



# 齐鲁高速公路股份有限公司

## QILU EXPRESSWAY COMPANY LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 1576



# 2024

Environmental, Social and  
Governance Report

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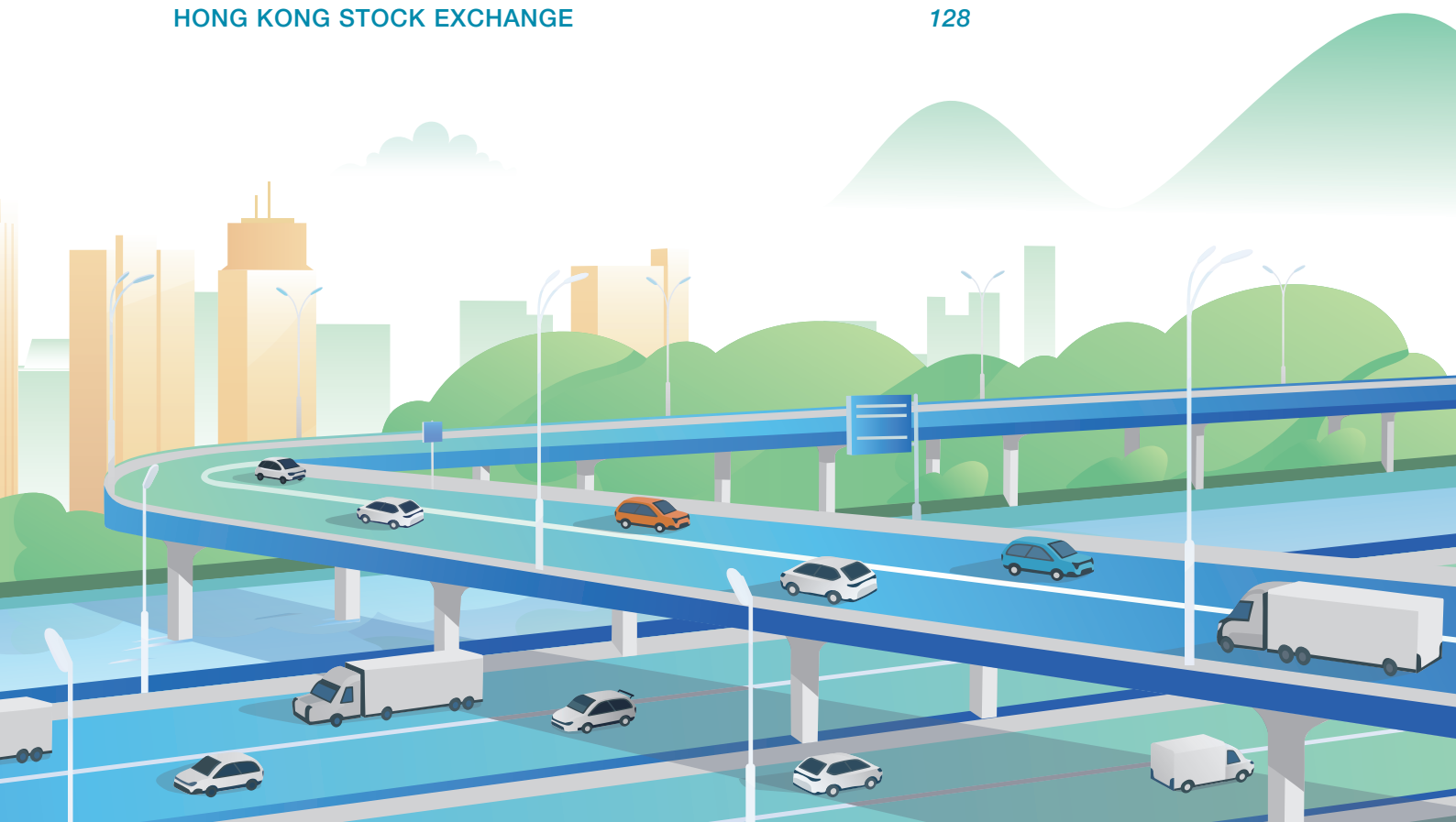
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## ABOUT THIS REPORT

This report is the seventh Environmental, Social and Governance (“ESG”) report issued by Qilu Expressway Company Limited and its subsidiaries. This report mainly reports to all groups of stakeholders in general on the Company’s specific actions and effectiveness in realizing the concept of sustainable development and active fulfillment of our corporate social responsibilities.

### REPORTING STANDARDS

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix C2 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This report has complied with all “mandatory disclosure requirements” and “comply or explain” provisions in the Guide, and the contents are in line with the reporting principles of “materiality”, “quantitative”, “balance” and “consistency” in the Guide. Readers may refer to the Appendix: Index of the Environmental, Social and Governance Reporting Guide of the Stock Exchange in this report for quick reference.

MATERIALITY	We have identified and disclosed the process and criteria of material ESG issues in the report. During the Year, we have conducted materiality assessment, the management has confirmed the findings of materiality assessment, and the result of participation by the stakeholders is disclosed in the ESG report.
QUANTITATIVE	The Company has disclosed the statistical criteria, methods, calculation tools and sources of conversion factors for all applicable data in this report.
BALANCE	This report provides an unbiased picture of the Company’s performance during the Reporting Period to avoid selections, omissions or presentation formats that may inappropriately influence the decision or judgement made by its readers.
CONSISTENCY	Unless otherwise specified, the statistical methods and standards for the data disclosed in this report are consistent with those used in previous years. If there are any changes that may affect the comparison with previous reports, we will make clear explanations.

### REPORTING SCOPE

This report sets out the results and performance in connection with sustainable development of the businesses directly controlled by the Company during the period from 1 January 2024 to 31 December 2024 (the “Year” or the “Reporting Period”).



## ABOUT THIS REPORT

The environmental data disclosed in this report covers those that have been gathered from Qilu Expressway Company Limited (齊魯高速公路股份有限公司), Jihe Operation and Management Centre (濟荷運管中心), Deshen Operation and Management Centre (德莘運管中心), R&E Project Office (改擴建項目辦), Shandong Shunguang Industrial Development Company Limited (山東舜廣實業發展有限公司), Qilu Expressway (Hong Kong) Company Limited (齊魯高速(香港)有限公司), Shandong Gangtong Construction Co., Ltd. (山東港通建設有限公司), Qilu Expressway (Shandong) Assembly Co., Ltd (齊魯高速(山東)裝配有限公司) and Qilu Expressway (Shandong) Investment Management Co., Ltd. (齊魯高速(山東)投資管理有限公司) and Jinan Xinyue New Road Material Research and Development Company Limited (濟南鑫岳新型道路材料研發有限公司), a non-wholly owned subsidiary of Shandong Gangtong Construction Co., Ltd. In this report, “Qilu Expressway Company Limited” (齊魯高速公路股份有限公司) is referred to as “Qilu Expressway”, “the Company” and “we”, “Shandong Shunguang Industrial Development Company Limited” (山東舜廣實業發展有限公司) as “Shunguang Company” and “Shunguang”, “Shandong Gangtong Construction Co., Ltd.” (山東港通建設有限公司) as “Gangtong Company” and “Gangtong”, “Jinan Xinyue New Road Material Research and Development Company Limited” as “Xinyue”, “Qilu Expressway (Shandong) Assembly Co., Ltd” (齊魯高速(山東)裝配有限公司) as “Assembly Company”, and Qilu Expressway (Shandong) Investment Management Co., Ltd. as “Investment Company”. For details of the Company’s corporate governance, please refer to the Corporate Governance Report section of this annual report.

### DATA SOURCES AND RELIABILITY STATEMENTS

The data cited in this report are obtained from the Company’s official documents, detailed statistical reports and audited financial reports, which have been reviewed by the Company’s internal strict review process. Meanwhile, all the cases mentioned in this report are based on the Company’s internal documents, statistical data and authoritative information available to the public. The Board and all Directors of the Company undertake that the contents of this report is absolutely authentic and reliable, without any false representations, misleading statements or material omissions, and are responsible for the authenticity, accuracy and completeness of its contents.

### REPORTING LANGUAGE

This report is published electronically in both Chinese and English. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

### APPROVAL OF THE REPORT

This report has undergone internal review process and was approved by the Board on 26 March 2025.

### REPORT PUBLICATION AND FEEDBACK

The electronic version of the ESG Report is published on the HKEXnews website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) which aims to provide a convenient and fast channel for reading by readers in general.

If you have any enquiries or suggestions on our ESG report or the Company’s ESG relevant matters, you are welcome to visit our official website, we are glad to liaise with you and answer your questions.

Website: <http://www.qlecl.com/>

## ABOUT QILU EXPRESSWAY

As a subsidiary of Shandong Hi-Speed Group Company Limited, Qilu Expressway Company Limited is a listed company in Hong Kong. We are mainly responsible for the construction, maintenance, management and road operation of Jihe Expressway (G35), the Deshang Expressway (G0321) and Shennan Expressway (S28), amounting to a combined length of 240.8 kilometers, and are engaged in related diversified businesses along the upstream and downstream industrial chain of expressways. The headquarters of the Company have 10 functional management departments, overseeing two operation centers of Jihe and Deshen, as well as 6 subsidiaries including Shandong Shunguang Industrial Development Company Limited (山東舜廣實業發展有限公司), Qilu Expressway (Hong Kong) Company Limited (齊魯高速(香港)有限公司), Qilu Expressway (Shandong) Assembly Co., Ltd (齊魯高速(山東)裝配有限公司), Shandong Gangtong Construction Co., Ltd. (山東港通建設有限公司), Qilu Expressway (Shandong) Investment Management Company Limited (齊魯高速(山東)投資管理有限公司) and Qilu Expressway (Shandong) Energy Technology Company Limited (齊魯高速(山東)能源科技有限公司). Shandong Gangtong Construction Co., Ltd. (山東港通建設有限公司) oversees the non-wholly owned subsidiary Jinan Xinyue New Road Material Research and Development Company Limited (濟南鑫岳新型道路材料研發有限公司).

During the “14<sup>th</sup> Five-Year Plan” period, the Company is based on the corporate mission of “Smart Mobility for a Bright Future”, actively seizes the development opportunities of building a modern and powerful province in the new era, deeply integrates into the development strategy of “One Body, Two Wings and Three Drives” of Shandong Hi-Speed Group, and focuses on the Company’s new transformation and development strategy of “leading by the main business, combining industry and finance, and dual-wheel drive”. On the basis of continuously expanding, strengthening and optimizing the principal business of expressway operation, it cultivates new models, opens up new tracks, and gradually builds a new development pattern of “dual-wheel drive” of industrial operation and capital operation, striding towards the vision and goal of “becoming a first-class integrated expressway service provider”.

### 2004

Shandong Jihe Expressway Company Limited, the predecessor of the Company, was registered with the Shandong Administration for Industry and Commerce and was owned by Shandong Luneng Infrastructural Engineering Investment Company Limited\* (山東魯能基礎工程投資有限公司) and Highway Bureau, Department of Transport of Shandong Province. At the end of the year, the construction of Jihe Expressway was fully commenced

### 2007

Jihe Expressway was fully completed and commissioned, and we won the First Class Honour of Major Provincial Transportation Project Accomplishment for the year

### 2009

Through the CIS project, we finally formed an “Inclusive Culture (和文化)” system with “integration, intelligence and cohesion (融心匯智凝和共濟)” as its core value

### 2011

The Company was awarded the title of Leading Unit in Creating Civilised Industry under the Eleventh Five-year Plan, and COSCO Shipping made investment in Jihe Expressway

### 2012

The Company was awarded the title of Outstanding Team of Provincial Expressway Maintenance and Management Works under the Eleventh Five-year Plan

### 2016

The Company achieved full coverage of ETC. The company was renamed as Qilu Expressway Company Limited (齊魯高速公路股份有限公司) in December

### 2015

The Company was awarded the Outstanding Unit under National Trunk Highway Maintenance and Management under the Twelfth Five-Year Plan and the Model Team of National Highway Transportation System. In the year, the shareholding of Shandong Highway Bureau was transferred to Qilu Transportation Group

### 2014

The Company’s “Inclusive Culture” was awarded as the Top Ten Civilised Brand of Highway Systems in Shandong Province

### 2018

Qilu Expressway Company Limited was listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 01576). Became the first overseas (Hong Kong) listed company in the expressway sector of Shandong Province

### 2020

The Company acquired Deshang Expressway and Shennan Expressway. In September, became the holding subsidiary of Shandong Hi-Speed Group

### 2022

We have established a transformative development strategy guided by the principles of strategic approach of “leading by principal business and industry-finance integration and two-wheel drive (主業引領、產融結合、雙輪驅動)” to promote the high-quality transformation and development of the Company

### 2023

We launched the “Smart Beauty of Qilu” corporate culture system as we strived to become a leading integrated expressway service provider in the industry

### 2024

The reconstruction and expansion project of Jihe Expressway was completed and Jihe Expressway became the first zero-carbon reconstructed and expanded expressway in China

## ABOUT QILU EXPRESSWAY

### AWARDS AND HONOURS

The Group is committed to promoting business quality improvement while unswervingly practicing the concept of sustainable development, striving to achieve coordinated development in multiple dimensions, so as to ensure the long-term success of the enterprise and the mutual growth of social benefits. During the Year, the awards and honours we received are as follows:

Awards/Honours	Awarding Institution
The reconstruction and expansion project of Jihe Expressway was selected as one of the top ten major energy conservation projects in Shandong Province in 2024	9 provincial departments, including Shandong Development and Reform Commission, Department of Industry and Information Technology of Shandong Province, and Shandong Provincial Department of Transportation
AA+ corporate credit rating	China Chengxin International Credit Rating Co., Ltd.
Corporate Governance Special Contribution Award at the 19 <sup>th</sup> Golden Roundtable Award for Board of Directors of Listed Companies in China	The “Board of Directors” magazine
The reconstruction and expansion project of Jihe Expressway won the “Group Third Prize” in 2024 Shandong Transportation Industry Quality Management Engineering and Technical Personnel Vocational Skills Competition	Shandong Provincial Department of Transportation, Working Committee of Shandong Provincial Party Committee and Provincial Organs, Shandong Provincial Department of Human Resources and Social Security, Shandong Provincial Federation of Trade Unions and Shandong Provincial Party Committee of the Communist Youth League
The Company won the “Group Third Prize” and the “Excellent Organization Award” in 2024 Shandong Transportation Industry Highway Toll and Monitor Vocational Skills Competition and two employees won the “Third Prize for Individuals”	
“Excellent Organization Award” in 2024 Shandong Transportation Industry Highway Maintenance Engineering and Technical Personnel Vocational Skills Competition	
Qilu Expressway Smart Transportation Industrial Base was selected into the list of major projects in Shandong Province in 2024	People’s Government of Shandong Province
Outstanding ESG Award: Gold Award for Listed Companies	Institute of Environmental, Social and Governance Benchmarking Institute (IESGB)
2023 Environmental, Social and Governance (ESG) Report won the honour of “2023 Transportation Corporate Social Responsibility (ESG) Excellence Report”	China Transportation Enterprise Management Association
The case “Qilu Expressway Creates a Low-carbon Smart Road” was rated as an “Outstanding Case” by China Transportation Enterprise Management Association	
“Expressway Code Scanning Alarm” was rated as a typical case of data innovation application scenarios and infrastructure digital transformation and upgrading in Shandong transportation industry in 2024	Shandong Provincial Department of Transportation

## ABOUT QILU EXPRESSWAY

Awards/Honours	Awarding Institution
“Qilu Expressway Intelligent Digital Operation Platform” won the second prize in the 2 <sup>nd</sup> Shandong Province Digital Transformation and Innovation Application Competition	Department of Industry and Information Technology of Shandong Province, Working Committee of CPC Shandong Provincial Party Committee and Provincial Organs, Shandong Provincial Federation of Trade Unions, and Shandong Provincial Department of Human Resources and Social Security
2024 Star of Future Materials Industry Listed Companies	Organizing Committee of the Industrial Development Forum for Listed Companies in China
The work “Three Specifics” to Create an Efficient Emergency Plan won the Silver Award and Best Course Design Award at the finals of the 2024 AACTP China Trainers Competition	American Association for the Certification of Training Program (AACTP)
Third prize in the 2024 Safety Science Popularization Works Collection Campaign of the Department of Emergency Management of Shandong Province	Department of Emergency Management of Shandong Province
Assembly Company was accredited as a National “High-tech Enterprise”	Department of Science & Technology of Shandong Province, Shandong Provincial Department of Finance, Shandong Provincial Tax Service, State Taxation Administration
The “Rose Ladies Squadron” was awarded the title of “Shandong Transportation Industry May 1st Ladies Model Post”	Shandong Provincial Transportation Trade Union Committee
The Qilu Expressway Volunteer Service Team was awarded the honorary title of “Outstanding Team of Voluntary Blood Donation Service” and a number of employees were awarded the title of “Advanced Volunteer of Voluntary Blood Donation Service”	Shandong Province Blood Center
Pingyin Toll Station “Heart Power” Volunteer Service Team won the honorary title of Outstanding Team of Jinan Youth Volunteer Service	Jinan Municipal Committee of the Communist Youth League
Pingyin Toll Station won the honorary title of “2024 Advanced Unit of Fire Protection Promotion”	Pingyin County Fire Rescue Brigade
Shunguang Industry was awarded the titles of “2023 Grade A Supplier”, “2023 Excellent Cooperation Unit”, “Excellent Cooperation Unit” and “Quality Cooperation Partner”	Supply chain partners
Pingyin toll station staff bookstore was acclaimed as “Convenient Reading Site for Employees Recommended by All-China Federation of Trade Unions”	All-China Federation of Trade Unions

## ABOUT QILU EXPRESSWAY

### OUR MISSION AND VISION

#### Smart Mobility

In the era of Internet of Everything, scientific and technological advancements are rapidly progressing, with smart transportation taking the lead in shaping the future. We will dedicate ourselves to devising smart expressway strategies, nurturing skilled professionals, and continuously enhancing the quality and technical expertise of our expressway operation services. Through scientific and technological innovation, our aim is to revolutionize public travel by enabling smart mobility, embracing new ways of transportation.

#### A Brighter Future

We stay updated with current trends, striving for both economic efficiency and sustainable development. Our ongoing goal is to enhance the sense of accomplishment among our staff, generate returns for shareholders, and contribute value to the community. Moreover, we are committed to improving accessibility, happiness, and security for the public. By connecting beautiful cities, villages, and natural environments, our services empower individuals to live a better life and share a better future.

#### First-class Level

Our strategic objective is to attain a top-tier position. In the era of new strategies, we will persistently enhance the operational efficiency and social benefits of the Company. We will focus on improving decision-making and management efficiency, aiming to establish a first-class standard in management practices, capital utilization, scientific and technological innovation, service quality, and talent development. Simultaneously, we will make every endeavor to ensure that our level of efficiency, branding, modernization, and international presence becomes industry-leading.

#### Integrated Expressway Service Provider

In the new phase, our strategic objective is to concentrate on our core expressway business while moderately diversifying our investments and expanding our operations. We aim to transform and upgrade from a toll collection focused entity to a smart high-speed integrated service provider, incorporating the “road-vehicle-people-network” concept. By actively fulfilling our social responsibility, we have earned widespread respect within society. With a long-term vision, collective unity and diligent efforts, we are committed to facilitating the high-quality development of the Company.

## ABOUT QILU EXPRESSWAY

### OUR DEVELOPMENT PRINCIPLES



Following the development principles of “prioritizing expressway as the foundation, utilizing capital as a tool, and emphasizing service as the priority,” the Company will explore new avenues, foster innovative models, and establish a fresh development pattern driven by both industrial and capital operation.

#### Expressway as the foundation

Expressway operation has consistently served as the cornerstone of Qilu Expressway’s primary business. In the new strategic phase, our focus must revolve around the emerging dynamics of expressway development as the central direction. Horizontally, we aim to expand with careful precision, cultivating new avenues for growth. Vertically, we will extend along the industrial chain in a measured manner, while prudently pursuing diversified business development.

Leveraging the capital platform function of our listing, we consider capital as an accelerator. We will facilitate the symbiotic relationship between industrial development and capital financing, fortifying our investment and financing capabilities to effectively drive capital operations.

#### Capital as a tool

#### Service as the priority

The essence of expressway operation lies in the quality of service. In the era of smart expressways, longterm, high-quality operations and management services are paramount. Our objective is to strike a harmonious balance between people, vehicles and roads, providing the public with sincere customer service. We aim to build an emotional exchange platform with our customers, fostering warm and genuine interactions to enhance the relationship between the Company and society. With utmost dedication, we will strive to establish Qilu Expressway as a renowned brand synonymous with top-notch service quality.

## ABOUT QILU EXPRESSWAY

### OUR ESG STRATEGY

#### Qilu Expressway striving for smart landscape in the future



Qilu Expressway aims to provide a seamless, secure, comfortable and harmonious experience on smart expressways. Our commitment to sustainable development goes hand in hand with our pursuit of high-quality progress. With a focus on cleanliness, environmental protection, vitality and safety, Qilu Expressway steadfastly upholds the principles of green development. We strive to foster a new pattern of harmonious development among enterprises, individuals and nature. Furthermore, Qilu Expressway embraces vitality and solidarity, seeking to make positive contributions to society with an open and inclusive mindset and a spirit of innovation. We prioritize sustainable development and adopt ESG strategies. Across different aspects, including the environment, talent, community and operations, we incorporate ESG concepts and practices. Our aim is to embed the concept of sustainable development deeply within our business processes, address the materiality concerns of various stakeholders, and make enduring contributions to both the industry and society.



## ABOUT QILU EXPRESSWAY

### CORE HIGHLIGHTS OF PERFORMANCE AND ACHIEVEMENTS

In 2024, we were invigorated with high spirits and worked diligently with dedication.

Completion of the first perfect expressway in China: The Jihe Expressway was officially built to be the first zero-carbon expressway in China through reconstruction and expansion, and such reconstruction and expansion project was successfully elected as one of the top 10 energy-saving projects in key areas of the province.



Transformation and upgrading, expansion and enhancement in capacity: The Smart Transportation Industrial Park Phase I project was in stable production and the construction of Phase II project has started, achieving new results under “two-wheel drive”. The wind power hybrid tower project was successfully implemented, moving a steadfast step forward in seizing the new tracks of “transportation + new energy” and “transportation + new materials”.





## ABOUT QILU EXPRESSWAY

Driven by innovation and emergence of new quality: We accelerated the implementation and application of the innovation achievements in expressway operation. The assembly company cooperated with Inspur Intelligence to establish an innovation center for assembly and smart production, and a base for green smart transportation industry was constructed. The “cloud-based toll” upgrading for all toll stations along the entire Jihe Expressway was completed, with the traffic efficiency increasing by approximately 30%.

The province’s first self-developed “code scanning alert system for expressways” was successfully applied, enabling one-key for alert, rescue and precise positioning. Jihe digital smart operation management platform was launched simultaneously to achieve precise management of facilities. Qilu Expressway (Shandong) Assembly Co., Ltd. was accredited as a national-level “High-tech Enterprise”.



## ABOUT QILU EXPRESSWAY

Laying a solid foundation for safe development: The Qilu Expressway Safety Experience Base has been completed and commence operation, and the corporate foundation for steady and long-term high-quality development has become more solid.



Cohesion of hearts and efforts promotes harmony and prosperity: “Forging ahead with Unity, Happiness and Harmony” rolled out a new scroll of painting for corporate construction. The Rose Ladies Squadron of Pingyin Toll Station was awarded the title of “Shandong Transportation Industry May 1<sup>st</sup> Ladies Model Post”, and the Jihe Transportation Management Center was awarded the title of “Provincial Outstanding Group for Blood Donation Volunteer Service”.



## CHAIRMAN'S STATEMENT

In 2024, we started with our original aspirations and achieved success with our craftsmanship. We actively participated in building a strong country and a strong province of transportation in the new era and constructing a pilot zone for green, low-carbon and high-quality development in Shandong. We made great efforts around strategic transformation and upgrading, accelerated development, optimized our business layout and development path comprehensively, and accelerated our progress towards the high-quality development goals of “better disposition, higher face value and greater vitality”. We strive to build a “four new” state-owned enterprise with “new development methods, new corporate governance, new operating mechanism and new layout structure”, denoting the solid steps of Qilu Expressway in deepening transformation and upgrading, and demonstrating Qilu Expressway’s dedication to undertake the mission of creating value for society, shareholders and employees.

This Year, we performed prominently by prioritizing the accelerated construction of key projects and reaped a gainful harvest in the full completion of the Jihe Expressway reconstruction and expansion project for opening up to traffic. We embrace green and low-carbon construction and strive to create a “new model” of zero-carbon expressway. In the course of actualizing the project, we strictly implement ecological and environmental protection measures, promote new technologies and new materials for energy conservation and emission reduction to reduce carbon emissions and optimize utilization efficiency of resources. Also, we continue to make significant breakthroughs in green and low-carbon development, digital intelligence applications, technological innovation and cost reduction and efficiency enhancement. Notably, after authoritative certification by professional institutions under the Ministry of Transport, our project has been officially recognized as the “first reconstructed and expanded zero-carbon expressway in the country (全國首條改擴建零碳高速公路)”. It has also been selected as one of the top ten projects for energy conservation in key fields of the province for 2024, significantly enhancing the Company's green and low-carbon development quality and efficiency. Through a series of measures such as ecological conservation of slopes and noise prevention, we strive to reduce the impact on the ecological environment along the route and achieve the goals of sustainable development. We have successfully delivered this major transportation infrastructure construction project of the province after more than three years of preliminary and construction works.

During the Year, we focused our efforts in quality and efficient development to build a modern transportation industry system, and efficiently applied the province’s first “expressway code scanning alarm system”, which has realized the intelligence and convenience of the alerting process, provided strong protection of safe travel for the public. New models of smart transportation were actively explored to optimize expressway management and service experience. We have performed mining in the Qinglongshan I Mine on full scale with annual output of 1.8 million tonnes. The two directions of “green mine construction” and “geological environment governance of mines” in mining operations were upheld. We adopted the comprehensive and advanced construction plan of “functional zoning + supporting facilities + fixed-location management + greening of mining area + digital support”, continuously increased our investment in safety, environmental protection and scientific and technological research and development to build a modern first-class mine to ensure that both economic and environmental benefits will be achieved in a win-win situation.



## CHAIRMAN'S STATEMENT

This Year, we pursued our goals and worked hard to create a new scroll of first class high-quality development. The successful implementation of the wind power hybrid tower project marked an important step for us to closely follow the policy and market orientation, coordinate the layout of green industries, and expand the application market of new products, adding momentum to our deepening green and low-carbon transformation. With the start of construction of the second phase of the Smart Transportation Industrial Park project, the assembly company will anchor the construction goal of “a first-class domestic green and smart transportation industry base”, adhere to digital intelligence empowerment, innovation drive and new quality leadership, and start to develop and produce high-quality, high-performance, green and environmental friendly prefabricated building products to help achieve the “dual carbon” goals.

During the Year, we committed to our original aspirations, caring about doing our best to protect the public's interest in good travel. We successfully completed the annual tasks of ensuring smooth traffic flow. Innovative models and technologies such as “Highway+ (高速+)”, “Toll Station+ (收費站+)”, cloud-based toll collection and the digital-intelligent operation and management platform have continuously driven upgrades in our principal businesses. We conducted multiple emergency drills, including traffic safety and smooth-flow assurance, snow and ice removal, flood prevention and electromechanical system maintenance, strengthening our teams' emergency response capabilities and improving coordination and cooperation among units for better smooth traffic emergency level. Additionally, we have pioneered the application of an automated high-slope monitoring system and a new intelligent traffic warning and guidance system, significantly enhancing safety alert capabilities and the intelligence level of traffic management, ensuring safer travel for all. The value-added services of “Expressway + Tourism” were deepened and optimized. Drivers and passengers can enjoy a number of value-added services such as scenic spot tourism, hotel accommodation, refueling and car maintenance, insurance and rescue with toll invoices; we have visited major customers such as large logistics companies and established personalized service contact mechanisms. The “Expressway +” model of “integrating transportation and tourism” achieved a win-win situation for all parties and were reported by the website of the National Ministry of Culture and Tourism and many provincial mainstream media. During the Year, we facilitate tourists to fully understand and enjoy the benefits brought by these value-added service projects, supporting the tourists in enjoying the “Rose Culture Festival”.

This Year, we have achieved significant progress, with our brand influence reaching new heights. Major events, happy events and important events, such as the completion and opening of key projects, the construction of the zero-carbon expressway (零碳高速) and our corporate transformation and upgrades, have generated widespread social attention. We successfully achieved full circulation of H Shares and received multiple industry awards for corporate governance and ESG management of listed companies, including the “Golden Roundtable Award (金圓桌獎)”. The Company maintained an overseas credit rating of Baa2 for three consecutive years and was rated as a high-level domestic AA+ credit rating among companies of the same size in the industry for the first time; the assembly company successfully passed the national “high-tech enterprise” certification, affirming the success of our transformation and development in the eyes of capital markets and investors. The Qilu Expressway Safety Experience Base was built with high standards, recognized as a “provincial leader and national benchmark (省內領先、國內一流)”. Throughout the year, the Company maintained stable operations with no business risks, major legal disputes, or workplace safety incidents, marking a new phase of advancement in corporate management and governance. The Company did not experience any business risks, major legal disputes or safety production incidents throughout the year. Corporate management and governance have entered a new phase of higher and more advanced development.

## CHAIRMAN'S STATEMENT

This Year, we have shown care, strengthened employee cohesion, expanded social solidarity and gathered collective efforts for development. We have solidly carried out integrity learning and education, integrating the study of Party discipline with transforming work styles, focusing on implementation and promoting development through coordinated planning. Special rectification measures such as “promoting reforms through case studies (以案促改)” and “relying on enterprises for personal gain (靠企吃企)” have been steadily advanced, resulting in a clearer political environment. The “Intelligent and Beautiful Qilu • Expressway Pioneer (智美齊魯•高速先鋒)” Party building brand cluster has gained momentum, with a series of innovative initiatives energizing the new energy of integration of Party and business work. Eight branches were awarded the Five-Star Party Branch designation. A wide range of union and mass organization activities, such as staff sports meeting, Women’s Day events, Mid-Autumn Festival reunions, visits and condolences and volunteer public welfare activities, have been organized. The Company has actively engaged with communities, fulfilling its corporate social responsibility as a state-owned enterprise and continuously fostering an entrepreneurship atmosphere of “strive for excellence and improve quality, a clear and positive environment and united effort (爭先創優、風清氣正、心齊勁足)”.

We start 2025 with confidence and our success depends on our determination. In the final year of the 14<sup>th</sup> Five-Year Plan period, it is a year of deepening industrial transformation and upgrading, and the deepening of incremental growth, our success will depend on our determination to overcome difficulties, and move towards the vision of becoming a “domestic first-class integrated expressway service provider” with core competitiveness by working diligently and moving forward courageously to reach new heights, change with innovation, perform financially and move towards green direction, and write a new chapter of higher-level, more efficient and more sustainable high-quality development on our new journey of achievements.

**Qilu Expressway Company Limited**

**Wang Zhenjiang**

*Chairman*

26 March 2025

# REINFORCING FOUNDATION TO FORGE AHEAD

Governance, as the solid cornerstone of an enterprise, plays a vital role in long-lasting and stable development. We attach great importance to strengthening the fundamental aspects of enterprise management, the process of which covers many aspects, from optimizing various rules and regulations and organizational structures to refining internal operating procedures, establishing mechanisms and strengthening risk prevention and internal control systems. We have been reinforcing these basic elements constantly to drive the enterprise towards a higher quality development stage.

## This chapter responds to ESG related material issues:

- Anti-corruption
- Sustainable operations
- Compliance with laws and regulations
- Business ethics
- Fair competition

## This chapter responds to SDG's goals in SDG: United Nation's Sustainable Development Goals



## I. REINFORCING FOUNDATION TO FORGE AHEAD

### 1. ESG GOVERNANCE

We are fully aware of the importance of incorporating ESG concepts into operational strategies and daily operations. We attach great importance to the impact of our business activities on environment and society, and actively pay attention to the rights and interests of all stakeholders. We are committed to infiltrating ESG principles into every detail of our business, aiming to drive the enterprise towards a sustainable future.

#### ○ 1.1 Board Statement

The Company fully recognizes the core role of the Board's leadership and participation in promoting sustainable development, and firmly integrates ESG concepts into business operations. Being the highest decision-making body of an enterprise, the Board undertakes the responsibility of formulating ESG strategies and ensuring the quality of relevant reports. Following the strict standards of the ESG reporting guidelines, the Board of Qilu Expressway plans the ESG strategic orientation of the Company, establishes long-term goals and business development plans, and supervises effective implementation by the senior management, and is fully responsible for optimizing and strengthening the governance structure of the Company.

The Company attaches great importance to the risks related to sustainable development and key ESG issues. During the Year, we conducted a materiality assessment. The Board closely monitored the dynamic updates of the database of ESG issues, rigorously prioritized the issues, and carefully evaluated the final results of their materiality. Under the guidance of the Board, the senior management undertook the mission of implementing the Company's strategies and business goals.

The Company places importance in particular on the performance of environmental protection and has included sustainable development issues such as environmental protection practices, green buildings, reduction of exhaust gas emissions, improving energy efficiency and climate change response strategies for core consideration. During the Year, the Board comprehensively reviewed the Company's ESG management policies, strategies, key issues and environmental goals, and has promised to continue tracking the progress of these goals in the future and formulate or update the relevant measures when necessary so as to drive the Company moving continuously towards higher-level sustainable development goals.

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## 1.2 ESG Management Structure

In order to implement ESG management tasks more effectively, the Company has improved its ESG management structure during the Year and focused on strengthening the functions and efficiency of the ESG Leadership Team. The ESG Leadership Team plays a core role in ESG management. Its responsibilities include implementing the Board's decisions and plans on ESG strategies, and comprehensively guiding and coordinating ESG activities within the Company. The Office of the ESG Leadership Team is the institution to execute the Company's ESG tasks. It is composed of ESG specialists from various affiliated units, departments at the headquarters and offices of reconstruction and expansion projects based on actual setup of the tasks. They are responsible for promoting and implementing daily ESG activities to ensure that various ESG tasks are effectively executed. The Board, the ESG Leadership Team and the Office of the ESG Leadership Team work closely together to promote the transparent disclosure of ESG information and ensure the smooth operation and continuous optimization of the Company's ESG management system. The Company's current ESG governance structure and specific responsibilities are as follows:

### Decision-making level: Board of Directors

- Lead the formulation of long-term ESG strategic direction and development goals, and promote their integration into business operations.
- Responsible for supervising the implementation of ESG strategy, optimizing corporate governance structure, and ensuring transparent and efficient decision-making.
- Ensure ESG disclosure compliance, participate in the assessment and confirmation of material issues.
- Carefully assess ESG risks and promote risk management work.
- Regularly review ESG strategies and progress of goals, and continuously optimize initiatives to achieve higher levels of sustainability.

### Management level: ESG Leadership Team

- Implement the decisions and deployments of the Board, formulate the Company's ESG management mechanism and work plans, improve the ESG management structure, and ensure that ESG compliance requirements are met.
- Coordinate management of the Company's ESG tasks, including improving management, tracking completion of goals, preparing ESG report and ESG information disclosure.
- Regularly identify the Company's ESG-related risks and determine the degree of ESG risks, and formulate management policies and plans for various ESG risks.
- Study and decide on other material issues in relation to the Company's ESG tasks.



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### Execution level: Office of the ESG Leadership Team

- Responsible for the development and implementation of daily ESG-related work, follow up the Company's ESG rating and progress of related goals, coordinate various units, departments at headquarters and offices of reconstruction and expansion projects to carry out ESG-related work.
- Formulate the Company's ESG work plans, collect the Company's daily and annual ESG data and conduct summary inspections, and organize the preparation of ESG reports.
- Carry out ESG information disclosure work, track enquiries, opinions and recommendation from relevant parties such as the Stock Exchange, analysts and investors.
- Report to the ESG Leadership Team on carrying out the Company's ESG management work and complete the relevant work assigned by the ESG Leadership Team.



### Case: Training on ESG Topics

On October 10, Qilu Expressway launched training on ESG topics. Nearly 100 directors, supervisors, senior executives, middle-level management staff and employees of the Company attended the training. The training invited industry experts to give professional lectures. They shared their professional knowledge and practical experience from the overview and development of ESG concepts, ESG disclosure requirements of the Hong Kong Stock Exchange, ESG management in enterprises and ESG rating, and provided advice on the feasibility of improving the quality and efficiency of ESG management in the Company. The training strengthened the understanding of the core values of ESG concepts among key employees and helped employees in acquiring rich knowledge on how to integrate ESG concepts into daily operations.



The Group has formulated a detailed Corporate Sustainable Development Policy 《企業可持續發展政策》, stating that the Group's sustainable development policy and environmental management system will cover all of the Group's businesses and services, such that the environmental management system and measures will be improved continuously, and well-defined sustainable development measures and mechanisms for supervision and review are proposed.


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### 1.3 Communication with Stakeholders

The Company is fully aware of the importance of maintaining close communication with all stakeholders. Therefore, we are committed to establishing a regular communication mechanism for listening to and responding to the expectations and needs of various stakeholders actively to ensure that their interests are adequately protected. Based on the characteristics of the Company's actual business operations, we have clearly identified the following major stakeholder groups, including shareholders and investors, government and regulatory bodies, employees, customers, the community and non-governmental organizations.

In order to build closer ties with these stakeholders, we have developed various communication channels and maintained continuous interactions. We expect to accept the opinions of our stakeholders as an important reference source in formulating the Company's ESG development direction, so as to continuously optimize the ESG management and decision-making process. To this end, we have adopted a variety of efficient methods, including but not limited to email exchanges, face-to-face communication, telephone communication, discussion at meetings, questionnaires, professional trainings, meetings with stakeholders and disclosure of corporate information, to ensure that we may timely receive and respond to the expectations and recommendations from all parties.




The following table sets out in detail the material issues of concern from various stakeholder groups during the Reporting Period:

Stakeholders	Communication channels	Frequency of communication during the Year	Concerns on ESG issues
 Shareholders/ investors	Fulfilling obligations for disclosing statutory information	Multiple times per year	Corporate governance regulations Steady performance growth Sustainability Low-carbon operations
	Organizing activities to exchange performance updates	Multiple times per year	
	Regularly publishing reports and results announcements	Multiple times per year	
	Responding to enquiries promptly through investor relations emails and other communications	Multiple times per year	

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Stakeholders	Communication channels	Frequency of communication during the Year	Concerns on ESG issues
 Customers	Making a commitment to service quality	Long term	Smooth road traffic Product quality stability Customer service and communication Protection of information and privacy
	Establishing a hotline for communication	Multiple times per year	
	Conducting surveys to measure customer satisfaction	Multiple times per year	
	Providing caring interactions such as relieving summer heat and providing warmth in winter	Multiple times per year	
 Employees	Establishing democratic committees at all levels	Long term	Safeguarding basic rights and interests Career development attainment Salary and welfare growth Diversity and equal opportunity Health and safety
	Convening meetings with employee representatives for reporting	Once per year	
	Facilitating various employee training programs and activities	Multiple times per year	
	Setting up a complaint and feedback mailbox	Long term	
 Partners	Conducting bidding meetings	Multiple times per year	Fair and transparent procurement Win-win cooperation Fair competition Business ethics
	Sharing management experience and technical standards	Multiple times per year	
	Engaging in negotiations and daily meetings for cooperation	Multiple times per year	
	Providing training sessions for partners	Multiple times per year	
	Holding daily meetings for business exchange	Multiple times per year	

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Stakeholders	Communication channels	Frequency of communication during the Year	Concerns on ESG issues
 Community	Initiating dialogue with local communities	Multiple times per year	Community investment Employment growth Public welfare and charity Boosting community economic development Respect for community culture and traditions
	Conducting visits and exchanges with the community	Multiple times per year	
	Carrying out social and environmental evaluations of projects	Multiple times per year	
	Promoting knowledge and dissemination and education	Multiple times per year	
	Improving the disclosure of information	Multiple times per year	
 Government and regulatory authorities	Sharing corporate experience	Multiple times per year	Promotion of harmonious economic and social development Leadership role of brand and technology Tax payment in accordance with the law Anti-corruption Technological innovation
	Paying attention to social feedback	Multiple times per year	
	Establishing strategic partnerships with government authorities	Multiple times per year	
	Participating in symposiums and forums	Multiple times per year	
 Non-government organizations	Sharing corporate experience	Multiple times per year	Energy saving and consumption reduction Improvement of sustainable management Fulfillment of social responsibilities, including poverty alleviation and environmental protection
	Engaging in relevant activities	Multiple times per year	
	Promoting business communication	Multiple times per year	

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### 1.4 Materiality Assessment

The Group conducts assessment on ESG materiality issues, communicates with key internal and external stakeholders on an annual basis and collects their feedback. During the Year, we implemented the following process to conduct in-depth analysis of the potential impacts of various issues on the stakeholders and prioritized them for confirmation by the Company's senior management and the ESG Leadership Team. The results are used as the basis for preparing this report.



#### Collection and identification of ESG issues

We consider various factors to identify ESG issues in accordance with the requirements of the ESG Reporting Guide, including compliance with national policies, referencing the materiality issue database of the Sustainability Accounting Standards Board (SASB) in the United States, analyzing industry trends in the expressway sector, conducting peer comparisons, aligning with the Company's future development plans, in tandem with prioritising the concerns of stakeholders.



#### Collection of feedback from stakeholders

Internal and external stakeholders were invited to participate in an online questionnaire survey to collect feedback on potential sustainability concerns.



#### Materiality assessment and prioritization of materiality

Based on the above analysis and feedback results, internal materiality assessment is conducted on identified issues and ranked them by priorities.



#### Confirmation of assessment results

Senior management and ESG Leadership Team of the Company review and confirm the assessment results.

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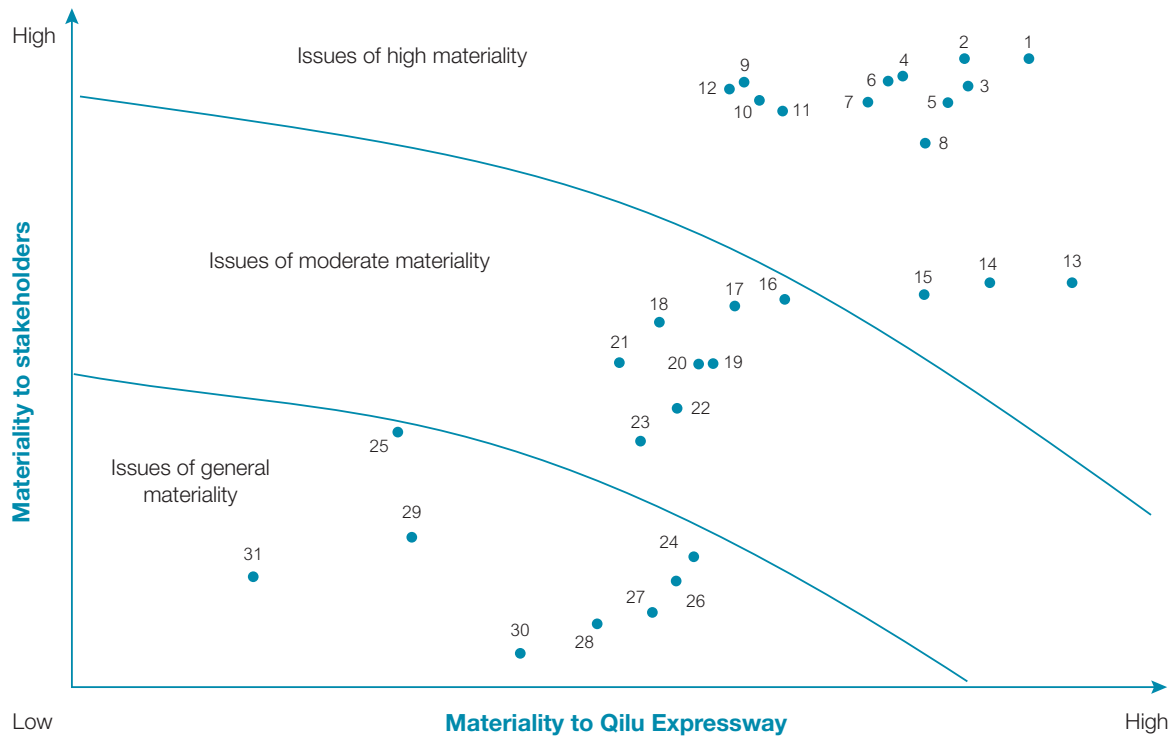
### 1.5 Results of Materiality Assessment

We identified material ESG issues and conducted materiality assessment with reference to the Guidelines of the Stock Exchange, the Sustainability Accounting Standards Board (SASB) and peer issues. The report analyzes the materiality of the issues by means of an online questionnaire, that is, to collect the expectations of different stakeholders that are most concerned about the sustainable development of Qilu Expressway to identify material issues. A total of 119 valid responses were collected by the questionnaire survey, covering 5 different internal and external stakeholder groups, namely directors, senior management, employees, community and the public, and others. Internal stakeholders include directors, independent directors and senior management, whereas external stakeholders include employees, community and the public, and others (e.g. project subcontractors).

We identified a total of 31 issues covering ESG-oriented aspects, including 15 issues of high materiality, 8 issues of moderate materiality and 8 issues of general materiality. This report will make a detailed disclosure with reference to the results of the materiality assessment. The issues are grouped into 6 categories, namely operations and governance, employment and Labour practices, product responsibility, environment, contribution to the community and supply chain practices.

Issues of high materiality	Issues of moderate materiality	Issues of general materiality
Anti-corruption	Fair Competition	Energy Saving and Consumption Reduction
(Employee) Health and Safety	Management of Water Resources	Impact of Climate Change on Business
Product Responsibility	Digitalization Reform	Supply Chain Management
Labour Practices	Utilization of Resources	Land Use
Privacy and Information Security	Facilitating Development of Industries	Low-carbon Operations
Smooth Road Traffic	Waste Management	Public Welfare and Charity
Customer Service and Communication	Discharge and Emissions	Noise Management
(Customer) Health and Safety	Environment and Natural Resources	Community Investment
Employment		
Technological Innovation		
Employee Benefits		
Development and Training		
Sustainable Operations		
Compliance with Laws and Regulations		
Business Ethics		

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### 2. EXCELLENCE IN GOVERNANCE FOR DEVELOPMENT

Qilu Expressway is committed to building a lasting and trustworthy governance framework. We clearly define the responsibilities and authority of decision-making entities and functional departments at all levels based on corporate rules and regulations. By establishing governance guidelines, we ensure a fair and well-structured internal organization. On this foundation, we strive to enhance coordination and checks and balances across all aspects of operations, foster a culture of integrity and maintain a high level of scrutiny and a continuous improvement mindset across all aspects of operations. We uphold the principles of openness and transparency, adhere firmly to compliance standards, continuously and strengthen internal supervision mechanisms to inspire and reinforce a strong sense of responsibility and mission among our employees.

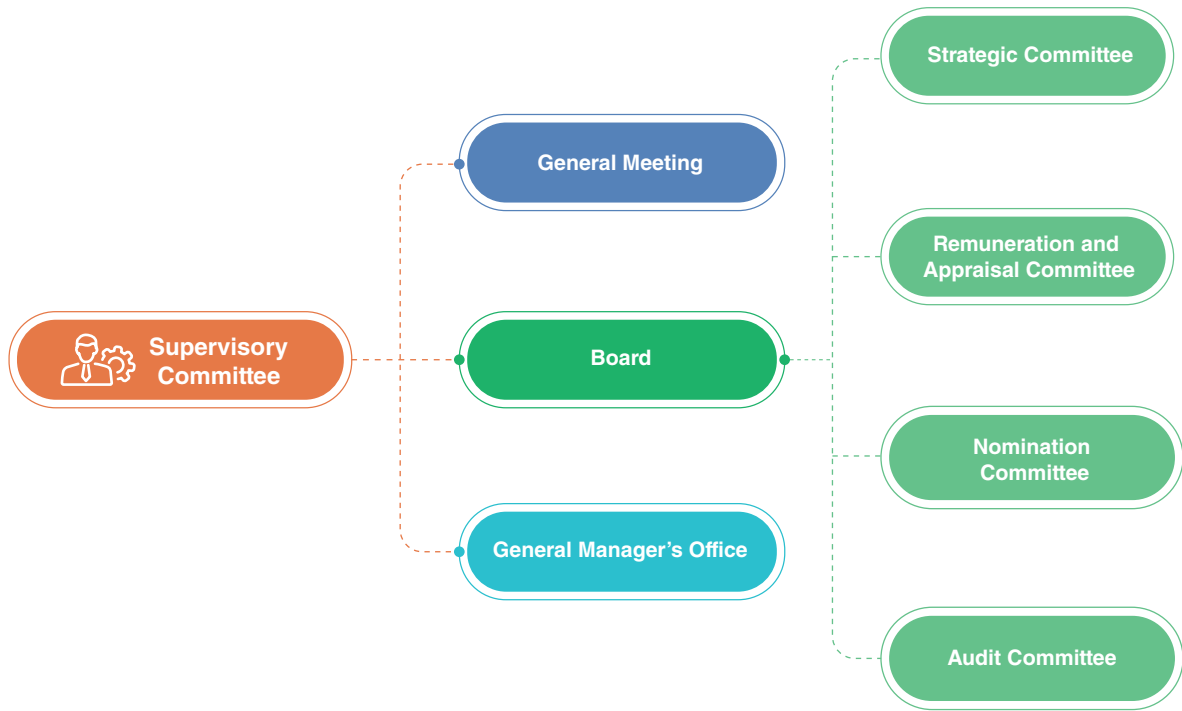
#### 2.1 Governance Framework as the Foundation

Qilu Expressway strictly adheres to the Company Law 《公司法》, the Securities Law 《證券法》, the Code of Corporate Governance for Listed Companies 《上市公司治理準則》, and other applicable laws, regulations, and normative documents. Through the Articles of Association, we rigorously standardize corporate frameworks, uphold structured governance and continuously refine our corporate governance framework. This enables us to adapt flexibly to emerging challenges and ensure the Company's steady progress.

Qilu Expressway has successfully established an efficient compliance management system focused on monitoring and reporting the Company's compliance status. Our governance framework consists of the general meeting, the Party Committee, the Board, the management and the Supervisory Committee, with legal rights and responsibilities, clear and transparent, coordinated operations and effective checks and balances among various entities at all levels. We carefully delineate the terms of reference of each functional department to maintain clear accountability and responsibility.



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Corporate Governance Structure

In 2024, the Company conducted one annual general meeting and one extraordinary general meeting, during which all proposed resolutions were considered and approved. Additionally, a total of four Board meetings were convened, addressing various important matters such as the Board's work report for 2023, the annual report and ESG report for 2023, the financial final accounts report for 2023, the compliance of the Company's corporate governance policies, the execution of investment plan for 2023, the investment plan for 2024, and the amendments to the Articles of Association, the Rules of Procedure for Shareholders' General Meetings and the Rules of Procedure for the Board of Directors' Meetings.

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### 2.2 Compliance Management Safeguarding the Journey

#### *Compliance Management*

The Group places great importance on compliance, considering it a key factor in robust development of an enterprise. We continuously invest resources to enhance our compliance management system, ensuring robust policies and effective implementation. At the same time, we promote the construction of compliance management system by levels and categories based on the specific business characteristics and risk profiles of different subsidiaries. By strengthening supervision and evaluation, we ensure legal and compliant operations, laying a solid foundation for the Company's sustainable growth.

During the Year, the Company made significant efforts to enhance its compliance system:

- ✓ Formulating the Investment Business Guidelines 《投資業務指引》, the Bulk Trade Business Guidelines 《大宗貿易業務指引》 and the Interim Measures for Compliance Review and Management of Major Business Decision-Making 《重大經營決策合規審查管理暫行辦法》, effectively supplementing the Company's existing compliance system;
- ✓ Organizing training on compliance management system documents through the Gaosu E-Learning platform, achieving a 98% employee participation rate;
- ✓ Our collection campaign for compliance based on corporate culture concluded successfully with outstanding promotion effect;
- ✓ We launched a Q&A with prizes on legal compliance through wechat mini program;
- ✓ As required by the self-appraisal procedure for corporate compliance management of the Group, all departments and subsidiaries have been arranged in providing explanation, conducting analysis and making rectification in accordance with requirements and items as stipulated in the appraisal notice.

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In 2024, we performed 17 audits, including 10 in-house audits. In-house audits included audit on business performance of five subsidiaries, audit on profit contribution from four subsidiaries, one internal audit on internal issues of a subsidiary. 11 issues were identified during the in-house audits, including 2 issues relating to system and management, 3 issues relating to management of bidding, 1 issue relating to contract management, 2 issues relating to control on trade receivables and inventories, and 3 issues relating to project management.



### Case: Collection Campaign for Compliance

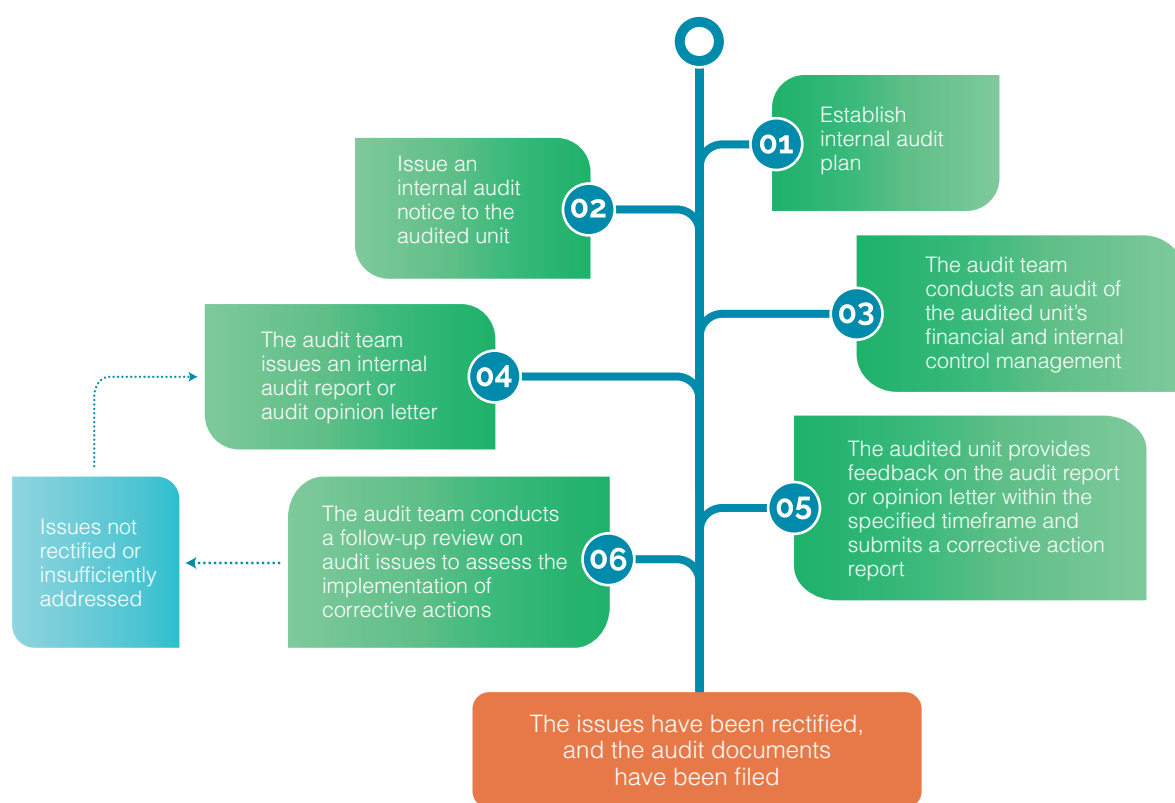
To effectively advance the “Year of Tackling Risk Resolution” initiative, Qilu Expressway actively conducted a compliance philosophy collection campaign. The three-month-long event received 158 submissions from cadres and employees across various departments and units. Rooted in real-world practices and contributed by employees, the philosophy collection initiative thoroughly uncovered employees’ deeply held compliance principles, encouraging employees to start with themselves – strictly adhering to rules and regulations, standardizing operational procedures and maintaining a rigorous work ethic. This has fostered a collective atmosphere where “everyone upholds compliance in all matters, and risks are proactively mitigated at all times and places”, actively shaping a compliance culture with Qilu Expressway’s unique characteristics.



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### Internal Control

In accordance with the guiding principles of the Internal Control Manual 《内部控制手册》, Qilu Expressway has conducted a comprehensive assessment of the Company's internal control condition. This evaluation covers various aspects, including the internal control environment, control measures, information exchange and supervision mechanisms, utilizing a scientific approach to evaluate with the purpose of enhancing the scientific and compliant level of internal control practices. Currently, the Company has established the following internal control processes:



The Internal Control Procedures of the Company

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### *Risk Management*

We adhere to the core principle of legal compliance, and based on this foundation, have developed a risk management process that strengthens regulation. We are committed to continuously identifying potential new risks and have built a robust defense system to prevent potential issues.

We actively implement the Risk Management Measures 《風險管理辦法》, following the guiding principles of “coordinated and promotion, classified management, independent implementation, and integrated operation (統籌推進、分類管理、自主實施、整合運行)”. We have developed a detailed risk classification and identified 180 risk points covering five key areas: strategy, operations, finance, law and market. This has laid the foundation for the risk management system, enabling the Company to more effectively identify, assess and manage various potential risks, ensuring the stable operation of the business.

We comprehensively identify and actively address the risks that may arise in our business operations. This includes not only traditional business risks but also risks covering environmental and social aspects. In the following sections, we will provide a detailed overview of the emergency plans we have developed, the preventive measures we have implemented and the best practices we follow, to demonstrate our thorough and meticulous approach to risk management.

During the Year, we have organized and attended legal training and general law advocacy activities. We took part in 8 sessions of legal training organized by Shandong Hi-Speed Group and independently held 3 sessions, totaling over 40 hours of training with more than 600 participants. Additionally, we conducted two sessions of general legal advocacy campaigns, continuously enhancing the professionalism of our legal staff and the legal awareness of all employees.

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### *Information Disclosure*

Qilu Expressway is committed to enhancing corporate transparency by publicly disclosing its ESG performance and policy information. We refer to relevant regulations such as the Central Enterprises Compliance Management Guidelines (Trial) 《中央企業合規管理指引(試行)》, the Listing Company Information Disclosure Management Measures 《上市公司信息披露管理辦法》, and the ESG Indicator System Work Guidelines for Shandong Provincial State-owned Listed Companies 《山東省屬控股上市公司ESG指標體系工作指引》, to ensure our information disclosure is legal and compliant. We undertake that the information provided will be accurate, complete and comprehensive, ensuring timely and fair disclosure while avoiding any false statements, misleading information, or omissions of significant details.

In 2024, the Company issued a total of 50 announcements.

### 2.3 Integrity, Legal Compliance and Honesty

#### *Anti-Corruption System*

Qilu Expressway regards integrity and business ethics as the cornerstone of its operations and is committed to fostering a lasting culture of integrity. To this end, we have developed a system framework for anti-corruption and promoting integrity, alongside implementing diverse integrity education and awareness campaigns. Through these measures, we have created a work environment of mutual supervision and accountability, while ensuring the protection of whistleblowers' legitimate rights. In our management practices, we emphasize the importance of fraud prevention. Our goal is to embed this culture, centered on transparency and fairness, throughout all of the Company's operational activities.

We strictly abide by the Oversight Law 《監察法》, the Working Rules for the Supervision and Disciplinary Enforcement of Discipline Inspection Authorities 《紀律檢查機關監督執紀工作規則》, the Law on Administrative Discipline for Public Officials 《政務處分法》 and other laws and regulations, and actively implement the relevant internal systems, such as the Discipline Inspection Suggestion System of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司紀律檢查建議制度》, the Committee Integrity Dialogue System of Qilu Expressway Company Limited Committee 《中共齊魯高速公路股份有限公司委員會廉政談話制度》, the Discussion and Establishment of "First Issue" System for the Discipline Committee of Qilu Expressway Company Limited 《中共齊魯高速公路股份有限公司紀律檢查委員會紀委會談制「第一議題」制度》, and the Collective Learning System of Discipline Committee of Qilu Expressway Company Limited 《中共齊魯高速公路股份有限公司紀委集中學習制度》.

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We have established a “Big Supervisor” system, where each member unit performs its daily supervision duties within their respective responsibilities, authorities and functional areas according to the principle of “who is in charge, who is responsible.” The focus is on the “critical few,” important areas and key links, supervising decision-making processes and implementation, promptly identifying issues and urging corrective actions. Meanwhile, we actively give full play to the role of a coordination group which is responsible for overseeing the construction of Party conduct, the group is responsible for reporting any emerging or ongoing issues, as well as violations of laws and regulations, identified during supervision, inspections, and daily management. At the same time, members of the unit share effective supervision, analyze the root causes of problems, and proposing suggestions for the relevant system refinement and improvement. As a general practice, the coordination group holds quarterly meetings, but may also convene at any time when necessary to ensure the organic integration and coordination between the Discipline Committee and the departments responsible for business management, working together to promote the Company’s integrity culture.

The number of corruption-related litigation cases filed against the Company or employees in 2024 that have been concluded is 0. There have been no employees dismissed due to corruption, and the number of employees disciplined for corruption is 0. There have been no instances of business partners having contracts terminated due to corruption.

The Discipline Inspection Committee Office has adopted a strategy of clear division of labor and well-defined responsibilities in standardizing the operation of power and overseeing checks and balances, the power-related matters into various domains, such as handling problem clues, responding to opinions on Party conduct and clean governance, reviewing cases, accepting complaints, and proposing discipline inspection measures. Each office is responsible for carrying out its respective specific duties and assumes specific responsibilities to collectively strengthen integrity risk prevention and control.

In order to further standardize the handling processes of various issues, the Discipline Inspection Committee Office has also developed clear flowcharts for the operation of power. These flowcharts provide detailed explanations of the operational processes for each power-related matter, ensuring the standardized exercise of power and effective supervision. Through this clear division of labor and standardized processes, the Company’s Discipline Inspection Committee Office has effectively strengthened the constraints and supervision of power operations, improving the efficiency and effectiveness of integrity risk prevention and control.



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### Case: Qilu Expressway Party Committee Holds Party Secretary's Lecture on Discipline as Part of Party Education Activities

In order to solidly promote the party discipline learning and education to go deep and practical, in-depth study of General Secretary Xi Jinping's inspection of Shandong important speeches, 9 July, Qilu Expressway Party Committee held the party secretary of the Party Committee to speak discipline party lesson activities. Wang Zhenjiang, the Party Committee Secretary and Chairman of the Company, delivered a disciplinary Party lecture to all Party members under the theme "Strengthening Discipline Awareness, Fortifying the Bottom Line of Law and Discipline, and Ensuring High-Quality Development of the Company with Strict Discipline" (強化紀律意識 築牢法紀底線 以嚴明的紀律保障公司高質量發展). He pointed out that strengthening discipline construction is an inevitable requirement for unwaveringly advancing the comprehensive strict governance of the Party, an urgent need for tempering the "steel and iron bones" (鋼筋鐵骨) of Party members and cadres, and an important guarantee for continuously creating a new situation of high-quality development in the company. Party members and cadres in the Company must accurately grasp the significant importance of strengthening the Party's discipline construction, build a solid ideological defense line against corruption and degeneration, and continuously enhance political judgment, political comprehension, and political execution.





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### Designated personnel responsible for addressing potential issues

- Work Scope: Verify the identities of whistleblowers and subjects, the main details and nature of the reported issues, complete the “Form for Approval of Addressing Issues” 《問題線索處置呈批表》, register the case number, and provide suggestions for addressing the issues.
- Basis: Referring to the provisions in Article 2, Article 4, Article 6, Article 8, Article 9, and Article 10 of the Articles
- Timeline: Within 5 working days

### Head of the Discipline Inspection Committee Office

- Work scope: Review the conformity of the Form for Approval of addressing issues and the applicability of suggestions.
- Basis: Referring to the provisions in Article 2, Article 4, Article 8, Article 9, Article 11 of the Articles
- Timeline: Within 1 working day

### Secretary of Discipline Inspection Committee

- Work scope: Review and approve the suggestions on addressing issues.
- Basis: Referring to the provisions in Article 8, Article 9 and Article 11 of the Articles
- Timeline: Within 3 working days

### Secretary of the Party Committee

- Work scope: Review and approve the suggestions on addressing issues related to middle-level personnel directly managed by the Party Committee of the Company.
- Basis: Referring to the provisions in Article 11 of the Articles
- Timeline: Within 3 working days

Resolution Process Flowchart of Potential Issues

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### *Anti-Corruption Trainings*

To enhance the compliance awareness of all employees, we have implemented a regular compliance training program, with a particular focus on strengthening training in key risk areas. During the Year, we have specifically launched a series of specialized training sessions on integrity education and anti-corruption, aimed at increasing employees' understanding of the importance of compliance and ensuring better adherence to relevant regulations and company policies in their daily work through these training activities. Through these trainings, we expect to build a more robust compliance culture and ensure the sound operation of the Company.

Throughout the Year, 15 directors participated in anti-corruption training, totaling 12 hours of training duration. Additionally, The number of attendees for the anti-corruption training sessions was 486, accumulating a total of 22 training hours.



#### **Case: Project Office for the R&E Project Conducts Integrity Warning On-Site Teaching**

On 6 June, the Party branch of the R&E Project Office of Jihe Expressway, together with the Party branch of the Taishan Road Bridge Construction Section 6 and the Party branch of CCCC Second Harbour Section 7, organized “Party Discipline Study to Uphold the Original Intention, Warning Education to Build a Defense Line” joint theme Party Day event for cadres and employees. The event included a visit to the ‘Integrity Nourishes the Original Intention, Cleanliness Devotes to the Public’ picture and text exhibition, the screening of an anti-corruption warning film, in-depth learning about the harm of corruption and the importance of anti-corruption efforts, a recitation of the Party oath, and a commitment signing activity, sounding the “integrity alarm” (廉政警鐘).



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### Case: Promote Good Family Values, Be A Good Supporter of Integrity. the Discipline Inspection Committee Office of Qilu Expressway Holds A Family Integrity Support Activity

In May, the the Discipline Inspection Committee Office of Qilu Expressway held a 'Promote Good Family Values, Be a Good Supporter of Integrity' (弘揚好家風當好廉內助) family integrity support activity. At the family integrity support seminar, a letter of appreciation from the Company to the families of the cadres was read, and family representatives signed a family integrity support commitment letter. The participants focused on discussions about strengthening the construction of family education and family values. The family members unanimously expressed that they would actively support being 'good integrity supporters' in the future, fully supporting their relatives to take initiative, be responsible, and jointly build a family defense line against corruption and foster an atmosphere of integrity and self-discipline, thus creating a happy and harmonious family.



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### *Financial Risk Control*

The Company is dedicated to strengthening the foundation of its systems and enhancing the development of the financial control system. During the Year, the Group has revised and issued five systems, including the Inventory Management Measures 《存貨管理辦法》, improving the financial management system. At the same time, the financial approval process has been standardized by setting different approval authorities at various levels and implementing tiered approval for significant capital expenditures, avoiding the unreasonable use or misappropriation of funds. To address potential tax risks and eliminate potential tax risks, we have engaged a professional auditing firm to conduct regular external audits and make timely improvements to financial management. We also actively cooperate with tax authorities in their inspections and strictly ensure tax compliance in accordance with the law. We have also responded positively to the increasingly stringent tax policies of taxation department by coordinating and addressing 21 tax-related risks and tax payment concerns raised by tax authorities at various levels, and provided self-inspection and feedback on each. In June 2024, we organized a fiscal and taxation-themed training session to summarize issues, sorted out the latest developments and challenges in accounting standards and fiscal and taxation policies, enhance the financial staff's ability to manage fiscal and taxation compliance, and prevent fiscal and taxation risks.



Fiscal and taxation-themed training

### *Whistleblowing Procedures*

To encourage employees to actively report any form of internal corruption, abuse of power or misconduct, the Company has further optimized its integrity reporting mechanism. The Company's Discipline Inspection Committee Office has specifically established a dedicated bulletin board, which displays information such as the reporting hotline, QR code, email address, and mailing address for whistleblowing to make it easier for employees to report. At the same time, the Company is committed to strictly protecting the privacy of whistleblowers and ensuring that their identities remain confidential.

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Additionally, the Discipline Inspection Committee Office also regularly organizes subordinate departments to review the effectiveness of the reporting procedures to ensure smooth and unobstructed reporting channels and promptly investigate and address reported issues. Through these measures, the Company aims to create a fair and just working environment, encouraging employees to actively participate in supervision and jointly uphold the Company's integrity.

We strictly abide by the Working Rules for the Supervision and Disciplinary Enforcement of the Discipline Inspection Authorities of the Communist Party of China 《中國共產黨紀律檢查機關監督執紀工作規則》, the Provisions on the Supervision and Law Enforcement of the Supervision Authorities 《監察機關監督執法工作規定》, the Measures for the Management and Addressing of Issues of the Discipline Inspection Committee and the Supervision Committee of Shandong Province (Trial) 《山東省紀委監委機關問題線索管理處置工作辦法(試行)》 and other relevant regulations, and developed the Rules for Whistleblowing to Govern the Management and Addressing of Issues within the Discipline Inspection Committee and the Supervision Committee Office (Amended) 《紀委、監察專員辦公室問題線索管理處置細則(修訂)》 for standardize the the management and addressing of issues within the Discipline Inspection Committee and the Supervision Committee Office of the Company. If any Party organization or Party members under the Company's Party Committee violate Party discipline or engage in neglect of duty, and if the management personnel within the Company's supervisory scope (including management personnel at all levels who hold public authority) are suspected of violation of laws and disciplines, reporting letters, phone records, visitor registrations, online reports, and other forms of written, data or audio-visual materials of job-related crimes, will be handled strictly by the Company in accordance with Party discipline and national laws, and relevant responsibilities will be investigated and pursued in accordance with the law.

The Company's integrity reporting channels are as follows:



**Reporting hotline:** 0531—87207051



**Email:** qlgsgfjw@163.com



**Address:** Room 2311, Building A3-4, Hanyu Jingu, Longao North Road, High-tech Zone, Jinan



**Postal Code:** 250101





# INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

We are committed to enhancing road quality to meet the growing demands of traffic. In response to increasingly complex traffic conditions, we continuously optimize management and operational efficiency to ensure a seamless driving experience. Upholding high standards, we provide premium road services aimed at delivering convenience, safety, and comfort for drivers. We look forward to working together with our customers to create a smoother traffic future and embark on a new chapter of seamless travel.

## This chapter responds to ESG related material issues:

- Product Responsibility
- Privacy and information security
- Smooth traffic flow
- Customer service and communication
- (Customer) Health and Safety
- Technological innovation
- Digital Reform
- Promoting industrial development

## This chapter responds to SDG's goals in SDG: United Nation's Sustainable Development Goals



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

### 1. SMOOTH TRAFFIC FLOW WHILE ENSURING QUALITY

We are always focused on improving road quality and have a deep understanding of the strict requirements for smooth traffic flow on roads and at toll stations. We are committed to optimizing road conditions and striving to provide the public with excellent road services. By continuously enhancing operational efficiency, we aim to offer drivers a more seamless, safe and comfortable driving experience. During the Year, we achieved our goals in road operation, which include benefiting the public and ensuring smooth traffic flow. We focused on providing business guidance and training, urging the operations management center to strengthen the implementation of national policies and road inspections. We also ensured the free passage of small passenger vehicles during major festivals and holidays and maintained security and smooth traffic at key locations.

#### 1.1 Smooth and obstructed road operation

##### *Operation and Dispatch*

The Company places great importance on smooth road operations and focuses on strengthening command and dispatch to ensure public safety during travel. We are committed to monitoring congested road sections, enhancing video surveillance and on-site inspections of congested road sections, and implementing strict control over key road sections. We conduct comprehensive video patrols across all road sections, promptly detecting and handling emergencies to ensure timely identification and swift response to traffic accidents. Joint patrols with traffic police, conducting section-by-section inspections, while enhancing road surface control through mobile patrols and strengthening the rapid handling of traffic accidents. In addition to existing obstacle clearance points, we have set up various vehicle clearance stations, rationally allocating personnel and mechanical equipment. In the event of an accident or upon receiving a notification, we respond quickly, following the principle of “first protection, then disposal; first ensuring smooth traffic, then clearing obstacles”, enabling rapid response, rescue, clearance, and traffic restoration, which effectively improves road maintenance results. The dispatch center plays a core command role, continuously strengthening road network monitoring and emergency dispatch management. Specific measures are as follows:



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

Direction	Specific measures
Strengthening monitor of the road network	Fully utilizing the “smart brain (智慧大腦)” platform for frequent monitoring of key road sections and critical periods. Real-time monitoring road network operations by utilization of high-definition video and other tools.
Intensify command and dispatch efforts	Implementing comprehensive supervision of emergency handling, closely scrutinizing the accuracy of information received and reported, and issuing specific instructions to rectify any inaccuracies, unreasonable assessment, delays in handling, or irregular operations; enhancing emergency scheduling levels to ensure timely deployment of rescue facilities and equipment.
Leveraging data analytics	Ensuring the stable functioning of the road network monitoring platform. This allows us to forecast holiday traffic volume, assess road network operation data, and propose protection measures based on real-time changes.
Enhancing emergency scheduling levels	Consolidating and assessing meteorological warning information and major emergency incident information from the road network, issuing timely early warnings and collaborating closely with relevant departments for significant events related to production safety, natural disasters and traffic disruptions, providing updates to the Company’s operation and dispatch Centre by telephone within five minutes and maintaining regular reporting every 30 minutes and conducting unified command in accordance with relevant requirements in the event of a major or emergency situation.

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We strive to strengthen joint operations and coordination with various parties. We communicate with traffic police, transportation law enforcement, and other coordination units to standardize the rapid processing and clearance rescue mechanisms for traffic accidents. In the event of an emergency, we activate the fast processing and compensation procedures for accidents, aiming to improve the efficiency of accident handling and emergency clearance coordination. Additionally, we have increased the number of road management personnel and police officers at key road sections and enhanced inter-provincial coordination. The Company signed the “Emergency Response Joint Coordination Agreement for Emergencies” (《突发事件应急處置聯動協議》) with the Puyang branch of Henan Transportation Investment Group Co., Ltd., which specifies the contact organizations, establishes an information-sharing mechanism and jointly develops plans for ensuring emergency smoothness, important supplies, joint coordination and smoothness of large over-limit transport vehicles and festivals and holidays traffic management, effectively improving the traffic capacity between the two provinces.



### Case: On 6 February, We Fought the Snowstorm to Ensure Smooth Traffic and Guard the Warm Way Home

At the beginning of 2024, there were many rainy and snowy days in Shandong province. Qilu Expressway activated the “daytime + nighttime” snow removal mode proactively by refining the allocation of labour force and machinery, reinforcing material supply, checking snow removal materials promptly, preparing sufficient equipment and materials for emergency rescue, and deploying maintenance personnel to reinforce the management and control over important road sections. Based on the snow conditions, road conditions and traffic control information on the road sections under management, Qilu Expressway adopted a combination of methods, such as “handling works mainly by machinery, with labour force as supplement”, “pushing snow in the front and spreading snow-melting agents behind”, and “staff rotating shifts + machines running non-stop” to remove snow scientifically and improve work efficiency, and go all out to win the battle to remove snow and ensure smooth traffic, while ensuring safe production.



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### *Digital and Intelligent Integrated Management and Control Platform*

We have built up a digital and intelligent integrated management and control platform to achieve multi-network integration and one-network management and control. The platform has a pre-set emergency plan system. When an abnormal road event occurs, the platform will link with surrounding equipment and pop up an alarm notification to the backend manager immediately and screen out matching plans automatically based on the specific information of the event. It can, with one click, quickly control surrounding related equipment, such as information boards and traffic guidance equipment, to release information and provide traffic guidance, and thus achieve rapid response to, and accurate and prompt handling of, various events on expressways.

After the completion of the reconstruction and expansion project of Jihe Expressway, there are thousands of facilities and equipment of various types distributed throughout the entire road section and equipment management and control has become a major pain point in operational management. By introducing advanced pile number recognition technology and precise positioning algorithms, the platform can accurately identify and locate each piece of equipment on the expressway, and conduct rapid screening based on key information such as pile numbers and direction. In addition, the platform has realized the function of real-time online monitoring of equipment status. Through regular communication and testing with the equipment, the operating status of the equipment can be monitored in real time. Once the equipment is found to be offline or malfunctioning, an alarm will be immediately issued through the platform and relevant personnel will be notified to deal with it. Through accurate screening of pile numbers, directions and online status, the comprehensive management and efficient operation and maintenance of the equipment on the expressway has been realized, which has greatly improved the efficiency and reliability of the equipment and provided a strong guarantee for the safe operation of the equipment on the expressway.

### *Application of Digital Twin Scenes*

The application of digital twin scenes boosted the digital and intelligent transformation of toll stations. The Company launched a pilot operation of digital twin toll stations at the Changqing University City toll station. By utilizing high-precision maps and 3D modelling technology, the Company built a three-dimensional static digital twin scene of the facilities in the toll station area and its surrounding environment. With high-definition cameras, combined with edge computing and twin-engine technology, the physical toll station can be synchronously displayed in a virtual space and the toll station scene can be dynamically reproduced in real time, making the managers feel like they are on the scene. This digital twin system can display all elements of the toll station by all-round digital remodelling, giving the managers a “panoramic view”. The managers can gain an insight into the entire toll station from a macro perspective like video surveillance, intuitively simulate vehicle details, transaction records and equipment operating status in one picture, and conduct data analysis and statistics, which provides more accurate and detailed supporting information for decision-making.

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### Case: The Jinan-Heze Expressway Expansion Project Completed and Opened to Traffic

On 20 December, the Jinan-Heze Expressway expansion project, invested in and constructed by Qilu Expressway, was fully completed and opened to traffic. This marks the nation's first zero-carbon expressway expansion, pioneering zero-carbon practices in the field of expressway reconstruction and expansion. Standing at the new and higher starting point of "eight lanes in both directions" across the entire route, the Jinan-Heze Expressway is determined to shoulder the era's responsibility of boosting the high-quality economic and social development of the entire province. It will continue to inject vitality and momentum into the construction of the Shandong Demonstration Zone for a strong transportation country, striving to enhance the quality and efficiency of operational services characterized by "Safety and Smoothness, Comfort and Durability, Intelligence and Efficiency, Warmth and Added Value". The expressway aims to become a vibrant path of development, a road of happiness benefiting the masses, and a prosperous route contributing to the well-being of the entire province.



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### *Establishment of Working Mechanism among Road Chiefs (路長)*

Within each of the Company's operation and management centres, a working mechanism among road chiefs has been devised and implemented. The responsibility areas of road chiefs (路長), section chiefs (段長) and grid chiefs (網格長) are reasonably delineated based on specific requirements to ensure clear division of responsibilities and seamless and non-overlapping regional connection and avoid overlap of responsibilities. Each responsibility area has a corresponding person in charge to ensure responsibilities are assigned to a specific person. The mechanism clearly outlines the responsibilities under the working system of road chiefs, adopts a grid management approach, and provides detailed specifications for information consolidation, scheduling and handling procedures, and other business processes.

#### • Road Chiefs

Road chiefs are the individuals in charge of the operation and management centres and bear full responsibility for maintaining road conditions, ensuring road accessibility, overseeing electrical and mechanical operations and maintenance, managing safety of toll stations, and exercising operational command and dispatch within respective areas under their management. They are also responsible for facilitating effective collaboration among various departments. Additionally, they handle external communication and coordination with high-speed traffic police, local traffic police, and neighbouring transport management units.

#### • Section Chiefs

Section chiefs are deputy directors (or directors, depending on the specific circumstances) within each operation and management centre, who are accountable for identifying, dispatching, monitoring, and addressing incidents that impact road appearance or road safety and various emergencies within respective areas under their management. They further divide the managed areas into multiple grids, defining the scope of responsibilities for grid chiefs to ensure smooth coordination and avoid any overlap or gaps.

#### • Grid Chiefs

Grid chiefs, who hold middle management positions within each operation and management centre, assume the role of effectively following up on and implementing inspections and the resolution of irregular events within respective areas under their management. They oversee the execution of planned inspections, analyse and summarize any issues identified during the inspection process, and promptly provide feedback to the responsible departments for rectification and treatment. This continuous improvement process aims to enhance the effectiveness of inspections.

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### *Management of High Traffic Flow*

In accordance with the requirements of the Emergency Plan for Accidents due to Highway Traffic Blockage 《高速公路交通堵塞突发事件应急预案》 and other documents, each operation and management centre has devised in advance and implemented security plans to deal with high traffic flow, traffic congestion and accidents during holidays. Based on actual works, all units strived to ensure road safety and smooth traffic comprehensively during peak hours by defining responsibilities clearly and emphasizing the implementation thereof.

In order to meet the production and operation needs during the Spring Festival, each operation and management centre reserved adequate emergency materials, equipment and facilities. Based on specific circumstances, all units refined their smooth operation plans by an approach of “one policy for one station” and completed drills for relevant emergency plans before the Spring Festival to ensure the effective implementation of such plans. Meanwhile, the operation and management centres further strengthened the setting of free segregated lanes during the festival holidays, which provided strong support for secure and smooth operations during the festival and ensured the smooth progress of various works.

The Company planned and deployed resources proactively during the festival holidays, held special meetings to ensure smooth operations, conducted in-depth and detailed inspections of potential safety hazards, and effectively implemented various measures to serve the public. We organized drills for our anti-congestion emergency plans in our daily operations to ensure the scientific feasibility and operability of such plans, enhance cooperation mechanisms and improve our capabilities in dealing with emergencies and traffic congestion.

Furthermore, we further reinforced our command and dispatch operations, closely monitored weather and traffic changes on major routes. Through active collaboration with highway traffic police and road administration departments, we carried out diversion of traffic and dispatched obstacle clearance teams and equipment to deal with emergencies promptly, so as to minimize traffic congestion and effectively mitigate the impact of emergencies. Through these measures, we ensured the secure and smooth operation of our expressways during significant holidays such as the Spring Festival, Labour Day and National Day.



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### Case: On 26 April, Pingyin Toll Station took multiple measures to support the “Rose Culture Festival”

On 26 April, the 2024 Jinan Pingyin “Rose Culture Festival” was grandly opened. As an important local transportation station, Pingyin Toll Station took multiple measures to provide full services for tourists on the expressway. The toll station communicated with the Bureau of Culture and Tourism of Pingyin County in advance to predict the peak hours of vehicle traffic on the expressway during the cultural festival and carried out emergency drills to ensure smooth traffic in accordance with the requirements of the “one policy for one station” work approach. In view of the needs of drivers and passengers, it launched proactive services, predictive services and refined services, and set up a Youth Service Desk where youth volunteers distributed free tourist traffic maps of Pingyin County to tourists, provided detailed road guidance and gave specific explanations on Qilu Expressway’s “Expressway+” value-added service projects to enable tourists to fully understand and actually enjoy the benefits brought by such value-added service projects.





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### 1.2 Road Quality Management and Maintenance

The Company always places quality at the core of its daily works and makes continuous efforts to improve road quality and safety and is committed to providing customers with excellent services and travel experience. We uphold the people-oriented and user-first concepts and adhere to the goals of “serving the public better” and “realizing safer, smoother, more efficient and more harmonious operations” by further refining its maintenance management, safeguarding public rights and interests and ensuring users’ satisfaction and travel safety.

We have formulated the Expressway Maintenance and Management Measures of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司高速公路養護管理辦法》 and the Expressway Bridge Maintenance and Management Measures of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司高速公路橋樑養護管理辦法》, which cover the maintenance and repair of roadbeds, road surfaces, bridges, culverts, tunnels, route crossings, traffic engineering and facilities along the route, and greening management and soil and water conservation works are also within the scope of maintenance. Meanwhile, we actively responded to natural disasters and formulated measures for flood control, typhoon prevention, snow removal, skid prevention and other emergencies. The Company adheres to the philosophy of “full life cycle and precise maintenance” and promotes the application of scientific decision-making results based on daily inspections, regular inspections and evaluations and analysis, and has formulated medium and long-term maintenance plans and established a maintenance project pool to implement dynamic management and thus ensure the long-term safety and stability of expressway facilities.

The maintenance and safety management of expressways covers many aspects, including implementation of safety accountability systems, safety management of daily maintenance operations, safety assurance of large and medium-sized maintenance projects, safety measures for bridge maintenance, operation safety under special conditions, safety management of maintenance machinery and equipment and emergency management. In addition, it also involves electricity safety, fire prevention, theft prevention and other aspects relating to maintenance works to ensure the all-round safety of the maintenance works.

In the course of expressway maintenance, we strictly follow the requirements of the Maintenance Safety Management Measures 《養護安全管理辦法》 and the Safety Operation Procedures 《安全操作規程》 to ensure standardized and orderly operations and protect the health and safety of operators and road users. The Company implemented a graded supervision and assessment mechanism. The Operation Department is responsible for comprehensive supervision and assessment of the maintenance works of each operation and management centre, and supervision is carried out by monthly inspections and irregular random inspections. Each operation management centre is fully responsible for the daily supervision and assessment of the expressway maintenance projects under its management.

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### Case: Jihe Operation and Management Centre's "Micro-Innovation" in Maintenance Works Achieves Great Efficiency

Jihe Operation and Management Centre actively promotes maintenance innovations to solve problems in daily maintenance works and has obtained a number of invention patents and innovation results, which not only improves work efficiency and equipment utilization, but also provides safer and more convenient solutions for road maintenance and construction.

The vertical cutting device used in road and bridge construction can achieve multi-purpose use of one machine. The cutting machine can be placed horizontally or vertically, with strong flexibility and high stability, reducing the amount of manual labour. Electronic information signs on expressways integrates functions such as voice prompts, arrow indications and text reminders. Through intelligent protection, the safety of electronic information signs in bad weather can be ensured and their service life can be extended.

In order to maintain the smooth operation of our quality, environment and occupational health and safety management system, we have formulated the Assessment Measures for the Operation and Management of the Quality, Environment and Occupational Health and Safety Management System. We clarify the responsibilities of each department, summarize our annual overall work plan at the beginning of each year, formulate phased quality objectives, safety objectives, environmental objectives and other work objectives at different levels, and conduct daily inspections and assessments on responsible units.

The Company has successfully obtained quality management system certification, which ensures that our construction and engineering strictly comply with relevant quality standards and regulatory requirements. In the future, we will continue to optimize and enhance our quality management system, make continuous improvements and strive to provide customers with services and assurance of higher standards.

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### 1.3 Fairness of Toll Collection

The Company attaches great importance on the fairness of toll collection and is committed to providing customers with fair and undifferentiated quality services. In this regard, the Company has formulated a series of operation and management systems for toll collection, including the Operation and Management Measures for Toll Collection (Trial) 《收費運營管理辦法(試行)》, Measures for Processing Complaints about Toll Collection Service 《收費服務投訴處理辦法》, the Toll Operation Inspection and Assessment Measures 《收費運營稽查考核辦法》 and the Ticket Payment Card Management Measures 《票款卡管理辦法》, to ensure the standard and orderly operation of its toll collection works. We strictly abide by the Management Measures for Toll-exempt Vehicles Under the Toll Free Policy 《政策性減免車輛管理辦法》, implement state regulations on toll-exempt vehicles, ensure the effective implementation of various preferential policies and service measures, and effectively protect the legitimate rights and interests of customers.

To effectively combat toll evasion, we regularly organize business exchange meetings to share our successful experiences and best practices in a timely manner and promote them to all toll stations to facilitate mutual learning and improve work efficiency. In addition, Qilu Expressway maintained close cooperation with traffic police, road administration, public security and other law enforcement departments and associated units to share information on suspected vehicles involved in multiple regions to prevent complaints and public dissatisfaction due to repeated compensations and ensure management work is carried out efficiently and in a standardized manner.

The Company strictly follows the requirements of the provincial department of transportation and our internal requirements to address toll evasions and ensure smooth operation and strictly investigate vehicles that do not meet the toll-exemption criteria. We reinforced the traffic guidance and vehicle interception works of our field personnel, dealt with vehicles that failed to pay tolls promptly, and recorded vehicles that broke through toll gates and could not be successfully intercepted into the platform for toll recovery. Operation and management centres focused their efforts on meticulously scrutinizing abnormal data from the departmental and provincial inspection and assessment platforms and provided timely feedback and business guidance to each toll station. We reviewed the work orders from the ministerial and provincial platforms, with a particular emphasis on inspecting large trucks with irregular tolls, and further improved the accuracy of our inspection works. Meanwhile, we continued to summarize our experience in investigating and punishing toll evasions and optimized various governance measures to ensure a fair and orderly environment for toll collection.

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The Company strictly implements beneficiary policies such as green channels and free toll during holidays. Toll stations strengthen on-duty efforts and optimized handling procedures for special conditions to ensure the effective implementation of the policies. In response to specific situations, each toll station carried out targeted emergency drills to improve its capability to deal with emergencies. Meanwhile, we strengthened the control over overloaded vehicles, strictly conducted entrance inspections, and resolutely prohibited vehicles that are oversized or overloaded or have safety hazards from entering expressways to ensure road safety and traffic order.

During the Year, the Company strictly implemented the policy of exempting small buses on holidays, providing toll exemptions for small buses during the Spring Festival, Qingming Festival and National Day, and fully implemented the national policies on green channels, and toll exemption for agricultural machinery with operations service across the region, which strongly supported the convenient travel of the public. Throughout the Year, provided toll exemptions for a total of 1,449,196 vehicles, with a total amount of toll exemption of RMB132,725,300.

### 1.4 Service Optimisation

The Company always adheres to the concept of “service first” and is committed to providing the public and customers with quality services and has comprehensively built a high-quality service brand for Qilu Expressway. To improve our operational services, we have formulated the Collection Service Management Standards 《收費服務管理規範》 to standardize and improve the quality of our operational services. Meanwhile, our service quality management was integrated into the on-the-job training and performance appraisal of employees to ensure the full implementation and continuous deepening of our service standards, so as to continuously improve customer experience and build a high-quality brand image.

We made great efforts to improve our refined services and convenient services and ensure the fast passage of “green channel” vehicles and “Three Summer” agricultural vehicles working across regions. Jihe Operation and Management Centre strictly implemented national policies on agricultural benefits and exemptions, further reinforced its traffic guarantee measures, and continued to optimize its service details. During the “Three Summer” and “Autumn Harvest” periods, all toll stations under its administration set up cross-region agricultural machine reception service stations and special channels to ensure the efficient and fast passage of green channel vehicles and agricultural machinery transportation vehicles for “Three Summer” and “Autumn Harvest” production, with an aim to fully support the smooth progress of agricultural production.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

*Qilu Expressway fully supports the efficient and smooth traffic of summer harvest vehicles during the "Three Summer" period*

- ✓ To ensure the smooth traffic of agricultural machinery and the smooth travel of agricultural machinery to villages and fields for cross-region operation, Qilu Expressway optimized and refined its "Three Summer" service measures to ensure the smooth traffic of machinery for cross-region operation, accurately implemented the priority permission and toll exemption policies for large agricultural machinery transportation, strengthened the operation monitoring of road network, cooperated with expressway traffic police departments to relieve traffic congestion promptly and properly handled various emergencies, so as to actively support the efficient progress of summer harvest production. Meanwhile, we strengthened communication and coordination with agricultural and rural departments, sub-district offices and other units to formulate targeted guarantee measures to form a joint effort to provide services and ensure the convenient travel of agricultural machinery and agricultural vehicles.



Setting up green channels for agricultural machinery vehicles



"Three Summer Service Desk" provides agricultural machinery operators with materials and road condition consultation service

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We always adhere to the core concept of “customer-centricity” and emphasize providing customers with superior service experience. In the future, we will continue to improve the quality of our products and services and reinforce our technological innovation and capability enhancement, with an aim to better meet the evolving needs and expectations of customers and give customers a superior experience.

*We endeavour to secure smooth public traffic with the spirit of “not succumbing to summer heat”*

- ✓ Staff members of Pingyin Toll Station are bringing refreshing watermelons to drivers and passengers and introducing precautions for safe travel in summer.





## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

- ✔ A staff member of Xiaoli Toll Station is tightening tire screws for a driver to ensure driving safety.



- ✔ Xiaoli Toll Station of Qilu Expressway provides drivers and passengers with free windshield fluid, simple repair tools and other convenience products to ensure their safe travel.





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### *Customer Satisfaction*

The Company requires each operation and management centre to conduct satisfaction surveys for drivers and passengers every year and generally conducts such surveys in the form of online questionnaires by scanning QR codes. Generally, each toll station is required to conduct such surveys semi-annually. In 2024, the driver and passenger satisfaction rate of Jihe Operation and Management Centre and Deshen Operation and Management Centre was 99.84% and 99.4% respectively. The overall customer satisfaction rate of the Company remained above 99.6%, fully demonstrating our continuous commitment to, and the improvement in, our service quality.

### *Complaints Handling Methods*

The Company always places service quality as first priority and is committed to ensuring the safe operation of expressways and providing excellent customer service support. To ensure timely response to customer needs, Qilu Expressway has set up a 24-hour service hotline as follows:

Jihe Operation and Management Centre: 0531-87367878  
Deshen Operation and Management Centre: 0635-722011

In addition, the Company provides consumers with comprehensive information, complaint and consulting services, including:

- Providing important real-time information for drivers and passengers, such as road traffic conditions, toll station closure information and weather forecast, through the information board of the main line of roads and the type F intelligence board of toll stations to ensure driving safety and convenience.
- Setting up a toll bulletin board at each toll station to clearly display the toll years and toll standards and providing consultation and complaint telephone numbers for drivers and passengers to get information and give timely feedback.

When handling complaints, the Company strictly follows the Measures for Processing Complaints about Toll Collection Service of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司收費服務投訴處理辦法》. We record the names, license plate numbers, complaint contents, course of events, problems expected to be solved and contact information of the complainants in detail. Based on complaint contents, cases will be transferred to the relevant operation and management centres, which are required to reply within 1-3 working days to ensure the satisfaction of the complainants and generate Toll Service Complaint Handling Forms for follow-up management. For complaints forwarded by superior units, the Company will handle them within required time limit and provide written feedback to the superior unit. In addition, dispatching centres at all levels are responsible for spot-checking the satisfaction rate of complaint handling to ensure the effectiveness of the handling process. During the Reporting Period, the Company received a total of 259 complaints through its service hotline, which were 100% solved.

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### 2. OPERATIONAL SAFETY AND STANDARDS

We always put safety first in our production, operation and management. We have established and improved various safety management systems, strictly implemented standard operating procedures and strengthened operation monitoring and early warning mechanisms. We attach great importance to potential risks, proactively identify and respond to risks, and continuously update and improve preventive measures. Meanwhile, we continue to optimize and improve our operational safety management system to ensure that we provide all-round safety assurance and safety experience for the Company, drivers and our staff.

#### 2.1 Safe Production and Management

During the Year, we have achieved the safety goals we set, namely, zero production safety accidents, zero fatalities and serious injuries to employees, 100% signing rate for staff production safety responsibility statement, 100% pass rate for staff safety education and training, and 100% rectification rate for hidden hazards.

##### *Safety System Standardization*

The Company proactively deepened the construction of special system for safe production. We have strictly implemented the Law of the People's Republic of China on Work Safety 《中華人民共和國安全生產法》, the Law of the People's Republic of China on Road Traffic Safety 《中華人民共和國道路交通安全法》 and the Regulations on the Principal Responsibility of Production and Operation Entities 《生產經營單位主體責任制規定》 of Shandong Province and other relevant laws, regulations and requirements. In order to promote the standardization and institutionalization of our safety management, we have formulated a comprehensive safety production management system, covering a series of rules and regulations including the "Safety Production, Supervision and Management Practices" 《安全生產監督管理辦法》, the "Safety Production Management Examination Reward and Punishment Practices" 《安全生產管理考核獎懲辦法》, the "Safety Production Whistleblowing Reward and Punishment Practices" 《安全生產舉報獎懲辦法》, the "Risk Source Identification List" 《風險源辨識清單》, the "Job Safety Manual" 《崗位安全說明書》, the "Operation Procedures" 《操作規程》, the "Management Practices for Stocking Up of Emergency Supplies" 《應急物資儲備管理辦法》, the "Safety Fund Management Practices" 《安全經費管理辦法》, the "Management Practices for Road Operation Safety" 《道路運營安全管理辦法》, the "Office Building Fire Safety System" 《辦公樓消防安全制度》 and the "Management Practices for Expressway Maintenance Safety" 《高速公路養護安全管理辦法》, and have prepared the "Guide to Contingency Plans" 《應急預案匯編》. These rules and regulations provided a solid system guarantee for the Company's safety management, ensuring that all production and operation works are carried out in a safe and orderly manner.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

We improved the production safety responsibility system and signed the 2024 production safety responsibility statement by February this Year. We continuously improve the list of production safety responsibility system for all employees. If there are personnel adjustment in each unit, it is necessary to immediately update the production safety responsibility statement and job safety statement. All employees of the Company have signed the production safety responsibility statement and the assessment standards have been formulated. By the end of February this year, pursuant to the management rules of the Company, the Company organized the assessment, rewards and punishments for the implementation of work safety responsibilities at all levels of each unit, and strictly implemented the dual responsibilities of one position to achieve closed-loop management of work safety. We carefully analysed the problems found in the assessment process, investigated the defects and summed up the experience to further improve the production safety responsibility assessment system.

### *Hidden Hazard Examination*

We strictly follow the work requirements of the provincial party committee and the provincial government. Based on the established work plans of the Company, we always put safety as a priority, implement the concept of “prevention first” and strive to build a strong safety line of defence while promoting development. We continued to optimize our management system to ensure the fulfilment and implementation of production safety responsibilities and various measures and carried out in-depth special rectification activities to eliminate major production safety hazards. In addition, we further strengthened the supervision in key fields such as expressway operation, construction, mining and fire safety, comprehensively investigated and addressed various potential risks and continuously improved the intrinsic safety level of the Company, laying a solid foundation for the Company's high-quality development. The Company has formulated and implemented the Measures for the Administration of Work Safety 《安全生產管理辦法》 in accordance with the Regulations on Work Safety of Shandong Province 《山東省安全生產條例》, the Provisions on the Main Responsibility of Production Safety of Production and Operation Units in Shandong Province 《山東省生產經營單位安全生產主體責任規定》, the Measures for the Supervision and Administration of Work Safety of Shandong Hi-Speed Company Limited 《山東高速公路有限公司安全生產監督管理辦法》 and other relevant regulations and higher-level documents.

We continued to optimize the hidden hazard examination list for multiple fields, such as fire protection and vehicle and driver management, improved the comprehensive examination list and comprehensively checked and dynamically updated the hidden hazard management lists by level and category. The main persons in charge of the Company and each subordinated unit shall organize production safety inspections and surveys at least once a quarter to ensure that hidden hazards are eliminated. All units shall carry out safety inspections at least once a month to implement rectification measures. Meanwhile, we strengthened the training of the risk and hidden hazard pool, improved the ability of employees to identify hidden hazards, continued to promote the use of app “Snapshot” (隨手拍) for hidden hazard-related purpose, and provided cash rewards to employees who met relevant standards to stimulate the enthusiasm of all employees to participate in the investigation and management of hidden hazards.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: Jihe Operation and Management Centre Conducted a Full-Line Inspection by Foot for Safety

In June 2024, Jihe Operation and Management Centre and the R&E Project Office jointly launched an inspection by foot for the whole line of Jihe Expressway and conducted a comprehensive inspection of key facilities, such as roadbed, bridges and culverts, signs and gantries, and a comprehensive assessment of road surface, bridges, culverts and traffic safety facilities, which focused on comprehensively checking for geological hazards and other hidden hazards with an aim to accurately discover and promptly eliminate hidden hazards. The inspectors recorded the problems or hidden hazards they found immediately and feedback them to the construction units promptly. The construction units will formulate specific and effective rectification measures based on the feedback information and set a clear time limit for rectification. When a rectification is completed, the construction units will provide feedback information of the rectification to ensure “early detection, early processing and early feedback”, which forms a scientific and complete closed-loop for quality and safety management.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

### *Work Safety Training*

The Group attaches great importance to work safety education, and has gathered the chairman, internal and external lecturers to provide work safety training for employees from multiple perspectives. On the basis of traditional offline training, we have launched a variety of safety education and training in the Express E-Learning APP, such as “Office Building Fire Safety Practice Week”, training on important discussions on work safety and negative list of safety management, and special training on the list of key investigation of major accidents and hidden dangers, which has improved the coverage of training. In offline training, we also arranged safety training such as emergency rescue and disposal training and the first lesson of construction. During the Year, we offered 10 types of work safety training with 38.5 credit hours and a total of 2,213 participants.

At the same time, we attach great importance to work safety funding. Each department must ensure necessary financial support and incorporate it into its annual business plan and financial budget. We improve the fund management system, strictly execute the policy of using dedicated funds for specified purposes only, check the use of funds every six months, and strictly prohibit misappropriation. During the Year, we spent RMB375,868.16 on work safety publicity and training, including training and the “snapshot” hidden danger whistleblowing incentive.

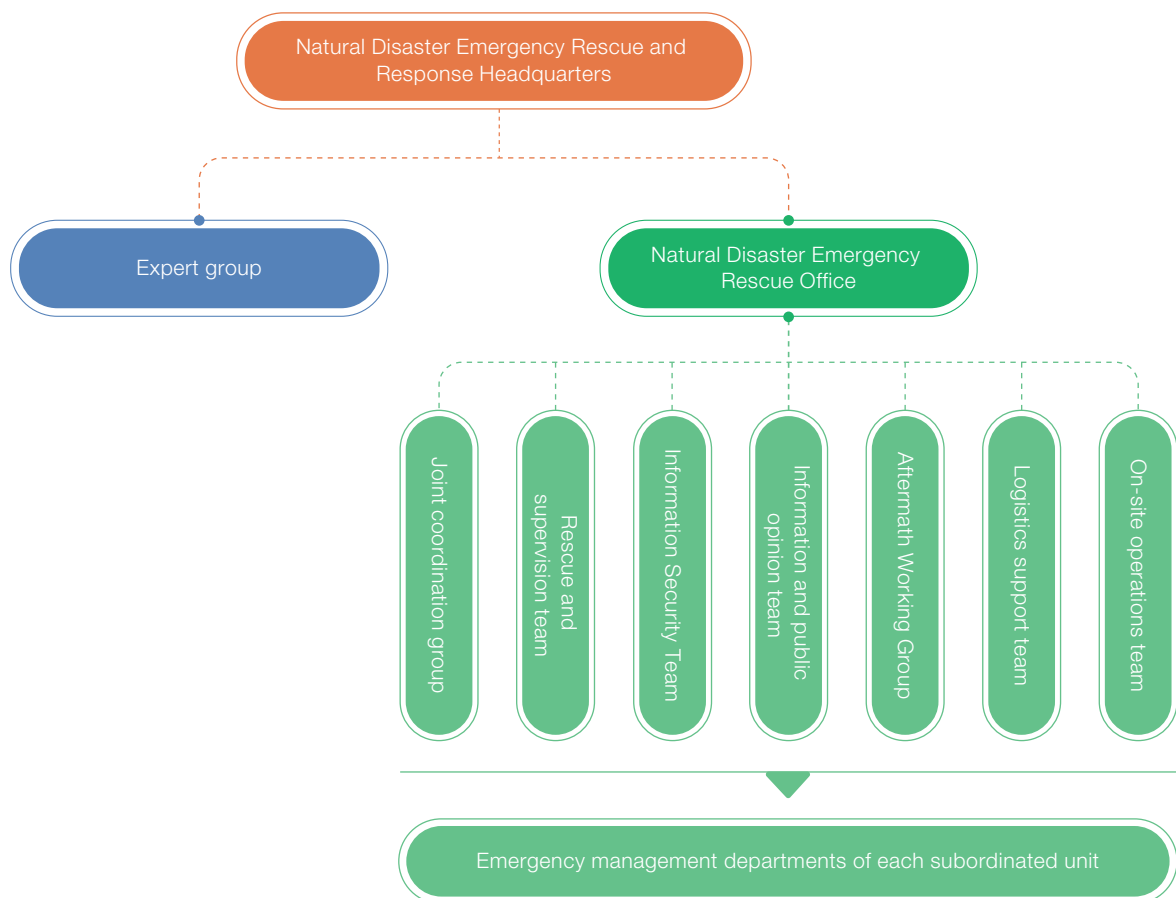
### 2.2 Emergency Management Preventing Sudden Crises

The Company has strictly complied with the Law of the People's Republic of China on Work Safety 《中華人民共和國安全生產法》, the Emergency Response Law of the People's Republic of China 《中華人民共和國突發事件應對法》, the Guidelines for the Preparation of Emergency Plans for Production Safety Accidents of Production and Operation Units (GBT 29639-2020) 《生產經營單位生產安全事故應急預案編製導則》 (GBT 29639-2020), the Regulations on Highway Safety Protection 《公路安全保護條例》, and the Ministry of Transport's Emergency Plan for Highway Transportation Emergencies 《公路交通突發事件應急預案》 and the Comprehensive Emergency Plan for Natural Disaster Emergencies of Shandong Hi-Speed Company Limited 《山東高速公司有限公司自然災害突發事件綜合應急預案》, and comprehensively established an emergency management system in accordance with the Company's relevant regulations on safety management.

Based on the above laws and regulations, the Company has formulated the Comprehensive Emergency Plan for Work Safety Emergencies 《安全生產突發事件綜合應急預案》, the Special Emergency Plan for Public Health Emergencies 《突發公共衛生事件專項應急預案》, the Special Emergency Plan for Toll Safety and Smoothness 《收費安全保暢專項應急預案》, the Emergency Plan for Traffic Blockage Emergencies of Expressways 《高速公路交通堵塞突發事件應急預案》, the Special Emergency Plan for Property Protection and Barrier Removal Safety of Expressways 《高速公路路產保護和清障安全專項應急預案》, the Special Work Plan for Snow Removal and Anti-skid on Expressways 《高速公路除雪防滑專項工作預案》, the Special Work Plan for Flood Control and Rescue of Expressways 《高速公路防汛搶險專項工作預案》, the Emergency Plan for Natural Disaster Emergencies 《自然災害突發事件應急預案》, the Special Emergency Plan for Stable Petitions and Mass Incidents 《信訪穩定群體性事件專項應急預案》, the On-site Disposal Plan for Fire Fighting and Emergency Evacuation of the Company Headquarters 《公司總部滅火和應急疏散現場處置方案》 and other emergency plans. These plans are aimed at effectively responding to emergencies and emergency rescue, ensuring that the Company has efficient emergency response capabilities and rescue mechanisms in the event of natural disasters and traffic emergencies, so as to ensure road safety and smooth operation to the greatest extent.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

We have established a comprehensive emergency organization system to specifically respond to the emergency rescue management of expressways, expressway construction projects and other business areas managed by the Company's provincial subordinated units in the event of various major natural disaster emergencies. These emergencies include meteorological disasters such as typhoons, heavy snow and heavy rains, flood disasters such as floods, geological disasters such as collapses, landslides and mudslides, earthquakes and marine disasters. Through this system, we are able to respond quickly and organize rescue operations effectively to ensure timely protection of personnel and property in the event of a disaster, and to ensure the stability and safety of our business operations.



Emergency Organization System Chart



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

The emergency response plan stipulates that a comprehensive accident risk analysis shall be conducted first. According to the impact of natural disaster events on the operation of expressways, construction projects and other business areas at the time of occurrence, it is divided into four levels, namely Level I (particularly material event), Level II (material event), Level III (major event) and Level IV (general event). In order to cope with such emergencies, the Company has established a natural disaster emergency rescue and disposal headquarters, with the chairman or general manager acting as the commander-in-chief, to coordinate and direct the emergency rescue work of the whole Company, and to ensure that it can quickly organize and coordinate the resources to implement efficient rescue and disposal in response to disasters at all levels.

We strictly comply with the Emergency Response Law of the People's Republic of China 《中華人民共和國突發事件應對法》, the Regulations on Highway Safety Protection 《公路安全保護條例》 and other laws and regulations, as well as the Ministry of Transport of the People's Republic of China's Emergency Plan for Highway Transportation Emergencies (中華人民共和國交通運輸部《公路交通突發事件應急預案》), the Measures for Flood Control Early Warning Response of Shandong Transportation System 《山東省交通系統防汛預警響應辦法》 and the Comprehensive Emergency Plan for Natural Disaster Emergencies of Shandong Hi-Speed Company Limited 《山東高速公司有限公司自然災害突發事件綜合應急預案》 and other regulations. Meanwhile, the Company has formulated the Special Work Plan for Flood Control and Rescue of Expressways 《高速公路防汛搶險專項工作預案》 in accordance with its safety management requirements, to specifically cope with emergencies such as rescue, landslides and collapses that the expressways under the Company's management may face during flood season. In the plan, we first conduct a detailed analysis of flood control and rescue risk of expressways, and the established flood control and rescue leading group is responsible for coordinating and directing of the flood control work, to ensure rapid response and effective handling in the event of a dangerous situation, thereby ensuring the safety and smooth traffic of highways.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: In Response to the “Flood”, Qilu Expressway Took Various Measures and Built a “Safety Embankment” for Flood Control

In the summer flood season of 2024, Qilu Expressway took prompt steps, deployed in advance, and implemented precise policies to carry out special operations with extensive outreach and a ground search approach on hidden danger investigation and treatment. It formulated preventive measures and rectification plans according to local conditions, comprehensively improved safety and emergency response capabilities, and strictly, practically and meticulously built a strong barrier for flood control. With a sense of responsibility that allows no ease of mind, it implemented various flood prevention measures without any compromise, improved emergency plans, prepared sufficient flood prevention materials, and ensured three simultaneous (三不误) of construction, traffic maintenance and flood prevention. It also continued to ensure the safe construction of projects and the safety and smooth traffic of roads, and strived to build a solid guarantee for economic and social development and the safety of people’s lives and property.



R&E Project Office organized various forms of flood control emergency drills for all participating construction units



Staffs of Deshen Maintenance and Obstacle Clearance Sub-Centre worked overnight to repair water damage to drainage ditches after heavy rainfall

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: Jihe Operation and Management Centre of Qilu Expressway organized and launched comprehensive emergency drill

On September 12, Jihe Operation and Management Center conducted a comprehensive emergency drill, and units such as Jinan Expressway Traffic Police and Deshen Operation and Management Centre were invited to participate as observers. The comprehensive drill covered a number of special drills on work safety emergencies, expressway traffic jams, expressway property protection, barrier removal safety, etc. The drill simulated a small passenger car hitting the central guardrail in the Jinan direction at K75+800, causing road damages and traffic jams. The accident vehicle had to be towed away and traffic was restored in time. The road management personnel cooperated with the maintenance and obstacle clearance personnel to complete various procedures such as safety deployment and control, platform node release, early warning activation and termination, obstacle clearance and rescue, and road product survey in an orderly manner. In the assessment process, the staff adhered to the “problems, objectives and results” orientation, jointly conducted an in-depth review and analysis of the drill process, and carefully sorted out and optimized the emergency plan, which improved the scientificity, practicability and operability of the emergency plan.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

### 3. SMART MOBILITY SHAPING THE FUTURE

#### 3.1 Safeguarding Information and Data Security

The Company always attaches great importance to information security and customer privacy protection, and strictly abides by relevant national laws and regulations to ensure the integrity and security of business information. To this end, we have formulated a series of management policies, including the Measures for the Administration of the Operation and Usage of Information Electromechanical Systems (《信息機電系統運行使用管理辦法》), the Measures for the Administration of Software (《軟件管理辦法》), the Measures for the Administration of Network Security (《網絡安全工作管理辦法》), the 6S Management Standards for Information Electromechanical Systems (《信息機電系統6S管理規範》) and the Measures for the Administration of the Protection of Highway Properties and Road Network Operation (Trial) (《高速公路路產保護及路網運行管理辦法(試行)》). These rules and regulations are aimed at comprehensively identifying and preventing information security risks, strengthening the management of access rights to data and information, ensuring the security of the network and internal systems, and establishing a strict information security protection system. Specific measures include:

- ✓ Comprehensive protection of portal websites, OA systems and office networks with firewalls, intrusion prevention systems (IPS), web application firewalls (WAF), online behavior management and log auditing equipment;
- ✓ To strengthen data management capabilities, the Company has been certified at the Digital Management Capability Maturity (dcmm) Level 2;
- ✓ Regularly use leakage scanning equipment to detect system security risks and timely repair the discovered vulnerabilities to ensure system security;
- ✓ The Company's office network and OA system all passed the information security level 2 protection assessment, meeting the national security standards;
- ✓ Implement strict isolation of the Company's intranet areas, and the network intranets between different functions, physical areas and business functional areas are independent of each other to avoid unnecessary communication and further enhance internal information security;
- ✓ Customer information of the Company is strictly kept in a dedicated toll network, which is physically isolated from other external networks to ensure information security.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

All data analysis involving customer information is completed in special servers on the intranet, and only macro statistical data is extracted to avoid involving sensitive personal information. During the Reporting Period, the Company did not experience any complaints or information security incidents, which fully demonstrated our stringent measures and execution in information protection and security management.

### 3.2 Implementing Innovation, Showcasing Excellence

#### *Digital Transformation*

In order to implement relevant policy requirements and keep up with the industry development trend, the Group has established the Digital Transformation Working Group. The start-up research and design work has been completed this Year, and the relevant design plan and construction budget have been reviewed by experts. The digital transformation work aims to solve a number of practical problems faced in expressway operation, such as operation, maintenance, command and dispatch, through technology empowerment, effectively improve work efficiency, reduce daily operating costs, enhance user travel experience, and help improve various operational indicators. It builds a smart toll collection system, an AI perception system covering the full road area video, and a traffic service system based on big data. It also strives to build a “digital and intelligent high-speed model road based on large models” and cultivate a batch of industry-leading products and services. “Qilu Expressway Smart Digital Operation Platform” won the second prize of the second Shandong Provincial Digital Transformation Innovation Application Competition.





## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: Shandong's First "Expressway Code Scanning Alarm System" Was Launched

The Group, for the first time, applied the expressway code scanning alarm system independently developed based on the digital and intelligent construction project of Jihe R&E project. In order to solve the problem that drivers cannot accurately inform the accident location after an accident on the expressway, which affects the efficiency of accident handling, we have developed an expressway code scanning alarm system, and posted the "QR code" on the back of the 100-meter sign on the guardrail along the expressway. In the event of a traffic accident, drivers and passengers can realize a one-click alert by scanning the "QR code". Once the digital and intelligence platform of monitoring & command center receives the alarm information, it can accurately locate the alarmed person. At the same time, the staff can check the real-time situation through video monitoring, guide drivers and passengers to take safety precautions remotely, and synchronise with the highway traffic police, road management rescue, traffic administration and law enforcement and other joint forces for rescue, significantly improving the accuracy and timeliness of on-site accident handling and rescue work and effectively preventing "secondary accidents" from happening.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: Demonstration Application of New Traffic Intelligent Warning and Guidance System in Jihe R&E Project

Qilu Expressway and Shandong Provincial Institute of Transportation Research jointly developed a new traffic intelligent warning and guidance system integrating the functions of “high-precision monitoring, real-time warning, and efficient diversion”, which was successfully demonstrated and applied at the critical phase 5 transition zone of the R&E project of Jihe Expressway. Through the built-in sound and light warning module, the system provides timely and clear risk warning messages to drivers, and provides dynamic LED indicator arrows to accurately guide vehicles to pass in an orderly manner, which can significantly improve road traffic efficiency and safety, and greatly alleviate the traffic management difficulties during the reconstruction, expansion or maintenance of expressways, where driving and construction safety are subject to severe challenges due to the complex and changeable traffic conditions in the transition zone.





## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

Furthermore, Qilu Expressway will accelerate the patent application and performance optimization of the new system and actively promote its application on the highways under its jurisdiction to continuously improve the quality and efficiency of road safety and smooth traffic flow in complex scenarios and at critical nodes, by leveraging intelligent, smart and digital innovations.

### *Digital Empowerment*

During the construction organization process of the Jihe Expressway reconstruction and expansion project, the project fully leveraged the safeguarding role of science and technology, upgraded management methods through digital means, utilizing Autonavi Navigation's integrated smart cones of warning wizard, intelligent traffic warning and guidance systems, multi-color laser lights for nighttime use and front-end accident warning lights on highways to achieve intelligent supervision, which made the supervision of construction operation areas "sight and ears clear", while ensuring the safe and efficient implementation of projects.

### *Research and Application of Innovative Achievements*

In its technological innovation efforts, Qilu Expressway adheres to the principles of comprehensive planning, categorized implementation, emphasis on transformation and pursuit of practical results. During the planning phase, the Company formulates clear technological innovation strategies and goals based on national technology policies, industry trends and its own needs. During implementation, various functional departments and subordinate units undertake R&D tasks according to actual production needs and are responsible for organizing, implementing and managing funding for specific projects.

We place great importance on the transformation of innovative achievements and rapidly apply technological innovations to production practices to enhance the Company's business capabilities and competitiveness. The implementation of all technology projects strictly follows national regulations, policies, technical standards and specifications. To ensure scientific, systematic and standardized project management, the Company has established a series of management systems and processes to ensure orderly progress and efficient execution of technology projects in all respects.

We have formulated the Measures for the Management of Scientific and Technological Projects of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司科技項目管理辦法》, which details the requirements and operational procedures for technology projects from application, project initiation review to implementation, funding management and achievement acceptance. Under this system, the Company has established a comprehensive project management framework, which clarifies the responsibilities and workflows of relevant departments to ensure efficient implementation and smooth progress of technology projects. The Company's technology projects are divided into two categories: innovation research projects and application promotion projects. Innovation research projects focus on exploring and developing cutting-edge technologies, while application promotion projects aim to transform innovative achievements into practical applications, thereby driving technological advancement and business expansion of the Company.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

During the Year, as our core task to meet the Company's technology investment targets, we focus on our main responsibilities and principal business and conduct R&D work. We have undertaken nine key research projects, including the Engineering Technology Research on Variable Section Shotcrete Composite Pile Based on Material Structural Design 《基於材料結構設計一體化的變截面漿噴複合樁工程技術研究》 based on four key research directions: "ensuring road and bridge stability, enhancing road surface durability, promoting construction safety, and fostering low-carbon and intelligent solutions", which further enhanced the level of intelligence during both the construction and operational phases of the projects.

We achieved 100% achievement rate in scientific research completion. In 2024, the actual R&D expenditure reached RMB18.9008 million, with an investment intensity (R&D expenditure/revenue) of 0.87%. We obtained multiple technological achievements, including 4 invention patents, 12 utility model patents, 7 software copyrights and 1 local standard. The reconstruction and expansion projects yielded fruitful results, with 6 projects selected for the Shandong Hi-Speed Group's technology plan and 3 projects approved by the Provincial Department of Transportation. We actively organized 11 teams to participate in Shandong Hi-Speed Group's second Digital Application Scenario Innovation Competition, with two entries, i.e. "Intelligent Loading Command System for Mixing Stations 《拌合站智能裝車指揮系統》" and "Key Technologies for Intelligent Construction and Quality Control of Pavement Processes 《路面全過程智慧建造與質量控制關鍵技術》," reaching the finals.

In 2025, we will continue to prioritize innovation and focus on resolving bottlenecks and challenges in our work. Guided by problem-solving, demand-driven and result-oriented approaches, we will further deepen innovation across technology, functional management and business models to find new momentum and pathways for the purpose of striving to achieve cost reduction, efficiency improvement and revenue generation.

## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



### Case: Qilu Expressway Intelligent Assembly Manufacturing Innovation Center Established

On June 5, the assembly company signed a strategic cooperation agreement with Shandong Inspur Intelligent Production Technology Co., Ltd. The jointly established Intelligent Assembly Manufacturing Innovation Center was inaugurated at the Qilu Expressway Smart Transportation Industrial Park. Seizing the opportunities presented by the national green and low-carbon development strategy, the center aims to target the forefront of the intelligent assembly industry, effectively integrate advantageous resources and scientifically combine advanced technologies such as AI, digital twins, industrial big models and big data analysis. Moreover, the Company will actively develop multiple application scenarios, including irregular warehouse inventory monitoring, AI asphalt quality inspection, intelligent loading material distribution systems, intelligent belt conveyor monitoring systems and intelligent random inspection systems, which will significantly promote the transfer and transformation of technological achievements and industrial incubation, while addressing major technological and industrial bottlenecks, enhancing the core competitiveness of enterprises in high-tech fields and efficiently empowering the construction and development of a first-class green and intelligent transportation industry base.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION



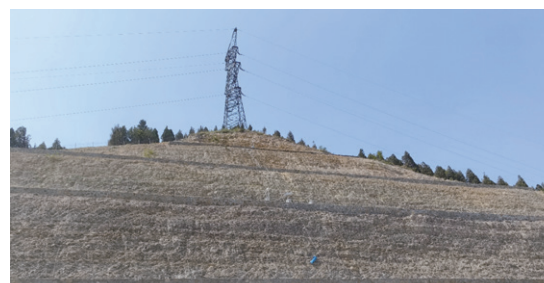
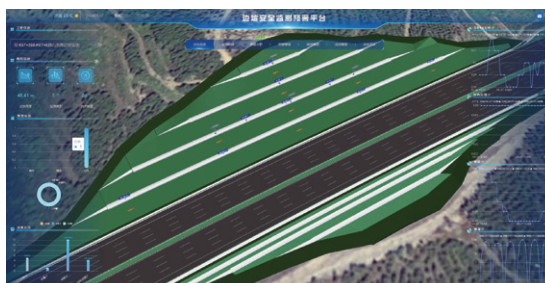
### Case: Qilu Expressway Held Toll Operation Innovation Achievement Exhibition

On May 17, to fully stimulate employee innovation vitality, accelerate the application of innovative achievements and improve the quality and efficiency of toll operation management, Qilu Expressway held a toll operation innovation achievement exhibition. Prior to the event, the Company selected 39 innovative achievements with novelty, advancement and practicality. During the event, each of the project leaders elaborated on the significance, implementation measures, and effects of their innovations. Judges scored each project, ultimately selecting 17 outstanding works, including the intelligent QR code alarm system. Participants also observed the application of these innovations on-site.



### Case: Jihe Reconstruction and Expansion Project Innovatively Applies High-Slope Automatic Monitoring System to Ensure Safe Travel

To strengthen the prevention of geological disasters on highway facilities and improve safety management, an intelligent stability monitoring system on high-cut slopes along the entire route was installed at the Jihe Expressway reconstruction and expansion project. Through 24 automated sensor devices installed at the slope top, slope surface and slope foot, data on horizontal displacement, settlement, crack width, anchoring force, collapse vibration and rainfall are transmitted in real-time to the highway infrastructure integrated monitoring and early warning platform so as to automatically generate 3D evaluation reports and enable real-time perception of key slope safety indicators and active alarm for exceedances, which significantly enhances early warning capabilities, while ensuring safety during construction and post-opening traffic.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

### *Intellectual Property Management*

The Company attaches great importance to intellectual property management and recognizes its importance to the core competitiveness of enterprises. We regulate intellectual property management and achievement transformation through the “Measures for the Management of Scientific and Technological Projects of Qilu Expressway Company Limited 《齊魯高速公路股份有限公司科技項目管理辦法》.” The Company implements an intellectual property filing system, pursuant to which the Company directly manages those patents, copyrights and technical secrets involving major company interests and those intellectual property owned by subordinate units are managed by them and filed with the Company.

Any violations of these measures or intellectual property protection regulations, such as leaking technical secrets, unauthorized transfer of intellectual property or the infringement on the Company’s intellectual property rights in other ways, will be held for legal responsibility in accordance with national laws and judicial interpretations, thereby ensuring comprehensive protection of intellectual property.

During the Reporting Period, the Company obtained 4 invention patents, 12 utility model patents and 7 software copyrights.

### 3.3 Brand Building through Publicity Management

We adhere to the principles of truthfulness, objectivity and accuracy in business information publicity and strictly standardize information disclosure processes and standards to ensure the timeliness and accuracy of disclosures. For this purpose, we strictly comply with Advertisement Law of the People’s Republic of China 《中華人民共和國廣告法》, the Contract Law of the People’s Republic of China 《中華人民共和國合同法》 and the Highway Law of the People’s Republic of China 《中華人民共和國公路法》 so as to prohibit any form of false advertising or misleading product descriptions and resolutely prevent any deceptive practices towards customers.

The Company has formulated the Trademark Licensing Agreement 《商標使用許可協議》, the Rules and Regulations of Shandong Shunguang Industrial Development Company Limited” 《山東舜廣實業發展有限公司規章制度》 and the Advertising Management System of Shandong Shunguang Industrial Development Company Limited 《山東舜廣實業發展有限公司廣告管理制度》 to comprehensively regulate trademark use and advertising activities, ensure compliance with legal requirements and protect the legitimate rights and interests of the Company and its customers.



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

During the survey this Year, 100% of employees recognize the Company's cultural system, with their cultural responsibility and participation increasing, who also had a deep impression on the Company's cultural activities. We build a comprehensive and multi-layer enterprise culture through the following systems:

Category	“Organize” activities to enhance team cohesion, reflect company care, and explore employee potential.	“Expand” brand to allow subordinate units to develop their own sub-cultures under the “Smart Beauty of Qilu” corporate culture system.	“Build” image to showcase the corporate image from multiple aspects.	“Create” vehicles to use information technology and media tools for effective dissemination and penetration of corporate culture.
<b>Specific initiatives</b>	<p>Workplace exercise performances;</p> <p>Etiquette training;</p> <p>Employee psychological counseling courses;</p> <p>Daily walking activities;</p> <p>Activities in century park, White Buddha Mountain hikes;</p> <p>Cultural training for new employees, etc.</p>	<p>Jihe Operation and Management Centre have proposed “Lean Jihe, High-efficiency Qilu”, with several toll stations building their own station cultures, such as the Pingyin Toll Station’s Rose Girls Squadron and the Jiaxiang West Toll Station’s “Six Hearts Party Branch.”</p>	<p>Regularly organize blood donation events;</p> <p>Organize and participate in community activities, assist in sanitation, transportation coordination, etc.;</p> <p>Regularly visit lonely and elderly people;</p> <p>Provide weekly services to LuZe Art Academy for the Disabled and the local community;</p> <p>Produce corporate image promotion floats during the Lantern Festival.</p>	<p>According to the Manual of Brand Visual Identity System 《品牌視覺識別系統手冊》, we uniformly design and produce various cultural promotional materials including but not limited to publicity boards, office decoration, online platform image display, etc.</p>



## II. INTEGRATING AND ADVANCING, CREATING A NEW CHAPTER IN INNOVATION

In the future, we will form a cultural construction leadership group to clarify the strategic positioning and long-term goals of corporate culture construction, formulate reasonable implementation plans and provide necessary financial support and policy guarantees to create a strong cultural synergy. Moreover, we will regularly hold cultural activities with clear theme and rich content, increase funding efforts and design cultural and creative products based on Shandong Hi-Speed Group Co., Ltd.'s "Visit to Shandong Expressway" brand construction plan and the cultural characteristics of "Smart Beauty" brand. In addition, we will also strengthen the corporate culture promotion team, broaden promotion channels and showcase the charm of corporate culture in a multi-dimensional and comprehensive manner to expand its reach and social influence, thereby enhancing recognition and identification with the corporate culture among all employees and society.

The Group has formulated the "Emergency Plan for the Prevention and Handling of Sudden Sensitive Public Opinion 《突發敏感輿情預防和處置工作預案》" and sets up a leading team and office for emergency handling of public opinions to be responsible for relevant work, so as to comprehensively improve the Company's public opinion management and control capability in the engineering and construction segment, avoid and eliminate the potential impact of unexpected events on the Company to the greatest extent possible and create a favorable environment for public opinion. During this Year, we continued to strengthen the maintenance of stability in petitioning. By focusing on four aspects, namely moving ahead, identifying hidden dangers, formulating contingency plans and improving capabilities, we paid close attention to key areas and matters, and properly handled the petitioning incidents from 12345 and 96659 hotlines and prevented a "small problem" from turning into a "big trouble" in time by successfully resolving online public opinion and petition incidents.

During this Year, the Company increased the quantity and quality of publicity both internally and externally. We published about 500 articles in the Company's media and successively carried out a series of special reports such as "Youth Civilization", "Success in the Second Half of the Year", "R&E Project Tour", "Benchmarking Improvement", "Final Battle in the Fourth Quarter" and "A snapshot of the week". We focused on writing special articles such as "Thematic education", "Traffic integration" and "Smart transportation industrial park". The Company has published more than 100 pieces of information on external media including dzwww.com (大眾網), and has published one article and four highlights of experience in "High Speed Communication". In particular, more efforts were made to promote the second round of comprehensive transformation around the reconstruction and expansion, and the news articles written were published in mainstream media in more than 20 provinces and cities such as Dazhong Daily 《(大眾日報)》, which were well received by the society.

We have formulated the "Administrative Measures for News Publicity 《新聞宣傳工作管理辦法》", which mainly use the Company's WeChat public account and website, focus on playing a positive role in effectively communicating with investors and the public and actively use the media from the Group and other channels to strengthen external publicity, introduce incentive and restraint measures and mobilize the work enthusiasm of relevant employees.

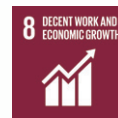
During this Year, there were no incidents of non-compliance with relevant laws and regulations that have a significant impact on the Company relating to advertising and trademarks in the course of operation.

# PURSUE VISIONS AND EMBRACE AMBITIONS TOGETHER

This chapter responds to ESG related material issues:

- (Employee) Health and Safety
- Labour Standards
- Employee Employment
- Employee Benefits
- Development and training
- Sustainability
- Supply Chain Management
- Charity
- Community Investment

This chapter responds to SDG's goals in SDG: United Nation's Sustainable Development Goals



### III. Pursue Visions and Embrace Ambitions Together

#### 1. EMPLOYEE-CENTRIC MANAGEMENT

Consistently adhering to the core philosophy of “people-oriented” management, we value and care for every employee. We focus on carrying out talent management, optimizing human resource allocation, respecting employees’ legal rights and supporting their career development and personal growth. Our goal is to create a healthy work environment, enhance team cohesion and foster sustainable development for both the company and its employees.

##### 1.1 Equal Employment for Joint Development

We place great importance on standardized employment management to continuously optimize and improve related systems. To ensure all systems operate in compliance, the Company strictly complies with the Labour Law of the People’s Republic of China 《中華人民共和國勞動法》, the Labour Contract Law of the People’s Republic of China 《中華人民共和國勞動合同法》, the Social Insurance Law of the People’s Republic of China 《中華人民共和國社會保險法》, the Interim Provisions on Payment of Wages 《工資支付暫行規定》, the Provisions on the Prohibition of Using Child Labor 《禁止使用童工規定》, the Regulations of the State Council on Working Hours of Employees 《國務院關於職工工作時間的規定》 and other laws and regulations related to labour and employment.

To create a fair, equitable, inclusive and diverse recruitment process and ensure the standardization and transparency of employment systems, we formulated the Measures for Administration of Open Recruitment of Employees 《員工公開招聘管理辦法》. The Company advocate equal employment and recruit employees in accordance with the principles of “openness, equality, competition and merit”, and comprehensively consider whether the candidates’ academic qualifications, work experience and skills meet the job requirements. We fully implement open recruitment, which is mainly including social recruitment, campus recruitment etc., while ensuring transparency in recruitment information, processes and results. During the recruitment process, by strictly abiding by anti-discrimination principles, the Company does not treat applicants differently because of their background, such as gender, age, nationality, religion, family status or colour. The Company conducts comprehensive inspections and reviews on the qualifications, capabilities, performance and integrity of candidates who have passed the examinations. Moreover, we cautiously prevent child labour and other forms of illegal labour to ensure all employees meet legal age requirements.

### III. Pursue Visions and Embrace Ambitions Together

The Company signs labour contracts with hired personnel strictly in accordance with the law, carries out the onboarding procedures, clarifies terms such as wages, benefits and dismissals and implements relevant benefits for hired personnel. Also, the Company implements a standard working hour system to eliminate forced labour and exploitation of labour. Any violations will be handled in accordance with the law. To ensure fair and standardized employment practices, we established the Management Practices for Flexible Employment Recruitment and Dismissal 《員工能進能出管理辦法》, which specifies the withdrawal of employees during the probationary period, the expiration of their first labor contracts, incompetence in their positions, violations of rules and disciplinary laws, and special circumstances, and measures will be taken in accordance with the Measures for the occurrence of the above situations until the termination of the labor contract in accordance with the law. When employees request to leave, the head of human resources department conducts interviews to understand their reasons for identifying and managing issues related to turnover rates. We provide flexible working hours, and in terms of overtime, the management staff can require employees to work as usual on rest days, but employees have the right to refuse; and if employees agree, then the Company will provide compensatory time.

We actively communicate with employees. In order to maintain the effectiveness of internal communication, we have set up an internal network function to provide employees with a platform to communicate with the management.

During the Reporting Period, the Company did not violate any applicable laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, equal opportunities, diversity, anti-discrimination, and prevention of child labour or forced labour, and did not find any child labour or forced labour in the Company.

### III. Pursue Visions and Embrace Ambitions Together

As of 31 December 2024, the Company had a total of 672 employees, 250 of them are female, representing approximately 37.2% of the total number of employees (the above data is consistent with the annual report). During the Reporting Period, the Company had 10 new employees. All of them have undergone standardised and compliant assessment and screening.

Indicators		2024 Statistics (person)
Total number of employees		672
Number of employees by gender	Female	250
	Male	422
Number of employees by employment type	Full-time employees <sup>1</sup>	672
Number of employees by age group	Aged below 30	44
	Aged 30-50	552
	Aged above 50	76
Number of employees by region	Northern China	672
	Other regions	0

During the Reporting Period, the Company lost 6 employees, with a low total turnover rate of only 0.89%.

Indicators		2024 Statistics
Employee turnover rate (%)		0.89
Number of turnover employees by gender (person)	Female	2
	Male	4
Number of turnover employees by employment type (person)	Full-time employees	6
Number of turnover employees by age group (person)	Aged below 36	2
	Aged 36-55	1
	Aged above 55	3
Number of turnover employees by education group (person)	Postgraduate and above	1
	Undergraduate	2
	Junior diploma and below	3
Number of turnover employees by region (person)	Northern China	6
	Other regions	0

<sup>1</sup> All employees of the Company are full-time employees

### III. Pursue Visions and Embrace Ambitions Together

#### 1.2 Talent Cultivation through Scientific Management

The Company attaches great importance to talent management, and is committed to establishing a fair and reasonable remuneration system oriented by business objectives, and providing employees with competitive remuneration and benefits to attract and retain outstanding talents. In order to ensure the standardization and compliance of management, in accordance with the requirements of national and local laws and regulations, the Company has formulated the Remuneration Management Practices 《薪酬管理辦法》, the Performance Management Practices 《績效管理辦法》, the Attendance Management Practices 《考勤管理辦法》, the Position Grade Management Measures 《職級管理辦法》, Penalties for Breach of Discipline and Regulations by Employees 《職工違紀違規行為處分規定》, and the Measures for Remuneration and Performance of Leaders of Subordinated Units 《權屬單位領導人員薪酬與績效管理辦法》. These systems provide clear standards and guidelines for employee management, remuneration incentives and performance evaluation.

We have established a sound incentive mechanism through the Remuneration Management Practices 《薪酬管理辦法》 to form a scientific and reasonable distribution system and protect the legitimate rights and interests of employees. By always adhering to the principles of distribution according to work, distribution according to responsibilities, distribution according to contribution, salary based on post, salary change based on post, and equal pay for the same position, we closely link work performance with position responsibilities to ensure the fairness and transparency of remuneration management. In addition to basic salary, the remuneration composition of middle-level and below employees is also set up with post salary, performance salary, overtime salary, allowances and subsidies, benefits and other rewards to motivate employees.

The Company strives to create a broad career development space for employees and actively promotes a fair and transparent promotion system. We have formulated a strict promotion system to conduct comprehensive assessments on a regular basis in accordance with the Performance Management Practices, and the Measures for Remuneration and Performance of Leaders of Subordinated Units. Based on the assessment results, the eligible employees may get promoted under the promotion conditions specified in the Rank Management Measures 《職級管理辦法》. In addition, we closely link the employees remuneration with assessment results. This approach gives full play to the guiding role of assessment in employee development and promotion in the department, so as to motivate continuous employee advancement and drive enhanced overall performance. In addition, we have also established the Chairman's Career Fund by setting up a variety of awards to annually recognize groups or individuals who have made outstanding contributions or achieved excellent results.



### III. Pursue Visions and Embrace Ambitions Together

In accordance with national policies and the relevant regulations, the Company makes unified contributions to the social security plan and housing provident fund plan, including basic pension insurance, basic medical insurance (including maternity insurance), unemployment insurance, work-related injury insurance and housing provident fund for eligible employees. In addition, the Company also formulates the Corporate Annuity Plan of Qilu Expressway Company Limited and the Supplementary Medical Insurance Plan of Qilu Expressway Company Limited to provide employees with corporate annuity and supplementary medical insurance to level up the welfare security of employees. Meanwhile, the Company strictly complies with the relevant national policies to ensure that employees are entitled to paid annual leave, maternity leave, marriage leave, funeral leave, personal leave, sick leave and other holidays in accordance with the law to maintain the work-life balance of employees and fully protect their legitimate rights and interests as well as welfare benefits. Moreover, the Company provides employees with heat prevention subsidies, accidental injury insurance, heating allowances and other benefits. In addition, the Company organizes annual health checkups for employees, issues summer cooling fees, heating subsidies, lunch subsidies, and insures group accidental injury insurance for employees.

On 21 February 2024, Qilu Expressway held the twice-in-every-four-terms meeting of the employee (member) congress and the 2024 Work Conference. At the meeting, Wang Zhenjiang, Secretary of the Party Committee and Chairman, signed the 2024 Annual Production and Operation Performance Responsibility Letter and Safety Production Management Responsibility Letter with the representatives of subordinated units.



During the Year, the union participation rate is 100%.

### III. Pursue Visions and Embrace Ambitions Together



#### Case: Wang Zhenjiang went to Deshen Operation and Management Centre to carry out the “Summer Send Cool” condolences and safety supervision

In July 2024, Mr. Wang Zhenjiang, Secretary of the Party Committee and Chairman of the Board of the Company, visited the grassroots line of Deshen Operation and Management Centre to console the frontline workers and supervise the safety production. Wang Zhenjiang came to K174+000-K174+600 road maintenance project site of the Deshang Expressway, Shenxian Toll Station, Deshen Maintenance and Clearance Sub-center, etc., to check the safety situation of project construction, toll collection and operation, maintenance operation, etc., and sent his condolences to the workers who defied the summer heat and stuck to the front line, and sent them the items of summer heat protection, and urged them to pay attention to the combination of work and rest, and to do a good job in high-temperature protection, and to improve the safety awareness, with a healthy body and full of spirit into the work.



### III. Pursue Visions and Embrace Ambitions Together

#### 1.3 Employee Synchronous Development with the Company

We are fully aware that the growth and development of employees is crucial to the long-term sustainable development of the Company, therefore we have always attached importance to the cultivation and promotion of employees. Through multi-dimensional support measures, such as employee training, new employee integration plan and various employee activities, we continue to promote employees' personal growth and career progress to realize synchronous development with the Company.

##### *Employee Training*

In order to enhance the professional competence and management skills of employees, the Company provides extensive training, covering new employee orientation training, party affairs training, corporate governance training, job skills training, safety training, management ability training, etc. The training forms are flexible and extensive through a combination of online and offline ways, covering grass-roots employees, management and subordinated units, etc. The Company formulates a detailed annual training plan each year based on business development and the actual needs of each department. The Company arranges various training activities according to the schedule and regularly invites external instructors to conduct training sessions on specific topics, and keeps relevant records.

During the Reporting Period, the Company carried out a total of 264 training sessions on 212 themes, covering 100% of employees of the Company, comprehensively improving the leadership of the management and the skills, general capabilities and corporate culture of employees in various departments.

Indicators		2024 Statistics (%)
Percentage of employees trained during the year <sup>2</sup>		100
Percentage of employees trained by gender	Female	100
	Male	100
Percentage of employees trained by employment category	Full-time employees	100
	Part-time employees	/

<sup>2</sup> Calculation method: percentage of employees trained in the relevant category =  $TH(x)/E(x)$ ,  $TH(x)$  = number of employees trained in the specific category,  $E(x)$  = number of employees in the specific category

### III. Pursue Visions and Embrace Ambitions Together

Indicators		2024 Statistics (hours)
Average training hours of employees <sup>3</sup>		96.41
Average training hours of employees by gender	Female	89.80
	Male	100.69
Average training hours of employees by employment category	Full-time employees	96.41
	Part-time employees	/



#### Case: Jihe Expressway R&E Project Office Conducted a Training on Supervision

From 23 to 24 January, Jihe Expressway R&E Project Office conducted a training on supervision, with more than 100 persons from 14 supervision and construction units participating in the training. Excellent internal supervision representatives and external experts and professors were invited for the training to give on-site lectures in 7 aspects, including quality engineering construction, expressway quality control improvement, and application of new technologies in roadbed and road surfaces. The training was aimed to improve the expertise of the construction participants and provide a good exchanges platform for all lines of business.



<sup>3</sup> Calculation method: average training hours of employees of the relevant category = TH(x)/E(x), TH(x) = total training hours of employees of the specific category, E(x) = number of employees of the specific category



### III. Pursue Visions and Embrace Ambitions Together



#### Case: The Securities Investment Department and Investment Companies Held the “Classroom for Business Improvement (業務提升大課堂)”

On 8 April, the Securities Investment Department and Qilu Expressway (Shandong) Investment Management Company Limited (齊魯高速(山東)投資管理有限公司) jointly held the “Classroom for Business Improvement”. Themed as “Our Qilu Expressway”, the first lesson thoroughly explained Qilu Expressway’s development history and strategic planning in simple terms from the Company’s historical evolution, major opportunities and listing demonstration, access to the Hong Kong capital market to high-quality transformation and development. Employees are encouraged to build the Company with home-like commitment, improve the knowledge in the business field, and actively integrate into the Company’s high-quality development process. In the future, lectures will be given in accordance with the principle of “one theme for each course and one business for each course” to employees for their sustained excellence, which in turn will enhance team cohesion and combat effectiveness, and actively contribute to the high-quality development of the Company.



### III. Pursue Visions and Embrace Ambitions Together

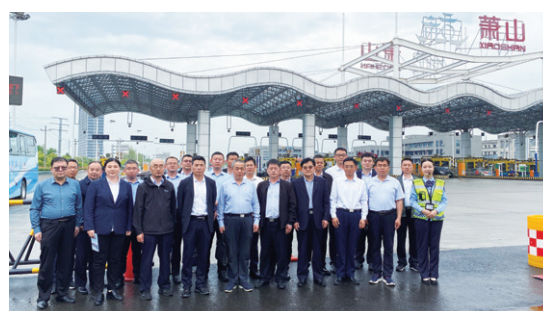


#### Case: A Training Course on Comprehensive Quality Improvement of Middle and Senior Management of Qilu Expressway Was Held in Zhejiang University

From 7 April to 20 April, a training course on comprehensive quality improvement of middle and senior management of Qilu Expressway was successfully held in two phases at the Zijingang Campus of Zhejiang University, with nearly 100 cadres and employees participating in the training. The course is closely aligned with the Company's transformation and upgrading as well as industry cutting-edge developments. It encompasses key areas including digital transportation and smart highways, new quality productive forces, conceptual transformation and management innovation, digital economy and corporate digital transformation, China's economic trajectory and corporate response strategies, and high-efficiency execution capability building. The course combines theoretical rigor with practical implementation guidance, demonstrating strong relevance, instructional value, and applicability in driving quality improvements and efficiency enhancements across operational practices.



During the program, our management and employees visited the benchmarking company, Zhejiang Expressway Co., Ltd. ("Zhejiang Expressway"), and both parties exchanged overviews of their respective operations and key achievements in reform and development in recent years. The Company's representatives sought for experiences and lessons from Zhejiang Expressway on specific business to make good for deficiency. Our management and employees of the Operation Division, Jihe Operation Centre, Deshen Operation Centre also conducted on-site learning at the control and monitoring Centres and the grassroots toll stations of Zhejiang Expressway for their advanced experiences and practices in operation coordination, maintenance management and emergency disposal.



The training program incorporates comprehensive and practical on-site instructional activities. Our management and employees visited well-established enterprises such as Hikvision, Hangxiao Steel Structure and H3C Technologies to learn advanced experience and achievements from Zhejiang enterprises in accelerating digital transformation, deepening corporate transformation and upgrading, and promoting the development of digital economy.





### III. Pursue Visions and Embrace Ambitions Together

#### Employee Activities

The Company pays close attention to the mental health of employees and enhances team cohesion by organising various employee activities. During the Reporting Period, all departments of the Company organized their own team building activities and organized employees to celebrate the festival together to further enhance the interaction and emotions among employees. Qilu Expressway will continue to pay attention to the mental health of employees and is committed to creating a caring and warm corporate atmosphere for each employee.



#### Case: A Smart and Beautiful Mind Grows Towards the Sun (智美心靈向陽而生) – Qilu Expressway Held an Open Class on Mental Health

On 22 August, Qilu Expressway held a unique open class on employees' mental health. About 200 front-line employees at grass-roots level participated in the activity through the “on-site + online” methods. Lectured by a state-certified Level 2 psychological counselor, the open class utilized psychographic analysis technology to help participants better understand, release and control stress through engaging interactive games, case studies, on-site assessments and professional explanations, etc., thereby shaping a happy and healthy lifestyle and creating a warm and pleasant work environment.



### III. Pursue Visions and Embrace Ambitions Together



#### Case: Forging Ahead for Broader Horizons at the Right Time (征程萬里闊，奮進正當時) – Qilu Expressway Held a Staff Sports Meeting

On 27 September, the staff sports meeting of Qilu Expressway Co., Ltd. was held in Jinan. The sports field was filled with an electrifying atmosphere of fluttering flags and thunderous cheers. Over 270 athletes from 8 teams competed in 22 events across two categories, including 16 individual events and 6 group events, effectively integrating elements of competition, collaboration and entertainment. With a clear theme, tight schedule and dynamic energy, the sports meeting is not only a competitive event to fully showcase the sports spirit and corporate culture, but also a mobilization rally to gather strength and cheer.



#### Case: The Labor Union of Qilu Expressway Carried Out the Reading Activity of “Recommending Good Books and Listening to My Reading (薦好書，聽我讀)”

In order to actively foster a positive atmosphere of “Reading more, reading better, and reading smarter (愛讀書、讀好書、善讀書)”, the Company’s labor union has carried out the “Recommending Good Books and Listening to My Reading” campaign in May 2024. Employees shared their insights and reading experiences through short videos, reading notes, audio recordings and other forms, resulting in a total of 61 book recommendations collected. After online voting and comprehensive evaluation, 3 first prizes, 5 second prizes, 8 third prizes, 19 excellent prizes and 2 outstanding organization awards were selected. The campaign further enhanced employees’ enthusiasm for reading and created a strong learning atmosphere.

### III. Pursue Visions and Embrace Ambitions Together

#### 1.4 Adhering to Health and Safety

The Company always insists on providing a safe and healthy working environment for employees, and strictly complies with the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases 《中華人民共和國職業病防治法》, the Law of the People's Republic of China on Work Safety 《中華人民共和國安全生產法》, the Labour Law of the People's Republic of China 《中華人民共和國勞動法》, Measures for the Administration of Occupational Health Examination 《職業健康檢查管理辦法》, the Regulations on Work-Related Injury Insurance 《工傷保險條例》 and other relevant laws and regulations. In order to ensure the health and safety of our employees, we have formulated a number of policies and operating procedures, including the Safety Operating Procedures of Qilu Expressway, the Safety Management System and the Fire Management System. We have also formulated specific health and safety protection measures based on the Company's actual situation, such as compiling safety operation manuals for each position, and requiring all employees at each level to sign safety responsibility letters. In addition, according to the Company's standardised document of "quality, environment, occupational health and safety management", we regularly identify hazard sources and environmental factors and adopt corresponding control measures to effectively prevent and manage various risks.

During the Reporting Period, the Company did not violate any relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. In the past three years (including the Reporting Period), the Company had no work-related fatalities.

**2022-2024 work-related injury data of Qilu Expressway**

Year	2022	2023	2024	Unit
Work-related fatalities	0	0	0	Person
Work-related fatality rate	0	0	0	%
Number of working days lost due to work	259	295	172	Days
Number of work-related injuries	2	1	2	Person

### III. Pursue Visions and Embrace Ambitions Together

We implement comprehensive management over work safety, equipment operation, personnel management, fire safety and safety risk monitoring and inspection with a view to providing a safe and healthy working environment for employees. In order to effectively prevent potential safety hazards, the Company has not only established strict operating specifications and emergency plans, but also regularly conducts on-site safety inspection and risk assessment to ensure that safety measures are fully implemented. In addition, the Company has passed the “Three-Standards-in-One” system certification, of which the occupational health and safety management system certification is an important part for ensuring the safety of employees. The certificate is set out below.



Qilu Expressway comprehensively improved employees' safety awareness and emergency response capability through a series of activities such as the “First Lesson of Work”, Safety Production Month-themed training and vocational skills competition. The Company invited experts to give lectures and held competitions and interesting activities to thoroughly implement the safety production requirements, creating an atmosphere of “everyone pays attention to safety and everyone participates in safety”. All activities were closely linked to the actual situation, and strengthened the employees' understanding and application of safety knowledge, showed good spirit and promoted the construction of the Company's safety culture, ensuring the safe and orderly production and operation throughout the year.

### III. Pursue Visions and Embrace Ambitions Together



#### Case: “First Lesson of Work” and “Safety First”

On the morning of 18 February, Qilu Expressway conducted the “2024 First Lesson of Work” activity to conscientiously implement the instructions and requirements of superiors on production safety, educate and guide cadres and workers to effectively enhance safety awareness and improve their accident prevention and emergency response capabilities, and enable them quickly back to the working state from holiday so as to devote themselves to the production and operation work throughout the year with a new look and full state.



#### Case: Qilu Expressway Carried Out the Series of Activities of Safety Production Month

On 20 June, Qilu Expressway carried out the Safety Production Month-themed training activity. Leaders of the Company and over 60 cadres and employees of the headquarters and subsidiaries attended the training. During the training, industry experts were invited to give lectures, and with the focus on “We all can work safely and cope with emergencies-Open up the life channel”, attendees studied the spirit of General Secretary Xi Jinping’s important remarks on safety production, and the standards for determining major accident hazards and the Provisions on the Main Responsibility of Production Safety of Production and Operation Units in Shandong Province 《山东省生产经营单位安全生产主体责任规定》 were interpreted in details in combination with the Company’s actual safety production situation, creating a good atmosphere of “everyone pays attention to safety and everyone participates in safety”.





### III. Pursue Visions and Embrace Ambitions Together

On 5 June, Shen County North toll station and Deshen Maintenance and Obstacle Clearance Sub-Centre, together with Shen County Fire Brigade, carried out the Safety Production Month-themed activity of “Practicing Face-to-face and Preventing Hidden Safety Hazards”. There was a well-designed fun “Q&A” quiz, in which employees competed to answer safety questions on fire safety knowledge, fire prevention and self-rescue, effectively stimulating their enthusiasm for learning safety knowledge and creating a strong safety culture atmosphere.



On 4 June, Qilu Expressway held a training meeting for safety lecturers. Relevant personnel from the safety management department and more than 40 safety lecturers from subsidiaries attended the meeting. In the training, internal lecturers from the Talent Development Institute of the Group were invited to give lectures on curriculum development, design and application. The course was designed from multiple perspectives, including developmental needs, guided the trainees to internalize work experience into high-quality courses based on the actual scenarios of production safety in combination of the industry orientation and business practice and with the focus on prominent topics in production safety.



Qilu Expressway attaches great importance to fire safety management, and comprehensively improves employees' fire safety awareness and emergency response capability through systematic training and practical drills. The Company conducts regular in-depth hidden hazard examination to identify and rectify potential risks in a timely manner to ensure the effective implementation of various safety measures. At the same time, the Company strengthens the fire safety knowledge and practical operation ability of all employees through continuous safety education to build a strong fire safety line of defense and promote the normalization and refinement of safety management.



### III. Pursue Visions and Embrace Ambitions Together



#### Case: Qilu Expressway Launched the Fire Safety Practice Week for Office Buildings

In order to further strengthen employees' awareness of fire safety and improve their fire and other emergency response capability, Qilu Expressway planned and launched the "Fire Safety Practice Week for Office Building" activity on 2 to 9 January. The activity closely centered on the "Five Combinations" to comprehensively improve employees' safety awareness and self and mutual rescue capabilities.

The combination of enterprise management and park properties. On 5 January, relevant personnel from the Company's headquarters, together with the person in charge of the property, the building manager and the fire chief jointly conducted fire hidden hazard examination and emergency drill.

The combination of fire hidden hazard examination and fire training. The fire management personnel of the property led the safety personnel for each floor to conduct a comprehensive examination of hidden hazards. The safety personnel improved their skills in identifying fire hidden hazards by learning and doing.

The combination of fire training and promotion of the "Snap a Photo" APP for identifying hidden hazards. The APP was further promoted through the training on fire hidden hazard examination, and all employees were mobilized to participate in the examination of hidden hazards.

The combination of fire publicity and fire drills. Promotional pictures for the event were produced and posted on the fire drill site of the Company's building, creating a strong event atmosphere.

The combination of offline and online activities. In addition to the above-mentioned activities, online fire training and examinations were simultaneously conducted through the "High-speed E-Learning (高速E學)" to ensure the effectiveness of the activities.



### III. Pursue Visions and Embrace Ambitions Together

#### 2. STRENGTHENING RESPONSIBLE SUPPLY CHAIN

The Company has always been committed to establishing close cooperation with suppliers to jointly promote the sustainable development of the industry. We strictly comply with the Law of the People's Republic of China on Bid Invitation and Bidding 《中華人民共和國招標投標法》, the Regulation on the Implementation of the Bidding Law of the People's Republic of China 《中華人民共和國招標投標法實施條例》 and other relevant laws and regulations to ensure the legality and compliance of our procurement activities. In order to further standardize the procurement process, we have formulated comprehensive internal management systems, including the Supplier Management Principles 《供應商管理原則》, the Tendering and Procurement Management Practices 《招標採購管理辦法》, the Contract Management Practices 《合同管理辦法》 and the Contractor Performance Evaluation Management Practices 《合同承包商履約評價管理辦法》. These systems clarify the procedures for procurement and the evaluation, audit and approval mechanisms for suppliers, ensuring that we can obtain high-quality products and services.

The Company has formed a tendering and procurement monitoring team, which is responsible for monitoring and guiding the tendering and bidding activities jointly with relevant departments in accordance with the Supplier Management Principles 《供應商管理原則》. For procurement projects that meet the standards and scope, the Company adheres to the principles of openness, fairness, justice and good faith, and makes procurement decisions through public bidding, negotiation and consultation. For the bidding and procurement process of engineering construction projects, specific requirements on the safety, quality and environmental protection of suppliers are put forward in the bidding documents, including the daily supervision of migrant workers' wages (labour costs), rules and regulations on safety production management, safety inspection procedures and construction safety management requirements. In addition, the instructions from supervisors on safety work must be strictly implemented. In terms of environmental protection, contractors must strictly comply with relevant national laws and regulations on environmental protection and relevant industry standards, and make clear provisions in reducing construction noise, suppressing dust and avoiding polluting water bodies, so as to ensure that environmental protection measures are fully implemented during the construction process.

The Company advocates green procurement, such as procuring products and services that have minimum impact on environment, purchasing environmentally friendly products and adopting the principle of first purchase, first use to avoid missing the expiration date and causing waste. According to the Contractor Performance Evaluation Management Practices 《合同承包商履約評價管理辦法》, when selecting suppliers, the Company requires them to comply with all regulations concerning unethical behaviors, bribery, corruption and other business practices prohibited by local and international laws and regulations and comply with all local and international laws and regulations on health and safety, maintain written policies on personal ethics and code of conduct of their employees, provide fair remuneration and working environment for their employees and ensure that there is no child labor and forced labor. In the event that the conduct of suppliers is found inconsistent with our Company's policy, we will terminate cooperation until rectification.

### III. Pursue Visions and Embrace Ambitions Together

During the Reporting Period, the Company's business involved a total of 132 suppliers, all of which have implemented the qualified supplier management regulations and related practices. The distribution of suppliers during the year was as follows:

Region	Number of suppliers
Shandong province	115
Beijing	8
Hong Kong, China	7
Henan province	1
Jiangsu province	1

Upon the expiration of the supplier's service period, we will conduct a comprehensive evaluation of the supplier in accordance with the Contractor Performance Management Practices 《合同承包商履約管理辦法》. The evaluation covers all stages of project implementation, including project management, contract implementation, financial position, technical level, facilities and equipment, delivery and acceptance evaluation, etc. In particular, we will evaluate whether the management of property owners and contractors is rigorous, whether the quality of products, services and projects is in line with the national and industrial technical specifications and requirements of the contract. Meanwhile, we will also review whether there are safety liability accidents and integrity responsibility incidents. We will conduct qualitative and quantitative evaluations to ensure a comprehensive and objective reflection of the supplier's performance.

For engineering projects, we will conduct regular performance inspections in accordance with the Assessment Standards for Reliability Performance of Highway Construction Companies 《公路施工企業信用行為評定標準》 and collect feedback from regulatory authorities. After the on-site performance inspection, the enterprise management department collects and summarizes the information and issues a performance inspection report. If the evaluation outcome of the long-term contract units determined through non-tendering method is excellent, the Company would continue to cooperate with them and renew the contract. If violations of disciplines and laws, major safety liability accidents, integrity accidents, and major quality accidents are found, they would be blacklisted and prohibited from participating in subsequent tendering activities.

## III. Pursue Visions and Embrace Ambitions Together

### 3. SOCIAL SERVICES AND RESPONSIBILITIES

We focus on the development of expressway business and understand our significant social responsibilities. With the original intention of contributing to society, the Company is committed to promoting the development of social welfare by participating in and supporting various public welfare undertakings actively. At the same time, we encourage our employees to participate in volunteer services and make their contributions to benefit all levels of society. In the future, the Company will further expand the coverage of public welfare and fulfill its social responsibilities with practical actions. During the Reporting Period, the Company invested RMB35,005.25 in aggregation. 476 employees of the Group and 295 community members participated in the activities and 560 hours were involved in the activities. There were 74 volunteer team members of the Group who contributed 164 service hours.

#### 3.1 Volunteer Activities to Help the Poor



##### Case: Qilu Expressway Carried Out Caring for Children Volunteer Service Activities

On the occasion of Children's Day on 1 June, all units of Qilu Expressway actively carried out caring for children volunteer service activities, helping to create a good atmosphere in which the whole society cares for children. Party members and volunteers of Liaocheng West toll station went to the Minsi Experimental Primary School to visit children from poor families and brought them new school bags, stationery boxes, books and other school supplies. Volunteers of Dongping toll station went to Gezhenyuan Village, Zhoucheng Street, Dongping County to carry out a caring educational assistance activity. They sent festive wishes and brought water glasses, badminton rackets, badminton shuttlecocks, writing books, towels, books, colored pens and other items to 39 village children, and promoted the knowledge of drowning prevention and traffic safety to the children through the micro-class. Volunteers of Changqing University City toll station and Jihe Operation and Dispatching Centre went to Ping'an Middle School to carry out a caring educational assistance activity. They brought school supplies and books to the children and accompanied them to have a happy Children's Day in advance.





### III. Pursue Visions and Embrace Ambitions Together



#### Case: Qilu Expressway Was Awarded the Title of Outstanding Group for Voluntary Blood Donation Service of Shandong Province

In May 2024, Shandong Blood Center issued the Notice on Recognizing Advanced Groups and Individuals for Voluntary Blood Donation Service in 2023, the volunteer service team of Qilu Expressway was awarded the title of “Outstanding Group for Voluntary Blood Donation Service”; Wang Jun, the deputy secretary and director of the Party branch of Jihe Operation and Management Centre, was awarded the “Excellent Organizer of Voluntary Blood Donation Service”, and Zhang Lufang, an employee of Pingyin toll station, and Zhang Jianbo, an employee of Pingyin South toll station, were awarded the “Advanced Volunteer of Voluntary Blood Donation Service”.



#### Case: Members from Xiaoli Toll Station Visited and Expressed Greeting to Old Party Members on the Occasion of 1<sup>st</sup> July Party Day

At the Party and Community Service Center of Xiaoli Street, the members from Xiaoli toll station Party Branch and Xiaoli Beimashan toll station Party branch of Expressway Co., Ltd. presented their carefully made political birthday cards and bring cordial greetings and good wishes to the old party members who joined the Party in July. Party members and young volunteers also made dumplings for the old Party members to celebrate the Party's birthday.





### III. Pursue Visions and Embrace Ambitions Together

#### 3.2 Making Progress Together in Community Construction



##### Case: Party Building and Joint Construction Help Rural Revitalization

On 9 May, the General Party Branch of Liaocheng Deshen Operation and Management Centre signed a cooperation agreement on the “Qilu Red Chain” Party building and joint construction and “Shangao•Xing + Rural Revitalization” brand projects with the Party Committee of Xuzhuang Town in Shen County to explore a new mode of town-enterprise cooperation and enriching the value-added experience of drivers and passengers. Both parties will focus on the intangible cultural heritage and unique folk culture of Zhifang Village of Xuzhuang Town, give full play to their respective professional advantages, and actively promote the “Lehuo Zhifang” tourism brand. While providing value-added service experience for the passing drivers and passengers, they will promote rural revitalization with new practices of transportation and tourism integration.



On 29 April, the Gucheng Toll Station of Shen County signed a cooperation agreement on the “Qilu Red Chain” with the surrounding Qiansanliying Village. The toll station will actively promote the village’s specialty agricultural products to drivers and passengers to effectively broaden market channels; at the same time, the drivers and passengers passing by the station can enjoy discounts on specialty agricultural products in Qiansanliying Village with their traffic records. In the future, Gucheng Toll Station of Shen County will continue to expand the breadth and depth of its cooperation with surrounding villages, explore cooperation possibilities in multiple dimensions, such as rural tourism, green agriculture, intangible cultural heritage protection and local characteristic industries, and strive to build a new development pattern in which expressways serve as a link to promote the coordinated development of multiple industries including rural revitalization.



### III. Pursue Visions and Embrace Ambitions Together



#### Case: "Youth" Heart Escorts the College Entrance Examination and Helps Students Realize Their Dreams

Pingyin Toll Station has made every effort to ensure smooth traffic and provide voluntary services during the college entrance examination. The toll station has set up a special vehicle lane for candidates for college entrance examination and set up clear guide signs in the toll plaza to guide vehicles transporting candidates to pass quickly, reduce vehicle waiting time, and ensure that vehicles transporting candidates have priority and pass safely. At the same time, we set up "Caring Stations" at the examination centres to provide free drinking water, heat-prevention items, pens, etc. to candidates and their parents. And youth volunteers from toll stations spontaneously set up a dedicated fleet to send the candidates to the examination centres, uniformly posted "Caring Vehicle" signs, and provided emergency services for the candidates at any time, creating a safe, smooth and orderly high-speed travel environment to escort the majority of candidates for college entrance examination.



### III. Pursue Visions and Embrace Ambitions Together



#### Case: Qilu Expressway Cared About the Growth and Progress of Adolescents

On 22 April, with the approaching of the 29th World Book Day, the Youth League Branch of Gucheng Toll Station of Shen County and the Shen County Committee of the Communist Youth League successfully held a theme event “Shouldering Responsibility for Chinese-style Modernization – Adolescents Love Reading”. During the event, league members and youth volunteers had in-depth exchanges with adolescents about their personal reading experiences, inspiring them to explore the profound meanings behind books, leading them to appreciate the unique charm of words, and carefully designed a series of entertaining and educational games and challenge projects to stimulate adolescents’ enthusiasm and interest in reading.



With the approaching of Children’s Day, Deshen Operation and Management Centre and Xuzhuang Town Government of Shen County carried out a party day activity with the theme of “Party Building Leading Cohesion, Campus Safety Public Welfare”, and went to Xuzhuang Town Central Primary School to preach safety knowledge and jointly escort students’ safe growth. During the event, the centre staff focused on explaining traffic safety knowledge to students and conducted warning demonstrations closely related to the theme of safe driving on expressways, achieving the good safety publicity effect of “educating one student, driving one family, and influencing the entire society”.

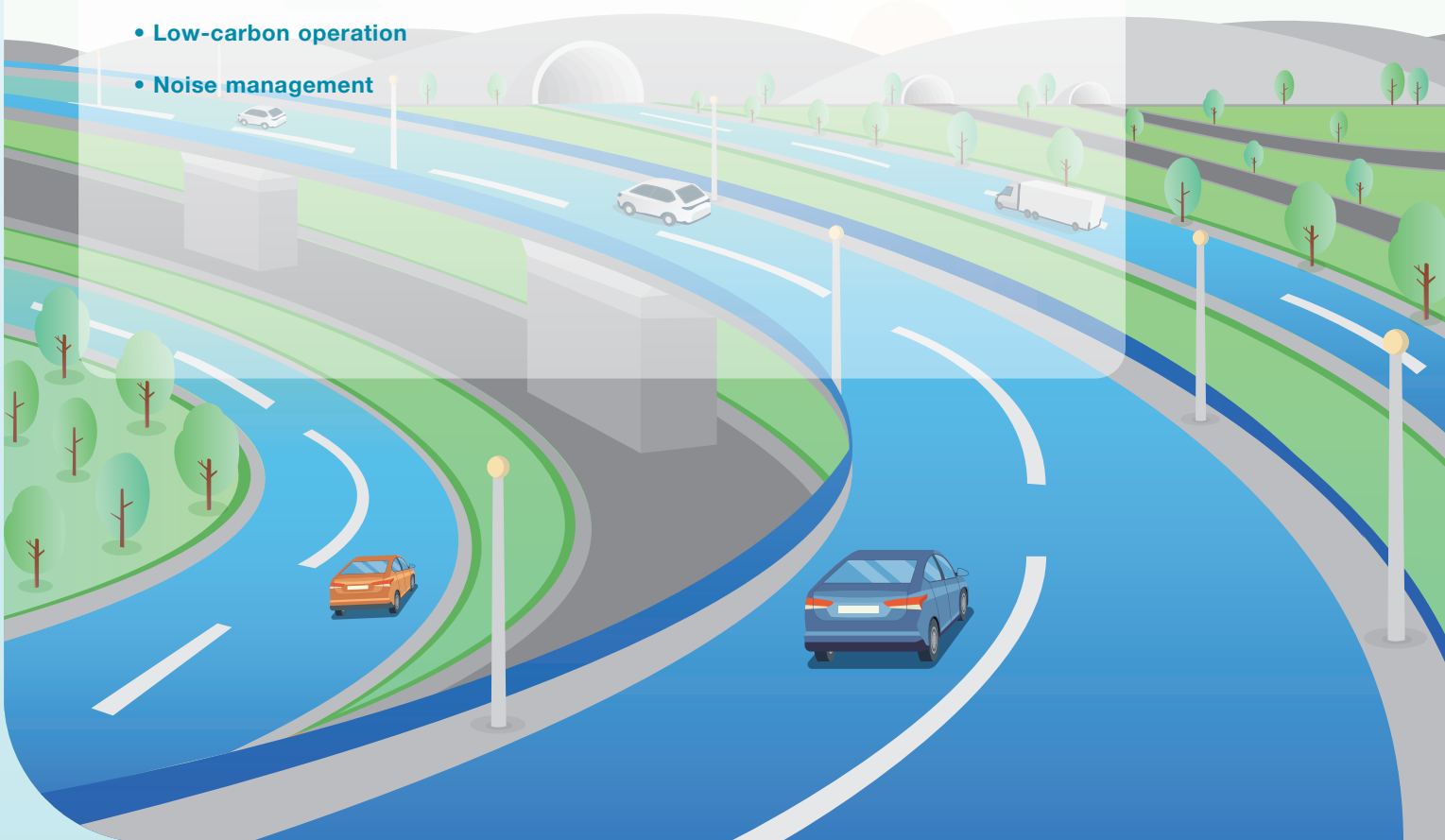


# TAKE ON THE MISSION OF LOW-CARBON OPERATION

This chapter responds to ESG related material issues:

- Water resources management
- Use of resources
- Waste management
- Emissions
- The environment and natural resources
- Energy saving and consumption reduction
- Impact of climate change on business
- Use of land
- Low-carbon operation
- Noise management

This chapter responds to SDG's goals in SDG: United Nation's Sustainable Development Goals





## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 1. LOW-CARBON OPERATION PROMOTES ENVIRONMENTAL PROTECTION

We always take the national “Double Carbon” goals as our strategic orientation and green operations as our core goal. We deeply integrate the concept of sustainable development into our daily business management, implement the basic principles of green development, actively promote emission reduction measures, and focus on improving energy efficiency and reducing emissions. At the same time, we vigorously promote the concept of green and low-carbon, ensuring that green operations are widely disseminated and effectively implemented in all departments.

In terms of compliance with laws and regulations, the Company strictly follows the Circular Economy Promotion Law of the People’s Republic of China 《中華人民共和國循環經濟促進法》, the Energy Conservation Law of the People’s Republic of China 《中華人民共和國節約能源法》, the Measures for Energy Conservation Review of Fixed Asset Investment Projects 《(固定資產投資項目節能審查辦法)》, the Measures for Energy Conservation Supervision 《(節能監察辦法)》, the Measures for the Administration of Industrial Energy Conservation 《工業節能管理辦法》, the Measures for the Administration of Energy Conservation of Major Energy-Consuming Entities 《重點用能單位能源管理辦法》, etc. to ensure compliance operations. In addition, we have fully implemented the Measures for the Operation and Management Assessment of Quality, Environment and Occupational Health and Safety Management System 《質量、環境與職業健康安全管理体系运行管理考核辦法》, continuously improved energy management, increased resource utilization rate, ensured compliance of emission standards, and actively responded to climate change challenges, strived to reduce the environmental impact of the Company’s operations and promoted the long-term sustainable development of energy conservation and emission reduction.

During the Reporting Period, the Company has not violated any relevant environmental protection laws, has not caused any major accidents affecting the environment and natural resources, and has not received any penalty or litigation notice involving environmental aspects.

Based on the 2023 data, we will maintain or gradually reduce the intensity of energy consumption, water resource usage, greenhouse gas emissions and waste generation. We will continue to implement targeted energy saving and emission reduction measures, monitor the progress of achieving our objectives and conduct regular reviews on such measures to achieve our goal of low-carbon operations.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 1.1 Leader in Benchmark Projects

The R&E project of Jihe Expressway continued to practice the construction concept of “green environmental protection, intensive economy, low-carbon construction and maintenance”, and established a project ecological and environmental protection supervision and management system to strictly adhere to the red line of ecological protection, the bottom line of environmental quality, and the upper line of resource utilization and ensure that the adverse impact of the project construction on the natural environment and social environment along the line is minimized, and is committed to building the Jihe Expressway into a green demonstration highway and an ecological and environmentally friendly road. Our implementation plan made full use of the existing roads, saved newly added land, and reduced the difficulty of construction, which not only protected the cultural landscape along the line to the greatest extent, but also reduced excavation work areas and damage to forest land.

The project achieves “two-way development” in controlling environmental pollution and improving the utilization rate of raw materials. The self-designed integrated sewage advanced treatment system was adopted in the concrete mixing stations, which significantly improved the effluent quality and gravel recovery rate, and realized “zero” sewage discharge and resource recycling. Some special road sections are filled with lightweight foamed soil materials instead of traditional soil roadbed filling, which can effectively suppress dust pollution, reduce newly occupied land and reduce construction noise. New technologies, including high-toughness and ultra-thin asphalt wear layer technology, new technology of spraying, diffusing and pressure grouting solidifying waste soil piles for strengthening soft foundation and PUC seamless expansion and contraction technology for small and medium span bridges on low-noise roads, and environmental protection technologies including recycling and reuse of dismantled waste concrete, asphalt milling material factory mixing and cold recycling were studied to achieve the multiple effects of energy saving, cost reduction and efficiency enhancement.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

The R&E project of Jihe Expressway constructed photovoltaic power generation and energy storage facilities, smart energy grid operation system, near-zero energy consumption building energy-saving system, outdoor micro-lights, ground-source heat pumps, forestry carbon sinks and other subsystems. Through the three major measures including carbon emission reduction, carbon removal and carbon sink enhancement, it will strive to achieve carbon neutrality in operation period emissions and build China's first zero-carbon national expressway through renovation and expansion.

During the Year, the assembly company also made progress in environmental management. The environmental management system complied with GB/T 24001-2016/ISO 14001:2015. The system covers the relevant environmental management activities involved in the production and sales of asphalt concrete, cement concrete, cement-stabilized macadam, modified asphalt products and emulsified asphalt products.



Environmental management system certification

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 1.2 Energy Saving and Carbon Emission Reduction

The Company focuses on addressing the potential risks brought by global warming and actively responds to the national “Double Carbon” goal. We conduct statistics and analysis on our resources and energy usage every six months, and regularly implement supervision and inspection for established targets and related indicators of resource and energy consumption. The Company is committed to reducing emissions during its operations and promoting a low-carbon business operation model.

Energy and other resources used by the Company include: gasoline, diesel, natural gas and electricity. Gasoline and diesel are mainly used for motor vehicles, a small amount of diesel is used for power generation, natural gas is used for canteens, and electricity is mainly used for the Company’s office and equipment operation.

**Volume and intensity of energy consumption of the Company**

Type	2024	2023	Unit
Electricity	9,343,454.1	8,036,298.46	kilowatt-hours
Gasoline	149.44	162.22	tonnes
Diesel	95.03	155.41	tonnes
Coal gas	3,900.00	4,500.00	liter
Natural gas	2,361,164.00	1,258,763.00	Standard cubic metres
Total energy consumption volume	37,810,487.81	25,499,244.74	kilowatt-hours
Total energy consumption intensity	56,265.61	36,636.85	kilowatt-hours/person

Note: 1. Total energy consumption volume is calculated according to the national standard conversion factor of the General Rules for Calculation of Integrated Energy Consumption 《綜合能耗計算通則》(GB/T 2589-2020) based on the consumption volume of gasoline, diesel, natural gas and electricity.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

The Group has adopted a series of energy-saving measures in the office area, and collected electricity statistics on a monthly basis to monitor the electricity consumption and take appropriate improvement measures. At the same time, we actively promote employees' awareness of environmental protection to protect natural resources and minimize environmental impact. The specific measures are as follows:

Type	Measures
Lighting system	<ul style="list-style-type: none"> <li>• Turn off the lights when the office is not in use</li> <li>• Use daylight as much as possible</li> <li>• Divide the office into different lighting areas, and set up independently controllable lighting switches in different lighting areas</li> <li>• Install motion sensors in areas that are not frequently used</li> <li>• Reduce the number of lights in areas where the brightness is higher than required</li> <li>• Use energy-efficient lamps</li> </ul>
Heating and air conditioning system	<ul style="list-style-type: none"> <li>• Clean filters/coil fans regularly</li> <li>• Install seals on doors and windows to prevent temperature-controlled air from leaking out</li> <li>• Set the minimum temperature of the air conditioning system to 25.5 degrees Celsius</li> <li>• Turn off the air conditioner when the office is not in use</li> <li>• Use low-emissivity glass to block ultraviolet rays that generate heat</li> <li>• Use split air conditioners with Grade 1 energy efficiency labels</li> <li>• Allow employees to not wear ties and full suits in hot weather to reduce the use of air conditioners</li> </ul>
Company vehicles, employee commuting and business travel	<ul style="list-style-type: none"> <li>• Maintain company fleet (less efficient cars use more fuel and emit more pollutants)</li> <li>• Provide low-carbon driving training to drivers (e.g. avoiding sudden acceleration)</li> <li>• Choose electric or hybrid vehicles</li> <li>• Encourage employees to take public transport</li> <li>• Adopt video conferences to replace non-essential overseas business trips</li> </ul>

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

Type	Measures
Electronic equipment and electrical appliances	<ul style="list-style-type: none"> <li>• Turn off electronic equipment completely during non-working hours</li> <li>• Remember to unplug electric kettles and microwave ovens, especially before weekends and holidays, turn off the power in the office</li> <li>• Consolidate multiple servers into a single higher-capacity server to reduce energy consumption and free up more office space</li> <li>• Purchase electronic equipment with energy-efficient labels</li> <li>• Use virtualized computer equipment to reduce power consumption and hardware installation</li> </ul>
Corporate and employee environmental protection activities	<ul style="list-style-type: none"> <li>• Encourage employees to participate in environmental protection activities organized by environmental protection groups</li> <li>• Encourage employees to use stairs instead of elevators</li> <li>• Promote and educate employees on emission reduction measures through emails, posters, internal networks and other media to enhance employees' sense of environmental responsibility</li> <li>• Organize activities in places with convenient transportation</li> <li>• Avoid using single-use items for activities</li> </ul>



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION



### Case: Qilu Expressway carried out 2024 national energy conservation publicity week activities

Qilu Expressway vigorously advocated a diversified low-carbon lifestyle, called on employees to pay attention to the impact of climate changes, jointly practiced simple, moderate, civilized and healthy life and consumption concepts, and promoted green and low-carbon development. The Company actively organized employees to participate in the online knowledge contest on energy conservation and emission reduction initiated by the Provincial Government Affairs Bureau, so as to promote the concept of energy conservation to be deeply rooted in the people's minds and make contributions to the environmental protection cause with practical actions.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION



### Case: Assembly Company Carrying Out Energy-Saving Technological Renovations

- Qinglongshan I Mine introduced advanced energy-saving technologies and equipment to optimize production process and reduce energy consumption and pollutant emissions.
- In the noise reduction work, measures such as wrapping the equipment with sound-absorbing materials and fully sealing the production workshops had effectively reduced the noise generated by mining operations and reduced the impact on the lives of surrounding residents.
- In the dust suppression work, dust suppression curtains were added to the unloading ports of the production workshops, and the mine installed the advanced spray dust suppression system to carry out real-time spray dust suppression in the mining and transportation links; at the same time, road cleaning and watering operations were strengthened, and mine car washing machines and tertiary sedimentation tanks were built to reduce the generation and spread of dust as well as recycle wastewater for reuse and reduce energy consumption.

### 1.3 Water Resources Conservation and Protection

The Company deeply understands that water resources are crucial to the long-term development of the Company, and therefore vigorously promotes the concept of water conservation, strives to establish a strong water conservation awareness among all employees, and fosters a work culture of resources conservation, so as to jointly reduce the waste of water resources. The Company's daily water consumption mainly includes domestic water and drinking water for employees, and all water sources are dependent on the municipal water supply network. During the Reporting Period, the Company did not encounter any obstacles or problems in obtaining water sources.

#### Water consumption volume and intensity of the Company

Type	2024	2023	2022	Unit
Total water consumption volume	72,745	71,815	66,752	cubic metres
Total water consumption intensity	108.25	103.18	96.32	cubic metres/ person

In 2024, the Company's total water consumption volume was 72,745 cubic metres, total water consumption intensity remains at the same level as last year.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

The Company has established an advanced water resource balance monitoring system to improve the efficiency of water resource utilization and achieve optimal use of water resources through scientific management. We also actively promote the concept of water conservation through various measures to strengthen employees' water-saving habits, and at the same time, implement multi-level management measures to optimize the use of water resources. The specific measures are as follows:

- We post “save water” slogans at water use points to remind employees to always pay attention to water conservation;
- We encourage employees to develop good water usage habits, such as promptly turning off faucets, using rice washing water to clean vegetables or utensils, collecting laundry water for flushing toilets, etc;
- Managers regularly inspect the water and electricity facilities on each floor to ensure that the equipment is in good condition and repaired in a timely manner if there is any damage to reduce unnecessary waste;
- The Company regularly summarises the internal water consumption, continuously promotes water-saving management and regularly follows up on and implements the progress of water-saving work;
- The Company makes and hangs water-saving slogans and banners and widely posts them in the office area to create a strong water-saving atmosphere. Moreover, the Company establishes a water-saving column for in-depth water-saving promotion and education;
- The Company implements strict water use management systems for each area and equipment. The water pipes on the canteen stove must be closed in a timely manner when not in use, and it is prohibited to keep them open for a long time;
- Water use in the canteen is managed quantitatively and qualitatively based on the characteristics of the processed materials, and containers are used to store water unless necessary to avoid continuous use of flowing water. The Company ensures that water in the storage tanks will not be used in the next day;
- The steamer shall be disconnected with the water source immediately when it is not in use and any accumulated water in it shall be released; it is prohibited to use flowing water to hydrolyze frozen or chilled raw materials. Water used for the cleaning of the operating area shall be reasonably controlled to just achieve the cleaning effect;
- When cleaning the dining area, employees are prohibited from directly rinsing the floor with water and must use a wet mop for cleaning.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 1.4 Waste Treatment and Recycling

The waste generated by the Company is mainly divided into two categories: hazardous waste and non-hazardous waste. Hazardous waste includes waste toner cartridges, waste ink cartridges, waste fluorescent tubes and waste batteries generated during office operations, and non-hazardous waste mainly consists of paper and domestic waste. For hazardous wastes such as waste toner cartridges and ink cartridges, the Company adopts unified recycling measures and treat them uniformly according to relevant regulations. Domestic waste including kitchen waste will be collected and treated by the property management company to ensure proper disposal and reduce environmental impact.

During the Year, the use of solid waste of the Company is as follows:

Type		2024	2023	2022	Unit
Hazardous waste	Spent activated carbon	1,028	806	800	kg
	Toner cartridges and Ink cartridges	137	242	182	kg
	Fluorescent lamps	75	76	80	kg
	Batteries	77.09	35.01	50.47	kg
	Total	1,317.09	1,159.01	1,112.47	kg
	Total Intensity of hazardous waste generation	1.96	1.67	1.61	kg/person
Non-hazardous waste	Paper	5,975	8,461	4,520	kg
	Domestic waste	82,087	75,200	30,050	kg
	Kitchen waste	6,750	6,648	3,600	kg
	Total	94,812	90,309	38,170	kg
	Total Intensity of non-hazardous waste generation	141.09	129.75	55.08	kg/person

For the proper treatment of non-hazardous waste, we have deployed classified recycling bins and other suitable facility systems aimed at promoting the recycling and reuse of resources or advancing their subsequent treatment processes. We continuously pursue reducing the generation of waste and minimizing its adverse impact on the environment in order to drive steady progress towards sustainable development goals.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

In office activities, the consumption of paper and other office consumables is inevitable. To this end, we actively start from the root and vigorously promote paperless office by using OA system to improve work efficiency. When printing documents is indeed required, we advocate employees to use double-sided printing technology to effectively save paper resources. At the same time, we also encourage employees to use electronic means such as email and instant messaging tools for communication, thereby reducing their dependence on paper letters. Looking forward, we will continue to implement these measures, steadfastly pursue the reduction of waste generation and promote the recycling of resources, contributing to the realization of green office and sustainable development.



### Case:

The main non-hazardous waste discharged by Shandong Gangtong Construction is domestic waste, construction waste and waste materials. The construction waste and waste materials generated during the construction process are uniformly transported to the waste soil site designated by the government. During the construction, the Company always attaches great importance to environmental protection, strictly abides by the six hundred percent standards for construction sites in Jinan, with full coverage of muck materials, utilization of fog cannons for soil and stone construction water vehicles, full closure of transport vehicles, full enclosure of all qualified construction sites, hardening and sprinkling of construction roads, and full cleaning of vehicles entering and leaving the factory. The garbage cleaned up from the central isolation belt and side ditch of the expressway is handed over to the environmental sanitation department for centralized treatment. After adopting the above measures, the solid waste generated by the projects of Gangtong Company can basically achieve the 100% safety disposal goal, and basically have no impact on the surrounding environment.



### Case:

The waste generated by the canteen operated by Shunguang Company is mainly kitchen waste, which is divided into waste generated from raw material rough processing and slop water waste, all of which is non-hazardous waste. A dedicated staff is assigned to handle kitchen waste disposal, timely remove kitchen waste, implement classified management, handle separately, and clear the day of production. Kitchen waste generated in each operation room is sorted and stored in the respective trash cans, and the trash cans must be cleaned and transported in a timely manner. The waste generated from the rough processing of food raw materials (such as vegetable leaves, roots, animals' internal organs, fur and other waste materials) is disposed of as domestic waste, i.e., waste trash is poured into the trash cans with lids, and slop water waste (food residues, meals, vegetables, soup, pots, samples, etc.) is dumped into special slop water trash cans and transported to the garbage station for transfer and disposal by sanitation workers. Appropriate measures shall be taken to prevent the waste from flying around the way when transporting the waste. The trash cans must be kept clean in their exterior, without obvious nasal stigma and odor, and there are bags in the trash cans in the operation room. It is strictly prohibited to discharge kitchen waste directly into sewers, backflow into public toilets and other domestic waste collection facilities.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 1.5 Emissions and Carbon Reduction and Pollution Control

Our greenhouse gas emissions are divided into two categories: direct emissions (Scope 1) and indirect emissions (Scope 2). Specifically, Scope 1 refers to the direct greenhouse gas emissions from sources owned or controlled by the Company. Scope 2 refers to the indirect greenhouse gas emissions caused by power generation, heating and cooling or steam purchased externally by the Company.

In the composition of the Company's exhaust emissions, the main sources include direct greenhouse gas, sulfur dioxide, nitrogen oxides and particulate matter emissions from the use of gasoline and diesel by official and construction vehicles, as well as direct pollutants released from the combustion of natural gas in the canteen. In addition, the electricity consumed by office operations, equipment operations and heating leads to indirect greenhouse gas emissions. At the same time, the machinery and equipment used in the projects of Shandong Gangtong Construction is also an important component of exhaust emissions.

During the Reporting Period, the greenhouse gas emissions of the Company are as follows:

Category	2024	2023	2022	Unit
Sulphur dioxide	210.75	91.03	148.2	kg
Nitrogen oxides	3,100.73	2,666.73	154	kg
Volatile Organic Compound	4,404.2	50.1	49.8	kg
Direct greenhouse gas emissions (Scope 1)	6,280.54	3,978.87	1,267.33	tonnes carbon dioxide equivalent (tCO <sub>2</sub> e)
Indirect greenhouse gas emissions (Scope 2)	5,011.87	4,268.66	4,860.93	tonnes carbon dioxide equivalent (tCO <sub>2</sub> e)
Total greenhouse gas emissions (Scope 1 and 2)	11,291.58	8,247.53	6,128.26	tonnes carbon dioxide equivalent (tCO <sub>2</sub> e)
Intensity of greenhouse gas emissions	0.02	0.015	0.02	tCO <sub>2</sub> e/RMB ten thousand

Notes: 1. The data in the report follows the formula for calculating GHG emissions of environmental key performance indicators in the Stock Exchange's ESG Reporting Guide in order to compare the annual GHG emissions of the issuer.

2. The increase in nitrogen oxides in 2024 is mainly attributable to the growth in vehicle usage and the addition of data from Assembly Company.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

We firmly implement the Management Practices of Qilu Expressway Company Limited for the Vehicles and Drivers 《齊魯高速公路股份有限公司車輛及駕駛人員管理辦法》, which focuses on effectively controlling fuel consumption and electricity use through efficient management strategies for official vehicles, thereby significantly reducing direct greenhouse gas and exhaust emissions, demonstrating the Company's firm commitment and practical actions to environmental protection.



### Case:

The particulate matter generated in the production process of the mixing plant of Gangtong Construction Company is mainly generated during the feeding process. The Company adopts fully enclosed water stabilization production together with spray and dust removal equipment, which is uniformly handed over to the environmental protection department for acceptance and meets the qualified standards. The exhaust equipment has been included in the exhaust pollution prevention and control management system of non-road mobile machinery in Jinan City, and the filing number has been obtained. The vehicle body has been coded and installed with a positioning system, and the environmental protection department has realized remote monitoring. According to the heavy pollution weather warning notice issued by the environmental protection department, the unit strictly implements the mechanical working hours during the warning period. The emission level follows National Emission Standard 2 or 3 for exhaust pollution from non-road mobile machinery. We replace small and medium-sized construction tools from fuel-powered to electric tools. We select qualified fuel suppliers for construction machinery fuel to ensure oil quality and quantity and phase out old machinery.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 2. COPING WITH CLIMATE CHANGE

Facing the increasingly severe challenge of climate change, which profoundly affects human well-being and the ecological health of the earth, as a participant in the transportation industry, we deeply recognize the potential impact of climate change and extreme weather events on our operations. In order to actively respond to the national “Double Carbon” goal, we firmly adhere to the sustainable development concept of green and low-carbon operations, fully implement strategies for coping with climate change and strive to minimize the risks caused by climate change.

#### Governance

We have included the climate change issue as one of the materiality issues of the Company. The Board supervises and manages the Company’s climate change issue, and relevant functional and business departments incorporate climate change management into their daily operational systems, fully staying alert to the potential negative impact of climate change on our business operations. To this end, we conducted the climate risk assessment, carefully identifying and evaluating potential risk points in business operations, and based on this, promoting the development and implementation of targeted climate risk mitigation measures. At the same time, we proactively set greenhouse gas emission reduction targets, actively reduce our carbon footprint and contribute to mitigating global climate change, demonstrating our responsibility as a responsible enterprise.

#### Strategies

The Company has conducted in-depth analysis and identified the following climate risks that may have adverse effects on the Company’s business operations as well as their potential consequences and financial impacts, and implemented corresponding measures to reduce the risks:

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### Physical risks

Potential risks	Potential consequences	Potential financial impact	Current response(s)
<ul style="list-style-type: none"> <li>Extremely high temperature</li> <li>Coastal flooding</li> <li>River flooding</li> <li>Cyclone</li> <li>Shortage of water resource</li> </ul>	<ul style="list-style-type: none"> <li>Different extreme weather caused by climate change, such as super typhoons and heavy rains, can cause landslides, flooding and reduced visibility, which pose potential risks and threats to the safety of road users and employees, and may also cause damage to equipment and facilities, and increase the cost of facility maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Increased operating costs due to repairing damaged road surfaces</li> <li>Health and safety issues of employees resulting in the decrease in operation and production capacity and revenue</li> <li>Production stoppage during extreme weather may lead to business interruption and revenue loss</li> </ul>	<ul style="list-style-type: none"> <li>Review the impact of extreme weather on business and develop emergency plan for extreme weather</li> <li>Conduct regular emergency drills to enable employees to respond effectively in the event of extreme weather conditions</li> <li>Provide corresponding labor protection equipment, beverages, medicines, etc.</li> </ul>
	<ul style="list-style-type: none"> <li>Long-term high temperature also has a continuous impact on the working and living environment of local employees, which may reduce the work efficiency of employees and cause life risks to their health.</li> <li>Disruption of supply chain and effect on demand</li> <li>Equipment damage result in the increased risk of property damage and delayed construction progress</li> </ul>	<ul style="list-style-type: none"> <li>Potential delays in construction projects affecting project progress and resulting in additional time and cost impacts</li> </ul>	<ul style="list-style-type: none"> <li>Carry out regular maintenance and overhaul to ensure that the infrastructure is in good condition</li> <li>Upgrade and improve roads, bridges and drainage systems to enhance disaster resilience and reduce damage to facilities caused by climate events</li> <li>Closely monitor the weather forecast and meteorological information and monitor the road conditions on a real-time basis with the Company's staff being on standby 24 hours a day to timely remove frosts and ice on the road</li> </ul>

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### Transition risk

Type of risk	Potential risks	Potential consequences	Potential financial impact	Current response(s)
Policy and regulatory risk	<ul style="list-style-type: none"> <li>Failure to comply with national and industry standards for carbon neutrality targets</li> <li>Reporting and disclosure of compliance risks</li> </ul>	<ul style="list-style-type: none"> <li>With the improvement and implementation of management measures such as carbon emissions and carbon trading, higher requirements have been put forward for emission reporting both domestically and internationally</li> <li>With the introduction of new ESG reporting requirements by the Hong Kong Stock Exchange, there are higher requirements for reporting on greenhouse gas emissions, measures to reduce emissions and the impact of operations on the environment</li> <li>Penalties may be imposed for violations</li> </ul>	<ul style="list-style-type: none"> <li>Increased compliance costs</li> <li>Failure to meet policy and regulatory requirements resulting in rectification penalties and increased costs</li> </ul>	<ul style="list-style-type: none"> <li>Track the latest relevant laws and regulations in the market</li> <li>Make various adjustments to energy-saving and emission reduction measures in a timely manner, and implement green transformation policies to comply with updated legal requirements</li> <li>Continuously take comprehensive measures to protect the environment, including measures to reduce greenhouse gas emissions</li> </ul>



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

Type of risk	Potential risks	Potential consequences	Potential financial impact	Current response(s)
Reputation risk	<ul style="list-style-type: none"> <li>Stakeholders request the Company to raise its standards on addressing climate action, and if the Company fails to effectively respond to such requests, its reputation will be affected</li> </ul>	<ul style="list-style-type: none"> <li>The goodwill of a company has an indirect impact on its loan interest rates</li> <li>Lose competitive advantage compared to competitors with better sustainable performance</li> <li>If the work related to coping with climate change fails to meet expectation, it may have a negative impact on the Company's image</li> </ul>	<ul style="list-style-type: none"> <li>Additional costs incurred due to the transition to low emission construction processes</li> <li>Causing investors to cancel their investment plans or reduce their investment in the Company</li> <li>Decrease in operating income</li> </ul>	<ul style="list-style-type: none"> <li>Increase the Company's emphasis on climate change, including strengthening the identification, management and contingency plans for climate change risks</li> <li>Publicly disclose the Company's greenhouse gas emission data and efforts made in low-carbon operations in ESG report, actively maintaining its corporate image</li> <li>Actively respond to the national call for "Dual Carbon", actively communicate and exchange with stakeholders, and formulate and disclose emission reduction targets</li> <li>Make introduction of the sustainable development measures and technologies implemented by the Group to stakeholders</li> <li>Actively collect and analyze customer feedback to understand their needs and preferences, and make adjustment to products and services based on feedback.</li> <li>Actively collaborate with stakeholders including governments, non-governmental organizations, communities, and investors to jointly promote sustainable development goals</li> </ul>

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### Risk Management

The Company actively responds to the risks and opportunities brought by climate change, proactively identifies potential risks in the business process and takes corresponding management measures. At the same time, we continuously optimize our risk management system and strive to reduce the potential negative impacts of climate change on our business operations.

The Company identifies various extreme weather risks in light of its own business characteristics, and establishes and improves the emergency management system to respond to the rescue work in major natural disaster emergencies in the expressways, expressway construction projects and other business fields managed by subsidiaries at the provincial level, including meteorological disasters such as typhoon, heavy snow, rainstorm, flood and other water disasters, geological disasters such as mountain collapse, landslide, debris flow, and earthquake and marine disasters, so as to ensure rapid response and efficient rescue operations, maximize the protection of personnel and property safety in the event of disasters, and ensure the stability and safety of our business operations.



#### Case: Fighting against ice and snow and fully ensuring smooth traffic, Qilu Expressway played the “March” of snow removal to ensure smooth traffic in the first time

In February, many parts of Shandong Province experienced heavy snow and localized blizzards, and the highways under the management of Qilu Expressway all experienced varying degrees of snow and ice accumulation. All departments of the Company promptly initiated warnings and responses and comprehensively carried out manual and mechanical snow removal operations to minimize the impact of adverse weather on road safety and ensure “smooth traffic in snow and after snow”.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### Metrics and Targets

The Company has established a monitoring and management mechanism for climate related indicators such as greenhouse gas emissions and energy use, and tracks performance through regular evaluations to ensure the effective promotion of environmental goals. In addition, annual review and disclosure of target progress is conducted to enhance transparency and accountability. Based on the 2023 data, we will maintain or gradually reduce the intensity of energy consumption and greenhouse gas emissions. We will continue to implement targeted energy saving and emission reduction measures, monitor the progress of achieving our objectives and conduct regular reviews on such measures to achieve our goal of low-carbon operations.

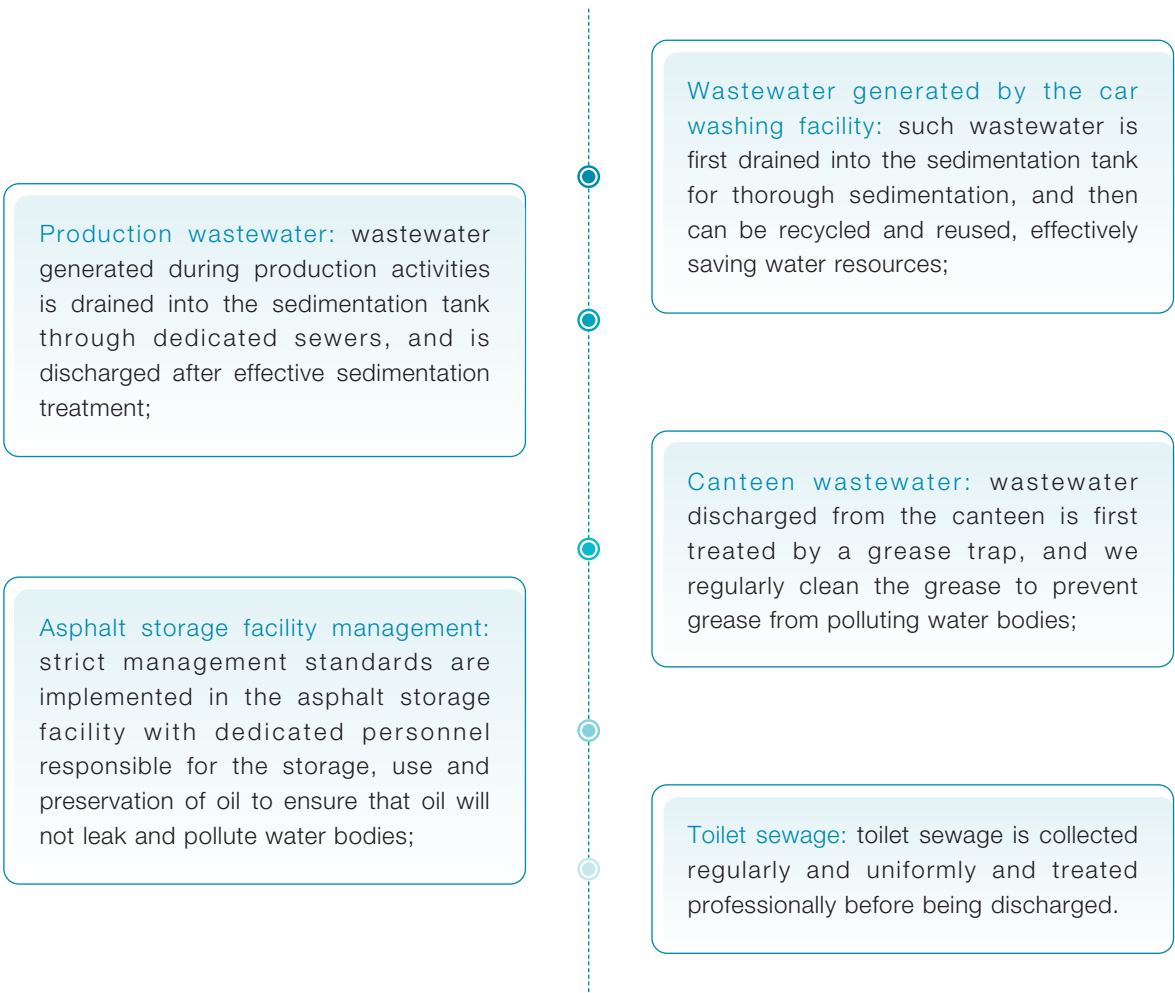
## 3. ENVIRONMENTAL AND ECOLOGICAL PROTECTION

We always place environmental protection in an important position and deeply recognize the significant importance of environmental protection for the sustainable development and social responsibility of enterprises. We have formulated comprehensive and strict environmental policies and ensured environmental investment for purchase and maintenance of pollution control facilities, as well as the application of green technologies to reduce resource consumption and waste emissions in the production process. In addition, we also advocate environmental protection to enhance the environmental awareness of all employees, encourage them to practice environmental protection concepts in their daily work and jointly contribute to building a green enterprise and protecting the ecological environment. During the Year, the environmental protection investment of Assembly Company amounted to RMB81,423.5 and the environmental protection investment in the Jihe Expressway renovation and expansion project amounted to over RMB100 million, using 23 sewage treatment facilities, 48 sets of dust control equipment, 4 solid waste treatment facilities and over 40,000 meters of sound barriers.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 3.1 Treatment and Strict Discharge of Sewage

The Company strives to strengthen the comprehensive safety management of the sewage treatment process, and has established advanced sewage treatment facilities at major toll stations to ensure that all sewage is discharged only after meeting the discharge standards. We have taken the following detailed management measures for the sewage treatment of the Company's subsidiaries:



In 2024, sewage discharged by the Company amounted to approximately 5,216 cubic meters, demonstrating our continuous efforts and achievements in environmental protection.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 3.2 Raw Material Consumption Control

Gangtong Company uses a variety of materials, including cement, gravel and asphalt in its production and operation activities. The specific consumption is detailed in the following table:

Type	2024	2023	2022	Unit
Cement	1,943.00	4,109.58	4,424.48	tonnes
Stone	183,471.40	297,934.41	80,375.55	tonnes
Asphalt	12,057.140	4,850.13	3,342.44	tonnes

### 3.3 Noise Management to Prevent Disturbance to the Public

The Company actively implements the concept of civilized construction at the construction site, and has established a comprehensive man-made noise control and management system. We are committed to reducing man-made loud noises, and enhance their awareness of preventing noise nuisance to surrounding communities by strengthening the education and training of construction personnel. To this end, we have formulated internal rules and regulations to clarify the responsibilities of construction personnel, and set up a reward and punishment mechanism to penalize behaviors in violation of civilized construction standards and reward individuals or teams with outstanding performance. We strictly prohibit any behaviors that generate noise, such as shouting and beating that are not related to construction.

Regarding the management of strong noise operation hours, we have adopted the following measures:



We arrange the construction process scientifically and reasonably. In particular, when performing operations with strong noise in densely populated areas, we strictly control the operation time to ensure that the night operation shall be completed before 22:00, and the morning operation shall be commenced not earlier than 6:00;



If we encounter special circumstances that require continuous operation (including night operation), we will prioritize a series of noise reduction measures, and communicate with the surrounding residents in advance to obtain their understanding and support. At the same time, we will report to the relevant competent authorities for approval before proceeding with the construction to ensure that the impact of the construction activities on the surrounding residents is minimized.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

Noise reduction measures for machinery with strong noise:



In order to reduce the strong noise generated at the construction site, we shall give priority to the processing and manufacturing of finished and semi-finished products involving strong noise in the factory or workshop, such as mortar mixing and steel reinforcement manufacturing, so as to reduce the noise pollution at the construction site;



When selecting construction machinery, we shall give priority to equipment with low noise or equipment equipped with noise reduction functions to reduce noise emission during construction;



For machinery with strong noise at the construction site, such as mixers, chainsaws, electric planers and grinding machines, we shall set up a closed machinery shed to effectively isolate the transmission of noise and reduce the spread of noise to the surrounding environment;



In addition, we shall try our best to arrange construction activities in areas far away from residential areas, and install necessary noise reduction facilities such as soundproof walls and acoustic enclosures to minimise the impact of the construction on the surrounding environment and residents' lives.

Strengthening noise monitoring at the construction site:

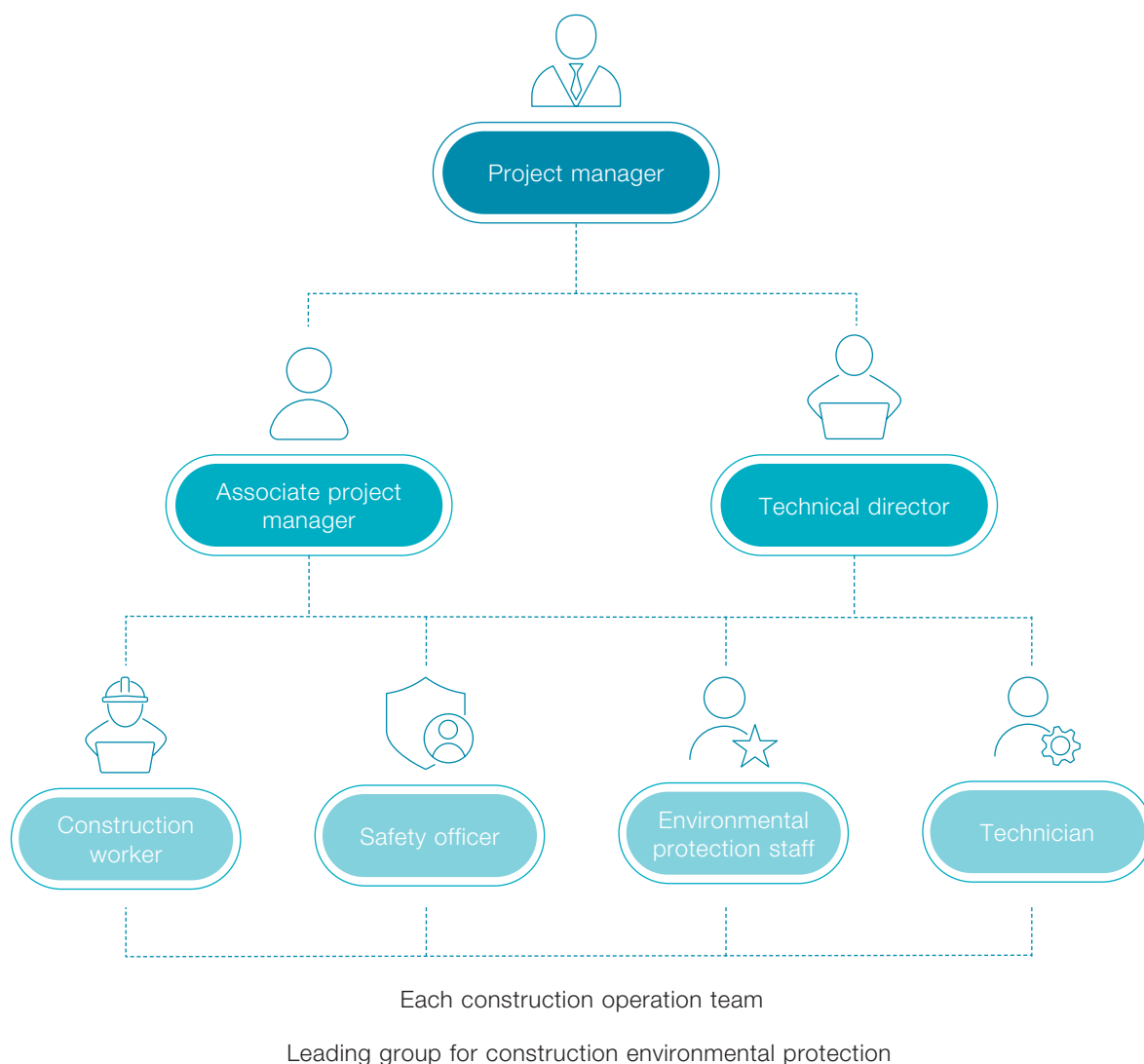
- We implement a long-term, continuous noise monitoring plan and designate a dedicated person to be responsible for it. The dedicated person will regularly record the noise measurement results and fill in the noise measurement record form for the construction site;
- Once it is discovered that the noise level exceeds the standard stipulated in the Noise Limit of Construction Site Boundary 《施工場界噪聲限值》, we will immediately adjust the relevant factors at the construction site to ensure that the construction noise will not cause disturbance to the surrounding residents.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 3.4 Construction Projects with Ecological Protection

The Company is committed to minimizing the adverse impact of construction activities on the environment. To this end, we have established a leading group for construction environmental protection, specifically responsible for strengthening environmental protection measures during the construction period to ensure the environmental friendliness of construction activities.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

In order to ensure the effective control of the dust problem during the construction process, we have provided detailed environmental protection construction technical guidance to the operation teams involved in dust problems to ensure that the dust control work is concretely and effectively integrated into the daily work. The project department has specially purchased pure electric mist cannon sprinkler trucks to reduce the air pollution that may be caused by traditional sprinkler trucks.

In addition, we have also developed a pre-work education system to provide advanced training and education on environmental protection issues that may arise during construction, with a view to cultivating environmental awareness among construction personnel and enhancing their sense of environmental protection responsibility. We emphasize the importance of eco-friendly construction to ensure that every employee deeply understands and practices the concept of eco-friendly construction.

We strictly implement the dust control measures issued by the construction unit and the supervision unit, and proactively accept inspections from relevant authorities. If any issues are identified, we will promptly take corrective actions to ensure that our construction activities remain compliant with environmental requirements.

During the Year, we conducted inspections on civilized construction and environmental protection at the construction site, strictly adhering to standardized construction practices. We improved the environmental hygiene of the construction site, creating a civilized and clean construction environment. Machinery at the construction site and mixing yard was neatly arranged, and plants and vegetation in green belts were protected from damage. During each construction phase, we ensured that the site was cleaned up upon completion, leaving no garbage behind and maintaining the cleanliness of the surrounding environment. All managed projects did not cause noise, dust, solid waste, or water source pollution. Materials such as dismantled guardrails were recycled for storage, and then disposed of through the Company's asset disposal process.

During the construction process, we strictly comply with national, local and industry laws and regulations on environmental protection to ensure that our construction activities meet the quality requirements while minimizing the impact on the environment. To this end, we actively take measures to reduce the use of packaging materials to reduce waste of resources and environmental pollution.

At the same time, we attach great importance to the safekeeping of inflammable, explosive, toxic and hazardous materials. We have taken a series of effective precautionary measures to ensure that these items will not cause fire, explosion and other accidents during storage and transportation, so as to avoid pollution to the environment. Through these efforts, we are committed to the goal of green, safe and efficient construction.

## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION

### 3.5 Conservation of biodiversity

The Group understands the importance of biodiversity conservation given the large land area occupied by expressways. We actively maintain the greening work in relevant areas including Deshang Expressway, Shennan Expressway and Jihe Expressway, and carry out regular maintenance and replanting as required. During the Year, the aforementioned three expressway sections, including earth shoulders, central dividers, interchanges, courtyards, slopes, and other areas, covered a total area of 6,512,307.04 square meters. These areas have not only played a significant role in improving the surrounding environment by absorbing carbon emissions, reducing noise, and regulating the local microclimate. Additionally, they serve as critical zones for biodiversity conservation, offering habitats and breeding spaces for many animals and plants, which contributes to the protection of biodiversity. Some birds build nests in the trees within the green areas, while insects thrive among the flowers and plants.

During the Year, the Assembly Company tested water quality and soil, and regularly assessed and monitored the water quality of projects that may have negative ecological impacts, so as to ensure that production and operation would not have negative impacts on the local ecosystem, with every effort made to safeguard biodiversity.



#### Case: “Planting” this new green, Filling the Green with “Plants” – Qilu Expressway in Action

On the occasion of the 46<sup>th</sup> Arbor Day, various units of Qilu Expressway actively organized tree-planting activities, adding a vibrant green scene to the spring landscape. Through this initiative, the Company not only contributed to the rejuvenation of the natural environment but also demonstrated its commitment to ecological civilization through practical actions, highlighting Qilu Expressway’s responsibility and dedication to green development.



## IV. TAKE ON THE MISSION OF LOW-CARBON OPERATION



### Case: Party Building Guides the Mission of Planting – Sowing Seeds of Green, Fulfilling Our Commitment

On 12 March, Pingyin Toll Station, in collaboration with the Pingyin County Committee of the Communist Youth League (共青團平陰縣委), the Ancheng Town Youth League Committee (安城鎮團委), and the Jihe Project of China Construction Railway Investment (中建鐵投濟荷項目), jointly organized the themed activity of “My Youth • Pingyin County Youth Talent Exchange Event (青春之我•平陰縣青年人才交流活動)” and “Party Building Guides the Mission of Planting – Sowing Seeds of Green, Fulfilling Our Commitment (黨建引領植初心 植樹添綠踐使命)”. In order to foster communication among young talents from various units, young volunteers worked together to plant the “Youth Forest (青年林)” and organized youth friendship and team building activities. Through collaborative games such as “Bean Bag Toss (沙包投擲)”, “Unfalling Forest (不倒森林)”, and “Ball Roll Relay (珠行萬里)”, the group demonstrated teamwork and successfully completed all challenges.



## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental			Related Sections
Aspect A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection
	A1.1	The types of emissions and respective emissions data.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.4 Waste Treatment and Recycling 1.5 Emissions and Carbon Reduction and Pollution Control
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.5 Emissions and Carbon Reduction and Pollution Control
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.4 Waste Treatment and Recycling
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.4 Waste Treatment and Recycling

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental			Related Sections
	A1.5	Description of emission target(s) set and steps taken to achieve them.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.2 Energy Saving and Carbon Emission Reduction 1.5 Emissions and Carbon Reduction and Pollution Control
	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.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.4 Waste Treatment and Recycling
Aspect A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.2 Energy Saving and Carbon Emission Reduction 1.3 Water Resources Conservation and Protection 3. Environmental and Ecological Protection 3.2 Raw Material Consumption Control
	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).	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.2 Energy Saving and Carbon Emission Reduction



## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental			Related Sections
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.3 Water Resources Conservation and Protection
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.2 Energy Saving and Carbon Emission Reduction
	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.	Chapter IV. Take on the Mission of Low-carbon Operation 1. Low-carbon Operation Promotes Environmental Protection 1.3 Water Resources Conservation and Protection
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to business nature, the Group does not produce any finished goods. Therefore, a great amount of packaging materials will not be used during our daily operations

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Environmental			Related Sections
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Chapter IV. Take on the Mission of Low-carbon Operation 3. Environmental and Ecological Protection
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter IV. Take on the Mission of Low-carbon Operation 3. Environmental and Ecological Protection
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Chapter IV. Take on the Mission of Low-carbon Operation 2. Coping with Climate Change
	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.	Chapter IV. Take on the Mission of Low-carbon Operation 2. Coping with Climate Change

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

	Social		Related Sections
Aspect B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development 1.2 Talent Cultivation through Scientific Management
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development
	B1.2	Employee turnover rate by gender, age group and geographical region.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.4 Adhering to Health and Safety
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.4 Adhering to Health and Safety
	B2.2	Lost days due to work injury.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.4 Adhering to Health and Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.4 Adhering to Health and Safety

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

	Social		Related Sections
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.3 Employee Synchronous Development with the Company
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.3 Employee Synchronous Development with the Company
	B3.2	The average training hours completed per employee by gender and employee category.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.3 Employee Synchronous Development with the Company
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development
	B4.2	Description of steps taken to eliminate such practices when discovered.	Chapter III. Pursue Visions and Embrace Ambitions Together 1. Employee-Centric Management 1.1 Equal Employment for Joint Development

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Social			Related Sections
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Chapter III. Pursue Visions and Embrace Ambitions Together 2. Strengthening Responsible Supply Chain
	B5.1	Number of suppliers by geographical region.	Chapter III. Pursue Visions and Embrace Ambitions Together 2. Strengthening Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Chapter III. Pursue Visions and Embrace Ambitions Together 2. Strengthening Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Chapter III. Pursue Visions and Embrace Ambitions Together 2. Strengthening Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Chapter III. Pursue Visions and Embrace Ambitions Together 2. Strengthening Responsible Supply Chain

## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Social			Related Sections
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Chapter II. Integrating and Advancing, Creating a New Chapter in Innovation 2. Operational Safety and Standards
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group operates expressway business, no products sold or shipped are subject to recalls for safety and health reasons
	B6.2	Number of products and service related complaints received and how they are dealt with.	Chapter II. Integrating and Advancing, Creating a New Chapter in Innovation 1. Smooth Traffic Flow While Ensuring Quality 1.4 Service Optimisation
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Chapter II. Integrating and Advancing, Creating a New Chapter in Innovation 3. Smart Mobility Shaping the Future 3.2 Implementing Innovation, Showcasing Excellence
	B6.4	Description of quality assurance process and recall procedures.	As the Group operates expressway business, no products sold or shipped are subject to recalls for safety and health reasons
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Chapter II. Integrating and Advancing, Creating a New Chapter in Innovation 3. Smart Mobility Shaping the Future 3.1 Safeguarding Information and Data Security



## APPENDIX: INDEX TABLES OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE OF THE HONG KONG STOCK EXCHANGE

Social			Related Sections
Aspect B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Chapter I. Reinforcing Foundation to Forge Ahead 2. Excellence in Governance for Development
	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.	Chapter I. Reinforcing Foundation to Forge Ahead 2. Excellence in Governance for Development
	B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Chapter I. Reinforcing Foundation to Forge Ahead 2. Excellence in Governance for Development
	B7.3	Description of anti-corruption training provided to directors and staff.	Chapter I. Reinforcing Foundation to Forge Ahead 2. Excellence in Governance for Development
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	Chapter III. Pursue Visions and Embrace Ambitions Together 3. Social Services and Responsibilities
	B8.1	Focus areas of contribution.	Chapter III. Pursue Visions and Embrace Ambitions Together 3. Social Services and Responsibilities
	B8.2	Resources contributed to the focus area.	Chapter III. Pursue Visions and Embrace Ambitions Together 3. Social Services and Responsibilities



齐鲁高速公路股份有限公司  
QILU EXPRESSWAY COMPANY LIMITED