



ENVIRONMENTAL  
SOCIAL  
AND  
GOVERNANCE  
REPORT

# ESG 2022

**SICHUAN EXPRESSWAY COMPANY LIMITED**  
2022 ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

Stock code: SSE 601107 Stock Exchange 00107

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#### (I) Reporting Guidelines

This 2022 *Environmental, Social and Governance* (ESG) Report (hereinafter referred to as the “Report”) has been prepared in accordance with the requirements of the Shanghai Stock Exchange (hereinafter referred to as the “SSE”), *Self-Regulatory Guidelines for Listed Companies No. 1 – Standard Operation and the Environmental, Social and Governance Reporting Guide* (hereinafter referred to as the “Guide”) of The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”).

#### (II) References

“Chengyu Company”, “Sichuan Chengyu”, the “Company”, the “Group” or “we” in this Report represent Sichuan Expressway Company Limited and/or its subsidiaries. Unless otherwise stated, the currency involved in this Report is CNY.

#### (III) Scope of the Report

This Report covers the Company’s important practices and performance in stakeholder communication, environment and resources, employees, supply chain and products, anti-corruption, community services and consumption assistance during the period from 1 January 2022 to 31 December 2022 (hereinafter referred to as the “Year” or the “Reporting Period”). This Report indicates a decrease of one subsidiary company compared to the year 2021, as Chengyu Company lost control of Chengyu Finance Leasing Co., Ltd. by transferring 44.95% of its equity. Additionally, there was an increase of one subsidiary company as Jianxin (Beijing) Investment Fund Management Co., Ltd. transferred 50% of its equity in Sichuan Chengyu Private Equity Fund Management Co., Ltd. (formerly known as Chengdu Chengyu Jianxin Equity Investment Fund Management Co., Ltd.) to Sichuan Shudao Chengyu Investment Co., Ltd. After the equity transfer, Chengyu Company holds 100% ownership of Sichuan Chengyu Private Equity Fund Management Co., Ltd. directly and indirectly.<sup>1</sup>

#### (IV) Reporting Principles

This Report is prepared in strict compliance with the mandatory disclosure requirements and the “comply or explain” provisions of the *Guide of the Stock Exchange*, and the reporting principles of “materiality”, “quantitative”, “balance” and “consistency” are also adopted to ensure the accuracy and reliability of the content of the Report.

**Materiality:** We are highly concerned about the significant impact of ESG issues on various stakeholders. During this Year, the Company actively carried out communication with various stakeholders, listened to and analysed their opinions to evaluate the work focus of this year’s work, and then prepared this Report based on the work focus of this year’s work.

**Quantitative:** To demonstrate the Company’s performance in the environmental and social aspects in 2022, we have presented KPIs in a measurable manner where feasible.

**Balance:** During the preparation of this Report, we focus on presenting the Company’s performance in an unbiased manner to avoid affecting the decisions or judgments of the readers of this Report.

**Consistency:** Unless otherwise specified, this Report adopts the same statistical methods as in previous years where feasible to ensure that meaningful comparisons of ESG data are compared in the future.

#### (V) Report Statement

The Board of Directors and all Directors of the Company hereby guarantee that there are no misrepresentations, misleading statements or major omissions contained in the Report, and bear individual and joint responsibility for the authenticity, accuracy and completeness of the contents.

This Report was reviewed and approved at the 4<sup>th</sup> meeting of the 8<sup>th</sup> Board of the Directors held on 30<sup>th</sup> March 2023.

#### (VI) Method of Contact

The Report is available in simplified Chinese, traditional Chinese and English, which may be obtained on the websites of SSE (<http://www.sse.com.cn>), HKEx (<http://www.hkexnews.hk>) and the Company website (<http://www.cygs.com>) as needed. In case of any inconsistency between the Chinese version and the English version, the simplified Chinese version shall prevail.

Should you have any questions or comments regarding the Report, please feel free to contact us at:

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<sup>1</sup> For the specific shareholding structure of the Company and the composition of its subsidiaries, please refer to the annual report of the Company. For details of the transaction, please refer to the announcements published by the Company on the website of the Shanghai Stock Exchange, the website of the Stock Exchange and the website of the Company.

Expressway is one of the fundamental and pioneering industries of the national economy. It does not merely satisfy people's needs for efficient and speedy travel but also facilitates social and economic development. The main business of the Company is to invest in, construct, operate, and manage highways, as well as to develop the traditional core business of expanding the economy along the routes. Meanwhile, we are cultivating and developing a second main business focus on green energy, mainly "charging, battery bank + swapping, hydrogen energy". The Company obtains its operating expressway assets by way of investment and construction as well as acquisition. At the end of the Reporting Period, the Company owns all or substantially all interests in a number of expressways in Sichuan Province such as Chengyu Expressway, Chengya Expressway, Chengle Expressway, Chengren Expressway, Chengbei Exit Expressway, Suixi Expressway, Suiguang Expressway and Tianqiong Expressway which is under construction. The total length of expressway owned by the Company is approximately 744 km, in which 42 km of Tianqiong Expressway is under construction, and Chengle Expressway expands 136.1 km (including 86.4 km of the original Chengle Expressway). We exert significant impacts and play a critical role in the investment and operation management of expressways in the Sichuan province.

### Road Network of the Group's Expressways



### (I) Concept of Responsibility

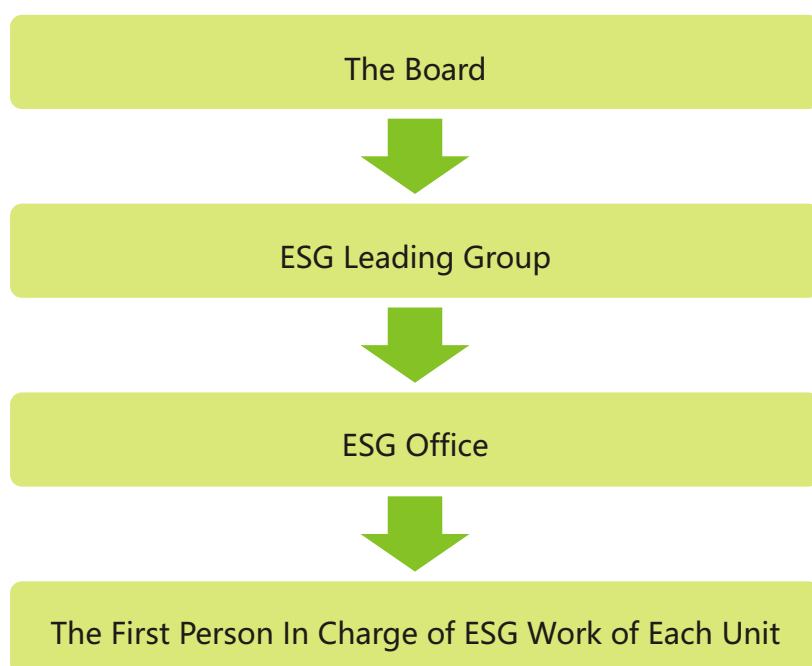
The Company consistently adheres to the concept of "green development, convenience and safety, high efficiency and excellence", taking fulfilling environmental and social responsibilities as the only way for corporate sustainable development. Since our establishment, we have been adhering to the social responsibilities of providing the public with safe, fast and comfortable travel services and promoting balanced development between society and the economy. While obtaining economic benefits, we continue to pay attention to our products and services in terms of their environmental and social impacts. We will clarify the green development goal of co-existence and co-prosperity with the environment and society and strive to achieve a win-win situation between our own development, environmental protection and social harmony.

### (II) Governance Structure and Strategy

#### ESG Governance Structure

In the process of continuously and deeply promoting the practice of environmental and social responsibility, the Company is committed to continuously improving the environmental and social responsibility governance system and standardizing the ESG work responsibilities and processes at all levels to ensure that the Company's management is complete and in line with the demands of various stakeholders. Currently, a relatively comprehensive ESG governance framework is in place:

The Board of Directors of the Company established the ESG Work Leaders Group (hereinafter referred to as the "Leaders Group"). The Leaders Group is chaired by the chairman of Chengyu Company, while the deputy leader is served by the Company's vice chairman, general manager, and the chairman of the Supervisory Board. The Company's management team and other members are members of the Leaders Group, conducting comprehensive management of the ESG work of Chengyu Company. The ESG work office is set up under the Leaders Group, the director of which is concurrently chaired by the director of the office of the Board of Directors of Chengyu Company. The members are composed of the heads of departments of Chengyu Company's headquarter, mainly responsible for coordinating the specific affairs and daily management of ESG work. In addition, the person in charge of branches and subsidiaries of Chengyu Company is the first person responsible for its ESG work. The branches and subsidiaries of Chengyu Company have established a corresponding governance structure with reference to the ESG governance structure of the headquarters of Chengyu Company to comprehensively strengthen ESG work.





#### Board Statement

The Board of Directors of the Company is the decision-making body for sustainable development, responsible for the overall deployment and promotion of the Company's ESG management and is fully responsible for the Company's sustainable development strategies and management policies through the ESG work leading group established. During the Reporting Period, the ESG Leading Group and the ESG Office performed the following duties:

#### ESG Leading Group:

- ◆ Review the identification and priorities of the Company's material issues, and supervise the management of issues:

During the Year, Chengyu Company updated the database of material issues, and identified material issues through questionnaires from stakeholders. The Board of Directors considered and passed the material issues identified during the year after taking into consideration all parties and used them as an important reference for the future sustainable development of Chengyu Company. At the same time, we strictly required all levels of the Company to implement ESG work responsibilities, and effectively strengthened the management of important issues.

- ◆ Consider the ESG-related risks and uncertainties faced by the Company:

In recent years, with the rapid development of the Group's business, the ability to identify and manage ESG risks has been steadily improved. The risks identified by the Group during this year mainly involve policy changes, production and operation, finance, climate change, etc. The Board attaches great importance to the risks of all parties. In 2022, the Board actively called for the promotion of risk review, continued to improve the risk management and internal control system, and contributed to the continuous improvement of corporate governance.

- ◆ Review and approve ESG target setting and continuously monitor the progress of target achievement.

#### ESG Work Office:

- ◆ Establish a complete ESG ledger database, and conduct quantitative and qualitative statistical analysis;
- ◆ Formulate ESG work goals and improve ESG work performance;
- ◆ Complete ESG work summary and data archiving of related businesses;
- ◆ Guide subsidiaries to manage ESG related work;
- ◆ Report works to the Leaders Group.



### (I) Communication with Stakeholders

As an infrastructure investment, construction and operation company serving the public, we understand the importance of listening to and responding to the voices of all walks of life to the development of the Company. During the Year, Chengyu Company fully considered the demands of various stakeholders, maintained good communication with stakeholders through various channels, and took appropriate actions to respond to their expectations in response to their main concerns.

Communication channels and main expectations of stakeholders

Stakeholders	Stakeholders' Concerns in 2022	Communication channels with stakeholders in 2022
Shareholders	Return on revenue Timely and transparent information disclosure	General meetings, Company announcements On-site visits, Investor briefings Roadshows, Official website
Government and regulatory authorities	Operation in compliance with laws and regulations Benefiting local economy Safe production and operation Emission compliance Mitigating the impact of the Company's operations on the environment Expanding employment and contributing to society	Implementing nations policies, Laws and regulations Work reports
Creditors	Timely and transparent information disclosure Return on revenue	Creditors' information reports Creditors' meetings Communication meetings Analyst briefings
Partners (including but not limited to suppliers, contractors, etc.)	Compliance operation with integrity Fair and impartial cooperation	Industry conferences, Roadshows Seminars, Forums Admission and assessment, Site visits
Consumers	Comprehensive quality assurance system Ensuring road quality and traffic safety Ensure smooth traffic and efficient transportation	Business communication Customer feedback
Employees	Occupational health Salary and benefits Career development Humanistic care	Workers Conference Suggestion Box Informal discussion
Public/Media	Timely and transparent information disclosure Maintain good media relations	Publish news to the public/media Maintain active dialogue with the media
Local communities	Improving community environment Participation in public welfare undertakings Rural revitalization	Public welfare activities Complaint hotline

The responses of Chengyu Company to important stakeholders are as follows:

The Government and Regulatory Authorities

The Company abides by the guidance and supervision of the government and regulatory agencies, strictly enforces corporate governance, operates in compliance with laws and regulations, pays taxes in accordance with the law, and earnestly performs the responsibility of statutory information disclosure without any violation of regulatory requirements. During the year, Chengyu Company was once again awarded as one of the Top 100 Enterprises in Sichuan and Top 100 Enterprises in Service Industry, and continued to consolidate its good corporate image.

### Shareholders

The Company strictly abides by the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, the listing rules of SSE, Stock Exchange, and other relevant laws and regulations, and faithfully implements the obligations required by *Governance Guidelines for Listed Companies* of the China Securities Regulatory Commission and *Corporate Governance Code* of the Stock Exchange. The Company will continue to improve the level of corporate governance and the transparency of operation, carry out business activities in strict accordance with various regulatory systems, continuously improve the Company's profitability and sustainable development ability, and continue to create good investment returns based on the interests of all shareholders.

1. Treat shareholders equally and ensure that shareholders, especially small and medium shareholders, enjoy equal status and fully exercise their rights. In 2022, the Company held 1 annual general meeting and 5 extraordinary general meetings. The meeting procedures were in compliance with the *Company Law of the People's Republic of China*, *Articles of Association* of the Company and *Provisions of the General Meeting of Shareholders* and adopted the combination of on-site as well as online voting to provide convenience for small and medium shareholders for exercising their rights.

2. Pay attention to providing reasonable investment returns to shareholders and implementing a continuous and stable profit distribution policy. Since the Company went public, it has been insisting on distributing cash dividends to shareholders yearly, making shareholders benefit from the Company's development. The Board has recommended the payment of a final cash dividend for the year, which shall not be less than 30% of the profit attributable to owners of the Company (calculated in accordance with the PRC Accounting Standards) in the consolidated financial statements. The dividend proposal still needs to be approved by shareholders at the Company's upcoming annual general meeting of this year.

3. Strictly perform statutory information disclosure obligations to ensure that all shareholders have equal and full rights to know. In 2022, the Company respectively issued 4 periodic reports, 136 A shares and 118 other announcements of H shares in accordance with the requirements of the listing rules of the stock exchanges in Shanghai and Hong Kong.

4. Continuously maintain and improve investor relations in a variety of ways. During this Year, the Company held the 2021 online results presentation and the 2022 semi-annual online results presentation and answered questions from investors online. In addition, the Company communicated with investors more than 50 times through "SSE e-interaction", telephone, letter, and internet, with more than 130 investors participating.

### Creditors

The Company insists on operating in accordance with the law and standards. All business activities are in accordance with the principles of openness, fairness, honesty and trustworthiness, equality, and mutual benefit. The Company actively implements the bidding system, strictly controls internal approval procedures, and effectively protects the legal rights and interests of creditors and suppliers, striving to build healthy and lasting partnerships.

For creditors, the Company strictly performed the loan contracts, regulated the use of loans, controlled the loan procedures and fulfilled the repayment obligations as agreed in accordance with the law. As of the end of this Reporting Period, the Company has never experienced any irregular loan procedures or failure to make timely repayment upon maturity, effectively protecting the interests of creditors. Since its listing, with stable cash flow, stable capital structure and good credit record, the Company has established and maintained a good credit relationship with creditors.

During the Reporting Period, the Company has continued to deepen and improve its financial management and control system, optimizing the guarantee of capital operation:

1. Centered around the main line of cost control, controllable costs significantly reduced compared with the budget at the beginning of 2022;

2. Continued to strengthen the centralized management of funds, the implementation of internal borrowing flat model, fully improved the operation rate of the pooled funds, reasonably reduced external financing. The pooling rate of funds can be integrated to maintain 98%, saving financial costs of about RMB 50 million;

3. Strengthened the credit foundation, and we have obtained the highest AAA rating of CCXI (China ChengXin International) for 7 consecutive years and Golden Credit Rating for 3 consecutive years.



#### Suppliers

For suppliers, the Company strictly abides by relevant national laws and regulations, implements the Company's bidding management system, conducts relevant work through price inquiry and bidding, public bidding, project selection and other methods, and arranges the Company's supervision personnel to conduct a hierarchical review of the process in the bidding work to ensure the transparency and publicity of the Company's bidding process and effectively protect the legitimate rights and interests of suppliers. At the same time, we will continue to optimize the supply chain management system and improve internal control to promote the improvement and efficiency of various procedures.

#### Consumers

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

#### Employees

The Company strictly abides by various laws and regulations, ensures that all employees enjoy various rights and benefits in accordance with the law, deepens the construction of occupational safety culture, improves the safety management system, and effectively protects the work safety and health of employees. Adhering to the people-oriented concept, the Company carries out a variety of vocational training, cultural and sports activities, to make employees gain and grow, and continues to establish a sound talent selection system and implement a scientific and reasonable selection and employment system.

#### (II) Identification of Material Issues

The Company updated the materiality issues database in accordance with the latest guidelines of the SSE, and other regulatory bodies. Meanwhile, we referred to social hot issues, industrial trends, excellent practices of peers and other factors, as well as combined with the key contents of the Company's business, and commissioned a third-party consultant to conduct a survey on materiality issues to provide an important reference for the evaluation of materiality issues.

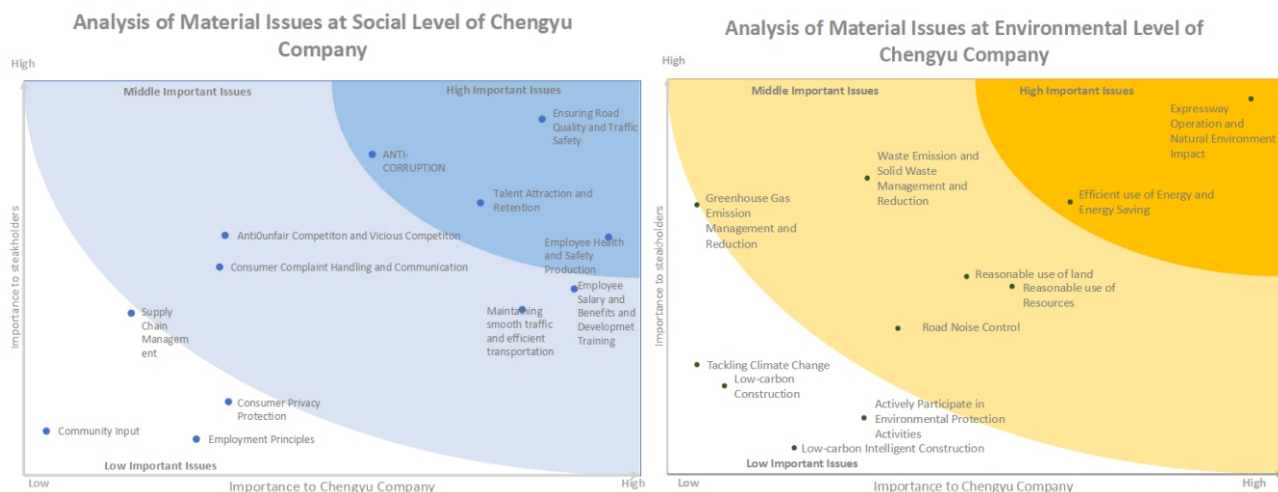
The Company has investigated the stakeholders' concerns about ESG material issues by questionnaires, and ranked the issues on both environmental and social levels according to two dimensions of importance to stakeholders and importance to Chengyu. Finally, we identified the most important material issues for this year. The identification process of the materia issue is as follows:

1.Updating the ESG Potential Issues Database: In accordance with the SSE *Guidelines on the Preparation of Reports on the Fulfillment of Social Responsibility by Companies and the Guide*, and taking into account the business characteristics of Chengyu, the characteristics of the industry development and the hot issues in society this year, 23 potentially important issues (11 at the environmental level and 12 at the social level) were selected to form the ESG issue database of the Company this year, that is potential important issues database.

2.Conducting Stakeholder Survey: Chengyu invited employees, company management and above, shareholders and creditors, partners(suppliers, contractors), government and regulators, consumers, the public and media, and the local community to rank the above issues in two dimensions: importance to stakeholders and importance to Chengyu, and a total of 1,037 valid questionnaires were collected this year.

3.Identifying and Drawing Material Issues: Based on the analysis, the Company identifies issues with a high ranking on both dimensions(dark yellow and dark blue parts of the chart below) as material issues.

Based on the stakeholder questionnaires, the Company's management and ESG working office ranked the issues in two dimensions: "importance to Chengyu" and "importance to stakeholders", and finally reviewed by the Board of Directors to form the 2022 materiality matrix (as shown below).



2022 ESG Materiality Matrix of Chengyu Company

This Report focuses on the most important issues identified, and the corresponding disclosure sections are as follows:

Material issues		Corresponding chapter in the Report
Environmental issues	Expressway operation and natural environment impact	ENVIRONMENT AND RESOURCES (III) Environment and Nature Resources
	Efficient use of energy and energy saving	ENVIRONMENT AND RESOURCES (II) Resource Consumption
Social issues	Employee health and safety production	EMPLOYEES (II) Safety and Health
	Talent attraction and retention	EMPLOYEES (I) Employment (III) Development and Training
	Ensuring road quality and traffic safety	SUPPLY CHAIN AND PRODUCTS (II) Products and Services
	Anti-Corruption	ANTI-CORRUPTION

The ecological environment is the foundation for human survival and development, and environmental protection is an indispensable social responsibility of an enterprise. The Company has always put environmental protection and ecological civilization construction in a prominent position, and adheres to the principle of conservation, protection, and natural restoration first, vigorously promotes the coordination between the Company's development and the resource environment and strives to build a resource-saving and environment-friendly enterprise. The Company not only attaches great importance to the learning and understanding of laws and regulations, technical policies and development trends related to expressway environmental protection and soil and water conservation, but also pays attention to the improvement and implementation of its own environmental protection strategies and systems, and continuously integrates new concepts and technologies such as green and low-carbon, energy conservation and environmental protection into the process of operation and management.

Environmental management structure:

The environmental management of Chengyu Company is carried out in accordance with the principles of overall management and hierarchical responsibility. Chengyu Company is responsible for guiding and supervising the environmental protection work of each subsidiary; Each subsidiary manages its own environmental protection work and assumes the main responsibility for environmental protection work within its jurisdiction.

System, development of management system and target setting:

Chengyu Company continues to establish and improve environmental protection work standards and systems and has formulated the *Environmental Protection Compilation (Trial)* (hereinafter referred to as the *Compilation*) in accordance with national and Sichuan provincial environmental protection laws, regulations and standards. The *Compilation* integrates a series of documents such as environmental protection work management measures, environmental protection responsibility regulations, environmental protection work target management and assessment system, environmental protection supervision and inspection system, and environmental protection responsibility accountability system, which clearly stipulates the environmental protection work responsibilities, work requirements and assessment methods of different levels of institutions.

During the Reporting Period, to further refine the annual key environmental protection, work of Chengyu Company, the Company formulated and issued the *Key Points of Environmental Protection Work for 2022* (hereinafter referred to as the *Key Points of Environmental Protection Work*), which clarified the overall requirements, major control indicators and key tasks of annual environmental protection work. The *Key Points of Environmental Protection Work* of Chengyu Company clearly emphasizes that the environmental working target for 2022 are "Chengyu Company and its branches and subsidiaries do not have a typical case of environmental management problems at or above the provincial level throughout the year, no environmental emergencies and environmental protection responsibility incidents", conscientiously implement the annual assessment of the ecological environment simultaneously, including environmental protection work in the target assessment system at all levels, to clarify the responsibilities and objectives of relevant personnel. The *Key Points of Environmental Protection* also listed the key environmental tasks in this year, such as strengthening the ecological protection of construction projects, strengthening the ecological environmental protection of highway areas, and organizing the prevention and control of ecological environmental protection risks and the investigation and treatment of hidden dangers. Its purpose is to reduce the daily operation of energy, resource consumption, improve the Company's energy conservation and environmental protection work system.

Environmental risk prevention and control:

In accordance with the principle of "prevention first", the Company conscientiously carries out environmental risk inspection and assessment, establishes a list of major environmental risks, and implements detailed risk control measures to continuously strengthen environmental risk control and environmental protection supervision.

During the Year, the Company organized multiple types of environmental protection inspections and special remediation actions for ecological environmental protection, focusing on the operation status, treatment results and risk potential of sewage treatment equipment at toll stations, service and office areas along expressways. We also made recommendations for rectification of existing problems, continuously strengthened inspections and checked on environmental and water protection procedures for construction projects, dust, slag and wastewater management at construction sites, and required a deadline for the treatment of problems found. Meanwhile, the Company has formulated and issued emergency plans for possible environmental pollution incidents, further strengthened the reserve of emergency facilities, equipment and materials, improved the emergency rescue team, continuously improved the early warning mechanism for prevention of environmental pollution incidents, and unified and standardized the emergency response process.

Daily environmental protection work:

The Company regularly convenes environmental protection work conferences to communicate on the progress of environmental protection work in a timely manner, and attaches great importance to the environmental protection of operating expressways, strives to strengthen sewage and waste management in service areas, gas stations. At the same time, the Company attaches importance to speeding up the construction of sewage treatment equipment, upgrading or connection to the municipal network, regular sewage testing to ensure compliance with the discharge standards, and active measures to remedy noise spots. In order to carry out comprehensive training and propaganda, this year the Company carried out a series of promotional and educational activities such as "Environmental Protection Day", "Energy Conservation Week" and trainings on "Water Pollution Prevention and Control Law". We simultaneously organized environmental protection training to strengthen the awareness of responsibility of environmental protection managers at all levels, to further improve the knowledge and ability of employees in ecological and environmental protection laws and regulations, highway pollution control technology and environmental protection management of construction projects, to continuously improve the business level of environmental protection, and to promote the propagation and communication of environmental protection concepts and technologies throughout the Company.

#### (1) Emissions

As a company focusing on expressway investment, construction, operation and management, the nature of the Company's business does not involve industrial production, nor do we directly generate a large amount of waste during our business activities. During our operation, we strictly abide by the *Environmental Protection Law of the People's Republic of China*, *Environmental Impact Assessment Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution*, *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, *Measures for the Management of Food and Kitchen Waste in Sichuan Province* and other relevant laws and regulations. In combination with the *Compilation* and the *Key Points of Environmental Protection*, and with pollution control and emission reduction as the center, the concept of green and sustainable development is integrated into all aspects of corporate operations.

During the Reporting Period, the Group did not have any general (level IV) or above environmental incidents with major responsibilities, and no major environmental issues were found, and no environmental pollution incidents were listed and supervised by the government. In addition, the Company strictly implements the pollution prevention and control of exhaust gas, sewage, solid waste and noise in its business activities. From the aspects of technology research and development, experience absorption and daily management, the Company is willing to try and make unremitting efforts to maintain a balanced road environment and reduce the impact of its activities on the surrounding environment.

#### 1. Air Pollutant Emissions and GHGs

Air pollutants and GHGs that may be produced in the process of highway operation and management mainly consist of: CO<sub>2</sub> (carbon dioxide), CO (carbon monoxide), HC+NO<sub>x</sub> (hydrocarbons and nitrogen oxides), PM (particulates, soot) and other harmful gases. The sources of emission mainly come from social vehicles running on highways and special vehicles (patrol cars and obstacle-clearing vehicles) required for highway operation and management. Among them, social vehicles are the main emission sources. To avoid the above gas emissions, we actively contribute to emission reduction through the following measures.

(1) Focus on guiding drivers and passengers to travel low-carbon and energy-saving manner. In 2022, the Company continued to promote energy conservation and emission reduction in expressway transportation, and vigorously promoted and promoted the construction and operation of convenient traffic systems such as ETC<sup>2</sup> and electronic payment. The ETC system improves the traffic efficiency of vehicles, reduces the GHG emission, hazardous waste gases and energy waste caused by toll payment and parking. The smart charging system facilitates the paperless charging process and reduces waste of resources.

As at the end of the Reporting Period, the ETC lanes of the Company were as follows:

Unit	Toll Stations	Total Lanes	ETC Lanes	ETC/MTC <sup>3</sup> Mixed Lanes
Chenyu Expressway	16	138	90	48
Chengya Expressway	16	129	60	69
Chengren Expressway	9	85	51	34
Chengle Expressway	17	200	126	74
Suiguang and Suixi Expressway	13	80	41	39
Chengbei Expressway	1	20	18	2
Total	72	652	386	266

(2) Closely follow the trend guidelines and actively promote the construction of emission reduction and carbon reduction. In recent years, the world has gradually formed a high-quality development consensus represented by "carbon peak" and "carbon neutrality", and the Company is gradually promoting the integration of business operations and new energy vehicle services, exploring low-carbon smart manufacturing, and promoting green and low-carbon technology innovation in the transportation industry. The *Key Points of Environmental Protection Work* formulated this year has clarified the key work, i.e., carrying out the clean upgrading of transportation equipment, and striving to do a good job in the planning and construction of new energy supporting facilities such as electric vehicle charging piles and natural gas filling stations in expressway service zones. According to the Company's 14<sup>th</sup> Five-Year Development Plan, the Company regards the green energy sector as the main cultivated business. The Company has focused on the co-creation of industrial platform, scientific and technological innovation, and sharing of resource elements, and collaborated with logistics enterprises along the route to build the Chengyu Electric Corridor, and gave full play to its own advantages and those of its major shareholders in highway road resources to vigorously cultivate the green energy industry. Besides, we will take Sichuan Shudao New Energy Technology Development Co, Ltd. as the carrier to rapidly promote the charging and switching services, battery asset management, hydrogen energy and other new energy replenishment business projects to land. This year, the Company acquired the first batch of charging stations within the road network, which have been operating well. At the same time, it is promoting the takeover and acquisition of the second batch of charging stations within the road network. The construction of the heavy truck power replacement project has started, and it has taken the lead in the national highway industry by successfully creating the country's first high-speed "power exchange corridor", and promoted the construction of other six power exchange stations. Currently, the first trial operation services have been completed at the Zizhong Parking Area Charging and Exchange Station and the Chengdu Longquan Minsheng Logistics Park Swapping Station, which marks the successful construction of the country's first integrated high-speed highway heavy truck power replacement station (Zizhong Parking Lot Swapping Station). The construction of the industrial fund is being orderly promoted, connecting top enterprises in the upstream and downstream of the industrial chain, and leading the construction of industrial clusters. The hydrogen energy business pilot has successfully landed, completing the filing of the Jianyang service area hydrogen refueling station and promoting the research project of "Highway Service Area Hydrogen Refueling Station Demonstration Project and Supporting Standards Study".

<sup>2</sup> ETC: the Electronic Toll Collection system.

<sup>3</sup> MTC: lanes with semi-automatic toll collection system.



#### Chengyu Company Constructed Electric Vehicle Charging Stations

The Company adheres to the concept of “providing safe and convenient electric vehicle charging services for consumers while reducing the waste discharge of vehicles”, and vigorously builds electric vehicle charging stations, actively cooperating with other branches of Chengyu Company to promote the green development of the Company and provide safe and convenient charging services for electric vehicle users.



Chengyu Branch Electric Vehicle Charging Station

#### Chengle Expressway Expansion Project – Low-carbon Intelligent Manufacturing

In 2022, the Sichuan Pengshan Qinglong Bridge, a low-carbon intelligent assembly test bridge, as part of the expansion construction project of Chengdu-Leshan Expressway, has been completed. In addition, our company has completed the establishment of two Sichuan Province transportation technology projects, those are "Research on Key Technologies for Low-Carbon Intelligent Assembly Bridge Construction" and "Research on Key Technologies for Standard Span Dense Girder Type Steel Composite Beam Bridge".



Completion of Sichuan Pengshan Qinglong Bridge



Chengle Expressway Expansion Project

#### Chengyu Heavy Truck Power Replacement Project



Chengyu Electric Corridor Charging and Exchange Heavy Truck Project

In August 2022, the Company launched the first national highway heavy truck power replacement integrated corridor project – the Chengyu Heavy Truck Power Replacement Project. The project plans to build six charging and exchange power stations in Chengdu Longquan Minsheng Logistics Park, Chengyu Expressway Zizhong Parking Area, Chengyu Expressway Yongchuan Service Area and Chongqing Guoyuan Port. At present, the first phase has realized the completion and opening of Zizhong Parking Area charging and switching power station and Longquan Minsheng Logistics Park charging and switching power station, marking the successful completion of the first national integrated highway heavy truck charging and switching power station.

(3) Reduce pollution and carbon in daily office work, and increase synergy. During the Year, the Company continued to formulate work plans for cost reduction and efficiency enhancement, strictly controlled the use of company vehicles, improved the efficiency of service, reduced the frequency of use, and continuously strengthened the reasonable use of air conditioners, heaters, lights and other facilities in the office area.

## 2. Sewage Discharge

The sources of water pollution from the Company's operation and management are mainly domestic sewage and oily sewage generated from expressway service areas, toll stations, and office locations of administrative agencies. While the Company manages its sewage discharge, the first is to ensure that the sewage treatment and discharge indicators in the aforementioned areas fully meet the standards; the second is to strengthen the daily maintenance, overhauling, and upgrading of sewage treatment equipment and systems to ensure smooth operation of the equipment; the third is to keep records, ensuring environmental protection work is well documented.

### Chengren Branch Yongxing service area sewage treatment equipment

Chengren Branch Yongxing service area set up sewage treatment equipment for the treatment of service area domestic sewage, using integrated OA treatment process, to achieve a comprehensive sewage discharge standard level. The maintenance personnel and site management personnel of Yongxing service area regularly maintain and manage the equipment every month.

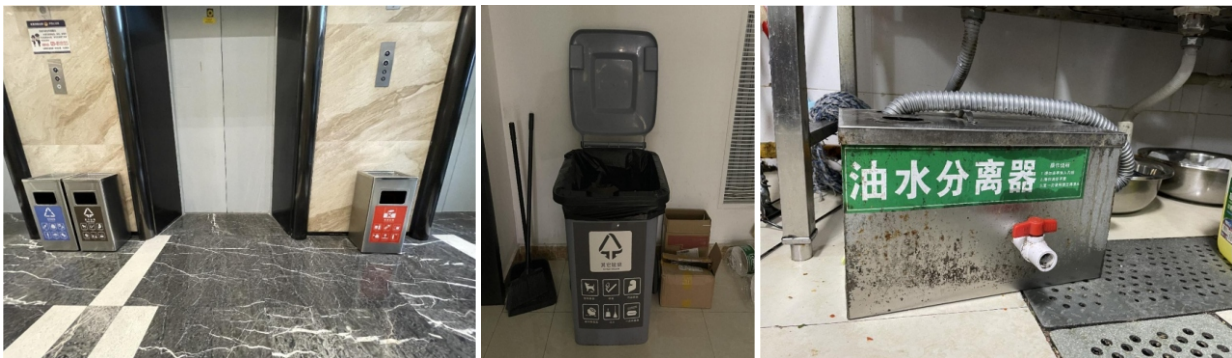


Sewage treatment equipment

## 3. Solid Waste

The solid hazardous and non-hazardous waste generated by the Company in its business activities mainly includes domestic waste in its expressway service areas, as well as construction slag and waste materials generated by road maintenance and new construction projects. Hazardous waste mainly includes batteries, discarded fluorescent tubes, printer toner cartridges, and ink cartridges generated in the office, as well as milling materials from asphalt pavement maintenance.

This year, the Company continued to promote the construction and renovation of waste sorting facilities in various regions, strictly dispose of waste, unify the transportation of waste, and strictly prevent the pollution of the surrounding environment due to the waste dumps, strengthened publicity and deepen employees' awareness of garbage classification. We continued to pay attention to the road cleaning work of operating expressways, strengthen daily inspection and emergency handling capabilities, strengthen the supervision of cleaning teams, and focus on cleaning places with more white waste. The Company attaches great importance to the management of dust, waste residue and sewage on the construction site, strengthens the supervision of the disposal of waste materials, and insists on adopting construction plans that do not produce or produce fewer waste materials. A small number of waste materials generated from local repair of roads are stacked and reused in a centralized manner; engage qualified third-party manufacturers to dispose of hazardous waste produced by the Company in compliance with regulations.



Daily and meal waste separation measures of Chengle Branch

The main types of emissions and emission data of the Company in 2022<sup>4</sup>

Type of Emission		2022	Unit
Hazardous Waste	Waste lamp (bulb)	0.83	tonne
	Electronic hazardous waste <sup>5</sup>	1.08	tonne
	Printer toner cartridges and waste ink cartridges	2.37	tonne
	Milling materials in asphalt pavement maintenance	6,687.09	tonne
	Total discharge of hazardous waste	6,691.37	tonne
	Density of Hazardous Waste per 10,000 yuan operating income	0.01	tonne/10,000 yuan
Non-hazardous Waste	Paper	39	tonne
	Domestic/office waste	3,364.70	tonne
	Plastic	1.31	tonne
	Metal	1.68	tonne
	Timber	1.08	tonne
	Cement Concrete	145.79	tonne
	Bituminous concrete	36.43	tonne
	Total discharge of non-hazardous waste	3,589.82	tonne
	Density of Non-hazardous Waste per 10,000 yuan operating income	0.004	tonne/10,000 yuan
GHG Emission <sup>6</sup>	Scope 1(Direct)	3,322.84	tonne
	Scope 2(Energy indirect)	17,231.01	tonne
	Total GHG emission	20,553.85	tonne
	Density of GHG Emission per 10,000 yuan operating income	0.02	tonne/10,000 yuan
Air Pollutant Emissions <sup>7</sup>	NOx	13.86	tonne
	SOx	0.02	tonne
	CO	17.46	tonne
	PM <sub>2.5</sub>	0.39	tonne
	PM <sub>10</sub>	0.43	tonne

<sup>4</sup> During the Reporting Period, the income used for density calculation is the audited data in accordance with PRC accounting standards.

<sup>5</sup> During the Reporting period, the RMB 10,000 operating revenue used for density calculations is based on audited data in accordance with the accounting standards applicable in mainland China.

<sup>6</sup> For the calculation method and emission coefficient of GHG Scope 1 emissions, please refer to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Public Building Operating Enterprises* and *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises in Industrial Other Industries* by the National Development and Reform Commission; Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines for Industry and Enterprises<sup>\*</sup>, and electricity emission coefficients refer to the *Notice on the Report and Administration of Greenhouse Gas Emissions of Power Generation Enterprises from 2023 to 2025* by the Ministry of Ecology and Environment.

<sup>7</sup> For the calculation methods and emission coefficients of air pollutants, refer to the *Technical Guidelines for Compiling Emission Inventories of Road Mobile Pollution Sources (Trial)* and the *Technical Guidelines for Compiling Emission Inventories for Non-Road Mobile Pollution Sources (Trial)*.



## (II) Resource Consumption

The use of natural resources is indispensable to an enterprise's operation. However, when making use of natural resources, we must consider the limited and difficult reproduction of natural resources, as well as the sustainable development of ourselves and society. Therefore, the Company continued to regulate the use of energy and strictly complied with the relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, *Water Law of the People's Republic of China*, *Soil Pollution Prevention and Control Law of the People's Republic of China* and *Cleaner Production Promotion Law of the People's Republic of China*. The Company strengthened energy management in depth and adopted technically feasible, economically reasonable, and environmentally and socially acceptable measures to reduce waste of resources, improved the efficiency of resource use, and reduced the amount of waste generated. In the *Key Points of Environmental Protection Work* issued this year, the Company has incorporated the standardization of energy use and strengthening of energy use management into all aspects of the Company's operation and development, and actively fulfilled its energy-saving obligations. In practice, the Company has put the concept first and action first.

The Company's use of water resources mainly comes from the municipal water resources network. During operation, the Company may face the following problems in obtaining water resources:

Factors such as cracking caused by the construction of municipal pipe network, relocation and renovation of water transmission projects, and natural ageing of water pipes have led to reduced pressure on water supply or water suspension, and affected the ecological environment and cleanliness of all places in the area, reduced the satisfaction of drivers and passengers, and affected the normal operation, etc.

In response to the above possible water sourcing problems and water conservation, the Company has adopted the following measures:

We post "water conservation" signs in office areas, toll stations, service (parking) areas and other places, and regularly inspect and inspect water heaters in service (parking) areas, toll stations and canteens, and replace ageing parts in a timely manner to avoid waste of water resources. The public toilets in the service (parking) area are replaced with more environmentally friendly and durable equipment to improve the water resource utilization rate and reduce the frequency of maintenance.

### Other resources and energy:

In the office, we start from details, the guide from concept, and infiltrate the concept and action of resource conservation into every detail. This year, we continue to promote green office, and complete the circulation of official documents in a paperless way through the OA system, implement double-sided printing for necessary paper documents, and adopt centralized printing to control and save paper; Office supplies are kept in a unified manner and collected in a limited amount; Gradually replace and use environmentally friendly lights that are more energy efficient and durable; Advocate power saving, advocate turning off lights when not in use, and strictly control the temperature of air conditioners; We actively implemented the *Clean Plate Action* to eliminate food waste.

In our operating sites, we follow the trend of industry reform, actively explore and attempt, introduce new technologies and new concepts, and continuously improve existing measures to achieve the "win-win" goal of improving resource utilization efficiency and reducing operating costs. Firstly, in response to the informatization construction of expressways, the video inspection system for road assets management and maintenance for special vehicles for road assets management and the 4G OBU was promoted and applied in road companies, which improved service efficiency and greatly reduced resource consumption. Secondly, we will focus on improving resource recovery and recycling rate. The Company piloted and promoted the Geothermal regeneration technology. The technology achieved 100% recycling of pavement materials by heating and milling old pavement materials, and then heating, blending and re-paving new roads. In addition, in the new expressway projects, the Company actively took measures to improve the utilization of original highway facilities materials, such as using the milling waste generated from the road pavement disease treatment project to lay the foundation of other structures or as fill materials. The overall recycling rate of pavement waste reached 100%. Thirdly, the Company explored the construction of smart expressways, the change of manual toll lane paper tickets to electric tickets (hereinafter referred to as "paper-to-electricity"), and smart toll robot. On the one hand, it was able to effectively solve the problems such as inter-provincial invoicing and failure of cash users to obtain deductible invoices; on the other hand, it was able to simplify the toll lane business, effectively realize unmanned self-service card issuance and automated handling of special situations at the toll site, improving traffic efficiency and reducing resource consumption. Fourthly, the Company optimized the construction maintenance plan, and dealt with it in an orderly manner according to the conditions of the disease.

#### Chengle Branch office area energy saving and emission reduction work

This Year, Chengle Branch started energy saving and emission reduction work from the daily office. Through a planned maintenance of office equipment, Chengle Branch ensured to maximize the lifecycle of equipments and reduced failures, to reduce the frequency of equipment replacement and avoid waste of resources. In addition, Chengle Branch posted energy-saving tips in appropriate locations, as well as the provisions of the company's internal air conditioning open outside temperature standards and other actions to improve the efficiency of energy use, to help enterprises be green and low-carbon.



Chengle Branch posting energy-saving warning slogans

Summary Table of the Company's Resource Consumption in 2022<sup>8,9</sup>

Type of resource		2022	Unit
Water		0.69	million tonnes
Density of water consumption per 10,000 yuan operating income		0.70	tonnes/10,000 yuan
Direct energy	Gasoline	76.66	10,000 litres
	Diesel	51.71	10,000 litres
	Natural Gas	12.03	10,000 m <sup>3</sup>
	Liquefied petroleum gas	18.50	tonne
	Total consumption of direct energy	13,899.82	kWh in '000s
	Density of direct energy consumption per 10,000 yuan operating income	0.01	kWh in '000s/10,000 yuan
Indirect energy	Electricity	30,071.58	kWh in '000s
	Total indirect energy consumption	30,071.58	kWh in '000s
	Density of indirect energy consumption per 10,000 yuan operating income	0.03	kWh in '000s/10,000 yuan

<sup>8</sup> During the Reporting Period, the income used for density calculation is the audited data in accordance with PRC accounting standards.

<sup>9</sup> The disclosure of packaging materials related information required in A2.5 of the ESG Reporting Guide is not applicable to the Company due to its business characteristics, thus no relevant disclosures have been made.



### (III) Environment and Nature Resources

A good ecological environment is a foundation for human survival and health. We always put ecological and environmental protection in an important position of road management to effectively protect the natural environmental governance along the highway and the vital interests of the residents along the highway. In expressway operations, the Company strictly complies with the requirements of the *Environmental Protection Law of the People's Republic of China*, the *Land and Resources Protection Law of the People's Republic of China*, and other relevant laws and regulations that protect and improve the environment and natural resources, protect public health, and promotes the construction of ecological civilization. Through the formulation and publication of the annual *Key Points of Environmental Protection*, the Company implements the main responsibility of enterprise environment and resource protection.

This year, the Company mainly carried out the following work in respect of the protection of the environment and natural resources:

#### 1. Conducting ecological and environmental protection convey work

The Company regularly holds ecological environmental protection work meetings to learn and convey the spirit of important speeches and instructions from the Party and national leaders on ecological environmental protection; implements the relevant decisions and deployments on ecological environmental protection at all levels to ensure that the Company's environmental protection work situation is stable and improving.

#### 2. Reinforcing eco-environmental protection responsibility system

The Company strictly implements the requirements of "party and government share the same responsibility, one post and two responsibilities", clarifying the ecological environmental protection responsibilities of the leading team members and ecological environmental protection management functions. We keep reasonably allocating management personnel and implementing all work deployments to the grassroots level so that it forms a clear responsibility and overall linkage work pattern to ensure the implementation of ecological environmental protection measures to be effective.

#### 3. Reinforcing ecological environmental protection system

In accordance with the requirements of the relevant management system and considering the actual situation, the Company timely established and improved the ecological environmental protection management system, built a perfect ecological environmental protection system, formulated and issued the Company's environmental protection assessment and management system and the emergency plan for environmental emergencies.

#### 4. Strengthening environmental protection supervision of construction projects

For construction projects, the Company urges to improve the environmental protection and water conservation and approval procedures in the construction area and take measures for dust prevention and noise reduction to minimize the impact of construction on nearby residents. The Company requires the construction unit to recycle 100% of the waste generated during the construction process, classify, transport, and dispose of the waste materials in a unified manner to realize the recycling of waste materials. This year, we studied and developed the assessment rules for ecological and environmental protection work, and included environmental protection work in the target assessment system at all levels.

#### 5. Maintaining the ecological environment of roads

The Company insists on doing a good job in protecting drinking water sources across the operating highway, establishing bridge runoff collection systems, adding sedimentation ponds and drinking water source protection signs, making observations and risk investigation records to ensure that no water quality environmental pollution events occur. We continue to pay attention to highway noise management, each road company successively further refining noise prevention and control, sorting out sensitive points and establishing a ledger to gradually carry out sound barrier facility construction.

## 6. Promoting highway transportation energy saving and emission reduction

The Company carries out clean and efficient upgrading of transportation equipment and does a good job in the construction of new energy supporting facilities such as electric vehicle charging piles and natural gas refueling stations in highway service areas according to the arrangement and deployment at the higher level. The Company continues to publicize and promote ETC and promotes energy saving and emission reduction in transportation.

## 7. Implementing green operation and maintenance management

The Company attaches great importance to road greening management, regular watering, fertilizing, trimming and insecticidal the greening vegetation of each road, and timely replacing the missing seedlings in the central separation belt of the road to ensure the healthy life of grasslands. The Company implemented the greening and landscape improvement project along the line to clean and beautiful the road appearance along the line. At the same time, the Company adheres to the concept of whole-life cycle cost, actively promotes preventive maintenance and new technologies, materials, processes, and equipment to promote the comprehensive utilization of resources.

## 8. Carrying out service area domestic waste classification work

The Company actively urged the molecular companies to promote the operation of highway service area garbage classification work deployment, has completed in May 2022, Xinjin, Pujiang service area domestic waste classification work.

## 9. Promoting environmental awareness

The Company organized various special training on environmental protection and invited experts from the Academy of Environmental Sciences to explain the pollution treatment plans for sewage and noise. Focusing on the themes of "World Earth Day", "Tree Planting Day" and "World Low-Carbon Week", the Company vigorously carried out environmental protection publicity and education.

## 10. Carry out ecological and environmental protection risk prevention and control and hidden danger investigation and management

In accordance with the principle of "prevention first", the Company seriously carries out environmental risk assessment, identifies major environmental risk sources, establishes a list of major environmental risks, and implements risk control measures. And strengthen the environmental problems, the establishment of hidden danger investigation and rectification ledger, to achieve the deadline for 100% of the hidden danger rectification completed. At the same time, it organizes special environmental protection inspections and supervises and inspects the handling of ecological and environmental complaints.



Picture of ETC of Xinjin District Expressway



Employees are working on replanting road greenery



Xinjin Service Area Garbage Removal



Chengqiongya Branch Conducts Tree Planting Day Activities

#### (IV) Climate Change Adaptation

As climate change affects all aspects of society, the impact on the industry and the enterprise has also begun to receive general attention from the public and stakeholders. As responsible corporate citizens, we actively respond to the Chinese government's actions in response to climate change with practical actions.

With refer to the four core elements recommended by TCFD<sup>10</sup>: Governance, Strategy, Risk Management and Metrics and Targets, we are committed to promoting the Company's risk identification and management of climate change.

##### GOVERNANCE

Regarding the governance of climate change-related matters, including the risk assessment of environmental emergencies, the ESG work leading group of the Company is responsible. The members of the ESG work office under the Company complete the comprehensive governance of relevant businesses, formulate, and guide the subsidiaries and branches to do practical work, and report the situation to the leading group to review the performance results.

##### STRATEGIES

The *Key Points of Environmental Protection Work* of the Company in 2022 clearly states that by practicing the prevention and control of air, water and soil pollution, the Company promotes green and low-carbon development, mitigates climate change, and helps achieve the goal of "carbon peak and carbon neutrality". During the Year, the Company continued to vigorously promote the construction of infrastructures such as ETC lanes and electric vehicle charging stations to promote energy conservation and emission reduction in society (see "Emissions" section for details); The Company promotes energy conservation and emission reduction (please refer to the section "Use of Resources" for details) by adopting various measures for the Company's offices and operations to mitigate and respond to climate change.

##### RISK MANAGEMENT

Chengyu Company attaches great importance to climate change risks and related opportunities, takes the initiative to identify, evaluate and respond to risks in the operation process, and gradually improves the risk management mechanism.

According to the types of risks, the identified physical risks<sup>11</sup> of climate change, such as snow, rain fog, flood disaster during flood season and other bad weather conditions, are prone to the risks of expressway traffic safety, causing difficulties in traffic governance or hindrance clearance and rescue, reducing the quality of expressway service and affecting toll income.

In response to the above bad weather, the Company actively strengthens the construction of the emergency system, improves the Emergency Plan for Emergent Bad Weather, properly reserves and equipped emergency materials, and organizes emergency drills. Similarly, we have identified transition risks and opportunities<sup>12</sup>. For example, the current increasingly stringent low-carbon environmental protection policies in China may increase the pressure on daily operations, but at the same time, will lead and promote the high-quality development of expressway operation companies.

##### INDICATORS & TARGETS

This year, the relevant indicators set by the Company for climate change mitigation are "reducing the emission intensity of GHGs and hazardous waste, improving the efficiency of energy and water use, and reducing the intensity of energy and water use".

Flood prevention and rescue drills in Longchang parking area of Neijiang management office of Chengyu Branch

This year, Neijiang management office of Chengyu Branch carries out highway flood emergency drill and emergency team training for the severe flood control situation in Longchang parking area. The exercise simulates the scene of waterlogging on the road surface of Longchang parking area due to heavy rainfall, affecting the normal passage of vehicles. The idea comes from the geological disasters such as landslide, collapse, mudslide and road subsidence in Longchang parking area caused by heavy rainfall during the flood season. The exercise was carried out with reference to the *Chengyu Expressway Longchang parking area sudden geological disaster site disposal plan*, aiming to enhance the ability to respond to and deal with extreme weather, and lay a good foundation for potential climate change risks.



Flood emergency drill in Longchang parking area of Neijiang Management Office of Chengyu Branch

<sup>10</sup> Task Force on Climate-Related Financial Disclosures.

<sup>11</sup> Physical risks refer to risks directly related to climate change, which can be caused by floods and typhoons (acute risks) or sustained high temperatures (chronic risks).

<sup>12</sup> Risks associated with transitioning to a lower carbon economy, which may involve policy, legal, technological and market changes to address climate change mitigation and adaptation requirements.



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

#### (1) Employment

##### Employment system:

The Company strictly implements many national and regional laws, regulations and policies concerning labour and personnel such as the *Labour Law of the People's Republic of China*, *Labour Contract Law of the People's Republic of China*, *Employment Promotion Law of the People's Republic of China*, *Social Insurance Law of the People's Republic of China*, *Individual Income Tax Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Women's Rights and Interests*, and *Law of the People's Republic of China on the Protection of Persons with Disabilities* and other regulations, and has been strictly observed and implemented the *Measures on Management of Employment by Labour Contract*, *Interim Regulations on Recruitment and Transfer of Staff*, *Interim Measures for Headquarters Post Management*, *Employee Leave Management Measures*, *Trial Measures for the Selection and Appointment of Leading Personnel*, and other regulations in accordance with the actual conditions of the Company, ensuring that the employees' legitimate rights and interests in salary, dismissal, promotion, working hours, vacation, diversification, equal opportunities, anti-discrimination and other benefits are not infringed. During the Reporting Period, the Company did not violate relevant employment laws and regulations.

##### Recruitment, Absorption and Retention Measures:

The Company continues to uphold the principle of long-term and equal employment. In the process of recruitment and employment, the Group opposes all forms of employment discrimination, and does not treat them differently based on factors such as gender, age, international, ethnicity, religious belief and location of residence. The Group follows the fair competition and merit-based employment, and selects talents through campus recruitment, social recruitment and competitive employment according to different situations. At the same time, we continue to improve talent retention measures, protect the legitimate rights and interests of employees, and provide more career development opportunities. This year, the Company still maintained a normal employee turnover rate and a low turnover rate.

We strictly abide by laws and actively implement employee benefits and welfare. The Company implements a labour contract and collective contract system for all employees, strictly implements national, provincial and municipal labour protection policies, improves various social insurance for employees, pays pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund on time and in full, and provides enterprise annuity and employer liability insurance for eligible employees. At the same time, the Company strictly implements national and local laws and regulations on working hours and holidays of employees, reasonably arranges working hours and rest time for employees, and protects employees' rights to rest and leave.

We continuously improve our salary arrangements to provide competitive remuneration packages. In compliance with the statutory requirements and in accordance with the market conditions, the Company gradually improves the incentive and restraint mechanism in line with the requirements of the modern enterprise system, accelerates the reform of the remuneration system, promotes the growth of the Company's economic benefits and the increase in the value of shareholders' equity, further ensuring that the Company's remuneration and benefits were at a reasonable level in the market and stimulating the enthusiasm and creativity of employees.

We care about the growth of employees, adhere to the corporate atmosphere of equality, respect and diversity. The Company organically combines the personal development of employees with the Company's development goals, and continuously provides employees with platforms and opportunities to broaden their horizons, improve their capabilities and stimulate their potential, urging them to realize their ideals and values. We attach great importance to the physical and mental health of employees, create a warm and comfortable working environment, carry out a variety of activities, and advocate the balance between life and work. The Company is inclusive and diverse, opposes discrimination, respects individuality, and pays equal pay for equal work. The Company adopts the same remuneration structure for male and female employees, and arranges disabled persons with certain labour capabilities or pays employment security funds for disabled persons according to actual needs.

Labour Union conduct health consultation and physical therapy activities

In order to promote the health of all staff and uphold the concept of "early detection, early prevention, early adjustment and early recovery", the Company's labour union invited a Chinese medicine physiotherapist to conduct health physiotherapy activities for the prevention and intervention of occupational diseases in the office. The Company is committed to caring for employees and increasing the cohesiveness of the Company by providing services such as health consultation and conditioning for common diseases.



Photos of the union's health consultation and physical therapy activities

In 2022, the Company have a total of 4,150 employees, including 1,324 management personnel and 2,826 skilled personnel. Female employees accounts for approximately 49.3% of all employees.

Number of employees (by gender and age)				Number (person)
Age \ Gender	Number of employees		Total	Remarks
	Male	Female		
35 and below	870	1,145	2,015	Based on the ages as of 31 December, 2022
36-40	280	340	620	
41-50	567	484	1,051	
51-55	257	75	332	
56 and above	129	3	132	
Total	2,103	2,047	4,150	

Number of employees (by gender and position)				Number (person)	
Gender	Management			Non-management	Total
	Senior management	Middle-level management	General management		
Male	75	175	446	1,407	2,103
Female	25	128	475	1,419	2,047



Number of employees (by type of employment)		Number (person)	
Type of employment	Male	Female	Total
Labour contract with a fixed term	1,086	1,291	2,377
Open-ended labour contract	1,003	749	1,752
Other types	14	7	21
Total	2,103	2,047	4,150

Number of employees (by degree of education)		Number (person)	
Postgraduate education degree	Bachelor's degree	College degree	Technical secondary school and below
219	1,509	1,640	782

Number of employees (by full-time & part-time employment)		Number (person)	
Full-time employment		Part-time employment	
4,149		1	

Number of employees (by region)	
Region	Number
Chengdu City	2,218
Suining City	277
Meishan City	475
Ziyang City	278
Leshan City	165
Neijiang City	258
Nanchong City	56
Guang'an City	168
Ya'an City	246
Others	9

Staff Turnover Statement			
Statistical field		Number of turnovers	Turnover rate <sup>13</sup>
Gender	Male	64	3.04%
	Female	61	2.98%
Age	35 and below	58	2.88%
	36-40	14	2.21%
	41-50	9	0.86%
	51-55	22	6.63%
	56 and above	22	16.67%
Region	Chengdu City	89	4.01%
	Suining City	4	1.44%
	Meishan City	6	1.26%
	Ziyang City	6	2.16%
	Leshan City	6	3.64%
	Neijiang City	7	2.71%
	Guangan City	1	0.60%
	Ya'an City	6	2.44%

<sup>13</sup> Turnover ratio = the number of employees in the category / total number of employees in the category.

## (II) Safety and Health

The Company attaches great importance to production safety and strictly abides by the *Production Safety Law of the People's Republic of China*, *Regulations of Sichuan Province on Production Safety*, *Measures for the Administration of Production Safety Education and Training*, *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance* and other laws and regulations. The Company strives to establish and improve the safety production management system. Based on the actual situation of operation, the Company has formulated and issued the *Safety Production Management Regulations* and the *Safety Production Management Responsibility List* to fully implement the safety production responsibility system, regularly organize and carry out safety production, realize 100% of safety production management personnel with certificates, regularly carry out safety production inspections, investigate and rectify hidden dangers of safety production, vigorously organize fire training, drills and other publicity and education work, improve the safety awareness, self-rescue and self-protection ability of all employees, and promote the establishment of the second level of safety production standardization through all employees' participation in the popularization of safety production knowledge and safety work requirements. During the Year, the Company did not violate any laws and regulations that have a significant impact on the Group relating to occupational safety.

At the same time, in accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other laws and regulations and the relevant provisions of the existing *Occupational Health Management System of the Company*, the Company provides employees with effective occupational health protection measures to eliminate various potential occupational health risks. On the one hand, the Company provides employees with necessary occupational protection equipment and labour protection supplies, strengthens the safety protection of the working environment, and purchases employer liability insurance to protect the safety and health of employees in multiple dimensions; on the other hand, the Company vigorously carries out occupational health publicity and education, regularly organizes occupational health education and training, and arranges annual physical examinations for employees to continuously improve their ability to resist disease and accident risks. At the same time, the Company cares about the physical and mental health of employees, pays attention to the construction of corporate culture, and is committed to creating a healthy and promising working environment for employees. During the Year, the Company carried out "Cool in Summer, Warm in Winter", deepening the construction of "Home of Employees". We insist a good job in caring for employees and enhanced their sense of belonging. Through various cultural and sports activities such as choir competition, calligraphy, painting and photography exhibition, and welcome garden, employees are encouraged to strengthen their physical and mental health.

Chengya Branch organized a series of fire emergency activities In order to popularize fire safety knowledge and further enhance employees' fire safety awareness and prevention and control capabilities, Chengya Branch of the Company actively organized a series of fire emergency activities in 2021. Through learning and practice, the employees recognized the importance of fire safety and laid a solid foundation for the daily fire prevention and control in the office area.



Fire emergency series activities of Chengya Branch

### Number and rate of work-related fatalities each of the past three years

Year	Number of work-related fatalities	Rate of work-related fatalities <sup>14</sup>	Lost days due to work injury (days)
2022	0	0.000%	740
2021	1	0.024%	970
2020	0	0.000%	887

<sup>14</sup> Rate of fatalities due to work-related injuries (per 100 employees) = fatalities due to work-related injuries / total number of employees.

### (III) Development and Training

The Company cares about the career development of employees and attaches great importance to the establishment and improvement of the employee training and improvement system. The Company has formulated the *Guiding Opinions on Employee Education and Training of the Company* in accordance with the law, and conducts multi-level and multi-type training according to the actual situation of work to improve the comprehensive quality and business level of various personnel. According to different training targets, the training system established by the Company is mainly divided into management ability improvement training, business ability improvement training and operation skills improvement training. The management ability training aims to improve the scientific management level of middle and senior management, and learn from international and domestic advanced management methods and experience. Business ability improvement training for the Company's general management personnel to improve their professional knowledge and capabilities. Operation skills improvement training is designed for front-line staff of the Company to improve their operational knowledge and skills. In 2022, the Company actively organized and carried out various centralized training and special training such as comprehensive quality improvement training for middle and senior management, new employee training, general management business enhancement training, and special skills training for front-line employees, with a total of 29,889 participants throughout the year.

#### Chengyu "New Feather Project" - Training for new employees

This year, in order to help the new employees of Chengyu Company to better put in their work and integrate into the corporate culture, get familiar with the basic situation of the company, rules and regulations, and enhance solidarity and corporate cohesion, Chengyu Company, together with Shu Dao Education Management Company, held the first phase of "New Feather Project" - 2022 new employee training. A total of 44 new employees participated in this training and the training received good feedback.



Photos of the New Feather Project

Number and rate of trainees <sup>15</sup>							Number (person)			
Gender	Number of trainees of management						Non-management		Total	
	Senior management		Middle-level management		General management					
	Number	Rate	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Male	60	1.52%	165	4.18%	403	10.22%	1,345	34.11%	1,973	50.04%
Female	25	0.63%	118	2.99%	457	11.59%	1,370	34.75%	1,970	49.96%
Total	85	2.16%	283	7.18%	860	21.81%	2,715	68.86%	3,943	95.01%

Average training hours <sup>16</sup>					Trained hours (hours)		
Gender	Average training hours for the management			Average training hours for non-management	Average training hours	Total average training hours	
	Senior management	Middle-level management	General management				
Male	46.00	49.00	64.00	56.00	56.74	58.00	
Female	65.00	49.00	62.00	59.00	59.17		

#### (IV) Labour Standards

The Company strictly complies with and implements the country's labour & personnel laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors*, *Regulations about forbidding from the Use of Child Labourers*, *Labour Law of the People's Republic of China*. Meanwhile, we develop and issue management systems such as the *Interim Regulations on Recruitment and Transfer of Staff* and *Management Measures for Employment Contracts*, and scrupulously abides by fair and just labour employment policy, as well as prohibits child labour and forced labour. During the Reporting Period, the Company did not employ any child labour or forced labour in any business, nor did it have any violation of the labour rules. If child labour or forced labour is found, the Company will make serious treatment according to the law.

<sup>15</sup> The rate of trainees in this category = the number of trainees in this category / the total number of trained employees.

<sup>16</sup> Average training hours of employees in this category = total training hours of employees in a specific category / number of employees in a specific category.

### (1) Supply Chain Management

The Company values business partners and cooperates with suppliers in strict compliance with relevant laws and regulations such as the *Bidding Law of the People's Republic of China*, *Regulations on the Implementation of the Bidding Law of the People's Republic of China*, *Procurement Law of the People's Republic of China*, *Contract Law of the People's Republic of China* and *Company Law of the People's Republic of China*. The Company has formulated internal regulations such as the *Bidding Management Measures* and *Interim Measures for Contract Management* to ensure the orderly operation of the supply chain management system and continuously improve the supervision process. Issues of high concern to stakeholders are as follows:

This year, the Company continued to promote the orderly operation of the supply chain management system and continuously improved the relevant process of procurement management. In accordance with the relevant laws and regulations and the *Company's internal Measures for Bidding Management* and *Interim Measures for Contract Management*, and taking into account the actual situation of each subsidiary, the Company established a dynamic supply chain management system, and strictly controlled the supplier warehousing standards and daily management in accordance with the principles of overall coordination, hierarchical management, strengthened supervision and efficiency improvement. Specific matters related to supply chain management are as follows:

#### 1. Supplier assessment

For procurement projects that meet the scope and standards, the Company adheres to the principles of openness, fairness, impartiality, honesty and trustworthiness, equality and mutual benefit, introduces market mechanisms and selects the best. In the bidding stage, the Company evaluates the compliance of suppliers in terms of finance, environment, society and governance through market research, sets qualification and performance review conditions in a reasonable and compliant manner, prepares to bid documents and organizes expert review, and strictly determines the successful bidder and supervises the performance of contracts in accordance with regulations.

#### 2. Supervision on bidding and tendering

The Company has set up a bidding management leading group to coordinate and manage relevant work. The bidding management office is jointly established by the construction management department, project functional departments, financial accounting department and discipline inspection department, which is responsible for daily organization and coordination; The Discipline Inspection Department has established a backtracking mechanism for tendering and bidding work, and strengthened supervision and discipline through sampling, inspection and supervision, efficiency supervision and other methods. It is also responsible for accepting complaints and reports in tendering and bidding activities, and seriously dealing with violations of disciplines and regulations.

#### 3. Supplier environmental protection management

The Company has set up the *Environmental Protection and Water and Soil Conservation Contract* as an attachment in the bidding documents, and clearly put forward environmental protection terms such as "ecological protection", "garbage removal" and "environmental governance" to restrain suppliers' related behaviours. If the contractor fails to comply with the national and regional laws and regulations on environmental protection and water and soil conservation, resulting in pollution or damage, the Company has the right to order it to rectify within a prescribed time limit, and criticize, fine or terminate the contract depending on the circumstances.



This year, the Company had a total of 10 engineering service agencies (or suppliers and contractors) and engineering raw material suppliers determined through public bidding and tendering.

Number of suppliers by region		Number
Region	Number of suppliers	
East China	1	
Central China	2	
Southwest China	7	

## (II) Products and Services

The Company has always been focusing on providing high-quality expressway services to consumers. In daily business activities, the Company strictly abides by the *Highway Law of the People's Republic of China*, *Road Safety Law of the People's Republic of China*, *Product Quality Law of the People's Republic of China* and other laws and regulations. During the Year, the Company did not violate any laws and regulations related to the industry and products and services.

The Company accepts complaints through 12328, 12122, 12345 and the telephone number of the general duty office (028-84710690), and has formulated the *Administrative Measures for Complaints and Reports*. Upon receipt of a complaint, the Company will promptly investigate and verify the content of the complaint and report, and contact the complainant in the name of the Company within 48 hours to reply to the complaint. After the completion of complaint handling, the Company will form written materials for the investigation and handling of the incident and establish a complaint reporting account. During the Year, a total of 212 complaints were accepted. In addition, due to the Company's business nature, no product recall procedures are involved.

Safety and smoothness are the basic standards for expressway services and the core content of the services provided by the Company. The Company continues to strengthen its sense of responsibility and safety awareness, and as always, pays close attention to road maintenance, attaches importance to road safety, and makes every effort to ensure smooth traffic:

### 1. Ensuring road safety performance

- ◆ The Company continues to improve the level of road safety protection, mainly including: improving safety facilities at tunnel entrances and exits in the form of special projects. The Company further implemented the transformation and upgrading of traffic safety facilities for the "three roads" of "water, cliff and road", and increased the construction transformation and disposal measures for multiple traffic accidents, to improve the safety traffic capacity of the road sections and significantly reduce the traffic accident rate.
- ◆ The Company implemented special projects for the rectification of traffic standard lines, improved the protection level improvement and transformation of medium-span bridges, eliminated the secondary poor road sections and key jumping points, overall improving road safety service level.
- ◆ The Company continued to carry out hidden danger investigation and preventive treatment in the main flood season, such as special projects to cut ditches and actively treated points such as subgrade settlement and slope slip.
- ◆ The Company fully implemented the road greening shading and trimming project, and trimmed and cleaned up the green branches within the guardrail on both sides of all road sections, and even some side slopes, interchanges and other road-side clean areas, to ensure that drivers have sufficient road travel vision and improve road traffic safety.
- ◆ The road and bridge projects of the Company have maintained good safety performance as always. As tested by the industry management unit, the PQI score of the road quality index of each expressway is higher than 92, indicating excellent performance, while the bridge-tunnel is also in the safe use, and the management evaluation results are among the best in the province.

## 2. Emphasis on the quality and efficiency of maintenance work

- ◆ The Company will continue to implement preventive maintenance management, including early detection, early arrangement and early implementation of diseases to avoid further expansion of losses and reduce maintenance costs.
- ◆ The Company will focus on the basic management work, improve the refined management level of maintenance, focus on "road inspection ledger", "road patient investigation management ledger" and "maintenance fund usage ledger", and strive to meet the overall requirements of roads.
- ◆ The Company will adhere to the long-term planning and temporary plan for maintenance work, and "do not expect waste". While ensuring preventive maintenance in a timely manner, the Company also formulates medium and long-term road maintenance plans, and temporary maintenance plans to meet the maintenance needs under different circumstances.
- ◆ The Company attaches great importance to the informatization construction of maintenance work, and incorporates the maintenance project measurement and payment management module into the maintenance information management system. Chengle Branch built the information management platform of the maintenance engineering department, using drones to observe bridges and slopes, realizing the full information process of discovering, reporting and dispatching task orders. The inclusion of the measurement payment management module can improve the integrity of maintenance information management, ensure the accuracy and timeliness of measurement payment, and further improve the quality management and capital management of maintenance projects.

## 3. Orderly guarantee during special periods

- ◆ In response to special circumstances such as Spring Festival travel, major holidays, extreme weather and natural disasters, the Company carefully formulated work plans and emergency plans to make arrangements in advance.
- ◆ The Company carried out the investigation and management of hidden dangers, focused on the inspection of expressway traffic safety facilities, electromechanical facilities, toll management system, ETC and entrance equipment, timely arranged maintenance and repair, and reasonably set up emergency rescue stations.
- ◆ The Company strengthened supervision and inspection and 24-hour duty system to make timely response.
- ◆ The Company made full use of the variable information board and LED display screen along the route to release road network travel information in a timely manner. The Company strived to do a good job in expressway congestion and smooth traffic through various measures to meet the public's needs for safe and smooth traffic.

## 4. Vigorous development of intelligent transportation

- ◆ Chengyu Branch has been piloting the application of intelligent toll collection robots in many places such as Longquan Lake, Ziyang and Yugui Toll Station of Chengyu Expressway in order to reduce the operating cost of expressway and effectively realize the unmanned self-service card issuance and automatic processing of special situations at the toll collection site, and the speed of lane passage has been significantly improved.
- ◆ Chengya Branch has carried out a comprehensive renovation of Xinjin East Station, innovated the "multi-ramp station fusion management" model, optimized the management mode of toll crossings, changed the decentralized management of multi-ramp stations to centralized management, and made full use of intelligent equipment to provide faster and more convenient high-speed services for drivers and passengers.
- ◆ Chengle Branch built maintenance engineering department information management platform, equipped with maintenance vehicle video inspection system, from the hardware configuration of the front-end collection equipment and inspection tablet computer, to achieve the registration of disease reporting, and remote video monitoring of unexpected events.

While continuously optimizing road safety performance and improving the efficiency of smooth traffic, we are well aware that comfortable, beautiful and humanistic care is a good expectation of consumers for expressway services and the long-term goal of the Company's unremitting pursuit. The Company has always been committed to improving the quality of road projects, upgrading the convenience, optimizing the service level at the points of closure, and continuously improving the travel experience of drivers and passengers on the basis of ensuring safety and smoothness, so as to improve the comprehensive service level:

◆ The operation level has been recognized and praised. The Company continued to improve the traffic experience of "smooth, safe, comfortable and beautiful", Chengyu expressway's Pujiang and Suiguang expressway Feilong service area was recognized as a five-star service area in 2022. At the same time, in order to further improve the management and service quality, the Company actively promoted innovative technologies, built an integrated operation and maintenance platform, responded to the industry reform, and adapted to the new model of "reform and removal of stations", and revised and improved the relevant toll management system and high-quality civilized service specifications.

◆ Intensive cultivation of humanized services. "Warm Homes" within the Company's expressway business scope to solve the practical problems of "having hot meals, drinking hot water, and having a good sleep" for past drivers; In 2022, Chengyu Branch carried out regular convenient services at the toll stations and service areas under its jurisdiction, and actively implemented special service actions, including "Full-car independent hair card system" at the toll station of Suiguang Expressway, integrated display system of road signs, and "shade" parking spaces at services. Chengyu Expressway has upgraded its software and realized the "one-time journey, one-time bill, one-time deduction, and one-time notification" of traffic billing. Chengyu Branch provides Free Tire Change Service for drivers. These highlights reflected the Company's innovative exploration and meticulous operation and service concept.

◆ Further, we promoted the "toilet revolution" in service areas. Xinjin Service Area introduced a new intelligent toilet system into the expressway service system. The system can display the empty squat and temperature in a timely manner and monitor the odours of the toilet at any time to activate the air purification function. At the same time, it can also be played on a large screen before the entrance of the toilet on a rolling basis, such as toilet passenger flow and road supervision telephone. The application of this system significantly improves the personal experience of drivers and passengers and is an excellent practice combining transportation services and advanced technologies.

◆ Diversified services according to local conditions. The expressways of the Company combine their own characteristics to provide diversified, innovative and cultural services for passengers along the expressways: Suiguang Suixi Company held the "Three Regions and Three Festival" to build a service area with the theme of Feilong Cherry Flower. Through continuously deepening the integration of transportation and industry, transportation and tourism, Chengyu Company strives to contribute to the local economic development, and also injects modern elements to promote local folk culture.



Chengyu Branch Expressway Free Tire Change Service



"Warm Homes" of Wangyang freight station



Suiguang Suixi Company Feilong Cherry Flower Service Area

In addition, the Company strictly abides by the *Patent Law of the People's Republic of China*, *Detailed Rules for the Implementation of the Patent Law of the People's Republic of China*, *Intellectual Property Law of the People's Republic of China* and other laws and regulations, continuously improve the safe and smooth performance, continuously upgrades the comprehensive service level, especially innovation-driven development, and protects all legal rights of the Company such as patents and intellectual property rights from infringement. At the same time, the Company continued to strengthen the protection capability of the information network and improve the protection process to ensure that the privacy and security of drivers and passengers are not infringed.



In the course of operation, the Company strictly abides by relevant laws and regulations such as the *Anti-Corruption and Bribery Law of the People's Republic of China*, *Chinese Communist Party Standards on Integrity and Self Discipline*, *Supervision Law of the People's Republic of China*, and *Several Provisions on the Clean Practice of State-owned Enterprise Leaders*. Based on the actual situation of the Company, we emphasize supervision and prevention, focused on the effectiveness of education, and promoted system construction.

#### (I) Anti-corruption Measures

The Company has continuously strengthens the construction of integrity and internal control, increases daily supervision and special supervision, and actively creates a clean and sound business environment with the development. In the continuous promotion of anti-corruption construction, the Company continues to unblock discipline inspection and reporting channels, standardizes the discipline inspection and reporting procedures, analyze and judge the nature of the reported problem, strengthen the analysis of the situation of letters and visits to report, and accurately dispose of the problem clues. The Company's Commission for Discipline Inspection focuses on finding clues to problems from letters and reports, internal audits and other channels. It investigates, categorizes, and follows up feedback on the clues received, responds to accurate issues within the scope of acceptance according to disciplines and laws. It prioritizes investigation and response. The relevant implementation methods are strictly implemented in accordance with the *Regulations on Disciplinary Actions by the Communist Party of the People's Republic of China*, *Discipline inspection organs supervise and enforce discipline rules of the People's Republic of China*. During the Year, the Company developed the *2022 Annual Key Points of Discipline Inspection*, signed the 2022 main responsibility list of party discipline and clean government construction for the leading team members of Chengyu Branch, continuously promoted the implementation of the main responsibility and supervision responsibility, completed the internal control self-assessment, ranked and assessed the possible integrity risk points of the Company, the leading team and each department in five aspects, such as ideology and morality, job responsibilities, business process, system mechanism and external environment, and continuously deepened the integrity risk prevention and control. During the Reporting Period, there were no legal cases regarding corrupt practices brought against the Company or its employees.

#### (II) Anti-corruption Training

The Company continues to uphold integrity and discipline, consolidates the bottom line of integrity, and carries out anti-corruption education and training. Through integrity education courses, centralized learning and warning education, the Company has further promoted the effectiveness of training. In combination with the construction of corporate integrity culture, the Company has carried out activities such as integrity drafting to create a strong atmosphere of integrity. The Company has used media or platforms such as the WeChat official account to push integrity topics, set up a special publication on integrity, reproduce cases of violations of disciplines and laws, and warned employees to enhance their awareness of integrity at work and strictly abide by the Party's discipline and law. During the Year, the Company's anti-corruption training was arranged and implemented in accordance with the *Key Points of Discipline Inspection in 2022*, and solidly promoted integrity education month related activities. A total of 39 anti-corruption related training sessions were held for the Board and employees, with a total of 1,610 participants.

#### Chengyu Company organized educational activities to Tianfu Family Style Museum

This year, in order to deeply study and implement the spirit of the series of important discourses of General Secretary Xi Jinping on focusing on the construction of family education and family style, to continuously strengthen party education and family style education, and to create a good political environment, the headquarters of Chengyu Company organized leading cadres and employees to visit Tianfu Family Style Museum and carry out on-site family style warning education.

By visiting the exhibition, the participants had an in-depth study. The Discipline Inspection Committee of the Company emphasized that party members and cadres at all levels should always be alert to themselves, take the case as a lesson, sound the alarm, constantly review and reflect, consciously build a firm ideological defense line, do their own work with a clean and honest excellent style, and provide strong discipline guarantee for the healthy development of the company.



Chengyu Company went to Tianfu Family Style Museum for educational activities



Chengyu Company always adheres to the concept of common development with the community, and strictly abides by the *Law of the People's Republic of China on Public Welfare Donations*, *Volunteer Service Regulations* and other laws and regulations in social welfare activities. During the Year, the Company focused on community volunteer and environmental public welfare activities, consumption assistance and other volunteer activities to make social welfare contributions. During the Reporting Period, a total of approximately 1,307 employees participated in community volunteer, with a total service time of 5,937 hours.

#### (I) Volunteering in Communities and Environmental Public Welfare

The Company took the initiative to care for the people in need of the surrounding communities, actively participated in environmental construction, carried out public welfare activities such as respecting the elderly and helping the poor, volunteered to publicize safety and environmental protection, and participated in community environmental cleaning, formed the "Dandelion" youth volunteer service brand, and carried out volunteer services on a regular basis.

Ziyang Management Office "Learning from Lei Feng, Going into the community" activities

To promote the development of Chengyu "Dandelion" volunteer service, in March 2022, Ziyang Management Office organized volunteers to come to Hongyan District to distribute information and explain in detail about vehicle driving safety and fire safety to residents in the district. They went to the community of the elderly family to help them with housekeeping and cleaning.



Photos of "Learning from Lei Feng, Going into the community" activity

#### (II) Facilitating Poverty Alleviation

After the completion of China's poverty alleviation goal, the focus of "Sannong" work has shifted to comprehensively promoting rural revitalization. Based on the own advantages and considering the actual needs of rural areas, Chengyu Company actively contributed to consumption assistance.

Shuxia Branch held a 2022 rural revitalization and poverty alleviation agricultural and sideline products tasting event

On November 11th, 2022, Shuxia Branch organized a rural revitalization and poverty alleviation agricultural and sideline products tasting event. The event invited over 30 personnel from Chengyu Company as well as its subsidiaries and branches. More than 70 types of agricultural and sideline products from poverty-stricken areas were showcased, including the Qingke series from Aba County, agricultural specialty products from Aba Prefecture, provincial impoverished farmer specialty products, and national impoverished agricultural specialty products.



Consumer assistance supportive products of Shuxia Branch



Rural revitalization and poverty alleviation agricultural and sideline products tasting event of Shuxia Branch

A. Environmental

General Disclosure & KPI	Indicator Description		Related chapters
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste		ENVIRONMENT AND RESOURCES (I)Emissions
KPI	A1.1	Types of emissions and respective emissions data	ENVIRONMENT AND RESOURCES (I)Emissions
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	
	A1.5	Description of emissions target(s) set and steps taken to achieve them	ENVIRONMENT AND RESOURCES System, development of management system and target setting
	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	ENVIRONMENT AND RESOURCES (II)Resource Consumption
Aspect A2: Use of Resources			
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials		ENVIRONMENT AND RESOURCES (II)Resource Consumption
KPI	A2.1	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	ENVIRONMENT AND RESOURCES (II)Resource Consumption
	A2.2	Water consumption in total and intensity	
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	ENVIRONMENT AND RESOURCES System, development of management system and target setting
	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	ENVIRONMENT AND RESOURCES (II)Resource Consumption
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The nature of the Company's business does not involve packaging materials used in finished products
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources		ENVIRONMENT AND RESOURCES (I)Emissions (II)Resource Consumption (III)Environment and Nature Resources
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	

Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	
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

## B. Social

Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare	
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part time), age group and geographical region
	B1.2	Employee turnover rate by gender, age group and geographical region
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	
KPI	B2.1	Number and rate of work-related fatalities in the past three years (including reporting year)
	B2.2	Lost days due to work injury
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)
	B3.2	The average training hours completed per employee by gender and employee category
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour
	B4.2	Description of steps taken to eliminate such practices when dis covered

Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain		SUPPLY CHAIN AND PRODUCTS (I) Supply Chain Management
KPI	B5.1	Number of suppliers by geographical region	SUPPLY CHAIN AND PRODUCTS (I) Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress		SUPPLY CHAIN AND PRODUCTS (II) Products and Services
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Chengyu Expressway is an expressway operating company and therefore does not involve products that are subject to recall for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with	SUPPLY CHAIN AND PRODUCTS (II) Products and Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights	
	B6.4	Description of quality assurance process and recall procedures	
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering		ANTI-CORRUPTION (I) Anti-corruption measures
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	ANTI-CORRUPTION (I) Anti-corruption measures
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	
	B7.3	Description of anti-corruption training provided to directors and staff	ANTI-CORRUPTION (II) Anti-corruption training
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests		SOCIAL WELFARE
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	SOCIAL WELFARE
	B8.2	Resources contributed (e.g. money or time) to the focus area	