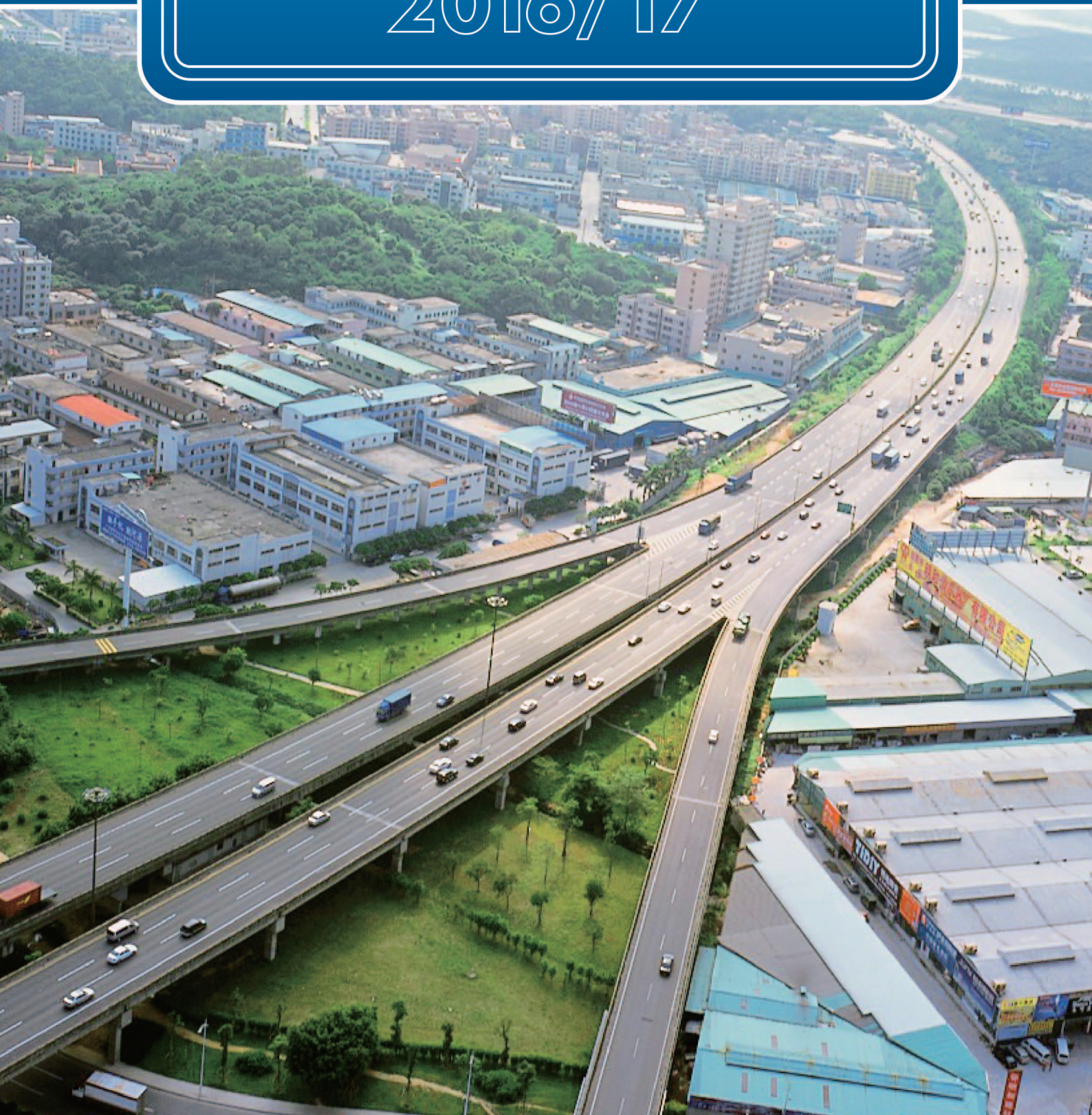




Hopewell Highway Infrastructure Limited

SUSTAINABILITY REPORT 2016/17



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ABOUT THIS REPORT

Scope of report

This Sustainability Report ("Report") presents our approach to sustainability and our performance in the economic, environmental and social aspects of our business during the period between 1 July 2016 and 30 June 2017 inclusive. It includes our core expressway infrastructure business in the Guangdong Province.

How we report

This is the sixth sustainability report published by HHI. It covers topics that reflect the most significant impacts from our operations, identified by our management and through ongoing engagement with stakeholders.

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide, Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEx ESG Reporting Guide), and has been verified independently by the Hong Kong Quality Assurance Agency (HKQAA).

The Report outlines a brief overview of our business and corporate social responsibility (CSR) performance and is integrated into the HHI Annual Report. For more details on corporate governance, regulatory issues and directors' remuneration, please refer to our Annual Report 2016/17 (downloadable at http://www.hopewellhighway.com/WebSite_en/ir/ir_ai.htm).

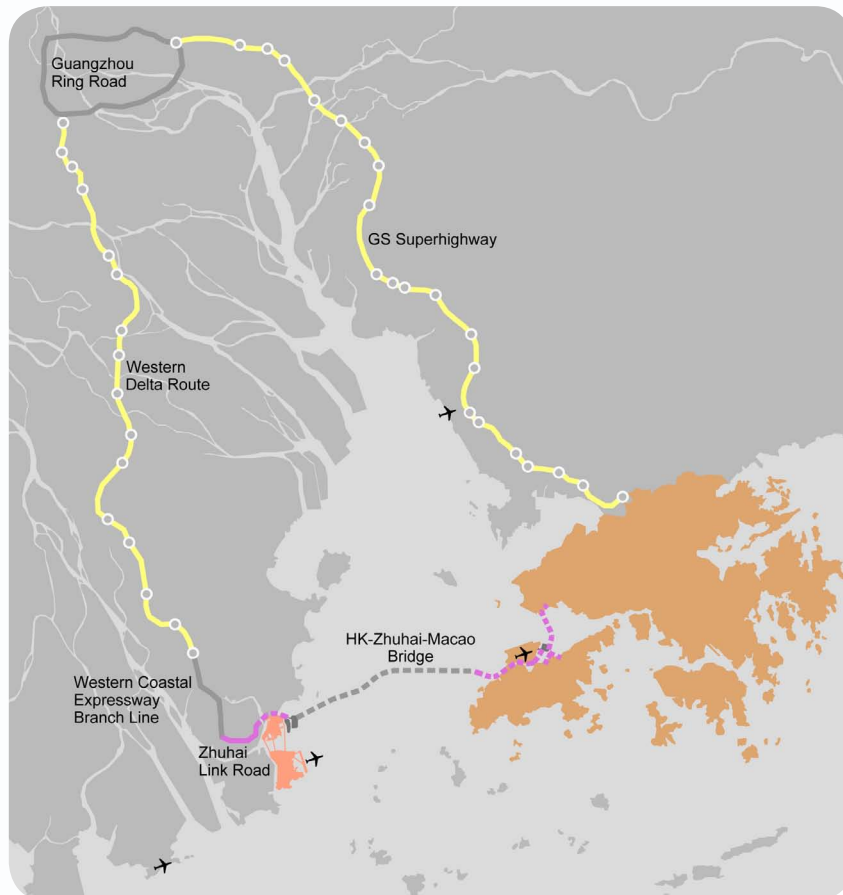


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ABOUT HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

HHL operates two major expressways in the Guangdong Province, providing connectivity throughout the PRD region: the 122.8km GS Superhighway and the 97.9km Western Delta Route.



We operate these expressways through JV companies with Guangdong Provincial Highway Construction Company Limited. The GS Superhighway is one of the busiest expressways in the PRC and serves to connect the PRD's three major cities – Guangzhou, Dongguan, Shenzhen and Hong Kong, whilst the Western Delta Route is the main connecting road within western PRD and connects Guangzhou, Foshan, Zhongshan and Zhuhai.

HHL is listed on the Main Board of The Hong Kong Stock Exchange (stock code: 737 (HKD counter) and 80737 (RMB counter)) as a major subsidiary of HHL.

Our Core Sustainability Values

Sustainability continues to be integrated into our daily operations and business decision-making process. We consider protecting the environment and the local community where we operate as an important component in the way we operate. We believe the success of HHI is highly correlated with the well-being of its surrounding environment and communities. To achieve this, we are guided by our four core sustainability values:



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GOVERNANCE STRUCTURE



HHL is governed by the Board, which members are made up of four Executive Directors, including the Chairman, and four Independent Non-executive Directors. The Chairman's responsibilities are separate from those of the Managing Director so that there is a clear division of duties. The Board is responsible for setting the strategic direction and policies of the Group, inclusive of sustainability-related initiatives and supervising the management structure. In terms of risk management, the Board is responsible for identifying and assessing ESG-related risks and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The Board's risk management approach has been deemed effective during the reporting year with no reported incidents of ESG-related malpractices.

All staff members support our risk management process by taking the responsibility to evaluate, understand and report risk issues within their areas of responsibilities to their supervisors. Reporting to Executive Directors and mitigation measures are put in place when appropriate and necessary.

Our Sustainability Steering Committee was jointly established with our parent company, HHL, in 2011 as part of the HHL long-term development towards sustainability. It is made up of representatives from senior management and chaired by the Managing Director which reports to the

Board. The Sustainability Steering Committee serves as an important driver of our sustainability programmes. Its duties are:

- To establish and review the Group's corporate sustainability vision, strategies and principles.
- To adopt policies and practices, approve initiatives and budgets, formulate objectives, key performance indicators and measures to oversee the Group's performance in relation to corporate sustainability issues.
- To monitor progress in implementing initiatives, policies and practices, review quality and effectiveness and make recommendations to the Board where appropriate.
- To give directives to the working groups on the implementation of sustainability initiatives.
- To receive regular reports from designated executive(s) regarding the performance of the working groups and the Group's corporate sustainability performance.

Our CSR Sub-Committee is responsible for the implementation, management and monitoring of sustainability initiatives as instructed by the Sustainability Steering Committee. Meetings are held periodically to report and update the progress of sustainability initiatives.

STAKEHOLDER ENGAGEMENT

We define our key stakeholders as those who are impacted by the activities and decisions of our business, and we believe consulting with them is an integral part of our commitment to sustainability. Since we began reporting in FY12, we have developed long-term relationships with our stakeholders through various engagement channels to understand the impacts of our business and to address their issues of concern. To embed our sustainability efforts into our long-term business planning, this year we conducted interviews with senior management to obtain updated information and progress related to the social and environmental aspects of the business.

Our key stakeholder groups and corresponding communication channels include:

Key stakeholder groups	Communication channels	Areas of concern
Investors and Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • Investor briefing and press conferences • Face-to-face meetings • Conference calls • Corporate website • Financial reports 	<ul style="list-style-type: none"> • Safety awareness • Response to accidents • Improve traffic efficiency • Emissions • Noise disturbance • Air pollution • Training and development • Employee well-being • Customer satisfaction • Community initiatives
JV Partners	<ul style="list-style-type: none"> • Independent interviews • Regular meetings 	<ul style="list-style-type: none"> • Safety awareness • Response to accidents • Improve traffic efficiency • Emissions • Noise disturbance • Air pollution • Training and development • Employee well-being • Customer satisfaction • Community initiatives
Employees	<ul style="list-style-type: none"> • Training, seminars, briefing sessions • HH Social Club activities • 24-hour Employee Assistance Programme Hotline • Face-to-face meetings • Independent focus groups and interviews • Recreational and volunteering activities 	<ul style="list-style-type: none"> • Safety awareness • Response to accidents • Improve traffic efficiency • Training and development • Employee well-being • Customer satisfaction • Community initiatives
Community & Non-governmental Organisations	<ul style="list-style-type: none"> • Employee volunteering activities • Programmes initiated by NGOs • Organising public events • Independent interviews 	<ul style="list-style-type: none"> • Emissions • Noise disturbance • Air pollution • Community initiatives
Expressway Users	<ul style="list-style-type: none"> • Independent interviews • Free travel handbooks to road users • Service booths for public enquiries 	<ul style="list-style-type: none"> • Safety awareness • Response to accidents • Improve traffic efficiency • Customer satisfaction

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With input from our stakeholders, the four major material topics for our operations remain the same as previous years:



ROAD SAFETY & TRAFFIC EFFICIENCY

Our top priority has always been to maintain a safe, reliable and smooth traffic environment to ensure the safety and efficiency of our road users and their passengers. We understand their need to arrive at destination quickly and safely, and we have implemented various efficiency and safety initiatives to achieve this. Similarly, the safety of our employees is also just as important to us. Our frontline staff are trained to be cautious and safe when conducting tasks on the expressways.

Safety Awareness

We are committed to providing a safe and secure workplace for all employees and site staff by creating a work culture that values safety in our daily operations.

To do so, each JV company has designated staff responsible for work safety issues where meetings, educational activities and safety inspection works are conducted on a regular basis. Each year, we also implement Safety Operation Month to enhance the knowledge of work safety laws, promote safe operation culture and strengthen the awareness of safety among staff. This programme includes:

- Road safety promotion campaign
- Safety operation education seminar
- Safety operation knowledge contests
- Fire safety drills

Other continuous efforts to increase the safety and comfort of our road users include the use of signboards. This year, both the GS Superhighway JV and the West Route JV installed in total 14 new road signboards along local roads connected to our expressways in Shenzhen, Foshan and Zhongshan. These road signboards provide road users with clear direction, allowing convenient access onto our expressways.

Up-to-date traffic information and road conditions are also released to the public in a timely manner through changeable message signboards along the expressways, a provincial customer service website (www.02096998.com), a provincial customer service mobile application, and WeChat platform.

Response to Accidents

Accidents along the expressway can cause large-scale traffic congestion in a short time span. To reduce the amount of down time between when an accident takes place and the arrival of rescue personnel and/or traffic police, the GS Superhighway JV employs in-house rescue teams who are on standby 24-hours a day to attend to accidents. Adding this service to our operations not only allows the injured to be evacuated more quickly, it also significantly reduces the time needed to restore normal traffic conditions and operation. Our rescue team is also trained to manage and direct traffic to avoid confusion to drivers as a result of sudden change of road conditions caused by accidents. Our well-trained and professional rescue team is equipped with 52 towing vehicles and 21 patrol vehicles.

Furthermore, both JV companies operate closely with traffic police. Through regular joint meetings and surveillance cameras sharing, we are able to increase the efficiency in handling traffic accidents and promote the importance of traffic safety along both expressways.

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Road Safety Awards

GS Superhighway JV was awarded the 'Advanced Unit for the Maintenance and Management of Expressways in Guangdong Province in the National 12th Five-Year Plan period' by the Guangdong Provincial Communications and Transportation Department for efforts in maintaining road safety.

GS Superhighway JV performed exceptionally well by upholding the highest safety standards through the establishment of procedures and effective management systems. Its achievements in operations and traffic safety have been recognised by the Guangdong Provincial Communications Department, which awarded the GS Superhighway the '2016 Safe Highway Model in Guangdong Province'.

West Route JV was awarded the champion of 'Guangdong Provincial Enterprises Management Modernized Innovation Achievement' by the Economic and Information Commission, the State-owned Assets Supervision and Administration Commission, the Human Resources and Social Security Department and the Federation of Trade Unions of Guangdong Province. Our JV company established a mechanism to work closely with traffic police to respond to traffic accidents and congestions in a timely and efficient manner. It demonstrated West Route JV's commitment to the continuous upgrade of traffic safety management.



Improve Traffic Efficiency

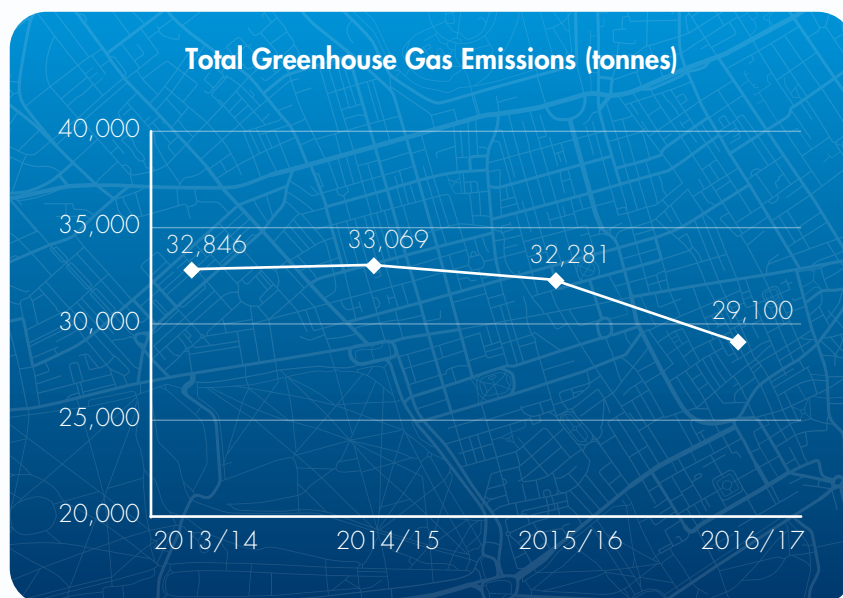
To increase traffic efficiency at toll plazas, this year we added four toll lanes with Electronic Toll Collection (ETC) payment options. Three lanes were added along the GS Superhighway and one was added along the Western Delta Route. Based on our previous experience with such installation, traffic flow through a toll lane can increase from two cars per minute to nine cars per minute. We received positive response from users with views that ETC increased traffic efficiency at toll plaza, especially during rush hour periods. We will consider installing more ETC toll lanes in the future based on road users' demand.

ENVIRONMENT

Key environmental issues pertaining to our operations include emissions, noise and air pollution. To address them, we are committed to incorporating energy saving and greenhouse gas reduction measures in our business operations and to actively monitoring the emission reduction results. Although we have limited control over the amount of noise disturbance and air pollutants emitted by our road users, as the operator of the expressways, we continue to take the initiative to provide mitigation measures so that nearby communities are not adversely impacted.

Emissions

Emission sources from our operations come from energy consumption in our offices, road lighting and toll plazas, as well as emission from our company car fleet. During the reporting year, our total greenhouse gas emission is estimated to be 29,100 tonnes of carbon dioxide, the lowest record since we began collecting data.



All conventional low mast sodium lamps had been replaced with LED lights on the 122.8km main alignment of the GS Superhighway in 2013, while last year we refitted high-pole lamps with energy saving lights to further reduce our electricity usage. As for the Western Delta Route, LED lights along tunnel sections and toll plazas were undertaken in 2013. Thirty-four wind and solar powered surveillance cameras are in operation along the Western Delta Route.

We continue to seek opportunities to expand our green car fleet. Currently, we have three petrol-electric hybrid vehicles and one electric vehicle (EV) for our operations. Two of them are available to our employees for cross-border business trips between Hong Kong and Mainland China. The use of petrol-electric hybrid vehicles reduces about 40% of fuel consumption compared to our other conventional vehicles.

With the implementation of these emissions lessening initiatives, we have reduced our overall carbon dioxide emissions in the past three years. We have also gradually increased the use of renewable energy in our daily operations through the installation of wind and solar powered surveillance cameras, which generated 29.78 MWh of renewable energy this year.

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New Electric Vehicle Charging Stations

The Guangdong Provincial Government issued the 'Guidance on EV Charging Infrastructure Development in 2016-2020 of Guangdong Province' that sets targets for the region to support and encourage the use of EVs. Following these guidelines, we installed six 60 kilowatt EV chargers on the GS Superhighway at Houjie service area. The targeted location is an important transport hub with heavy traffic flow connecting Guangzhou and Shenzhen which have an increased demand for EV charging infrastructure.



Noise Disturbance

Traffic noise generated from vehicles on our expressways can disturb nearby residents and communities. To minimise noise impacts on residents, we have installed more than 6.1 km of noise barriers along sections of the Western Delta Route where nearby population density is high in the last three years.

Air Pollution

Particulate matter, nitrogen oxides and carbon monoxide are examples of some of the pollutants generated from fuel combustion of vehicles which could affect human health if people exposed to high concentrations. In order to minimise the amount of air pollutants generated by our road users, we continue to maintain smooth traffic conditions to reduce the amount of time vehicles spent on the expressway. As a new initiative this year, we also began providing supporting facilities for EVs with hopes that increased EV usage along the expressway would reduce the amount of air pollutants emitted by road users.

EMPLOYEE DEVELOPMENT

The well-being of our employees directly correlates with the success of our business. We value each of our employees and are committed to providing them with a rewarding and fulfilling work environment to encourage them to succeed and thrive in their career.

We are an equal opportunity employer and are committed to eliminating discrimination of all forms in the workplace from race to gender, marital status to sexual orientation among others. Employment, promotion, salary review and redeployment are made based on individuals' skills and performance. Both JV companies operate in compliance with all relevant local rules and regulations, and our senior managers work closely with our JV partners to ensure all workers employed by our JV companies are treated fairly.

Our business operates in compliance with all local rules and regulations. Our Code of Conduct and Whistleblowing Policy are available on our intranet and can be accessed by staff members at any time. During the reporting year, there were no concluded legal cases regarding corrupt practice brought against the Group or our employees.

Training and Development

We continue to invest in the professional and personal development of our staff by offering training courses and workshops. This year, we offered management-level training to senior staff, conducted fire drills to increase safety awareness and held a toll collection contest to make their daily work lives more fun and exciting.



GS Superhighway JV

38 managerial staff participated in a 4-day training programme organised by the MBA Education Centre in Guangdong University of Foreign Studies to enhance leadership skills



GS Superhighway JV

45 administrative staff participated in a fire precautions training given by Human Fire Brigade in Dongguan in December 2016



West Route JV

Skills and techniques contests were held for road administration staff to stimulate staff morale and enhance efficiency

In the GS Superhighway JV:

22.19
average training hours
are completed by
female employees

20.86
average training hours
are completed by
male employees

17.97
average training hours
are completed by
senior management

22.52
average training hours
are completed by
general staff

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Eagles Training Program

This year, the GS Superhighway JV organised a nine-month Eagles Training Program to nurture 29 high-talented employees of the corporate team. Qualified participants need to be a full-time staff with relevant educational background and a ranking of deputy supervisor or below. At the beginning of the programme, each participant created a monthly action plan for their personal and professional development under the guidance of assigned mentors at the JV companies' senior management level. It was soon followed by a series of training activities and evaluation sessions focusing on various topics such as self-assessment, analytical and problem-solving skills, as well as stress and pressure management. Participants are expected to complete the programme in December 2017.



Employee Well-being

This year, we continued to provide activities and events to promote the well-being of our staff. To nurture their physical health, we organised sports competitions. To enhance their well-being, we organised festive celebrations and a cooking contest.



Sports

178 staff from the West Route JV participated in a badminton competition in August 2016



Sports

Over 260 staff from the GS Superhighway JV joined a mini marathon held at Huayang Lake Wetland Park in Dongguan on 22 December 2016



Well-being

24 staff from the West Route JV took part in a cooking contest in October 2016



Well-being

Both JV companies held Annual Dinners to celebrate the 2017 Spring Festival



Sports

The West Route JV organised the second sports competition with the participation of around 800 employees



Well-being

Both JV companies' management visited front-line staff during the hot summer to deliver refreshing drinks

CUSTOMERS AND COMMUNITIES

We understand customers' experiences can vary along different sections of the expressways and whilst our toll plaza staff are available to address some of their concerns, their main task is toll collection and they have limited capacity to take on our customers' feedbacks. Realising the importance of better understanding our customers' experiences, we welcome their feedback so that we can identify opportunities for improvement.

Aside from providing road access to nearby areas, we also contribute as best as we can to the local community by organising and participating in activities that give back to the communities in which we operate.

Customer Satisfaction

Grievance channels are available to collect customer feedback for continuous improvement of our operations. Both JV companies provided a 24-hour customer service hotline to address customer needs and complaints. Feedback handling procedures are also implemented to ensure all of our customer comments and concerns are channelled properly with appropriate action taken according to the Operation Handbooks of both JV companies.

During FY17, the complaint rate was 0.00014%¹. Compared to the complaint rate in FY16 at 0.0003%, the complaint rate in the current year was half of that of the

previous year. The majority, 89%, of the complaints were related to tariff rate scheme or toll road policies applicable to all toll roads in Guangdong as announced by the Guangdong Provincial Government. The remaining 11% was related to individual service issues. Separately, we received 87 commendations related to retrieving lost items and for assistance in resolving vehicle breakdown problems.

To protect our customers' privacy, we have internal guidelines to ensure that all traffic data and road user transaction records are only used for our operational needs. Both JV companies are required to follow these security guidelines to ensure road users' personal information is not used externally.

Similar to previous years, both JV companies launched a month-long campaign to raise service standards and maintain customer satisfaction. As part of this campaign, we continued to distribute free travel handbooks and emergency medicines to road users. Service consultation points were set up for public enquiries.

We are mindful of the needs that our customers have while they are on the road. That is why this year we have introduced a variety of food and beverage options into Shunde service area on the Western Delta Route. New restaurants including popular coffee chains and fast food eateries are established as part of this service area's transformation to provide more services to road users.

Good Deeds by Our Highway Staff

Our front-line staff often encounter situations where they need to go above and beyond their required duties to help road users in need. From loss of personal belongings to providing medical aid, we are proud of the great work that our staff has done to help those in need.

Case 1:

At the GS Superhighway, our maintenance team employee found a bag in the self-service lane containing a wallet, bank cards, cash and other documents. He gave it back to the owner with the help of other staff at Luogang Toll Station.

Case 2:

At the West Route JV, our staff identified an escaped cow wandering along the expressway near Shunde Toll Station. He was able to identify its origin and returned it to its owner.

Case 3:

At Ronggui Toll Station along the Western Delta Route, staff assisted a pregnant woman in labour on the expressway to the hospital for delivery by coordinating with ambulances, patrols and traffic police to ensure that she is safe and arrives at the hospital in a timely manner.

¹ Number of complaints divided by total traffic.

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Community Initiatives

Our business operation is actively involved in the communities in which we operate. We invest significant resources in the communities focusing on four areas: environmental protection, community engagement, youth development and elderly care.

Focus Category	Community Initiatives
Environmental Protection	<ul style="list-style-type: none"> Staff from both JV companies participated in Tree Planting activities this year. Staff from both JV companies participated in the World Wildlife Fund (WWF) Earth Hour in March 2017.
Community Engagement	<ul style="list-style-type: none"> From July through October 2016, 75 volunteers from both JV companies participated in blood donations in Shunde District and Luogang District. In October 2016, our staff joined "Race to Feed 2016" relay race organised by Heifer Hong Kong and obtained excellent results. Volunteers from both JV companies provided extra services to road users heading home during the travel peak before the Spring Festival in January and February 2017. Our staff voluntarily supported programmes including "Dress Casual Day", "Love Teeth Day", "Mooncakes for Charity" and "Walks for Millions" organised by The Community Chest of Hong Kong.
Youth Development	<ul style="list-style-type: none"> Staff from the GS Superhighway JV visited a Speech Training Centre for deaf-mute children in Dongguan in October 2016 and April 2017 respectively. Since 2010, the West Route JV has organised visits to rural primary schools every year. In July 2016 more than 30 staff visited a primary school in Meizhou and donated about 40 tables and 100 sets of teaching materials to the students.
Elderly Care	<ul style="list-style-type: none"> The GS Superhighway JV held a visit to an elderly home in Luogang District, Guangzhou in March 2017.

GS Superhighway JV's Volunteer Corps

The GS Superhighway JV consolidated their four volunteering teams across Guangzhou division, Dongguan division, Shenzhen division and head office to establish the "GS Superhighway Volunteer Corps" in 2017. As the first volunteer service corps in the Guangdong Province transportation industry, the corps is made up of more than 1,200 volunteering staff, amounting to more than half of the number of staff in the GS Superhighway JV. The Volunteer Corps is registered under the Guangdong Provincial Committee of the Communist Youth League, Guangdong's Committee Office of Spiritual Civilization Construction and Guangdong Volunteers Association.

Since 2006, the original four teams have already been involved in volunteering work individually. Participants provided supporting services at the Olympic Games and the Asian Games, set up service stations for road users during the Spring Festival, and visited elderly homes and so on.

Their efforts have been recognised by the local government and the volunteer union. They received the 'Best Organisation in Volunteering Services' and 'Outstanding Team' awards. A number of volunteers have also been awarded 'Five-star Volunteers' in Guangdong Province, Dongguan City and Shenzhen City.

The purpose of establishing this Volunteer Corps is to enhance the quality of volunteer service through consolidating resources and efforts to build up a volunteer service brand as well as to perform volunteer service activities in a more organised, standardised, directional and collective manner.



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APPENDIX: ENVIRONMENTAL PERFORMANCE TABLE

		FY14			FY15			FY16			FY17		
Indicator	Unit	GS			GS			GS			GS		
		Superhighway	West Route	Total	Superhighway	West Route	Total	Superhighway	West Route	Total	Superhighway	West Route	Total
		JV	JV		JV	JV		JV	JV		JV	JV	
Energy use													
Purchased electricity	MWh	21,702	10,216 ⁽⁵⁾	31,917	21,823	10,653 ⁽⁵⁾	32,476	21,880	10,741 ⁽⁵⁾	32,621	20,306	10,428 ⁽⁶⁾	30,734
(non-renewable)	GJ	78,125	36,777	114,903	78,564	38,349	116,913	78,769	38,668	117,437	73,102	37,541	110,642
Intensity of electricity consumption	MWh/per person	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.05	10.32	9.45
Renewable energy ⁽¹⁾	MWh	–	12.87	12.87	–	12.79	12.79	–	15.42	15.42	–	29.78	29.78
	GJ	–	46.33	46.33	–	46.03	46.03	–	55.50	55.50	–	107.20	107.20
Diesel	Litres	439,872	23,110	462,982	408,610	19,136	427,746	320,448	21,443	341,890	245,523	17,419	262,942
	GJ	15,774	829	16,603	14,653	686	15,339	11,491	769	12,260	8,804	625	9,429
Petrol	Litres	509,007	275,949	784,956	485,867	275,110	760,977	430,244	278,729	708,972	354,702	275,312	630,014
	GJ	16,380	8,880	25,260	15,635	8,853	24,488	13,845	8,969	22,815	11,414	8,860	20,274
LPG	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	112	67	179	104	68	172
Emission													
Direct CO ₂ e emissions	Tonnes	2,598	811	3,409	2,448	798	3,246	2,053	814	2,868	1,641	794	2,435
Electricity indirect													
CO ₂ e emissions ⁽²⁾	Tonnes	20,015	9,422	29,437	20,040	9,783	29,823	19,602	9,810	29,413	17,617	9,047	26,665
SOx	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	0.11	0.07	0.18	0.10	0.07	0.17
NOx	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	28	15	43	25	15	40
Water													
Fresh water used	m ³	392,869	126,231 ⁽⁵⁾	519,100	365,829	165,077 ⁽⁵⁾	530,906	333,686	151,718 ⁽⁵⁾	485,404	385,853	143,596 ⁽⁶⁾	529,449
Intensity of water consumption	m ³ /per person	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	171.91	142.17	162.76
Waste ⁽³⁾													
Non-hazardous waste disposal	Tonnes	N/A	N/A	N/A	N/A	N/A	N/A	4,334	404	4,738	6,521	1,858	8,379
Materials used ⁽⁴⁾													
Cement	Tonnes	17,494	186	17,680	10,831	290	11,121	11,496	739	12,235	8,394	11	8,405
Steel	Tonnes	4,557	1	4,558	2,001	70	2,071	1,777	17	1,794	1,415	10	1,425
Steel strand	Tonnes	86	0	86	65	0	65	105	0	105	2,383	0	2,383
Bitumen	m ³	9,122	0	9,122	9,943	562	10,505	4,972	1,225	6,197	17,716	895	18,611

Notes:

- (1) Estimated data based on the energy consumption of a total of 34 surveillance cameras powered by micro wind and solar power on the Western Delta Route. During the reporting year, 8 new cameras were installed.
- (2) Calculation based on the purchased electricity figures and applied the default Mainland China Southern Grid emission factor of 867.6gCO₂/kWh.
- (3) Data refer to the collection of waste caused by road users and natural environment along the GS Superhighway and the Western Delta Route. Data is affected by the change of traffic flow, weather conditions and the frequency of road cleaning, resulting in a higher year – on – year fluctuation.
- (4) The consumption of materials for repair and maintenance works on the GS Superhighway and the Western Delta Route were included.
- (5) Estimated data quoted last year was revised to actual data.
- (6) Data from April to June in 2017 at some toll stations were estimated based on monthly usage from July 2016 to March 2017.

APPENDIX: SOCIAL PERFORMANCE TABLE

		FY14		FY15		FY16		FY17	
Indicator	Unit	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV
Total Full-time Workforce									
by Location	no.								
Hong Kong		3	2	3	1	3	1	3	1
Mainland China		2,581	949	2,485	925	2,339	981	2,240	1,009
Total HK and China Employees	no.	2,584	951	2,488	926	2,342	982	2,243	1,010
by Gender	%								
Female		39.09	39.12	38.22	40.93	38.04	41.24	37.54	42.08
Male		60.91	60.88	61.78	59.07	61.96	58.76	62.46	57.92
by Age Group	%								
Under 30 years old		52.09	72.34	48.43	70.19	48.93	70.88	50.69	67.43
30–50 years old		45.47	25.66	48.27	27.97	47.57	27.70	45.61	30.59
Over 50 years old		2.44	2.00	3.30	1.84	3.50	1.43	3.70	1.98
by Employment Category	%								
Senior Management		0.35	0.84	0.36	0.65	0.38	0.61	0.41	0.59
Managerial		1.32	1.89	1.33	1.62	1.32	1.32	1.11	1.19
General		98.34	97.27	98.31	97.73	98.29	98.07	98.48	98.22
Minority groups within workforce	%	1.86	2.10	2.49	1.94	2.39	2.04	2.27	1.98
Governance Bodies									
by Gender	no.								
Female		1	0	1	0	0	0	0	0
Male		9	8	9	8	10	8	10	8
by Age Group	no.								
Under 30 years old		0	0	0	0	0	0	0	0
30–50 years old		5	6	6	6	5	5	1	3
Over 50 years old		5	2	4	2	5	3	9	5
Employee turnover rate	no. (%)	341 (13.20)	180 (18.93)	364 (14.63)	173 (18.68)	539 (23.01)	160 (16.29)	479 (21.36)	185 (18.32)
by Gender	no. (%)								
Female		163 (6.31)	71 (7.47)	165 (6.63)	71 (7.67)	201 (8.58)	59 (6.01)	162 (7.22)	77 (7.62)
Male		178 (6.89)	109 (11.46)	199 (8.00)	102 (11.02)	338 (14.43)	101 (10.29)	317 (14.13)	108 (10.69)
by Age Group	no. (%)								
Under 30 years old		273 (10.57)	158 (16.61)	295 (11.86)	156 (16.85)	359 (15.33)	119 (12.12)	300 (13.38)	148 (14.65)
30–50 years old		60 (2.32)	22 (2.31)	59 (2.37)	14 (1.51)	169 (7.22)	37 (3.77)	161 (7.18)	37 (3.66)
Over 50 years old		8 (0.31)	0 (0.00)	10 (0.40)	3 (0.32)	11 (0.47)	4 (0.41)	18 (0.80)	0 (0.00)
New Employee	no. (%)	344 (13.31)	171 (17.98)	269 (10.81)	196 (21.17)	395 (16.87)	173 (17.62)	399 (17.79)	173 (17.13)
by Gender	no. (%)								
Female		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	141 (6.02)	63 (6.42)	121 (5.40)	71 (7.03)
Male		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	254 (10.85)	110 (11.20)	278 (1.24)	102 (10.10)
by Age Group	no. (%)								
Under 30 years old		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	383 (16.35)	150 (15.27)	386 (17.21)	159 (15.74)
30–50 years old		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	12 (0.51)	23 (2.34)	13 (0.58)	14 (1.39)
Over 50 years old		N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
Employees covered under collective bargaining agreement	%	100	100	100	100	100	100	100	100
Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	no.	1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month
Occupational Injuries									
by Region	no.								
Hong Kong		0	0	0	0	0	0	0	0
Mainland China		8	1	7	2	7	3	5	2
by Gender	no.								
Female		2	1	1	1	2	0	1	0
Male		6	0	6	1	5	3	4	2
Lost Days due to Injuries	Days	N/A	18	N/A	178	412	440	230	142
Work-Related Fatalities	no.	0	0	0	0	1	0	0	0
Rate of injury per 1000 employees	%	3.10	1.05	2.81	2.16	2.99	3.05	2.23	2.22
Employees receiving regular performance reviews	%	100	100	100	100	100	100	100	100

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APPENDIX: HKE_x ESG REPORTING GUIDE INDEX TABLE

Details	Section Found	Explanation
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.	Appendix: General Disclosures	
The types of emissions and respective emissions data.	1.1 Environmental Performance Tables	
Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.2 Environmental Performance Tables	
Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.3	The KPI is not relevant to our business. Waste was not identified as a key material issue for our Company. Reference can be made to the 2015/16 HHI Sustainability Report.
Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	1.4 Environmental Performance Tables	
Description of measures to mitigate emissions and results achieved.	1.5 Environment	
Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	1.6	According to the result of our environmental assessment, our environmental section focuses on management of carbon emissions, noise and air pollution. Management of waste is not defined as a material issue for our Company.
A2 – Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Appendix: General Disclosures	
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).	2.1 Environmental Performance Tables	
Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.2 Environmental Performance Tables	
Description of energy use efficiency initiatives and results achieved.	2.3 Environment	
Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	2.4	According to the result of our environmental assessment, our environmental section focuses on management of carbon emissions, noise and air pollution. Sourcing water is not defined as a material issue for our Company.
Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.5	Packaging materials for finished products are minimal due to the business nature of the Group.

Details	Section Found	Explanation
A3 – The Environment and Natural Resources		
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Appendix: General Disclosures	
Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1	This is not considered as material given that there was no new expressway under construction and hence no significant impact on the environment and natural resources.
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.	Appendix: General Disclosures	
Total workforce by gender, employment type, age group and geographical region.	1.1 Social Performance Table	
Employee turnover rate by gender, age group and geographical region.	1.2 Social Performance 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.	Appendix: General Disclosures	
Number and rate of work-related fatalities.	2.1 Social Performance Table	
Lost days due to work injury.	2.2 Social Performance Table	
Description of occupational health and safety measures adopted, how they are implemented and monitored.	2.3 Road Safety & Traffic Efficiency	
B3 – Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Employee Development Appendix: General Disclosures	
The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.1 Employee Development – Training and Development	
The average training hours completed per employee by gender and employee category.	3.2 Employee Development – Training and Development	

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Details	Section Found	Explanation
B4 – Labour Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	Appendix: General Disclosures	
Description of measures to review employment practices to avoid child and forced labour.	4.1	We are committed to preventing forced and child labour. The Group's senior management works closely with our partners to make every effort to prevent forced and child labour in JV companies.
Description of steps taken to eliminate such practices when discovered.	4.2	During the year under review, no operation has been identified as having significant risk of child labour and forced labour.
B5 – Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.	Appendix: General Disclosures	
Number of suppliers by geographical region.	5.1	Appendix: General Disclosures
Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.2	Appendix: General Disclosures
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.	Road Safety and Traffic Efficiency; Appendix: General Disclosures	
Percentage of total products sold or shipped subject to recalls for safety and health reasons.	6.1	The KPI is not relevant to our business. HHI does not sell or ship products to road users.
Number of products and service related complaints received and how they are dealt with.	6.2	Customers and Communities – Customer Satisfaction
Description of practices relating to observing and protecting intellectual property rights.	6.3	The KPI is not relevant to our business.
Description of quality assurance process and recall procedures.	6.4	The KPI is not relevant to our business. HHI does not sell products and thus recalling products is irrelevant.
Description of consumer data protection and privacy policies, how they are implemented and monitored.	6.5	Appendix: General Disclosures

Details	Section Found	Explanation
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.	Appendix: General Disclosures	
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.	7.1 Employee Development	
Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7.2 Employee Development Appendix: General Disclosures	
B8 – Community Investment		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Customers and Communities – Community Initiatives Appendix: General Disclosures	
Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8.1 Customers and Communities – Community Initiatives	
Resources contributed (e.g. money or time) to the focus area.	8.2 Customers and Communities – Community Initiatives	

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APPENDIX: GENERAL DISCLOSURES

Emissions (HKEx ESG Index A1)

HHL is committed to actively managing the environmental impact of our business. Emissions, noise and air pollution are identified as having impact on local communities and we are committed to working with our stakeholder to address these issues. Our business operates in compliance with relevant rules and regulations that have a significant impact on our business. More details can be found in the Environment section.

Use of Resources (HKEx ESG Index A2)

We encourage staff to adopt and maintain green practices in their daily lives by minimising energy and water consumption as well as limiting the use of paper when printing. We also appoint a Green Captain to each department as a leader to encourage other staff to participate in environmental initiatives as part of our "Go Green Workplace" campaign. We are committed to minimising our use of resources in all of our business operations. The Employee Handbooks for the GS Superhighway JV and the West Route JV provide policies and guidelines for employees to reduce electricity and water consumption. More details on energy efficiency can be found in the Environment section.

Environment and Natural Resources (HKEx ESG Index A3)

We are committed to minimising any potential impact on the environment and natural resources in the way we operate our business. Impact on the environment and natural resources arise from new expressway construction, however no new construction works were implemented during the reporting period. In the case where works for expressway construction is required, construction works are outsourced to contractors. The policies for contractors to protect the surrounding natural environment as required by our JV companies are provided in tender documents and construction contracts.

Employment (HKEx ESG Index B1)

HHL operates in compliance with employment and labour laws and regulations. We are an equal opportunity employer and do not discriminate against people based on their gender, age, physical ability, marital status, pregnancy, family status, sexual orientation or race. To ensure full compliance with all laws and regulations that have a significant impact on our business, HHL's senior management works closely with JV companies to ensure all workers employed are treated fairly. Our policies on working hours, compensation, medical insurance and annual leave days are outlined in HHL Employee Handbook and Employee Handbooks for the GS Superhighway JV and the West Route JV.

Health and Safety (HKEx ESG Index B2)

The health and safety of our employees are important to us. We are vigilant in addressing workplace health, safety and environmental risks and adopt relevant measures to increase the awareness of our employees. Our policy on health and safety in the Employee Handbooks for the GS Superhighway JV and the West Route JV outlines the importance of prioritising safe operations, risk prediction as well as the health and safety of employees.

There were no work-related fatalities in any of our business sectors during the reporting year. Our business operates in compliance with relevant health and safety laws and regulations that have a significant impact on our business. More details can be found in the Road Safety & Traffic Efficiency section.

Development and Training (HKEx ESG Index B3)

We offer professional and personal development training to our staff regularly. As stipulated in the HHL Employee Handbook and Employee Handbooks for the GS Superhighway JV and the West Route JV, HHL is committed to encouraging employees to acquire professional skills and knowledge through organised training by HHL. More details are provided in the Employee Development section.

Labour Standards (HKEx ESG Index B4)

Our operations and supply chain are free from negative labour practice including forced and child labour. HHI's senior management works closely with our JV partners to make every effort to prevent forced and child labour in JV companies. Additionally, our human resources department conducts internal audits regularly, where sample checks are conducted. There were no cases of child or forced labour reported. We abide by only hiring employees over the minimum legal working age of relevant labour laws and regulations.

Supply Chain Management (HKEx ESG Index B5, B5.1, B5.2)

When working with suppliers and third parties, our tender documents and contracts specifically outline our policy and requirements with regard to anti-corruption, safety, quality, environmental protection as well as timely salary compensation for rural workers. Prior to the commencement of contract works, briefings with contractors are held to inform them of our social and environmental requirements. Among the two JV companies, there are approximately 150 contractors, suppliers and service providers in total on our certified list, all of which are located in the PRC. We operate in compliance with relevant laws and regulations that have a significant impact on our business.

Product Responsibility (HKEx ESG Index B6)

Providing quality customer service is crucial to the success of our business. We are committed to ensuring the safety of our road users and operating in compliance with all relevant laws and regulations that have a significant impact on our business. Our policy in handling customer complaints is outlined in JV companies' Operation Handbooks. More details can be found in the Customers and Communities section.

In terms of customer safety, we have patrol and rescue teams, as well as surveillance camera coverage on the expressways. More details can be found in Road Safety & Traffic Efficiency section.

Consumer Data Protection and Privacy Policies (HKEx ESG Index B6.5)

JV companies' internal guidelines outline the management approach to customer data by following and complying with relevant laws and regulations to ensure that all personal data collected is handled confidentially and kept securely. More details can be found in the Customers and Communities section.

Anti-Corruption (HKEx ESG Index B7)

The Code of Conduct (The Code is available at http://www.hopewellhighway.com/WebSite_en/download/corporate_governance/pp_CodeOfConduct_Eng.pdf.) and HHI Employee Handbook address anti-corruption issues and fair procurement processes. All employees of HHI are required to sign this Code of Conduct upon employment and comply fully with it during their tenure to keep a high degree of integrity. The Code is our central guide and is written based on our core values; issues addressed include bribery, conflicts of interest, relations with suppliers and contractors, investors, customers and consumers. For our JV companies, Employee Handbooks for the GS Superhighway JV and the West Route JV stipulate that malpractices and fraudulent activities are prohibited. We operate in compliance with relevant anti-corruption laws and regulations that have a significant impact on our business.

Whistle-blowing (HKEx ESG Index B7.2)

HHI has a specific Whistleblowing Policy in place and it is made available to employees to enhance the awareness of internal corporate justice. It provides employees with reporting channels and guidance on whistleblowing and it is designed to encourage employees to raise serious concerns without fear of reprisal. The policy is available at http://www.hopewellhighway.com/WebSite_en/download/corporate_governance/HHI-Whistleblowing_Policy_e_20120820.pdf.

Community Investment (HKEx ESG Index B8)

We engage with local communities through events and activities on a regular basis. Community engagement activities are organised by both JV companies and determined based on our four core areas to promote: environmental protection, community engagement, youth development and elderly care. More details can be found in the Community Initiatives section.

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GLOSSARY

"Board"	the board of Directors of the Company
"Company" or "HHL"	Hopewell Highway Infrastructure Limited
"Director(s)"	director(s) of the Company
"FY12"	the financial year ended 30 June 2012
"FY13"	the financial year ended 30 June 2013
"FY14"	the financial year ended 30 June 2014
"FY15"	the financial year ended 30 June 2015
"FY16"	the financial year ended 30 June 2016
"FY17"	the financial year ended 30 June 2017
"Group"	the Company and its subsidiaries
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"GS Superhighway JV"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company established for the GS Superhighway
"HHL"	Hopewell Holdings Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD"	Hong Kong Dollars, the lawful currency of Hong Kong
"JV"	joint venture
"km"	kilometre
"PRC" or "China"	the People's Republic of China
"PRD"	Pearl River Delta
"RMB"	Renminbi, the lawful currency of the PRC
"West Route JV"	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the Western Delta Route
"Western Delta Route" or "WDR"	the route for a network of toll expressways comprising Phase I West, Phase II West and Phase III West

VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency (“HKQAA”) conducted an independent verification of the Sustainability Report 2016/17 (hereinafter referred to as “the Report”) of Hopewell Highway Infrastructure Limited (hereinafter referred to as “HHI”). The Report states HHI’s commitments and progress on sustainability for the period of 1st July 2016 to 30th June 2017.

The aim of this verification was to provide a reasonable assurance on the completeness and accuracy of the information stated in the Report which was prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) issued by the Hong Kong Stock Exchange.

Assurance Methodology

The verification process included reviewing of relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying the selected representative sample of data and information. Raw data and supporting evidence of the selected samples were thoroughly examined.

Independence

HKQAA was not involved in collecting and calculating the reporting data, or in the development of the Report. HKQAA’s activities are independent from HHI.

Conclusion

The results of our verification provided confidence in the systems and processes used by HHI for managing and reporting sustainability performance information. It is confirmed that the contents stated in of the Report are accurate and reliable. The key performance indicators specified in the ESG Reporting Guide has been adequately addressed. The information presented in the reporting contents articulate a balanced account of HHI’s sustainability performance during the reporting period.

HHI has established effective mechanism to proactively engage with its stakeholders. Feedbacks from stakeholders were taken into account very seriously for incorporating into the company’s sustainability strategies and for preparing the reporting contents. Also, HHI has been responsive to stakeholder concerns and expectations with a number of examples shown in the Report. Overall, the material sustainability issues of HHI’s commitments, progress and achievement were included in the Report.

Signed on behalf of Hong Kong Quality Assurance Agency



Jorine Tam
Director, Strategic Business
September 2017



HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED

SUSTAINABILITY REPORT

<http://www.hopewellhighway.com/SR>