



Hopewell Highway Infrastructure Limited

2017/18

SUSTAINABILITY REPORT



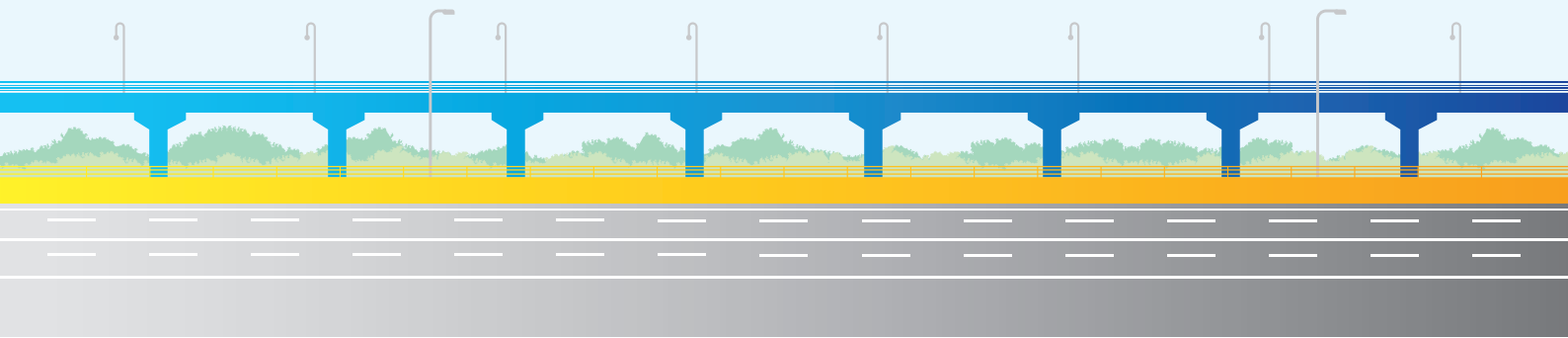


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ABOUT THE GROUP

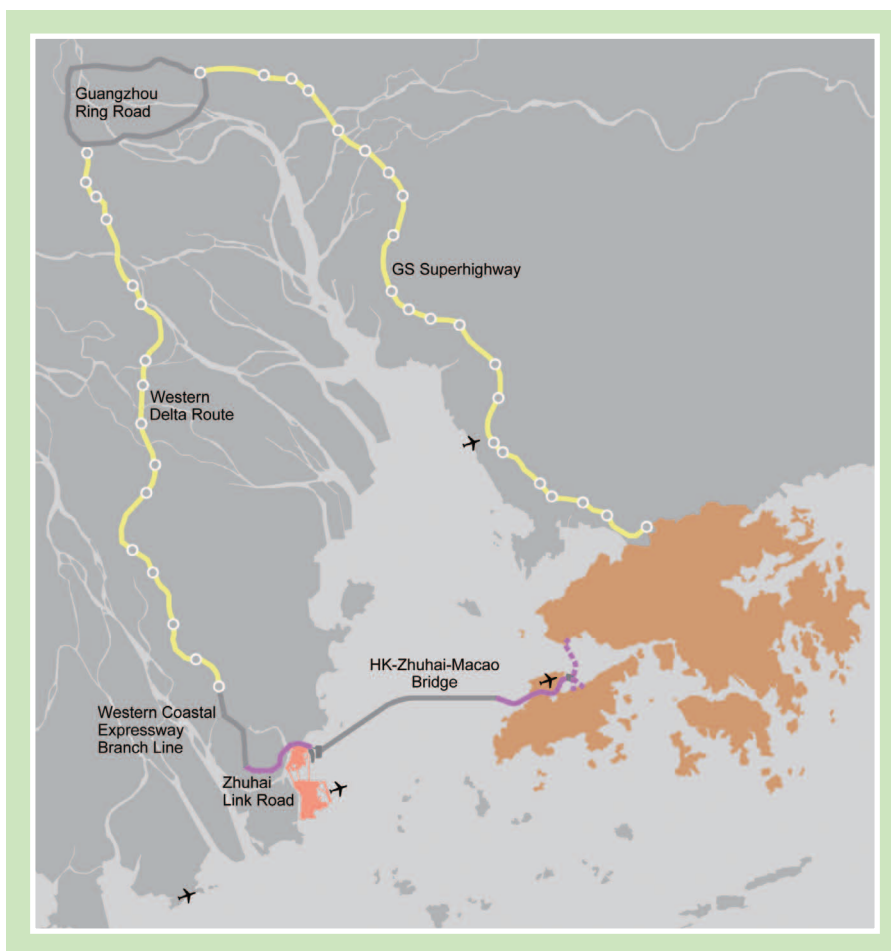
Listed on the Main Board of the Stock Exchange of Hong Kong ("SEHK") (Stock Code: 737 (HKD counter) and 80737 (RMB counter)), Hopewell Highway Infrastructure Limited ("HHI" or the "Company") focuses on the initiation, promotion, development and operation of toll expressways and bridges in the Guangdong Province. In April 2018, Shenzhen Investment Holdings Co., Ltd ("SIHC") completed the acquisition of shares of the Company held by Hopewell Holdings Limited, and became the ultimate holding company of the Company. SIHC is the largest municipal state-owned enterprise in Shenzhen in terms of total assets. Its businesses span a wide range of sectors, including the financial services industry, science and technology park industry, emerging industries and high-end services industry. As a major overseas-listed capital platform under SIHC, the Company can serve to gain strong supports in business optimisation, maximised use of available resources and strategic development.

The Company through its subsidiaries (together as the "Group") established two sino-foreign joint ventures ("JV") with Guangdong Provincial Highway Construction Company Limited. Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited ("GS Superhighway JV") operates the Guangzhou-Shenzhen Superhighway ("GS Superhighway") while Guangdong Guangzhou-Zhuhai West Superhighway Company Limited ("West Route JV") operates the Western Delta Route. The two expressways connect major cities in the Guangdong-Hong Kong-Macao Bay Area, including Guangzhou, Dongguan, Shenzhen, Foshan, Zhongshan and Zhuhai.

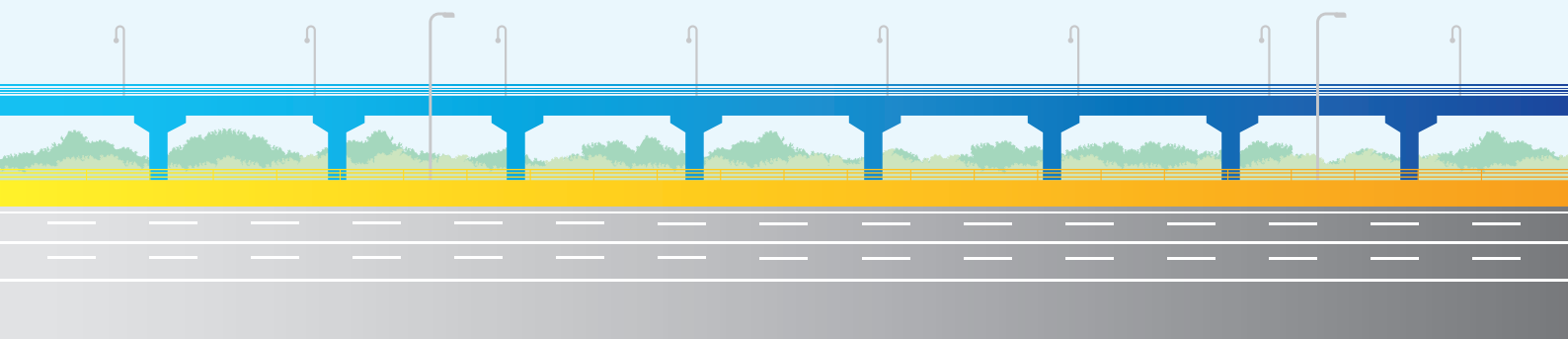


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	Hopewell Highway Infrastructure Limited	
	GS Superhighway JV	West Route JV
	GS Superhighway	Western Delta Route
Average daily toll revenue (RMB '000)	9,395	3,741
Average daily full-length equivalent traffic (No. of vehicles '000)	104	51



ABOUT THIS REPORT

This is the seventh sustainability report published by HHI. By reporting the policies, measures and performances of the Group in environmental, social and governmental aspects, it allows all stakeholders to understand the progress and development direction of the Group with regard to sustainability issues. The report is compiled in Chinese and English, and has been uploaded to the website of SEHK and the Company (www.hopewellhighway.com).

Reporting Scope

This report focuses on the operation of the Group from 1 July 2017 to 30 June 2018 (the “reporting year” or “FY2018”) in the main site of operation in Hong Kong and the operation of the two expressways (the GS Superhighway and the Western Delta Route). The reporting scope remains the same as the sustainability reports published previously.

Reporting Standard

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) launched by the SEHK. The four reporting principles — materiality, quantitative, balance, and consistency — form the backbone of this report. In addition, selected key performance indicators that are categorised by the ESG Reporting Guide as “recommended disclosures” are included for enhanced reporting. To ensure the report’s accuracy, the Company commissioned a professional consultancy to conduct a carbon assessment, as well as the Hong Kong Quality Assurance Agency to conduct independent assurance. A complete index is inserted in the last chapter for readers’ easy reference.

Opinion and Feedback

The Group values the opinion of stakeholders. If you have any questions or suggestions regarding the content or format of the report, please contact the Group via the following channels:

Address: Room 63-02, 63/F Hopewell Centre,
183 Queen’s Road East, Wan Chai, Hong Kong
Email: info@hopewellhighway.com
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MESSAGE FROM THE CHAIRMAN

As a socially responsible company, apart from pursuing economic performance, we uphold the core value of sustainability by being accountable to the environment, society and the wellbeing of employees. HHI values the communication with stakeholders and the maintenance of social wellbeing. In the areas of our business operations, there are critical development strategies and infrastructural construction being rolled out recently, including the Guangdong-Hong Kong-Macao Bay Area Planning, the Guangzhou-Shenzhen Science and Technology Innovation Corridor Planning and Hengqin State-level Strategic New Zone. In this regard, we will continue to identify risks and opportunities to keep improving environmental and social performances.

One of the important sustainability issues we face is the environment. In response to the “13th Five-Year” Comprehensive Work Plan for Energy Conservation and Emission Reduction announced by the State Council of the PRC, we include clear requirements of environmental protection in our tender documents for expressway maintenance projects to improve the environment together with our partners. In view of the growing popularity of electric vehicles in the society, we provide charging facilities in different service areas to encourage more drivers to switch into using electric vehicles, in order to reduce the carbon emission intensity of society and increase the proportion of clean energy.

Under the mega trend of sustainability, we set the goal to reduce energy consumption intensity and strive to improve our system of energy consumption calculation to enhance our monitoring. Taking into account the development of society in the long run, we must use natural resources prudently. In our daily operations, we always remind all employees to treasure resources by saving water and electricity and creating an environmentally-friendly office culture. Besides, to enhance protection of the environment, our two JVs have both formulated emergency response plans by establishing systematic work procedures and measures to proactively avoid and control the occurrence of any incidents of environmental pollution.

As we drive business development, we hope to grow steadily together with the community. We strive to contribute to the community where we operate and focus our community investment on environmental protection, community involvement and youth development so that stakeholders in the community can benefit from our work.

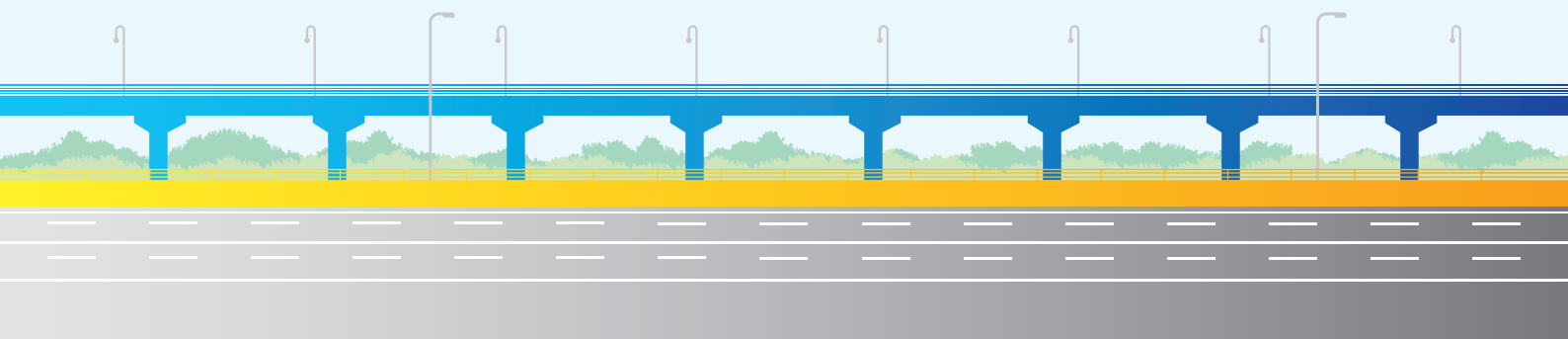
At the moment, the Committee of Executive Directors is responsible for the formulation and evaluation of the Company's sustainability vision, strategies, as well as related policies, targets and key performance indicators. Looking forward, we will continue to adhere to the sustainability development directions set out in the Sustainability Policy by fulfilling corporate social responsibilities towards employees, the community, the environment and the value chain. The Board of Directors will also review the sustainability governance structure in a timely manner according to the Company's development needs.

Zhengyu LIU*

Chairman

4 December 2018

* For identification purpose only

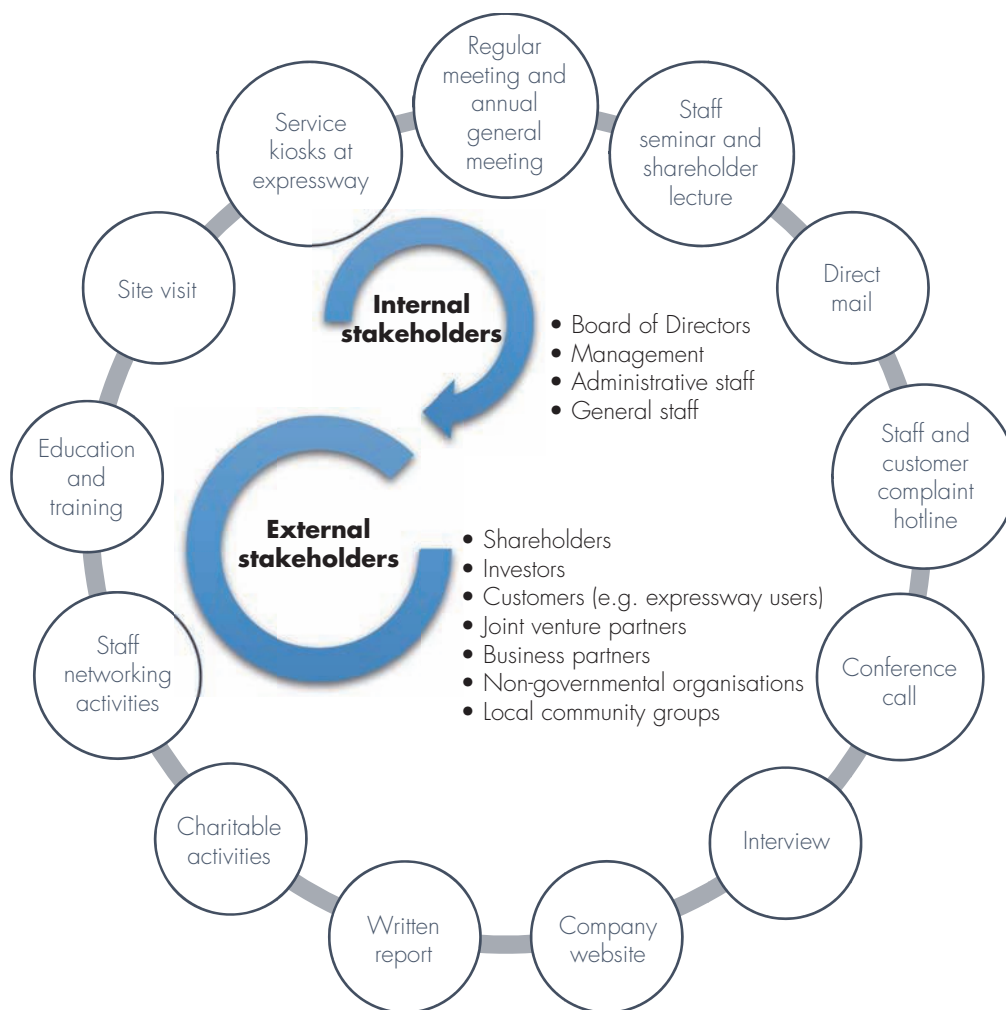


STAKEHOLDER ENGAGEMENT

As a key in the business management of the Group, stakeholder¹ participation helps the Group to review potential risks and unveil business opportunities. Communicating with stakeholders and understanding their views allow the Group to better fulfil their needs and expectations with its business practice and manage different stakeholders' opinions. The Group constantly communicates with key internal and external stakeholders via various channels. This ensures that they have the opportunity to learn about the Group's development and operation directions and offers the Group the chance to listen to them in order to identify the priority of issues and develop corresponding policies.

Means of stakeholder engagement during the reporting year

Main means of stakeholder engagement are depicted in the diagram below. In addition, the Group regularly distributes free tourist booklets to road users and organises volunteer activities for employees in communities where it operates. More details are discussed in the "Customer and Building Inclusive Community" chapter of this report.



¹ Stakeholders refer to groups or individuals materially influencing or affected by the Group's business. Internal stakeholders include directors, management, administrative staff and general staff. External stakeholders include shareholders, investors, customers, joint venture partners, business partners, non-governmental organisations and local community groups.

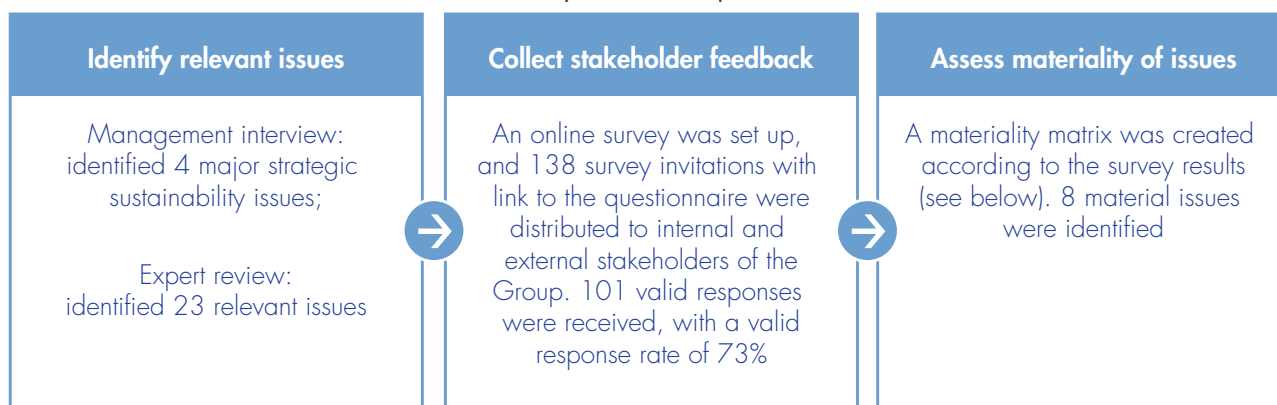
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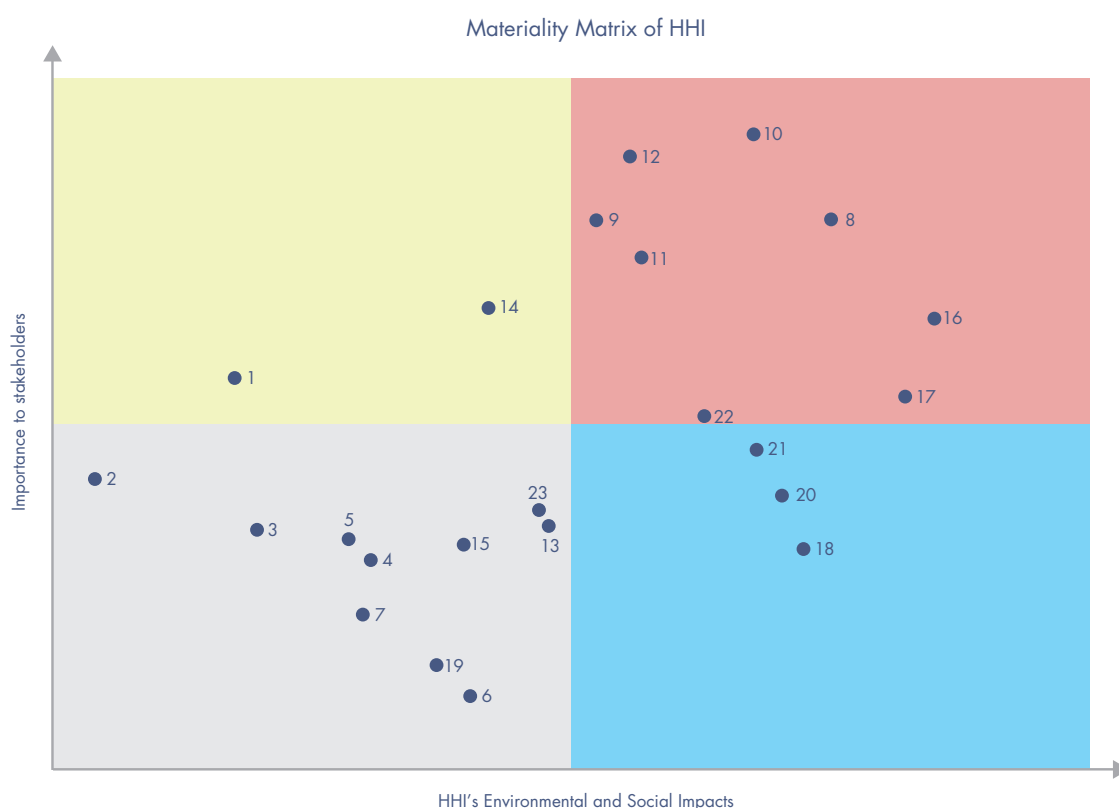
Material sustainability issues during the reporting year

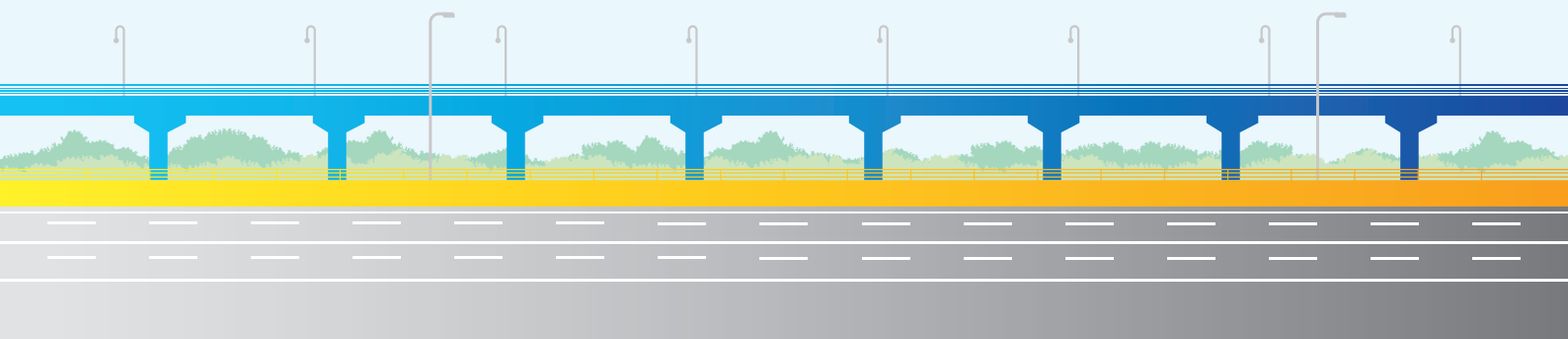
During the reporting year, the Group commissioned the independent consultant to conduct a material analysis with stakeholders through different methods of engagement. The consultant carried out an in-depth interview with the senior management to understand their vision and targets in sustainability, it then conducted survey with internal and external stakeholders to gather their views.

Materiality assessment procedures



To fully understand issues that different groups of stakeholders are most concerned with, the consultant analysed four areas — Environment, Employment and Labour Practices, Operating Practices and Community Investment, and identified eight critical issues by survey (see red shaded area of the chart below).





Combining management interview, survey results and expert advice, the identified eight material issues are listed below (arranged by areas and in order of importance):

Area	Number	Material sustainability issues
Employment and Labour Practices	10	Provide employees with a safe and healthy working environment to prevent occupational diseases and work injury
	8	Establish a comprehensive employment system
	12	Provide personal development opportunities for employees to support their continuous development
	11	Provide employees with training to improve their knowledge and skills
	9	Eliminate discrimination or sexual harassment in the workplace and provide an equal and diverse employment environment
Operating Practices	16	Improve road safety and management of service responsibility to protect the health and safety of customers
	17	Improve traffic order and efficiency
Community Investment	22	Ensure that the needs and interests of the community are considered in business activities

With regard to the material issues identified from materiality assessment, the Group had established multiple systems and had taken initiatives, which are discussed in details in the following chapters. As always, the Group dedicates itself to establishing diversified communication channels with transparency, integrity and accuracy, which provide an important foundation for the Group to develop sustainability strategies.

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CREATING GREEN ENVIRONMENT

The Group strives to maintain the sustainability of the environment as a whole and achieve low-carbon operation with the application of renewable energy and automation technology. The two JVs also proactively cooperated with environmental protection campaigns and prevented possible pollution generated in the process of expressway operation and maintenance. Under the guidance of the Sustainability Policy, the Group undertakes the corporate responsibility to protect the environment, to optimise the use of natural resources, as well as to advocate and achieve green operation in an efficient and energy saving development model by practice.

During the reporting year, energy saving and waste reduction measures implemented by the Group include:

Five additional Electronic Toll Collection ("ETC") lanes to reduce the exhaust produced by queuing vehicles

Replaced 252 conventional sodium lamps in the toll plaza with LED lighting to reduce electricity consumption

A total of 39 microwind and solar powered surveillance cameras being installed along the road

A business fleet with petrol-electric hybrid vehicles and electric vehicles

Emissions

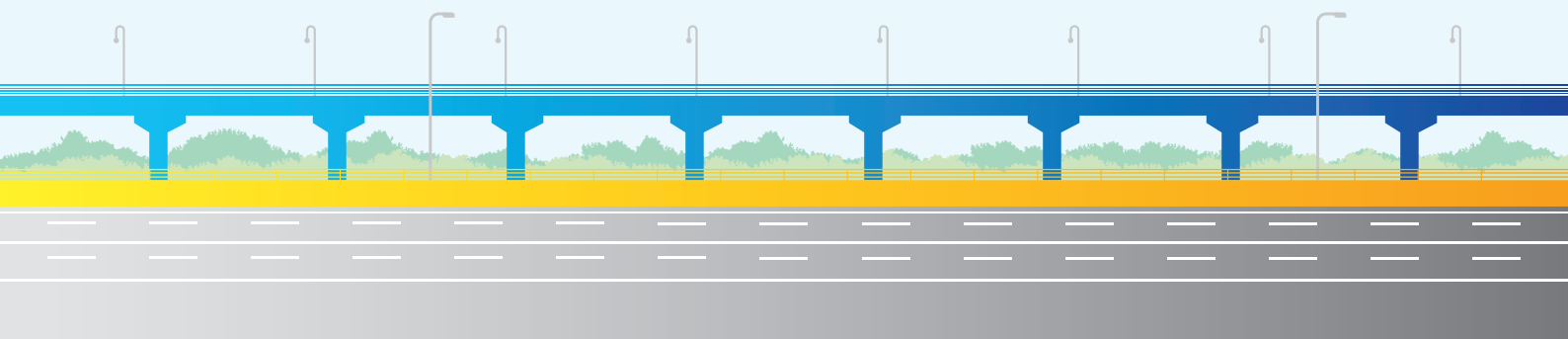
The Group has always strived to promote reduction of air pollutants and greenhouse gas ("GHG") emissions and increased the amount of resources invested to utilise different forms of renewable energy technologies during operations continuously. The Group understands that the construction and maintenance of expressway create certain level of environmental impact. Therefore, it has included environmental protection requirements in its tender terms and construction contracts, including that mixing equipment should be designed with dust-tight enclosure or installed with dust resistant device, constant water sprinkling for dust control in construction passageway and mixing procedures, and control of air emissions and waste oil produced during the construction. In addition, to encourage road users to replace gasoline or diesel vehicles with electric vehicles to reduce carbon emissions and pollution of air emissions, the Group introduced charging poles along the two expressways.



Microwind and solar powered surveillance cameras



Charging poles for electric vehicles



Air emissions

The main types of air pollutants of the Group are sulphur oxides, nitrogen oxides and particulate matters produced from the use of fossil fuel in vehicles and kitchens. To reduce roadside air pollutants, the Group had gradually eliminated gasoline vehicles that fail to meet National I emission standard and diesel vehicles that fail to meet National III emission standard, and replace them with energy saving environmentally friendly models to reduce emissions.

Emission of greenhouse gases

The emission of GHGs is closely linked to climate change and global warming. Companies around the world have already established measures and targets of carbon reduction. During the reporting year, the Company commissioned the consultancy to conduct a carbon assessment to quantify the GHGs emissions (or "carbon emissions") produced in its operations. The results of the assessment are presented in the appendix chapter of Key Performance Summary.

During the reporting year, the total carbon emissions of the GS Superhighway and the Western Delta Route were approximately 20,000 tonnes carbon dioxide equivalent, in which 87% was carbon emissions produced from electricity purchased from the grid. The Group began to assess, record and disclose its GHG emissions on an annual basis since year 2010/11, which will serve as the basis for the formulation of carbon reduction targets and measures in the future.

Waste

Non-hazardous waste produced in the operations of the Group (including: domestic waste produced in the network of expressways and the workplace) was collected by the cleaning contractor and transported to refuse handling stations for disposal. In particular, construction waste (such as asphalt paving waste) was stored in a centralised manner and transported by construction units for external disposal.

During the reporting year, a total of 12,000 tonnes of non-hazardous waste was produced by the GS Superhighway and the Western Delta Route, mainly by expressway users. The waste was disposed of at the domestic waste handling station. As more non-hazardous waste in the periphery of toll stations was collected and handled in the reporting year, the amount of non-hazardous waste produced by road users increased by 3,621 tonnes compared to year 2016/17. The Group will proactively encourage road users to maintain roadside hygiene together to reduce waste on expressways.

Use of Resources

The Group's Sustainability Policy emphasises efficient use of resources to enhance environmental protection. The Staff Handbook also requires employees to save water and electricity in daily operation. The Company has also in place a paper reuse code to encourage employees to recycle paper. The West Route JV has also provided electricity subsidy for employees. In case less electricity is consumed than the subsidised amount, the difference in the tariff will be paid to employees in addition to their wages, in order to encourage them to adopt green behaviour to reduce energy consumption.



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Energy consumption

The energy consumption of the Group mainly comes from purchased electricity. To reduce electricity consumption and the corresponding GHG emissions, the Group continuously assesses and adopt cost effective technologies and devices to improve energy efficiency and switch to renewable energy. During the reporting year, the major energy saving features introduced included: installation of microwind and solar powered energy saving surveillance cameras along the road and replacement of conventional sodium lamps in the toll plaza with energy saving LED lighting. Please refer to the appendix chapter of Key Performance Summary for a comparison of energy consumption across different financial years.

Consumption of raw materials

The consumption of raw materials of the Group mainly comes from maintenance of the GS Superhighway and the Western Delta Route. To reduce consumption of raw materials, the GS Superhighway JV reused construction wastes (such as asphalt scrap) on individual sections of the expressway or as materials for road hardening.

Environment and Natural Resources

The Group acknowledges the potential impact of its operations on the environment. Therefore, it reduces the relevant impact through construction management and land use optimisation. The two JVs have in place the Emergency Response Plan and an organisational body to effectively monitor the operation and maintenance of expressways to prevent pollution in the ecosystem.

In tender documents and construction contracts, the two JVs require the contractors to obtain a logging permit as required by law before logging is carried out in the construction area, and attention should be paid to the protection of surrounding environment. In case of temporary occupation of land during the construction, the construction unit will be responsible for the complete restoration of land after the construction finishes. Regarding slope excavations during the construction, the construction unit should carry out maintenance to ensure smooth operation of the water discharge facilities and carry out soil and water conservation to prevent geological hazards as a result of the construction. In addition, during the process of expressway planning, the Group should also adhere to the principle of reasonable use of land to avoid environmental pollution.

The Group abides by relevant laws and regulations such as the Environmental Protection Law of the PRC and the Regulation of Guangdong Province on Environmental Protection. During the reporting year, the Group was not aware of any cases of non-compliance with laws and regulations in relation to emissions and the environment.



MAINTAINING ROAD SAFETY AND SERVICE EFFICIENCY

The Group implemented multifaceted measures to provide road users with a safe and smooth transportation system. At the same time, the two JVs proactively improved its management of operations, protection of personal data, supply chain risks and anti-corruption, to fulfil its social responsibility and enhance its service quality and governance efficiency.

Improving road safety management

As an expressway operator, safeguard of the safety of road users is a first priority of the Group. Maintenance of expressway is essential to ensuring the safety of road users. In view of this, the two JVs formulated the Expressway Maintenance Method to specify the management responsibility of road maintenance. Meanwhile a year-long maintenance plan is created to adopt preventive maintenance measures, to strictly execute a maintenance system for various levels in the maintenance management authorities, to carry out expressway maintenance works in accordance with the standards and specifications, and to ensure that the quality meets the requirements of the Toll Roads Maintenance Regulatory Method of Guangdong Province. The two JVs also regularly conducted technical inspection of the expressway structure to keep them in optimal conditions.

Apart from expressway maintenance, the two JVs formulated the Emergency Response Management Method to classify emergencies according to their nature (including: natural hazards and safety incidents in production). Hazard risk analysis was carried out in order to establish the relevant response plan and hierarchical alert system to take effective rescue actions and release information in a timely manner to ensure the safety of road users.

Improve traffic efficiency and service quality

The Group has always strived to improve its service quality and operation efficiency. In response to the increase in traffic flow, the Western Delta Route Shizhou Toll Station introduced the Electronic Toll Collection free flow system on ramp in January 2018 to allow advance transaction of toll payment to reduce traffic pressure at the toll station and to provide customers with more convenient and efficient services. Apart from installing automated equipment (such as Electronic Toll Collection devices or automatic card-issuing machines) at toll lanes and entry lanes, the two JVs prepare to install additional equipment to accept a number of mobile payment methods such as WeChat Pay and Alipay, so as to create greater convenience for road users. Moreover, the GS Superhighway JV also began studies on the feasibility of enhancing traffic efficiency through pavement widening.

Traffic accidents on the expressway can lead to large-scale traffic disruptions within a short time. In view of this, the GS Superhighway JV set up a 24-hour standby rescue team that is equipped with car haulers and patrol vehicles for emergency response and rescue assistance, aiming at reducing transportation impact and guiding the arrangement of the evacuation of the injured. In addition, both JVs worked closely with traffic police to improve the efficiency in handling traffic accidents through regular joint meetings and sharing of surveillance cameras.

The JVs' Management Procedures and Management Method on Confidentiality require their employees must keep any sensitive information confidential. Confidential documents and information are registered, kept and stored by designated staff. To protect customer privacy, no one is allowed to disclose confidential content to external parties without authorisation.

During the reporting year, the complaint rates² of services provided by the GS Superhighway and the Western Delta Route were 0.0008% and 0.0001% respectively, while the overall complaint rate was 0.0005%.

² Complaint rate is calculated by dividing the number of complaints by the total traffic volume.



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Corruption-free and Effective Governance

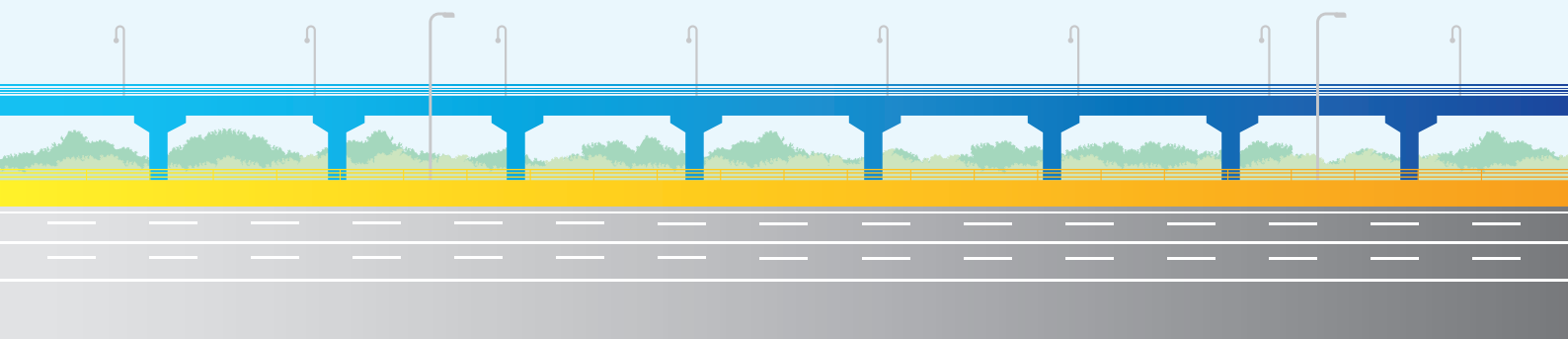
The Group always upholds integrity and maintains principles of ethics in its business operation. The Company's Code of Conduct strictly stipulates that, unless prior authorisation was granted by the Company, all employees must not request, accept or provide benefits to anyone. At the same time, with regard to potential conflicts of interest, the Company requires employees to fill in the Form of Declaration of Conflicts of Interest to make a declaration to the management or the Board of Directors.

The two JVs also stipulate in the Staff Handbook that employees are not allowed to accept benefits from others or commit fraudulent acts by taking advantage of their duties or work relations. To improve the level of corporate governance, the Company formulated the Whistleblowing Policy which aims at encouraging employees to report any suspected improper behaviour within the company in a responsible and effective manner, in confidentiality and without fear of retaliation.

The two JVs also required their contractors to uphold integrity and be free from corruption by signing a corruption-free contract with them. This contract lists anti-corruption terms, including requirements like strict compliance with relevant national laws and regulations and that they must not request nor accept any benefit. Recommendation of anti-corruption education for the contractors' employees is also included. To strengthen employees' anti-corruption awareness, the West Route JV organised anti-corruption education activities during the reporting year.

Supply chain risk management

The two JVs carried out effective environmental and social risks management of the contractors of maintenance and construction projects by stipulating terms in Maintenance Contracts and Tender Documents. In environmental aspects, the Group requires contractors to control pollutants and waste and to protect the environment in the surroundings. In social aspects, the terms cover areas including anti-corruption, operational safety management and requirements concerning wage payment.



CO-DEVELOPING WITH EMPLOYEES

Employees play a positive role in the Group's effort to promote sustainability in society. The Group strives to create a decent working environment for employees and support their development, while ensuring that their basic labour rights are guaranteed. At the same time, the Group ensures that employees can work in a safe environment by establishing a comprehensive and effective safety management system.

Health and safety

The Group focuses its operation on a complex and changing transportation system. The establishment of a comprehensive safety management system is crucial to maintaining a healthy, safe and suitable working environment. To implement the approach of prioritising safety with preventive measures, both JVs required all departments to implement a safety loophole investigation system, and to conduct assessment of safety risks during different stages of construction to reduce the chance of safety incidents. To understand the full picture of production safety management, the two JVs also arranged a comprehensive safety check during the reporting year and carried out specific checks on key processes in the operation, to protect the work safety of employees.

At the same time, the two JVs also formulated operation safety specifications on the use of machinery, which provide guidelines for checks before, during and after operations. To prevent accidents, the Group also paid special attention to the occupational safety of frontline operations staff and laid down instructions to remind employees of the relevant safety tips, such as that maintenance staff should correctly wear personal protective equipment, suspension of operation when wind speed limit is exceeded, and that toll collectors should cross the toll plaza safely.

The two JVs also organised drills and formulated the relevant emergency response plans for safety incidents, which include on-site handling measures targeted at real-life scenarios. In relation to fire safety, the Group ensures that technical specifications of fire safety are met in all workplace and all entry and exit toll plazas with the installation of suitable fire safety equipment. Regular maintenance and inspections are carried out to ensure that the equipment is in good working condition.

To ensure that employees are equipped with the knowledge and skills necessary for emergency response, the two JVs regularly arranged education and training on accident handling and provided specific training for different groups of employees who work on-site. Moreover, the Company also paid attention to the physical and mental health of employees by organising workshops, seminars and trainings regularly to promote knowledge and information related to occupational health in the office.

Comprehensive Employment System

The Group upholds the principles of fair treatment and respect for employees, dedicating itself to the elimination of discrimination in the working environment, including discrimination on the basis of disabilities, gender, marital status, pregnancy, age, family status, sexual orientation and race. The two JVs advocate the basic principles of fairness, openness, justness and performance-based selection and stipulate a fair employment system in documents such as the Staff Handbook. Regarding employee promotion, the Group considers performance and capabilities as the determining factor for promotion and future development. In determining wages, the Group will only base on the duties of employees and determine the categories and standards of wages according to the system.

The Group continuously cares for its employees and strives to provide them with comprehensive and sound benefits. Apart from basic benefits required by local laws and regulations, the Group also provided benefits in different aspects, for example:

- Additional paid leaves, such as marriage leave and examination leave;
- In response to the actual needs of expressway operation, the two JVs issued work allowance for employees working outdoors and high-temperature allowance is also issued for employees from June to October each year;
- Apart providing employees with a medical insurance scheme, the two JVs also provided female workers with healthcare allowance;
- Provide employees who receive chronic care with special medical subsidies;
- The two JVs both featured a book house for employees, which is equipped with traditional book shelves and advanced computer equipment to let employees access electronic publications and browse the Internet.

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Besides, to promote work-life balance, the two JVs also organised diverse activities for employees, including:

GS Superhighway JV



Organised a campfire event entitled 'Sparks in the Night' with over 500 employees to celebrate the Spring Festival.

West Route JV



Organised a parent-child campaign that involved 38 families of 108 employees and family members to help the employees' children understand their parents' working environment.



Organised a spring nature outing to Dawang Mountain and Songshan Lake with 195 employees.



Organised a hiking activity on the Double Ninth Festival with over 270 employees.

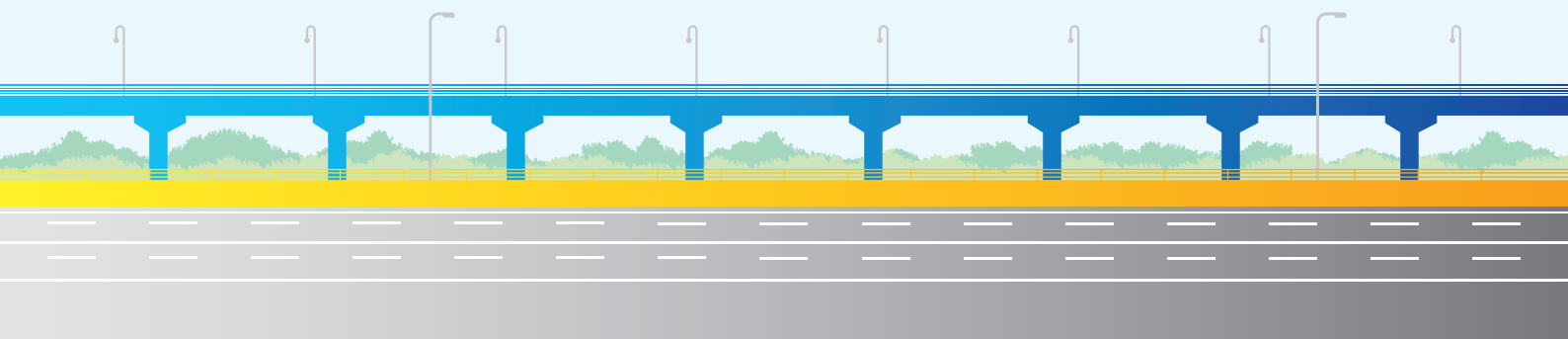


The Guangzhou management office organised a garden party with around 250 employees to celebrate the Mid-Autumn Festival and the National Day.



Organised a singing contest to promote road safety and 178 employees participated.

To create a fair working environment with an atmosphere of unity, if employees have any suggestions or comments on the Group's operation, they can raise it through different channels such as suggestion box, "Party Secretary's letter box" within the JVs' office administration system, or employee satisfaction survey organised by the labour union.



Development and training

The Group proactively invests resources in providing a good training and learning environment for employees to improve their professional skills and business knowledge. If employees enrol themselves in external work-related courses, tuition subsidy will be provided. To assist employees' continuous development in different stages of their career, the two JVs have planned diverse training and education plan, including:

- Pre-employment training to prepare employees with knowledge and skills related to the role, where employees must pass the assessment before holding a post;
- Conduct job training on a timely basis according to the needs of operation management;
- Continuing education specifically arranged for professional technical staff in acquiring relevant qualifications; and
- Academic education to encourage and support employees to enhance themselves to attain further academic qualifications.

The Group provided a diverse variety of programmes for employees, including management knowledge, system operation, system maintenance and emergency response. Some training programmes are listed below:

Management Training



- GS Superhighway JV organised an elite training course in May 2018 to improve the comprehensive quality of junior management staff.

Junior Staff Development Training

- GS Superhighway JV organised a staff development training in May 2018 for 90 participants.



Topical Seminar



- GS Superhighway JV organised a promotion work seminar to improve the news writing skills of staff, attracting 40 participants.
- West Route JV organised a topical education seminar for employees, including parent-child education and emotional management.

Safety Training

- GS Superhighway JV and West Route JV organised the Safety Operation Month training in June 2018 to promote knowledge and skills of operational safety.





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In addition, the two JVs designed a series of innovative learning models, such as security skills competition, toll collection competition and makeup classes to enhance participants' interests in learning, in order to improve employees' level of skills and the image of service. The Company also organised seminars from time to time on integrity management and equal opportunities to enhance employees' comprehensive knowledge.

Prevention of child labour and forced labour

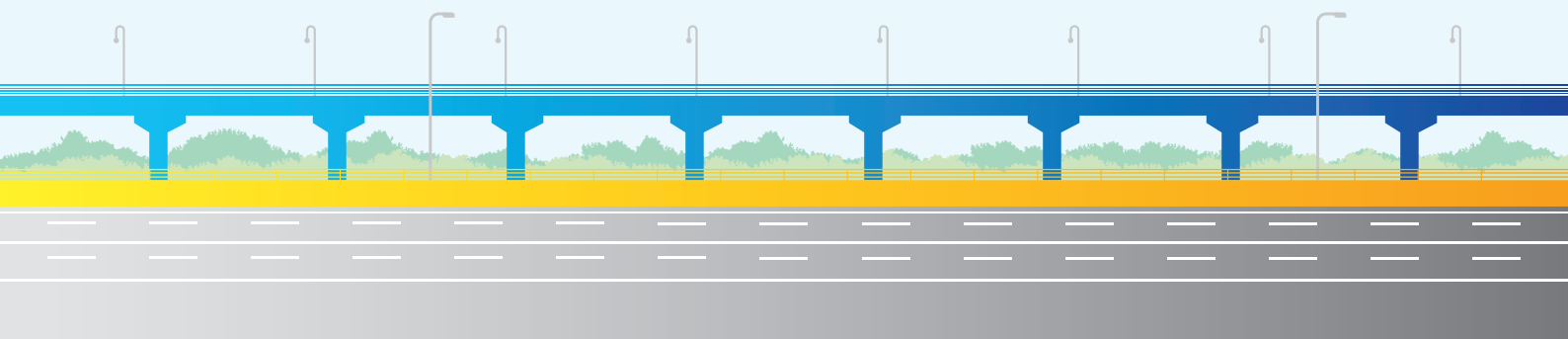
The Group prohibits the hiring of underage citizens. The JVs' Human Resources Management Procedure stipulates that, during the process of recruitment, applicants are required to submit identity documents for verification of age. At the same time, the Group implements an anti-forced labour policy. The JVs' Staff Handbooks provide that, if employees have to work overtime on public holiday, compensation leave should first be arranged to ensure employees rest. If it cannot be arranged due to work, overtime payment will be provided for according to the law. As for arrangement related to job transfer, the Group has to first negotiate with employees before making the relevant change.

CUSTOMER AND BUILDING INCLUSIVE COMMUNITY

The Group proactively supports and participates in activities that have a positive contribution to the community where it operates and strives to build a more harmonious and liveable community. The Group's Sustainability Policy supports positive initiatives and cooperation in the community where it operates, and encourages employees and stakeholders to support community, educational and charitable activities and take part in volunteering work.

During the reporting year, the Group focuses its resources on three key areas: environmental protection, community involvement and youth development.

Key Areas	Community Activities
Environmental Protection	<ul style="list-style-type: none"> • Participation in Earth Hour organised by World Wide Fund; • Participation in the Hong Kong Tree Planting Day 2018 organised by Housing Society Community; • Participation in a charity walk organised by the Green Earth — Night Walk for The Green Earth; • Employees of the two JVs were involved in a tree planting event.
Community Involvement	<ul style="list-style-type: none"> • The two JVs organised a blood donation event, which attracted many young employees to participate in it. • The two JVs organised a volunteering service during the spring festival travel to offer consultation service on electronic toll collection and complimentary ginger tea for road users. • Volunteers of the West Route JV participated in a fun sports day organised by volunteering groups to build an inclusive community. • Company Participation in "Love Teeth Day" and "Walk for Millions" organised by The Community Chest of Hong Kong. • Participation in the annual "Race to Feed" charity event organised by Heifer to help alleviate family poverty in China. • Participation in Run with Your Heart 2017 organised by the Hong Kong Elite Athletes Association.
Youth Development	<ul style="list-style-type: none"> • The West Route JV organised a charitable activity to visit children at a social welfare centre in Ronggui and gifted them with homemade mooncakes and domestic supplies. • Supported the 2018 charity rose sales organised by St. James' Settlement to help develop services for children with special learning needs.



APPENDIX: GENERAL DISCLOSURES

Emissions (A1 of ESG Reporting Guide)

The Group actively manages the environmental impact of its operations. Under the guidelines of the Sustainability Policy, the Group cooperates with different stakeholders to reduce air pollutants and GHG emissions through implementing various emission reduction measures. The Group abides by relevant laws and regulations such as the Environmental Protection Law of the PRC and the Regulation of Guangdong Province on Environmental Protection. During the reporting year, the Group was not aware of any cases of non-compliance with laws and regulations in relation to emissions and the environment. For more details, please refer to the chapter "Creating Green Environment".

Use of Resources (A2 of ESG Reporting Guide)

The Group's Sustainability Policy emphasises measures for effective use of resources and the adoption of various measures to reduce and use energy, water resources and raw materials more effectively. In its Staff Handbook, the Group requires employees to conserve water and electricity at work as well as to encourage green behaviour. The West Route JV also provides employees with electricity saving subsidy. The Group does not have any issues in sourcing water that is fit for purpose. For more details about use of resources, please refer to the chapter "Creating Green Environment".

The Environment and Natural Resources (A3 of ESG Reporting Guide)

The two JVs have in place the Emergency Response Plan and an organisational body to effectively monitor the operation and maintenance of expressways to prevent environmental pollution. In addition, in tender documents and construction contracts, the two JVs require the contractors to protect the surrounding ecosystem and prevent geologic hazards caused by the construction. For more details about the environment and natural resources, please refer to the chapter "Creating Green Environment".

Employment (B1 of ESG Reporting Guide)

The Group upholds the principles of fair treatment and respect for employees and strives to create a fair working environment. It advocates the basic principles of fairness, openness, justness and performance-based selection and stipulates a fair employment system in documents such as the Staff Handbook. The Group is committed to a diverse workforce. The employees comprise individuals of different levels of education, professional disciplines and cultural backgrounds to cater for the requirements of different positions; in the future, the Group will amend the Staff Handbook in due course as regards social development and other conditions. The Group abides by relevant laws and regulations such as the Labor Law of the PRC. During the reporting year, the Group was not aware of any cases of non-compliance with laws and regulations in relation to employment (including compensation and dismissal, equal opportunities and anti-discrimination). For more details about employment, please refer to the chapter "Co-developing with Employees".

Health and Safety (B2 of ESG Reporting Guide)

The Group focuses on the health and safety of employees and established a comprehensive safety management system. The two JVs required all departments to implement a safety loophole investigation system, to conduct assessment of safety risks during different stages of construction and formulate emergency response plan in case of safety incidents. Safety guidelines are also formulated on the use of machinery. The Group abides by laws and regulations relevant to occupational health and safety such as the Labour Law of the PRC and Regulations of Guangdong Province on Work Safety. During the reporting year, there were four cases of work-related injuries and zero work-related death. The Group was not aware of any cases of non-compliance cases of non-compliance with laws and regulations in relation to health and safety. For more details, please refer to the chapter "Co-developing with Employees".

Development and Training (B3 of ESG Reporting Guide)

The Group proactively invests resources in providing a good training and learning environment for employees and regularly provides them with professional and personal development training to improve their professional skills and business knowledge. If employees enrol themselves in external work-related courses, the Group will provide tuition subsidy according to the Staff Handbook. In addition, to



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assist employees' continuous development in different stages of their career, the two JVs have planned diverse training and education plans. For more details about employee training and development, please refer to the chapter "Co-developing with Employees".

Labour Standards (B4 of ESG Reporting Guide)

To prevent child labour, the two JVs stipulate in the Human Resources Management Procedure that, during the process of recruitment, applicants are required to submit identity documents for verification of age. To prevent forced labour, the JV companies' Staff Handbooks provide that, if employees have to work overtime on public holiday, compensation leave should first be arranged. If it cannot be arranged due to work, overtime payment will be provided for according to the law. The Group abides by relevant laws and regulations such as the Labour Law of the PRC. During the reporting year, the Group was not aware of any cases of incompliance with laws and regulations in relation to labour practices (including prevention of child labour and forced labour).

Supply Chain Management (B5 of ESG Reporting Guide)

The two JVs carried out effective environmental and social risks management of the contractors of maintenance and construction projects by stipulating terms in Maintenance Contracts and Tender Documents. In environmental aspects, the Group requires contractors to control pollutants and waste and to protect the environment in the surrounding. In social aspects, the terms cover areas including anti-corruption, operational safety management and requirements concerning wage payment.

Product Responsibility (B6 of ESG Reporting Guide)

The Group always strives to improve its service quality and operation efficiency to provide quality customer services. To ensure the health and safety of road users, the two JVs formulated the Expressway Maintenance Method to stipulate the management responsibility of road maintenance. In addition, the two JVs formulated the Emergency Response Management Method to implement effective rescue operation and release information in a timely manner. In terms of customer privacy, the two JVs' Management Procedures and Management Method on Confidentiality require their employees to keep any sensitive information

confidential to protect customer privacy. In addition, according to the News Promotion Management Method formulated by the two JVs, news promotion must be based on the principle of objectiveness, truthfulness and accuracy without providing any false information.

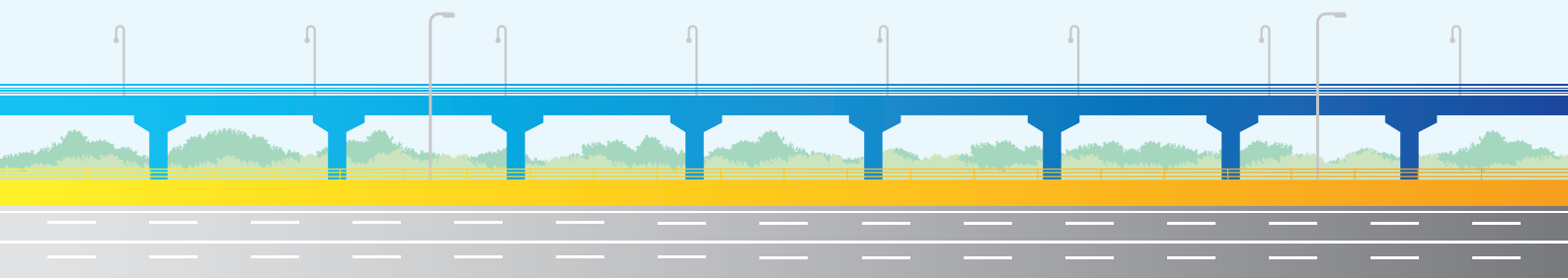
The Group abides by laws and regulations related to product responsibility such as the Highway Law of the PRC and the Regulation on the Administration of Toll Roads. During the reporting year, the Group was not aware of any cases of non-compliance with laws and regulations in relation to product responsibility (including customer health and safety and customer privacy). For more details, please refer to the chapter "Maintaining Road Safety and Service Efficiency".

Anti-corruption (B7 of ESG Reporting Guide)

The Company's Code of Conduct strictly stipulates that, unless prior authorisation was granted by the Company, all employees must not request, accept or provide benefits to anyone. The two JVs also stipulate in their Staff Handbooks that employees are not allowed to accept benefits from others or commit fraudulent acts by taking advantage of their duties or work relations. The Group abides by relevant laws and regulations such as the Anti-Corruption and Anti-Bribery Law of the PRC and Regulations of the PRC for Suppression of Corruption. During the reporting year, the Group was not aware of any cases of non-compliance with laws and regulations in relation to bribery, extortion, fraud and money laundering. For more details, please refer to the chapter "Maintaining Road Safety and Service Efficiency".

Community Investment (B8 of ESG Reporting Guide)

The Group formulated the Sustainability Policy to support the positive initiatives and cooperation activities in the community where it operates and encouraged employees and stakeholders to support community, educational and charitable events and take part in volunteering work. The Group focuses its resources in three key areas: environmental protection, community involvement and youth development. For more details, please refer to the chapter "Customer and Building Inclusive Community".



APPENDIX: KEY PERFORMANCE SUMMARY

Environment

		FY2015			FY2016			FY2017			FY2018 ³		
		GS Super-highway JV	West Route JV	Total	GS Super-highway JV	West Route JV	Total	GS Super-highway JV	West Route JV	Total	GS Super-highway JV	West Route JV	Total
Indicator	Unit												
Air emissions													
Sulphur oxides ⁴	tonne	N/A	N/A	N/A	0.11	0.07	0.18	0.10	0.07	0.17	0.17	0.03	0.20
Nitrogen oxides ⁴	tonne	N/A	N/A	N/A	28	15	43	25	15	40	8	1	9
Particulate matter ⁵	tonne	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.27	0.06	0.33
Greenhouse gas emissions													
Direct emission of tonne CO ₂ equivalent	tonne	2,448	798	3,246	2,053	814	2,868	1,641	794	2,435	1,714	923	2,637
Indirect emission of tonne CO ₂ equivalent ⁶	tonne	20,040	9,783	29,823	19,602	9,810	29,413	17,617	9,047	26,665	12,470	5,842	18,312
GHG intensity (per km of expressway)	Tonne CO ₂ equivalent/km	N/A	N/A	149.8	N/A	N/A	146.3	N/A	N/A	131.9	N/A	N/A	94.9
Production of hazardous and non-hazardous waste ⁷													
Hazardous waste	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hazardous waste intensity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-hazardous waste	tonne	N/A	N/A	N/A	4,334	404	4,738	6,521	1,858	8,379	7,222	4,778	12,000
Non-hazardous waste intensity (per km of expressway)	tonne/km	N/A	N/A	N/A	N/A	N/A	21.5	N/A	N/A	38.0	N/A	N/A	54.4
Total energy consumption													
Direct energy ⁸													
Diesel	litre	408,610	19,136	427,746	320,448	21,443	341,890	245,523	17,419	262,942	246,132	15,463	261,595
	GJ	14,653	686	15,339	11,491	769	12,260	8,804	625	9,429	9,023	567	9,590
Gasoline	litre	485,867	275,110	760,977	430,244	278,729	708,972	354,702	275,312	630,014	317,770	254,464	572,234
	GJ	15,635	8,853	24,488	13,845	8,969	22,815	11,414	8,860	20,274	9,991	8,001	17,992
Liquefied petroleum gas	tonne	N/A	N/A	N/A	112	67	179	104	68	172	97	88	185
	GJ	N/A	N/A	N/A	5,299	3,170	8,468	4,920	3,217	8,137	4,599	4,171	8,770
Indirect energy													
Purchased electricity	kWh	21,823	10,653	32,476	21,880	10,741	32,621	20,306	10,428	30,734	23,657	11,084	34,741
	GJ	78,564	38,349	116,913	78,769	38,668	117,437	73,102	37,541	110,642	85,167	39,901	125,068
Electricity consumption intensity (per km of expressway)	GJ/km	N/A	N/A	529.7	N/A	N/A	532.1	N/A	N/A	501.3	N/A	N/A	566.7
Total energy intensity													
Energy intensity (per km of expressway)	GJ/km	N/A	N/A	710.2	N/A	N/A	729.4	N/A	N/A	672.8	N/A	N/A	731.4
Use of renewable energy													
Solar energy and wind energy	kWh	0	12.79	12.79	0	15.42	15.42	0	29.78	29.78	0	41.0	41.0
	GJ	0	46.03	46.03	0	55.50	55.50	0	107.20	107.20	0	147.6	147.6
Consumption of water resources ⁹													
Water consumption	Cubic meter	365,829	165,077	530,906	333,686	151,718	485,404	385,853	145,324 ¹⁰	529,449	361,964	166,827	528,791
Water intensity (per km of expressway)	Cubic meter/km	N/A	N/A	2,405.6	N/A	N/A	2,199.4	N/A	N/A	2,399.0	N/A	N/A	2,396.0
Use of materials ¹¹													
Cement	tonne	10,831	290	11,121	11,496	739	12,235	8,394	11	8,405	5,049	2,538	7,587
Steel	tonne	2,001	70	2,071	1,777	17	1,794	1,415	10	1,425	811	224	1,035
Steel strand	tonne	65	0	65	105	0	105	2,383	0	2,383	55	0	55
Bitumen	Cubic meter	9,943	562	10,505	4,972	1,225	6,197	17,716	895	18,611	16,249	362	16,611

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Social

Indicator	Unit	FY2015		FY2016		FY2017		FY2018	
		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 number of Full-time employees									
By region	Number								
Hong Kong		3	1	3	1	3	1	3	1
Mainland China		2,485	925	2,339	981	2,240	1,009	2,182	1,019
Total number of employees in Hong Kong and Mainland China	Number	2,488	926	2,342	982	2,243	1,010	2,185	1,020
By gender	%								
Female		38.22	40.93	38.04	41.24	37.54	42.08	37.48	42.55
Male		61.78	59.07	61.96	58.76	62.46	57.92	62.52	57.45
By age group	%								
30 or below		48.43	70.19	48.93	70.88	50.69	67.43	48.97	66.96
31–50		48.27	27.97	47.57	27.70	45.61	30.59	46.82	30.49
Above 50		3.30	1.84	3.50	1.43	3.70	1.98	4.21	2.55
By employment category	%								
Senior management		0.36	0.65	0.38	0.61	0.41	0.59	0.46	0.59
Management		1.33	1.62	1.32	1.32	1.11	1.19	1.24	1.47
General staff		98.31	97.73	98.29	98.07	98.48	98.22	98.31	97.94
Minority groups within workforce	%	2.49	1.94	2.39	2.04	2.27	1.98	2.29	1.55
Governance organisation									
By gender	Number								
Female		1	0	0	0	0	0	0	0
Male		9	8	10	8	10	8	10	8
By age group	Number								
30 or below		0	0	0	0	0	0	0	0
31–50		6	6	5	5	1	3	2	2
Above 50		4	2	5	3	9	5	8	6
Employee turnover rate¹²	Number (%)	364 (14.63)	173 (18.68)	539 (23.01)	160 (16.29)	479 (21.36)	185 (18.32)	359 (16.43)	281 (27.55)
By gender	Number (%)								
Female		165 (6.63)	71 (7.67)	201 (8.58)	59 (6.01)	162 (7.22)	77 (7.62)	139 (6.36)	116 (11.37)
Male		199 (8.00)	102 (11.02)	338 (14.43)	101 (10.29)	317 (14.13)	108 (10.69)	220 (10.07)	165 (16.18)
By age group	Number (%)								
30 or below		295 (11.86)	156 (16.85)	359 (15.33)	119 (12.12)	300 (13.38)	148 (14.65)	273 (12.49)	244 (23.92)
31–50		59 (2.37)	14 (1.51)	169 (7.22)	37 (3.77)	161 (7.18)	37 (3.66)	78 (3.57)	35 (3.43)
Above 50		10 (0.40)	3 (0.32)	11 (0.47)	4 (0.41)	18 (0.80)	0 (0.00)	8 (0.37)	2 (0.20)
Number and rate of new hires¹³	Number (%)	269 (10.81)	196 (21.17)	395 (16.87)	173 (17.62)	399 (17.79)	173 (17.13)	303 (13.87)	292 (28.63)
By gender	Number (%)								
Female		N/A	N/A	141 (6.02)	63 (6.42)	121 (5.40)	71 (7.03)	117 (5.35)	127 (12.45)
Male		N/A	N/A	254 (10.85)	110 (11.20)	278 (12.4)	102 (10.10)	186 (8.51)	165 (16.18)
By age group	Number (%)								
30 or below		N/A	N/A	383 (16.35)	150 (15.27)	386 (17.21)	159 (15.74)	280 (12.81)	287 (28.14)
31–50		N/A	N/A	12 (0.51)	23 (2.34)	13 (0.58)	14 (1.39)	22 (1.01)	5 (0.49)
Above 50		N/A	N/A	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1 (0.05)	0 (0.00)
Percentage of employees protected by 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		1 month	1 month	1 month	1 month	1 month	1 month	1 month	1 month
Work-related injury									
By region	Number								
Hong Kong		0	0	0	0	0	0	0	0
Mainland China		7	2	7	3	5	2	3	1
By gender	Number								
Female		1	1	2	0	1	0	1	1
Male		6	1	5	3	4	2	2	0
Lost workdays due to work-related injury¹⁴	Day	N/A	178	412	440	230	142	344	113
Work-related fatalities	Number	0	0	1	0	0	0	0	0
Injury rate per 1,000 employees	%	2.81	2.16	2.99	3.05	2.23	2.22	1.37	0.98



Indicator	Unit	FY2015		FY2016		FY2017		FY2018	
		GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV	GS Superhighway JV	West Route JV
Employees trained									
By gender	Number (%)								
Female		N/A	N/A	N/A	N/A	N/A	N/A	441 (53.8%)	272 (62.7%)
Male		N/A	N/A	N/A	N/A	N/A	N/A	831 (60.8%)	451 (77.0%)
By employment category	Number (%)								
Senior management		N/A	N/A	N/A	N/A	N/A	N/A	8 (80%)	7 (100%)
Management		N/A	N/A	N/A	N/A	N/A	N/A	26 (96%)	17 (100%)
General staff		N/A	N/A	N/A	N/A	N/A	N/A	1,238 (57.6%)	699 (79.3%)
Average hours of training¹⁵									
By gender	Hour								
Female		N/A	N/A	N/A	N/A	22.19	N/A	15.69	26.20
Male		N/A	N/A	N/A	N/A	20.86	N/A	17.10	38.55
By employment category	Hour								
Senior management		N/A	N/A	N/A	N/A	17.97	N/A	20.40	100.30
Management		N/A	N/A	N/A	N/A	N/A	N/A	24.00	78.4
General staff		N/A	N/A	N/A	N/A	22.52	N/A	16.46	36.26
Percentage of employees receiving regular performance reviews	%	100	100	100	100	100	100	100	100
Number of customer complaints	Number of cases	N/A	N/A	N/A	N/A	N/A	N/A	289	17
Customer complaint rate	%	N/A	N/A	N/A	N/A	N/A	N/A	0.0008%	0.0001%

Notes:

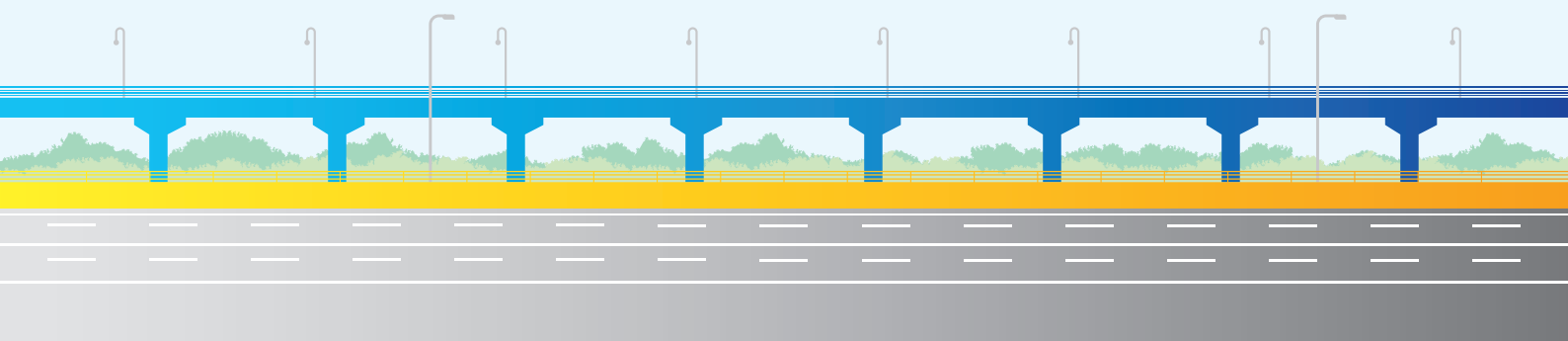
- 3 The calculation of air emissions references the Guidelines for Accounting and Reporting Greenhouse Gas Emissions by China Land Transportation Enterprises (Trial), Technical Guidelines on Preparation of Emission Inventory of Primary Source of Inhalable Particulate Matter, Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Road Vehicles (Trial) and Technical Guidelines on Preparation of Emission Inventory of Air Pollutants from Non-Road Mobile Sources (Trial).
- 4 Figures of sulphur oxides and nitrogen oxides only include emissions from vehicle use.
- 5 Particulate matter only includes the emissions from the use of gasoline, diesel and liquefied petroleum gas.
- 6 Calculations for FY2015 to FY2017 are based on data of electricity purchased and the default emission factor of 0.8676 kg carbon dioxide/kWh adopted by the Mainland China Southern Power Grid. Calculation for FY2018 is based on data of electricity purchased and the average carbon dioxide emission factor of 0.5271 kg carbon dioxide/kWh adopted by the Mainland China Southern Power Grid.
- 7 The data reflects the production of waste collected along the GS Superhighway and Western Delta Route (produced by road users and the natural environment) and is subject to traffic flow, weather conditions and the frequency of road cleaning. This explains the greater year-on-year variation.
- 8 Direct energy only includes the use of gasoline, diesel and liquefied petroleum gas.
- 9 Consumption of water resources only includes the data of the GS Superhighway and Western Delta Route.
- 10 Estimates quoted in 2016/17 Report had been amended and replaced with actual figures.
- 11 Including the material consumption of maintenance projects of the GS Superhighway and Western Delta Route.
- 12 Employee turnover rate is calculated by dividing the number of employees who left by the total number of Hong Kong and Mainland China employees of each joint venture.
- 13 Rate of new hires is calculated by dividing the number of new employees by the total number of Hong Kong and Mainland China employees of each joint venture.
- 14 The number of lost workdays due to work-related injury is calculated by calendar days.
- 15 The average hours of training for each category in GS Superhighway JV is calculated by total training hours (based on an average of 6 working hours per day) divided by total number of employees.

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APPENDIX: REPORT CONTENT INDEX

Material Aspect	Content	Remarks and Page Index
A. Environmental		
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.	10–12, 19
A1.1	The types of emissions and respective emissions data.	10–11, 21
A1.2	Greenhouse gas emissions in total (in tonnes) and intensity.	11, 21
A1.3	Total hazardous waste produced (in tonnes) and intensity.	11, 21
A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	11, 21
A1.5	Description of measures to mitigate emissions and results achieved.	10–11, 21
A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	10–11, 21
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	11–12, 19
A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000) and intensity.	21
A2.2	Water consumption in total and intensity.	21
A2.3	Description of energy use efficiency initiatives and results achieved.	11–12, 19, 21
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	11–12, 19, 21
A2.5	Total packaging materials used for finished products and with reference to per unit produced.	The Group's business does not involve packaging materials used for finished products.
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	10–12, 19
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	10–12, 19

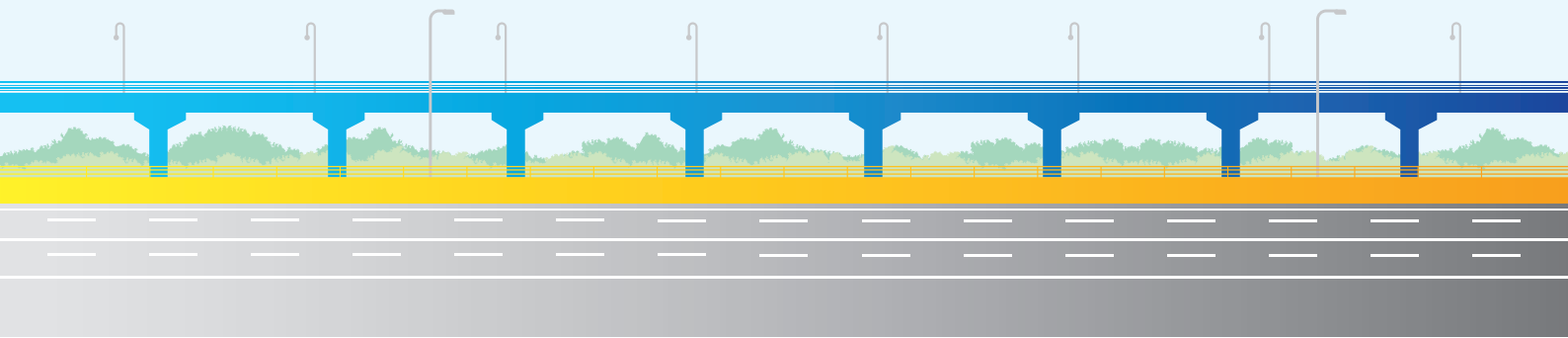


Material Aspect	Content	Remarks and Page Index
B. Social		
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	15, 18–19
B1.1	Total workforce by gender, employment type, age group and geographical region.	22
B1.2	Employee turnover rate by gender, age group and geographical region.	22
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.	15, 19
B2.1	Number and rate of work-related fatalities.	22
B2.2	Lost days due to work injury.	22
B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	15–16, 22
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	17–18, 19–20
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	23
B3.2	The average training hours completed per employee by gender and employee category.	23
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 relating to preventing child and forced labour.	15, 17, 20
B4.1	Description of measures to review employment practices to avoid child and forced labour.	15, 17, 20
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	14, 20
B5.1	Number of suppliers by geographical region.	There are approximately 150 bodies on the list of recognised contractors, suppliers and service providers of the two JVs. All units are located in China.
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	The two JVs have in place a management system, including the Resources Procurement Method and Tender Invitation and Submission Management Method to select suitable suppliers.

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Material Aspect	Content	Remarks and Page Index
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.	13, 20
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's business does not involve sales and shipping of products.
B6.2	Number of products and service related complaints received and how they are dealt with.	13, 23
B6.3	Description of practices relating to observing and protecting intellectual property rights.	The Group's business does not involve product manufacturing and this index is not related to it.
B6.4	Description of quality assurance process and recall procedures.	The Group's business does not involve product recall.
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	13, 20
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 prevention of bribery, extortion, fraud and money laundering.	14, 20
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.	14, 20
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	14, 20
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.	18, 20
B8.1	Focus areas of contribution.	18, 20
B8.2	Resources contributed to the focus areas.	18



VERIFICATION STATEMENT

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") has been commissioned by Hopewell Highway Infrastructure Limited ("HHI") to undertake an independent verification for its Sustainability Report 2017/18 ("the Report"). The scope of this verification covers the sustainability performance data and information of HHI's business in Hong Kong SAR and Mainland China for the period of 1st July 2017 to 30th June 2018, as defined in the Report.

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Guide") of Hong Kong Exchanges and Clearing Limited. The aim of this verification is to provide a reasonable assurance on the completeness and accuracy of the report contents.

Level of Assurance and Methodology

HKQAA's verification procedure was designed for devising opinions and conclusions to obtain a reasonable level of assurance. The extent of this verification process undertaken covered the criteria set in the ESG Guide.

The verification process included verifying the systems and processes implemented for collecting, collating and reporting the sustainability performance data, reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the reporting contents and verifying selected representative sample of data and information. Raw data and supporting evidence of the selected samples were also thoroughly examined during the verification process.

Independence

HHI was responsible for the collection and preparation of the information presented. HKQAA did not involve in calculating and compiling the reporting data, or the content development of the Report. Our verification activities were entirely independent from HHI.

Conclusion

Based on the verification results and in accordance with the verification procedures undertaken, HKQAA has obtained reasonable assurance and is in the opinion that:

- The Report has been prepared in accordance with the ESG Guide. The key performance indicators specified in the ESG Reporting Guide has been adequately addressed;
- The systems and processes used by HHI for managing and reporting sustainability performance information are effective;
- The Report illustrates the sustainability performance of HHI's material topics in a balanced, comparable, clear and timely manner; and
- The data and information disclosed in the Report are reliable, accurate and complete.

HHI has established effective mechanism to proactively engage with its stakeholders. Feedbacks from stakeholders were taken into account seriously for incorporating into the company's sustainability strategies and for preparing the report contents. HHI has also been responsive to stakeholder concerns and expectations with a number of examples shown in the Report.

In conclusion, the Report reflects truthfully the sustainability commitments, policies and performance of HHI and discloses transparently the sustainability performance of the company that is commensurate with its sustainability context and materiality.

Signed on behalf of Hong Kong Quality Assurance Agency

Jorine Tam
Director, Corporate Business
November 2018



Hopewell Highway Infrastructure Limited



2017/18
SUSTAINABILITY
REPORT