

# SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

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



# 2023

ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT

## Shenzhen Investment Holdings Bay Area Development Company Limited

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2023**

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## 1. ABOUT THIS REPORT

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

### Reporting Scope

The reporting period of this report is consistent with the *Shenzhen Investment Holdings Bay Area Development Company Limited 2023 Annual Report*, covering the period from 1 January 2023 to 31 December 2023 (the "Year" or the "Reporting Period"). To enhance the comparability of this report, part of the content is extended to other years as appropriate, details can be found in the relevant content. In view of its relevance to the ESG strategy, the organisational boundaries of this report cover the Company's Hong Kong and Shenzhen offices, the Shenzhen section of Guangshen Coastal Expressway (the "Coastal Expressway (Shenzhen Section)", a non-wholly owned subsidiary), as well as the Guangzhou-Shenzhen Superhighway (the "GS Superhighway") and the Guangzhou-Zhuhai West Superhighway (the "GZ West Superhighway") projects operated by the two joint ventures. Part of the reporting content covers different organisational boundaries, and such content has been indicated in the relevant section.

### Compilatory Basis

The Group compiles this report in accordance with the *Environmental, Social and Governance Reporting Guide* (the "Guide") set out in Appendix C2 to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*. This report has complied with the "Mandatory Disclosure Requirements" and "Comply Or Explain" provisions set out in the Guide, and is prepared based on the four reporting principles of "Materiality", "Quantitative", "Balance" and "Consistency", to ensure high quality information is presented.

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

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

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

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

### Reliability Assurance

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

### Opinion and Feedback

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

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## 2. ABOUT BAY AREA DEVELOPMENT

Bay Area Development was incorporated in the Cayman Islands, and has been listed on the main board of SEHK since 6 August 2003. After several changes of controlling shareholders, it is currently a subsidiary of Shenzhen Expressway Corporation Limited ("Shenzhen Expressway"). The Group is principally engaged in toll-expressway projects and adopts development strategies focusing on infrastructure construction and correlated business as well as land development and utilisation along the expressway within the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area"). As for toll road projects, through partnership with Guangdong Provincial Highway Construction Company Limited<sup>1</sup>, the Group currently owns 45% and 50% of profit-sharing ratio of the GS Superhighway operated by the Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited (the "GS JV") and the GZ West Superhighway operated by the Guangdong Guangzhou-Zhuhai West Superhighway Company Limited (the "GZ West JV") respectively and via capital injection subscribed 51% of the enlarged equity interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited (the "Coastal Company")<sup>2</sup>. The Coastal Company mainly engages in the investment, construction and operation of the Shenzhen section of Guangshen Coastal Expressway ("Coastal Expressway (Shenzhen Section)"). For land development and utilisation projects, the Group currently holds a 15% interest in the Grand Park City<sup>3</sup> of Guangzhou Zhentong Industrial Development Company Limited (the "Xintang JV").

As a main expressway artery connecting Guangzhou, Dongguan and Shenzhen — the three major cities on the eastern bank of the Greater Bay Area and Hong Kong, the GS Superhighway sustains the great responsibility of connecting the Greater Bay Area internally and externally, and provides convenience in daily travelling for the public. During the Reporting Period, the Beijing-Hong Kong-Macao Expressway (Guangzhou to Shenzhen Section) reconstruction and expansion Project continues to advance as planned and the Group continues to work with its partner to seize opportunities for potential land utilisation and development and realisation of land value.

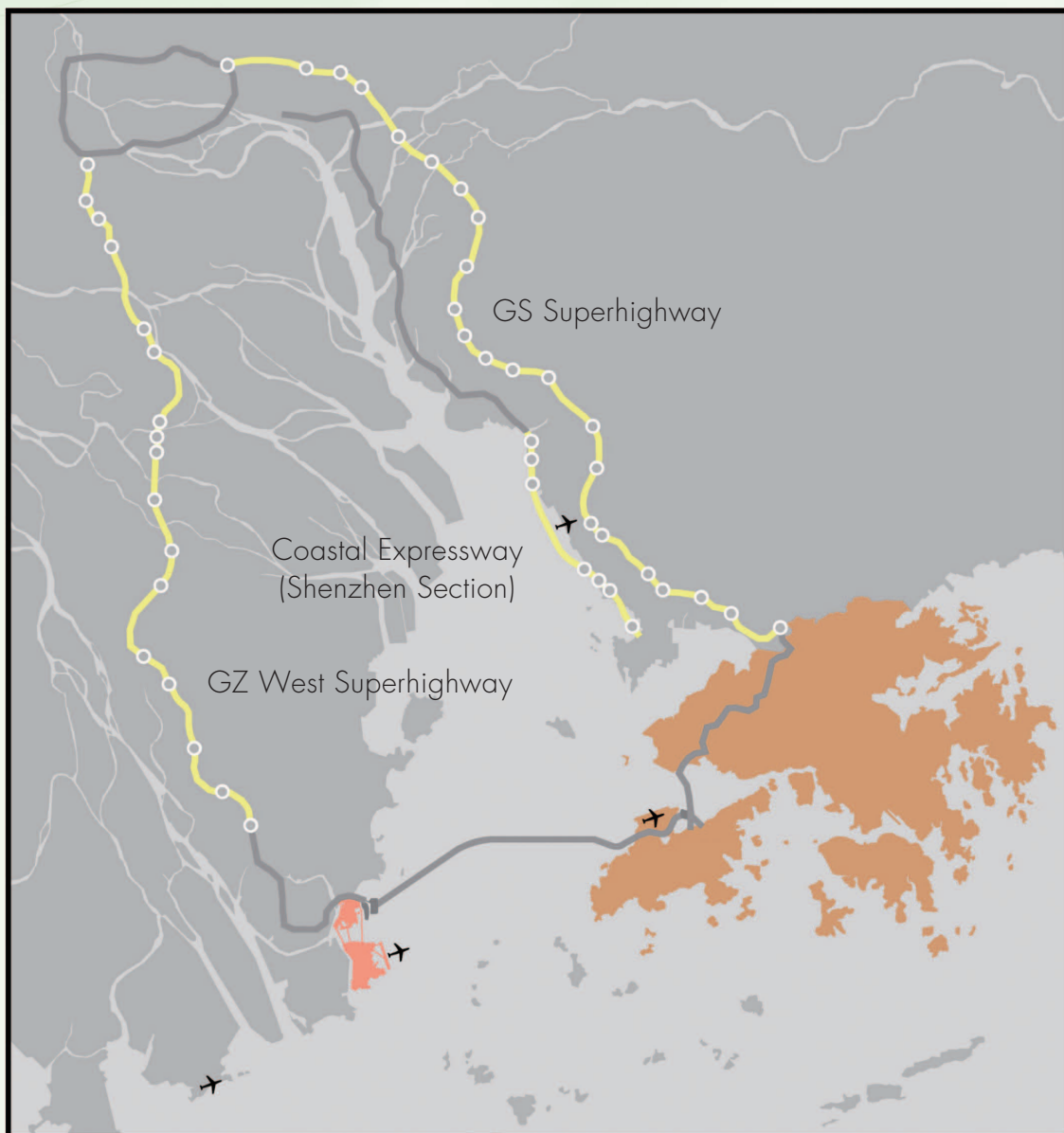
The GZ West Superhighway is the main expressway artery between Guangzhou and Zhuhai, and offers the most convenient access to Hengqin, Macao and Hong Kong respectively through its connection with the Second Hengqin Bridge, the Zhuhai Link Road and the Hong Kong-Zhuhai-Macao Bridge. It is an important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

Coastal Expressway (Shenzhen Section) is the Shenzhen section of Guangshen Coastal Expressway. It starts from Dongbao River at the junction of Dongguan and Shenzhen, and ends at Nanshan District of Shenzhen, connecting the Hong Kong-Shenzhen Western Corridor in the south. The Coastal Expressway (Shenzhen Section) is constructed in two phases, of which Phase I of the Coastal Expressway (Shenzhen Section) is located on the main line of the Guangshen Coastal Expressway and opened to traffic on 28 December 2013. The connecting lane on the Shenzhen side of Shenzhen-Zhongshan Channel of the Phase II of Coastal Expressway (Shenzhen Section) is currently under construction and is scheduled to open to traffic in June 2024 to align with the opening to traffic of Shenzhen-Zhongshan Channel. It is expected that there will be a positive promotional effect to the operational performance.

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

<sup>2</sup> The Group has completed the subscription of 51% enlarged equity interest in Coastal Company in November 2022, the Coastal Company is included in the scope of the report in the Year.

<sup>3</sup> The Group that holds only 15% of the equity of the Xintang JV, which is not included in the scope of the report due to the small shareholding proportion.



2023	GS SUPERHIGHWAY	GZ WEST SUPERHIGHWAY	COASTAL EXPRESSWAY (SHENZHEN SECTION)
AVERAGE DAILY TOLL REVENUE (RMB'000, excluding tax)	7,924	3,572	1,724
AVERAGE DAILY MIXED TRAFFIC <sup>4</sup> (NO. OF VEHICLES'000)	632	270	189

<sup>4</sup> Excludes toll free traffic travelled during the period when Holiday Toll-free Policy was implemented.



## Major Honours and Awards Received in 2023

### •February 2023

GS JV awarded the "2022 Advanced Collective for Corporate Publicity Work of Guangdong Provincial Highway Construction Company Limited"

### •March 2023

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

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



### •March 2023

GS JV awarded the "2022 Excellent Institutions of Work Safety of Guangdong Provincial Highway Construction Company Limited"

### •April 2023

GZ West JV awarded the "The Fourth Batch of Guangdong Traffic and Transportation Cultural Brands"

### •August 2023

GZ West JV awarded the "2023 Zhongshan Youth Production Safety Advancement Collective"

### •October 2023

GS JV awarded the "Grade A Guangzhou Harmonious Labor Relations Enterprise"

### 3. CHAIRMAN PREFACE

Year 2023 is the bridge between the past and future for the Group to promote the national “14th Five-Year Plan” strategy, and the Group strives to construct a new pattern of high-quality development. As an expressway operator connecting the core cities in the Greater Bay Area, the Group continuously explores the potential and comprehensively supports the operation of people, capital, goods, technology, and information flows in the region. We also focus on high-quality development, implement new development concepts, and continuously promote innovative management of subsidiaries, joint ventures and project companies, optimise service levels, and advance information-based and intelligent construction. Our aim is to make greater contributions to the integration of resources and sustainable development of road construction in the Greater Bay Area, and to comprehensively improve the safety management and travel service level of expressways.

The Group adheres to the “people-oriented” development strategy and is committed to building a harmonious employment relationship, continuously improving road service quality while safeguarding road safety. During the Reporting Period, we further standardised employment management, considered and approved the proposal of tenure contract at the managerial level, and carried out various forms of employee activities to strengthen humanistic care for employees and strive to build an inclusive, diverse, and safe working environment. With our professional engineering technology and quality, scientific methods are employed to identify road safety hazards and road maintenance issues quickly and comprehensively, to ensure timely detection and elimination of road safety hazards. At the same time, we actively listen to public opinions to achieve further improvement to ensure smooth traffic flow and efficient operation, so as to provide the public with quality road services.

We continue to enhance our ESG governance, improve our corporate governance mechanism and coordinate and optimise our resource allocation and protection. During the Reporting Period, we reviewed the implementation of our ESG objectives and will make timely adjustments to our action plans based on the results of the review to better achieve our ESG objectives. At the same time, we have been actively involved in community welfare projects, organising a wide range of activities for the convenience and benefit of the public, and supporting community development through voluntary activities. We are committed to building a harmonious society based on the concept of co-development with the community. In the future, we will continue to make steady progress on the path of sustainable development and advance our environment, social and governance work.

We are determined to integrate the concept of green development into all aspects of highway operation and contribute to the creation of a beautiful China. While firmly implementing green operations and contributing to the development of green transportation, we also focus on cultivating environmental awareness among our employees and strive to implement the concept of sustainable development in every aspect of our business. Looking ahead, we will continue to build on the comprehensive advantages of the Guangdong-Hong Kong-Macao and actively capitalise on our strengths in infrastructure investment to contribute to sustainable development. We will also actively promote ecological protection and explore more opportunities on the road to sustainable development. We will strive to become a more responsible expressway operator and contribute more to the prosperity of the Greater Bay Area.

**Xiangwen LIAO\***

*Chairman*

Hong Kong, 19 March 2024

\* For identification purpose only

## 4. ESG GOVERNANCE

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



### Development Strategy

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

#### Employee

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

#### Community

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

#### Environment

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

#### Value chain

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



## Governance Structure

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



## Board Statement

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

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

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

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

This report provides detailed information on the progress and effectiveness of the Group's ESG work in 2023, which have been reviewed and approved by the Board.

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

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

### Normalised Communication Mechanism

Board, management, employees and joint venture partners



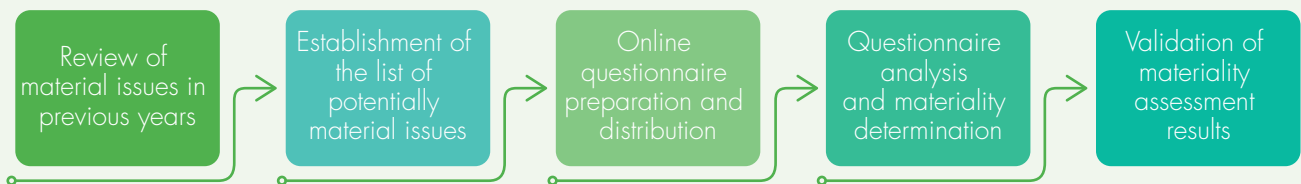
Shareholders, investors, customers/expressway users, family of employees, cooperative business partners, service providers and community groups

Staff seminar, networking activities, mail, email, hotline, conference call, interview, the Company website, written report, WeChat public account, site visit, volunteer activities and online questionnaire survey

### Materiality Assessment of ESG Issues for 2023

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

### Materiality Assessment Process



<sup>5</sup> Stakeholders refer to groups or individuals who have a significant impact on the Group's business or are impacted by the Group. Internal stakeholders include the Board, management, administration employees and general employees. External stakeholders include shareholders, business partners, customers, government and regulatory agencies, banks and investors, community groups, etc.

## Materiality Assessment Matrix



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

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

## 6. STABLE OPERATION AND ADHERE TO COMPLIANCE GOVERNANCE

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

### Standardise Operation System

Bay Area Development continuously improves its corporate governance system on the basis of compliance, to provide fundamental guarantee for sustainable development. In order to further standardise the Company's operation management mechanism and unify the contents and elements of operation management, the Group has formulated and implemented a series of operational management standards and conducted an in-depth review of the regulations and potential compliance risks associated with the Group's business, as well as studied and formulated risk prevention and countermeasures.

During the Year, the Group further improved its compliance and risk management programs, systems and guidelines. At the same time, the Group continued to push forward the informatisation of compliance management, and has completed the compliance and contract operation systems, and is steadily pushing forward the deployment and implementation of the systems.

Besides, the Group also actively explores smart operation. In April 2023, the GS JV carried out the pilot work of unattended cloud-based toll collection system in six lanes at the southbound entrance and exit of Houjie Toll Station, exploring a new way for intelligent transportation and providing efficient solutions for highway toll collection to realise "Unmanned, non-cash, and fast passage".

### Strengthen Anti-Corruption Management

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

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

In addition, the Group has deepened its work on integrity practices and disciplinary inspections, actively organised thematic studies and launched research projects. During the Year, the Bay Area Development organised the Board and all employees to sign the Pledges of Integrity and the Integrity Responsible Letter, issued Certificates on Honesty and Integrity, and watched educational films on anti-corruption, so as to effectively improve employees' ability to resist corruption.

## Sustainable Supply Chain

The Group adheres to the principles of integrity, transparency, legality and compliance in its supply chain management, and is committed to establishing and maintaining long-term mutually beneficial relationships with its supply chain partners based on mutual trust. The Group extends its ESG concepts and operational criteria and standards to the entire supply chain by continuously improving supplier management regulations, strengthening identification, supervision and management of suppliers' environmental and social risks, and advocating suppliers the use of environmental-friendly products and services. In that case, the Group strives to fulfil environmental and social responsibilities together with suppliers and continuously promoting the construction and development of a responsible supply chain.

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

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

During the Reporting Period, the two joint ventures have engaged recognised suppliers, contractors and service providers in Mainland China with a total of over 100 units.



## 7. ADHERING TO RESPONSIBILITY AND BUILDING A SOLID BARRIER FOR ROAD SAFETY

The Group is committed to providing high quality services and continuously building quality projects. Leveraging on our rich experience in road safety management and public services, we continue to enhance the safety and comfort of road travel. At the same time, the Group attaches great importance to data security and customer privacy protection, strictly safeguarding corporate interests and protecting the legitimate rights and interests of customers.

### Maintain Expressway Safety

As an expressway operator, the Group understands the importance of maintaining the safety of expressway operation. To this end, the Group has formulated a number of internal policies to ensure the implementation of responsible management. In addition to strengthening the standardised work safety system, the Group has also promoted the dual prevention mechanism of “early warning” and “emergency response” to safeguard road safety from various perspectives.

In order to respond promptly to emergent rescue needs, the Coastal Company and the two joint ventures have classified emergencies by their sources of hazards and established corresponding early warning mechanism to monitor in real time. The establishment of the early warning mechanism facilitates the timely detection of potential hazards so that effective countermeasures can be taken. On the other hand, in order to enhance the level of emergency management, the Coastal Company and the two joint ventures have established relevant contingency plans and early warning response grading systems based on the classification of emergencies. The establishment of this system enables the Group to react more quickly and accurately in face of emergencies and minimise losses at its most. At the same time, the Coastal Company and the two joint ventures have established an emergency management leading group respectively, which are responsible for information collection and overall coordination duties. Under the group, a dedicated emergency command agency is responsible for organising and carrying out propagation of contingency plan, drills and emergency response work. The establishment of these groups and personnel ensures that they can work in a coordinated, efficient and orderly manner when responding to emergencies.

On the other hand, on the path of maintaining road safety, the Group will keep pursuing methods to detect road conditions more efficiently, to remove roadblocks at a faster speed, to carry out road investigation and maintenance at a more scientific frequency, as well as adopting more professional engineering protection measures to ensure traffic safety. In the future, the Group will continue to make effort in safeguard expressway safety.

### Push Forward the Lighting Project to Enhance the Safety of Night-time Driving

On 18 December, 2023, the installation of additional streetlights at the Zhongshan section of the GZ West Superhighway passed the acceptance inspection. During the construction, the GZ West JV held regular on-site meetings to actively coordinate and resolve problems to ensure the construction progress. In order to enhance the construction efficiency, the GZ West JV and the construction unit jointly studied and decided to upgrade the traditional “one machine, one hole” drilling equipment to the advanced configuration of “one machine, six holes”. In the end, the project was successfully completed in 62 days, which was one-third faster than the original construction period, and greatly enhanced the safety and comfort of night-time driving on the road.



## GS JV Carried Out Emergency Drill on Toll Station Power and Network Outage

In order to examine the scientific, practical ability and timeliness of the emergency management system of the GS Superhighway for emergencies. On 9 November, 2023, the GS JV conducted an emergency drill for sudden power outage and network disconnection at toll stations, combining with video drills and video command and dispatch. The simulated scenario of the exercise was a power outage at Xinqiao North Exit Plaza of Bao'an Toll Station, and there was no lighting in the booth, air conditioner was shutdown, and the exit toll collection equipment could not be used normally. The emergency drill helped to strengthen employees' crisis awareness and their preparation for emergencies.



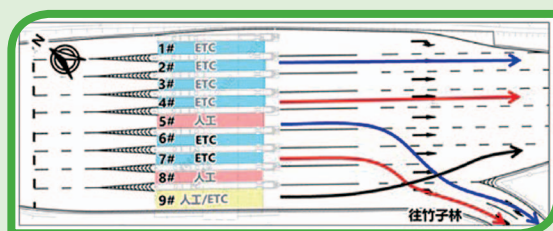
The two joint ventures both formulate internal policies to specify responsibilities for expressway maintenance and management and prepare annual, quarterly and monthly maintenance plans, and require that the quality of maintenance must meet the requirements of *the Measures for the Supervision on Maintenance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

## Improve Service Quality

The Group actively promotes the use of the Electronic Toll Collection (ETC) system to reduce traffic congestion at the exits of toll station caused by vehicles stopping to pay toll. Meanwhile, we adhere to the service attitude of "Conducting Practical Events For Customers", consistently listening to customers' opinions and suggestions, solving problems for citizens and optimising services. During the Year, a total of 562, 90 and 248 complaints were received on the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section) respectively in relation to service attitude, toll objections and implementation of construction works, with complaint rates<sup>6</sup> of 0.00024%, 0.00009% and 0.00036% respectively. Upon receiving the complaints, relevant departments have contacted the complainants immediately to verify the situation and handle the complaints. In the future, the Group will continue to pay attention to the opinions and suggestions of drivers and passengers and make every effort to protect and improve the service quality consistently.

## Optimise Lane Layouts to Reduce Safety Hazards

The GS JV organised a project team to study and solve traffic jam problems at Futian Toll Station. By optimising the layout of the lanes, the problem of lane change of exit traffics was solved and safety hazards were reduced. The efficient remedial actions and service concepts improved the efficiency of the operation of the road network, enhanced the travel experience of the community at large, as well as provided drivers and passengers with a convenient, safe and convenient environment. After the rectification of the toll station, the overall queue length during the peak hours is controlled within 65 meters, the efficiency to exit and queue length have been significantly improved. This was highly affirmed by the Shenzhen Traffic and Transportation Bureau, and the experience was introduced and promoted in the Guangdong Provincial Department of Traffic and Transportation.



## Hezhou Station of GS Superhighway Officially Upgraded and Put Into Use

On 20 October, 2023, the new Hezhou Station was opened, merging the Hezhou Station of GS Superhighway and Huanghe Station of Jihe Expressway, with 6 lanes added to the original 20 lanes. On the opening day, the total traffic volume of the new Hezhou Station reached 80,000 vehicles, becoming the largest single-ramp exit toll plaza in Guangdong Province, which significantly improves the commuting speed, and further satisfies the demand of drivers and passengers for smooth travelling.



<sup>6</sup> The complaint rate is calculated by dividing the number of complaints by the total traffic volume for the Year.

## Phase II of the Coastal Expressway (Shenzhen Section) uses the “Concrete Leveling Robot” for beam surface levelling

Phase II of the Coastal Expressway (Shenzhen Section) uses the “Concrete Levelling Robot”, which utilises a domestically developed GNSS fully automatic navigation system, a dual-degree-of-freedom adaptive system and integrates intelligent motion control algorithms, high-precision laser recognition measurement, real-time control and other technologies. It can overcome challenges in controlling bridge deck smoothness and slab thickness, effectively enhancing the construction quality of the flatness of the prestressed concrete cast-in-place continuous box girder bridge deck.



### Protect Customer Privacy

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

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

The Group adheres to the “people-oriented” development strategy, committing to building a harmonious employment relationship and comprehensively protecting the legitimate rights and interests of employees and their development needs. During the Year, the Group proactively promoted the development of talent cultivation by combining internal deployment and external sourcing and introduced, innovating talent selection methods, expanded recruitment channels, and launched the enhancement work of career system for young employees of the Company in order to create a smooth career development channel and room for development.

Meanwhile, the Group continued to standardise the human resources management by formulating and revising eight systems, including the management system for executive remuneration, employee remuneration and the tenure contract at the managerial level.

### Harmonious Employment Relationship

In order to create a fair and just, scientific and accurate employment mechanism as well as employee development path, the Group has improved and implemented its internal policies to specify the requirements in relation to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits and welfare, and is committed to creating a harmonious working environment and enhancing the sense of well-being and sense of belonging of its employees.

- **Recruitment, promotion and dismissal**

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

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

- **Compensation, welfare and other benefits**

We implement a post structure wage system. Under the system, types and standard of wages are determined by the position or job title held by employees. Employee compensation consists of monthly wages and year-end bonuses. We also conduct remuneration assessment annually to ensure that our remuneration system is in line with the market and the development of the Company.

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



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

On the basis of establishing a competitive and comprehensive compensation and welfare system, we organise various humanistic and caring activities every year. During the Year, we continued to pay attention to our frontline employee by organising activities such as mutual assistance and visits to ensure that our employees are adequately cared for and supported. The Group endeavors to be a solid and reliable backing for its employees, providing them with all-round care and support.

### “Friendship in Heart, Reunion at Mid-Autumn Festival” Mooncake Making Activity

Coastal Company held a snowy mooncake DIY activity to allow employees to experience the joy of making mooncakes. At the same time, it promoted the traditional festivals and culture of the Chinese nation and increased employees' cultural confidence.



### Caring for Employees' Physical and Mental Health and Launching Mental Health Public Welfare Activities

During the Year, the GS JV set up psychological counseling workstations in the Luogang Station, Daojiao Station, Nantou Station, Bao'an Station, forming a “1 consultation room + 4 psychological counseling workstations” mode, to better develop the effectiveness of the psychological health care of the Guiping GAO's psychological consultation room. The counselor team will station regularly to carry out public welfare activities on mental health, and provide the front-line employees with a “soul refueling station” right at the door. All psychological counseling workstations were inaugurated and put into use in November 2023.



## Coastal Company held Reading Sharing Sessions to Stimulate Employees' Enthusiasm for Reading

In order to cultivate employees' reading habits, enrich their spare time life, and stimulate employees' enthusiasm for reading, Coastal Company held a total of 5 reading sharing sessions during the Year, with a total of 265 employees participating. Reading sharing sessions provide employees with a platform to showcase themselves, explore their potential and talents, implement the Group's people-oriented initiative of caring for employees' growth and success, and create a long-term and good learning atmosphere.



### Expand Teams of Talents

The Group is fully aware that diversity and enrichment of talents are the foundation of sustainable development of an enterprise. Therefore, we focus on selecting personnel with different professional skills and experience through various channels to meet the development needs of various positions. With the full support of Shenzhen Expressway, the Company and its substantial shareholder actively advance the integration of resources, optimise corporate governance and operation mechanism, and establish the company personnel filing management office to expand and manage the talent teams.

### Care About the Health of Employees

As an expressway operator, our operational environment is complex and volatile. Therefore, safeguarding the safety and health of our employees is the foundation of the Group's operations. To achieve this goal, the Group has established a comprehensive occupational safety management system to provide a safe working environment for our employees and protect them from occupational hazards. Through continuous optimisation and improvement of this system, we are committed to creating a safer and healthier working environment so that our employees can work with peace of mind and fully utilise their abilities. During the Year, the Group has strictly enforced its safety responsibilities by actively organising all employees to sign a Responsibility Letter of Production Safety compiling and publishing a production safety duty card, as well as supervising the implementation of safety target responsibilities at all levels. At the same time, the Group has also strengthened the investigation and management of potential hazards, continued to strengthen the means of safety supervision and remediation of potential hazards, and stepped-up dynamic inspections of office environment, fire safety

facilities and electrical safety, etc. During the Year, over 10 safety inspections were organised and over 20 potential hazards were investigated, so as to effectively prevent and mitigate the risks of safety and continue to enhance the level of safety management.

The Group also actively promotes employee safety education to ensure that they have the necessary safety awareness and skills to respond to emergency. The Group has set up targets for occupational health and safety and planned to maintain high levels of health and safety standards and reduce lost days due to work injury to employees through developing emergency response plans, providing regular health and safety training, and conducting regular emergency drills. In addition, to consolidate and enhance safety awareness, the Group has organised safety production month themed activities. Of which, the Bay Area Development has organised 2 safety training and emergency drills during the Year. It has actively held regular safety production meetings, and through watching safety production warning and education films, themed training and emergency drills, the knowledge of safety production and emergency rescue was promoted, which will continuously enhance the safety awareness of all our employees.

- "Safety First, Crucial Precaution, and Comprehensive Treatment" working guideline:
  - ✧ The safety and health of employees comes first.
  - ✧ Hazard foresight comes first.
  - ✧ Safe operation comes first.
- Number of work-related deaths (persons) in the past three years: 0

## Work Safety Training and Promotion

The Bay Area Development organised safety training and emergency drills, to promote the importance of production safety and emergency rescue knowledge in order to enhance the safety awareness of all employees.



## The Coastal Company Replaces Kitchen Gas Alarms to Eliminate Safety Hazards

Before the gas system in the canteen kitchen was put into operation, the Coastal Company arranged for the gas company to conduct a comprehensive inspection to ensure the gas system is normal and safe to use, and arranged for the replacement of gas leakage alarms and gas emergency shut-off valves after the inspection. In addition, the Coastal Company also replaced the old stoves in the canteen kitchen to eliminate safety hazards, which improved the efficiency of the canteen.

## Build a Development Platform

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

The Group has introduced an online learning platform for its employees to study at any time, including safety management, construction safety, construction environmental protection, fire prevention, etc. The Group also provides online examination with scoring function for employees' self-examination and improvement. During the Year, to encourage and motivate employees to participate in academic education, as well as upgrade their academic qualifications and comprehensive level, the GS JV actively coordinated with the employee to apply for subsidies and provide assistance, and invited teachers from schools to the management center for the registration of the 2023 College Entrance Examination for adults. Furthermore, the Bay Area Development implemented the "Mentorship System" to provide professional career guidance and support for young employees during the Year. Mentors will formulate career development plans together with the employees, and follow up and evaluate the career development of the employees on a regular basis, thereby providing strong support and assistance to the career development of the employees. At the same time, it lays a solid foundation for the Group's talent cultivation and development.

### Matching Mentors for Young Employees and Creating Development Programs

During the Year, Bay Area Development started to implement a "Mentorship System" to match mentors for young employees and formulate career development plans together, laying the foundation for the Group's future talent cultivation and employees' career development.



## Promote Diversified Development

In addition to ensuring the safety of our employees at work, the Group also concerns their physical and mental health. We organise a variety of cultural and sports activities every year to satisfy the spiritual and cultural needs of our employees and to provide them with psychological support. During the Reporting Period, the Group also actively promoted the construction of corporate culture, launched various forms of group cultural exchanges, and vigorously promoted a pragmatic, innovative, optimistic corporate culture to stimulate the vitality of our employees. In 2023, the Bay Area Development organised and conducted employee exchange seminars for 5 times, and participated different public welfare activities.

## 9. ENVIRONMENTAL PROTECTION, PROMOTING ENERGY SAVING AND TRANSFORMATION

The Group attaches great importance to environmental protection and firmly integrates the concept of green development into all aspects of highway operation, contributing to the building of a beautiful China.

### Strict control of pollution emissions

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

- **Exhaust Gas**

During the Year, the Coastal Company and the two joint ventures emitted a total of 8.08 tonnes of air pollutants, including 4.34 tonnes of nitrogen oxides, 3.66 tonnes of sulphur oxides and 0.08 tonnes of respirable suspended particulates. Most of these emissions originate from the combustion of liquefied petroleum gas for cooking and the fuel consumption of the Company's vehicles, and a small part from the combustion of natural gas for cooking.

To effectively control vehicle exhaust emissions, the Coastal Company and two joint ventures have regularly phased out high-emission vehicles and purchased new energy vehicles according to their internal vehicle management regulations. In addition, the Coastal Company and two joint ventures attach great importance to the management of environmental practices of their outsourced contractors and regulate the application of environmentally friendly technologies and equipment by outsourced contractors. In the future, the Coastal Company and two joint ventures will continue to strengthen the selection of outsourcing providers and continue to explore and promote the application of scientific and efficient air pollution control technologies.

- **Greenhouse Gas**

During the Year, the total greenhouse gas emissions of the Coastal Company and the two joint ventures amounted to 28,501 tonnes of carbon dioxide equivalent, among which the direct emissions caused by the combustion of natural gas and liquefied petroleum gas for cooking and the fuel consumption of the Company's vehicles are 2,033 tonnes of carbon dioxide equivalent, accounting for about 7.1% of the total greenhouse gas emissions; while the indirect emissions caused by the purchased electricity during the production process are 26,468 tonnes of carbon dioxide, accounting for about 92.9% of the total greenhouse gas emissions.

In order to effectively reduce greenhouse gas emissions and accelerate the realisation of low-carbon travel, the Group have continued to strengthen the management of vehicles to maintain and preserve the effectiveness of vehicle exhaust purification while avoiding unnecessary travel. Especially, the two joint ventures have strictly followed the requirements of higher authorities or relevant policies on greening and regular greening maintenance. The work quality of greening maintenance units is supervised through monthly assessment and scoring.



- **Waste**

During the Year, the Coastal Company and the two joint ventures collected approximately 10,144 tonnes of non-hazardous waste, mainly from garbage along the expressway including waste generated by expressway users, branches and leaves, etc. The waste has been sent to domestic waste treatment stations for disposal in accordance with relevant regulations.

The Group is making efforts to promote waste disposal management at the operational level. During the Year, to further implement the waste reduction target, the Group has continued to promote paperless office, regularly reviewing the workflow and extending the usage of the OA system, in order to achieve the target of reducing the use of paper. At the same time, to achieve the goal of recycling reusable electronic equipment or other wastes, the Group has set up additional recycling points, formulated recycling guidelines, encouraged employees to participate in the separation of reusable wastes at source and put them into recycling offices, and standardised the recycling process of waste electronic equipment. In terms of food waste, the Group continue to promote the spirit of thrift and frugality, reduce front-end food waste and pass food waste to recycling units for resourceful treatment.

- **Wastewater**

The Group takes wastewater treatment seriously and continuously optimises the treatment of domestic sewage in order to reduce the environmental impact of the wastewater generated.

### Energy Saving and Emission Reduction, Building a Green Home Together

The GS JV utilised the asphalt pavement waste to carry out “reconstruction” and backfill the roadway, realising the secondary use of waste asphalt material. It also replants trees in the expressway median and slope areas to cultivate the concept of green conservation and ecological environmental protection.



## Save Resources

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

- **Energy**

During the Year, the Coastal Company and the two joint ventures consumed a total of 54,849 MWh energy, of which purchased electricity accounted for 85% of the total consumption and was the main source of energy consumption.

In order to reduce energy use, the Coastal Company and the two joint ventures have incorporated energy-saving education into employee training and have regularly held energy-saving themed activities to encourage employees to raise awareness of energy conservation and consumption reduction. In addition, the Coastal Company and the two joint ventures have regularly reviewed the latest street lighting energy-saving technologies in the market and studied the introduction of such technologies, and selected more energy-efficient and environmentally friendly equipment when upgrading their offices and living areas. Among which, the GZ West JV completed the replacement of 435 LED luminaires of the basic and emergency sections of the Yuehuan Tunnel (north and south-bound) during the Year, which will help the Group to effectively realise energy saving and emission reduction.

- **Water Resource**

During the Year, the Coastal Company and the two joint ventures consumed a total of 610,937 cubic meters of water resources, which was mainly consumed by the office and living areas.

To reduce the use of water resources, the Coastal Company and two joint ventures have included water conservation training in the employee induction training to raise their awareness of the need to conserve water. The two joint ventures have also organised regular activities with the theme of water saving.

## Care For the Ecological Environment

The Group recognises that the construction and maintenance of roads may have certain impact on the surrounding natural environment. In order to avoid or minimise the corresponding impact, we have strengthened and improved our construction management and emergency defense mechanism. We have continued to improve the overall landscape quality of the roads and the living environment of the surrounding residents, contributing to the realisation of the beautiful vision of lush mountains, green water, blue sea and sky.

- **Proper Land Use**

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

- **Green Maintenance**

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

## Scientific Management and Maintenance, Building a Green and Beautiful GS Superhighway

GS Superhighway has been in operation for a relatively long time, and with the high-speed development of the surrounding economy and the substantial increase in traffic flow, the road that has been subjected to heavy loads all year round, is very susceptible to asphalt deterioration, rutting, longitudinal and transverse cracks, loosening, etc. In July 2023, after several site inspections and sampling, the maintenance department of the GS JV milled and resurfaced the seriously damaged pavement with UHPP ultra-high-performance drainage wearing course to quickly reinforce the road structural layer. The technology has outstanding road performance such as drainage, noise reduction, temperature reduction, etc. It is structurally stable and durable, and can reduce environmental pollution and operating costs. The application of UHPP ultra-high performance drainage wearing course for road maintenance can reduce the road surface temperature by 2–8°C on average, the drainage capacity by 4,000-5,500 ml/min, and the noise reduction by 2–6 dB on average, which can achieve the effect of cost reduction and increase efficiency, and reduce pollution.



## Coastal Company Serving Community in Peace and Harmony

Sound insulation screens has been installed by the Coastal Company near sensitive areas such as residential areas along the Coastal Expressway to reduce the spread of traffic noise and the impact of noise generated by vehicles.



## Organise Employees in Tree Plantation

GS JV's volunteers carried out "green transportation, extending beautiful life" tree-planting activity. More than 600 saplings were planted in the activity, adding a touch of new green for the construction of eco-households.



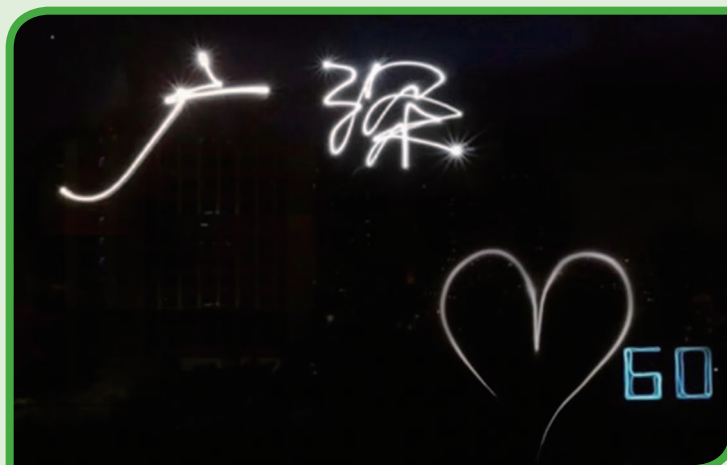
## Exchanging Old Books for Green Plants

To guide employees to establish the concept of environmental protection and make idle books "alive". On 16 July, 2023, the GS JV and the love station in Huangpu District in Guangzhou city jointly carried out "old books for green plants, pioneering environmental protection" activities.



## GS JV Participated "Earth Hour" for Five Consecutive Years

At 20:30 pm local time on the last Saturday of March each year, the World Wide Fund for Nature (WWF) proposes a global energy saving campaign to combat global climate change, advocating the switching off of unnecessary lights and power-consuming products for one hour as a way of showing support for climate change action. At 20:30 pm on 25 March, 2023, all living areas, office buildings, dormitories, sports grounds, and other public areas of the GS JV turned off unnecessary power supplies in turn. This is the fifth consecutive year that GS JV participated for the Earth Hour. 2023 Earth Hour uses "60" as the campaign logo to reinforce the concept of "one hour", aiming to convey the message that under time constraints, people need to dedicate more "one hour" to the Earth in order to create a harmonious future for human beings and the nature, and to emphasise the necessity of taking immediate actions.



The light effect created by the employees of the GS JV using the light rail during "Earth Hour".

- **Emergency Management**

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

### Combat Climate Change

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



## 10. CARING FOR COMMUNITY AND UNDERTAKING SOCIAL RESPONSIBILITY

The Group has always adhered to the concept of co-development with the community and supported the development of the community through active participation in community welfare undertakings. We continue to spread the spirit of volunteerism and contribute to the building of a harmonious society. Through close cooperation and joint efforts with the community, we would create a better future together.

### Regular Road Services

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

### Maintaining the Environment of the Plaza, Contributing to Better Mobility

On the afternoon of 15 June, 2023, as a beginning of the Civilised Service Month, the GZ West JV carried out a cleaning activity "My Station is My Home" at Nanping Station to enhance the employees' sense of ownership and the mind to serve, so as to maintain and improve the clean and tidy environment of the plaza. Nanping Station served every driver and passenger with a clean, tidy, and comfortable new look, and achieved the mission of "satisfying the people's demand for better travel and accelerating the construction of satisfying transportation" with high quality.



## Community Service

The Group organises and carries out a variety of public welfare activities through volunteer teams, mainly in the form of charity activities, community welfare, road maintenance, environmental protection, and knowledge popularisation, to continuously enhance the sense of responsibility and mission of employees.

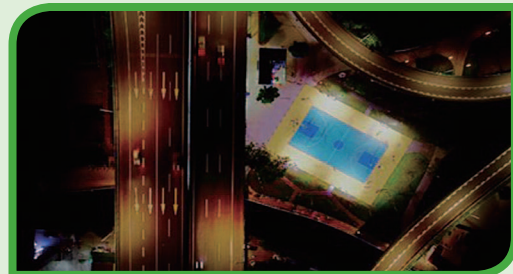
### Contributing to the Community and Building a Better Home Together

On 4 May, 2023, Bay Area Development organised its employees to have a voluntary litter picking activity, raising awareness of the importance of community service and environmental protection, and to contribute to the beautification of the environment.



### Committing to the Community and Building Parks for the Public

The GZ West Superhighway Nantou Interchange is located in Nantou Town, Zhongshan City, which is connected to the bridge of Nansan Highway. It is difficult to supervise the space under the bridge, and the illegal dumping of construction and domestic waste happened all the time. After several consultation with the local government, the GZ West JV put forward the idea of "utilisation instead of management", making use of the space under the expressway bridge and building a park for the benefit of the people, turning the "waste land" into "treasure land", providing a place for local residents to rest and for entertainment. During 2023 National Day, the second phase of the General Culture Park — General Fitness Plaza officially opened to the public. The park is the largest one among those under expressway bridges in Zhongshan City, equipped with basketball courts, soccer fields, table tennis courts, fitness trails, etc., and sports equipment that can meet the daily leisure needs of residents in the area. During the Year, the transformation of space under bridges along the GZ West Superhighway has completed 47,300 square meters, and 6 parks under bridges have been built to make up for the lack of local venues and facilities, which provide new options of leisure and entertainment for the residents in the area.



## Building Cultural Corridors

The GZ West JV participated in the approval process of the Aimintang Cultural Promenade Design Proposals, by giving advice on safety protection, and visited the site regularly to ensure that the project was implemented in accordance with the design plan. In August 2023, the Aimintang Party Building Cultural Promenade in Xigubu Village, Zhongshan City, was opened, and the piers beneath the bridge have become a new carrier of cultural publicity with local characteristics.



## Spirit of volunteerism

The Group continued to advocate and promote the spirit of volunteerism and launched a wide range of volunteer services and activities during the Reporting Period.

## Launching the “Full of Love on the Road” Volunteer Service Campaign

On 28 September, 2023, GS JV’s Volunteer Team organised volunteers to join with the traffic police department of Dongguan City to launch the “Full of Love on the Road” volunteer service activity in Houjie South North-bounded Service Zone. Providing passengers with monk fruit, chrysanthemum tea, and charging equipment, and inviting them to make lanterns together.



Volunteers enthusiastically explained the steps of making lanterns.



## GS JV's Volunteers helping the Guangzhou Marathon

On 10 December, 2023, the Guangzhou Marathon was held at the Tianhe Sports Center in Guangzhou after a three-year hiatus, 20 volunteers helped the Guangzhou Marathon to run smoothly.



## APPENDIX: GENERAL DISCLOSURE

### Emissions (A1 of the Guide)

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

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

The Group has developed the *Sustainability Policy* and the *Staff Handbook* to guide employees in their daily work to establish a sense of conservation and to regulate their usage of resources including energy and water, etc. For more details, please refer to the section "9. Environmental Protection. Promoting the Development of Energy Saving Transformation".

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

As an expressways operator, the Group has also focused on monitoring the environmental risks of contractors and regulating their behavior through construction contracts. At the same time, internal policies such as *Expressway Maintenance Management Measures*, *Emergency Response Plan* and *Emergency Management Measures* are formulated to strengthen project construction management and improve emergency defense mechanisms, and to avoid or minimise the adverse impact on the natural surrounding environment. For more details, please refer to the section "9. Environmental Protection. Promoting the Development of Energy Saving Transformation".

### Climate Change (A4 of the Guide)

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

### Employment (B1 of the Guide)

The Group's *Staff Handbook* has set out our management policies on compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. At the same time, the Group has always strictly abided by laws and regulations such as the *Labor Law of the PRC*, the *Labor Contract Law of the PRC* and the *Employment Ordinance* in Hong Kong, and were not aware of any cases of non-compliance with laws and regulations in relation to employment during the Year. For more details, please refer to the section "8. Being People-Oriented and Shaping an Energetic Culture".

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

The Group has formulated a series of internal policies such as the *Staff Handbook*, the *Measures for the Supervision and Administration of Work Safety*, the *Road Construction Safety Management Measures* and the *Provisions on Safety Administration of Highway Maintenance and Construction* to regulate safety management guidelines and safeguards measures, to provide a safe working environment for employees and to protect them from occupational hazards. At the same time, we have always strictly complied with laws and regulations such as the *Work Safety Law of the PRC*, the *Law of the PRC on the Prevention and Treatment of Occupational Diseases* and the *Occupational Safety and Health Ordinance*. We were not aware of any cases of non-compliance with laws and regulations in relation to health and safety during the Year. For more details, please refer to the section "8. People-Oriented. Shape an Energetic Culture".

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

The Group actively invests resources to provide a good training and learning environment for employees and provides them with professional and personal development trainings on a regular basis to enhance their professional skills and business knowledge. The training and education programs of the Coastal Company and the two joint ventures include pre-job training, on-the-job training and continuing education, and a variety of training activities were conducted during the Year. The management details of staff training are specified in the *Staff Handbook*. For more details, please refer to the section "8. People-Oriented. Shape an Energetic Culture".

### **Labor Standards (B4 of the Guide)**

The Group has strictly prohibited the employment of child labor, does not encourage employees to work overtime, and forbids any form of forced labor, which has been clarified through internal policies such as the *Staff Handbook*, the *Human Resources Management Procedure*. If employees have any comments or suggestions on labor rights, they can provide their feedback through reasonable channels, and the relevant department of the Group will respond to them as soon as possible. At the same time, we have always strictly complied with laws and regulations such as the *Labor Law of the PRC*, the *Law of the PRC on the Protection of Minors*, and the *Employment Ordinance* in Hong Kong, and were not aware of any cases of non-compliance with laws and regulations in relation to labor standards during the Year. For more details, please refer to the section "8. People-Oriented. Shape an Energetic Culture".

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

The Group has always attached great importance to the construction and investment of a sustainable supply chain, and thus we require all suppliers to properly manage their environmental and social risks, and specify and regulate the requirements in contracts. In the future, we will also review and improve the supply chain management system in due course. For more details, please refer to the section "6. Stable Operation Operational and Adhere to Compliance Governance".

### **Product Responsibility (B6 of the Guide)**

The Group has developed a number of internal policies for the management of product responsibility. For example, we have adopted the *Management Method on Confidentiality* and the *File Management Measures* to protect customer privacy, adopted the *Expressway Maintenance Management Measures* and the *Administrative Measures for Maintenance Projects* to clarify road maintenance responsibilities, and adopted the *Emergency Response Plan* and the *Emergency Management Measures* to improve emergency measures, and adopted the *Road Administration Measures* and the *Road Property Management Measures* to strengthen expressway administration enforcement and safeguard the rights and interests of expressway property. At the same time, we have always abided by laws and regulations such as the *Law of the PRC on Guarding State Secrets*, the *Highway Law of the PRC*, and the *Regulations on the Administration of Toll Roads*, and were not aware of any cases of non-compliance with laws and regulations in relation to product responsibility during the Year. In addition, since the Group's business do not involve any labelling and recycling of products and advertising matters, we have not formulated relevant policies. For more details, please refer to the section "7. Adhere to Responsibility and Building A Solid Barrier For Road Safety".

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

The Group has adopted the Whistleblowing Policy, Code of Conduct and Staff Handbook for the management of professional integrity and has implemented the newly revised internal management policies such as the *Anti-Commercial Bribery Agreement* and the *Integrity Contract*. The Group always strictly abided by laws and regulations such as the *Anti-Corruption and Anti-Bribery Law of the PRC*, the *Regulations of the PRC for Suppression of Corruption* and the *Prevention of Bribery Ordinance in Hong Kong* regarding the prevention of bribery, extortion, fraud and money laundering that have a significant impact on the Group, and were not aware of any cases of non-compliance with laws and regulations in relation to anti-corruption during the Year. During the Year, to enhance compliance governance and improve the compliance management system, the Group has formulated and published eight management systems, namely the *Compliance Implementation Plan*, the *Detailed List of Compliance Risks*, the *Guidelines for Enhancement of Compliance Risk Prevention*, the *Compliance Management Measures*, the *Compliance Manual*, the *Measures for the Management of Post-Investment Evaluation*, the *Procedures for Quality Control in Internal Control Evaluation* and the *Measures for Audit of Economic Responsibility*, which have further standardised the key business processes in relation to the disclosure of information, tendering and purchasing, contract management, environmental protection and safety, connected transactions and forensic audits. For more details, please refer to the section "6. Stable Operation Operational and Adhere to Compliance Governance".

### **Community Investment (B8 of the Guide)**

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



# APPENDIX: SUMMARY OF KEY PERFORMANCE INDICATORS

## Environmental Performance

			GS JV		GZ West JV		Coastal Expressway (Shenzhen Section)		Total	
Performance Indicators	Unit		2023	2022	2023	2022	2023	2022 <sup>7</sup>	2023	2022
<b>Emissions</b>										
<b>Air pollutants<sup>8</sup></b>										
Nitrogen oxides	tonne		3.01	3.69	0.91	1.41	0.42	N/A	4.34	5.10
Sulphur oxides	tonne		1.81	1.96	1.84	2.01	0.01	N/A	3.66	3.97
Respirable suspended particulates	tonne		0.05	0.06	0.02	0.04	0.01	N/A	0.076	0.10
<b>Greenhouse gases</b>										
Scope 1 <sup>9</sup>	tonne of CO <sub>2</sub> e		1,105	1,124	816	846	112	N/A	2,033	1,970
Scope 2 <sup>10</sup>	tonne of CO <sub>2</sub>		14,652	14,487	7,258	7,446	4,558	N/A	26,468	21,933
Total emissions	tonne of CO <sub>2</sub> e		15,757	15,611	8,074	8,292	4,670	N/A	28,501	23,903
Intensity (by length of expressway <sup>11</sup> )	tonne of CO <sub>2</sub> e/km		N/A	N/A	N/A	N/A	N/A	N/A	110.6	108.3
<b>Waste</b>										
Non-hazardous waste	tonne		3,918	4,491	5,861	5,440	365	N/A	10,144	9,931
Intensity (by length of expressway <sup>11</sup> )	tonne/km		N/A	N/A	N/A	N/A	N/A	N/A	39.4	45.0
<b>Use of Resources</b>										
<b>Energy<sup>12</sup></b>										
Direct energy	Natural gas	MWh	104	111	0	0	330	N/A	434	111
	Liquefied petroleum gas	MWh	949	1,028	967	1,055	0	N/A	1,916	2,083
	Renewable energy (solar and wind power)	MWh	N/A	N/A	56	49	N/A	N/A	56	49
	Gasoline	MWh	2,811	2,706	2,353	2,312	98	N/A	5,262	5,018
	Diesel	MWh	645	854	41	113	84	N/A	770	967
	Total direct energy consumption	MWh	4,509	4,699	3,417	3,529	512	N/A	8,438	8,228
	Intensity (by length of expressway <sup>11</sup> )	MWh/km	N/A	N/A	N/A	N/A	N/A	N/A	33	37
Indirect energy	Purchased electricity	MWh	25,692	25,403	12,726	13,057	7,993	N/A	46,411	38,460
	Intensity (by length of expressway <sup>11</sup> )	MWh/km	N/A	N/A	N/A	N/A	N/A	N/A	180	174
Total energy consumption	MWh	30,201	30,102	16,143	16,586	8,505	N/A	54,849	46,688	
Intensity (by length of expressway <sup>11</sup> )	MWh/km	N/A	N/A	N/A	N/A	N/A	N/A	213	211	
<b>Water</b>										
Total water consumption	cubic metre		325,875	331,205	164,612	170,305	120,450	N/A	610,937	501,510
Intensity (by length of expressway <sup>11</sup> )	cubic metre/km		N/A	N/A	N/A	N/A	N/A	N/A	2,371	2,272

<sup>7</sup> The Coastal Expressway (Shenzhen Section) is not included in the Reporting Scope in 2022.

<sup>8</sup> The calculation scope of this air pollutant emission includes the use in the combustion of natural gas and liquefied petroleum gas and the fuel use of automobiles of the Coastal Company and two joint ventures. The calculation method of natural gas and liquefied petroleum gas combustion emissions and related emission coefficients refer to the *Coefficient Manual of the First National Census on Pollution Sources for the Pollutant Generation and Discharge from Urban Living* issued by the Ministry of Ecology and Environment of the PRC. Since 2021, the emission factor of natural gas used for calculation is 2 (sulphur content of 100mg/m<sup>3</sup>). The calculation method of automobile emissions and related emission coefficients refer to the *Technical Guide for the Preparation of Air Pollutant Emission List for Road Vehicles (Trial)*.

<sup>9</sup> The calculation scope of this greenhouse gas emission (Scope 1) includes the use in the combustion of natural gas and liquefied petroleum gas and the fuel use of automobiles of the Coastal Company and two joint ventures. The calculation method of natural gas and liquefied petroleum gas combustion emissions and related emission coefficients refer to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC. The calculation method of automobile emissions and related emission coefficients refer to the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Land Transportation Enterprises (Trial)* issued by the National Development and Reform Commission of the PRC.

<sup>10</sup> The calculation scope of this greenhouse gas emission (Scope 2) includes the indirect emission caused in the production process by the purchased electricity in Mainland China. The calculation method and related emission coefficients of greenhouse gas emissions from electricity usage in Mainland China refer to the Notice on the Management of Greenhouse Gas Emissions Reporting by Power Generation Enterprises from 2023–2035 issued by the Ministry of Ecology and Environment of the PRC (the calculation factor adopts the 2022 National Grid Average Emission Factor).

<sup>11</sup> The total length of expressways in 2023 is 257.7 kilometers (including the GS Superhighway, the GZ West Superhighway and the Coastal Expressway (Shenzhen Section)) (2022: 220.7 kilometers (including the GS Superhighway and the GZ West Superhighway)).

<sup>12</sup> The conversion standard of energy consumption and intensity is referenced from the *Guidelines for Accounting and Reporting Greenhouse Gas Emissions from Other Industrial Enterprises (Trial)*.

## Social Performance

Performance Indicators	Unit	GS JV	GZ West JV	Coastal Expressway (Shenzhen Section)	Bay Area Development	Total
<b>Employment</b>						
<b>Total workforce</b>	Person	1,901	1,118	434	65	3,518
<b>By gender</b>						
Male	Person (%)	1,231 (64.8)	661 (59.1)	277 (63.8)	33 (50.8)	2,202 (62.6)
Female	Person (%)	670 (35.2)	457 (40.9)	157 (36.2)	32 (49.2)	1,316 (37.4)
<b>By employment type</b>						
Full-time	Person (%)	1,901 (100.0)	1,118 (100.0)	434 (100.0)	65 (100.0)	3,518 (100.0)
Part-time	Person (%)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)
<b>By age group</b>						
Below 30	Person (%)	765 (40.3)	589 (52.7)	370 (85.3)	14 (21.5)	1,738 (49.4)
30–50	Person (%)	915 (48.1)	464 (41.5)	53 (12.2)	42 (64.6)	1,474 (41.9)
Above 50	Person (%)	221 (11.6)	65 (5.8)	11 (2.5)	9 (13.8)	306 (8.7)
<b>By geographical region</b>						
Mainland China	Person (%)	1,901 (100.0)	1,118 (100.0)	434 (100.0)	46 (70.8)	3,499 (99.5)
Hong Kong	Person (%)	0 (0)	0 (0)	0 (0)	19 (29.2)	19 (0.5)
<b>Total employee turnover (rate)<sup>13</sup></b>	Person (%)	173 (9.1)	103 (9.2)	91 (21.0)	6 (9.2)	373 (10.6)
<b>Breakdown of total number and percentage of employee turnover<sup>14</sup></b>						
<b>By gender</b>						
Male	Person (%)	108 (5.7)	59 (5.3)	54 (12.4)	1 (1.5)	222 (6.3)
Female	Person (%)	65 (3.4)	44 (3.9)	37 (8.5)	5 (7.7)	151 (4.3)
<b>By age group</b>						
Below 30	Person (%)	109 (5.7)	77 (6.9)	90 (20.7)	0 (0)	276 (7.8)
30–50	Person (%)	37 (1.9)	20 (1.8)	1 (0.2)	5 (7.7)	64 (1.8)
Above 50	Person (%)	27 (1.4)	6 (0.5)	0 (0)	1 (1.5)	33 (1.0)
<b>By geographical region</b>						
Mainland China	Person (%)	173 (9.1)	103 (9.2)	91 (21.0)	2 (3.1)	369 (10.5)
Hong Kong	Person (%)	0 (0)	0 (0)	0 (0)	4 (6.2)	4 (0.1)
<b>Health and Safety</b>						
<b>Number and rate of work-related fatalities</b>	Person (%)	0 (0)	0 (0.00)	0 (0)	0 (0)	0 (0.0)
<b>Number and rate of work-related injury per 100 employees<sup>15</sup></b>	Person (%)	3 (0.16)	1 (0.09)	0 (0)	0 (0)	4 (0.11)
<b>Lost days due to work injury</b>	Day	125 <sup>16</sup>	43	0	0	168
<b>Development and Training</b>						
<b>Total number and percentage of employees trained<sup>17</sup></b>	Person (%)	936 (49.2)	401 (35.9)	415 (95.6)	65 (100.0)	1,817 (51.6)
<b>Breakdown for total number and percentage of employees trained<sup>18</sup></b>						
<b>By gender</b>						
Male	Person (%)	633 (67.6)	243 (60.6)	259 (62.4)	33 (50.8)	1,168 (64.3)
Female	Person (%)	303 (32.4)	158 (39.4)	156 (37.6)	32 (49.2)	649 (35.7)
<b>By employee category</b>						
Senior management	Person (%)	11 (1.2)	6 (1.5)	N/A	8 (12.3)	25 (1.4)
Middle management	Person (%)	19 (2.0)	97 (24.2)	1 (0.2)	18 (27.7)	135 (7.4)
General staff	Person (%)	906 (96.8)	298 (74.3)	414 (99.8)	39 (60.0)	1,657 (91.2)
<b>Average training hours completed per employee<sup>19</sup></b>						
<b>By gender</b>						
Male	Hour	19.85	20.92	5.91	10.67	18.28
Female	Hour	15.84	14.46	6.15	13.69	14.15
<b>By employee category</b>						
Senior management	Hour	48.00	73.00	N/A	10.25	42.37
Middle management	Hour	35.59	97.19	4.00	8.89	73.75
General staff	Hour	17.96	10.16	6.00	14.05	14.00
<b>Product Responsibility</b>						
<b>Number of customer complaints</b>	Case	562	90	248	N/A	900
<b>Customer complaint rate</b>	%	0.00024	0.00009	0.00036	N/A	0.00023

<sup>13</sup> The employee turnover rate is calculated by dividing the total number of employees who left the company voluntarily or because of dismissal, retirement or work-related fatality by the total workforce during the Year.

<sup>14</sup> The breakdown for the percentage of employee turnover is calculated by dividing the number of employees in that category by the total number of employees in the Year.

<sup>15</sup> The number of work-related fatalities is not included in the calculation of the rate of work-related injury per 100 employees.

<sup>16</sup> The lost days due to work injury for one of the employees of the GS JV spans from 2022 to the Year.

<sup>17</sup> The percentage of employees trained is calculated by dividing the total number of employees trained by the total workforce.

<sup>18</sup> The breakdown for the percentage of employees trained is calculated by dividing the number of employees trained in the specified category by the total number of employees trained.

<sup>19</sup> The average training hours completed per employee is calculated by dividing the total number of training hours for employees in the specified category by the number of employees in the specified category.

## APPENDIX: REPORT CONTENT INDEX

<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>Mandatory Disclosure</b>		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board's oversight of ESG issues. (ii) the Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses). (iii) how the Board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	8
Reporting Principles	A description of, or an explanation on, the application of the reporting principles in the preparation of the ESG report.	2
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	2
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	22–23, 32
KPI A1.1	The types of emissions and respective emissions data.	22–23, 34
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	22, 34
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	As hazardous waste generated by the Group during the Reporting Period was not a critical matter for the Group's operations, we did not make quantitative statistics on such waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	23, 34
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	22–23
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	23
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	24, 32
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	24, 34
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	24, 34
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	24–27
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	The Group's water is all from the municipal water supply network, so it has not encountered any problems in obtaining applicable water resources;
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	As the Group's business does not involve the production of products, this does not apply to the Group
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	24, 27, 32
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	24–27
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	27, 32
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.	25–27, 32

<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	17–19, 32
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	35
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	35
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	19–20, 32
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	19, 35
KPI B2.2	Lost days due to work injury.	35
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	19–20
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	21, 32
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	35
KPI B3.2	The average training hours completed per employee by gender and employee category.	35
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	17, 33
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	17, 33
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	17
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	12, 33
KPI B5.1	Number of suppliers by geographical region.	12
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	12
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	12
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	12
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	13–16, 33
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group's business does not involve the production of products, this does not apply to the Group
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	15, 35
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	As the Group's business does not involve IP-related modules, this does not apply to the Group
KPI B6.4	Description of quality assurance process and recall procedures.	As the Group's business does not involve the production of products, this does not apply to the Group
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	16

<b>General disclosure and key performance indicator</b>	<b>Description</b>	<b>Page number or other description</b>
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	11, 33
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.	33
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	11
KPI B7.3	Description of anti-corruption training provided to directors and staff.	11
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	28-31, 33
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	28-31
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	28-31

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

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

**2023 ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT**

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