

ESG 2019

ENVIRONMENTAL SOCIAL
AND GOVERNANCE
REPORT



SICHUAN EXPRESSWAY COMPANY LIMITED

Stock code: SSE 601107 Stock Exchange 00107

The board of directors of the Company and all Directors hereby guarantee that there are no misrepresentations or misleading statements contained in, or material omissions from this report, and severally and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained herein.

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This report is prepared in accordance with Guidelines on Preparing the Report on Corporate Fulfilment of Social Responsibility issued by the Shanghai Stock Exchange (Hereinafter referred to as "SSE"), and the Environmental, Social and Governance Reporting Guide (hereinafter referred to as "Guidelines") issued by The Stock Exchange of Hong Kong Limited (Hereinafter referred to as the "Stock Exchange"). It covers the important practices and performance of the Company in relation to its stakeholders, environment and resources, employees, supply chain and products, epidemic countering and responsibility assuming, anti-corruption, community services as well as assistance to poverty alleviation from 1 January 2019 to 31 December 2019. In this report,

"Chengyu Company", "Sichuan Expressway" "Company", "the Company", "Group", "the Group" or "we" refer to Sichuan Expressway Company Limited and/or its subsidiaries.

The report was considered and approved at the 4th meeting of the seventh session of the board of directors convened by the Company on 30 March 2020.

The report is available in simplified Chinese, traditional Chinese and English, which may be obtained on the websites of SSE (<http://www.sse.com.cn>), Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.cygs.com>) as needed.



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The Company's principal business include operation of expressways, provision of traffic services to vehicles and collection of tolls in accordance with charging standards stipulated by relevant government authorities. At the same time, the Company also conducts a range of various other businesses including "city operation", "financial investment", "energy investment" and "transportation, tourism, culture and education".

Playing a fundamental and forerunner role in the national economy, the expressway sector does not merely satisfy people's needs for efficient and speedy travel, but also facilitates social and economic development. The Company obtains its operating expressway assets by way

of investment and construction as well as acquisition. Currently, we own all or substantially all interests in a number of expressways in Sichuan Province such as Chengyu (Chengdu-Chongqing) Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Chengbei Exit Expressway, Suixi Expressway and Suiguang Expressway. The length of expressways of the Company has reached approximately 744km in total, representing approximately 10% of the total expressway mileage throughout the province. Therefore, we exert significant impact and play a critical role in investment, construction and operation of expressways in Sichuan province.

Road Network of the Group's Expressways



In 2019, the Company followed the general trend of the macro economy, kept up with changes in the industry, and seized new opportunities for regional development. As a result, its principal business was expanded and well-performed while its ancillary businesses were refined with new ideas, and solid foundation and significant progress were achieved in various tasks. While steady improvement was achieved in the Company's operating efficiency, we have also made multiple and targeted efforts in road and bridge engineering, service quality, environmental protection, operation and management, reform and innovation and other aspects to vigorously promote high-quality and sustainable development of the Company.

Being fully aware that corporate development is bound up with the society and environment where it operates, the Company has been committed to providing

safe, fast and comfortable travelling services to the public and promoting balance development of society and economy by fulfilment of its social responsibility since its establishment. While gaining economic benefits, the Company pays close attention to the impacts of the products and services it delivers on the environment and society on an ongoing basis, shows respect to stakeholders' interests and holds itself accountable for resulting obligations. Meanwhile, the Company upholds the concept of "green development, convenience and safety, efficiency and excellence", implements the development goal of co-existence and co-prosperity with society and environment, and endeavors to achieve the win-win situation between self-development, environment protection and harmonious society.

(I) The government and regulatory authorities

In compliance with the instructions and regulations of the government and regulatory authorities, the Company implements strict corporate governance, carries out law-abiding and compliance operations, pays taxes in accordance with laws and fulfils its information disclosure obligation. There is no breach of the regulatory requirements. During the year, the Company revised and improved its internal control manual in accordance with its actual conditions, making internal control management more scientific and efficient; it revised the Detailed Implementation Rules for the Audit Committee to meet the compliance requirements of regulatory authorities in Shanghai and Hong Kong; it fully completed the amendments to articles of association of the subsidiaries, and continuously enhanced its corporate governance; the Company also established and improved the risk control systems for investment decisions, standardized review procedures, and further strengthened closed-loop risk management. In 2019, the Company was rated A level (Excellent) in the assessment of information disclosure conducted by the SSE for seven consecutive years and honoured with the "Best Corporate Governance Award" for listed companies by China Financial Market for four consecutive years.

(II) Shareholders

The Company has been strictly complying with the Company Law, the Securities Law, the listing rules of stock exchanges in Shanghai and Hong Kong and the other relevant laws and regulations. It has also been strictly fulfilling the obligations required by CSRC's Code of Corporate Governance for Listed Companies and the Stock Exchange's Corporate Governance Code. Meanwhile, the Company scrupulously abides by the compliance requirements of the A share and H share markets, conducts operating activities by strictly obeying various regulatory and administrative systems, and strives to enhance the operating transparency, to keep raising the corporate governance level and attach sustainable and sound investment returns to shareholders.

1. Equally treat shareholders, and guarantee all shareholders, especially the minority shareholders, enjoy equal status and that they can fully exercise their rights. In 2019, the Company held one annual general meeting (AGM) and two extraordinary general meeting (EGM), respectively. The convening of the meetings was in line with the provisions of the Company Law, the Articles of Association of the Company, and the Rules of Procedure for the Shareholders' General Meeting, where a combination of both on-spot and online voting was adopted to facilitate the minority shareholders to exercise their rights.

2. Pay attention to the appropriate return on the shareholders' investment, and carry out sustainable, stable profit distribution policy. Since the Company was listed, it has insisted on distributing cash dividends to shareholders every year, so that shareholders can benefit from the Company's development. The Board has recommended a final cash dividend for the year 2019 of RMB0.11 per share (tax inclusive), aggregating to approximately RMB336,387,000, representing 48.81% of the profit available for distribution to the Shareholders recognized by the Company for the year in accordance with the PRC Accounting Standards, and representing 31.07% of the profit attributable to the owners of the Company (calculated in accordance with the PRC Accounting Standards) in the consolidated financial statements. The proposed dividend is subject to approval at the forthcoming 2019 Annual General Meeting of the Company.

3. Strictly perform the statutory information disclosure duty, ensure all shareholders enjoy an equal and full access to information. In 2019, the Company released 4 regular reports, 56 interim announcements, and 38 other announcements in the A share market, as well as 98 documents in the H share market.

4. Keep maintaining and enhancing the relation with the investors in various ways. This year, the Company participated in the theme activity titled "2019 Collective Reception Day for the Listed Company Investors from the Area under Sichuan Jurisdiction" jointly organized by Sichuan Listed Companies Association and SSE INFONET Co., Ltd., and the activity of "Board Secretary Duty Week", to answer the investors' questions online. In addition, the Company communicated with investors through its "SSE e-interview", phone, mail and the Internet for more than 90 times, and received site visits for three batches with a total of over 93 investors.

(III) Creditors and Suppliers

The Company insists on operating by laws and rules, and in accordance with standard operation, complying with the principle of openness, fairness and justice, as well as the principle of focusing on integrity, trustworthiness, equality and mutual benefit in all commercial activities. It actively promotes the tendering and bidding system, and strictly controls its internal examination and approval procedures, in order to effectively guarantee the legal rights and interests of creditors and suppliers, and strive to establish a healthy, sustainable relationship of cooperation.

For the creditors, the Company performs a strict control of the loan management procedures, and fulfills its repayment obligation in accordance with the agreements. As a result, the Company has never been in lack of loan management procedures standardization or involved in overdue repayment. Hence, this guarantees the creditors' interests. For years, with stable cash flow, sound capital structure and good credit history, the Company has established and maintained a healthy credit relation with the creditors. In 2019, the Company paid close attention to cost control: firstly, it implemented standardized cost management and implemented key cost control measures, and the cost-to-income ratio decreased by 3.35 percentage points compared with the previous year; secondly, it strengthened centralized fund management and the fund collection rate exceeded 90%; thirdly, it reduced the amount of external financing, achieved a "double decline" in existing funds and external loans, and saved RMB60 million in financial expenses throughout the year; fourthly, it actively utilized the downward window of capital costs to optimize the financing structure of projects and adjust the composition of syndicates, which realized the replacement of high-cost funds with low-cost funds.

For the suppliers, we continue to improve the internal control to make the approval process more perfect and efficient by building a sound supply chain management system. We also effectively implement the corporate tendering and bidding management system at the same time, complying with relevant national laws and regulations, while stringently using open tender, project selection, inquiry tendering and other methods, and arranging the Company's discipline inspection & supervision personnel to review the tendering and bidding process. This can ensure open, transparent tendering and bidding procedures in the Company to effectively safeguard the legal rights of the suppliers.

(IV) Consumers

With the aim to "satisfy our consumers", the Company is committed to improving the road and facilities, and enhancing the level of management and services, so as to ensure that consumers enjoy safe, convenient and comfortable road transportation services. The Company has provided efficient channels for the consumers for information communication. They may make inquiry or complaints by phone or through the Company's website. Once the Company receives the consumers' opinions or suggestions, it will promptly follow up with the investigation, and feedback the results to the consumers.

(V) Employees

In 2019, we continued to optimize the talent structure and implemented a scientific and rational selection and employment system; strengthened the concept of occupational safety, improved the safety management system, and escorted the safety of employees; we carried out rich vocational training, cultural and sports activities, etc. by adhering to the "people-oriented", so that employees have gained and grown.

During the year, the employee remuneration reform was successfully completed, and the Company carried out the remuneration system reform in the headquarters and its subordinate pilot units, taking into account the rationality, incentive and growth of remuneration arrangement; in terms of refined and deepened safety management, the Company issued the Key Points of Work Concerning the Safety Production and Emergency Management in 2019, implemented safety management responsibilities, held regular safety management meetings, and further institutionalized and normalized safety management. The learning-type and open-type corporate culture is deeply rooted in the hearts of the people, while carrying out training activities with different levels, areas and full coverage, the Company created a platform for employees to display themselves through rich and diverse recreational and sports activities, and stimulated their creativity in an open manner, which further enhanced their self-confidence and identity.

The ecological environment is the base on which humans relies on to survive and develop, and environmental protection is the enterprise's indispensable social responsibility. The Company has always put environmental protection and ecological civilization construction in a prominent position, adhered to the principle of giving priority to conservation, protection and natural recovery, vigorously promoted the Company's development in coordination with resources and environment, and strived to build a resource-saving and environment-friendly enterprise. The Company not only attached great importance to the study and grasp of relevant laws and regulations, technical policies and development trends such as environmental protection and water and soil conservation of expressways, but also paid attention to the improvement and implementation of its own environmental protection strategy and system, and new ideas and technologies such as green and low carbon, energy conservation and environmental protection are constantly integrated into the process of operation and management.

In 2019, at the overall work level, the Company formulated and issued the "Key Points of Environmental Protection Work in 2019" of Chengyu Company, specifying the overall requirements, main control indicators and key tasks for annual environmental protection work. On this basis, the annual environmental protection objective management responsibility statements was signed at each level and implement the responsibility for compaction of environmental protection. At the system construction level, the Company completed the preparation of one management method and 11 relevant systems in accordance with the existing systems such as national and provincial environmental protection laws, regulations and standards, and issued the Collection of Environmental Protection Systems to further improve the system of environmental protection. At the risk prevention level, the Company conducted a thorough investigation of environmental protection work, including the investigation of the construction of environmental protection organization structure and implementation of work responsibilities of subordinate enterprises, and the pollutants (sewage, domestic garbage, etc.) treatment and discharge of toll stations, service areas and office areas of expressways, evaluation of environmental protection, design of environmental protection and implementation of environmental protection of construction projects, searching for potential environmental protection risks, and forming work records such as environmental factor identification and environmental problem investigation registration form. At the daily work level, the Company regularly held safety and environmental protection work meetings to timely conducted staged communication regarding the progress of environmental protection work; attached great importance to the environmental protection of operating expressways, strived to strengthen the treatment of sewage and waste in service areas and gas stations, and constantly improved the quality of service environment; combined special inspection with routine inspection to improve environmental protection work efficiency; and by means of environmental protection publicity and training, the concept of environmental protection and sustainable development was continuously conveyed throughout the Company.

(I) The emissions

As the Company is mainly engaged in expressway investment, construction, operation and management, the business of the Company does not involve any industrial production in nature and its operating activities do not produce a large quantity of wastes directly. Even so, the

Company has always adhered to the concept of green sustainable development in its business activities. It took a multi-pronged approach from technology research and development, experience absorption, daily management and other aspects to make adventurous and unremitting efforts to reduce the impact of its activities on the surrounding environment.

1. Waste Gas and Greenhouse Gas

The waste and greenhouse gases possibly produced during the expressway operation and management mainly include CO (carbon monoxide), CO₂ (carbon dioxide), HC + NO_x (hydrocarbon and nitrogen oxides), PM (particle, soot) and other hazardous gases. The main sources of the emissions are general vehicles travelling on expressways and special vehicles used for road management and maintenance of the expressway (patrol cars and troubleshooting vehicles) for the purpose of operation and management of expressway. In particular, general vehicles prove to be the major source of emission.

(1) Promoted ETC¹ and Energy Saving and Emission Reduction. In response to vehicle waste emissions, the Company has, as always, accelerated the construction of ETC lanes, especially in 2019. Under the macro background of deepening the reform of toll road system and completing the cancellation of toll stations at the provincial borders on time, the Company has actively implemented quick toll collection without stopping, improved vehicle traffic efficiency and operation and management levels through the construction of ETC lane, which is not only the indispensable task of Sichuan Expressway, but also the goal that the Company has always pursued. As of 31 December 2019, the construction of the Company's ETC Lanes is as follows:

Unit	Toll Stations	Total Lanes	ETC Lanes	ETC/MTC ² Mixed Lanes
Chengyu Expressway	16	148	95	45
Chengya Expressway	16	124	73	51
Chengren Expressway	9	85	63	22
Chengle Expressway	7	79	47	32
Suiguang and Suixi Expressway	13	80	54	26
Total	61	516	332	176

Note: Statistics show the number of toll stations and lanes of each road at the end of 2019. Among them, Chengya Expressway includes Ya'an East Station under renovation, and the total lanes of Chengyu Expressway includes 8 pure MTC lanes.

In 2019, the total traffic flow of the Company's ETC lanes was 87.85 million vehicles, representing a year-on-year increase of 27.67%. Of which, the total traffic flow at the ETC entrance was 46.45 million vehicles, and the total traffic flow at the ETC exit was 41.40 million vehicles.

(2) Embraced new trends and boosted new energy sources. Green development is an important part of high-quality development of China. The national New Energy Auto Industry Development Plan (2021-2035) is in the stage of soliciting opinions, and the formal release will be imminent. Therefore, it is imperative to accelerate the construction of charging and switching infrastructure. Following the policy trend, the Company has constantly planned to integrate services of new energy vehicles, and its Chengren Expressway Service Area has started to build charging stations for electric vehicles to provide consumers with safe and convenient charging services for electric vehicles. At the same time, the Company achieved the goal of reducing vehicle waste emissions.

¹ ETC: the Electronic Toll Collection system.

² MTC: lanes with semi-automatic toll collection system.

2. Wastewater Discharge

The aquatic pollution produced in the Company's operation and management is mainly comprised of the domestic sewage and oily wastewater from the toll collection stations and offices of the administrative organs in the expressway service areas. In the sewage discharge management, the Company firstly ensured that the sewage treatment and discharge indicators in the aforementioned areas fully meet the standards; secondly, it strengthened the daily maintenance, repair and upgrade of sewage treatment equipment and systems to ensure the normal operation of the equipment; thirdly, it carefully registered the ledger to ensure that environmental protection work is well documented.

During the reporting period, the Company increased its investment in environmental protection, and completed the construction and upgrading of the sewage discharge system at 14 stations including Beimu Station and Yinshan Station of Chengyu Expressway, Chengle Expressway Meishan Service Area and Chengya Expressway Pujiang Service Area, among which, the sewage discharge from 9 stations is connected to the municipal pipeline network, and the sewage treatment equipment is newly built at 5 stations.

3. Solid Wastes

Solid wastes produced in the management and operation activities of the Company mainly comprise household garbage in the expressway service areas under the Company and construction offscourings and scraps produced in the course of road maintenance and project construction. In 2019, the Company continued to add classified garbage bins in the service area, strictly disposed of garbage, and unified garbage collection and transportation, so as to strictly prevent the surrounding environment from being polluted due to garbage dumping; it continued to pay attention to the road cleaning work of operating expressways, increased the daily inspection and emergency handling capacity, strengthened the supervision of cleaning team, and carried out key cleaning for places with more white garbage. The Company attached importance to issues such as dust, waste residue, and waste water management at the construction site, strengthened the supervision over the disposal of waste materials, and adhered to the construction schemes that do not produce or seldom produce waste materials, such as on-site geothermal regeneration and overlay paving, etc. A small amount of waste materials generated from local repair of the road surface has been collectively stacked and utilized.

(II) Resources Utilization

We know that resource consumption is inevitable in the Company's daily operating activities, but we must take into account the limited and difficult regeneration of natural resources as well as the sustainable development of ourselves and society while using them. Therefore, the Company has always been serious about management of resource consumption, in actual work, it applies idea first and action-oriented, endeavors to reduce the waste of resources and improve the efficiency in using the resources.

For office space, we started from the details and guided from the concept, the concept of resource saving and action soaked into each link. In daily office work, the Company controlled and saved the use of printing paper by means of centralized printing, and continued to promote the paperless office mode such as OA system and internal communication tools; it unified storage and limited

collection of office supplies; advocated to save water, electricity and other clean energy, took appropriate amount of water and light off at hand in daily work.

For operating locations, we have followed the trends of industry reforms, actively explored and courageously tried to continuously improve existing measures, while introducing new technology and new ideas, and strived to achieve the "win-win" goal of improving resource utilization and reducing operating costs. The first was to response to the information construction of expressways. The promotion and application of the video inspection system for road production management and protection and 4G OBU³ for vehicles used exclusively for road production management and protection in road companies greatly reduced the consumption of resources while improving the service efficiency. Secondly, efforts were made to improve the resource recovery and recycling rate. In 2019, the Company tested and promoted the on-site geothermal regeneration technology, which was used to repave the new pavement by heating and milling the old pavement materials and then remixing them on the spot, and achieved 100% recycling of pavement materials. It has been tested and applied for a total of 24 kilometers in Chengyu Expressway and Chengya Expressway and recycled about 4,000 cubic meters (about 10,000 tons) of pavement materials. In addition, measures were taken in the new expressway construction project of Chengle Expressway expansion project to improve the utilization of the original expressway facility materials, such as the milled waste produced by the road pavement disease treatment projects is used to pave the foundation of other structures or used as filler, and the overall recycling rate of road waste has reached 100%. Thirdly, we explored the smart high-speed construction and changed paper tickets into electricity tickets in manual toll lanes (hereinafter referred to as "paper-to-electricity") as the key supporting measures to cancel provincial toll stations. On the one hand, it can effectively solve the problems such as cross-provincial ticket issuance and cash users cannot obtain deductible invoices. On the other hand, it can simplify lane toll collection business, improve traffic efficiency and reduce consumption of resources. On 11 April 2019, the first batch of "paper-to-electricity" pilot projects in China were launched at Chengdu Station and Xinglong Station of Rongzun Expressway (Chengren Section) of Chengren Branch. Subsequently, the Company actively coordinated the monitoring & settlement center and Xingyun Shuju Co., Ltd. to further verify the stability, reliability and compatibility of the system, and promoted in some toll stations on Chengren Expressway.

Table of statistics on resources used by the Company in 2019:

Resource Category	2018	2019
Water (0'000 tonnes)	73.2	76.1
Electricity (0'000 kwh)	2,012	2,293
Gas (0'000 litre)	120	132
Paper (0'000 pieces)	313	399
Natural gas (0'000 m ³)	21	29

³ 4G OBU also refers to smart OUB. That is, on the basis of ETC (Electronic Toll Collection system) on-board OUB, it integrated various modules covering big dipper/GPS location, electronic gyro, 4G communication, video collection, (OBD) on-board diagnostics and under the support of relevant smart software systems, it realizes the multiple functions, such as monitoring of vehicle real-time location and running status, external video real-time transmission and its AI identification.

(III) Environment and Natural Resources

When operating expressways, the Company strictly complies with the provisions of the Environmental Protection Law and relevant laws and regulations. The Company fully takes account into the importance of the natural environment and the vital interests of the residents along the expressway, and adopts effective ecological protection and pollution prevention & control measures, to minimize the damage caused by the road operations to the surrounding environment, and promote a harmonious relation between the road environment and the natural environment.

1. Maintaining the ecological environment of road area

The Company attached great importance to road greening management, regularly water, fertilize, trim and kill insects on the greening vegetation of each road, and timely replaced the missing seedlings in the central separation belt of the road to ensure the healthy survival of plants and trees. It carried out the greening landscape upgrading project along the route, and various companies have gradually investigated and determined the implementation plans according to the general idea of "showing landscape, beauty and tidiness, adding flowers and colors". The greening landscape upgrading project has been completed, and the road appearance along the routes have been greatly improved.

2. Prevention of noise pollution

In 2018, in order to further reduce the impact of the driving noise of the viaduct on the surrounding residents, the ultra-thin wearing layer technology was introduced into Sichuan at Chengya Expressway for the first time, and the trial section of its Chengdu viaduct bridge deck was implemented. Compared with the original road surface, the traffic noise of the test section after paving was significantly reduced (by 5-7 decibels), and the smoothness and anti-skid index of the road surface have also improved significantly. In 2019, the Company paved the entire bridge deck of the ultra-thin wearing layer of Chengya Road viaduct, totaling 25,420 square meters. In the future, the technology will be further promoted in the Company.

3. Intensifying water source protection

The Company adhered to the protection of expressways crossing drinking water sources, established runoff collection system along the bridge decks, added more sedimentation basins and put up signs and boards signaling drinking water reserves, and have been keeping observation data and installed runoff collection and clean water treatment facilities at runoff along the bridge decks and sections involving drinking water source protection areas.

4. Supporting green development

During the year of the 40th anniversary of the establishment of the Tree Planting Festival in China, Chengyu Company actively responded to the call of tree planting activities, organized more than 130 employees to carry out tree planting activities in Chadian Town of Longquanyi District to assume responsibility of "loving green, planting green and protecting green" with practical actions. During the construction of the Jiaozi avenue west extension project, we broke the conventional operation of planting grass by spraying for excavation slope, and widely built tall trees and evergreen arbor on the ridge and slant of slopes with colored-leaf plants. Maintaining water and soil as well as bringing good experience to the passers-by is a major highlight of the project.

As the core competitive element for enterprises, employees represent the factor determining the corporate growth and expansion, as well as realization of a sustainable development. Adhering to the people-oriented concept, the Company has been actively building a harmonious relationship with the employees, paying great attention to and safeguarding the employees' basic rights and interests; respecting the reasonable demands and requirements of the employees, and caring about their personal growth; and creating a safe, healthy working environment to the employees, and providing self-improvement opportunities to them, in order to promote mutual development between the employees and the Company.

(I) Employment

The Company strictly implements a number of national and regional laws, regulations and policies concerning labour and personnel such as the "Labour Law", "Labour Contract Law" and "Social Insurance Law" and other regulations, and has been strictly observed and

implemented the "Measures on Management of Employment by Labour Contract", "Measures on Management of Employee Recruitment and Deployment (Trial)" and other bylaws formulated according to the law in its actual business activities with combining the actual conditions of the Company. It maintains the long-term employment concept, adheres to the principle of equality and does not have different treatment in the employee recruitment process because of gender, ethnic, geographical, cultural background and other factors. In 2019, the Company had a total of 4,428 employees, including 1,204 management personnel and 3,224 skilled personnel; female employees accounted for approximately 49.19% of all employees. During the year, in line with the principle of "fair competition, hiring employees on the basis of competitive selection" the Company recruited 193 excellent talents for the headquarters and its affiliated companies through campus and general recruitment, including 103 males and 90 females.

Number of employees (by gender and age)

Age \ Gender	Number of employees		Total	Number of management member		Total	Remarks
	Male	Female		Male	Female		
35 or below	1,093	1,408	2,501	231	272	503	Based on the ages as at 31 December
36-40	270	264	534	95	89	184	
41-50	616	458	1,074	207	158	365	
51-55	172	44	216	73	42	115	
56 or above	99	4	103	35	2	37	
Total	2,250	2,178	4,428	641	563	1,204	

Number of employees (by gender and position)

Gender	Management member			Non-management	Total
	Senior management	Middle-level management	General management		
Male	72	166	403	1,609	2,250
Female	16	114	433	1,615	2,178

Number of employees (by type of employment)

Type of employment	Male	Female	Total
Labour contract with a fixed term	1,578	1,513	3,091
Open-ended labour contract	660	660	1,320
Other types	12	5	17

Number of employees (by degree of education)

Postgraduate education degree	Bachelor's degree	College degree	Technical secondary school and below
190	1,215	2,118	905

Number of employees (by region)

Region	Number
Chengdu City	2,435
Meishan City	547
Neijiang City	287
Ziyang City	263
Ya'an City	255
Leshan City	203
Guang'an City	170
Suining City	141
Nanchong City	93
Others	34

The Company continues to improve its measures for attracting and retaining talents, and cooperates with the Company's business development to provide employees with more career development opportunities, and maintains a normal staff turnover rate and a low staff wastage rate.

Staff Turnover Statement

Statistical field		Number of turnover
Gender	Male	71
	Female	79
Age	35 or below	125
	36-40	13
	41-50	11
	51-55	1
	56 or above	0
Region	Chengdu City	98
	Suining City	16
	Meishan City	13
	Ziyang City	7
	Leshan City	6
	Neijiang City	4
	Nanchong City	3
	Guang'an City	2
	Ya'an City	1

Strict performance of statutory obligations. The Company adopts the system of full employment contract and collective contract, strictly implements national, provincial and municipal labor protection policies, and improves various social insurances for employees. The Company paid the pension insurance, medical insurance, unemployment insurance, occupational injury insurance, and maternity insurance in full amount and on time for the on-the-job employees, and also paid the housing accumulation fund for

the employees in accordance with laws and policies. It also provided enterprise annuity fund and employer's liability insurance for qualified employees. The Company strictly performs national and local laws and regulations regarding the number of employee working hours and vacation, reasonably arranges working time and rest time for employees, and safeguards their rights to rest and leave.

The remuneration arrangement was continuously improved. In accordance with the statutory requirements and the market conditions, the Company implemented a remuneration system by linking wage with enterprise performance, and progressively improved the incentive and restraint mechanism that met up with the requirements of modern corporate system, and accelerated the reform of the salary system to promote the growth of the economic benefits and the shareholders equity of the Company and further ensure the competitiveness and reasonableness of the Company's remuneration in the market, which effectively aroused the enthusiasm and creativity of the employees.

Adhere to the principle of equality. The Company adopts the same remuneration standard and structure for both male and female employees, and provides equal salary for equal work and equal development opportunities for each employee; it respects the diversified corporate atmosphere, opposes discrimination in any form, and offers employment to the disabled persons with a certain working capacity for employment or pays employment security funds for disabled persons according to actual needs.

Caring for the growth of employees. The Company has always attached importance to providing fair and transparent promotion channels for outstanding employees, giving full play to the potential of talents, realizing their ideals and values, and integrates the employees' personal development into the course of pursuing the Company's development goals. In terms of talent selection, the Company adheres to the principles of appointing meritocracy, both political integrity and talent, and pays attention to performance, democracy and openness, and employs talents in various ways such as "competitive employment" and "general recruitment" according to different situations. In terms of personal growth, the Company respects individuality and is tolerant of diversity, and continuously provides employees with platforms and opportunities to enhance their capabilities, broaden their horizons, and inspire their potential.



(II) Safety and Health

The Company implements thoroughly laws and regulations including the "Production Safety Law" and attaches great importance to safe production and safeguards the life security of the employees. In accordance with the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and administrative regulations, as well as relevant provisions of the existing Occupational Health Management Bylaws of the Company, the Company provided effective occupational health protection measures for employees to avoid various potential occupational health risks. On one hand, it provided employees with necessary occupational protective equipment and labor protection supplies, strengthened the safety protection of the work environment, and purchased the employer liability insurance to ensure employees' safety and health in multiple dimensions. On the other hand, the Company vigorously conducted occupational health publicity

education, and arranged regular physical examination for employees to continuously improve their capability in fighting diseases and accident risks. In 2019, the work-related injury rate of the Company was 0.27%, and the number of working days lost due to work-related injury accumulated to 780 days.

The Company cares about both physical and mental health of its employees, pays attention to the construction of cultural atmosphere of the Company, and devotes itself to creating a working environment full of healthy, vitality and beautiful vision for the employees. During the year, the Company successively held the 2nd employee sports meeting, chess competitions, photography activities and other recreational and sports activities to promote employees' physical fitness and relax their bodies and minds. On each site of the Company, "staff small homes" and employee bookstores were gradually established to further expand the spare-time activities of employees to enhance their sense of belonging.



(III) Development and Training

The Company attaches importance to employee training, and often carries out multilevel and multitype training to improve the comprehensive quality and professional skill of all kinds of personnel. In 2019, the Company organized various centralized trainings and special trainings such as comprehensive quality improvement training for middle and senior management members, accreditation training for interviewers, training for internal trainers of enterprises, training for international operations, training for new employees and job training for skilled personnel, totaling 15,921 person-times.

Number of trainees

Gender	Number of trainees of the management			Number of trainees of the non-management	Total trainees
	Senior management	Middle-level management	General management		
Male	73	167	430	1,499	2,169
Female	16	115	433	1,536	2,100

Average training hours (training period)

Gender	Average training hours for the management			Average training hours for the non-management	Average training hours
	Senior management	Middle-level management	General management		
Male	48.93	36.72	27.13	26.78	28.36
Female	42.55	38.19	29.14	30.27	30.56

(IV) Labour Standards

The Company strictly complies with and implements the country's labour & personnel laws and regulations, and scrupulously abides by fair and just labour employment policy, as well as prohibits child labour and forced labour. During the reporting period, the Company did not employ any child labour or forced labour in any business, nor did it have any violation of the labour rules.

(I) Supply Chain Management

In cooperation with suppliers, the Company was in strict compliance with the provisions of the Tender and Bidding Law (招投標法), the Implementation Regulations of the Tender and Bidding Law (招投標法實施條例) and the Administrative Measures of Tender and Bidding Management (招標投標管理辦法), and adhered to principles of openness, fairness, justice, honesty and trustworthiness as well as equality and mutual benefit for procurement projects which conformed with the scope and standards. The Company introduced market mechanism, and determined the best through three methods of public tender, comparison and inquiry. Meanwhile, the Company has set up a tender and bidding management leading group to supervise and guide the work of tender and bidding, and set up a tender and bidding management office consisting of the construction management department, project functional department, finance and accounting department as well as discipline inspection and supervision audit department. The office is specifically responsible for daily organization and coordination of tender and bidding.

(II) Products and services

Access of expressway is the major service provided to public consumers by the Company. Since its establishment, the Company has been committed to improving the construction quality of road and bridge projects, upgrading the convenience level of access, optimizing the service standards of parking places, and ensuring safety to constantly improve the access experience of drivers and passengers. The expressway under the jurisdiction of the Company ranks among the best in the annual evaluation of expressway service quality of Sichuan Province by the Expressway Administration Bureau of Sichuan Provincial Department of Transportation for a long time, among which, Chengren Expressway has been ranked the first in the province for five consecutive years.

Safety and smoothness are the basic standards of expressway service, as well as the core content of the service provided by the Company. In 2019, the Company strengthened the awareness of responsibility and safety, paid close attention to road maintenance as always, attached importance to road safety, and spared no effort to ensure clear road:

1. Guaranteeing the performance of road safety

(1) The Company has taken construction of high-quality expressway as the basic concept, and constantly improved the road safety protection level by strengthening the safety of driving as an important objective, which mainly includes: improvement on the safety facilities at entrances and exits of the tunnels in the form of special projects; further improvement on the transformation and upgrade of traffic safety facilities in the section of "Three Adjacencies", i.e. sections adjacent to water areas, cliffs and other roads, and increase in construction transformation and treatment measures under the condition of meeting the norms in accident-prone sections to significantly reduce the traffic accident rate. (2) Implementation of special project of traffic marking rectification, improvement on the upgrading and transformation of protection of the middle pier of bridges, completion of the test section of the opening reconstruction, and improvement on the road safety service quality as a whole. (3) Attempting to apply the engineering facilities with higher safety performance in road construction. For example, in the expansion construction project of Chengle Expressway, we selected concrete guardrail with divided central partition belt as the isolation pier. When encountering vehicle collision, such guardrail will make use of deformation of soil foundation,

columns and beams to absorb the energy from collision, and force out-of-control vehicles back to the normal direction to prevent vehicles from rushing out of roads to reduce serious driving accidents. Compared with general wave beam guardrail, such kind of guardrail has the advantages of longer service life, lower loss rate arising from vehicle collision, easy cleaning and saving maintenance cost. It was also the first large-scale application of concrete guardrail with divided central partition belt as the isolation pier in the expressway within the province. (4) Comprehensive implementation of road greening shelter trimming project to trim and clean the green branches in the guardrail on both sides of the road or even in part of the clear areas, thus greatly improving the vision of when driving on the road and enhancing the safety and comfort of road traffic.

The road and bridge projects under the Company have maintained good safety performance as before. According to the inspection of the industry management unit, the pavement quality index PQI of each expressway was over 92 scores, which was rated as excellent. Bridge tunnels are also in safe use and management assessment results rank among the top in the province.

2. Paying equal attention to quality and efficiency of maintenance work

First, the Company continued to promote the concept of preventive maintenance management, early discovery of diseases, early arrangement and early implementation, so as to avoid further expansion of losses and reduce the maintenance cost. During the year, the Company completed the preventive maintenance of 4cm asphalt pavement covering 56 km (lane) for each highway under its jurisdiction. Second, the Company improved the refined management of road maintenance with a focus on "road inspection bookkeeping", "bookkeeping on hidden hazard screening and management" and "bookkeeping on utilisation of maintenance budget", which improved the basic management of road maintenance, and strived to meet the overall road requirements of "smoothness, safety, comfort and neatness". Third, the Company adhered to the long-term plan and temporary plan for the maintenance work. As "preparedness ensures success and unpreparedness spells failure", it made the long-term road maintenance plan and temporary maintenance plan while doing the preventive maintenance in a timely manner, to address conservation needs in different situations. Fourth, the Company attached great importance to the informatization construction of maintenance work, incorporated the measurement and payment management module of maintenance project into the maintenance informatization management system, and took the lead in the pilot project in Chengyu Branch. The integration of the measurement and payment management module can improve the integrity of maintenance informatization management and ensure the accuracy and timeliness of measurement and payment, further improve the quality management and fund management level of the maintenance project, and will be subsequently promoted and used in other operating road companies.

3. Orderly and smooth traffic is guaranteed in special periods

In response to special circumstances such as the Spring Festival transportation, major holidays, extreme weather, natural disasters, etc., the Company first worked out a work plan and emergency plan to make arrangements in advance. Secondly, it carried out a solid investigation and management of hidden dangers, focusing on inspecting expressway traffic safety facilities, electrical and mechanical facilities, toll management system, ETC equipment and weight measurement equipment for freight

vehicles at the entrance, etc., timely arranged maintenance and repair, and reasonably arranged emergency rescue and rescue sites. Meanwhile, it strengthened supervision and inspection and 24-hour duty system to achieve timely response; further, it standardized the operation and management of expressway service areas and increased service capacity; finally, it made full use of variable information boards, LED displays, etc. along the line to release road network travel information in a timely manner. The Company strives to take all measures to do a good job in slowing down traffic jams on expressways to meet public demands for safe and smooth travels.

In 2019, the Company carefully carried out the free transportation policy for small passenger vehicles during the major holidays, with a total of 21 days toll-free. It continued to implement the toll-free policy for transport vehicles with fresh agricultural products, set up specific "green channels", and developed uniform "green channels" signs, providing convenience for transport vehicles with fresh agricultural products to pass quickly.

While continuously optimizing road performance and improving traffic efficiency, we know that comfort, elegance and humanistic concern are the good expectation of consumers for expressway service and the long-term goal of our Company. In 2019, the Company continued to improve project quality and service standards in the following aspects:

1. Continuous optimization of traffic quality

First, the project quality and operation level were affirmed and praised. In 2019, Chengren Expressway won the "National Quality Engineering Award", Suiguang Expressway and Suixi Expressway both won the "Li Chun Award (李春奖)" (Highway Engineering Quality Award), Chengya Expressway successfully established the "Five Good Expressways" and Meishan Station of Chengle Expressway was awarded the title of "Women's Civilization Post in Sichuan Province". During the year, the service quality of the road sections under the jurisdiction of the Company remained at the forefront of the province for a long time, the greening landscape quality improvement projects were successively completed, and the traffic experience of "smoothness, safety, comfort and neatness" was constantly improved. Second, the Company continued to strengthen the accessibility. While responding to the industry reform call and vigorously building the ETC lane, the Company continued to improve the convenience of toll payment in the manual toll lanes. In November, the Company realized full coverage of mobile payment for manual lanes at Chengren Expressway, which significantly improved traffic efficiency.

2. Continuous upgrading of comprehensive service

(1) Intensifying humanized service. In order to ensure drivers "eat warm food, drink warm water and sleep sound", the "driver's home" was built in Wangyang Service Area of Chengren Expressway. The "all-vehicle automatic card issuing system", the integrated display system of the signs of the crossing, and the "shaded" parking space in the service area of the toll station of Suiguang Expressway all highlight the innovative exploration, meticulous operation and service concept. (2) Deepening the "Toilet Revolution" in service areas. Xinjin service area introduced a new intelligent toilet system to the expressway service system for the first time, which can display the vacant squatting position, temperature and humidity in time, monitor and detect the odor of the toilet at any time, and activate the air purification function. At the same time, it can show the contents such as the passenger flow into the toilet and the

road supervision telephone through the large screen in front of the entrance of the toilet. The application of this system significantly upgrades the personal experience of drivers and passengers, and is an excellent practice of combining transportation services with cutting-edge technology. (3) Multi-service based on local conditions. In combination with its own characteristics, the Company's expressway service provides diversified, innovative and cultural services to the passengers along the route: Chengya Expressway explores and builds the panda culture theme expressway, and the "tourism expressway" construction plan of Suiguang and Chengle Expressways is being planned. Suiguang and Suixi Expressways have successfully held the "Sakura Festival" in Feilong Service Area, the "Red Maple Festival" in Pengxi Service Area, and the "Osmanthus Festival" in Pengnan Service Area. New attempts continue to deepen the integration of transportation and tourism. While promoting the steady development of the "transportation, travel, culture and education" sections of the Company, it makes contributions to the local economic development, and injects modern elements into the promotion of local folk culture and traditions.



3. Responsible for fulfilling social responsibilities

(1) Earthquake relief. During the year, the Company continued to actively carry out its service awareness, courageously took on social responsibility, and played the role of "life channel" in the critical moments: on 17 June, the earthquake in Yibin County of Sichuan, Xiarong (Chengyu section) and Rongzun (Chengren section), as the main routes for earthquake relief in the province, fully opened special channels for emergency rescue, set up 92 special channels for earthquake relief, as well as 25 earthquake relief service stations; on 18 December, the earthquake in Zizhong County of Sichuan, Chengyu Expressway immediately initiated relevant emergency plans. It opened 28 special channels for earthquake relief, and preferentially released the vehicles for earthquake relief, so as to strive for precious time for personnel rescue and material transportation; in response to the magnitude 5.1 earthquake in Qingbaijiang District of Chengdu in the early morning of 3 February 2020, the Company immediately organized professional technical forces such as engineering and safety to carry out post-earthquake safety hazards investigation. It carried out safety hazards investigation on the office areas, operational expressways, construction projects and gas stations under its jurisdiction. After investigation, no obvious safety hazard was found.

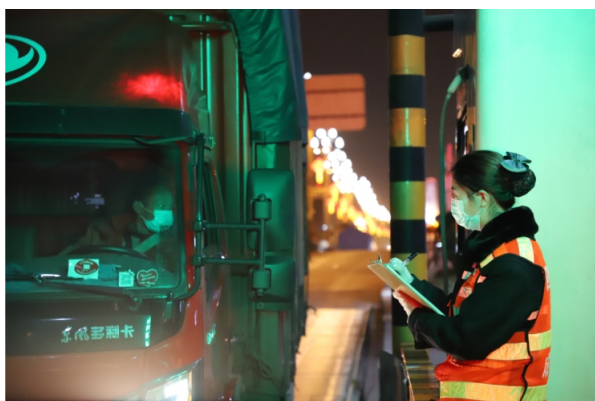
(2) Performance of anti-epidemic duty. In early 2020, facing the sudden outbreak of pneumonia epidemic caused by novel coronavirus, Sichuan Chengyu played the role of a battle fortress for transportation companies to fight the epidemic and ensure the passage, demonstrating the consistent persistence and dedication of the Company in dealing with social emergencies.

—Continuing to carry out epidemic prevention in an orderly manner. After the outbreak of the epidemic, employees of the Company promptly assisted local health and epidemic prevention departments, traffic law enforcement departments in the front line to carry out health and epidemic prevention work. The service areas and toll stations under its jurisdiction assisted in related work such as daily operation of quarantine sites, isolation and observation rooms, traffic guarantee and logistics support. As of 1 March, there were 81 quarantine sites in the peak period, and a total of 57,288,94 person-time temperature tests were performed on drivers and passengers. 59 isolation observation rooms were set up during the peak period, and relevant suspected personnel were isolated and observed as required. We strictly implemented the principles of "three-no and one-priority" (no inspection, no parking, no charge, and guaranteeing priority passage of materials for prevention and control), as well as "one-stop and three-continuous" (stopping the transmission channels of viruses, ensuring continuous road traffic network, continuous green channels for emergency transportation, and continuous transportation channels for the necessary production and living materials of the masses), and set up 195 special channels which were ensured to be smooth, safe and efficient. Epidemic prevention propaganda was carried out with various media. As of 1 March, a total of 149 promotional banners were hoisted, 10,984 hours of promotional videos were displayed on LED screens, 5,481 times of propaganda slogans were issued on variable information boards, and 1,536 hours of information on epidemic prevention were broadcasted, 79,152 copies of publicity materials were distributed and 121 times publicity on WeChat platform.



—Practice to support the fight against epidemics. The Company provided meals, rest places, vehicle rescue and other services for the needs of materials transport drivers and passengers free of charge in the service areas and gas stations; employees of the Renshou Management Office of Chengren Branch spontaneously carried out blood donation activities of "Donating Blood, Fighting for Love", with 27 people donating 8,600 ml of "whole blood" in total; employees of the Group donated a total of RMB104,640; grassroots employees of the Company continued to transmit positive information to people in the affected areas by recording videos, creating calligraphy and painting, writing anti-epidemic logs and in other various forms.

—Extending the toll-free period to benefit the society. During the epidemic, the Company successively implemented the policy of free tolls in part or in whole in strict accordance with the requirements of the industry authorities: extending the toll-free period of the mini-buses during the Spring Festival holiday for two consecutive times (from 0: 00 on 24 January to 24: 00 on 30 January to 24: 00 on 2 February and then to 24: 00 on 8 February); from 0: 00 on 17 February 2020, a toll-free policy was implemented for all passing vehicles until the end of the epidemic.



—Persisting in prevention and control to facilitate the resumption of work. Under the situation that the epidemic has been effectively controlled gradually, enterprises and institutions throughout the country have started to resume work in an orderly manner, and the Company has scientifically adjusted the existing prevention and control countermeasures in view of the changes in the epidemic, and has done a good job in ensuring the road order. First, while cooperating with the epidemic prevention department to revoke the quarantine sites, the Company continued to sanitize the work areas, passing vehicles and articles in close contact. As of 1 March, the Company has carried out disinfection operation for 12,836 times; second, it strengthened the transportation organization, ensured the normal passage of the personnel and materials for reproduction and

resumption of work, and realized all free of charge without exemption of our responsibilities and services; third, the Company set up service sites to provide the passing drivers and passengers with alcohol, disinfectants and other sterilization supplies as well as other convenient services, and at the same time, publicized the epidemic prevention measures and reminded the passing drivers and passengers to take precautions; fourth, the Company actively responded to and participated in the "Spring Breeze Action"⁴, set up a back-to-post service sites for migrant workers, provided services such as free boiled water, consultation and temperature detection, and implemented a toll-free policy for vehicles under the "Spring Breeze Action". As of 1 March, the Company has served a total of 360 vehicles in the "Spring Breeze Action".

At present, the epidemic situation of novel coronavirus in the country has been relieving and the anti-epidemic work has relatively eased. On the one hand, the Company will continue to attach great importance to epidemic prevention and control, ensure road traffic order, and vigorously maintain the phased results of the anti-epidemic work; on the other hand, the Company resumed work in a scientific, orderly and safe manner to overcome the huge impact of the current toll-free policy on the Company's operation. By adjusting budgets and controlling costs, it tried to find ways to effectively ensure the orderly development of the Company's production and operation activities and made every effort to balance corporate social responsibility and economic benefits.



⁴ According to the Implementation Rules of the 'Seven Measures to Ensure the Smooth Roads in Sichuan Province' (Chuan Yi Zhi Jiao Fa [2020] No. 2) (<保障四川省公路畅通的七条措施>实施细则 (川疫指交发[2020]2号)) issued by the Transportation Group of the Emergency Headquarters of Sichuan for responding to the pneumonia epidemic of novel coronavirus: according to the needs of epidemic prevention and control, priority should be given to vehicles that carry out the "Spring Breeze Action" for migrant workers returning to work during the period and holds the "Passport for Migrant Workers to Return to Work During the Pneumonia Epidemic Prevention and Control of Novel Coronavirus".

In 2019, the Company further strengthened the construction of Party integrity and anti-corruption, and in accordance with the deployment of the 2019 Party integrity construction work conference, carefully implemented a number of regulations on integrity, strengthened internal control construction, adhered to daily supervision, and actively created an anti-corruption business environment.

The Company formulated and issued the Key Points of Party Integrity and Discipline Inspection and Supervision in 2019 (2019年黨風廉潔及紀檢監察工作要點), clarifying the key tasks for the construction of Party integrity in 2019, signing annual responsibility letters at various levels and continuously promoting the implementation of the Party committee's subject responsibility and discipline committee's supervision responsibility. It combined the construction of corporate integrity culture, adopted methods such as integrity education classes, centralized learning, warning education, essay writing about integrity, etc. and actively promoted integrity education. The Company made full use of Sichuan Expressway WeChat public account and other media or platforms to promote essays under integrity topics to employees, established a special edition of Qingfeng Chengyu, on which cases of violations of discipline and laws were reposted to warn its employees to enhance their sense of integrity in their work and strictly

abide by the Party discipline and state laws. According to the actualities of the Company, it revised the Internal Control Manual, carried out the evaluation tests of internal control for half a year and the year and further strengthened the supervision on the implementation of internal control system to ensure the realization of the Company's internal control objectives.

To further strengthen supervision and inspection, the Company carried out special inspections for official vehicles, major decision-making arrangements, special inspections for key tasks, and audits of the operation and management of its subsidiaries. It further strengthened the institutionalization and standardization of clue management and the supervision of the operation of power through the publication of report boxes, report telephones, report mailboxes and other channels, and built an effective mechanism that staff "dare not corrupt, cannot corrupt, and do not want to corrupt". The Company complied with national and local laws and regulations regarding the prevention of bribery, extortion, fraud and money laundering. During the Reporting Period, there were no corruption lawsuits against the Company or its employees.

As the Company develops, it will further strengthen the construction of Party integrity and constantly enhance daily supervision and special supervision to provide a strong guarantee for the Company's sustainable development.

Over the years, while Sichuan Expressway has continuously enhanced its operating capabilities and profitability, it has focused on integrating into the lives of nearby communities and actively carrying out harmonious co-construction activities of diversified community such as community care, environmental co-construction, and poverty alleviation, playing the leading role of enterprise in community and social construction.

In 2019, the Company invested a total of approximately RMB8.63 million for targeted poverty alleviation, condolences and publicity. The number of employees participating in community volunteer service was approximately 1700, and the total service time was 1,491.5 hours.

1. Community care warming people's hearts

The Company actively cared for the people in the nearby communities who needed help, and conducted

voluntary safety publicity, participated in community environmental cleaning, helped the elderly and the poor through co-construction of roads and people and co-construction of roads and schools.

During the year, more than 1,200 employees of the Company participated in voluntary safety publicity activities to help raise awareness of community safety; more than 200 employees participated in voluntary community labour work such as cleaning community public places and cleaning weed and garbage; more than 240 employees helped elderly people living alone and people with disability in the community to wash clothes, cook, and clean. Volunteer teams have entered nursing homes for many times, caring for the elderly's daily living by providing condolences based on their living conditions, relieving their loneliness with companions, and enriching their inner world with entertainments.



2. Participating in environmental construction with focusing on development

The Company actively participated in environmental construction, advocated that human and nature live in harmony, and modern construction and natural environment are perfectly integrated, and is committed to creating an eco-friendly, beautiful and harmonious community environment.

The Company carried out tree planting activities and planted more than 1,000 fruit trees and various ornamental trees in 2019; it cleaned up and placed shared bicycles that were parked randomly, cleaned up garbage and debris in places where people gathered, and built an orderly community environment with practical actions; the Company also sent out leaflets and environment-friendly garbage bags, and actively advocated a resource-saving, low-carbon and environment-friendly lifestyle to the passing-by drivers and passengers on the expressway, striving to create a green and environment-friendly traffic environment.

3. Facilitating poverty alleviation

In 2019, the Company continued to fight for poverty alleviation, adhered to high-quality poverty alleviation with multiple channels, and, as a listed company, actively made social contributions. During the year, the Company was

honored with the title of “Advanced Collective for Poverty Alleviation (扶贫先进集体)”, and Chen Yu (the first secretary of Dageniang village, Aba county) in Chengren Branch was honored with the title of “Advanced Individual for Poverty Alleviation (扶贫先进个人)” by Sichuan Listed Company Association.

(1) Devoting to targeted poverty alleviation. The Company donated a total of approximately RMB5 million to help providing safe drinking water, constructing township and village two-level infrastructure, and implementing the “Four Good Villages (四好村)” construction project in Dageniang village, Kuasha town, Aba county; it carried out targeted poverty alleviation greeting activities and sent villagers daily necessities, medicines, etc.; we attached great importance to “education facilitating poverty alleviation”, inviting more than 30 representatives of teachers and pupils in Dageniang primary school to carry out the theme study tour of “Thousands of Miles Warmhearted Traveling (千里遊學路、暖暖交通情)” in Chengren Branch; we increased the income of poor households, accelerated the pace of poverty alleviation, and vigorously supported the targeted assistance to industrial development in poor villages. The Company purchased public welfare brand products under the title of “Sichuan Poverty Alleviation” in a total of 3557.5 kg, aggregating to RMB 286,500.

The Company's investment statistics of targeted poverty alleviation in 2019

Unit: 0'000 yuan Currency: RMB

Indicators	Amount and progress status
Overall situation	503.9
Including: 1. funds	500
2. materials	3.9
3. number of poor people on file benefiting from poverty alleviation assistance (individual)	119

(2) Promoting poverty alleviation through innovation. The Company actively built a new carrier for poverty alleviation, applying the main model of industrial poverty alleviation based on “service areas + local products” to help alleviate poverty. At present, one special sales zone for poverty alleviation products has been built in the Zizhong parking area of Chengyu Branch, 29 poverty alleviation counters have been built and put into use by five asset companies to achieve full coverage of poverty alleviation counters in service areas.

2020 is the final year to build a moderately well-off society in an all-round way and win the battle against poverty alleviation. Chengyu Expressway will continue to promote comprehensive poverty alleviation work for targeted poverty alleviation units, adhere to attach equal importance of economic poverty reduction and concept poverty alleviation, improve living conditions of poor areas and poor residents in multiple channels and with various ideas, and make every effort to ensure the successful completion of poverty alleviation tasks!

