

股票代码HK03399



广东交通集团



粤运交通

Yueyun Transportation

ESG Report 2024

of Guangdong Yueyun
Transportation Company Limited



About the Report

Scope of report

This Report is the ninth Environmental, Social and Governance (ESG) Report issued by Guangdong Yueyun Transportation Company Limited. The information and data in the Report mainly cover the Company's ESG practices during the period from January 1, 2024 to December 31, 2024, while some contents shall be traced back to previous years or extended to coming years as appropriate so as to enhance the comparability and completeness herein. This Report covers information and key performance in sustainable development of the Company and its holding subsidiaries.

Principles for preparation

This Report was compiled according to the *Guidelines on High-Standard Fulfillment of Social Responsibility by Central State-Owned Enterprises in the New Era* issued by the State-owned Assets Supervision and Administration Commission of the State Council, the *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises* issued by the Chinese Academy of Social Sciences, as well as *Appendix 27: Environmental, Social and Governance Reporting Guide* ("ESG Guide") to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, with reference to the *Sustainability Reporting Guidelines* (GRI Standards) issued by the *Global Reporting Initiative*.

About company name

For the convenience of expression and reading, Guangdong Yueyun Transportation Company Limited is also referred to as "Yueyun Transportation", "the Company/it" or "we/our/us" in this Report. The copyright of this Report belongs to Guangdong Yueyun Transportation Company Limited.

Content selection

While deciding what to disclose in this Report, the Company follows the principles of materiality, quantification, balance and consistency mentioned in ESG guidelines and makes statements from the three aspects of governance, environment and society, with emphasis on the disclosure of corporate governance, environmental responsibility, employee responsibility, operational responsibility, community responsibility and other aspects of responsibility.

Materiality: We communicate with stakeholders and conduct materiality assessments on a regular basis to identify major environmental, social and governance issues and ensure that these major issues are reflected in our report.

Quantification: The information and data disclosed in this Report are mainly derived from our relevant internal statistical reports or documents and are reviewed by relevant departments.

Balance: Both the positive and negative impacts of the business are disclosed in a transparent manner.

Consistency: Unless otherwise stated, the disclosure, data collection and calculation methods of this Report are consistent with those in previous years to facilitate comparison at any time.

Release of report

This Report is publicized annually in both printed and electronic versions. The latter is available on the WeChat official account (ID: YYJT03399) of the Company and the website of the Stock Exchange of Hong Kong Limited at www.hkex-news.hk. This Report is prepared in simplified Chinese and English. In case of any ambiguity, the Chinese version shall prevail.

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Statement of the Board of Directors

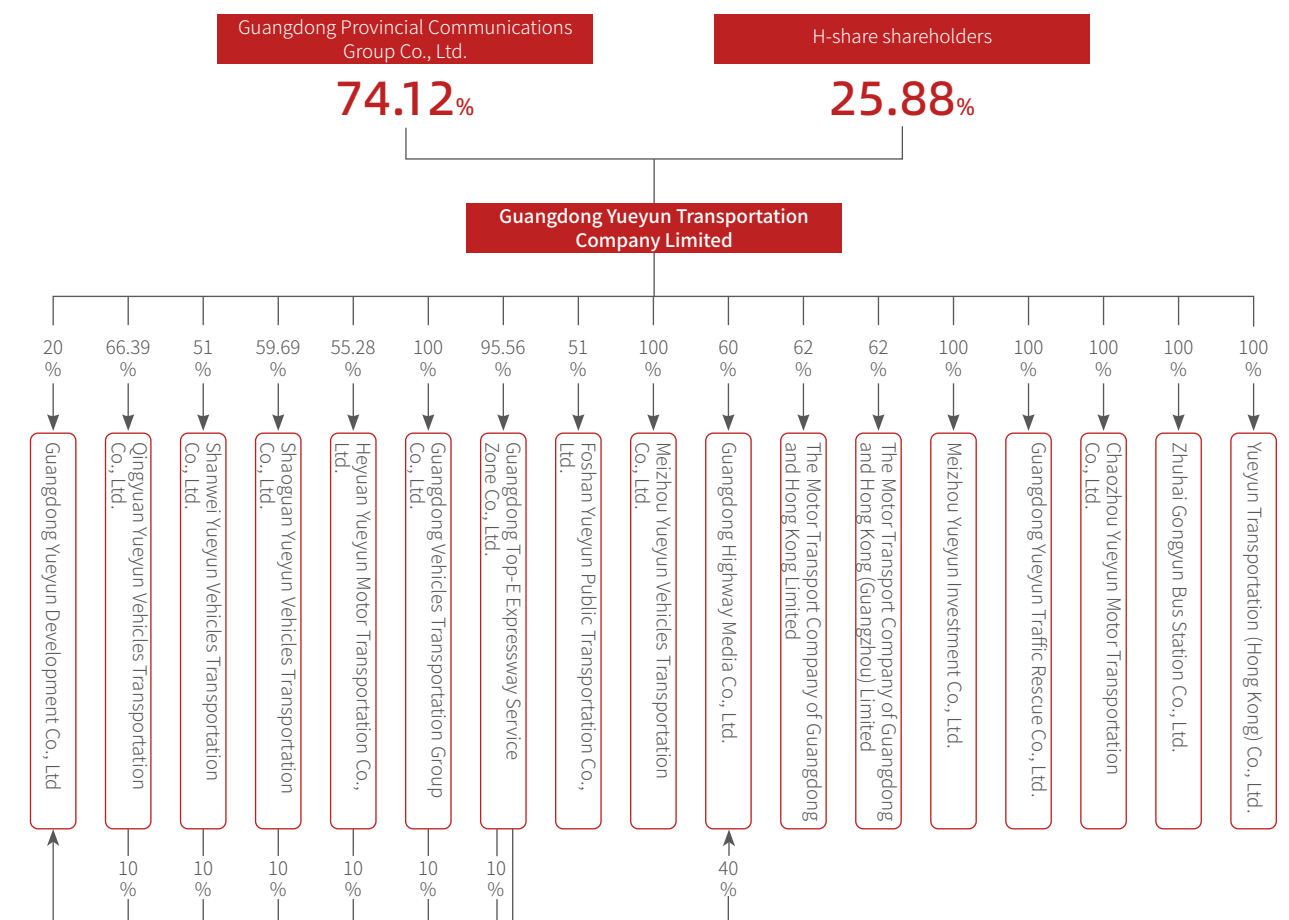
The Board of Directors of Yueyun Transportation makes a commitment that the Company strictly observes the disclosure requirements in the Stock Exchange of Hong Kong Limited's *Environmental, Social and Governance Reporting Guide*. The Company publishes ESG reports, and supervises the commitments and performance of its key ESG issues on a regular basis. The Board of Directors reviewed the targets and plans of the Company's core ESG indicators, and defined the Company's targets for the years 2025 and 2028 as for energy conservation, consumption reduction, waste disposal, water resource use intensity, carbon emission intensity and other aspects. Meanwhile, it accelerated the optimization of the Company's ESG management systems, procedures and responsibilities and kept improving the Company's ESG governance level, by preparing an annual ESG management plan and confirming responsible departments and time nodes.

About Us

Company profile

Guangdong Yueyun Transportation Company Limited ("Yueyun Transportation" for short) and its affiliated companies (collectively referred to as "the Group") are integrated transportation service providers. Established in 1999, Yueyun Transportation was listed on the main board of the Stock Exchange of Hong Kong Limited in 2005 (stock code: 03399). At present, the Company has a total capital stock of 799,847,800 shares, about 74.12% of which are owned by its controlling shareholder - Guangdong Provincial Communications Group Co., Ltd., ("Guangdong Transportation Group" for short) and about 25.88% of which are held by H-share shareholders.

Company architecture



Note: Please refer to the following for abbreviations of some of the subsidiaries involved in this Report

- Guangdong Top-E Expressway Service Area Co., Ltd., referred to as "Top-E Company"
- Shaoguan Yueyun Automobile Transportation Co., Ltd., referred to as "Shaoguan Yueyun Company"
- Chaozhou Yueyun Automobile Transportation Co., Ltd., referred to as "Chaozhou Yueyun Company"
- Foshan Yueyun Public Traffic Co., Ltd., referred to as "Foshan Yueyun Company"
- Guangdong Yueyun Transportation Rescue Co., Ltd., referred to as "Yueyun Rescue Company"
- Guangdong Yueyun Development Co., Ltd., referred to as "Yueyun Development Company"
- Guangdong Highway Media Co., Ltd., referred to as "Highway Media Company"



Business segments

Nowadays, the Group is mainly engaged in travel services, which consist of expressway service area operation (including energy business, retail business, investment attraction business and advertisement business), road passenger transport and supporting facilities, and operation of Taiping Overpass.

Company brands



Company strategy

Taking the expressway travel service as core business, the Company, which is transportation-oriented, manages transportation network resources to a great extent. Following an intensive, digital and specialized operation mode, the Company, which is committed to becoming a group of integrated transport services, taps the great potential of resource values, takes an initiative to explore the new economy, and works to create a domestic leading integrated service platform for expressway travel services and integrated operation of transportation industry and green, renewable energy, strives to become a comprehensive transportation services group

Corporate culture

Mission

Serve the society and facilitate travel

Core values

Integrity, Responsibility, Openness, Sharing and Ambition

Vision

Committed to becoming a domestic leading integrated service platform for expressway travel services and integrated operation of transportation industry and green, renewable energy

Spirit

Adopt a pragmatic approach and pursue perseverance, uphold integrity and break new grounds

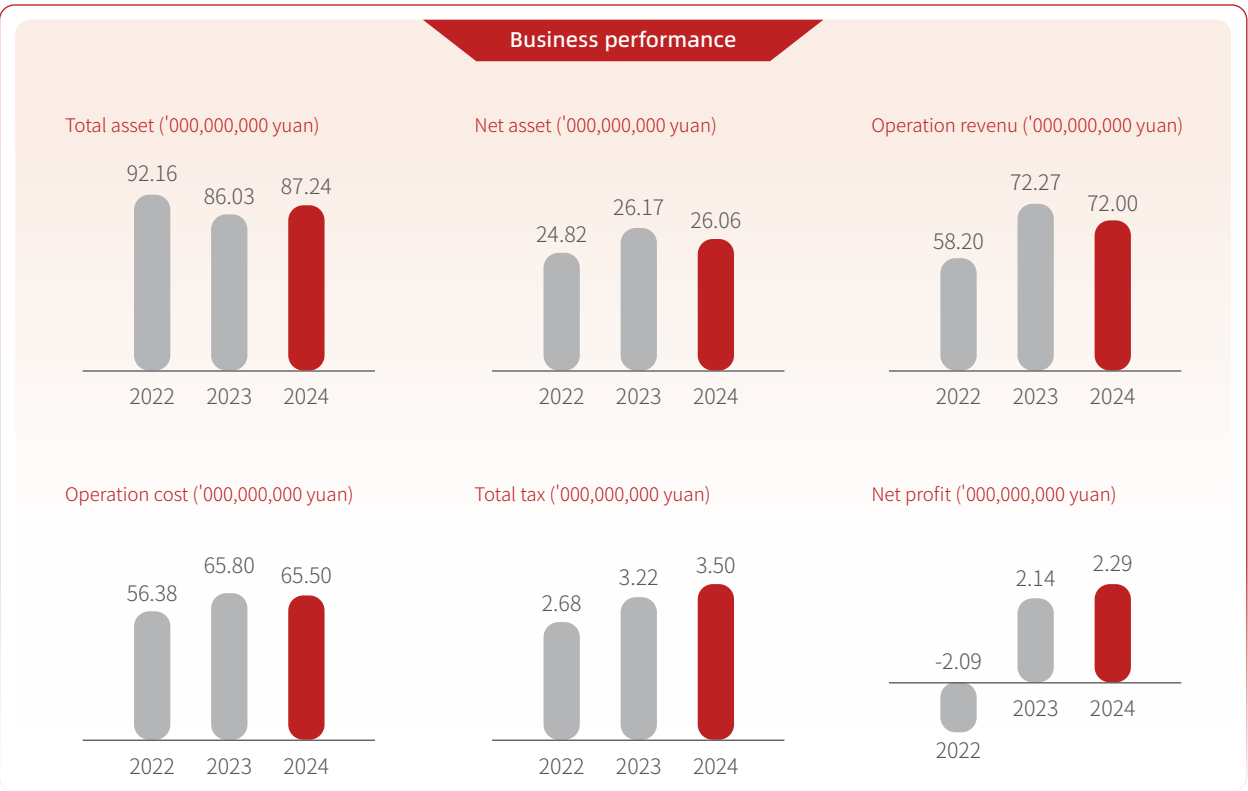
Development concept

Focus, Innovation, Coordination, Openness, Greenness, and Sharing

Brand concept

To become a model in the industry and preferred choice of customers

Figures of 2024



Awards Received in 2024

Yueyun Transportation won the title of

"2023 Exemplary Publicity Organization in Guangdong Road Transport Industry"

Yueyun Transportation won the first prize of

Guangdong Excellent Project Case 2024 for Intelligent Transportation

Lixi service area of Top-E Company won the title of

2024 "Love Mummy Cottage for Trade Unions" in Guangdong Province

Lixi service area of Top-E Company was awarded the title of

"Model Unit for Safety and Security"

Top-E Company won the title of

"2023-2024 May Fourth Red Flag Youth League (Headquarters) Branch of Guangdong Provincial Communications Group"

Top-E Company was awarded the

2021-2023 Outstanding Female Worker Collective by the Trade Union of Guangdong Provincial Communications Group

Dahuai service area of Top-E Company won the title of

2024 "Pioneer Worker" in Guangdong Province

Liangjinshan service area of Top-E Company won the title of

second "Exemplary Highway Worker"

Dahuai and Yangjiang service area of Top-E Company's case was included in the Typical Cases of

"Integrated Development of Transportation and Tourism" in Guangdong Province

Dahuai service area of Top-E Company's case was included in the

Top Ten Cases of "Integrated Development of Transportation and Tourism" in Guangdong Province

Top-E Company was awarded the

5A-grade Service Area Management Company

Top-E Company won the title of the

5A-grade Service Area Retail Brand ("LOYEE" Brand)

Top-E Company won the title of the

4A-grade Service Area Retail Brand ("Yipinhui" Brand)

Top-E Company was awarded the

Energy and New Energy Brand of 4A-grade Service Area ("Yueyun Energy" Brand)

Shaoguan Yueyun Company was awarded the title of

"Excellent Member Unit" by Guangdong Road Transport Association

Shaoguan Yueyun Company was awarded the title of

"Exemplary Publicity Organization" by Guangdong Road Transport Association

Highway Media Company won the title of

First-class Advertising Enterprise in Guangdong (in the category of outdoor media service)

Highway Media Company won

first prize in the Skills Competition for Operating Heavy-duty Wreckers

Yueyun Rescue Company won the

second prize in the Skills Competition for Operating Flatbed Wreckers

Yueyun Rescue Company won the

third prize in the Skills Competition for Operating Truck Cranes

Yueyun Rescue Company won the

third prize in the 2nd "New Green Cup" Information and Communication Industry Enabled Carbon Dioxide Peaking and Carbon Neutrality Innovation Competition

Yueyun Rescue Company won the title of

"2023 Exemplary Publicity Organization in Guangdong Road Transport Industry"

01 Promoting Stability with Governance to Consolidate the Foundation for Steady Development

In strict accordance with the requirements of the laws, regulations, and normative documents such as the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, the Company took the initiative to build a sound modern governance system for listed companies, providing solid support for its high-quality development with a science-based, standardized governance mechanism featuring checks and balances.



Corporate governance

The Company established a governance mechanism featuring "clear division of rights and responsibilities" to demarcate the boundary of rights and responsibilities for decision makers, determine duties to be performed by decision makers, and study and decide on major operation and management issues in a timely manner, so as to constantly improve its governance capability and core competitiveness.

Improving the governance mechanism

The Company established a corporate governance structure comprised of the Shareholders' Meeting, Board of Directors, Board of Supervisors, and the Management, and improved its modern corporate governance mechanism featuring legal and transparent rights and responsibilities, coordinated operation, and effective check and balance, so as to continuously promote its corporate governance level and decision-making efficiency.

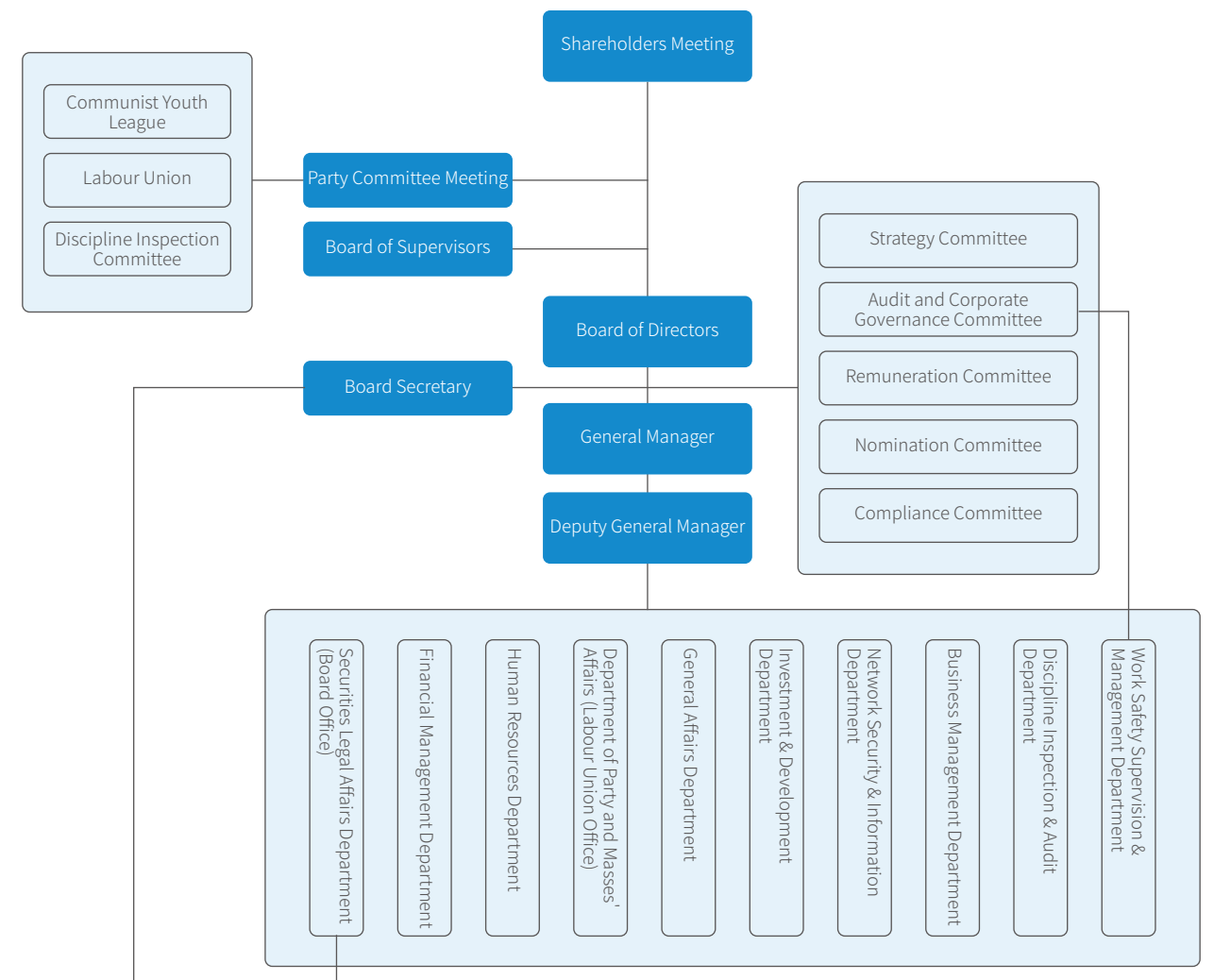
In 2024, the Company held

3
shareholders'
meetings,

21
meetings of the
Board of Directors,

2
meetings of the Board of Supervisors,

2
meetings of the Audit and Corporate
Governance Committee.



Actions to deepen and upgrade the reform

By taking advantage of "eight quality improvement actions", the Company deeply implemented the actions to deepen and upgrade the reform of SOEs, improved market-oriented systems and mechanisms, and drove optimization of asset allocation, organizational restructuring, and reforms of management control models.

Deepening and upgrading the reform of SOEs

The Company developed and issued the *Implementation Plan 2023-2025 for Special Actions to Deepen and Upgrade the Reform of SOEs* and created a work ledger covering 44 specific items across 8 categories to advance reform-related work in a structured and efficient manner. It also created a benchmarking index system for accelerating its pace in building a world-class enterprise and implementing the value creation initiative. To be specific, it gained exemplary reform experience by identifying topics such as streamlining of management hierarchies, optimization of workforce structures, and digital transformation.

Optimizing the layout of state-owned capital

The Company implemented its business strategy for the complete and orderly exit from passenger transport sector. In accordance with the implementation plan of "one policy for one enterprise", it completed the full divestment of equity interests in 3 regional passenger transport companies through lawful and regulatory compliance processes within the year. Concurrently, it advanced equity transfer processes for entities including Zhuhai Gongyun Coach Terminal Company Limited, Chaozhou Yueyun Company, and Yueyun Development Company, and accelerated the disposal of passenger transport business assets.

Lawful and compliant operation

The Company continued to operate in compliance with the law and strengthened full-process management of compliance risks from monitoring & identification to analysis & tracking to enhance capabilities in compliance governance, risk control and science-based decision-making.

Enhancing risk management

The Company implemented the designated supervisor system for risk resolution in passenger transport enterprises and took the initiative to coordinate government subsidy collection. It also urged all passenger transport companies under its umbrella to fully recover subsidy funds stipulated in policy documents, and improved subsidy recovery effectiveness.

The Company continuously refined risk control management systems by improving its *Implementation Rules for Reporting Major Business Risk Events*, and specifying requirements and procedures for reporting major business risk events. Besides, it conducted comprehensive risk investigations and prioritized prevention & control of major special risks. It performed periodic risk evaluations and ensured step-by-step implementation of risk prevention measures.

The Company compiled debt risk reports on a regular basis, conducted rolling investigations of interest-bearing liabilities (including amount, expiration and repayment schedules) at its affiliated companies, and reduced these liabilities significantly with a series of robust deleveraging measures.

The Company identified and sorted out key areas and personnel (groups) requiring stability maintenance risk prevention. Based on this, it investigated and resolved key risks and hazards for stability maintenance in accordance with principles of "local management and tiered responsibility". It also guided its affiliated enterprises in developing overall plans for preventing social stability risks to maximize corporate safety and stability.

Improving the control system

The Company established a comprehensive system covering all work processes. It took corrective actions from internal audits and inspections and further improved its internal control system. Besides, it continued to sort out and optimize the system processes and worked to form a science-based, standardized, precise and efficient regulatory management system.

The Company supervised the development and standardized operation of the boards of directors of its affiliated companies, so as to improve operational quality of the boards of directors, optimize their structures and elevate standardization levels across governance entities.

The Company improved all kinds of supervision, implementation and coordination mechanisms for disciplinary inspection, internal audit, delegated supervisors, HR, finance, internal control and risk management, which were led by intra-Party supervision. These mechanisms effectively prevented business risks, advanced the implementation of strategic tasks, and ensured accountability of supervisors across all affiliated companies.

The Company managed debt disputes in accordance with laws and regulations. For key cases involving financial lending, financing, leasing and government subsidy recovery at its affiliated companies, it organized special topic seminars online and offline to guide these companies to determine litigation strategies and plans, thereby solidifying foundations for protecting their legitimate rights and interests.

In 2024, the Company carried out 72 audit projects.

They were made of

30

annual supervisory inspections

16

economic responsibility audits

2

internal control evaluations

24

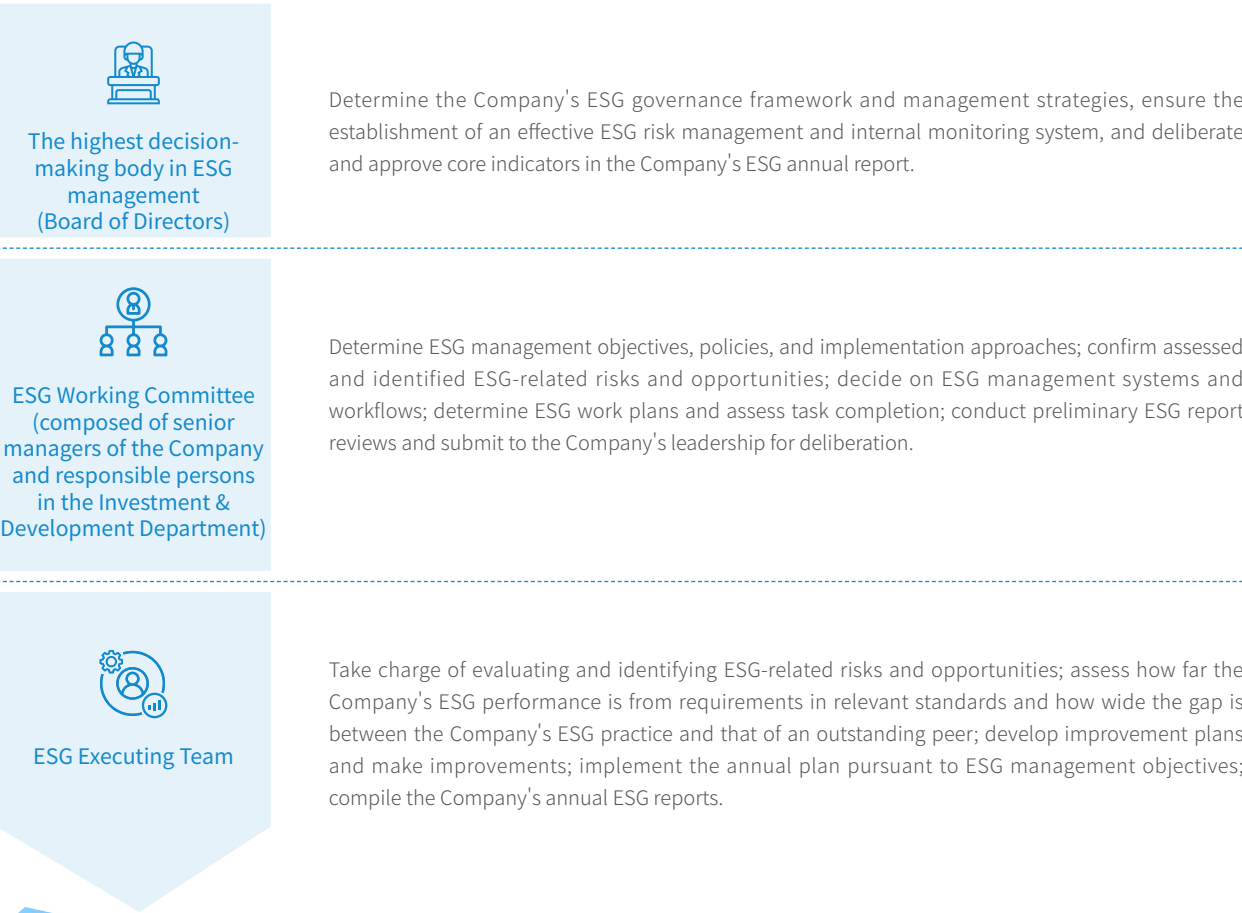
special audits

ESG management

The Company continuously strengthened ESG management. To be specific, it created more communication channels with stakeholders. With these channels, it listened to expectations and suggestions from all parties regarding its fulfillment of social responsibilities, issued a proactive response to stakeholders' demands and expectations, and collaborated with stakeholders to make common progress and create value together.

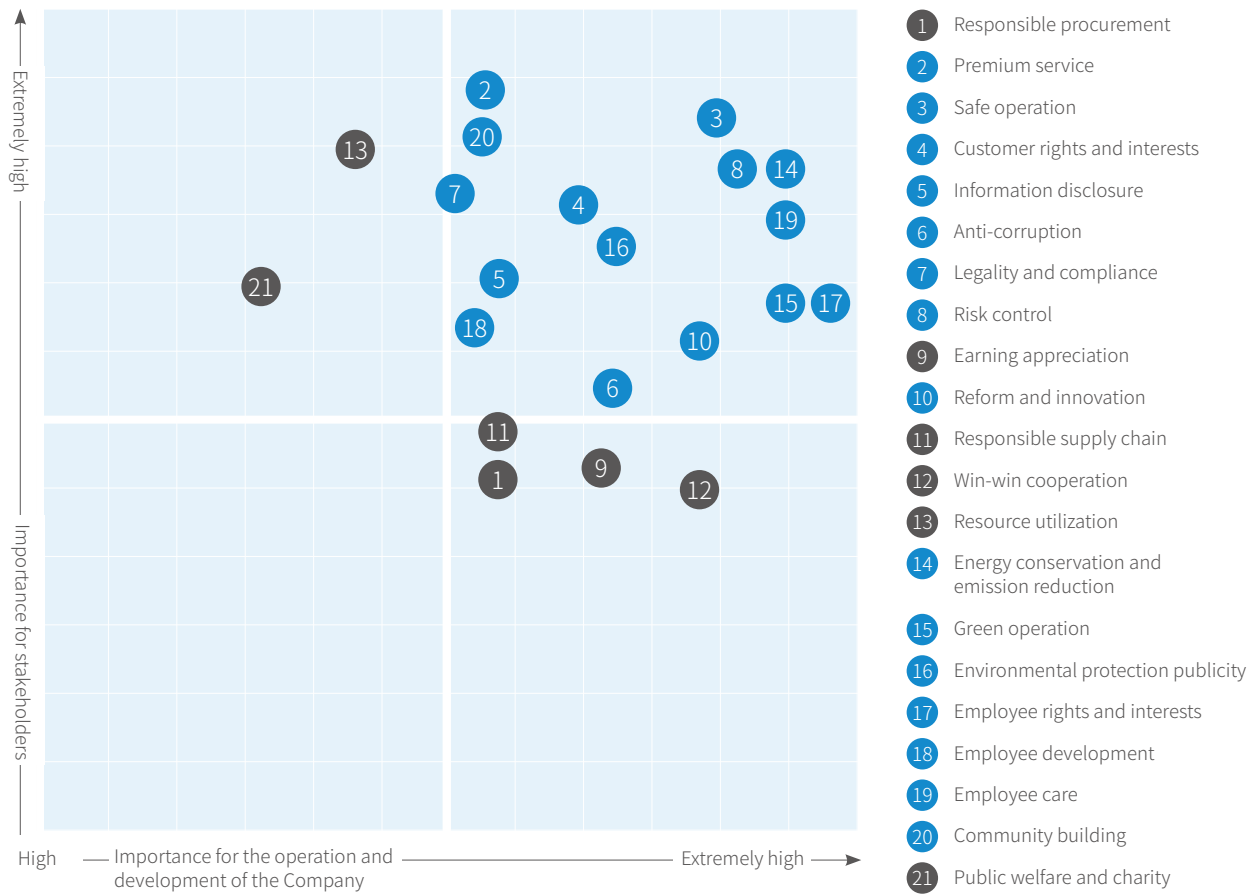
ESG governance architecture

The Company established a clearly hierarchical ESG governance system with well-defined responsibilities and continuously optimized the ESG management mechanism to ensure systematic and standardized implementation of ESG management and practices.








Identification of substantive issues

The Company, based on its business realities and the expectations & demands of internal/external stakeholders, benchmarked against industry and global ESG standards to identify key issues relating to its economic, environmental and social influences and influences from appraisals and decisions of stakeholders on all fronts. Based on the expectations of internal and external stakeholders, its own business strategies, and analysis and evaluation of sustainable development capacity, it ranked the issues from the perspective of the "importance for the operation and development of the Company" and "importance for stakeholders" according to relevant requirements of domestic and overseas ESG standard, built the importance assessment matrix, and identified and analyzed substantive issues to ensure their disclosure in relevant reports.



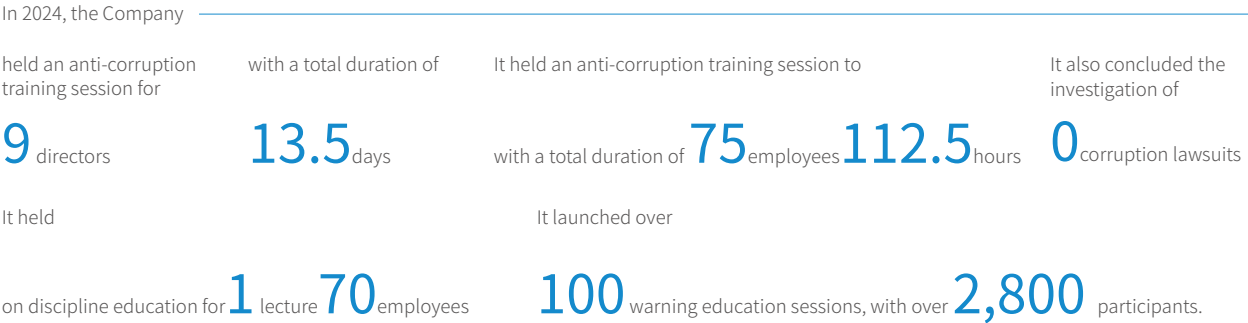
Communications with stakeholders and their involvement

The Company emphasized communications with all stakeholders. It developed diversified communication channels and feedback mechanisms based on characteristics of these stakeholders to strengthen responsiveness to stakeholders' needs and expectations. This measure facilitated joint exploration of sustainable development pathways that enabled value co-creation and shared benefits with stakeholders.

Key stakeholders	Expectations and requirements	Ways and channels of communication	Responses and practices
 The government and regulatory authorities	<ul style="list-style-type: none">• Laws and regulations• National policies	<ul style="list-style-type: none">• Information reporting• Daily communication• Meetings of senior managers	<ul style="list-style-type: none">• Strictly follow laws and regulations• Actively respond to national policies• Pay taxes according to laws and operate in compliance with relevant regulations
 Shareholders	<ul style="list-style-type: none">• Steady operation• Market valuet• Information disclosure	<ul style="list-style-type: none">• Shareholders' meetings• Company announcements and periodic reports• Investor relations meetings and road shows	<ul style="list-style-type: none">• Enhance corporate governance level• Disclose information in a compliant way• Raise its profitability
 Employees	<ul style="list-style-type: none">• Remuneration and benefit• Safety and health• Career prospect• Education and training	<ul style="list-style-type: none">• Employee representatives• Communication with employees• Labor contracts• Care for daily life	<ul style="list-style-type: none">• Improve the remuneration and performance system• Improve employee insurance system• Enrich the contents of employee training• Provide long-term career opportunities
 Customers	<ul style="list-style-type: none">• Safety and quality• Rights and interests of customers• Premium services	<ul style="list-style-type: none">• Signature of contracts• Customer service• Service assurance	<ul style="list-style-type: none">• Provide diversified and premium services• Ensure service security and stability• Protect the privacy of customers
 Partners	<ul style="list-style-type: none">• Equality and fairness• Honesty and faithfulness	<ul style="list-style-type: none">• Cooperation in development• Industrial communication	<ul style="list-style-type: none">• Call for bids in an open, fair and impartial way• Strictly abide by contracts and agreements
 Environment	<ul style="list-style-type: none">• Ecological environment• Use of resources	<ul style="list-style-type: none">• Information disclosure• Environmental protection measures	<ul style="list-style-type: none">• Promote the efficient use of resources• Conserve energy, reduce emissions, and pursue green operation
 The public	<ul style="list-style-type: none">• Community development• Public welfare and charity	<ul style="list-style-type: none">• Community building• Publicity activities	<ul style="list-style-type: none">• Participate in building a harmonious community• Drive local economic development• Conduct public welfare and charity activities

Anti-corruption

The Company strictly complied with national and local laws and regulations which are aimed to prevent corruption, bribery, extortion, fraud, and money laundering. It implemented systems issued by Guangdong Provincial Communications Group as per a strict standard, including the *Implementation Measures for the Accountability System of Improving Party Conduct, Upholding Integrity and Combating Corruption, Inspection and Assessment Measures for the Accountability System of Improving Party Conduct, Upholding Integrity and Combating Corruption in Directly Affiliated Companies, and Implementation Measures for Accountability of Illegal Business Operations and Investments*. These measures strengthened its capacity to fulfill compliance obligations in anti-corruption, anti-bribery, anti-money laundering, and anti-unfair competition practices in all respects.



Building a clean and honest foundation

- The Company signed the Responsibility Statement for Improving Party Conduct, Upholding Integrity and Combating Corruption with its affiliated companies and clarified relevant objectives and tasks for the accountability system, thereby ensuring the publicity and implementation of political responsibilities for full and rigorous governance over the Party at all levels.
- The Company prepared the Priority Tasks 2024 for Improving Party Conduct, Upholding Integrity and Combating Corruption and the Priority Tasks 2024 for Discipline Inspection. It also implemented specific work tasks and advanced the work for improving Party conduct, upholding integrity and combating corruption in an orderly manner.
- The Company put more efforts in supervising key links in key fields, launched daily oversight on bidding process for procurement and personnel evaluations and continued to enhance supervisory effectiveness.

Promoting accountability for discipline execution

- The Company leveraged the role of letters and visits in supervisions and adopted a sincere attitude towards complaints and reports while addressing public concerns. It strictly implemented the work system for complaints and reports, and standardized workflows. It put more efforts to analyze and judge clues in letters and visits based on routine case processing, case handling management and oversight & follow-up on problems and clues, so as to provide decision-making support for improving Party conduct, upholding integrity and combating corruption.

Strengthen positive conduct and discipline

- The Company organized multiple educational initiatives, including Party discipline knowledge contests, warning education film screenings, combined study sessions on warning education and Party regulations, visits to integrity education bases, and integrity-themed dialogues. These efforts have fostered a robust learning environment for Party members and cadres to strengthen their understanding of Party discipline.

Protection of intellectual property

The Company continuously enhanced intellectual property protection awareness. It intensified scrutiny of IP clauses and trademark authorizations in contracts, clarified rights ownership and liability allocation principles for infringement, and took measures to control infringement risks.

The Company conducted 2 annual self-inspections on software legalization, carried out 1 self-inspection on software assets, and investigated the unauthorized use of software. It also collected the demands of all divisions on office software, and procured legitimate software.

02

Drawing a Low-Carbon Travel Landscape on a Green Foundation

Yueyun Transportation upheld the concept of harmonious coexistence with nature and regarded green development as its mission. It actively addressed climate change and advanced energy structure transformation. Besides, it continuously reduced resource consumption and enhanced pollution control and ecological protection. Simultaneously, it put great efforts to promote green culture through extensive public welfare activities. It collaborated with all sectors of society to support Green Guangdong and contributed its strength to building a beautiful homeland with azure skies, verdant lands, and clear waters.



Addressing climate change





The Company proactively responded to impacts from climate change through multidimensional management encompassing governance, strategies, risk management, indicators, and targets. It identified climate-related risks and opportunities significantly affecting corporate development, formulated corresponding action plans, and continued to improve climate governance capabilities.

Governance

The Company integrated climate change management into its business decision-making. Its Board of Directors took charge of environmental and climate-related policymaking, reviewed medium-to-long-term carbon emission targets & indicators, and established work plans. The ESG Leading Team reviewed and supervised the progress on indicator management on a regular basis and reported directly to the Board. Business departments like the Investment & Development Department took charge of coordination efforts and specific execution responsibilities for carbon emission targets & indicators, etc.

Strategy

The Company took the initiative to identify impacts of climate change on its business, supply chains, and financial performance, and evaluated potential risks to enhance adaptation capabilities for climate change actions and improve the abilities for responding to adverse effects and risks of climate change.

Risk type	Risk description	Countermeasures
 Policy risk	To address climate change, China has introduced stricter carbon emission regulations and measures, such as carbon taxes and carbon emission trading systems, increasing the operating costs of enterprises.	The Company paid active attention to relevant national laws and regulations and strictly complied with them. It also established medium-to-long-term carbon emission targets and detailed action plans for the purpose of reducing carbon emissions.
 Technical risk	The demand is increasing for environmentally friendly products, and companies need to continuously invest in research and development to enhance market competitiveness.	The Company put more efforts in R&D of energy-saving and consumption-reducing technologies and upgraded equipment and technologies, so as to improve energy utilization efficiency.
 Market risk	Emerging low-carbon transport modes, such as electric vehicles and hydrogen fuel cell vehicles, may pose competitive pressures on traditional transportation enterprises.	The Company created an integrated charging infrastructure incorporating source-grid-load-storage. It promoted the use of clean energy vehicles including electric vehicles and hydrogen fuel cell vehicles to reduce carbon emissions.
 Extreme weather risk	Extreme weather events, such as rainstorms and floods, may damage transportation infrastructure including roads and bridges, leading to traffic disruptions, delays in cargo/passenger transportation, and economic losses. Companies need to allocate more resources to clear obstacles and enhance the reliability of highway services.	The Company obtained extreme weather alerts in time and implemented preventive measures in advance. It conducted regular maintenance and inspection activities of transportation infrastructure to promptly identify and eliminate potential safety hazards.

Risk management

The Company placed great importance on climate change risks and related opportunities. It also established and gradually improved risk management mechanisms to mitigate potential adverse impacts of climate change on its operations. In line with operational realities, the Company proactively identified risks associated with extreme weather events such as torrential rainfall and typhoons. It actively assumed its responsibilities for flood prevention and preparedness, and implemented a comprehensive emergency management system. Besides, it executed contingency plans and work measures and enhanced collaboration with relevant stakeholders including highway operating entities and traffic police departments. It bolstered emergency response capabilities, fortified defenses at critical and vulnerable locations, and investigated and eliminated risks and hazards to avoid risks and losses arising from extreme weather events.

Objectives and indicators

Taking into account its own operational status and the latest ESG guide of the Stock Exchange of Hong Kong Limited, the Company ascertained anticipated indicators for environmental aspects such as pollution prevention and control, energy conservation and emission reduction respectively in 2025 and 2028 according to the *Opinion of the CPC Central Committee and the State Council on Fully, Accurately and Comprehensively Implementing the New Development Concept to Achieve Carbon Peaking and Carbon Neutrality, the Action Plan for Carbon Dioxide Peaking Before 2030* and other relevant policies.

Indicators		Prospects for target management (for year 2025, using those in 2023 as benchmarks)	Prospects for target management (for year 2028, using those in 2023 as benchmarks)
Resource saving	Use intensity of comprehensive energy	Decreased by 10%-15% (Decreased to 0.063-0.066 ton of standard coal per 10,000 yuan of operating income)	Decreased by 20% (Decreased to 0.059 ton of standard coal per 10,000 yuan of operating income)
	Use intensity of water resource	Decreased by 10%-15% (Decreased to 4.981-5.274 tons per 10,000 yuan of operating income)	Decreased by 20% (Decreased to 4.688 tons per 10,000 yuan of operating income)
Exhaust emission	Exhaust emission intensity	Decreased by 5%-8% (Decreased to 0.000277-0.000286 ton per 10,000 yuan of operating income)	Decreased by 10% (Decreased to 0.000271 ton per 10,000 yuan of operating income)
	Carbon emission intensity	Decreased by 8%-10% (Decreased to 0.22491-0.22991 ton per 10,000 yuan of operating income)	Decreased by 15% (Decreased to 0.21241 ton per 10,000 yuan of operating income)
Disposal of solid waste	Disposal rate of hazardous waste	100%	100%
	Disposal rate of harmless waste	100%	100%



Strengthening resource management

The Company continued to advance the development of a resource-efficient enterprise, accelerated energy transition, and encouraged innovation in energy application technologies and solutions. It worked to improve energy resource utilization efficiency and to achieve the objectives of minimizing energy consumption, maximizing economic benefits, and optimizing environmental performance.

Accelerating the energy transition

The Company fully implemented the missions such as the "Green and Beautiful Guangdong" initiative and vigorously expanded the new energy industry. It drove the transformation of energy structures in service areas and established the "Guangdong Development Model" for national highway service areas.

Accelerating the deployment of charging piles in service areas

In 2024, the Company operated 279 charging piles across 55 service areas. Additionally, owners on cost-effective road sections built a total of 1,576 charging piles across 338 service areas, alleviating range anxiety for new energy vehicle owners.

Exploring photovoltaic energy storage in service areas

The Company installed photovoltaic power generation systems on rooftops of service area buildings and canopies of parking lots and leveraged deployment of energy storage facilities for power generation as an opportunity to further develop "zero-carbon service areas" and "near-zero-carbon service areas".

2024 energy consumption statistics of Yueyun Transportation:

Energy category	Type	Consumption	Unit
Direct Energy	Diesel	20,525,326.59	L
	Petrol	1,427,601.11	L
Indirect Energy	Consumption by electric vehicles	111,138,269	kWh
	Charged using own charging piles	82,198,179	kWh

Case | 2024 witnesses the official commencement of construction of China's first cooperative demonstration project for digital DC microgrid zone for highway service area

November 2024 saw the official commencement of construction of the subproject for integrated charging infrastructure incorporating source-grid-load-storage in Dahuai Service Area of Yueyun Transportation, marking a critical milestone of Guangdong Province in practicing green transportation in highways. The core components of the demonstration project are the subproject for integrated charging infrastructure incorporating source-grid-load-storage and the distributed photovoltaic power generation subproject. Upon completion, Dahuai Service Area will have a self-sufficient "green electricity" ratio of over 50%, with an annual average clean electric energy generation of 3.7 GWh. During the operational cycle of 2025, the demonstration project is projected to cumulatively save 28,000 tons of standard coal while reducing smoke emissions by 2.78 tons, nitrogen oxides by 16.67 tons, carbon dioxide by 54,000 tons, and sulfur dioxide by 14.8 tons, demonstrating significant environmental benefits.



Reducing resource consumption

The Company equipped 12 service area pairs with reclaimed water recycling facilities to improve water reuse efficiency. With these facilities, the treated sewage will be utilized for landscaping, cleaning, and other purposes. Meanwhile, a recirculating water system was used in vehicle washing and other links to reduce freshwater consumption. The Company launched a joint initiative to carry out pilot projects to establish "a water-saving station" at Yayao, Danzao, and Datang service areas. In 2024, it registered a total water consumption of 4,339,305.82 tons, with water consumption intensity of 6.03 tons per 10,000 yuan of operating income.

Case | Danzao Service Area implements the innovative pilot project to establish "a water-saving station"

Danzao Service Area is located in Danzao Town, Nanhai District, covering a total area of approximately 83 mu (13.8 acres). Its water is supplied by water treatment plants and primarily used for public restroom cleaning, commercial operations, firefighting, and facility cleaning. To reduce water consumption, the service area worked to create a water-saving station in 2024. It also issued the *Implementation Rules for Water Conservation Management in Service Areas (Trial)* and formulated water-saving measures. To be specific, it installed powerful rotary floor scrubbers with high-pressure water jets and ride-on floor scrubbers, and replaced old fixtures with water-efficient ones to achieve full upgrade and renovation of facilities at the service area. In the meantime, it deployed the dynamic water-saving monitoring system to ensure dynamic search of an optimal solution and intelligent management during the water use process. Besides, it installed intelligent recycling bins for garbage sorting to ensure "Paid Recycling: Turning Waste into Treasure" of recyclable materials. In addition, it installed automatic sewage detection and dosing equipment to meet the reutilization standard and improve the use rate of reclaimed water after precise dosing in reclaimed water. The combined efforts successfully reduced water consumption per vehicle served to 24L.

Ensuring pollution control

The Company upheld the core philosophy that "lucid waters and lush mountains are invaluable assets". While ensuring operational management of service areas with all its efforts, it continuously advanced ecological environment improvement initiatives, actively implemented ecological environment protection requirements, and put more efforts in pollution control, thus contributes to building an environmentally beautiful Guangdong.

Waste management

The Company handled both hazardous and non-hazardous wastes generated properly during its production and operation in strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. For hazardous wastes, it installed dedicated containers to collect materials like used batteries and waste engine oil, and cooperated with certified environmental protection companies to ensure safe disposal. For non-hazardous wastes, it recycled recyclables (such as paper, plastic, metal) and sent compacted non-recyclables to designated landfills. In 2024, the Company achieved 100% non-hazardous waste disposal, with 466 vehicles retired, and 10,176 waste tires and 49,292 waste materials/components processed. It also registered 100% hazardous waste disposal, with 84,832.6L of spent lubricating oil and 2,013 waste batteries handled.



Wastewater treatment

The Company implemented the precise, science-based pollution control requirements as per a strict standard. Its domestic wastewater from offices, stations, and service areas was discharged or reused after treatment in sewage treatment facilities. Wastewater from vehicle washing and maintenance received pretreatment prior to entering wastewater treatment systems. All its service areas were equipped with wastewater treatment equipment, with at least 2 periodic inspections per year on wastewater treatment effectiveness.

Air pollution control

The Company actively promoted the use of new energy buses and pure electric vehicles. It also practiced energy consumption quota assessments, and phased out vehicles with high energy consumption or high emission pollution to reduce air pollution. Besides, it prepared the *Technical Specification for Vehicle Maintenance* to maintain the technical conditions of vehicles, ensure driving safety, prolong the service life of vehicles and reduce harmful gas emissions from engines. 2024 witnessed its achievement of carbon dioxide emission intensity of 0.213 ton per 10,000 yuan of operating income.



Indicators	2024
Exhaust emissions (tons)	
Nitrogen oxide emission	190.313
Sulfur dioxide emission	0.351
Total	190.664
Greenhouse gas emissions (tons)	
Category 1 (diesel, gasoline and natural gas)	57,022.343
Category 2 (Electricity purchased)	96,423.562
Total	153,445.905

Safeguarding the ecological environment

The Company upheld the ecological civilization concept of respecting, accommodating, and protecting nature. It continuously improved the ecological environment of service areas and vigorously promoted green culture, making green the cornerstone of high-quality development.

Improving the service area environment

The Company actively advanced the renovation of sewage treatment facilities and waste classification & disposal in service areas to improve the "green" level of service area facilities and support highways in advancing toward green development.



Waste classification

In accordance with the requirements of the *Notice on Standards and Operational Guidelines for Domestic Waste Classification in Highway Service Areas*, Top-E Company deployed approximately 11,000 waste sorting bins and installed 17,000 new waste classification signs to replace the old ones. It also launched campaigns to publicize waste classification by way of broadcasts, loudspeakers, LED displays, and bulletin boards in service buildings.



Sewage treatment

Top-E Company managed 220 sewage treatment facilities in service areas. Among them, upgrades were conducted on 6 sewage treatment facilities at Dahuai Service Area; 166 sewage treatment facilities at Huacheng Service Area were renovated by the owners and transferred to the company upon acceptance; 25 sewage treatment facilities were connected to the local municipal sewage network.

Case | Creating a ginkgo-themed service area to advance ecological development

Pingtian Ginkgo Forest Service Area, covering an area of 180 mu (29.7 acres), is situated along the Guangdong section of the Xinfeng-Nanxiong Expressway in Pingtian Town (Nanxiong City) - renowned as the "Hometown of Ginkgo in China". As Guangdong's first ginkgo-themed service area, it features an outdoor ginkgo forest landscape with 650 vibrant ginkgo trees. This initiative has not only enhanced the environment but also provided drivers and passengers with a natural rest area. The integration of green vegetation and eco-friendly facilities has promoted sustainable development concepts.



Pingtian Ginkgo Forest Service Area

Case | Launching a comprehensive sanitation improvement campaign

Top-E Company implemented a comprehensive sanitation improvement campaign across its 180 highway service area pairs. Nearly 1,000 volunteers, including Party members, Communist Youth League members, and youth volunteers wearing "Red Cap" insignias, collected paperboards and cigarette butts and prioritized cleaning of green belts, dividers, and drainage ditches to eliminate blind spots. This campaign has revitalized these service areas, created better travel conditions and elevated the passenger experience.



Comprehensive sanitation improvement campaign

Promoting green culture

The Company is committed to integrating green, environmental protection, low-carbon and thrift practices into daily life. It actively fulfilled its tree-planting obligations, promoted green office initiatives and advocated eco-friendly commuting to ensure that the "Green and Beautiful Guangdong" campaign gained traction among employees.

In 2024, the Company

held a total of over

415

video and telephone conferences and 3 shareholders' meetings.

Green office

The Company promoted paperless workflows with measures like double-sided printing, shared printers, reuse of specialty papers, and display of promotional banners. It achieved quantitative targets for paper consumption as per a strict standard to steadily reduce usage. Besides, it encouraged natural ventilation to minimize air conditioning reliance. It procured office equipment based on actual needs to eliminate waste.



The Company optimized the public transportation network and enhanced the route efficiency. It encouraged the use of public transit and reduced the usage of private vehicles.

The Company organized employees and volunteers for tree-planting activities on a regular basis to support ecological restoration. It also disseminated environmental knowledge through multiple channels to raise public environment awareness.

Case | Planting trees to pioneer sustainability

In March 2024, the general Party branch of Highway Media Company organized employees to plant trees in Xintang. This activity is an action to respond to ecological progress of the "Green and Beautiful Guangdong" initiative and inject green momentum into the "high-quality development project in counties, towns, and villages". This activity reinforced company-wide adherence to the principle that "lucid waters and lush mountains are invaluable assets", fostering a culture of cherishing, planting, and protecting greenery, thereby contributing to a modern society in harmony with nature.



Tree-planting activity

03 Putting People First to Serve Social Harmony and Development

Yueyun Transportation adhered to the goal of becoming a leading domestic platform for highway travel services and integrated transportation-energy operations. To be specific, it safeguarded customers' rights and interests and built a responsible supply chain. Besides, it collaborated with partners, fostered employee growth, and shared developmental achievements with the society, demonstrating its mission of "serving the society and facilitating travel" with concrete actions.



Protecting customers' rights and interests

The Company prioritized customers' needs and guaranteed travel safety for customers. It also addressed complaints and suggestions promptly, protected customer privacy, and worked to cultivate positive customer relationships. These efforts collectively delivered a safe, convenient, and comfortable travel service experience.

Safe travel

Firmly rooted in the strategic focus of work safety as a factor of core competitiveness, the Company stuck closely to the three-year campaign for fundamental improvement in work safety. It paid attention to dynamic clearance of major accident hazards and full deployment of an all-staff work safety responsibility system. Besides, it enhanced dual-prevention mechanisms composed of classified control of work safety risks and investigation & elimination of hidden dangers. These measures ensured the sustained stability of its overall work safety landscape.

Improving the work safety system

- The Company improved its work safety, emergency management and fire protection systems. It issued the *Work Safety Responsibility System for All Employees at the Headquarters, Implementation Rules for Work Safety Supervision and Management Measures (Management of Work Safety Costs)*, and *Key Work Points 2024 for Work Safety and Emergency Management*.
- The Company signed the work safety responsibility agreement for the year 2024 and completed the annual assessment 2023 of work safety (fire protection) and emergency management.
- In accordance with the *Self-Evaluation Form for 2023 Work Safety Responsibility System and Fire Protection Work Assessment by the State-Owned Assets Supervision and Administration Commission of Guangdong Province*, the Company compiled supporting materials item by item. Its work highlights were affirmed by the assessment team of the State-Owned Assets Supervision and Administration Commission of Guangdong Province.

Strengthening the investigation and elimination of risks and hazards

- The Company conducted quarterly major inspections on safety emergency preparedness and fire safety as well as supervision and inspection initiative on safety precautions before the National Day. During critical periods such as major holidays, the 'Two Sessions', and the flood season, it deployed or installed safety advisories and reminders to ensure that all its departments took safety management measures for preventing and eliminating safety risks & hazards. Throughout the year, the work safety inspections generated 285 recommendations and identified 47 general hazards, all of which were rectified as required with zero major safety hazards found.
- The Company developed an overall report for identifying and assessing work safety risks, and urged and guided its affiliated enterprises to formulate their 2024 identification, analysis, evaluation, and control measures for safety risks in compliance with the Group's guidelines, industry norms & standards for identifying safety risks, and their operational realities. A total of 16,459 safety risks were identified, with strict implementation of prevention & control measures and disclosure of safety risks to maintain all safety risks under effective control.

Empowering work safety with digitalization

- The Company continued advancing the evaluation in using the digital warning management system for operational safety. It hosted symposiums with transport companies on system utilization to gather feedback on current system performance and explore potential function expansions for the purpose of giving full play to the role of technological support for work safety.
- The Company optimized functions of the "Safe Yueyun APP" by restructuring 41 sub-modules across 15 functional modules based on actual management needs, formulated a document for describing function adjustment and optimization requirements of the system, and improved the APP according to actual management requirements.

Forging core work safety capacity

- The Company executed many special campaigns including the fire safety campaign, campaign of fire prevention and control in Winter and Spring, travel supervision campaign at the beginning and end of the year, and travel rush supervision campaign in Spring Festival, achieving 100% rectification rate for identified hazards such as blocked evacuation routes and improper e-bike management.
- The Company implemented the "Work Safety Month" campaign, disseminating work safety concepts through 262 publicity campaigns with 10,036 participants.
- The Company put more efforts in safety education & training and cautionary education on accidents, and organized multiple internal/external safety training sessions. All transport companies under its umbrella launched accident analysis seminars and cautionary education programs on accidents, studied defensive driving safety techniques, and supervised and guided the accident-involved organizations in emergency disposal of road traffic accidents.

In 2024, the Company

invested **37,224,400** CNY in safety assurance Its safety training covered **167,862** employees with a total of **1,091,105** hours of training The average training time per person was **6.5** hours

Notes: The statistics covers 14 subsidiaries that have signed a work safety responsibility agreement with the Company, as well as Taiping Interchange Management Department.

Case | Swift actions taken to transfer over 3,000 stranded passengers during the flood season

On April 20, 2024, a new round of heavy rainfall hit northern Guangdong. Qingyuan Yueyun Company and Shaoguan Yueyun Company, as subsidiaries of Yueyun Transportation, led the charge to take swift actions. To be specific, they activated emergency guarantee plans and established special task forces for emergency transfers. They deployed 43 Yueyun express buses and Yueyun buses in a short period of time and prioritized the transfer of the elderly, children, and pregnant women as key tasks. They ensured that no individuals or belongings were left behind, and transferred over 3,580 stranded passengers safely within the shortest timeframe to guarantee public travel safety.



Shaoguan Yueyun Company transports stranded passengers with Yueyun express buses and Yueyun buses

High-quality service

The Company consistently upheld the "customer-centric" business philosophy and enhanced the quality and efficiency of its main business. It worked to create an integrated travel service platform which is specialized, diversified, and convenient to deliver premium travel services.



"Loyee" was included in the **2023 list of top 100 Guangdong chain enterprises, ranking 29th in the list.**

Case | Creating a showroom for the integrated development of transportation, agriculture, culture, tourism, and commerce sectors

Yueyun Transportation adheres to high quality, efficiency, and standards. When the Changsha Bay Service Area was built, its design elements considered the "high-quality development project in counties, towns, and villages" and the integrated development of transportation, agriculture, culture, tourism, and commerce sectors, and new materials and smart systems were used for a better service area. The service area, as the first stop for people from Guangdong-Hong Kong-Macao Greater Bay Area in the eastern Guangdong, is the only one in eastern Guangdong that integrates maritime regional culture. It is also the largest in eastern Guangdong. With the design concept of "fish leap under Shenzhen-Shanwei West Expressway, chasing waves in Changsha Bay", it has successfully created a "backdoor economy". A large number of tourists have been attracted to the service area by virtue of its Shanwei specialty snack market, RV campsite, homestay, tiered water feature observation platform and stage for intangible cultural heritage performances. Due to its features, it have achieved interconnectivity, open services, resource sharing, and industrial integration with surrounding villages and towns. It has become a display window and Internet famous landmark for Yueyun Transportation to participate in the "high-quality development project in counties, towns, and villages" and inject new traffic momentum.



The Changsha Bay Service Area

Service upgrade



- The Company launched a digital retail system with online features including Loyee Mall, group purchasing benefits, O2O self-pickup, and a dedicated "Rural Revitalization" section. It achieved business promotion synchronization with the "Guangdong Pass" platform, improved online automated stock replenishment and distribution functions, and realized digital retail transformation across merchandise, supply, procurement, marketing and other business scenarios.



- The Company fully launched the "Digital Rescue" highway vehicle rescue system, enabling dynamic measurement of efficiency gaps between "optimal" and "current" rescue station configurations. With this system, the intelligent dispatching accuracy exceeded 90%, with 5-minute reduction in dispatch time, significantly improving network rescue resource efficiency.



- The Company upgraded and maintained gas station systems. It launched the "Yueyun Energy+" WeChat mini-program to enhance refueling experiences and provided members with such functions as one-click refueling, one-click payments, mobile settlement, transaction/invoice queries, station navigation, and promotional information access.



- The Company built and launched the "Digital Media" advertising system, enabling full lifecycle management of advertising media resources, full-process management of marketing process and data interconnectivity, and supporting digital transformation & upgrading of advertising business.



- The Company enhanced integrated service capabilities with "One-Click Rescue" and "One-Click Refueling" features and rolled out Loyee Mall and in-store O2O services. With these measures, it preliminarily built the membership system with member benefit programs developed and promoted.
- It supported operation, promotion and data integration of the "Guangdong Pass" platform. By leveraging service area resources, it launched offline marketing campaigns at service areas. It also held online promotional campaigns innovatively during holidays.



Citizens take the free shuttle bus to the Gapday Music Festival



Liangjinshan Service Area (in Guangdong) launches China Highway Food Festival

Demand response

The Company improved the customer demand response mechanism, continuously optimized the channels for receiving and reporting complaints, and conducted timely return visits to complaint cases, thus effectively safeguarding customer's rights and interests and improving customers' satisfaction.

Privacy protection

The Company strictly abided by relevant laws and regulations such as the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, strengthened the safety and confidentiality of data assets, and implemented data governance and classified, hierarchical management of data to protect customers' private information in all respects.

In 2024, the Company

received **0**
complaint about its services

and **100%**
responded to customer complaints

In 2024, the Company

received **0**
complaint owing to the leakage of
customers' privacy

Creating a responsible supply chain

The Company continuously improved its supplier management system and proactively addressed supplier risks. It strengthened supplier assessment and exit management mechanisms, while building stable and sustainable cooperative relationships with suppliers to establish a robust responsible supply chain.

- The Company established supplier evaluation methodologies and supplier admission & exit mechanisms. It defined supplier evaluation procedures, criteria and frequency, and specified the criteria for identifying deficiencies in supplier evaluations, evaluations and tracking of improvement measures, and supplier exit conditions and procedures.
- The Company integrated social responsibility requirements including quality, environmental protection, safety and credit into supplier management standards. Its suppliers must provide products certified with China Energy Conservation Product Certification and China Environmental Label Certification. Entities with contractual breaches in previous projects, inclusion in bidder blacklists due to legal violations, or negative records in the National Enterprise Credit Information Publicity System or Credit China platform are barred from participating in tenders of the Company.
- The Company signed the *Work Safety Management Agreement* with engineering contractors, specifying that contractors should establish an on-site safety management system, regularly organize emergency response drills for safety accidents, give safety education to construction personnel, and strengthen the cultivation of safety management capabilities.

In 2024, the Company

had
892 suppliers

including
798
suppliers in
Guangdong

and **94**
suppliers in other regions
outside Guangdong

It had a local
procurement rate of
89.46%

and eliminated
6 suppliers

Joining hands with partners for mutual benefit

The Company collaborated with diverse partners including industry leaders, colleges & universities and affiliated enterprises, and innovated cooperation models to share developmental achievements. These partnerships injected dynamism, vitality and creativity into creation of mutual benefits for all stakeholders.

Cooperation among enterprises

- In close cooperation with Didi Intercity, the Company's station bus routes covered 20 cities in the province in 2024, with over 900 routes launched. The average daily orders reached 25,000, with its peak of over 50,000 per day, driving innovative development in traditional passenger transport enterprises. The Company collaborated with Guangdong United Electronic Service Co., Ltd. to develop a cooperation plan for ETC Yuetong card benefit package. This initiative bundled the Company's travel service consumer benefits with United Electronic Service's ETC device distribution, and leveraged both platforms' traffic acquisition capabilities to achieve strong economic, social, and collaborative benefits.

Cooperation between school and enterprise

- The Company facilitated the signing of a *Framework Agreement for Strategic University-enterprise Cooperation* between Yueyun Rescue Company and Guangdong Communication Polytechnic, and took the initiative to explore a joint talent development model for technical and skilled professionals in smart transportation with cooperation between school and enterprise.
- The Company coordinated the signing of an *Expert Workstation Cooperation Agreement* between Yueyun Development Company and the School of Automation at Guangdong Polytechnic Normal University, and advanced the application for establishment of the Guangdong Provincial Workstation for Technology Experts.

Business collaboration

- The Company supervised and guided Highway Media Company to maximize values of existing advertising resources. It collaborated with Top-E Company and Yueyun Rescue Company to promote brand advertisements, and utilized idle ad spaces to enhance brand exposure for Yueyun Energy, Loyee, and Yueyun Rescue on highways.
- The Company coordinated in the establishment of an "Advertising + Retail" joint investment promotion mechanism.

In this mechanism, it uncovered the strengths in the advertising and service area platform, supported direct advertising business expansion, and created new pathways for premium brands entering retail markets at service areas.

Industry exchange

- The Company signed letters of intent with enterprises including Guangdong Restaurant Association, Guangzhou Meilin Jiye Investment Co., Ltd., and Guangdong Nanyue Fenxianghui Holdings Co., Ltd. at the Promotion & Investment Conference for Service Area Upgrade Project hosted by Guangdong Provincial Communications Group.
- Highway Media Company hosted the Highway Advertising Resource Promotion & Client Symposium, where the company discussed future trends and cooperation opportunities for the highway advertising industry with industry guests and partners.

Case | Yueyun Transportation attends the 2024 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Expo

Yueyun Transportation attended the 2024 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Expo by invitation in August 2024. Jointly with Didi Chuxing platform, it showcased the innovative solution named "Internet+ Customized Passenger Transport". At the smart passenger transport forum for innovative development, Hu Xianhua, Member of the Party Committee, Director, and Deputy General Manager of Yueyun Transportation, presented *Collaborative Innovation Between Road Passenger Enterprises and Leading Platforms in Customized Transport*, detailing the background for innovative development of customized transport by traditional passenger transport enterprises, innovative customization of "Station Bus" and key routes. This report also introduced innovative achievements made under the cooperation with Didi Chuxing platform, garnering extensive industry attention and recognition.



"Station Bus" exhibition area of Yueyun Transportation is unveiled at the 2024 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Expo

Adhering to the principle of putting people first

The Company prioritized development as its "top mission" and aggregated talents as the "primary resource". It stimulated innovation as the "fundamental driver", and promoted talent system reforms and labor efficiency enhancement. It strived to empower employees through holistic care in their daily life, emotional well-being, and career development to inspire positive energy in employees, while providing expansive career platforms, a positive corporate culture, and market-competitive compensation.

Protecting employees' rights and interests

The Company, upholding a "people-first" philosophy, recognized employees as its most valuable asset. It strictly complied with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* to protect employees' rights and interests and foster harmonious, stable labor relations.

Equal employment

- The Company eliminated gender and racial discrimination and prohibited child labor and forced labor. It recruited employees with open, fair and just principles to safeguard rights and interests of female employees.
- The Company diversified recruitment channels including internal, online & onsite recruitment, and campus recruitment for talent selection.
- The Company maintained equitable external/internal hiring practices and prioritized the alignment between values of persons to be recruited and corporate culture, professional skill and work experience. It recruited urgently-needed professionals for industry development in terms of business planning, commercial operations, and new energy management through market-based selection to support highway service area upgrades.

Salary and welfare

- The Company paid social insurance premiums in time including endowment insurance, medical insurance, work injury insurance, maternity insurance, and unemployment insurance as well as housing provident fund for all employees in accordance with the relevant state policies, and signed labor contracts with all employees (i.e., 100% signing rate).
- The Company provided employees with market-competitive cash compensation, comprehensive benefits and incentive plans. It also worked to gradually improve the normal growth mechanism linked to work efficiency, and standardized compensation distribution systems for all employee categories. Besides, it prioritized compensation growth for front-line positions and core critical roles, and strived to achieve alignment of responsibilities with rewards, capabilities with valuation, and contributions with returns in salary allocation.
- The Company strictly enforced a "Four-in-One" compensation incentive and restraint mechanism composed of strategy, budget, assessment, and compensation. It strengthened the application of assessment results and continuously improved the salary management measures for top executives of directly-affiliated enterprises to achieve the unity of incentive and restraint.

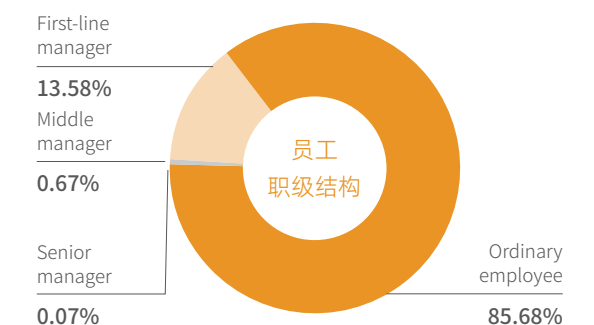
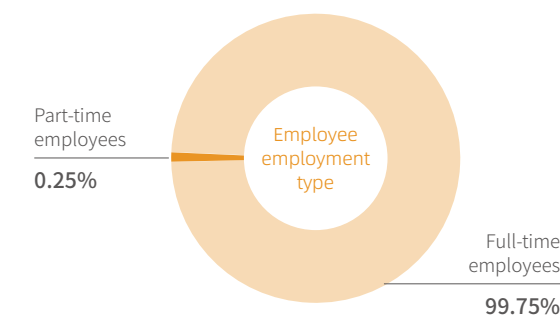
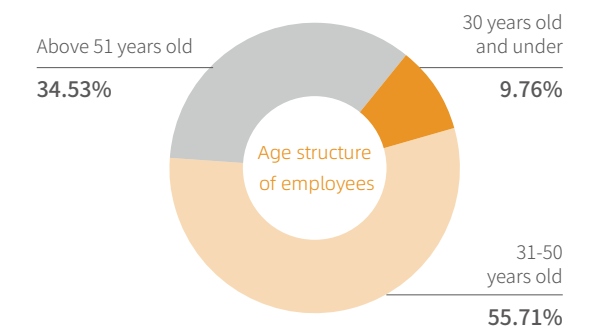
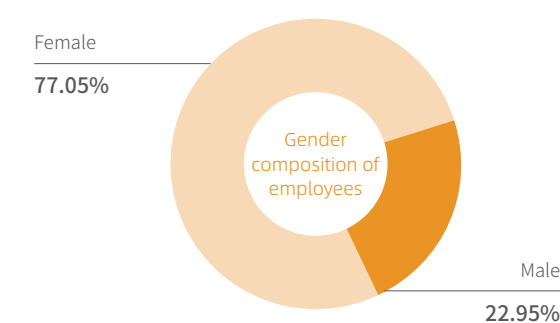
Occupational health

- The Company improved the occupational health and safety management system, and strengthened occupational health control measures. It also provided necessary personal protective equipment for employees, organized employee health check-ups, and carried out occupational disease prevention and control work.
- The Company organized work safety training and inspections of safety risk hazards, and provided employees with professional health and safety guidance.
- The Company provided front-line workers with personal protective equipment, and organized seminars on occupational diseases and chronic diseases. It also partnered with health institutions for physical fitness assessments for employees to strengthen employees' awareness of occupational disease prevention and treatment and safeguard their occupational health.

Democratic management

- The Company organized and convened the second meeting of the Fourth Staff and Workers' Representative Congress and Trade Union Congress, where employee representatives listened to leadership's report on its work and integrity and conducted democratic evaluations. At the meeting, they also collected, categorized, broke down and addressed proposals systematically, while providing timely feedback. The Company standardized the implementation of the two-tier congress mechanism and provided support for timely convening of all staff and workers' representative congresses of its affiliated companies. Moreover, it integrated democratic management into its business management by soliciting employee proposals covering corporate development, management innovation, employee benefits and other key areas. In 2024, the two-tier congress mechanism collected and implemented 141 proposals, driving development with high-quality proposals.
- The Company prioritized disclosure of Party building priorities, focal points of enterprise reform & development, and employee concerns, facilitating harmonious corporate development through standardized democratic management mechanisms.

In 2024, the Company



Notes: In the rank structure of employees, senior management positions are solely held by the leadership team of Yueyun Transportation.

In 2024, a total of 1,814 employees left the Company, with a total of 3,502 days of work lost due to work-related injuries. The Company's main business was concentrated in Guangdong Province, with very few employees working outside the province. Therefore, the turnover rate of employees categorized by region did not have a substantial impact on the Company, and the Company did not statistically record or disclose these indicators.

	Employee turnover count (person)	Proportion (%)
Male	1,251	68.96%
Female	563	31.04%
30 years old and under	222	12.24%
31-50 years old	881	48.56%
Above 51 years old	711	39.20%

	Number of deaths due to work-related reasons (person)	Proportion (%)
2022	2	0.01%
2023	5	0.04%
2024	3	0.03%

Inspiring talent vitality

The Company made continuous improvement to the employees' career development channels by establishing a sound talent training mechanism and launching diversified talent training programs. It expanded the career development space and promotion channels for employees, and provided diversified career development opportunities to fully stimulate the vitality of the employee team, thereby building a high-quality talent team with excellent quality, strong skills, reasonable rank structure, and outstanding performance.

In 2024, the Company

organized a total of It had a total of It delivered training sessions for a total of

347 60,200 35,977 24,282 142,992hours

internal training courses participants in training activities attending management and professional skill training sessions attending vocational skills training sessions



Cultivating technical professionals

- By way of face-to-face teaching and live-streamed sessions, the Company organized internal and external training programs for management personnel at all levels and front-line production technicians.
- The Company supported employees in passing professional qualification exams and other training exams. To be specific, it assisted throughout application processes including information distribution, preliminary qualification screening, and eligibility review. It also organized professionals and technical talents for continuing education programs, with 3 employees obtaining senior professional titles recently.



Smoothing promotion and selection channels

- The Company built an open, fair promotion and selection channel based on competency, and upgraded the talent pipeline system to enhance workforce quality.
- The Company continuously reinforced performance communication and tracking mechanisms, refined the incentive system, and worked to develop a pragmatic and efficient human resource management framework.

	Average training duration (hour)	Training reception percentage (%)
Male	73	77.05%
Female	85	22.95%
Manager	90	14.32%
Ordinary employee	68	85.68%



Deng Guijiang (second from the right), Assistant Manager of the Security Technology Department of Foshan Yueyun Company, wins the third prize in the "Competition 2024 for Safety Training Lecturers in Foshan Public Transport Industry"

Building harmonious relationships

The Company consistently upheld a "people-oriented" philosophy and worked to foster harmonious labor relations through employee care initiatives. It strived to create shared happiness, enabling every employee to feel supported in building a better future.

In 2024, the Company

visited and comforted a total of
4,693 employees facing financial difficulties
due to illness, model workers, and front-line staff, with a
total of funds reaching **745,100** CNY

Providing assistance and care for disadvantaged employees

- The Company established and improved a long-term assistance mechanism, conducted activities such as "Winter Warmth and Summer Coolness Initiatives" on a regular basis, and launched care visits to front-line production personnel and Spring Festival duty staff.
- The Company implemented a long-term mechanism for employee care & assistance and strengthened the employee welfare system. It continued to purchase "secondary medical insurance for hospitalization" for employees, organized visits for hospitalized workers and employees facing special hardships, and mobilized employee donations for these disadvantaged employees.

Balancing employees' work and life

- The Company organized statutory holiday celebrations and employee birthday events to enhance workers' sense of fulfillment, happiness, and well-being.
- The trade union of Chaozhou Yueyun Company organized winter and summer childcare programs with a total of 18 children. These programs were aimed to promote the implementation of "Bringing Tangible Benefits to Employees and the Masses" initiative, help employees resolve the practical difficulty of unattended children during winter/summer vacations, and enable employees to focus better on their work. These children spent safe, enjoyable, and meaningful time at Chaozhou Yueyun Company through various activities including calligraphy, painting, reading, creative crafts, film appreciation, educational games, sports activities, and safety education programs. These activities helped the children develop skills, improve qualities, and grow healthily.
- The Company paid attention to employees' physical and mental health, and hosted mental health group counseling, training for union counselors, and mental health support initiatives to enhance psychological counseling and maintain psychological well-being.

Case: Building a "Mobile Staff Home" to provide new and heartwarming residences for service area staff

The Company built a "Mobile Staff Home" at Yujianli Parking Area based on the principles of "practical functionality, high utilization rate, and convenience for work-study-life balance". This action was to ensure more care for front-line employees and improve collective living conditions for staff at Baishi Parking Area along Yunfu-Maoming Expressway. This has addressed challenges faced by front-line staff at highway service areas including long working hours, high workload, and monotonous leisure time. It has also provided staff with comfortable rest facilities during off-duty hours, further enhancing their sense of fulfillment, well-being, and security.



"Mobile Staff Home" is officially put into use at Yujianli Parking Area along Yunfu-Maoming Expressway

Practicing social welfare programs

The Company consistently regarded fulfillment of corporate social responsibilities as a crucial corporate development objective. It was actively engaged in rural revitalization and public welfare initiatives. It conveyed care and positive energy to the society through concrete actions, exemplifying the accountability and commitment of state-owned enterprises.

Promoting the comprehensive revitalization of rural areas

The Company established a new showcase platform for Bay Area specialties and cultivated a new "multi-dimensional sharing" ecosystem for roadside economy development. By building service area platforms to drive and support local industrial development, it unlocked the potential of rural revitalization, creating exemplary models for enhancing service area quality & efficiency and facilitating the implementation of the "high-quality development project in counties, towns, and villages".

The Company gave great impetus to advancing service areas' role in rural revitalization and consumption assistance for poverty alleviation. It worked to establish dedicated counters, specialty stores, and dedicated areas for premium agricultural products under Guangdong's rural revitalization program. The service area platforms cumulatively featured over 2,000 specialty products. Its total consumption assistance was over 100,000,000 CNY through sales of rural revitalization-related specialty products and targeted paired procurement for raw materials. By adopting a non-profit model for introducing specialty products, it ensured benefits channeled to farmers and communities.

In 2024, the Company

invested **25,000,000**
CNY in rural revitalization (i.e., upgrading of
service areas).

Case | Service areas open new doors for rural revitalization, transforming local specialties into hot commodities

On April 24, 2024, Datang Service Area on Zhaoqing-Huadu Expressway officially inaugurated the "Premium Agricultural Products Station for Rural Revitalization in Guangdong", further strengthening the capillary networks of consumption assistance and realizing "large-scale consumption in small stations". After the inaugural launch of the station at Liangjinshan Service Area in 2023, 71 service area pairs (including Shunde Service Area on Guangzhou-Zhuhai West Expressway and Huacheng Service Area on Lechang-Guangzhou Expressway) successively rolled out premium agricultural products stations. Over 2,000 types of special agricultural products and by-products reached bustling highway service areas. Leveraging the extensive expressway network as a distribution platform, we enabled more local agricultural products to reach households nationwide, injecting transportation momentum into the "fast track" of comprehensive rural revitalization.



Datang Service Area holds Guangdong Exhibition and Sales Fair for Quality Agricultural Products to Boost Rural Revitalization



Duruan bitter melon and other agricultural products and their by-products are newly launched at Yayao Service Area along Foshan-Kaiping Expressway



Zhongshan Service Area on Guangzhou-Macau Expressway launches Xiaolan Chrysanthemum Culture Festival

Supporting public welfare and charity undertakings

While developing its own business, the Company remained steadfast in supporting public welfare and charity undertakings and engaged in community volunteer services to enhance the public's travel experience.

The Company organized volunteer service campaigns including "Convenience Services on the Go by Volunteers during the Return of Spring" and "Learn from Lei Feng" initiatives, while maintaining convenient service programs during Spring Festival, Mid-Autumn Festival, and Dragon Boat Festival.

The Company provided volunteer services encompassing care for farmers, voluntary blood donation, voluntary tree-planting, traffic safety education, support for those in need, customer-friendly haircut services, and guided tour services on a regular basis. These practical actions exemplified the volunteerism spirit while improving citizens' travel experiences.

With highway service areas as its fulcrums, the "Top-E Red Cap" volunteer service team helped farmers harvest and pick crops. The team also put great efforts to promote local high-quality agricultural products and serve people's high-speed travel. In 2024, the "Top-E Red Cap" volunteer service team was awarded the "Best Volunteer Service Organization" with Advanced and Typical Volunteer Service in the "Learn from Lei Feng" volunteer service activity of Guangdong Province.

In 2024, the Company

had a total of	and conducted	The Company had over	with a total of
2,328	416	12,489	35,785
registered volunteers	charitable volunteer service activities	persons participating in volunteer activities	volunteer service hours throughout the year

Case | Medical shuttle service bridges the "last mile" for healthcare

On March 17, 2024, Foresea Life Insurance Shaoguan Hospital, operated by Shaoguan Yueyun Company, launched the customized public health shuttle service. This free round-trip transportation solution serves residents requiring medical care, bridging the "last mile" of healthcare access. The direct health shuttle enables doorstep medical access, effectively addressing transportation barriers for some patients while mitigating hospital parking shortages.



Foresea Life Insurance Shaoguan Hospital and Shaoguan Yueyun Company jointly inaugurated the customized healthcare shuttle service



Passengers select festive goods at the "Convenience Services on the Go by Volunteers during the Return of Spring" booth at Wayaogang Service Area



Xiangyanghua women volunteers from Yueyun Transportation assist local farmers with citrus harvests

Appendix

List of Associations Joined by Guangdong Yueyun Transportation Company Limited in 2024		
S/N	Name of association	Membership level
1	China Road Transport Association	Standing council member
2	New Energy Vehicle Committee of Guangdong Road Transport Association	Deputy Director
3	Passenger Transport Branch of Guangdong Road Transport Association	President
4	Motor Vehicle Maintenance and Testing Branch of Guangdong Road Transport Association	Vice president
5	Guangdong Federation of Enterprises and Guangdong Provincial Association of Entrepreneurs	Council member/honorary member
6	Guangdong Expressway Development Association	Standing council member
7	Guangdong Provincial Transportation Association	Standing council member
8	Road Rescue Branch of China Highway and Transportation Society	Council member
9	Guangdong Provincial Association of Road Transport Industry	Executive vice president/outstanding member
10	Guangdong Intelligent Transportation Association	Executive vice president
11	Transportation Big Data Committee of Guangdong Intelligent Transportation Association	Member
12	Guangdong Urban Public Transport Association	Vice president
14	Guangdong Traffic Accounting Society	Council member
15	Guangdong Association of Management Accountants	Member
17	Guangdong Discipline Inspection and Supervision Society for State-owned Enterprises	Member
18	Guangdong Transport Law Research Institute	Vice president
19	Guangdong Market Institute of Guangdong Province	Member
20	Guangdong Legal Consultants Association for State-owned Enterprises	Member
21	Guangdong Market Institute of Guangdong Province	Member
22	Guangdong Legal Consultants Association for State-owned Enterprises	Member

Indicator Index

Area	Aspect	Content	Page
A1: Emissions	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	P19
	A1.1	Types of emissions and respective emissions data	P20
	A1.2	Emissions (in tons) and intensity (if applicable) of direct (Area 1) and energy-related indirect (Area 2) greenhouse gases (for instance, calculated in each unit of production or each facility).	P20
	A1.3	Total hazardous waste produced (in tons) and intensity (if applicable) (for instance, calculated in each unit of production or each facility).	P20
	A1.4	Total non-hazardous waste produced (in tons) and intensity (if applicable) (for instance, calculated in each unit of production or each facility)	P20
	A1.5	Description of established initiatives on emission volume and steps taken to achieve these initiatives.	P17
	A1.6	Description of how hazardous and non-hazardous wastes are handled, explanations of waste reduction initiatives as well as steps taken to achieve such initiatives	P19
A2: Use of resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P18
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (calculated in 1,000 kWh) and intensity (for instance, calculated in each unit of production or each facility).	P18
	A2.2	Total water consumption and intensity (calculated in each unit of production or each facility).	P19
	A2.3	Description of designed initiatives on energy use efficiency and steps taken to achieve these initiatives.	P17
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, explanation of water efficiency initiatives and steps taken to achieve such initiatives.	P17
	A2.5	Total packaging material used for finished products (in tons), and packaging material used for finished products per unit produced (if applicable).	inapplicable
A3: The environment and natural resources	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P20
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P20
A4: Climate change	General disclosure	Identification of and response to policies on significant climate-related affairs that have affected and may affect issuers.	P16
	A4.1	Description of significant climate-related affairs that have affected and may affect issuers, and explanations of response actions.	P16

Area	Aspect	Content	Page
B1: Employment	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P29
	B1.1	Total work force by gender, employment type (e.g. full-time or part-time), age group and geographical region.	P30
	B1.2	Employment turnover rate by gender, age group and geographical region.	P31
B2: Health and safety	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to providing a safe working environment and protecting employees from occupational hazards.	P29
	B2.1	Annual numbers and rates of work-related fatalities in the past three years (including the reporting year).	P31
	B2.2	Lost days due to work injury.	P31
	B2.3	Description of what occupational health and safety measures are adopted, and of how they are implemented and monitored.	P29
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for performing duties at work, and description of training activities.	P32
	B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P32
	B3.2	Average training hours per employee by gender and employee category.	P32
B4: Labor standards	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to preventing child and forced labor.	P29
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	P29
	B4.2	Description of steps taken to eliminate such practices when discovered.	P29

Area	Aspect	Content	Page
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain.	P27
	B5.1	Number of suppliers by geographical region.	P27
	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.	P27
	B5.3	Description of practices relating to identifying environmental and social risks along each link of the supply chain, and explanations of how they are implemented and monitored.	P27
	B5.4	Description of practices relating to promoting the use of environmental products and services while selecting suppliers, explanations of how they are implemented and monitored.	P27
B6: Product responsibility	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to health and safety, advertising, labeling and privacy matters associated with the products and services provided and remedy.	P27
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	inapplicable
	B6.2	Number of products and service-related complaints received and handling methods for these complaints.	P27
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P14
	B6.4	Description of quality assurance process and product recall procedures.	inapplicable
	B6.5	Description of consumer data protection and privacy policies, and explanations of how they are implemented and monitored.	P27
B7: Anti-corruption	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to the prevention of bribery, extortion, fraud and money laundering	P14
	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.	P14
	B7.2	Description of preventive measures and whistle-blowing procedures, and explanations of how they are implemented and monitored.	P14
	B7.3	Description of anti-corruption training provided for directors and employees.	P14
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.	P34
	B8.1	Focus areas of contribution (such as education, environmental issues, labor demand, health, culture, sports).	P34-P35
	B8.2	Resources contributed (e.g., money or time) to the focus area.	P34-P35

Feedback Form

Dear readers,
Hello!
Thank you very much for reading the *ESG Report 2024 of Guangdong Yueyun Transportation Company Limited*. If you have any ideas and suggestions on this Report, please fill in the feedback form below and send it to us by mail, fax or email. We are deeply grateful for your valuable comments!

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- ☐ Drawing a Low-Carbon Travel Landscape on a Green Foundation
- ☐ Putting People First to Serve Social Harmony and Development

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What's your suggestion for our next annual report?

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