Reduction of GHG emissions | Low-Carbon Oriented • Promoting Green Development; Data table |
| 305-6 | Emissions of ozone-depleting substances (ODS) | / |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Data table |
| Effluents and waste | | |
| 306-1 | Waste generation and significant waste-related impacts | Low-Carbon Oriented • Promoting Green Development |
| 306-2 | Management of significant waste-related impacts | Low-Carbon Oriented • Promoting Green Development |
| 306-3 | Waste generated | Data table |
| 306-4 | Waste diverted from disposal | Low-Carbon Oriented • Promoting Green Development |
| 306-5 | Waste directed to disposal | Low-Carbon Oriented • Promoting Green Development |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|-----------------------------------|---|---|
| Supplier environmental assessment | | |
| 308-1 | New suppliers that were screened using environmental criteria | Mutual-Benefit Oriented • Convey the Value of Responsibility |
| 308-2 | Negative environmental impacts in the supply chain and actions taken | Mutual-Benefit Oriented • Convey the Value of Responsibility |
| Employment | | |
| 401-1 | New employee hires and employee turnover | Data table |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | People-Oriented • Empowering Employee Development |
| 401-3 | Parental leave | People-Oriented • Empowering Employee Development |
| Occupational health and safety | | |
| Topic management disclosures | | |
| 403-1 | Occupational health and safety management system | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-2 | Hazard identification, risk assessment, and incident investigation | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-3 | Occupational health services | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-5 | Worker training on occupational health and safety | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-6 | Promotion of worker health | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Quality-Oriented • Leading Intelligent and Smooth Transport |
| Topic disclosures | | |
| 403-8 | Workers covered by an occupational health and safety management system | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 403-9 | Work-related injuries | There were no incidents of work-related injuries during the reporting period. |
| 403-10 | Work-related ill health | There were no incidents of occupational diseases during the reporting period. |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|--|--|--|
| Training and education | | |
| 404-1 | Average hours of training per year per employee | Data table |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | People-Oriented • Empowering Employee Development |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | People-Oriented • Empowering Employee Development |
| Diversity and equal opportunity | | |
| 405-1 | Diversity of governance bodies and employees | Responsibility-Oriented • Strengthen Lean Operation; People-Oriented • Empowering Employee Development |
| 405-2 | Ratio of basic salary and remuneration of women to men | People-Oriented • Empowering Employee Development |
| Non-discrimination | | |
| 406-1 | Incidents of discrimination and corrective actions taken | During the reporting period, no discrimination incidents occurred at Yuexiu Transport. |
| Freedom of association and collective bargaining | | |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | During the reporting period, there were no operations and suppliers across Yuexiu Transport in which the right to freedom of association and collective bargaining may be at risk. |
| Child Labor | | |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | During the reporting period, none of the operations and suppliers of Yuexiu Transport were at risk for incidents of child labor. |
| Forced or compulsory labor | | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | During the reporting period, none of the operations and suppliers of Yuexiu Transport were at risk for incidents of forced or compulsory labor. |

APPENDIX

| GRI Guidelines Indicators | Details | References |
|----------------------------|---|---|
| Security practices | | |
| 410-1 | Security personnel trained in human rights policies or procedures | People-Oriented • Empowering Employee Development |
| Local communities | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Mutual-Benefit Oriented • Convey the Value of Responsibility |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | In 2024, none of the operations of Yuexiu Transport had any significant actual and potential negative impacts on local communities. |
| Supplier social assessment | | |
| 414-1 | New suppliers that were screened using social criteria | Mutual-Benefit Oriented • Convey the Value of Responsibility |
| 414-2 | Negative social impacts in the supply chain and actions taken | Mutual-Benefit Oriented • Convey the Value of Responsibility |
| Public policy | | |
| 415-1 | Political contributions | / |
| Customer health and safety | | |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Quality-Oriented • Leading Intelligent and Smooth Transport |
| Marketing and labeling | | |
| 417-1 | Requirements for product and service information and labeling | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | Quality-Oriented • Leading Intelligent and Smooth Transport |
| 417-3 | Incidents of non-compliance concerning marketing communications | / |
| Customer privacy | | |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | During the reporting period, Yuexiu Transport did not have any incidents of customer privacy leakage. |

APPENDIX

PERFORMANCE INDICATORS

Data Table

| ESG Indicators | Unit | 2024 | 2023 | 2022 |
|---|---|------------|------------|------------|
| Environmental indicators ¹ | | | | |
| Emissions | | | | |
| NOx | tonne | 4.72 | 4.25 | 4.04 |
| SOx | Kg | 8.36 | 9.03 | 9.60 |
| Particulate matter | Kg | 412 | 364 | 362 |
| Total emission of greenhouse gas ^{2,3,4} | tonne of CO ₂ equivalent | 15,645 | 17,833 | 18,093 |
| Greenhouse gas emission density ^{2,3,4} | tonne of CO ₂ equivalent/km ⁶ | 24.49 | 32.06 | 32.53 |
| Greenhouse gas emissions (Scope 1) ^{3,4,5} | tonne of CO ₂ equivalent | 1,508 | 1,615 | 1,858 |
| Greenhouse gas emissions (Scope 2) ^{2,3,4,5} | tonne of CO ₂ equivalent | 14,136 | 16,217 | 16,235 |
| Hazardous waste | | | | |
| Waste light tube | Kg | 112.65 | 214.15 | 547.48 |
| Waste printer toner cartridges | Kg | 430.01 | 481.89 | 537.98 |
| Total hazardous waste | Kg | 542.66 | 696.04 | 1,085.46 |
| Hazardous waste density | Kg/km | 0.85 | 1.25 | 1.95 |
| Non-hazardous waste | | | | |
| Bituminous concrete ⁷ | tonne | 279,375 | 121,021 | 41,502 |
| Non-hazardous waste density | tonne/km | 437.38 | 217.58 | 74.62 |
| Energy consumption in total and density | | | | |
| Total energy consumption | MWh | 32,413 | 33,138 | 36,015 |
| Energy consumption intensity | MWh/km ⁶ | 50.74 | 59.58 | 64.75 |
| Electricity consumption ² | KWh | 26,344,059 | 26,673,437 | 28,468,085 |
| Gasoline consumption | Litre | 471,915 | 463,263 | 491,172 |
| Diesel consumption | Litre | 88,078 | 138,053 | 148,008 |
| LPG consumption | tonne | 59 | 58 | 97 |
| Natural gas consumption | m ³ | 14,364 | 13,743 | 31,467 |

APPENDIX

| ESG Indicators | Unit | 2024 | 2023 | 2022 |
|--|---------------------------------|---------|---------|---------|
| Use of resources | | | | |
| Asphalt mixture ⁷ | tonne | 376,628 | 159,117 | 84,840 |
| Cement concrete (new material) ⁸ | tonne | 21,681 | 10,950 | 15,892 |
| Cement concrete (recycled material) | tonne | 0 | 0 | 1,947 |
| Stone material | tonne | 1,167 | 40,516 | 1,134 |
| Environment-friendly snow melting agent ⁹ | tonne | 6,493 | 1,948 | 1,570 |
| Paint | tonne | 20 | 27 | 31 |
| Steel ¹⁰ | tonne | 5,030 | 1,142 | 2,298 |
| Paper for receipts/invoices of toll stations ¹¹ | tonne | 2.00 | 4.67 | 5.22 |
| Water consumption and density | | | | |
| Total water consumption ¹² | m ³ | 242,028 | 352,995 | 378,010 |
| Water consumption per capita | m ³ /person | 104.46 | 165.41 | 174.68 |
| Water consumption per km ¹² | m ³ /km ⁶ | 378.91 | 634.65 | 679.63 |
| Social indicators ¹ | | | | |
| Total workforce | | | | |
| Total employees | Person | 2,317 | 2,134 | 2,164 |
| By gender | | | | |
| Male | Person | 1,277 | 1,193 | 1,197 |
| Female | Person | 1,040 | 941 | 967 |
| By age | | | | |
| 29 and below | Person | 553 | 597 | 677 |
| 30 to 49 | Person | 1,586 | 1,379 | 1,343 |
| 50 and above | Person | 178 | 158 | 144 |
| By employment type | | | | |
| Managerial staff | Person | 191 | 187 | 182 |
| Non-managerial staff | Person | 2,126 | 1,947 | 1,982 |

APPENDIX

| ESG Indicators | Unit | 2024 | 2023 | 2022 |
|--|--------|-------|-------|-------|
| By region | | | | |
| Employees whose registered permanent residence is the province | Person | 2,052 | 1,828 | 1,871 |
| Employee turnover rate | | | | |
| Total turnover rate of employee | % | 6.27 | 7.10 | 9.24 |
| By gender | | | | |
| Male | % | 6.99 | 6.87 | 8.19 |
| Female | % | 5.37 | 7.38 | 10.55 |
| By age | | | | |
| 29 and below | % | 12.91 | 11.03 | 18.91 |
| 30 to 49 | % | 3.00 | 4.44 | 4.02 |
| 50 and above | % | 11.88 | 13.66 | 12.50 |
| By employment type | | | | |
| Managerial staff | % | 4.50 | 3.61 | 4.40 |
| Non-managerial staff | % | 6.43 | 7.42 | 9.69 |
| By region | | | | |
| Turnover rate of employees whose registered permanent residence is in the province | % | 5.26 | 6.97 | 7.80 |
| Health and safety | | | | |
| Work-related fatalities | Person | 0 | 0 | 0 |
| Work-related fatality rate | % | 0 | 0 | 0 |
| Number of work-related injuries | Time | 0 | 0 | 0 |
| Total days lost due to work-related injuries | Day | 0 | 0 | 0 |
| The number of employees trained | | | | |
| Total number of trained employees | Person | 2,317 | 2,134 | 2,164 |
| Percentage of employees trained | % | 100 | 100 | 100 |

APPENDIX

| ESG Indicators | Unit | 2024 | 2023 | 2022 |
|-----------------------------|---------------------|---------|---------|--------|
| By gender | | | | |
| Male | % | 55.11 | 55.90 | 55.31 |
| Female | % | 44.89 | 44.10 | 44.69 |
| By employment type | | | | |
| Managerial staff | % | 8.24 | 8.76 | 8.41 |
| Non-managerial staff | % | 91.76 | 91.24 | 91.59 |
| Training hours of employees | | | | |
| Total training hours | Hour | 123,984 | 117,957 | 99,948 |
| Average training hours | Hour/person | 54 | 55 | 46 |
| By gender | | | | |
| Male | Hour/person | 53 | 56 | 47 |
| Female | Hour/person | 54 | 55 | 46 |
| By employment type | | | | |
| Managerial staff | Hour/person | 67 | 64 | 68 |
| Non-managerial staff | Hour/person | 52 | 54 | 44 |
| Management of suppliers | | | | |
| Total number of suppliers | Number of suppliers | 3,793 | 3,255 | 2,319 |
| By geographical region | | | | |
| In China ¹³ | Number of suppliers | 3,694 | / | / |
| Overseas ¹³ | Number of suppliers | 99 | / | / |

APPENDIX

| ESG Indicators | Unit | 2024 | 2023 | 2022 |
|--|------------|----------------------|----------------|----------------|
| Complaint statistics | | | | |
| Total complaints | Time | 7 ¹⁴ | 62 | 51 |
| Business complaints | Time | 5 | 21 | 34 |
| Service complaints | Time | 2 | 33 | 10 |
| Other complaints | Time | 0 | 8 | 7 |
| Anti-corruption | | | | |
| Number of corruption cases filed or closed | Case | 0 | 0 | 0 |
| Number of anti-corruption trainings provided for directors and employees | Time | 81 | 32 | 29 |
| Number of directors attending anti-corruption trainings | Person | 4 | 4 | 7 |
| Number of employees attending anti-corruption trainings | Person | 2,205 | 1,295 | 1,417 |
| Total hours of anti-corruption trainings for directors | Hour | 64 | 60 | 46.5 |
| Total hours of anti-corruption trainings for employees | Hour | 8,831 | 7,786 | 7,228 |
| Directors attending anti-corruption trainings | Attendance | 64 | 56 | 46 |
| Employees attending anti-corruption trainings | Attendance | 8,831 | 6,491 | 6,679 |
| Community investment | | | | |
| Community charity investment – public welfare donation | RMB10k | 14.83 | Not applicable | Not applicable |
| Community charity investment – volunteer hours | Hour | 70,000 ¹⁵ | 1,994 | 68,000 |

APPENDIX

Notes:

1. The ESG data of 2024 covers the headquarters and all subsidiaries of Yuexiu Transport. Among them, Pinglin Company's full-year 2024 ESG data has been included in the statistical scope. Jinfu Company completed its equity transfer on 18 December 2024, and therefore falls outside this year's ESG statistical scope. Pinglin Company was merged into the Group on 27 November 2024 while its data prior to this date has been classified as external data and is for reference only.
2. In 2024, we refined the management of vehicle category caliber and calibrated the emission data of NO_x, SO₂ and particulate matter in 2023 to reflect actual operational emissions.
3. Carbon emissions only refer to carbon dioxide emissions, excluding greenhouse gases such as methane and nitrous oxide emitted by other sources.
4. The calculation of greenhouse gas emissions refers to the Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions from Other Industrial Enterprises and the Guidelines on Reporting of Environmental Key Performance Indicators in Appendix II of the Stock Exchange How to Prepare Environmental, Social and Governance Reports. Among them, the carbon emission factor of purchased electricity is calculated according to the greenhouse gas emission performance data in 2024, referring to the national average carbon dioxide emission factor for electricity disclosed in the Announcement on Release of Carbon Dioxide Emission Factors for Electricity in 2022 issued by the Ministry of Ecology and Environment in December 2024.
5. According to 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.
6. The kilometer values in the data list are calculated based on the total toll mileage (calculated by 100%) of the holding company. The decrease in energy consumption intensity per km and greenhouse gas emission density per km was mainly due to the expansion of the Company's operational scale. During the reporting period, the total toll mileage increased by 82.6 km, and the larger operational mileage base diluted the consumption and emissions per unit distance, leading to the reduction of these indicators.
7. In 2024, some projects, including GNSR, Suiyuanan, Lanwei, Weixu, and Changzhu, expanded their pavement engineering or increased investment in special projects, resulting in an increase in the production of waste asphalt concrete and asphalt mixtures.
8. In 2024, Yuexiu (Hubei) Company carried out special roadbed construction; Weixu added a new reservoir construction project, resulting in an increase in the use of cement concrete (new material).
9. In early 2024, Hunan, Hubei and Henan were hit by several rounds of rains and snow, leading to an increase in the use of environment-friendly snow melting agents.
10. In 2024, the construction of the GNSR Expressway R&E Project commenced in full swing, Yuexiu (Hubei), Suiyuanan, Lanwei and Changzhu embarked on specialised projects related to the use of steel such as the renovation of traffic safety facilities, resulting in an increase in the use of steel.
11. In 2024, the Company continued to promote paperless toll stations on expressways and bridges. Projects of Yuexiu (Hubei) Company, Suiyuanan Company and Cangyu Company have fully achieved online issuance of toll invoices, resulting in a decrease in the paper for receipts/invoices of toll stations.
12. In 2024, each project company strengthened water resource management and increased inspections for waste, running, dripping, leaking and seeping, reducing water consumption. The decrease in water consumption per km was mainly due to a reduction in total water usage and an expansion of the operational mileage base, which diluted water consumption per unit distance.
13. In 2024, we optimised the geographical categorisation of our suppliers by aligning the statistical caliber of our domestic and foreign suppliers to match our business practices.
14. In 2024, we optimised the definition of complaint-related indicators, specifying them as the total number of attributable complaints directly caused by the company's management or service failures, which enables more precise evaluation and improvement of operational effectiveness, resulting in a decline in complaints across all categories during the year.
15. In 2024, employees of Yuexiu Transport participated in about 70,000 hours of volunteer service.

APPENDIX

FEEDBACK

Dear readers,

Thank you for reading this Report! This is our 2024 Environmental, Social and Governance (ESG) Report. We do wish that you can make a comment on this Report and present your valuable advice to help us continue to improve it.

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

Feedback on the Environmental, Social and Governance Report of Yuexiu Transport Infrastructure Limited 2024

Name

Company

Position

Tel.

Email

Your comment: (please tick as appropriate)

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

Which part are you most interested in?

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

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