

# SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

*(incorporated in the Cayman Islands with limited liability)*  
Stock Codes: 737 (HKD counter) & 80737 (RMB counter)



ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE REPORT

2022

# Shenzhen Investment Holdings Bay Area Development Company Limited

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2022**

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## 1. ABOUT THIS REPORT

This is the twelfth *Environmental, Social and Governance Report* published by Shenzhen Investment Holdings Bay Area Development Company Limited (the "Company" or "Bay Area Development"), presenting the latest policies, measures and performance of the Company and two joint ventures (collectively referred to as the "Group" or "We") in environmental, social and governance ("ESG") aspects for the sake of strengthening stakeholders' understanding of the Group's sustainable development process and commitments. This report is compiled in Chinese and English, and has been uploaded to the website of the Stock Exchange of Hong Kong Limited ("SEHK") and the Company website ([www.sihbay.com](http://www.sihbay.com)).

### Reporting Scope

The reporting period of this report is consistent with the *Shenzhen Investment Holdings Bay Area Development Company Limited 2022 Annual Report*, covering the period from 1 January 2022 to 31 December 2022 (the "Year" or the "Reporting Period"). To enhance the comparability of this report, part of the content is extended to other years as appropriate, details can be found in the relevant content. In view of its relevance to the ESG strategy, the organisational boundaries of this report cover the Company's Hong Kong and Shenzhen offices, as well as the Guangzhou-Shenzhen Superhighway (the "GS Superhighway") and the Guangzhou-Zhuhai West Superhighway (the "GZ West Superhighway") projects operated by the two joint ventures. Part of the reporting content covers different organisational boundaries, and such content has been indicated in the relevant section.

### Compilatory Basis

The Group compiles this report in accordance with the *Environmental, Social and Governance Reporting Guide* (the "Guide") set out in Appendix 27 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. This report has complied with the "Mandatory Disclosure Requirements" and "Comply Or Explain" provisions set out in the Guide, and is prepared based on the four reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency", to ensure high quality information is presented.

#### Materiality

The Group has communicated with stakeholders through online questionnaires to gather their opinions on ESG issues. By analysing and summarising the opinions, the Group identified the material issues that serves as the basis in compiling this report. The Board has confirmed the results of material issues.

#### Quantitative

The key performance indicators disclosed by the Group in respect of historical data are measurable and, where applicable, information on standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used was disclosed.

#### Balance

This report provides an unbiased picture of the Group's performance within the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

#### Consistency

Where applicable and unless stated otherwise, the methodologies and key performance indicators in this report are consistent with those in previous reports to allow for meaningful comparisons.

### Reliability Assurance

The information involved in the content of this report comes from official documents, statistical reports, and publicly disclosed materials of the Group. The board of directors of the Company (the "Board") has reviewed and approved this report and is responsible for the authenticity and validity of the content contained therein.

### Opinion and Feedback

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

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## 2. ABOUT BAY AREA DEVELOPMENT

Bay Area Development was incorporated in the Cayman Islands, and has been listed on the main board of SEHK since 6 August 2003. It is currently a subsidiary of Shenzhen Expressway Corporation Limited (“Shenzhen Expressway”). The Company is principally engaged in toll-expressway projects and adopts development strategies focusing on infrastructure construction and correlated business as well as land development and utilisation along the GS Superhighway within the Guangdong-Hong Kong-Macao Greater Bay Area (the “Bay Area”). Through partnership with Guangdong Provincial Highway Construction Company Limited<sup>1</sup>, the Company currently owns 45% and 50% of profit-sharing ratio of the GS Superhighway operated by the Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited (the “GS JV”) and the GZ West Superhighway operated by the Guangdong Guangzhou-Zhuhai West Superhighway Company Limited (the “GZ West JV”) respectively. The Company currently holds a 15% interest in the Grand Park City<sup>2</sup> of Guangzhou Zhentong Industrial Development Company Limited (the “Xintang JV”). In 2022, the Grand Park City has sold 413 residential units with contracted sales amounted to RMB914 million. Meanwhile, the Group has completed the subscription of 51% enlarged equity interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited on 30 November 2022.

As a main expressway artery connecting Guangzhou, Dongguan and Shenzhen — the three major cities on the eastern bank of the Bay Area — and the Huanggang Port, the GS Superhighway bears the great responsibility of connecting the Bay Area internally and externally, and provides convenience in daily travelling for the general public. During the Reporting Period, the expansion of the GS Superhighway continues to advance as planned and the Group continues to work with its partner to seek opportunities for comprehensive land development and unlocking the value.

The GZ West Superhighway is the main expressway artery between Guangzhou and Zhuhai, and offers the most convenient access to Hengqin, Macao and Hong Kong respectively through its connection with the Second Hengqin Bridge, the Zhuhai Link Road and the Hong Kong–Zhuhai–Macao Bridge. It is an important part of the “one-hour living circle” of the Bay Area.

<sup>1</sup> Guangdong Provincial Highway Company Limited is a Chinese joint venture partner of the GS JV and the GZ West JV.

<sup>2</sup> The Group holds only 15% of the equity of the Xintang JV that is not included in the scope of the report due to the small shareholding proportion.

## Business Review for 2022



2022	GS SUPERHIGHWAY	GZ WEST SUPERHIGHWAY	COASTAL EXPRESSWAY <sup>3</sup> (SHENZHEN SECTION)
AVERAGE DAILY TOLL REVENUE (RMB'000)	6,372 <sup>4</sup>	2,948 <sup>4</sup>	1,318 <sup>5</sup>
AVERAGE DAILY MIXED TRAFFIC (NO. OF VEHICLES'000) <sup>6</sup>	527	222	141

## Major Honours and Awards Received In 2022

### FEBRUARY 2022

The Company Awarded "Caring Company Logo" for More than Fifteen Consecutive Years

The Company was awarded 15 Years + "Caring Company Logo" by the Hong Kong Council of Social Service in recognition of its commitment to corporate social responsibility and its consistent efforts in aspects of "Caring For The Community", "Caring For The Employees", and "Caring For The Environment".



### MARCH 2022

GS JV awarded the "2021 Excellent Institutions of Work Safety of Guangdong Provincial Highway Construction Company Limited"

### MARCH 2022

GS JV awarded the "2021 Advanced Collective for Corporate Publicity Work of Guangdong Provincial Highway Construction Company Limited"

### AUGUST 2022

GZ West JV awarded the "Assessment Pass for National Pilot Project on Standardisation of Service Industries"

<sup>3</sup> This section of the highway is owned by Shenzhen Guangshen Coastal Expressway Investment Company Limited, 51% of the enlarged equity interest was subscribed by a subsidiary of the Company in 2022, and is not included in the scope of disclosure in the Reporting Period.

<sup>4</sup> Including taxes.

<sup>5</sup> Excluding taxes.

<sup>6</sup> Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-free Policy was implemented.

### 3. CHAIRMAN PREFACE

In early 2022, the Company officially became a subsidiary of Shenzhen Expressway. The Bay Area not only plays a significant strategic role in Mainland China's overall development and is also one of the most open and economically active regions in Mainland China. Under the strategic deployment of Shenzhen Expressway, as an expressway operator of the "golden route" that connects the Bay Area, the Group would consistently explore its own potential and continue to fully support the efficient flow of personnel, funds, logistics, technology and information in the Bay Area, striving to contribute to the resource integration and sustainable development of expressway construction in the Bay Area.

During the Year, the Group continued to maintain smooth communication with stakeholders, continuously improved the level of ESG governance, and reviewed the implementation of ESG targets in the Reporting Period. In the future, the Group will revise the work plan based on the results of the targets reviewed to fulfil the ESG targets set. We will continue to make steady progress on the path of sustainable development and advance our ESG work.

In terms of maintenance of road safety, the Group adheres to efficient and accurate monitoring of road conditions, using scientific and precise methods to quickly and comprehensively investigate road safety hazards and needs of road maintenance, so as to promptly eliminate road safety problems and ensure road safety with professional engineering technology. In terms of creating a harmonious working environment, the Group adheres to the "people-oriented" development strategy and is committed to building a harmonious employment relationship, comprehensively protecting the legitimate rights and interests of employees and their development needs.

During the Reporting Period, the Group maintained a high level of health and safety standards by formulating emergency plans, providing regular health and safety training, and conducting regular emergency drills to reduce lost days due to work injuries. In terms of energy conservation and environmental protection, the Group has always attached great importance to environmental protection and is committed to implementing the concept of green development in all aspects of expressway operations for the construction of a beautiful China. During the Reporting Period, the Company provided instruction to employees on classifying and recycling waste, regularly maintaining vehicles, eliminating high-emission vehicles, promoting the use of vehicles reasonably and avoiding unnecessary travel to help save energy and reduce emissions. In terms of fulfilling social responsibility, the Group has always adhered to the concept of developing together with the community. The Group provides various road service to facilitate convenient traveling, actively participates in community public welfare to support community development, supports the needs of pandemic prevention and control, overcoming difficulties with the community and contributing to the construction of a harmonious society.

Looking forward, the Group will continue to integrate the concept of sustainable development into its business development, actively promote ecological environmental protection, and explore more opportunities on the path of sustainable development, so as to grow into a more resilient expressway operator and contribute to the prosperity of the Bay Area.

**Xiangwen LIAO\***

*Chairman*

Hong Kong, 16 March 2023

\* For identification purpose only

## 4. ESG GOVERNANCE

The Group understands that a sound ESG management system is significant for continuously improving the Company's ESG Governance. The Group has carried out a series of ESG governance practices, including the establishment of a well-defined governance structure with clear responsibilities for sustainable development, the establishment of an ESG risk management system and internal control system, the establishment of the Group's ESG targets and targets management system, etc. During the Year, the Group has newly set the target for occupational health and safety. To examine the effectiveness of our ESG management, the Group reviewed the implementation of the established ESG targets in the Reporting Period and continued to improve and enrich targets based on actual feedbacks, so as to improve the rationality of ESG governance and constantly improve the target system.



### Development Strategy

Sustainable operation and development is not only an undertaking of social responsibility but could also contribute to long-term business growth. On the basis of sustainable development strategy, the Group insists on continuously improving its ESG management system and strives to ensure the harmonious development of its operations with social and environmental benefits. On the basis of strictly complying with laws, regulations and ethics of its operating places, the Group has formulated a *Sustainability Policy* to regulate the management of employees, communities, environment and value chain, and to fulfil its commitment to sustainable development in all aspects.

#### Employee

- Treat employees with fairness and respect
- Provide training and development opportunities for employees
- Maintain a healthy, safe and suitable working environment

#### Community

- Actively support and participate in positive initiatives, activities and cooperation in the communities where the operations are located
- Encourage employees and stakeholders to support community and educational charitable activities, and to participate in voluntary work
- Maintain good relationships and close communication with stakeholders

#### Environment

- Minimise the potential impact of the operational process on the environment
- Efficiently use of resources and promote environmentally friendly practices
- Integrate sustainability practices into the supply chain where feasible

#### Value chain

- Conduct business in an ethical and legal manner and maintain a high degree of integrity
- Jointly promote sustainability practices with business partners, suppliers, customers and other value chain entities
- Strengthen service quality management to cope with changing market demands

## Governance Structure

To better implement the Group's ESG strategies, we built an ESG governance structure led by the Board. As the highest decision-making body for ESG work, the Board is responsible for the Group's ESG strategy and reporting. The ESG Working Group ("Working Group"), under the supervision of the Board, shall be responsible for the implementation of ESG work. It assists the Board in guiding and overseeing the formulation and implementation of the Group's ESG-related strategies and activities to achieve sustainable development goals. The leader of the Working Group shall be the general manager or deputy general manager of the Company; members of the Working Group include heads of functional departments or their designated department personnel.



## Board Statement

The Board is the ultimate responsible body for the Company's ESG issues and is responsible for supervising and approving ESG management policies and strategies that including the identification, evaluation, prioritisation and management of ESG-related material issues.

The management of material issues is one of the annual priorities for the Group's ESG work, the Group conducts materiality assessment of ESG issues annually. Among the work, the Working Group is responsible for identifying key stakeholders, preparing the list of material issues and analytical reports, and presenting the results to the Board. The Board will review and confirm the annual result of the materiality assessment of ESG issues, consider the annual material issues as part of the revision of the Group's overall strategy, and monitor the management and performance of such issues.

In terms of risk management, the Board ensures that the Group establishes an appropriate and effective ESG risk management and internal monitoring system; the Working Group is responsible for analysing the potential risks and opportunities and related implications of material ESG issues on the Group's business strategy based on this risk management and internal monitoring system. After years of exploration and practice, the Group has developed a comprehensive risk assessment framework and has basically completed the integration work of ESG risk. To ensure that the risk assessment work can be carried out continuously, the Group has standardised the relevant procedures, including annual identification and assessment of major risks by business units and departments, determination of risk mitigation measures and the personnel responsible for implementation, as well as routinely review and update the risk register.

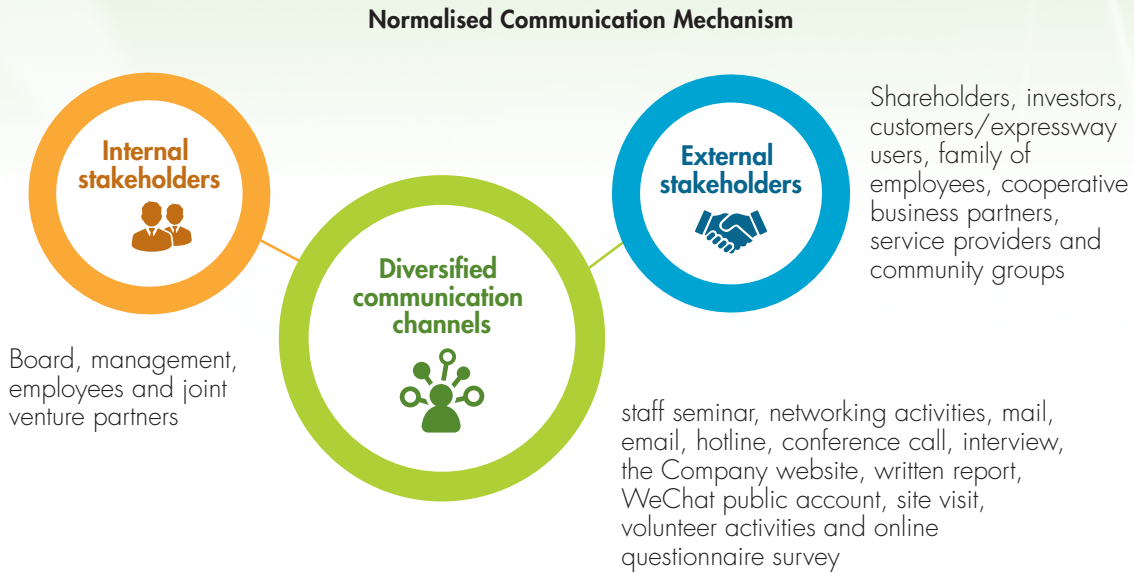
In terms of target management, the Board is responsible for approving the Group's ESG-related targets and reviewing progress on achieving such targets; the Working Group is responsible for formulating relevant targets and work plans, supervising the implementation progress and reviewing the effectiveness. During the Year, the Group set a new ESG target — the management of occupational health and safety. Meanwhile, the Group regularly reviewed the implementation of the ESG targets during the Reporting Period. In the future, we will revise the work plan based on the reviewing results of targets and further improve targets, so as to validate the effectiveness of our ESG management system more accurately.

This report provides detailed information on the progress and effectiveness of the Group's ESG work in 2022, which have been reviewed and approved by the Board.



## 5. STAKEHOLDER<sup>7</sup> ENGAGEMENT

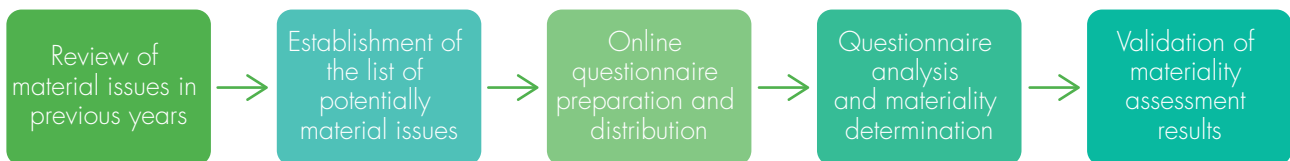
Building a mutual trust and win-win relationship with stakeholders is one of the important aspects for the Group to develop sustainable management. The Group has identified major stakeholders related to its own operations and maintained communication with major stakeholders through seminars, site visits, multi-channel online communication and satisfaction surveys, so as to understand their need and expectations on the Group's current and future development process.



### Materiality Assessment of ESG Issues for 2022

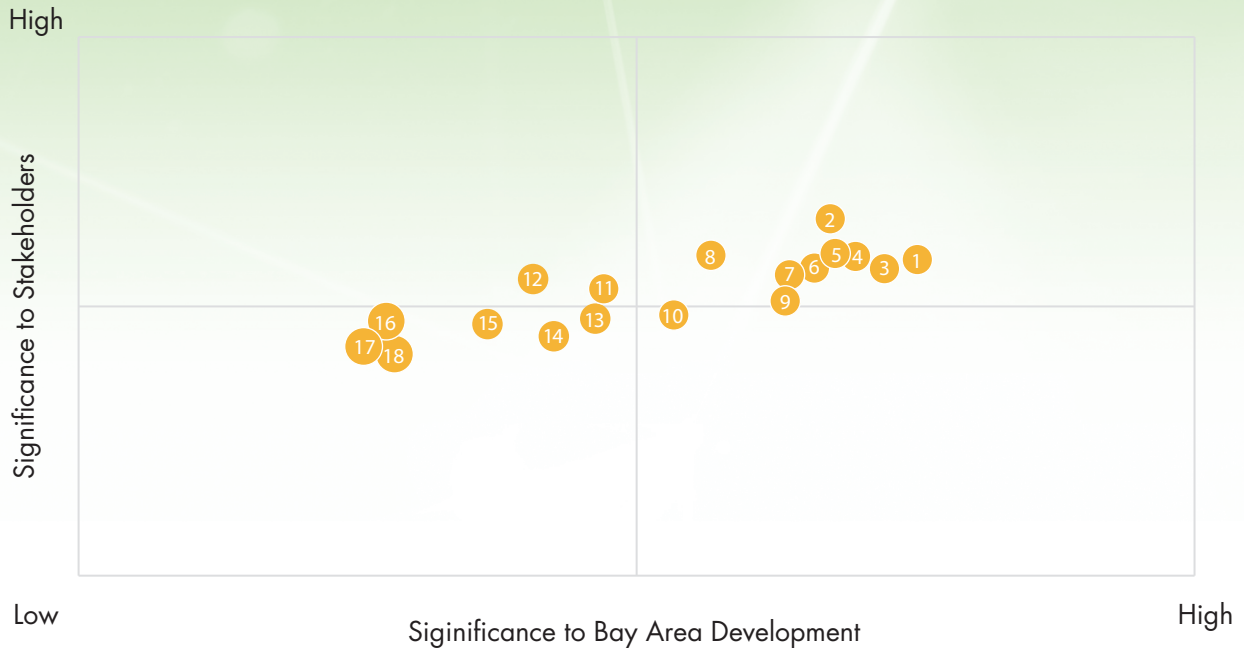
In the preparation stage of building a potential material issues list for the Year, we reviewed and evaluated the material ESG issues of previous years, and referred to international and domestic ESG development trends and industry development trends to ensure that each potential issue is highly relevant to the business operation of Bay Area Development and the development of the industry in which it operates. In the subsequent stage of confirming the material issues list, we conducted an in-depth interpretation of the current ESG regulatory requirements, and preliminarily screened out 18 potentially material issues through discussion of the Working Group. On this basis, we collected, sorted out and analysed stakeholders' expectations, and then we evaluated and prioritised potentially material issues for the Reporting Period from the perspectives of significance to Bay Area Development and significance to stakeholders. After the results being revised by the management and external experts in sustainable development, we finally determined 9 issues as material issues and as the compulsory basis for reporting.

### Materiality Assessment Process



<sup>7</sup> Stakeholders refer to groups or individuals who have a significant impact on the Group's business or are impacted by the Group. Internal stakeholders include the Board of Directors, management, administration employees and general employees. External stakeholders include shareholders, business partners, customers, government and regulatory agencies, banks and investors, community groups, etc.

## Materiality Assessment Matrix



Material Issues		Other Related Issues	
1	Talent attraction	10	Anti-corruption
2	Employment compliance	11	Customer complaint and communication
3	Operational compliance	12	Privacy data protection
4	Service responsibility management	13	Anti-discrimination/sexual harassment
5	Service quality protection	14	Energy management
6	Employee development and training	15	Water usage
7	Occupational health and safety	16	Community care
8	Customer health and safety	17	Waste management
9	Diversity and equal opportunity	18	Air pollutant emission management

Note: The above issues are scored according to the statistical scores from high to low.

## 6. BEING PEOPLE-ORIENTED AND SHAPING AN ENERGETIC CULTURE

The Group adheres to the “people-oriented” development strategy, committing to building a harmonious employment relationship and comprehensively protecting the legitimate rights and interests of employees and their development needs.

### Expand Teams of Talents

The Group is fully aware that diversity and enrichment of talents are the foundation of sustainable development of an enterprise. Therefore, we focus on selecting personnel with different professional skills and experience through various channels to meet the development needs of various positions.

With the fully support of Shenzhen Expressway, the Company and its major shareholders actively advance the integration of resources, optimise corporate governance and operation mechanism, and set new departments to expand the talent teams. Concerning the Group’s continuous business growth, the Company’s Hong Kong and Shenzhen offices have been relocated so as to sustain the expansion of staff size while improving office environment and increasing work efficiency.

### Harmonious Employment Relationship

Through our internal policies, we have made clear regulations on compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. We are committed to creating a fair, impartial, scientific and accurate employment mechanism and employee development path, creating a harmonious and inclusive working environment, and improving employees’ happiness and sense of belonging.

- **Recruitment, promotion and dismissal**

At the recruitment stage, we always adhere to the recruitment principle of “fairness, justice, openness, merit-based enrolment, and competitive employment”, resolutely abstain from discriminate against candidates based on race, gender, location, physical health, marital status, sexual orientation, etc., and strive to provide equal employment opportunities for the right talents, thus creating a diversified corporate atmosphere. Meanwhile, we require applicants to fill out the application form truthfully and provide various documents including the copy of ID card, and refuse to recruit minors under the age of 16 in accordance with the law. In the course of employment, anyone found to be falsifying or deliberately withholding relevant information shall be dismissed immediately.

Our employees have equal opportunities for promotion in the workplace. Any promotion depends on the vacancy of the position or position requirements, the employees’ ability, achievements, education background and performance. An employee who fails to perform his/her job duties or is incompetent for the job, or who commits serious dereliction of duty or malpractice for personal gain, shall be dismissed or demoted.

- **Compensation, welfare and other benefits**

We implement a post structure wage system. Under the system, types and standard of wages are determined by the position or job title held by employees. Employee compensation consists of monthly wages and year-end bonuses. Salary evaluation is also conducted annually.

We actively implement employee benefits by providing comprehensive social insurance and employee benefits above national standards. In addition to public holidays and statutory holidays, our employees are entitled to annual leave, marriage leave, funeral leave, maternity leave, nursing leave and work-related injury leave and other paid leave in accordance with the law. The two joint ventures provide employees with work uniforms and labour protective gears according to the actual needs of road operations, as well as subsidies for electricity usage and meal, allowance for night shift, working in the open air or high temperature, and also provide allowance for birth control, health care, safety and sickness relief, etc..

Principally, we implement a working system of 5 days a week and 8 hours a day, and do not encourage employees to work overtime and prohibit any form of forced labour. As approved by the Provincial Department of Human Resources and Social Security, the two joint ventures implement a quarterly comprehensive working hour calculation system for toll collection staff, monitoring staff and staff in charge of stations. At the same time, the departments and units that require 24-hour shift work are arranged for rotation to avoid the absence of employees due to insufficient shift work. If employees have any opinions or suggestions on their labour rights and interests, they can put forward through reasonable channels, and the relevant departments of the Company will respond as soon as possible.

On the basis of providing a competitive and comprehensive remuneration and benefit system, we carry out diversified humanistic care activities every year. During the Year, we actively launched activities such as caring for front-line employees, mutual assistance among employees, and visiting employees, striving to become a solid and reliable support for our employees.

### **Build a Development Platform**

The Group actively invests resources in providing a good training and learning environment for employees to enhance their professional skills and business knowledge. To help employees continue to develop at different stages of their careers, the two joint ventures have developed various training and education programs, including pre-job training, on-the-job training, continuing education and academic education, and have set up probation appraisals, promotion and transfer probationary appraisals, monthly appraisals and annual appraisals to encourage employees to broaden their career paths through continuous learning.

During the Year, the Group actively carried out trainings according to the needs of operation management. An online learning platform has been introduced for employees to study remotely, which provides learning areas including safety management, construction safety, environmental protection during construction, fire prevention, etc., and are supplemented with online examination and scoring function for employees to self-check and improve accordingly. Job preparation training for employees are also provided, including trainings for toll collectors, road administration personnel, bridge maintenance engineers, and over-speeding inspectors, to assist employees meeting job needs swiftly. Meanwhile, we assist professional and technical personnel in participating continuing education through professional training, further studies, seminars, and visits with clear plans and directions, and the education contents include continuing education and training for technical personnel, continuing education for financial personnel, online learning and training on lifelong learning, empowerment and planning in the new era, thematic research class in corporate legal affairs and operations management law of national highway, etc. In addition, in order to optimise the talent structure, the two joint ventures regard the upgrading of academic qualifications as a reference basis for subsequent appointments and promotions and encourage employees to participate in various forms of academic education.

During the Year, the human resources department of Bay Area Development put on an online learning platform for employees and provided a variety of training courses to make learning more convenient and flexible. The Company also held thematic trainings on digital transformation, fire safety, and China's carbon peaking and carbon neutrality strategy to enrich the knowledge and skills of employees in various aspects.

### **Care About the Health of Employees**

As an expressway operator, our operational environment is complex and volatile. Protecting safety and health of employees in such complex operating environment is the foundation of our operation. The Group has established a sound occupational safety management system to provide employees with a safe working environment and protect them from occupational hazards. At present, the two joint ventures have established corresponding internal regulations for safety guarantee under road construction, road maintenance, and production emergency, etc., including but not limited to measures to be taken, implementation methods and monitoring methods. For example, the GZ West JV has formulated a management structure for the implementation of production safety and corresponding responsibilities at all levels. Other critical portions including construction safety measures (operating procedures and precautions), responsibilities and supervision procedures, inspection and monitoring procedures, etc. Meanwhile, the GZ West JV also imposed constraints on the construction team's behaviours through economic constraints and legal agreements on safety measures. In addition, both of the two joint ventures require all departments to implement a safety hazard investigation and management mechanism to identify and assess safety risks during the construction phase so as to reduce the probability of safety accidents. In response to various safety accidents, the two joint ventures have also formulated corresponding emergency plans, which include on-site disposal measures and drills for actual situations, so as to ensure safety from a two-way perspective that base from the source and the results.

The Group also actively promotes employee safety education to ensure that they have the necessary safety awareness and skills to respond to emergency. The two joint ventures require their employees to receive job safety education and training before they are approved to work. During the Year, the Group has set up targets for occupational health and safety and planned to maintain high levels of health and safety standards through developing emergency response plans, providing regular health and safety training, and conducting regular emergency drills, reducing lost days due to work injury to employees.

- “Safety First, Crucial Precaution, and Comprehensive Treatment” working guideline:
  - ✧ The safety and health of employees comes first.
  - ✧ Hazard foresight comes first.
  - ✧ Safe operation comes first.

## Work Safety Publicity

On 14 June 2022, the GZ West JV carried out safety publicity and consultation day activity at the Ronggui Management Centre. The main contents of the new *Work Safety Law* and the use of fire-fighting equipment were explained to the employees on site, and about 200 sets of “Safety Theme Learning Manual” were distributed.



While ensuring the safety of employees at work, the Group also pays great attention to their mental health. Every year, we carry out plenty cultural and sports activities in various forms to meet the spiritual and cultural needs of our employees. Since the outbreak of COVID-19 pandemic, we have attached great attention to the importance of psychological guidance and humanistic care, emphasised it constantly, and strived to help employees relieve their stress so as to do a good job in the aftermath of the pandemic.

## Taking care of employees' mental health and establishing psychological counselling studio

In order to provide psychological support to frontline employees, social volunteers for pandemic prevention, and people from nearby neighbourhood who need psychological support, the GS JV has provided psychological counselling services and has opened online QR code for booking "counselling + video" service and 24-hour hotline for counselling. On each Wednesday, the team of the psychological counselling would station in the counselling office of the GS Superhighway Management Centre to carry out normalised "one-to-one" on-site voluntary psychological counselling activities and to provide online voluntary psychological counselling services regarding the situation of pandemic prevention and control.



## Improving the Living Environment and Creating a Happy Home for Employees

In order to provide employees with a better living environment, the GZ West JV has made improvements in various aspects during the Year, including expansion of the parking lot in Ronggui living area, greening in the dormitory building of management centre and upgrading of road condition, construction of the football field in the Zhongshannan living area, which create a comfortable living environment for employees.



## Itinerant Site for Maintenance Providing Convenience and Warmth

The GS JV Party Committee established an "Itinerant Site for Maintenance" through the volunteer team of the GS Superhighway and organised volunteers with special maintenance expertise to repair home appliances for employees.



## 7. OPERATIONAL COMPLIANCE AND ADHERE TO COMPLIANCE GOVERNANCE

The Group attaches great importance to compliance and sustainable development of business operations, and always take compliance governance as the basis of the Group's operation. As the Group's internal sustainable development practice increasingly enriches, the Group's operating standards has further improved. And it helps to promote the practice of responsibilities in a more efficient and high-quality manner.

### Standardise Operation System

Bay Area Development continuously improves its corporate governance system on the basis of compliance, to provide fundamental guarantee for sustainable development. In order to further standardise the Company's operation management mechanism and unify the contents and elements of operation management, the Group has formulated and implemented a series of operation management standards. The GS JV and the GZ West JV have clear operational management standards for the operation of toll station, road property management, road inspection management, emergency management, maintenance project management, work safety supervision, etc., to ensure that toll collection and road administration duties are performed in accordance with the law, and that the roads are intact, safe and unimpeded. On the other hand, the Group pays close attention to the latest policies trends in the industry, promptly following and completing the work of toll adjustment and the renovation of toll station caused by policy changes, and makes every efforts to ensure smooth traffic flow and efficient operation on the basis of operational compliance and rectification that is up to standard.

Besides, the Group also actively explores smart operation. The GS JV further carried out "Process Re-engineering" to create a digital, refined and intelligent management model for toll collection. Through replacing the traditional manual mode with a digital intelligent platform that are in the big data aggregation mode, the GS JV developed 56 toll collection business modules including "Statistics of Traffic Volume", "Entrance Speeding Prevention", "Evasion Checking", "Smart Supervision" and "Ticket Management", etc, which improves coordination capabilities among departments and regions, assuring smooth and efficient operation of the expressways. At the same time, the GS JV consistently put on new automatic card issuing machines and automatic toll collection machines along the expressway to achieve unattended operation and improve operational efficiency consistently.

### Strengthen Anti-Corruption Management

Adhering to the attitude of "zero tolerance" towards corruption, bribery, fraud and other improper behaviours, the Group has always promoted the work of discipline and anti-corruption. Through the establishment of a sound system of anti-corruption prevention, reporting, implementation and monitoring, the Group has strengthened the construction of integrity culture and created an honest and clean working environment. To further strengthen the prevention and control of integrity risks, we have formulated relevant policies to regulate employee's ethical conduct and whistle-blowing procedures as follows:

- ❖ Code of Conduct: Unless with the prior and specific approval from the Group, directors and staff should not solicit or accept any advantage for themselves or others from any person, company or organisation having business dealings with the Group. And in case of actual or potential conflicts of interest, employees should report to the general manager or the Board.
- ❖ Whistle-blowing Procedures: When employees have reasonable doubts about improper behaviours, they can report to their department heads and the head of the internal audit department in person or in writing; and depending on the nature and circumstances, the reported matter can be investigated internally, referred to the Hong Kong Police Force or related agencies, referred to an external auditor and/or constituted an independent investigation.

In addition, in terms of anti-corruption trainings, the Group also conducted training on *Sticking to the Beliefs of Integrity and Honesty* for directors, senior management and employees of the Group during the Year, emphasising the importance of establishing a correct view of interest.

## Sustainable Supply Chain

The Group recognises that responsible procurement is one of the critical ways for enterprises to fulfil their environmental and social responsibilities. The Group extends its ESG concepts and operational criteria and standards to the entire supply chain by continuously improving supplier management regulations, strengthening identification, supervision and management of suppliers' environmental and social risks, and advocating suppliers the use of environmental-friendly products and services. In that case, the Group strives to fulfil environmental and social responsibilities together with suppliers and continuously promoting the construction and development of a responsible supply chain.

In terms of hiring suppliers, our *Code of Conduct* stipulates that procurement and bidding activities complying with all applicable laws, rules and contractual obligations is the bottom line. We followed the highest ethical standards for material procurement and service employment to select competent and responsible partners to maintain the safety of expressway and ensure the quality of expressway operation. Meanwhile, we strictly adopt effective supervision system and comprehensive management system to monitor suppliers' behaviours to prevent misconduct.

To fulfil environmental and social responsibilities, the Group gives priority to environmentally friendly technology and equipment, and takes the extent of environmental compliance into consideration when screening suppliers. Moreover, by establishing clauses in construction contracts with suppliers, the Group has implemented effective environmental and social risk management and control on suppliers responsible for maintenance and construction projects. In terms of environmental sector, the clause stipulates that the contractor shall strictly follow the relevant regulations on environmental protection and water and soil conservation, clarify the main person in charge, and make defensive measures and implementation records in accordance with the requirements of the supervising engineer. Moreover, the contractor shall bear full responsibility for the consequences of damage to the ecological environment and marine life caused by the contractor's illegal and unregulated operations. In terms of social sector, the clauses cover areas such as anti-corruption construction, safe operation management, and labour wage payment regulations, clarifying suppliers' responsibilities and explaining irregular on-site inspections and punishment mechanisms.

During the Reporting Period, the two joint ventures have hired more than a total of 100 recognised suppliers, contractors, and service providers in Mainland China.

## The Improvement of the Ecological Environment of Under-bridge Space

The GZ West JV has been keeping abreast of the needs of various stakeholders by strengthening connection with local government departments and committees of relevant villages. During the Reporting Period, the Group takes the opportunity of "Construction of Beautiful Countryside", successively procured and completed under-bridge space construction projects of the Three-mountain Port Park of Luwei Elevated Bridge, the Bijiang Community Leisure Park of Bijiang Interchange Main Line, and the Jiangjun Village Leisure Park of Nansan Highway Bridge as pilot projects for joint management and development of under-bridge space. With the refurbishment, the former "Ash Space", which used to be dumped with garbage and covered by grass, is now built into a leisure and fitness park with complete fitness facilities and small green items, becoming highlight projects for improving the ecological environment under the bridge. The "Opening" and comprehensive "Activation" of the under-bridge space not only improves the ecological landscape of the road area, but also provides a case for rural revitalisation and rural living environment improvement in Jiangjun Village. It also develops a new path of "Supporting Management By Using" for the management of the under-bridge space of expressways, while effectively curbing encroachment violating laws and regulations.





## 8. PRIORITISE RESPONSIBILITY AND SAFEGUARDING ROAD SAFETY

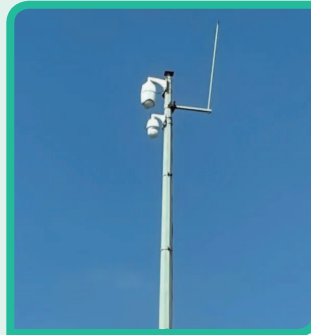
The Group takes offering high-quality service to its customers as a mission, continuously providing high-quality projects. It consistently improves customers' driving experience in terms of safety and comfort by virtue of its rich experience in road safety management and public service. Meanwhile, it highly values data security and customer privacy protection, earnestly safeguarding the interests of the Group and the legitimate rights and interests of customers.

### Maintain Expressway Safety

As an expressway operator, the Group has the responsibility to ensure expressway safety, and it formulates internal policies for responsibility management, emphasises the construction of a standardised work safety system, and promotes the dual prevention mechanism of "Early Warning" and "Emergency Response" to ensure expressway safety in multiple dimensions. On one hand, in order to respond promptly to emergent rescue needs, the two joint ventures have classified emergencies by their sources of danger and established corresponding early warning mechanism to monitor in real time. On the other hand, to improve the level of emergency management, the two joint ventures have established relevant contingency plans and early warning response grading systems based on the classification of emergencies. In addition, the two joint ventures have established an emergency management leading group respectively to perform information collection and overall coordination duties, and set up a special emergency command agency under the leading group that is responsible for organising and carrying out propagation of contingency plan, drills and emergency response. On the path of maintaining road safety, we will keep pursuing methods to detect road conditions more efficiently, to remove roadblocks at a faster speed, to carry out road investigation and maintenance at a more scientific pace, and to ensure driving safety with a more professional team.

### Set Up "One Pole with Two Cameras" to Monitor Road Emergencies

In order to improve the level of live monitoring of road emergencies, the GS JV adopted the "1 pole with 2 cameras" method, setting up a total of 235 cameras on the main lane with strict cost control, achieving full coverage of road monitoring to detect road conditions efficiently and provide timely rescue.



### Formulate Emergency Response Plans in Advance to Ensure Road Safety and Smooth Traffic

During the arrival of typhoon "XianBa" in July 2022, impacted by strong winds and heavy rainfall, the GS Superhighway had several severe waterlogged road sections, and trees dumped along the superhighway, affecting the road safety. To ensure road safety, the road administration department of the GS JV formulated an emergency response plan in advance when receiving warning of the typhoon and organised a group of road administrators to commit themselves to ensure smooth traffic and travelling safety of the GS Superhighway. According to statistics, during the period of typhoon prevention, the road administration department cleared two waterlogged road sections of the side ditches, removed 32 fallen trees, cleaned up 16 road barriers, and helped 12 trapped vehicles.



## Carry Out Emergency Drills for Traffic Accidents at Entrances of Tunnels

In order to further enhance employees' response capabilities to emergencies and provide a safer and smoother traveling environment for drivers and passengers, the GZ West JV conducted an emergency drill for traffic accidents in June 2022. The emergency drill simulated a traffic accident in the tunnel section, at which the vehicle was damaged with a large number of passengers being stranded. During the drill, the Incident Emergency Response Command quickly instructed to initiate an emergency response according to the information reported by the monitoring center, effectively controlling the situation and ensuring the safety of the drivers and passengers as well as people and vehicles passing by. Emergency drills help staff to enhance their awareness of crisis and be well prepared for emergencies.



The two joint ventures both formulate internal policies to specify responsibilities for highway maintenance and management and prepare annual, quarterly and monthly maintenance plans, and require that the quality of maintenance must meet the requirements of the *Measures for the Supervision on Maintenance of Toll Roads in Guangdong Province*. The two joint ventures also carry out regular technical inspections of road surfaces, road foundations, bridges, culverts, tunnels and structures of facilities along the highway, and strictly enforce the responsibility of investigating and managing various types of hidden dangers to effectively prevent the occurrence of accidents.

## Regular Inspection to Eliminate Hidden Dangers and Promptly Maintenance to Safeguard Road Safety

During the Year, according to the three-year action requirements of the Ministry of Transport, the GZ West JV conducted hidden danger investigations and comprehensive assessments on 14 cross-level navigation bridges (4 high-grade waterways and 10 waterways of other grades) of the GZ West Superhighway and escrow road within its jurisdiction zone. The GZ West JV comprehensively analysed the potential hazards of ship collision on navigation bridges within its jurisdiction zone and completed the construction of anti-collision project and the installation of anti-collision warning system for the Xihai Bridge, which has relatively greater hidden dangers. The GZ West JV has assured operational safety of the navigation bridges.



## Improve Service Quality

The Group actively promotes the use of the Electronic Toll Collection (ETC) system to reduce traffic congestion at the exits of toll station caused by vehicles stopping to pay toll. Meanwhile, we adhere to the service attitude of “Conducting Practical Events For Customers”, consistently listening to customers’ opinions and suggestions, solving problems for citizens and optimising services. During the Year, a total of 525 and 26 complaints were received on the GS Superhighway and the GZ West Superhighway respectively in relation to service attitude, toll objections and implementation of construction works, with complaint rates<sup>8</sup> of 0.0003% and 0.00003% respectively. Upon receiving the complaints, relevant departments have contacted the complainants immediately to verify the situation and handle the complaints. In the future, the Group will continue to pay attention to the opinions and suggestions of drivers and passengers and make every effort to protect and improve the service quality consistently.

## Promote ETC Issuance to Ensure Traffic Efficiency

The GZ West Superhighway is an integral part of the Bay Area’s “one-hour living circle” framework, and is also a major transportation hub connecting Guangzhou, Foshan, Zhongshan and Zhuhai, the four major hub cities in the Bay Area. The GZ West JV seized the opportunity of developing an interconnected Bay Area, issuing a total of approximately 55,000 sets of ETC cards, and that increased the ETC utilisation rate of travelling vehicles by 2% and achieved the highest number of ETC issuance in the province.



Focusing on the public’s concerns, the Group strived to provide a safe, comfortable and smooth environment for the people to travel. For example, building the new drainage system for the municipal road connecting the exit of Xintang of the GS Superhighway to the Nanjian Avenue and opening the new interchange for the Robot Valley area of the GZ West Superhighway to strengthen the external communication with the Robot Valley area.

## The GS JV Dealt With the “Bottleneck” of the exit of Xintang to Meet Peak Traffic Demand

The exit of Xintang of the GS Superhighway is located at Xintang Town, Zengcheng District, Guangzhou, which is an important transportation hub connecting the GS Superhighway to the Guangzhou-Shenzhen Avenue (National Highway G107). With the rapid development of economy and the logistics industry in the surrounding region, traffic volume at the exit has shown a soaring increase, and cannot meet the traffic demand for swift passage. In addition, the connection section of the exit was narrow and had lots of winding, resulting in a slow traffic flow during peak traffic.

In order to improve the traffic capacity and service level, the GS JV implemented an expansion and efficiency improvement project for the exit of Xintang. After investigation, the GS JV formulated an upgrade plan that can improve the traffic speed and water drainage capacity in rainy days.

## Protect Customer Privacy

The Group fully recognises the importance of protecting customers’ privacy in the information age. To maximise protection of customer privacy, the two joint ventures ensure that the data collected are used for internal operations only. According to internal policies, within the Group, documents and information that require confidentiality should be kept or stored by designated personnel in designated places. Moreover, no one should provide any confidential contents including customer information to third parties without prior approval.

<sup>8</sup> The complaint rate is calculated by dividing the number of complaints by the total traffic volume for the year.

## 9. SAVING ENERGY AND PROTECTING ENVIRONMENT FOR A GREEN AND SUSTAINABLE FUTURE

As a responsible corporate citizen, the Group always attaches great importance to the work of environmental protection, striving to integrate the concept of green development into every aspect of expressway operation and contributing to the construction of a beautiful China.

### Emissions Management

The Group has been committed to reduce various emissions caused by its own operating activities and also fully recognise the importance of the environmental compliance performance of outsourced projects and strengthens environmental risk management and control. We have set ESG environmental targets in five aspects, including air pollutant emissions, greenhouse gas emissions, waste generation, energy usage and water usage, and corresponding implementation plans to help reduce the negative impacts of our operations on the environment and evaluate the effectiveness of our own ESG management system.

- **Exhaust Gas**

During the Year, the two joint ventures emitted a total of 9.19 tonnes of air pollutants, including 5.10 tonnes of nitrogen oxides, 3.98 tonnes of sulphur oxides and 0.11 tonnes of respirable suspended particulates. Most of these emissions originate from the combustion of liquefied petroleum gas for cooking and the fuel consumption of the Company's vehicles, and a small part from the combustion of natural gas for cooking.

To effectively control vehicle exhaust emissions, the two joint ventures have regularly phased out high-emission vehicles according to their internal vehicle management regulations. In addition, the two joint ventures attach great importance to the management of environmental practices of their outsourced contractors. For example, the GZ West JV requires the maintenance unit by contracts, to deploy professional mechanised sweepers for road cleaning to reduce road dust. In the future, the two joint ventures will continue to strengthen the selection of outsourcing providers and continue to explore and promote the application of scientific and efficient air pollution control technologies.

- **Greenhouse gas**

During the Year, the total greenhouse gas emissions of the two joint ventures amounted to 23,903 tonnes of carbon dioxide equivalent, among which the direct emissions caused by the combustion of natural gas and liquefied petroleum gas for cooking and the fuel consumption of the Company's vehicles are 1,970 tonnes of carbon dioxide equivalent, accounting for about 8.2% of the total greenhouse gas emissions; while the indirect emissions caused by the purchased electricity during the production process are 21,933 tonnes of carbon dioxide, accounting for about 91.8% of the total greenhouse gas emissions.

In order to effectively reduce greenhouse gas emissions and accelerate the realisation of low-carbon travel, the two joint ventures have continued to strengthen the management of vehicles to maintain and preserve the effectiveness of vehicle exhaust purification while avoiding unnecessary travel. During the Year, in order to reach targets set for greenhouse gas emission reduction, we have taken active actions including continuously recording the fuel consumption of vehicles as the basis for vehicle maintenance and replacement and arranging collective transportation for group business activities to promote low-carbon travel. At the same time, online conference system is adopted for meetings to avoid unnecessary travel. In addition, the two joint ventures have invested in road greening renovation projects in accordance with the requirements of higher authorities or relevant policies, while regulating and supervising outsourced contractors to carry out daily greening maintenance.

- **Waste**

During the Year, the two joint ventures collected approximately 9,931 tonnes of non-hazardous waste, mainly from garbage along the expressway including waste generated by expressway users, branches and leaves, etc. The waste has been sent to domestic waste treatment stations for disposal in accordance with relevant regulations.

The Group is making efforts to promote waste disposal management at the operational level. During the Year, to further reach the target of waste reduction, the two joint ventures, as well as the Company's Hong Kong and Shenzhen offices, have installed waste separation bins for batteries and waste to encourage employees to participate in source separation of waste and increase the recycling rate. At the same time, in order to promote paperless office, the Group has introduced an online co-working platform and through the OA system, workflows can be initiated to achieve the target of reducing the use of paper. For food waste, the two joint ventures continue to promote the spirit of frugality and thrift, and hand over food waste to professional collection agencies, sanitation teams or farmers to achieve harmless and resourceful treatment.

- **Wastewater**

The Group takes wastewater treatment seriously. The Group focuses on carrying out the renovation projects of rainwater and sewage diversions and the renovation projects of domestic sewage treatment facilities to reduce the environmental impact of the wastewater generated.

### GS JV's New Projects of Sewage Pipeline Building

In order to control sewage discharge and reduce environmental pollution, the GS JV implemented a new project of sewage pipeline building at Huanggang Toll Station of the GS Superhighway during the Year.



## Save Resources

The Group has encouraged employees to use resources effectively, including water and electricity, and to promote best practices for protecting environment.

- **Energy**

During the Year, the two joint ventures consumed a total of 46,639 MWh energy, of which purchased electricity accounted for 82.5% of the total consumption and was the main source of energy consumption. Compared with 2021, the total energy consumption for the Year decreased by approximately 2.6%.

In order to reduce energy use, the two joint ventures have incorporated energy-saving education into employee training and have regularly held energy-saving themed activities to encourage employees to raise awareness of energy conservation and consumption reduction. In addition, the two joint ventures have replaced the streetlights along the expressway with LED ones and the lights in the toll stations, offices and living areas of the GS JV have been replaced with energy-saving lamps. At the same time, the GS JV has well managed to have regular maintenance of office equipment and on-demand upgrades to optimise energy efficiency.

### Gas Pipeline Installation in Living Area

To further promote energy saving and emission reduction, the GZ West JV is actively constructing the gas pipeline installation project in Bijiang living area. In 2023, we will continue to pay attention to the planning of local gas pipelines, strengthen communication and coordination with gas companies, and contribute to energy conservation and emission reduction, cost reduction and efficiency enhancement.



### Replacing Tunnel Luminaires in the Beitai Tunnel of the GZ West Superhighway

According to the electromechanical maintenance plan of the Year, the Electromechanical Tunnel Department completed part of the replacement of lighting fixtures in the Beitai tunnel in September 2022. Before the replacement, there were 711 units of 120 W LED lights in the basic section and has then reduced to 341 units after the replacement, which was 370 units less and is expected to reduce the electric power load by 389,000 KW each year.



- **Water Resource**

During the Year, the two joint ventures consumed a total of 501,510 cubic meters of water resources, which was mainly consumed by the office and living areas. Compared to 2021, the total water consumption for the Year has decreased by approximately 3.2%.

To reduce the use of water resources, the two joint ventures have incorporated water saving related education into employee training and continue to raise awareness of water saving among employees through regular educational activities of water saving-themed.

## Care For the Ecological Environment

The Group recognises that the road construction and maintenance process may have certain impact on the surrounding natural environment. Therefore, we aim to avoid or reduce the corresponding impact as far as possible by strengthening the construction management and sound emergency prevention mechanism, and to continuously improve the overall landscape quality of the road and the living environment quality of the surrounding residents, so as to make a modest contribution to the realisation of the beautiful vision of lucid waters and lush mountains and blue sea and blue sky.

- **Proper Land Use**

The construction and operation of expressway requires a large amount of land. Scientific and reasonable planning of land use and reducing the use of farmland, forest land and mountain land are effective protection of natural resources. During the planning and construction stages, the two joint ventures will require the contractors to strictly follow the relevant regulations on soil and water conservation, specify the main person responsible for soil and water conservation, and take effective preventive measures as required by the supervising engineer to prevent siltation and blockage of the drainage system, as well as pollution and flooding of farmland due to the washing of the land occupied by the construction site by rainwater. Measures shall also be taken to prevent damage to buildings, existing roads, farmland, forest land, rivers, waterways, irrigation canals, etc. along the route during construction due to material transportation, mixing and on-site construction, which may result in claims, construction stoppage or hidden problems of project quality.

- **Green Maintenance**

The application of ecological and environmental protection and material recycling technologies in expressway green maintenance has social, environmental and economic benefits. The two joint ventures have implemented green maintenance techniques. For example, the GS JV requires the maintenance engineering department to strengthen the management of construction quality and to attach importance to the research and development and promotion of maintenance technology, and to enhance the role of environmental technology in expressway maintenance by actively introducing and applying new skills, new techniques, new materials and new equipment for energy conservation and environmental protection.

- **Emergency Management**

In addition to strengthening construction management, the two joint ventures have also emphasised the management of ecological and environmental pollution incidents that may occur during expressway transportation and at toll stations. In the event of an ecological pollution incident, the two joint ventures will immediately set up an emergency response command with senior management as the commander in chief, responsible for organising and directing the on-site work group to carry out disposal and aftermath work to reduce the impact of the incident.

## Organise Employees to Plant Trees

The GS JV organised volunteers to carry out the tree planting activity of “green transportation, extending beautiful life”, planting 30 peach blossom, 30 Chinese redbud, 200 roses and 200 bougainvillea. The GZ West JV organised more than 200 volunteers to carry out the tree planting activity of “Joint efforts to build a happy home”. The GZ West JV planted bougainvillea, fagraea, mauritius hemp and a total of 10,000 square meters of grass. The two joint ventures implemented noise reduction by greening with practical actions and attended the “Convention for Spring”.



## Carry Out “Beautiful Home” Greening Activities

On 11 January 2022, the GZ West JV carried out the “Beautiful Home” greening activity at the Nanya Centre Station, promoting the high-quality improvement of the green environment within the station. Through this activity, the GZ West JV hopes to raise employees’ awareness of environmental protection and to inspire employees to pay attention to environmental hygiene issue more actively, starting from small things around, caring for the environment, protecting the ecology, and contributing to beautifying the environment and purifying the air.

## Combat Climate Change

The Group realises that the increase in extreme weather events such as typhoons, rainstorms and fog, as well as a series of environmental and climate changes such as global warming will generate many adverse effects on construction, selection on materials and equipment, and driving safety. In response to such risks, the Group reviews the risk events included in the existing risk register and incorporates the risks related to climate change into the operational risk category. Meanwhile, the two joint ventures have established the specialised emergency response plans and management measures of natural disasters, which regulate the emergency organisation system, prevention and early warning mechanism, information reporting procedures, response procedures, treatment measures and communication security requirements for various types of extreme weather emergencies. In the event of a natural disaster, the responsible department will immediately set up an on-site emergency response team to carry out on-site emergency disposal work, and promptly report the situation to the emergency response command to activate the emergency plan.



## 10. CARING FOR COMMUNITY AND UNDERTAKING SOCIAL RESPONSIBILITY

The Group has always adhered to the concept of co-development with the community and support community development through active participation in community welfare, continuously spread the spirit of volunteerism and contributed to the building of a harmonious society.

### Regular Road Services

The Group values the construction of volunteer teams for road service to ensure the normal operation of all kinds of work of convenience services and unimpeded expressways during major holidays and events and to realise the normalisation of voluntary service activities.

#### “Orange Vest” and “Vanguard Team” Support Wonderful Traveling

During the Spring Festival travel rush, to improve the traveling experience of drivers, the GS JV provided hot water, emergency medicine, maintenance tools and other services for free at 17 toll stations along the route. In the service points of Dongguan, Taiping, Nantou Station and the Houjie Service Zone, the GS JV Volunteers Team organised volunteers to carry out the “Happy Journey” volunteer service activity, providing drivers and passengers with convenient services such as providing maintenance tools for vehicle, travel tips, guidance and consultation.



### Community Service

The Group organises various public welfare activities through volunteer teams, focusing on dedication activities, road maintenance, environmental protection and knowledge popularisation. These activities continuously enhance employees' sense of responsibility and mission. After being awarded the Best Volunteer Service Organisation in China and the Civilised Unit of Guangdong Province, the GS JV was again awarded the Demonstration Site for Learning from Lei Feng in Guangdong Province during the Reporting Period.

#### GZ West JV Organised Voluntary Blood Donation Activity

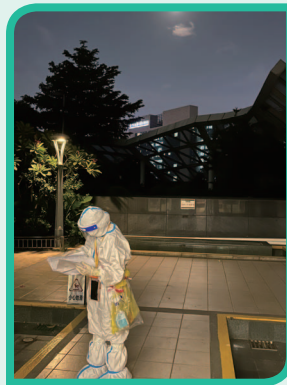


## Pandemic Prevention Voluntary Service

Facing the pandemic, in response to the national policies on pandemic prevention and control swiftly, the Group implemented pandemic prevention and control work, and safeguarded employees' health and safety. Meanwhile, the Group actively supported the frontline pandemic fighters and all walks of the society to fight against the pandemic together.

### Support the Fighting Against COVID-19 Pandemic in Futian District

In early September of 2022, the pandemic prevention and control situation in Shenzhen was severe and complex. The Company urgently built up a supporting team of around 30 people to participate in the frontline pandemic prevention and control work. The supporting team worked continuously for 9 days, serving more than 10 buildings, 100 floors, and 500 households on a daily basis, totalling about 18,000 residents, making remarkable contributions to the anti-pandemic achievements of Meilin Street in Shenzhen.



### A Dozen of Volunteers Jointly Fighting against the Pandemic in the Haizhu District in Guangzhou

In November 2022, the most severe pandemic in past three years hit the Haizhu District in Guangzhou. The GS JV quickly convened a dozen of volunteers to support communities' pandemic prevention work. Volunteers are either in charge of field directing and organising the nucleic acid testing queuing, or were assisting for on-site QR code scanning to relieve the burden of medical staff.



## APPENDIX: GENERAL DISCLOSURE

### Emissions (A1 of the Guide)

The Group has formulated the *Sustainability Policy* to guide departments at all levels to implement a green management system and strengthen the management of emissions, greenhouse gases, pollutants to water and lands, hazardous and non-hazardous wastes, etc.. The two joint ventures also add related provisions of emission restrictions into the construction contracts signed with the contractors. At the same time, the Group has always strictly complied with laws and regulations such as the *Environmental Protection Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC* and the *Water Pollution Control Ordinance* in Hong Kong, and focused on following up their amendments to ensure emissions compliance. During the Year, we were not aware of any cases of non-compliance with laws and regulations in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. For more details, please refer to the section "9. Saving Energy and Protecting Environment for a Green and Sustainable Future".

### Use of Resources (A2 of the Guide)

The Group has developed the *Sustainability Policy* and the *Staff Handbook* to guide employees in their daily work to establish a sense of conservation and to regulate their usage of resources including energy and water, etc. For more details, please refer to the section "9. Saving Energy and Protecting Environment for a Green and Sustainable Future".

### The Environment and Natural Resources (A3 of the Guide)

As an expressways operator, the Group has also focused on monitoring the environmental risks of contractors and regulating their behaviour through construction contracts. At the same time, through the formulation of internal policies such as *Expressway Maintenance Management Measures*, *Emergency Response Plan* and *Emergency Management Measures* to strengthen project construction management and improve emergency defence mechanisms, and to avoid or minimise the adverse impact on the natural surrounding environment. For more details, please refer to the section "9. Saving Energy and Protecting Environment for a Green and Sustainable Future".

### Climate Change (A4 of the Guide)

The Group realised the impact of major climate-related issues on expressway operations and has incorporated the risks associated with climate change into its risk register. At the same time, the Group has formulated the *Emergency Response Plan* and the *Emergency Management Measures* to regulate the management mechanism for responding to various extreme weather events. For more details, please refer to the section "9. Saving Energy and Protecting Environment for a Green and Sustainable Future".

### Employment (B1 of the Guide)

The Group's *Staff Handbook* has set out our management policies on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. At the same time, the Group has always strictly abided by laws and regulations such as the *Labour Law of the PRC*, the *Labour Contract Law of the PRC* and the *Employment Ordinance* in Hong Kong, and were not aware of any cases of non-compliance with laws and regulations in relation to employment during the Year. For more details, please refer to the section "6. Being People-Oriented and Shaping an Energetic Culture".

### Health and Safety (B2 of the Guide)

The Group has formulated a series of internal policies such as the *Staff Handbook*, the *Measures for the Supervision and Administration of Work Safety*, the *Road Construction Safety Management Measures* and the *Provisions on Safety Administration of Highway Maintenance and Construction* to regulate safety management guidelines and safeguards measures, so as to provide a safe working environment for employees and to protect them from occupational hazards. At the same time, we have always strictly complied with laws and regulations such as the *Work Safety Law of the PRC*, the *Law of the PRC on the Prevention and Treatment of Occupational Diseases* and the *Occupational Safety and Health Ordinance*. We were not aware of any cases of non-compliance with laws and regulations in relation to health and safety during the Year. For more details, please refer to the section "6. Being People-Oriented and Shaping an Energetic Culture".

### Development and Training (B3 of the Guide)

The Group actively invests resources to provide a good training and learning environment for employees and provides them with professional and personal development trainings on a regular basis to enhance their professional skills and business knowledge. The training and education programs of the two joint ventures include pre-job training, on-the-job training and continuing education, and a variety of training activities were conducted during the Year. The management details of staff training are specified in the *Staff Handbook*. For more details, please refer to the section "6. Being People-Oriented and Shaping an Energetic Culture".

### Labour Standards (B4 of the Guide)

The Group has strictly prohibited the employment of child labour, does not encourage employees to work overtime, and forbids any form of forced labour, which has been clarified through internal policies such as the *Staff Handbook*, the *Human Resources Management Procedure*. If employees have any comments or suggestions on labour rights, they can provide their feedback through reasonable channels, and the relevant department of the Group will respond to them as soon as possible. At the same time, we have always strictly complied with laws and regulations such as the *Labour Law of the PRC*, the *Law of the PRC on the Protection of Minors* and the *Employment Ordinance* in Hong Kong, and were not aware of any cases of non-compliance with laws and regulations in relation to labour standards during the Year. For more details, please refer to the section "6. Being People-Oriented and Shaping an Energetic Culture".

### Supply Chain Management (B5 of the Guide)

The Group has always attached great importance to the construction and investment of a sustainable supply chain, and thus we require all suppliers to properly manage their environmental and social risks, and specify and regulate the requirements in contracts. In the future, we will also review and improve the supply chain management system in due course. For more details, please refer to the section "7. Operational Compliance and Adhere to Compliance Governance".

### Product Responsibility (B6 of the Guide)

The Group has developed a number of internal policies for the management of product responsibility. For example, we have adopted the *Management Method on Confidentiality* and the *File Management Measures* to protect customer privacy, adopted the *Expressway Maintenance Management Measures* and the *Administrative Measures for Maintenance Projects* to clarify road maintenance responsibilities, and adopted the *Emergency Response Plan* and the *Emergency Management Measures* to improve emergency measures, and adopted the *Road Administration Measures* and the *Road Property Management Measures* to strengthen expressway administration enforcement and safeguard the rights and interests of expressway property. At the same time, we have always abided by laws and regulations such as the *Law of the PRC on Guarding State Secrets*, the *Highway Law of the PRC* and the *Regulations on the Administration of Toll Roads*, and were not aware of any cases of non-compliance with laws and regulations in relation to product responsibility during the Year. In addition, since the Group's business do not involve any labelling and recycling of products and advertising matters, we have not formulated relevant policies. For more details, please refer to the section "8. Prioritise Responsibility and Safeguarding Road Safety".

### Anti-Corruption (B7 of the Guide)

The Group has adopted the *Whistleblowing Policy*, *Code of Conduct* and *Staff Handbook* for the management of professional integrity. During the Year, the Group implemented the newly revised internal management policies such as the *Anti-Commercial Bribery Agreement* and the *Integrity Contract*. At the same time, the Group always strictly abided by laws and regulations such as the *Anti-Corruption and Anti-Bribery Law of the PRC* and the *Regulations of the PRC for Suppression of Corruption* regarding the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group, and were not aware of any cases of non-compliance with laws and regulations in relation to anti-corruption during the Year. For more details, please refer to the section "7. Operational Compliance and Adhere to Compliance Governance".

### Community Investment (B8 of the Guide)

The Group has formulated the *Sustainability Policy* to conduct the overall management of the community investment related work, and supported the development of the community by carrying out normalised convenience services, road maintenance work, community volunteering, environmental protection, knowledge popularisation, and other public welfare activities. For more details, please refer to the section "10. Caring for Community and Undertaking Social Responsibility".

# APPENDIX: SUMMARY OF KEY PERFORMANCE INDICATORS

## Environmental Performance

Performance Indicators		Unit	GS JV		GZ West JV		Total	
			2022	2021	2022	2021	2022	2021
<b>Emissions</b>								
<b>Air pollutants<sup>9</sup></b>								
Nitrogen oxides		tonne	3.69	4.49	1.41	1.15	5.10	5.64
Sulphur oxides		tonne	1.96	1.96	2.01	2.43	3.97	4.39
Respirable suspended particulates		tonne	0.06	0.13	0.04	0.03	0.10	0.16
<b>Greenhouse gases</b>								
Scope 1 <sup>10</sup>		tonne of CO <sub>2</sub> e	1,124	1,266	846	865	1,970	2,131
Scope 2 <sup>11</sup>		tonne of CO <sub>2</sub>	14,487	15,829	7,446	8,052	21,933	23,881
Total emissions		tonne of CO <sub>2</sub> e	15,611	17,095	8,292	8,917	23,903	26,012
Intensity (by length of expressway <sup>12</sup> )		tonne of CO <sub>2</sub> e/km	N/A	N/A	N/A	N/A	108.3	117.9
<b>Waste</b>								
Non-hazardous waste		tonne	4,491	2,884	5,440	5,707	9,931	8,591
Intensity (by length of expressway)		tonne/km	N/A	N/A	N/A	N/A	45.0	38.9
<b>Use of Resources</b>								
<b>Energy<sup>13</sup></b>								
Direct energy	Natural gas	MWh	111	97	0	0	111	97
	Liquefied petroleum gas	MWh	1,028	1,028	1,055	1,276	2,084	2,304
Renewable energy (solar and wind power)		MWh	N/A	N/A	49	42	49	42
	Gasoline	MWh	2,706	2,952	2,312	2,194	5,018	5,146
Diesel		MWh	854	1,053	113	115	967	1,168
	Total direct energy consumption	MWh	4,699	5,130	3,480	3,627	8,179	8,757
Intensity (by length of expressway)		MWh/km	N/A	N/A	N/A	N/A	37.1	39.7
	Indirect energy	Purchased electricity	MWh	25,403	25,945	13,057	13,198	38,460
Intensity (by length of expressway)		MWh/km	N/A	N/A	N/A	N/A	174.3	177.4
	Total energy consumption	MWh	30,102	31,075	16,537	16,825	46,639	47,900
Intensity (by length of expressway)		MWh/km	N/A	N/A	N/A	N/A	211.3	217.0
	<b>Water</b>							
Total water consumption		cubic metre	331,205	338,841	170,305	179,421	501,510	518,262
Intensity (by length of expressway)		cubic metre/km	N/A	N/A	N/A	N/A	2,272.4	2,348.3

<sup>9</sup> The calculation scope of this air pollutant emission includes the use in the combustion of natural gas and liquefied petroleum gas and the fuel use of automobiles of the two joint ventures. The calculation method of natural gas and liquefied petroleum gas combustion emissions and related emission coefficients refer to the *Coefficient Manual of the First National Census on Pollution Sources for the Pollutant Generation and Discharge from Urban Living* issued by the Ministry of Ecology and Environment of the PRC. Since 2021, the emission factor of natural gas used for calculation is 2 (sulphur content of 100mg/m<sup>3</sup>). The calculation method of automobile emissions and related emission coefficients refer to the *Technical Guide for the Preparation of Air Pollutant Emission List for Road Vehicles (Trial)*.

<sup>10</sup> The calculation scope of this greenhouse gas emission (Scope 1) includes the use in the combustion of natural gas and liquefied petroleum gas and the fuel use of automobiles of the two joint ventures. The calculation method of natural gas and liquefied petroleum gas combustion emissions and related emission coefficients refer to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC. The calculation method of automobile emissions and related emission coefficients refer to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Land Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC.

<sup>11</sup> The calculation scope of this greenhouse gas emission (Scope 2) includes the indirect emission caused in the production process by the purchased electricity in Mainland China. The calculation method and related emission coefficients of greenhouse gas emissions from electricity usage in Mainland China refer to the *Notice on the Management of Greenhouse Gas Emissions Reporting by Power Generation Enterprises from 2023-2035* issued by the Ministry of Ecology and Environment of the PRC (the calculation factor adopts the 2022 National Grid Average Emission Factor).

<sup>12</sup> The total length of the GS Superhighway and the GZ West Superhighway is 220.7 kilometers.

<sup>13</sup> The conversion standard of energy consumption and intensity is referenced from the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises (Trial)*.

## Social Performance

Performance Indicators	Unit	GS JV	GZ West JV	Bay Area Development	Total
<b>Employment</b>					
<b>Total workforce</b>	Person	1,981	1,138	57	3,176
<b>By gender</b>					
Male	Person (%)	1,276 (64.4)	662 (58.2)	29 (50.9)	1,967 (61.9)
Female	Person (%)	705 (35.6)	476 (41.8)	28 (49.1)	1,209 (38.1)
<b>By employment type</b>					
Full-time	Person (%)	1,981 (100.0)	1,138 (100.0)	57 (100.0)	3,176 (100.0)
Part-time	Person (%)	0 (0)	0 (0)	0 (0)	0 (0)
<b>By age group</b>					
Below 30	Person (%)	874 (44.1)	648 (56.9)	10 (17.5)	1,465 (46.1)
30–50	Person (%)	955 (48.2)	429 (37.7)	38 (66.7)	1,456 (45.8)
Above 50	Person (%)	152 (7.7)	61 (5.4)	9 (15.8)	255 (8.0)
<b>By geographical region</b>					
Mainland China	Person (%)	1,981 (100.0)	1,138 (100.0)	34 (59.6)	3,153 (99.3)
Hong Kong	Person (%)	0 (0)	0 (0)	23 (40.4)	23 (0.7)
<b>Total employee turnover (rate<sup>14</sup>)</b>	Person (%)	255 (12.9)	124 (10.9)	6 (10.5)	385 (12.1)
<b>Breakdown of total number and percentage of employee turnover<sup>15</sup></b>					
<b>By gender</b>					
Male	Person (%)	162 (8.2)	72 (6.3)	3 (5.3)	237 (7.5)
Female	Person (%)	93 (4.7)	52 (4.6)	3 (5.3)	148 (4.7)
<b>By age group</b>					
Below 30	Person (%)	167 (8.4)	104 (9.1)	0 (0)	271 (8.5)
30–50	Person (%)	71 (3.6)	17 (1.5)	6 (10.5)	94 (3.0)
Above 50	Person (%)	17 (0.9)	3 (0.3)	0 (0)	20 (0.6)
<b>By geographical region</b>					
Mainland China	Person (%)	255 (12.9)	124 (10.9)	2 (3.5)	381 (12.0)
Hong Kong	Person (%)	0 (0)	0 (0)	4 (7.0)	4 (0.1)
<b>Health and Safety</b>					
<b>Number and rate of work-related fatalities</b>	Person (%)	0 (0)	1 (0.09)	0 (0)	1 (0.03) <sup>16</sup>
<b>Number and rate of work-related injury per 100 employees<sup>17</sup></b>	Person (%)	2 (0.10)	1 (0.09)	0 (0)	3 (0.09)
<b>Lost days due to work injury</b>	Day	210	182	0	392
<b>Development and Training</b>					
<b>Total number and percentage of employees trained<sup>18</sup></b>	Person (%)	1,710 (86.3)	844 (74.2)	56 (98.2)	2,610 (82.2)
<b>Breakdown for total number and percentage of employees trained<sup>19</sup></b>					
<b>By gender</b>					
Male	Person (%)	1,068 (62.5)	472 (55.9)	29 (51.8)	1,569 (60.1)
Female	Person (%)	642 (37.5)	372 (44.1)	27 (48.2)	1,041 (39.9)
<b>By employee category</b>					
Senior management	Person (%)	13 (0.7)	2 (0.2)	7 (12.5)	22 (0.8)
Middle management	Person (%)	51 (3.0)	47 (5.6)	15 (26.8)	113 (4.4)
General staff	Person (%)	1,646 (96.3)	795 (94.2)	34 (60.7)	2,475 (94.8)
<b>Average training hours completed per employee<sup>20</sup></b>					
<b>By gender</b>					
Male	Hour	23.66	10.30	20.86	18.94
Female	Hour	23.76	8.36	22.41	17.43
<b>By employee category</b>					
Senior management	Hour	85.90	30.00	86.43	62.46
Middle management	Hour	55.39	20.67	43.21	31.32
General staff	Hour	22.35	8.25	17.79	17.39
<b>Product Responsibility</b>					
<b>Number of customer complaints</b>	Case	525	26	N/A	551
<b>Customer complaint rate</b>	%	0.0003	0.00003	N/A	0.0002

<sup>14</sup> The employee turnover rate is calculated by dividing the total number of employees who left the Company voluntarily or because of dismissal, retirement or work-related fatality by the total workforce during the Year.

<sup>15</sup> The breakdown for the percentage of employee turnover is calculated by dividing the number of employees in that category by the total number of employees in the Year.

<sup>16</sup> Number of work-related fatalities: 1 in 2022, and 0 in both 2021 and 2020.

<sup>17</sup> The number of work-related fatality is not included in the calculation of rate of work-related injury per 100 employees.

<sup>18</sup> The percentage of employees trained is calculated by dividing the total number of employees trained by the total workforce.

<sup>19</sup> The breakdown for the percentage of employees trained is calculated by dividing the number of employees trained in the specified category by the total number of employees trained.

<sup>20</sup> The average training hours completed per employee is calculated by dividing the total number of training hours for employees in the specified category by the number of employees in the specified category.

## APPENDIX: REPORT CONTENT INDEX

<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>Mandatory Disclosure</b>		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues. (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses). (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	7
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report.	2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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.	19–20, 26
KPI A1.1	The types of emissions and respective emissions data.	19–20, 28
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	19, 28
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	As hazardous waste generated by the Group during the Reporting Period was not a critical matter for the Group's operations, we did not make quantitative statistics on such waste.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	20, 28
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	19–20
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	20
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	21–22, 26
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kVWh in '000s) and intensity (e.g. per unit of production volume, per facility).	21, 28
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	22, 28
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	21
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	The Group's usage of water is all from the municipal water supply network, so we has not encountered any problems in obtaining applicable water resources; 22
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	As the Group's business is not involved in the production of products, this KPI does not apply to the Group
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	22–23, 26
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	22–23
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	23, 26
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	23

<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
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.	10–11, 26
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	29
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	29
<b>Aspect B2: Health and Safety</b>		
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.	11–13, 26
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	29
KPI B2.2	Lost days due to work injury.	29
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	11–13
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	11, 26
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	29
KPI B3.2	The average training hours completed per employee by gender and employee category.	29
<b>Aspect B4: Labour Standards</b>		
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.	10, 27
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	10, 27
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	10
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	15, 27
KPI B5.1	Number of suppliers by geographical region.	15
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	15
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	15
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	15
<b>Aspect B6: Product Responsibility</b>		
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.	16–18, 27
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group's business is not involved in the production of products, this does not apply to the Group
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	18, 29
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	As the Group's business is not involved in IP-related modules, this does not apply to the Group
KPI B6.4	Description of quality assurance process and recall procedures.	As the Group's business is not involved in the production of products, this does not apply to the Group
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	18



<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	14,27
KPI 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.	27
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	14
KPI B7.3	Description of anti-corruption training provided to directors and staff.	14
<b>Aspect B8: Community Investment</b>		
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.	27
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	24-25
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	24-25

**SHENZHEN INVESTMENT HOLDINGS  
BAY AREA DEVELOPMENT COMPANY LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**2022 ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT**

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