



浙江滬杭甬高速公路股份有限公司
ZHEJIANG EXPRESSWAY CO., LTD.

STOCK CODE : 0576

2024

*Environmental, Social and
Governance Report*



About This Report

Reporting Period

This report covers the reporting period from 1 January 2024 to 31 December 2024 (the "Reporting Period").

Reporting Scope

This report covers the Company and its subsidiaries (the "Zhejiang Expressway", the "Company" or "we") engaging in the expressway business, excluding Zheshang Securities Co., Ltd., Zhejiang Grand Hotel Limited and the Company's associates, joint ventures and joint-stock companies.

Source of Information¹

All information referred to in this report is derived from the official documents, statistical reports and financial reports of the Company, and has been verified by a third party. All information referred to in this report is solely for the purpose of disclosure on the progress of sustainability management of the Company and shall not be used for commercial purposes.

Basis of Preparation

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide, and Guidance on Climate Disclosures of the Hong Kong Stock Exchange and GRI Standard of the International Sustainability Standards Board.

Reporting Principle

This report adheres to the four Reporting Principles of Materiality, Quantitative, Balance, and Consistency as outlined in Environmental, Social, and Governance Reporting Code of the Hong Kong Stock Exchange. This report contains no false records, misleading statements, or material omissions. The Company is responsible for the authenticity, accuracy, and completeness of the textual content and data in the Report.

Materiality: This report employs a materiality assessment process to determine the impact of ESG-related matters on both internal and external stakeholders, thereby focusing on and disclosing issues that have significant implications.

Quantitative: By establishing an ESG data and information statistical mechanism that covers the company headquarters and its subsidiaries, this report quantifies and statistically analyzes the key disclosure indicators within the ESG report.

Balance: The content of this report reflects objective facts, disclosing both positive and negative indicators to present a balanced view.

Consistency: By referring the disclosure scope of the Company's annual report, this report utilizes a unified data disclosure caliber and statistical methodology to adhere to this principle.

Access to the Report

This report is prepared in both traditional Chinese and English. In case of discrepancies, the traditional Chinese version shall prevail. You can download both Chinese and English versions of this report from the Company's website at <https://www.zjec.com.cn/> and the Hong Kong Stock Exchange's website at <http://www.hkexnews.hk>.

¹ The addition of the HuangQuNan Expressway Equity Section in 2023 and the newly entrusted management sections such as the Hangzhou-Ningbo Expressway Parallel Line Phase I in 2024 have had a certain impact on the growth of relevant data within their respective annual periods for the Company.

Contents

About This Report	01
Chairman's Statement	03
About Zhejiang Expressway	04
ESG Governance	07

Looking Ahead	47
Performance Table	48
Indicator Index	52
Verification Statement	55
Feedback Channels	57



Enhancing Governance

Strengthening the Foundation of Responsibility

Upholding the Bottom Line of Compliance	11
Strengthening Risk Management	13
Emphasizing Information Security	14



Protecting Environment

Preserving Ecological Integrity

Enhancing Resource Management	27
Responding to Climate Change	32
Contributing to Ecological Protection	35



Upgrading Service

Safeguarding the Road to the World

Ensuring Service Quality	17
Building Intelligent Expressway	22
Boosting Industry Development	23



Benefiting Society

Leading a Better Life

Protecting Employee Rights and Interests	39
Partnering with Employees for Development	40
Enhancing Employee Well-being	44
Contributing to Community Development	44

Chairman's Statement

Board Responsibility

The Board of Directors of Zhejiang Expressway places a high priority on sustainable development initiatives. Each year, the Board specifically reviews and deliberates the Company's Environmental, Social, and Governance Report, assesses the implementation progress against set ESG-related objectives, and discusses and approves strategy adjustments and target setting for the upcoming year (for details, please refer to the chapter "Enhancing Governance").

Objective Tracking

The Board of Directors reviewed and approved the Company's 2024 Environmental, Social, and Governance Report, assessed the implementation progress against the set ESG-related objectives, and confirmed the achievements of the 2024 ESG initiatives. Additionally, the Board of Directors coordinated and planned the formulation of ESG-related objectives and arrangements for 2025. During the Reporting Period, the Working Group of Climate Governance held annual and quarterly meetings to regularly track and review the objectives and tasks outlined in the climate governance work plan.

Expectation

Long, Long had been my road and far, far was the journey. In 2025, confronted with a complex economic landscape and industry trends, the Company will concentrate on enhancing service quality. We will focus on "ensuring safety, maintaining smooth traffic flow, strengthening services, and building a strong brand," striving to elevate the quality of public travel. We will also dedicate ourselves to industrial expansion, steering towards the integration of transportation and energy to extend our industry and promote the development of green, low-carbon transportation. Furthermore, we will emphasize technological innovation, driving the intelligent upgrade of road network services to develop intelligent transportation and create new productive forces in the transport sector. The Board of Directors will adhere to the faith and continue to lead all employees to promote the high-quality development of the Company with more firm determination and pragmatic attitude.

Conclusion

The Board firmly believes that, with the collective efforts of all employees and the oversight of all sectors of society, the Company will steadily move forward. With greater determination and more concrete measures, the Company will pioneer a new phase of sustainable development, create greater value for shareholders, and contribute more energy to society.

About Zhejiang Expressway

Company Profile

Zhejiang Expressway Co., Ltd. is a core member enterprise and an important listed platform under Zhejiang Communications Investment Group, and is the first state-owned enterprise in Zhejiang Province and the only provincial expressway investment and operation company to be listed outside the territory of Chinese mainland. The Company was exclusively initiated and established in March 1997 by the former Zhejiang Provincial Expressway Investment Co., Ltd., and listed on the Hong Kong Stock Exchange in May of the same year.

In recent years, we are committed to building ourselves into a first-class professional expressway operating company. The Company adheres to the core values of "integrity, harmony, openness and enterprise" and the corporate spirit of "dedication, commitment, breakthrough", and commits to constructing a modern expressway operation service system that is safe, convenient, high-quality, efficient, intelligent, technological, green and economic.

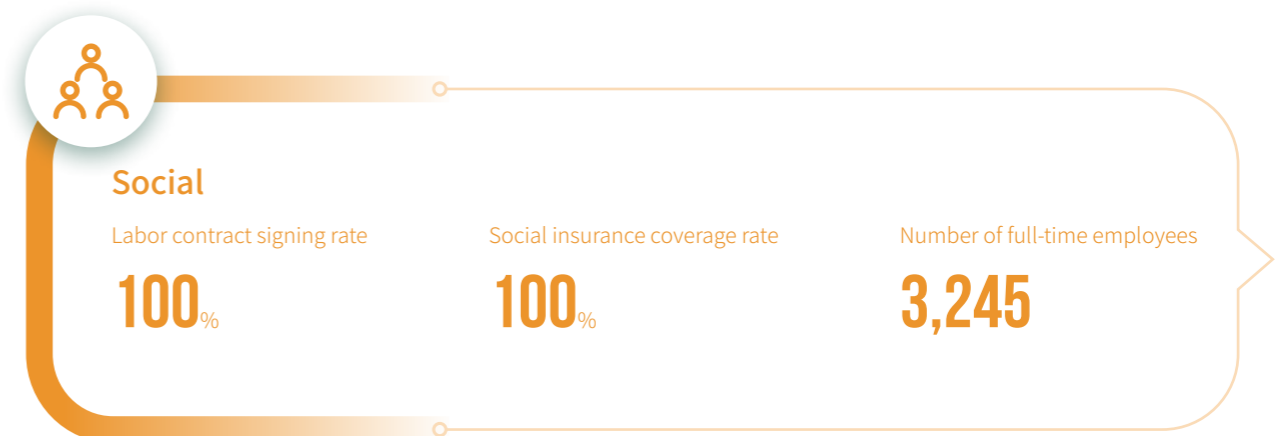
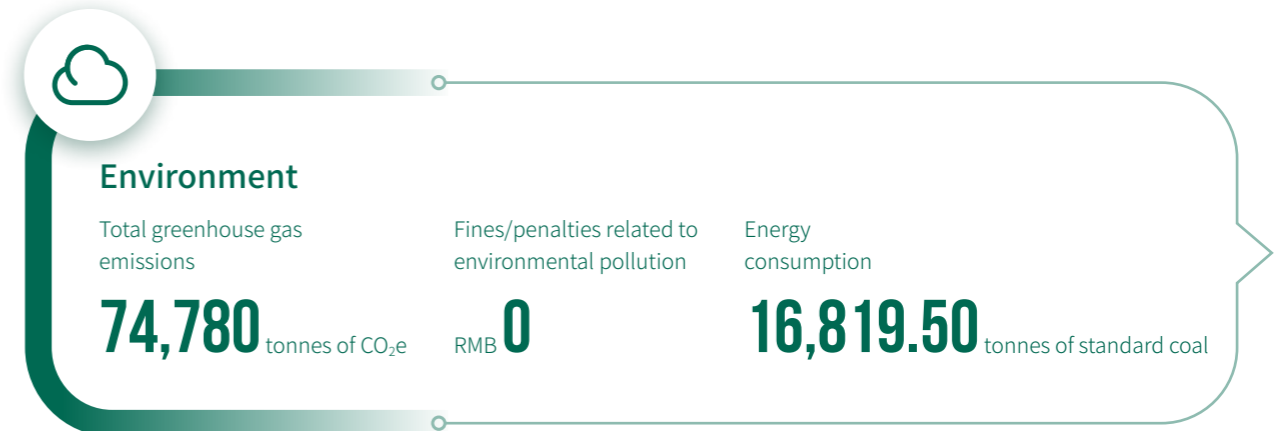
The Company has invested in and operates 24 expressways, with a total mileage of 2,193 kilometers, of which 1,691 kilometers are equity mileage. These include major sections such as Shanghai-Hangzhou-Ningbo Expressway, Shangsans Expressway, Ningbo-Jinhua Expressway, Hanghui Expressway, Huihang Expressway, Zhoushan Bay Bridge, LongLiLiLong Expressways, Zhajiasu Expressway and HuangQuNan Expressway.



Honours for the Year 2024

Honours and Accolades	Presenter	Time
Project "Key Technologies for Multi-dimensional Assessment and Prognostic Decision-making of Cable-supported Bridges" awarded the third prize in the 2023 Science and Technology Awards by the China Highway & Transportation Society	China Highway & Transportation Society	January 2024
The grassroots-level deepening exemplary model of the "New Ethos of Zhejiang State-Owned Assets and Enterprises"	Party Building Office of the State-owned Assets Supervision and Administration Commission of Zhejiang Province	January 2024
Project "Key Technologies for Operation, Maintenance, and Renovation of Coastal Expressway Infrastructure Based on Digital Domain Upgrade" awarded the third prize in the Zhejiang Provincial Construction Science and Technology Award	Zhejiang Provincial Construction Science and Technology Award Office	January 2024
The Jiaxing Section of the G60 Shanghai-Kunming Expressway awarded the title of "Model Safe Highway" for the year 2023 by Jiaxing City	The Leading Group for the Construction of "Safe Jiaxing" under the Jiaxing Municipal Committee of the Communist Party of China	February 2024
Project "Fire Damage Mechanisms and Fire Resistance Key Technologies for Long-Span Cable-Supported Bridges and Their Applications" awarded the second prize in the 2023 China Communications and Transportation Association Science and Technology Award	China Communications and Transportation Association	February 2024
ESG "Outstanding Report" and "Exemplary Case"	China Association of Communication Enterprise Management	August 2024
Project "Full-Section Maintenance Measures for Mountain Tunnel Linings Under Non-Interrupted Traffic Based on Information Recognition Technology" awarded the first prize in the First National Mao Yisheng Transportation Technology and Innovation Competition	Mao Yisheng Science and Technology Education Foundation	September 2024
Shortlisted for the "2024 Global Zhejiang Businessman ESG Classic 100 List"	Zhejiang Businessman	September 2024
2023 Golden Bull Award for Hong Kong Listed Companies	China Securities Journal	October 2024
Best ESG Disclosure Award and Best ESG Practice Case Award	Hong Kong International ESG Alliance	November 2024
Outstanding Case in Social Responsibility	Zhejiang Corporate Social Responsibility Promotion Association	November 2024
Anti-Corrosion Coating Conservation Project for Bridges in the Marine Environment of Eastern Zhejiang awarded the special prize in the Third Highway Maintenance Engineering Innovation Competition	China Highway & Transportation Society Conservation and Management Branch	December 2024

Highlight and Performance



ESG Governance

Zhejiang Expressway diligently implements the national macro-guidance on corporate sustainable development and fully responds to the compliance requirements of the stock exchange. By integrating ESG principles with the Company's key business processes, we comprehensively apply ESG development requirements across the five major segments of expressway operations: construction, management, maintenance, operation, and service to promote high-quality and sustainable development.

ESG Governance Structure

To conduct the ESG management and information disclosure more efficiently, the Company has established an ESG governance structure that is well-connected and highly coordinated across the "decision-making level - coordination level - execution level". By continuously refining this ESG governance structure and conducting regular evaluations and dynamic adjustments, the Company is committed to enhancing its ESG governance standards consistently.



Communication with Stakeholders

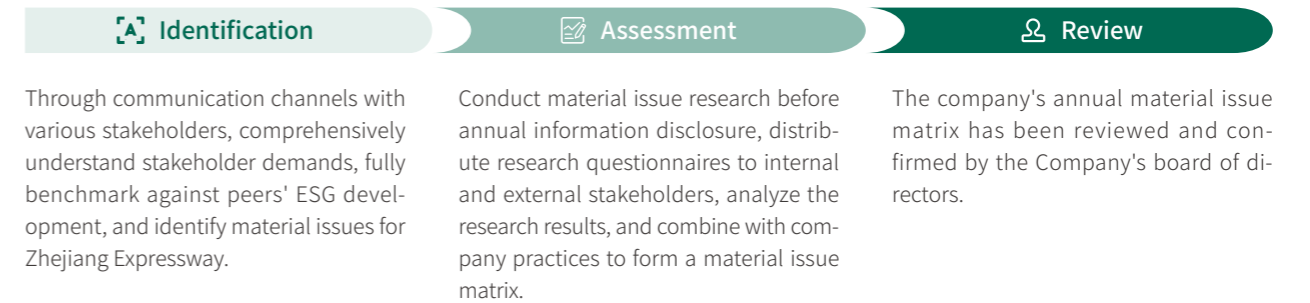
The Company places great emphasis on communication with stakeholders. By identifying the feedback and expectations of various stakeholders, along with diverse communication mechanisms and channels, we strategically enhance the Company's ESG performance and effectively respond to the needs of all parties involved.

Stakeholders	Expectations and Demands		Communication Methods	
Shareholders/ investors	<ul style="list-style-type: none"> Protect shareholders' rights and interests Return on investment Information disclosure 	<ul style="list-style-type: none"> Strengthen risk management Compliance operation and management 	<ul style="list-style-type: none"> Press releases and announcements Company financial reports Company official website 	<ul style="list-style-type: none"> Investor meetings and roadshows Regular and interim reports Shareholders' meetings
Government / regulatory authorities	<ul style="list-style-type: none"> Operate in compliance with laws and regulations Pay taxes according to law Business and economic development 	<ul style="list-style-type: none"> Contribute to smart transportation Safe operation Contribute to the "Dual Carbon" goals 	<ul style="list-style-type: none"> Compliance reports On-site inspections Participation in meetings/seminars 	<ul style="list-style-type: none"> Special inquiries/inspections File Reporting Environmental inspections
Customers	<ul style="list-style-type: none"> Safe and smooth travel experience Provide high-quality services 	<ul style="list-style-type: none"> Data privacy protection Product research and development innovation 	<ul style="list-style-type: none"> Company official website Product platforms Community media platforms 	<ul style="list-style-type: none"> Multiple customer service channels Customer satisfaction surveys Customer communication hotline
Employees	<ul style="list-style-type: none"> Protect employee rights Occupational health and safety 	<ul style="list-style-type: none"> Improve employee welfare Equal employment opportunities and diversified development 	<ul style="list-style-type: none"> Employee satisfaction surveys Employee assemblies Visits and condolences 	<ul style="list-style-type: none"> Daily communication activities Employee training activities
Suppliers/partners	<ul style="list-style-type: none"> Long-term business relationships 	<ul style="list-style-type: none"> Fair and reasonable prices Product quality assurance 	<ul style="list-style-type: none"> On-site visits Daily communication Regular meetings 	<ul style="list-style-type: none"> Forums and exchange cooperation
Community public	<ul style="list-style-type: none"> Community engagement Public welfare projects Reduce road noise 	<ul style="list-style-type: none"> Protect the local ecological environment 	<ul style="list-style-type: none"> Public welfare and charity activities Company official website 	<ul style="list-style-type: none"> Social media platforms Visits and surveys

Material Issue Assessment

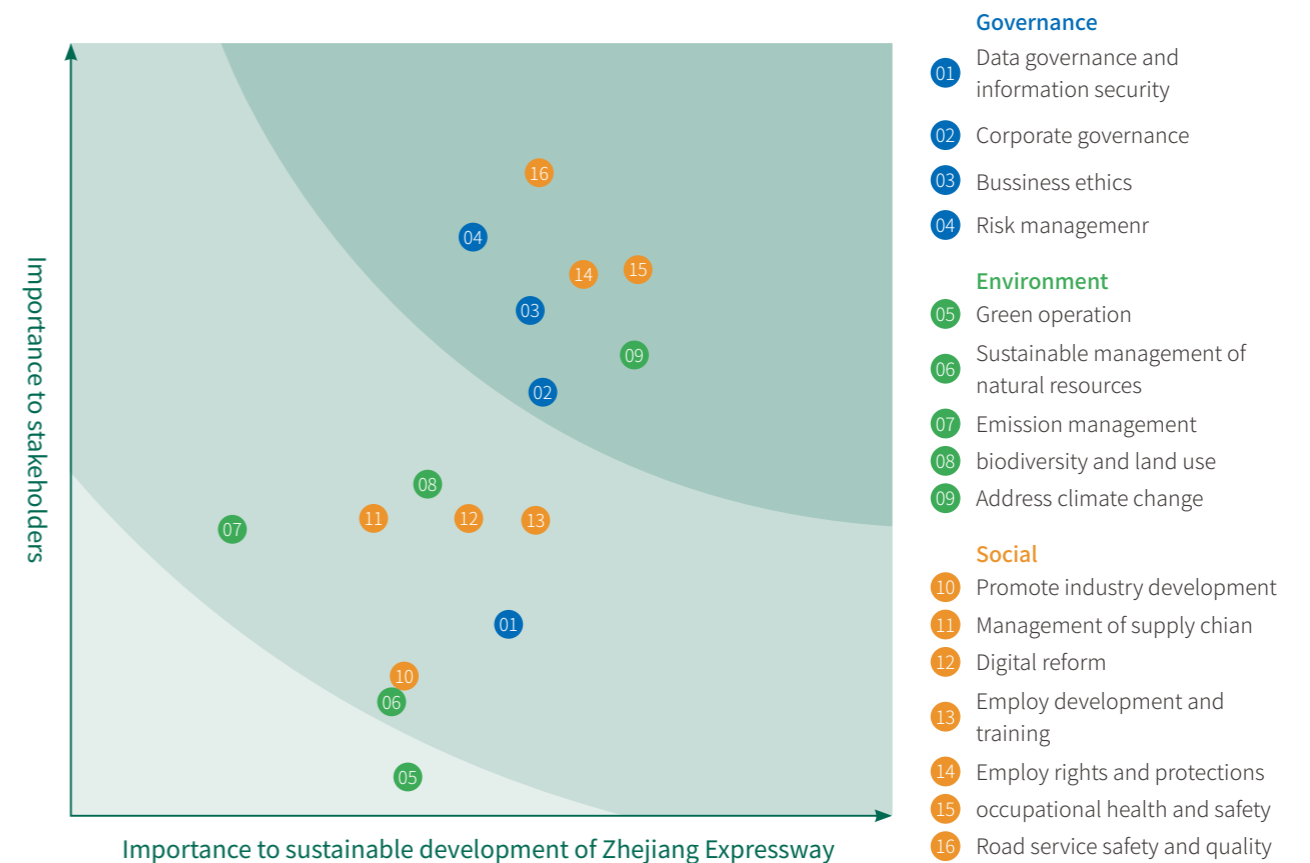
The Company conducts a materiality review and impact assessment during each Reporting Period. By integrating regulatory policies, industry trends, and current hot topics, we analyze and understand the changes in the operating environment. Through material issue questionnaires, the Company incorporates feedback from internal and external stakeholders to comprehensively assess the significance of the issues' impacts and prioritize them accordingly. The results of this assessment serve as a crucial reference for report compilation and the enhancement of ESG initiatives.

Material Issue Identification, Assessment, and Prioritization Process



The assessment for the Reporting Period is as follows

Material Issue Matrix



Enhancing Governance Strengthening the Foundation of Responsibility

Zhejiang Expressway continuously refines the corporate governance system, and always adheres to the business principle of compliance with laws and regulations. The Company places a high priority on risk management and steadfastly upholds the bottom line of business ethics, deeply integrating ESG governance concepts into the business operations and management.

Upholding the Bottom
Line of Compliance

11

Strengthening Risk
Management

13

Emphasizing
Information Security

14

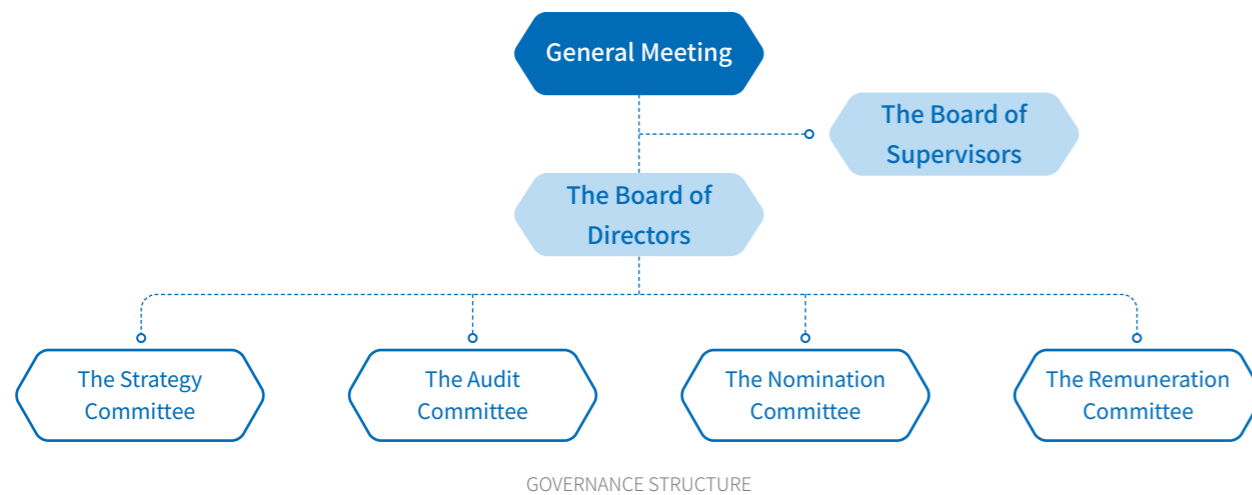
Upholding the Bottom Line of Compliance

Corporate Governance

The Company strictly complies with relevant regulations such as the Company Law and Listing Rules. Internally, we have formulated important corporate governance documents including the Rules of Procedure for the Board of Directors, Rules of Procedure for the Board of Supervisors, Working Regulations for the Audit Committee, Working Regulations for the Nomination Committee, Working Regulations for the Remuneration Committee, Scope of Authority and Responsibility for the Strategy Committee, and Procedures for Independent Professional Opinions of Directors. These documents help us establish a comprehensive corporate governance system, ensuring the effective operation and steady development of the Company.

Governance Structure

The Company has established a governance framework composed of the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors, and the Management. The Board of Directors, serving as the Company's key decision-making body, manages the operational projects entrusted by the Company's shareholders at the Shareholders' General Meeting with the assistance of the management, and makes decisions on significant matters. The Board of Supervisors, acting as the Company's supervisory body, oversees the legality and rationality of the business decisions and daily management actions of the Company's directors, general manager, and other senior management personnel, and diligently reviews the Company's operating performance and financial status.



During the Reporting Period

Number of Board Meetings	Number of Special Committee Meetings	Number of Supervisory Committee Meetings
11	9	2
Number of Supervisory Committee Meetings	Number of General Meetings	Number of Resolutions Considered
2	3	86

Construction of the Board of Directors

The Company consistently upholds the principle that the Board of Directors represents the interests of all shareholders, adheres to the Company's mission, undertakes social responsibilities, and is accountable to customers, employees, suppliers, and the communities where it operates. We have established the Corporate Governance Guidelines to clearly define and publicly disclose the responsibilities of the Board of Directors, and subject it to supervision by various stakeholders.

In terms of diversifying the Board of Directors, the Company evaluates board members across dimensions such as gender, age, cultural and educational background, professional experience, skills, knowledge, ethnicity, and tenure, continuously optimizing the diversity level of the Board of Directors.



Board Effectiveness Evaluation

The Company has formulated and published the Directors' Code of Conduct, which clearly outlines the responsibilities of the Board of Directors. Regular self-assessments of the Board of Directors are conducted to continuously refine the procedures for directors to seek independent professional advice. By disclosing the attendance rates of Board meetings and the election status of Board members in the annual report, the Company ensures the effectiveness of its Board of Directors' operation.

Board Independence Development

In accordance with the Listing Rules and other relevant regulations, the Company manages the independence of the Board of Directors to ensure that independent directors can make independent and professional judgments when participating in the Company's major decision-making processes, and provide reasonable suggestions suitable for the Company's development.

Business Ethics

The Company adheres to the principles of legal compliance and ethical business practices, consistently emphasizing the importance of anti-corruption, anti-bribery, and anti-money laundering. The Company has formulated the Practical Operation Guidelines for Related Party Transactions and the Management Measures for Inside Information Related Affairs to prevent the occurrence of benefit transfers and insider trading. During the Reporting Period, the Company did not experience any significant violations.

The Company strictly complies with the requirements of the Anti-Unfair Competition Law, actively facilitates channels for reporting and complaints, and establishes and improves information confidentiality procedures. The Company has issued the Guidance on Strengthening the Handling of Reports and Accusations to clarify the principles and acceptance procedures for internal and external appeals and accusations, and strictly protect the information of whistleblowers.

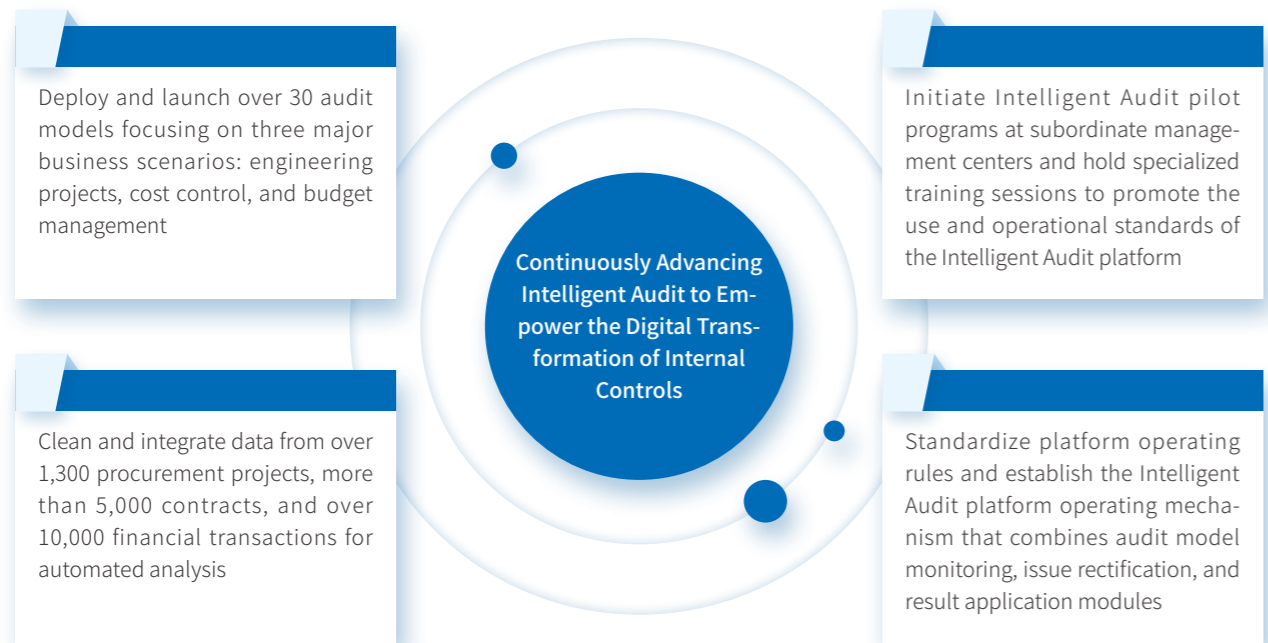
Feedback Channels

- Address: 5/F, No. 2, Mingzhu International Business Centre, 199 Wuxing Road, Hangzhou City, Zhejiang Province, PRC
- Email: hhyjjs2025@zjec.com.cn

Strengthening Risk Management

The Company continuously optimizes and improves the risk prevention and control system, clearly defining the responsibilities of various functional departments in the construction of the risk control system. The Company has formulated risk control documents such as the Division of Responsibilities for the Construction of the Risk Control System, the Working Methods for the Review and Evaluation of Operational Business Risks, and the Operational Guidelines for Investment Risk Management.

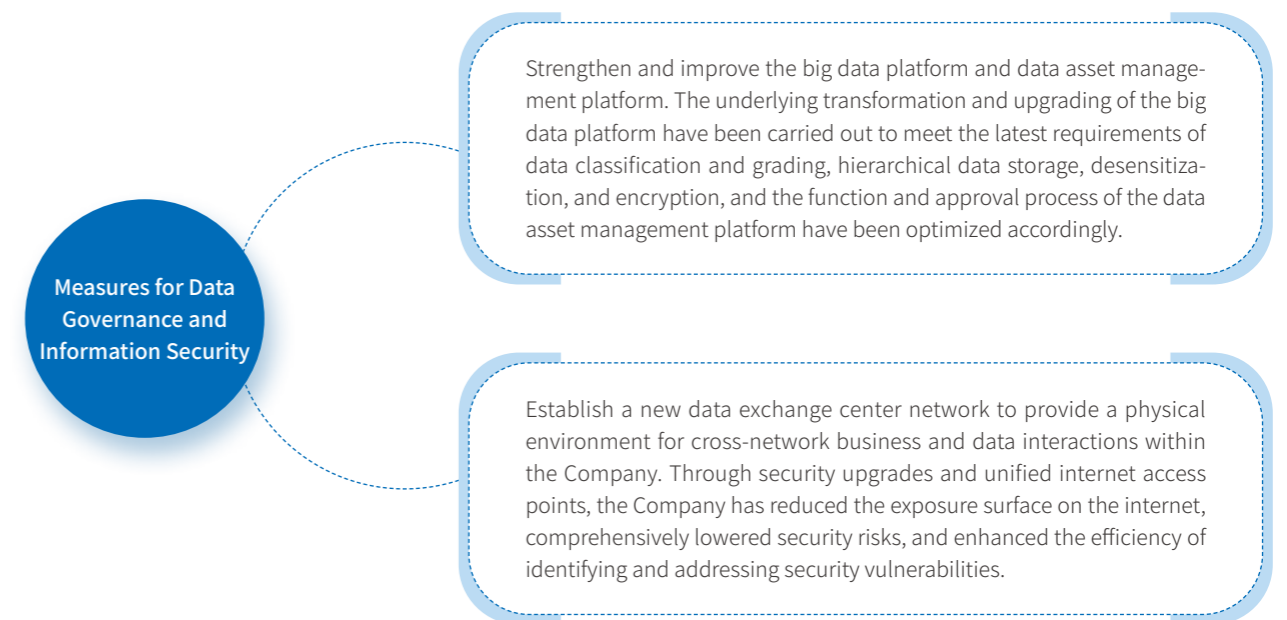
The Company has effectively identified and continuously tracked various risks in the Company's business process, compiled the Self-Assessment Report on Operational Business Risks, and formulated special risk prevention and control measures for different types of risks to ensure that the Company's risks are effectively prevented. During the Reporting Period, the Company did not experience any major risk incidents that affected operational stability.



Emphasizing Information Security

Data Governance and Information Security

In accordance with 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, the Company has established relevant information security systems, including the Data and Personal Information Security Management Measures and the Network and Information Security Management Measures, which serve as guidelines for the Company's data governance and information security work.



Strengthening Data Security Awareness to Fortify Data Security Defenses

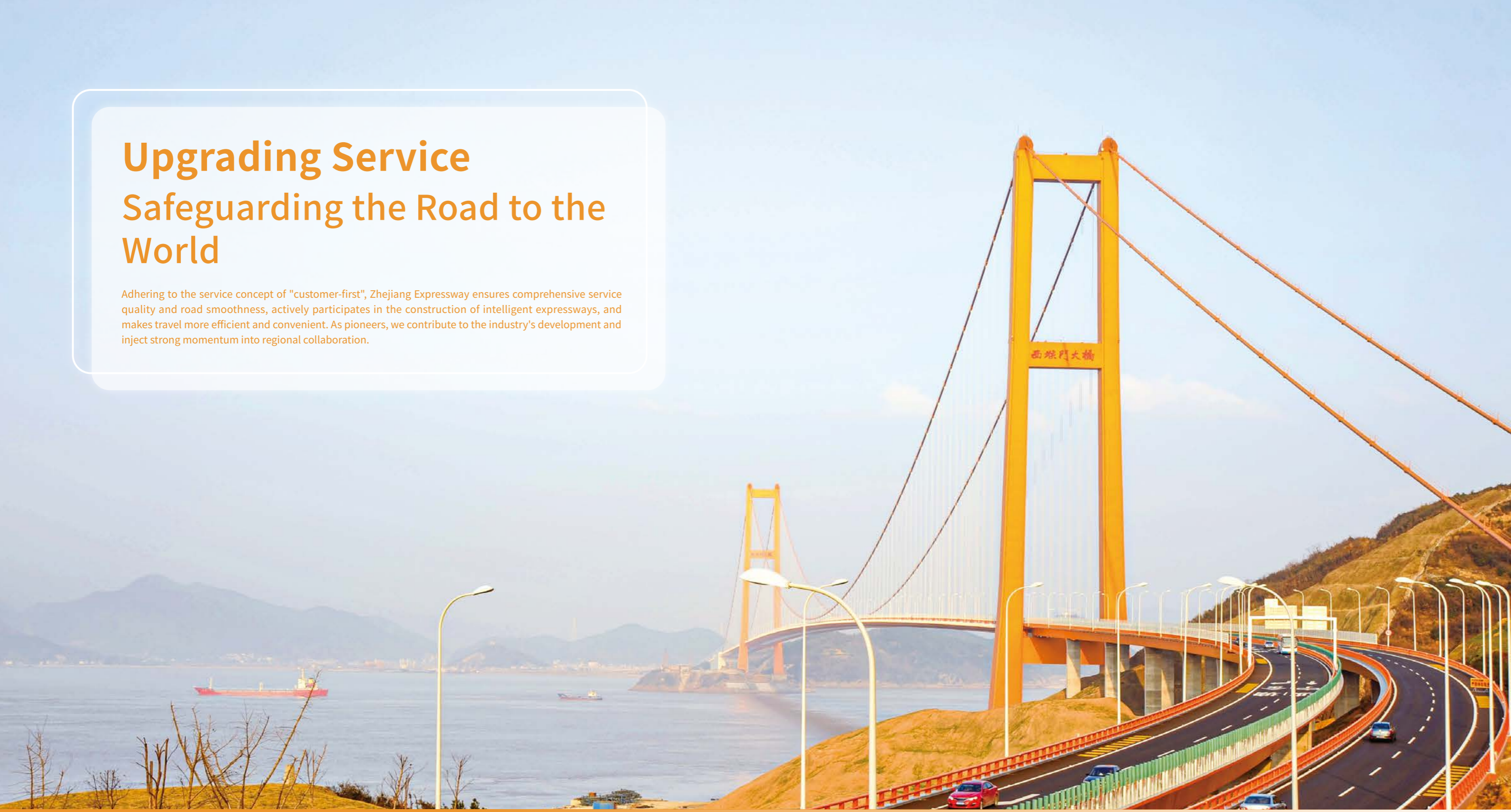
On August 5, 2024, the Company conducted a specialized training on the theme of data security, emphasizing the dissemination and interpretation of the newly released Data and Personal Information Security Management Measures. The training was aimed at various internal departments and subordinate units of the Company, with the goal of further enhancing the overall awareness of data security and personal information protection among all employees, so as to ensure the Company's steady development during its digital transformation process.

Customer Privacy Protection

The Company continuously enhances the customer information protection system. By comprehensively reviewing customer privacy protection agreements and conducting specialized training on information protection, the Company has achieved closed-loop management of customer privacy protection. To further ensure the security of customer data, the Company has engaged a third party to perform a data security audit. During the Reporting Period, there were no complaints received due to infringement or leakage of customer privacy.

Upgrading Service Safeguarding the Road to the World

Adhering to the service concept of "customer-first", Zhejiang Expressway ensures comprehensive service quality and road smoothness, actively participates in the construction of intelligent expressways, and makes travel more efficient and convenient. As pioneers, we contribute to the industry's development and inject strong momentum into regional collaboration.



Ensuring Service
Quality

17

Building Intelligent
Expressway

22

Boosting Industry
Development

23

Ensuring Service Quality

Road Operation Safety

Adhering to the safety production policy of "safety first, prevention first, comprehensive management", the Company has strengthened road safety management and built an advanced safety control system with robust safety capabilities.



- Awarded the honorary title of "2023 National Model Enterprise for Safety Culture Construction"
- Recognized as a winning unit in the national "Ankang Cup" competition
- The Shexian Toll Station at the Huangshan Center of the Hangzhou North Management Centre was honored with the title of "2023 National Youth Safety Production Demonstration Post"

Robust Safety Responsibility System

The Company has released and implemented the Three-Year "One General, Five Special" Action Plan for Fundamental Safety Production Improvement, aiming to fully enhance risk control, hazard rectification, and emergency escape capabilities, and to shift the safety governance model towards proactive prevention.

The Company has formulated and issued 26 regulations, including the Safety Production Management Measures, clearly defining the safety responsibilities of management personnel and employees at all levels.

The Company vigorously promotes the development of the certified safety engineer team by establishing a company-wide Certified Safety Engineer Committee. We continuously improve the committee's operational model and leverage it as a platform to foster regular interaction and long-term collaboration between the committee and the Company's daily safety production management, actively empowering the Company's safety production management. As of the end of the Reporting Period, the Company has a total of 148 certified safety engineers.

Implementing International Standards: the Company's SCORE Project Receives High Recognition from the International Labour Organization

The Company actively introduced the SCORE sustainable development project from the International Labour Organization. By deeply integrating safety culture construction, dual prevention mechanism construction, safety production standardization, and team autonomous management, the Company has established a comprehensive team autonomous management system. The results achieved by the Company in the implementation of the SCORE project are exemplary and highly recognized by the experts of the International Labour Organization.

Dual Prevention Mechanism Safeguards Road Safety

The Company actively implemented the dual prevention mechanism and conducted a three-month comprehensive safety hazard inspection and rectification campaign, strengthening risk prevention management. In response to sections prone to geological disasters, we have thoroughly learned from past geological disaster incidents, conducted in-depth inspections, enhanced the quality and efficiency of key area checks, and promptly identified emergencies such as the slope landslide of K151 on the Huihang Expressway.

Deepening the Emergency Management System

The Company actively builds a "one comprehensive plan with multiple specialized plans, collaborative and efficient" emergency response system. We have hosted provincial and municipal-level large-scale expressway emergency drills multiple times and fully established a "co-construction, sharing, and win-win" municipal expressway emergency alliance. This creates a comprehensive emergency rescue force system that is both specialized and routine, sensitive in response, and quick to act.



The Company has developed **1** comprehensive and **7** special emergency response plans focusing on emergency event classification, hierarchical response, emergency handling, etc.

The Company has established comprehensive emergency rescue bases, anti-ice and snow comprehensive emergency bases, and bridge comprehensive emergency bases, totaling **115** standardized emergency reserve sites and **85** standardized rescue stations.

Measures for Emergency Management

Promote the construction of an emergency response system in an orderly manner

The Company has steadily advanced the second phase of the anti-ice and snow comprehensive emergency base at the Huzhou Management Centre and the second phase of the bridge comprehensive emergency base at the Zhoushan Management Centre. The Company has completed the construction of emergency bases in Shaoxing, Ningbo, Jiaxing, and other regions, exploring and promoting the systematization and professionalization of emergency rescue teams.

Deepen accident risk prevention and control

The Company has formulated the Accident (Incident) Review Management Measures to strengthen the closed-loop management of accident (incident) handling, and advanced comprehensive research on road traffic accident prevention, forming and implementing 19 measures to reduce the number of accidents and lower fatality rates.

Continue to promote the construction of intelligent safety supervision

Relying on the Group's safety emergency system, the Company has completed scenario design and structured function development and application for extreme weather conditions such as ice and snow, typhoons, and heavy rain, as well as secondary disasters, and improved the function of the safety inspection module and launched trial operation.

Improving the Safety Training System

The Company has formulated the Safety Education and Training Management Measures, integrating safety training into the overall employee training plan. By organizing safety training sessions, inviting experts to conduct lectures, and carrying out practical drills, the Company enhances employees' safety awareness and their ability to respond to emergencies.

Strengthening the Emergency Response Capabilities of Middle Management and Employees

In 2024, the Company organized two rounds of safety management training for middle management and the first firefighting skills competition, comprehensively enhancing the safety management level and emergency response capabilities of middle management and frontline employees. This has laid a solid foundation for ensuring road safety and service quality.



The first firefighting skills competition

Road Service Quality

The Company has long been committed to serving the overall economic and social development of Zhejiang Province, striving to create a transportation experience that satisfies the people, and forging a safe, comfortable, and convenient road that every traveler can trust.

Ensuring Road Smoothness

The Company continuously optimizes traffic congestion mitigation and smoothness assurance plans and handling procedures, strengthens the monitoring of key road sections, and actively conducts research on intensive construction for high-traffic expressways. This minimizes disruptions to traffic flow and paves a solid and smooth expressway for regional connectivity.



During the Reporting Period

Connect approximately **82.10** kilometers of hard shoulders on sections such as Shanghai-Hangzhou-Ningbo Expressway, Hanghui Expressway, and Ningbo-Zhoushan Expressway, increasing the traffic capacity of high-volume sections during holidays by **20**%.

Advance the management of congestion points at Lianshi, Wangjiabu, and Guzhu Hub, reducing the average daily duration of congestion and slow traffic by **14.53**%.

Ensuring Road Smoothness During Holiday Travel Peaks

Strengthen road condition information guidance

The Company has enhanced coordination with map navigation companies such as Amap and Baidu, as well as with expressway traffic police, to implement diversion measures to regional roads during high-traffic congestion periods on expressways.

Improve incident handling efficiency

The Company utilizes rescue stations, drone patrols, video rounds, and other measures to continuously enhance the detection and handling efficiency of abnormal events in congested sections. We also coordinate with expressway traffic police and other units to ensure quick handling and removal of traffic accidents and reasonably control the flow of main roads.



Company employee conducting drone patrol



"Online Rescue" Provides high-quality and Efficient Traffic Services

Since the Company collaborated with traffic police, transportation, firefighting, medical and insurance units to launch the "Online Rescue" digital application scenario, which integrates four major functions—"direct information, direct link for rescue, free direct towing, direct compensation for road damage"—expressway rescue and congestion durations have significantly decreased, and customer satisfaction has notably improved. In 2024, the Company's rescue arrival time was reduced from 9.64 minutes in 2023 to 6.87 minutes, customer service satisfaction reached 9.98 points, toll station closure durations decreased by 47.39% year-on-year, and total congestion and slow traffic durations decreased by 13.82% year-on-year, greatly improving the experience for drivers and passengers.



Company employees actively providing free towing services

Nighttime Intensive Construction on the Hanghui Expressway Elevated Section Reduces the Impact on Traffic

In May 2024, facing technical challenges such as high traffic volume on urban elevated roads, difficult construction organization, and pavement elevation limitations due to bridge expansion joints, the Hangzhou North Management Centre, through meticulous planning, fully utilized the tidal traffic characteristics of the Hanghui Expressway to implement off-peak intensive construction. This approach reduced road closures by approximately 60 times compared to conventional construction and increased work efficiency by about five times, effectively minimizing the impact of road construction on vehicle traffic.



Nighttime traffic interruption and intensive construction site of the Hangzhou North Management Centre

Providing Services for Wonderful Travel

Adhering to the service concept of people-first and people-oriented, the Company has established a comprehensive customer service system and optimized the customer complaint handling mechanism to ensure that customer requests are promptly and properly addressed. We also actively upgraded the service quality of toll stations and service areas, providing consistent and heartfelt service to create a worry-free and smooth expressway travel experience for drivers and passengers.

During the Reporting Period

The length of road closure with RMB 1 million worth of maintenance value was approximately **50.30** hours, decreased by approximately **10.20%** year on year.

The cumulative number of nights with construction activities across the Company's managed road sections was about **335** nights, increased by approximately **137.60%** year on year.

The qualification rate for call quality inspection improved by **20%** year on year, and the number of incident resolution decreased by **24%** year on year.

Intelligent Cloud Toll Charging Empowers Efficient Passage

Under the new toll collection model, the Company's Shangyu substation launched a cloud toll charging project, achieving the intelligent transformation of the toll charging model through innovative technology and equipment upgrades. The project adopts advanced technologies such as charging software cloud-side collaboration, station-level architecture optimization, smart mobile terminals and ramp free flow, while adding self-service card collection and payment machines, integrated peripherals, and intelligent kiosks with special situation handling and convenience service functions. The project significantly enhances passage efficiency and greatly reduces vehicle owners' waiting times without altering the existing lane scale, thereby optimizing the service experience.

Combining Accurate Travel Guidance with Warm-hearted Services

The Company monitors the road network's operation in real-time and promptly releases traffic updates through channels such as information boards, the Zhi Zai Xing APP, FM93 radio, and WeChat official accounts to help and guide the public to make reasonable travel arrangements. Meanwhile, the Company set up a service desk next to the toll station booths in each section, providing sufficient boiled water, instant noodles, biscuits, emergency medicines and other materials, offering 24-hour warm-hearted services to drivers and passengers.

Two Sessions of "Flight Attendant Experience Camp" Training Conducted to Comprehensively Enhance Service Quality.

In order to comprehensively improve the quality of window service and charge site management, the Company has carried out two periods of "Flight Attendant Experience Camp" training to explore new ways to improve service quality. The training adopts the mode of "centralized teaching + on-site experience + exchange and discussion", closely focuses on the company's business needs and employees' personal growth, and carefully designs multi-dimensional practical course content such as emotion management, image management, service communication and public opinion handling, so as to contribute to building the first brand of national expressway operation service.



"Flight Attendant Experience Camp" training session in progress

Building Intelligent Expressway

The Company has formulated and improved relevant standards and institutional documents such as the Intelligent Expressway Coordinated Operation Standards, Intelligent Expressway Construction and Management Specifications, and Intelligent Expressway Information Collection and Release Specifications, creating four intelligent products: Zhijiang Wise Eyes, Zhijiang Intelligent Control, Zhijiang Intelligent Connection, and Zhi Zai Xing.

The Company strictly abides by the Patent Law of the People's Republic of China and other relevant laws and regulations, establishes a sound intellectual property protection system, and realizes the rational utilization, proper protection and effective management of intellectual property rights. No intellectual property litigation occurred during the Reporting Period.

During the Reporting Period

The Company added **17** utility model patents and **2** invention patents



- The Company completed the inclusion of **6** major data assets such as the vehicle profiling platform, intelligent operation analysis system, and Zhi Zai Xing APP into the financial statements, and released the Guidelines for the Inclusion of Data Assets in Financial Statements by Expressway Operation and Management Enterprises
- The project "Pressing the Accelerator for Provincial Expressway Bottlenecks - The Comprehensive Traffic Management Model of Hongkeng Junction" won the bronze award in the management innovation category at the 6th Zhejiang Provincial Youth Worker Innovation and Efficiency Competition
- Three self-developed technologies, "Video Monitoring and Analysis System," "Expressway Disaster Damage and Information Service Technology," and "'One-Click' Alarm Technology," were selected for the Ministry of Transport's "Expressway Detection and Warning Application Demonstration Project," making the Company the only independent participant in Zhejiang Province

Focusing on the Core Products of Proactive Discovery, Proactive control, and Proactive Service

Zhijiang Wise Eyes

Emphasizing integrated algorithms, it develops real-time trajectory detection under a single lens, mainline event algorithm models for rain and snow weather detection, optimizes algorithms for nighttime pedestrian, debris, and illegal vehicle recognition, extends low-probability event detection functions, and continuously improves detection indicators and operation convenience of supervisors.

Zhijiang Intelligent Control

It orderly advances the research and development of road network collaborative control strategies such as section-level control, station-entry joint control, and road network coordination control. It develops a simulation environment for the 248-kilometer road network of the Shanghai-Hangzhou-Ningbo section, achieving multi-strategy parallel simulation optimization and intelligent decision-making in seconds.

Zhijiang Intelligent Connection

It completes data interaction and system integration with travel service platforms, innovatively creates an information service platform integrating freight, ETC, and other data, and achieves integrated control of roadside equipment such as information boards, directional broadcasting, and onboard OBU 2.0.

Steady Progress in Intelligent Expressway Project Construction

The Company is actively advancing four intelligent Expressway projects, namely Shanghai-Hangzhou-Ningbo Expressway, Hangzhou-Shaoxing-Ningbo Expressway, Hangzhou-Ningbo Expressway, and Ningbo-Zhoushan Expressway, and leading the establishment of the Zhejiang Intelligent Expressway Data Operations Alliance to build an integrated big data operational foundation. The projects have launched product services such as information alerts and voice reminders for key vehicles of map APP, achieving significant improvements in three major areas: public travel services, road network operation management services, and industry regulatory assistance.

Successful Completion of the Upgrade and Renovation of the Health Monitoring System for the Zhejiang Zhoushan Bay Bridge

The Zhoushan Management Centre has successfully implemented the upgrade and renovation project for the health monitoring system of the Zhoushan Bay Bridge. Based on the principle of "one bridge, one strategy," the project comprehensively determined the new monitoring content by considering factors such as the bridge's operating environment, stress conditions, durability, risk assessment, and monitoring application goals. After the upgrade, the system now includes 609 conventional monitoring points, enabling comprehensive monitoring of the bridge's condition. It can now perceive real-time information on the bridge's operating environment, traffic load, internal force response, and structural displacement, marking a solid step forward for the system to "digital data collection, networked transmission, and intelligent application."



The health monitoring system interface of Zhejiang Zhoushan Bay Bridge

Boosting Industry Development

Launching Supply Chain Management

The Company rigorously adheres to the Supplier Management Measures to evaluate and approve suppliers, and strictly review their financial status, historical performance, compliance, environmental management systems, and health and safety management systems, among other qualifications. This ensures that all suppliers meet the Company's standards and requirements, while also managing potential environmental and social risks within the supply chain. In accordance with the Implementation Rules for the "Red, Black, White, and Gray List" Management of Suppliers, the Company will impose penalties on suppliers for serious breaches, such as violations of laws and regulations, unethical business practices, or contract breaches, and prohibit them from participating in the Company's procurement activities within a certain period of time.

The Company consistently conducts supplier performance evaluations, rating assessments, and application management, while also reviewing and supervising the implementation of suppliers' ESG plans. In the supplier selection process, priority is given to enterprises with outstanding ESG performance. Additionally, the Company actively advocates for and promotes the use of environmentally friendly materials among its suppliers. During procurement, the Company prioritizes suppliers that adopt eco-friendly materials and processes, and encourages suppliers to continuously develop and apply new environmentally friendly materials. This collaborative effort aims to reduce resource waste and environmental pollution, and jointly promote the green development of the industry.

Indicator Name	2024
Total number of suppliers in the supplier database (units)	1,080
Number of suppliers by region - mainland China (units)	1,075
Number of Suppliers by region - Hong Kong, Macao, Taiwan (units)	5

Fostering Industry Collaboration

The Company actively organizes and participates in industry conferences, and engages in multi-party industry collaborations. It has formulated and released several key industry standards, including the Guidelines for Benchmarking Evaluation of Expressway Operation and Management, among others. These efforts continuously enhance the Company's influence and competitiveness in the expressway sector, driving sustained progress and innovation of the industry.

Facilitating Data Collaboration for the Zhejiang Intelligent Expressway Data Operations Alliance

In 2024, the Company played a pivotal role in helping the Zhejiang Intelligent Expressway Data Operations Alliance break down data barriers between road sections, achieving data sharing and collaboration. This initiative has propelled Zhejiang Province's expressway operations toward greater intelligence. By integrating resources, the Company provides precise data to support management decisions, optimizes traffic flow control, accelerates emergency response, and enhances the overall travel experience. Leveraging the expertise in intelligent transportation, the Company shares valuable insights in data management, intelligent monitoring, and other areas, driving the digital and intelligent transformation of the industry.

Driving Strategic Cooperation between Banks and Enterprises in Data Asset Trading and Leading a New Era of Intelligent Transportation

In response to the growing demand for intelligent mobility, the Company proactively explored the value of data and released the Guidelines for the Inclusion of Data Assets in Financial Statements by Expressway Operation and Management Enterprises, providing robust support for the implementation of more "transportation + data products" that benefit the public. Additionally, through strategic partnerships between banks and enterprises in data asset transactions, the Company is fostering collaborative development in the standardized management and innovative application of data assets among expressway operation and management enterprises.



Press conference of Guidelines for the Inclusion of Data Assets in Financial Statements by Expressway Operation and Management Enterprises

Protecting Environment Preserving Ecological Integrity

Adhering to the concept of harmonious coexistence with nature, Zhejiang Expressway is actively addressing climate change and fully driving the transition of our operations toward low-carbon practices. We are continuing to strengthen and refine our environmental management system, control pollutant emissions and build a comprehensive ecological defense line.

Enhancing Resource
Management

27

Responding to
Climate Change

32

Contributing to
Ecological Protection

35

Enhancing Resource Management

Sustainable Management of Natural Resources

The Company strictly adheres to relevant laws and regulations, including the Energy Conservation Law of the People's Republic of China and the Cleaner Production Promotion Law of the People's Republic of China, and deeply implements the sustainable management of natural resources and raw materials. The company has also established an Energy Conservation Leadership Group to provide unified planning, guidance, supervision, and inspection of energy-saving plans and energy efficiency benchmarking efforts, and evaluate progress in reducing energy consumption to ensure the effective implementation of all energy-saving measures.



During the Reporting Period

The electrification of the canteen of the Company's management centre was basically completed. The Company's total electricity consumption was

11,658 kWh

Operating Green Infrastructure and Efficiently Utilizing Clean Energy

▶ Photovoltaic Project

Dayin Interchange Photovoltaic Project: The Company has utilized idle land resources in the interchange area to construct a photovoltaic facility with an installed capacity of 1,471 kilowatts peak (kWp). This project is expected to generate 1.47 million kilowatt-hours of electricity annually, saving 588 tonnes of standard coal and reducing carbon dioxide emissions by 1,470 tonnes. It serves as a demonstration for green transformation in interchange areas.



▶ Heavy Truck Swapping Project

Ningbo-Jinhua Expressway Heavy Truck Swapping Pilot: The Company has developed a network of swapping stations for heavy trucks to build an efficient and intelligent new energy replenishment system. This project aims to reduce the frequency of traditional diesel-powered heavy truck usage, decrease carbon emissions in transportation, and improve freight efficiency.



Intelligent Energy Management: Millimeter-Wave Radar Drives Energy Efficiency to New Heights

The Huzhou Management Centre has piloted the construction of an energy consumption control system. By installing intelligent meters and air conditioning controllers on-site, the system enables statistical recording of energy usage in all office rooms, public areas, and air conditioning systems. Additionally, through the installation of millimeter-wave radar, the system achieves human presence detection and can schedule the shutdown of air conditioning units that remain on in unoccupied spaces for extended periods. Each air conditioning unit and millimeter-wave radar is configured with individualized strategies, allowing for flexible and precise control, thereby achieving significant energy savings.



The energy consumption control system interface at Huzhou Management Centre

Intelligent Tunnel Lighting: Vehicle-Adaptive Dimming Leads the Way to a Green Future

The Hangzhou North Management Centre has piloted the construction of a vehicle-adaptive lighting system in the Dayanshan Tunnel. This system can dynamically adjust lighting based on real-time factors such as vehicle movement and ambient light intensity, enabling "on-demand dimming" tailored to specific conditions. While ensuring driving safety and enhancing visual comfort for drivers, the system significantly reduces tunnel lighting energy consumption and extends the lifespan of lighting fixtures, thus achieving the dual goals of "safe and low-carbon" and "cost reduction and efficiency improvement" in the tunnel operation process.



The vehicle-adaptive lighting system interface for Dayanshan Tunnel of Hangzhou North Management Center

Building Low-Carbon Service Areas on Expressways

The Company is actively developing low-carbon service areas on expressways by implementing measures such as replacing traditional energy with green electricity, upgrading load equipment, and real-time energy consumption monitoring. These efforts have significantly reduced carbon dioxide emissions in service areas, achieving a high level of renewable energy coverage for their energy needs. The Changxing Service Area and Nanxun Service Area have been recognized as Grade II and Grade III low-carbon service areas in Zhejiang Province, respectively. The photovoltaic systems installed at the Changxing and Nanxun Service Areas have a combined capacity of 1,118 kilowatts peak (kWp), generating 1 million kWh of electricity annually. This project saves 125 tonnes of standard coal and reduces 60 tonnes of carbon dioxide emissions each year.



Changxing Low-carbon Service Area



Waste Management

The Company strictly adheres to national environmental protection laws and regulations, including the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, and the Water Pollution Prevention and Control Law of the People's Republic of China. We have established and improved the environmental protection management system, and strengthened the monitoring and management of pollutant emissions.

The Company has compiled and issued the Comprehensive Management Operational Guidelines, which clearly defines and standardizes the processes and temporary storage methods and locations for solid waste disposal in office areas, so as to ensure effective management and proper handling of all waste and minimize the risk of environmental pollution incidents. During the Reporting Period, no major environmental pollution incidents occurred in the Company, and all major pollutants achieved 100% discharge standards.



During the Reporting Period

The Company constructed **964** meters of new noise barriers, bringing the total installed length to **160,554** meters. **100%** recycling was achieved for waste materials, including old newspapers, cardboard boxes, and used office paper (printed on both sides).

Waste Management Initiatives



Reduction of Emissions

Optimize vehicle usage to minimize exhaust emissions from its operations; Improve vehicle traffic and rescue efficiency to reduce emissions within service areas; Ensure that kitchen exhaust from service area restaurants is effectively treated and meets emission standards.

Compliance with Sewage Treatment Standards

Treat all office and domestic sewage using specialized equipment, ensuring that the wastewater meets standards before discharge. Canteens exclusively use electric cooking facilities, and wastewater from canteen cleaning is processed through grease traps to remove debris and oil, with the remaining wastewater is discharged into municipal sewage pipelines.

Effective Noise Reduction

Carry out remediation of noise-sensitive points, and timely repair diseases such as bridge expansion joints and pavement potholes to maintain excellent road conditions; Reduce the impact of traffic noise on residents along the route through measures such as using noise-reducing road surfaces, increasing greening and installing additional sound barriers.

General Solid Waste Treatment

Set up fixed storage areas and locations for various types of waste, implement graded and classified management, and give full consideration to resource recycling. Recyclable waste is collected by designated personnel and sold for recycling, while non-recyclable waste is disposed of in office building trash bins and handled by the sanitation department.

Hazardous Solid Waste Treatment

100% of the Company's hazardous solid waste is collected and handed over to professional units for treatment. Hazardous waste such as used lamps, batteries, ink cartridges, and toner drums is collected in specialized containers and regularly recycled by suppliers for proper utilization.

Promoting the Integration of Expressway Sound Barriers and Photovoltaic Technology

In order to reduce expressway noise and address residents' concerns, the Company has pioneered the integration of photovoltaic technology with traditional sound barrier manufacturing. This innovation has created the Shenjiahu Expressway sound barrier photovoltaic project, spanning 1.60 kilometers with an installed capacity of 1 megawatt peak (MWp). By combining noise reduction with solar power generation, the project minimizes additional land use, truly achieving "three birds with one stone".



Shenjiahu Expressway sound barrier photovoltaic project

Water Resource Management²

The Company strictly adheres to water extraction and usage policies, takes efficient measures in water resource management, ensures that the water demand of the office and operation sites is reasonably met, and actively advocates and promotes water conservation to achieve efficient use of water resources.

Water Resource Management Measures

Strengthen Water Conservation Awareness

Post water-saving signs in prominent locations such as office buildings and service areas to remind employees to conserve water, fostering a culture of collective participation.

Develop Water Usage Plans

Create detailed annual water usage plans based on the actual water needs of each office to ensure rational allocation and efficient utilization of water resources.

Enhance Daily Supervision

Conduct regular inspections and monitoring of water usage at all offices. Management personnel perform irregular checks of the water supply network to promptly identify and repair potential leaks, preventing water waste.

Promoting Water-Saving Equipment

Gradually introduce water-saving devices in office areas, such as sensor-activated faucets and water-saving toilets, to reduce unnecessary water consumption.

Comprehensive Implementation of Refined Water Resource Efficiency Management

The Company's subsidiaries have launched a water resource efficiency management plan. By analyzing water usage data, they established quantitative indicators such as per capita water consumption and formulated reasonable water usage quotas and conservation standards. These measures provide a basis for water-saving management and effectively achieve annual water conservation goals. Additionally, the Company has established a water-saving supervision platform, improved assessment mechanisms, and strictly penalized illegal water extraction and wasteful practices. Through initiatives such as replacing outdated water meters and actively collaborating with water utility groups, the Company ensures the effective implementation of water-saving actions.

² The Company's main water source is obtained from the municipal water supply system, which does not involve natural water intake

Successful Development of the First Market-Oriented Water Resource Project – "Liugujian" Water Resource Project

The Hangzhou North Management Centre, focusing on market-oriented operations, has successfully developed its first water resource project – the "Liugujian" Water Resource Project to reduce costs and increase efficiency. By the end of 2024, the project had established 4 product lines and built both internal and external sales channels. Throughout the year, it supplied water products to 180 internal and external units (departments), selling over 1 million bottles of bottled water and 10,000 barrels of bulk water with sales revenue exceeding RMB 1 million. The self-produced water products have helped the Company achieve cost savings of approximately RMB 130,000.

Green Office

The Company deeply practices the concept of green and low-carbon environmental protection, formulates and implements a series of green and low-carbon and energy-saving emission reduction measures, actively carries out energy saving and consumption reduction management of office facilities, and encourages all employees to actively participate in the practical action of green and low-carbon operation.

Green Office Initiatives

Vigorously promote paperless documentation to minimize the use of paper in handling documents; Double-sided printing is preferred to reduce paper consumption. The paper consumption of the Company's headquarters has decreased by about 20% over the previous year.

The Company strictly controls the number of meetings and shortens their duration, reducing the total number of meetings by 146 throughout the year, a year-on-year decrease of approximately 37%. Except for comprehensive large-scale meetings, video participation has been largely achieved.

Advocate setting central air conditioners at 26 degrees Celsius in summer and 20 degrees Celsius in winter, and turn them off in time when not in use to reduce energy waste.

Paperless Office

Promote Video Conferencing

Energy-saving Air Conditioning Management

Put up energy-saving slogans and signs, require all employees to consciously turn off the faucet after using water, and forbid running water for a long time; Computers, printers, copiers, and other equipment should be turned off when not in use for long periods.

Promote the implementation of the low-carbon official vehicles, encourage employees to give priority to green travel modes such as public transport, walking and cycling in their daily trips, and advocate the concept of low-carbon travel.

Energy-saving Awareness Promotion

Green and Low-carbon Travel

Integrated PV-Storage-Charging System: Zhoushan Center Illuminates a New Vision for Low-Carbon Operation

The Zhoushan Center of the Zhoushan Management Centre, has transformed an existing parking area into a photovoltaic carport, establishing an integrated "PV-storage-charging" station connected to the national power grid. This station combines multiple technologies, including photovoltaic power generation, large-capacity energy storage batteries, and intelligent charging piles. Integrated with energy storage and charging systems, it features peak shaving, load balancing, and optimized power quality. By reducing electricity demand during peak hours, the station lowers the electricity costs of the toll station, improves the utilization rate of power generation equipment, and effectively achieves energy savings and emission reductions. It is estimated to save between RMB 80,000 to 100,000 in electricity costs annually.



The photovoltaic panels at the integrated "PV-storage-charging" station of the Zhoushan Management Centre

Responding to Climate Change

The Company continues to explore solutions to address climate change, builds a special organisational structure at the governance level, accurately analyses the risks and potential opportunities brought about by climate change, enhances the Company's climate resilience in all aspects, and contributes to the strength of the transport industry in addressing climate change.

Governance

Relying on a sound multi-level and systematic ESG governance structure and governance mechanism, the Company has formulated a special work programme to continuously improve its governance system in addressing climate change, and issued the Climate-related Governance Structure and Working Mechanism.

The Strategic Committee of the Board of Directors is fully responsible for environmental and climate governance-related decision-making, and the Working Group of Climate Governance has been set up under the committee to study and supervise the risks associated with climate change, to formulate climate-related work plans including greenhouse gas emission targets, to convene quarterly climate work meetings, and to supervise and evaluate the implementation of the various responsible departments.

The Working Group of Climate Governance regularly submits an annual report on its work to the Strategy Committee of the Board of Directors to ensure the effective execution and implementation of the Company's climate management-related objectives. Under the leadership of the Science and Technology Information Department, the relevant departments such as the Financial Management Department, Audit and Legal Department, Maintenance Management Department, Road Network Management Department and the Secretarial Office to the Board of Directors are responsible for the execution of the specific duties.



Strategy

The Company has actively responded to the carbon peaking and neutrality goals, and incorporate climate change-related risks into its enterprise comprehensive risk management. The Company continued to strengthen the dynamic monitoring and disclosure of climate-related information, and continuously improved the supporting management and assessment mechanism, so as to build a solid foundation for addressing climate challenges.



Risk Type	Risk Impact	Time Scope ³	Countermeasures
Physical Risks	Extreme weather risks The significant increase in global extreme inclement weather and the frequent occurrence of landslides, road collapses and other accidents pose significant safety risks to expressway travel. This escalation can complicate traffic management, hindrance clearance, and rescue efforts, necessitating higher investments in comprehensive clearance operations and affecting toll revenues.	Short term	<ul style="list-style-type: none"> Introduce advanced geological hazard monitoring technologies, such as slope stability monitoring system, radar remote sensing technology, and real-time meteorological warning platform, to conduct round-the-clock monitoring of high-risk road sections; Collaborate with meteorological departments and geological research institutions to establish a long-term data-sharing mechanism, obtaining extreme weather information in advance, issuing timely warnings, and taking preventive measures; Develop specialised emergency plans for sudden events such as landslides and road collapses, clarifying the responsibilities of various departments and enhancing rapid response capabilities; Implement engineering reinforcements for key road sections prone to landslides or collapses, such as installing additional retaining walls, drainage ditches, and vegetation slope protection, to mitigate the impact of extreme adverse weather.
	Rising temperatures Rising global temperatures could shorten the lifespan of tangible assets like factories, equipment, and infrastructure, and disrupt supply and distribution chains.	Long term	<ul style="list-style-type: none"> Establish an advanced meteorological monitoring system to closely track long-term changes in weather patterns, predict meteorological events, and take preemptive measures; Adjust the Company's medium- and long-term plans, including road maintenance, construction, and renewal projects, to adapt to climate change trends.
Transition Risks	Policy and legal risks With the introduction of the "carbon peaking and neutrality" goals and related policies, environmental protection and climate policies are becoming increasingly stringent, and the Company may face stringent concerns from the government and regulatory authorities on emission reduction performance, thereby increasing the Company's operational compliance costs.	Medium and long term	<ul style="list-style-type: none"> Stay informed and comply with policies and regulatory requirements issued by domestic and international regulatory bodies, optimising the Company's internal carbon management framework and policies; Explore investments in clean energy and green technologies to reduce the Company's greenhouse gas emissions and minimise additional costs; Monitor and audit carbon emissions during daily operations, regularly reviewing the Company's carbon emission performance and tracing the targets.
	Market risk With the impact of the economy on climate change, there may be a growing demand from customers for products and services that help mitigate and adapt to climate change. Failure to meet these demands could result in diminished business and customer attrition.	Long term	<ul style="list-style-type: none"> Provide diversified transportation services based on changes in customer demand to meet the needs of different customer groups; Diversify the business investment portfolio, including clean energy, green technologies, and intelligent transportation systems, to address market uncertainties; Improve the efficiency of resource and energy utilization to reduce raw material costs and resource waste.
	Technological risk The demand for eco-friendly products and services has intensified, necessitating technological advancements. These upgrades entail significant investments in new technologies and R&D, increasing the operational costs of the vehicles.	Medium and long term	<ul style="list-style-type: none"> Incorporate the upfront costs of transitioning to low-emission technologies into financial planning to ensure sufficient budget for technological upgrading and transformation; Regularly evaluate the benefits of technological upgrading and transformation to ensure a reasonable return on investment in upfront costs.
	Reputation risk The increased negative feedback from customers and investors on the industry and reduced market expectations as a result of the impact of climate change affect the Company's ability to raise funds.	Long term	<ul style="list-style-type: none"> Actively engage in communication and exchange activities with stakeholders such as customers and investors; Attach importance to and proactively participate in domestic and international sustainable development or green low-carbon initiatives and award evaluations.

³According to the actual business development of the Company, the time scope for addressing climate change: 1-3 years in the short term, 3-5 years in the medium term, and more than 5 years in the long term.

Opportunity Type	Opportunity Impact	Time Scope	Countermeasures
Market opportunity	The gradual development and improvement of the carbon trading market, along with the implementation of the Measures for the Administration of Carbon Emission Trading (Trial), provide guidance for the Company to participate in carbon market transactions.	Medium and long term	Actively participate in the national carbon market trading, rationally allocate carbon assets through scientific carbon emission accounting and management, and strive for more carbon quotas and carbon credit revenues.
	Driven by the "carbon peaking and neutrality" goals, the Company is able to extend its industrial chains, expand clean energy businesses, explore the integrated development of clean energy and transportation system, and build a transportation-energy integration system.	Long term	Seize market opportunities by promoting complementary energy sources and diversified development to advance clean energy businesses, achieving seamless integration of clean energy and transportation system.
Technology opportunity	The rapid development of intelligent transportation system offers effective solutions to road congestion.	Medium and long term	Vigorously develop intelligent transportation system to improve traffic efficiency and reduce energy consumption.

Risk Management

The Company has taken into account the actual operating conditions, analysed the potential climate risks and opportunities in a comprehensive manner, continuously optimised its risk management mechanism, and adopted appropriate management measures for risk issues within business operations, with a view to minimising the negative impacts that may be caused by climate risks in the Company's operations.

The Company places high importance on climate risk management and has formulated clear management processes and steps to ensure comprehensive and systematic identification and response to climate-related risks, and has developed a basis for categorisation and standardisation of climate-related risks, which provides a clear direction for the identification and assessment of climate risks.

The Company is committed to continuously enhancing its ability to assess and address climate risks. By employing a combination of qualitative and quantitative methods, it comprehensively evaluates the likelihood of risk occurrence and the extent of impact, more accurately identifies and quantifies potential risks, and formulates effective response strategies to ensure continuous improvement and effective supervision of risk management.

Overall Carbon Peaking Goals

By 2025, the Company aims to reduce carbon emissions from its operational expressways to below 37 tonnes per kilometer, and preliminarily establish an energy management and evaluation system. The Company will be at the forefront of the industry in terms of carbon peaking and carbon neutrality practices.



Indicators and Targets

The Company strictly controls carbon emissions, continuously strengthens its carbon information disclosure mechanism, and consistently monitors carbon emissions to ensure the transparency and accuracy of carbon emission data. It proactively implements various energy-saving and carbon reduction target assessment tasks.

To practice the concept of green development and support the national "dual carbon" strategic goals, the Company has formulated the Implementation Plan for Carbon Peaking of Zhejiang Expressway Co., Ltd. (Draft).

By 2030, the Company's carbon emissions will enter a peak plateau, with operational expressway emissions reduced to below 36 tonnes per kilometer. The Company will achieve intelligent energy management, build low-carbon expressways, and essentially complete a green, circular, and low-carbon system. This will form a nationally exemplary "dual carbon" management and control system.

Contributing to Ecological Protection

Green Maintenance

The Company adheres to the concept of intensive, efficient and green development, strengthens research on green maintenance technology, promotes the application of energy-saving and environmentally friendly maintenance technology, and develops and refines relevant documents such as the "14th Five-Year Plan" for Maintenance Management and Development of Zhejiang Expressway.



Expected Goals by the End of the "14th Five-Year Plan"

Recycling rate of pavement waste materials and utilisation rate of recycling reaches

100%

Pavement preventive maintenance will account for

30% of the total mileage of major and medium repairs

Green Maintenance Initiatives

Actively explore and promote the application of safe, durable, fast, efficient, and green maintenance technologies to achieve green maintenance practices.

Deepen research on pavement material regeneration technologies, pilot the application of plant-mixed hot regeneration and warm-mixed asphalt concrete technologies, increase the use of pavement noise reduction technologies, and trial new safety facilities.

Biodiversity & Land Use

The Company takes into full consideration the impacts on biodiversity in all aspects of the construction process and carry out an all-round biodiversity impact assessment in order to minimize disturbance on biodiversity caused by the construction works as far as possible.

The Company implements a series of ecological restoration measures for disturbed land, and actively reclaims habitat on disturbed land. Depending on the land characteristics and ecological needs, native plants are cultivated, and small-scale ecological water systems are built to gradually improve the ecological environment of the disturbed land, creating suitable habitats for various species.



During the Reporting Period

Over **30,000** plants were planted, with a total investment of more than **9** million RMB in engineering costs, effectively improving the road environment.

A total of **35** soil erosion points were treated, with an investment of approximately **59** million RMB, effectively eliminating road hazards and protecting the ecological environment.

Measures to Protect Ecosystems

Adjust route design to avoid the ecological redlines

The Zhajiasu reconstruction and expansion project took the initiative to optimise the route design during the planning stage to avoid encroachment on important ecological areas such as the Shijiyang Provincial Wetland Park. By adjusting the mainline radius, approximately 3 kilometers of the route were shifted to the west by about 2 meters, effectively reducing interference with the wetland ecosystem.



Adopt bridges and tunnels to cross ecologically sensitive areas

In the reconstruction and expansion project of the Jinhua Section of the Ningbo-Jinhua Expressway, when passing through ecological protection redlines in areas such as the Dongyang River Provincial Wetland Park and the South Hulu Provincial Ecological Public Welfare Forest, bridges and tunnels were constructed to minimize the impact on the ecological environment.

Protecting the Moushan Lake Water Source and Regional Ecological Security

Moushan Lake is an important drinking water source for Yuyao City and falls within a first-grade drinking water protection zone. Its surrounding areas encompass critical ecosystem types such as wetlands and lakes. To ensure the safety of the Moushan Lake water source, the Company installed a sewage collection system on the Moushan Lake Bridge. This system includes regular cleaning of pipeline systems and timely treatment of chemical containment pools to prevent accidental pollution of the lake water. Since the sewage collection system was put into operation, there have been no incidents of water source pollution caused by hazardous chemical leaks. By reducing the threat of pollutants to the lake and its surrounding ecosystems, the system has helped maintain regional biodiversity and provided a favorable living environment for species such as waterbirds and fish.

Wangdian Interchange River Renovation on Shanghai-Hangzhou Expressway Promotes Soil and Water Restoration

The Company addressed environmental issues in the Wangdian Interchange area, such as aging greenery, changes in the water system, and inadequate drainage facilities, by conducting a comprehensive environmental renovation, which includes excavating rivers to improve the drainage system, introducing ecological fish farming, and planting greenery to enhance the environment. After the renovation, approximately 300 meters of river dredging or excavation was completed, creating a water area of about 3,200 square meters. Additionally, about 160 meters of embankment reinforcement and about 6,000 square meters of greening were implemented, significantly improving the environmental conditions of the interchange area.



After embankment reinforcement in the Wangdian Interchange area

Benefiting Society Leading a Better Life

Zhejiang Expressway adheres to the philosophy of mutual benefit and shared success, placing people at the core of its development. The Company highly values employee growth, fully safeguards employee rights and interests, and paves a broad path for their development. It actively integrates into community development, ensuring that the fruits of progress benefit local residents and adding vibrancy to a better life.

Protecting
Employee Rights
and Interests

39

Partnering with
Employees for
Development

40

Enhancing
Employee
Well-being

44

Contributing
to Community
Development

44

Protecting Employee Rights and Interests

Employee Human Rights Protection

The Company strictly complies with national 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, ensuring the legal rights and interests of employees in all aspects. It continuously revises and improves regulations including the Company Employee Management Measures, Compensation Management Measures, and Employee Recruitment Management Measures. During the Reporting Period, the Company formulated the Anti-Discrimination, Anti-Harassment and Human Rights Policy Statement in accordance with international standards such as the UN Declaration of Human Rights, strengthening the protection of human rights for employees and all stakeholders.

The Company adheres to the principle of equal employment, firmly prohibits the use of child labor and forced labor, and conducts irregular inspections of employment compliance. During the Reporting Period, there were no violations of labor laws or related issues, with zero labor arbitration cases and 100% signing of labour contracts throughout the year.

Promoting Equality and Diversity in Employment

Utilize digital recruitment platforms to develop multi-channel recruitment methods such as campus recruitment, social recruitment, and internal competitions, providing equal employment opportunities for employees of different genders, ages, ethnicities, religious beliefs, and cultural backgrounds.



Strengthen efforts to attract outstanding talent, including individuals with overseas academic qualifications or diverse professional backgrounds, and build a recruitment brand for high-end and urgently-needed talents.

Compensation and Benefits Protection

The Company provides employees with competitive working conditions and compensation packages, implements a dual-level performance appraisals and feedback processes on a quarterly and annual basis, and offers a long-term performance incentive scheme that combines dedicated investment incentives with salary packages for grassroots units, ensuring that employees receive fair and motivating rewards commensurate with their contributions.

The Company enforces health check-ups, recuperation, and leave systems, offering all employees abundant holiday benefits, including holiday leave and gifts as non-pay benefits. Flexible clock-in and home office systems are established based on business needs. Social insurance contributions are made timely and in full, continuously improving the welfare protection system. During the Reporting Period, the Company achieved a 100% social insurance coverage rate for employees.

Partnering with Employees for Development

Smoothing Promotion Pathways

The Company adheres to the principle of "matching people with suitable roles and positions". It has revised and improved the Management Measures for Employee Career Development Paths and the Implementation Measures for Selecting and Appointing Middle-Level Managers, establishing a three-sequence career development system encompassing "management + technical + skills". The Company continues to refine its promotion system, optimise the structure of the cadre, and introduce re-evaluation and elimination mechanisms to motivate employee development.



During the Reporting Period

22 employees were promoted to the middle-level leadership positions of the Company

45 employees were promoted to supervisory-level positions

34 staff members were promoted through the technical skills sequence

7 employees were reassigned from their original positions following re-evaluation

Talent Pipeline Development Strategy

Management sequence

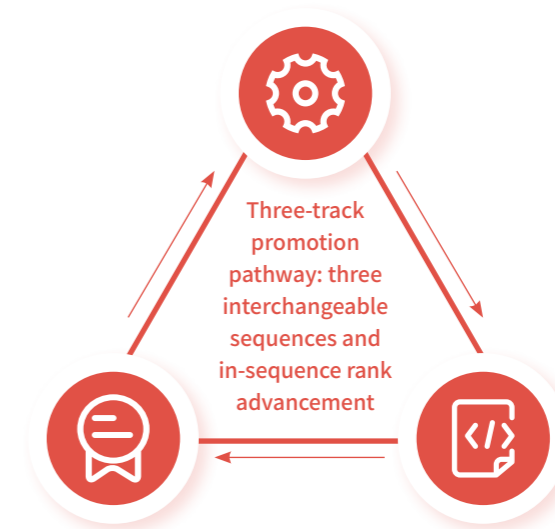
- Includes three levels: senior management, middle management, and general management
- Entry criteria: Internal transfers or external recruitment

Skill sequence

- Includes five levels: senior technician, chief technician, deputy chief technician, supervisor technician, and assistant technician
- Applicable to non-management contractual staff in four business categories: toll services, electromechanical equipment, road smoothness maintenance, and logistics support.

Technical sequence

- Comprises four levels: senior director, director, deputy director, and supervisor
- Applicable to management positions involving professional technical work



Enhancing Training System

The Company adheres to the talent development philosophy of "people-oriented, on-demand training", establishing a closed-loop training management system. It designs multi-level, systematic training programs tailored to the needs of employees at different levels, including skills and knowledge development training for in-service employees, graduate traineeship, and job-specific development training programs. The Company has formulated the Incentives for Staff Growth and Achievement, encouraging all employees to pursue self-improvement and career development through policies such as tuition reimbursement, technical title rewards, skill certification subsidies, and special rewards for urgent qualifications. This approach continuously cultivates outstanding talents to support the Company's growth.

Closed-Loop Management System for Zhejiang Expressway's Training

● Needs analysis

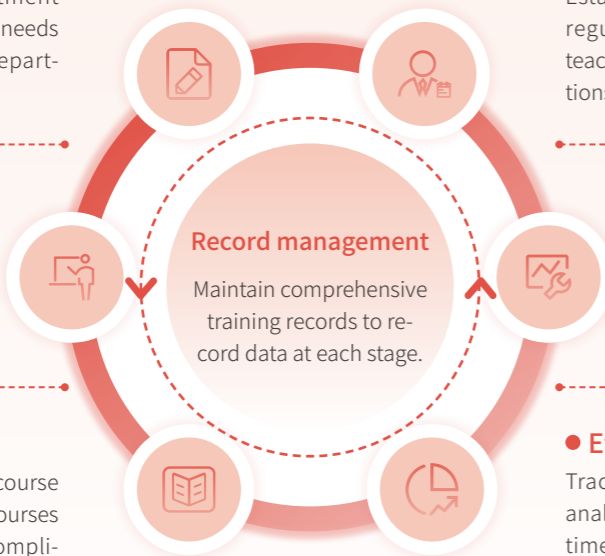
The Human Resources Department coordinates and analyzes actual needs based on annual plans and departmental recommendations.

● Training planning

Develop annual plans, aligning with needs and the Group's training requirements, and clarify directions and priorities.

● Course design

Integrate internal and external course resources to develop or select courses on professional skills, safety compliance, corporate culture, etc.



● Teacher management

Establish an internal lecturer team, regularly invite external experts to teach, and implement lecturer evaluations to optimize teaching quality.

● Training implementation

Conduct training through various formats such as centralized lectures, online learning, mentorship programs, and seminars.

● Effect evaluation

Track application effectiveness and analyze training outcomes by setting timelines, tasks, and collecting feedback, which is then fed back into the next round of needs analysis.

Initiatives for Innovative Talent Development

Focus on cultivating and attracting key talents

Place high importance on technological innovation and the cultivation of outstanding talents, building a professional R&D team and achieving a range of scientific and technological achievements. High-level platform construction has entered a phase of accelerated transformation.

Establish and improve job innovation platforms

Continuously refine the integrated mechanism of "training-practice-competition-motivation" for labor and skills competitions, and optimize post innovation platforms such as labor merit competitions, five small innovations, and advanced employee operation methods.

Jointly build engineering research centers

Establish close partnerships with multiple universities and research institutions to jointly conduct research projects and talent training, and fully leverage the research resources and talent advantages of universities to achieve deep integration of industry, academia and research.

Establishing a Postdoctoral Workstation to Promote Industry-Academia-Research Integration and Innovation

In January 2024, the Company was approved to establish a Zhejiang Provincial Postdoctoral Workstation. Leveraging partnerships with renowned universities, the workstation recruited four postdoctoral researchers specializing in intelligent transportation and smart monitoring. Focusing on research areas such as intelligent connected vehicles and digital maintenance technologies, the workstation has published four papers, applied for two software copyrights, one patent, and submitted one project under the provincial science and technology department's Leading Goose Program. This initiative has effectively facilitated the integration of talent, industry, and innovation chains.



Official unveiling of the Postdoctoral Workstation of Zhejiang Expressway

Zhejiang Expressway Conducts Digital Leadership Training to Empower Digital Transformation

The Company conducts digital leadership training for middle-level leaders, focusing on intelligent transportation and digital transformation topics. Through collaborative digital innovation, the training enhanced middle-level management capabilities and strategic awareness, reinforcing their commitment to building a "digital powerhouse." Starting from actual business challenges, the training produced solutions such as digital talent cultivation and intelligent traffic maintenance systems, injecting new momentum into the Company's digital transformation.



Digital leadership training for middle-level leaders

"Escort Talent Programme" Continues to Deepen the Quality and Effectiveness of Graduate Training⁴

The Company's "Escort Talent Programme", after years of exploration and refinement, has developed a mature talent cultivation system for management trainees. In 2024, the Company further upgraded and optimized the training mechanism by establishing a digital management platform to enable full-process tracking. The program features a three-stage training mechanism of "onboarding-rotation-final placement," implements a dynamic assessment system based on points linked to salary and promotion, and offers one-to-one mentorship for comprehensive guidance. The program has trained a total of 92 graduates, with a retention rate of 94.30%, building a high-quality pool of young talent for the Company.

⁴All graduates recruited by the Company are placed in management trainee positions.

Emphasizing on Occupational Health and Safety

The Company has established a comprehensive occupational health and safety system, formulated the Management Measures for Occupational Health, and set occupational health and safety goals, including a zero-fatality target. Health and safety requirements and standards are extended to all employees and supply chain management, with the Board of Directors overseeing all occupational health and safety-related work.

For each operation scenario, the Company has developed corresponding safety regulations, operating procedures, and emergency plans. For high-risk operations, early warning officers and collision prevention vehicles are equipped. The Company strictly enforces safety standards through dual internal and external supervision mechanisms, establishes a risk assessment system for emergencies, evaluates risks by using a four-color (red, orange, yellow, blue) grading system, and formulates response and control measures.

In terms of employee health protection, the Company organizes regular health check-ups, conducts Occupational Disease Prevention Week activities, and purchases accident insurance for employees; it also equips office areas with the necessary first-aid equipment, places green plants to optimize the work environment. Additionally, a safety training center has been established to conduct safety operations and emergency response training through various simulated operational scenarios, continuously enhancing employees' safety awareness and emergency response capabilities, and fully safeguarding their life safety and physical and mental health.



During the Reporting Period

Employee health check coverage rate

100%

The Company, in collaboration with the Red Cross, has developed diversified training programs, cumulatively training over

11,000 employees,

with **578** employees successfully obtaining the "Red Cross First-aid Certificate".

Occupational Health and Safety Training System

Annual training

Conduct annual fire safety training and three-level safety training for new employees (team level, department level, safety department level), covering all employees.

Dedicated safety management personnel

Require dedicated safety management personnel to be certified, with a 100% certification rate for both full-time and part-time safety management staff.

Pre-job training for toll collectors

Ensure all toll collectors receive pre-job training to familiarize them with safety operating procedures.

Supplier training

Provide pre-job training and safety briefings to suppliers, ensuring they aware of operational risks, precautions, and necessary protective equipment, and include the relevant requirements in procurement contracts, clearly stating that suppliers must comply with occupational health and safety standards.



Building a Dual-driven Occupational Health Protection Model with "Health Huts + Rescue Bases"

The Company has innovatively developed a dual-driven occupational health protection model with "Health Huts + Rescue Bases", which covers all employees and is also open to the public. By the end of 2024, the Company had established 78 "Health Huts" equipped with intelligent devices and scenario simulations, with plans to expand to 100 within three years, creating a grassroots demonstration model for the "Healthy Zhejiang" initiative. Simultaneously, 12 emergency rescue training and rescue practice bases have been built, along with "Red Cross Emergency Rescue Practical Experience Point".



Red Cross Emergency Rescue Practical Experience Point

Enhancing Employee Well-being

Listening to Employees' Voices

The Company has established a democratic management mechanism to facilitate employee participation and encourage suggestions and feedback. Opinions are gathered through forums, democratic evaluations, questionnaire surveys, and on-site visits. A standardized grievance reporting process has been established, allowing employees to express their concerns by filling out the employee grievance form, with the Company committed to responding within three working days. The Company conducts annual employee satisfaction surveys, and during the Reporting Period, the employee satisfaction reached 88.72%⁵.

Enriching Employee Care

The Company advocates for a balanced work-life harmony and provides convenience to employees by creating "Staff Home", which include facilities such as employee bookstore and nursing rooms; regularly organizes club activities include calligraphy, painting, and ball games, as well as employee cultural festivals and recuperation programs to help employees relieve work-related stress. Annual condolence activities are held for frontline employees, with special assistance provided to those in need.



Cultural performance by the employee art troupe



Hiking event organized by the Company's mountaineering association

Contributing to Community Development

Community Relations

The Company places high importance on maintaining harmonious relationships with communities along its routes, proactively understanding local expectations and needs, and driving local community development. Before project initiation, the Company conducts comprehensive community impact assessment to identify and minimize potential disruptions, and reduces the impact and disturbance of infrastructure construction on the environment and residents' lives through diverse measures such as road network planning and innovative design. Feedback from residents is actively collected through multiple channels and addressed promptly. The Company prioritizes localised employment and promotes the economic and social development of areas along its routes by upgrading infrastructure and providing convenient services.

⁵The data represents the percentage of employees who reported being "very satisfied" or "quite satisfied" in the survey.

Thorough Assessment and Efforts to Minimize Community Impact During Reconstruction and Expansion

The Company commenced the reconstruction and expansion project of the Ningbo-Jinhua Expressway, conducting a comprehensive community impact assessment prior to construction. Through scientific forecasting and systematic planning, the impact on the communities along the routes was comprehensively minimized. The project team installed 26,335 meters of sound barriers and equipped 8,330 households with ventilation and noise-reducing windows. Additionally, an environmental monitoring mechanism was established during the construction period, with environmental experts invited to conduct training. Regular updates on construction progress were shared with the community, and environmental impact assessment reports were made public to residents. Feedback and suggestions from residents were collected and addressed individually, maintaining active community communication, practically safeguarding community relationship, and demonstrating the Company's responsible corporate image.

Optimizing Urban Spatial Structure and Boosting Regional Economic Development

To enhance transportation convenience and promote industrial development along the route, the Company launched the reconstruction and expansion project of the Zhajiasu Expressway. The project eliminated 13 dead-end roads, added 6.2 kilometers of ground roads, and established an "8+4" composite transportation network, effectively improving regional traffic flow. This initiative not only increased transportation accessibility for surrounding communities but also facilitated the interconnection between industrial and residential zones, optimized urban spatial layout, and promoted coordinated regional economic development and urban functionality.



Elevated viaduct plan for Xiuzhou urban area

Public Charity

The Company actively engages in public welfare initiatives, focusing on areas such as supporting drivers and passengers, children's development, and health inquiry, and continuously fulfills its social responsibility through public welfare activities and voluntary services.



During the Reporting Period

The "Huying Heart (湖穎心)" Charity Fund raised a total of RMB

75,516 in its first instalment

"Warm Winter Campaign" Brings Warmth to Drivers and Passengers During Cold Journeys

The Company's volunteer team, leveraging convenient facilities such as "Driver and Passenger Homes" and "Zhi Zai Xing" service booths, launched the "Warm Winter Campaign". During the Laba Festival, volunteers distributed "winter care packages" containing ginger tea and Laba porridge to drivers and passengers at 11 toll stations and 8 service areas, along with promoting winter safe driving tips, spreading warmth and blessings.



Party member volunteers from the Lin'an Center delivering warm ginger tea to drivers and passengers



Shaoxing service area held the "Warm Laba Porridge for Blessings" event

Caring for Children, Escorting Summer Homecoming Journeys

The Company established a "Little Migratory Bird Love Station" at the Huzhou East Comprehensive Management Center to provide comprehensive care services for children returning home during the summer. The station is equipped with basic facilities and convenient services such as air conditioning, drinking water, and emergency medical supplies, as well as recreational facilities like children's books, magazines, and toys. Additionally, a "Mobile Little Migratory Bird Love Station" patrol vehicle was introduced to offer timely assistance to children stranded or experiencing carsickness on the expressway.



Little Migratory Bird Love Station

Rural Revitalization

The Company continues to deepen its efforts in the common prosperity action for "26 counties in mountainous areas" and the "poverty alleviation" pairing assistance initiative, consistently supporting rural development, spreading warmth and love, and working hand in hand with villagers toward a prosperous future.

"Pairing Assistance" Boosts Rural Revitalization

The Company actively fulfills its social responsibility by deepening its pairing assistance efforts. Over the past two years, it has invested a total of RMB6.33 million in helping funds, supporting rural revitalization and common prosperity through special projects such as the "Backup Box Project" and "Village-Enterprise Heart Connection". The Company also regularly organizes volunteer teams to visit paired villages, conducting health clinics and cultural outreach activities, bringing care and resources to the villagers.



Free health clinic

Ningbo Management Centre Promotes Industrial Prosperity to Boost Fruit Farmers' Income

Leveraging local resource advantages, the Ningbo Management Centre organized employees to participate in farming experiences and creative promotion through the "Light and Shadow Farmland · Capturing Harvest" themed event. Volunteer teams such as the "Yaojiang Red Goose" from Yuyao and the "Red Assistance" from Fenghua assisted fruit farmers in harvesting and selling their produce, helping to sell over 1,000 jin of "Red Beauty" oranges and 500 jin of waxberries, effectively addressing the challenges in harvesting and selling processes for farmers and boosting their income.



The "Yaojiang Red Goose" volunteer team assisting waxberry farmers with harvesting and selling

Looking Ahead

When the path is just, the common good will reign over all under Heaven. In 2025, the Company will continue to focus on key ESG issues, guided by the new development philosophy. We will actively respond to the expectations of stakeholders and further improve ESG framework in key areas such as business development, technological innovation, talent cultivation, environmental protection, and community building, so as to drive high-quality and sustainable development of the Company.

Creating value for society

We will continue to optimize and refine internal control systems, standardize operational practices, and strive to build a trustworthy, transparent, and responsible corporate image. Focusing on technological innovation, we will contribute excellent products and services to society amidst the wave of digitalization and intelligence in the transportation industry. By deepening the "core business +" mindset, we aim to establish a benchmark for integrated transportation services centered on green and low-carbon practices, intelligent services, and intrinsic safety.

Contributing to the industry

We will accelerate the deployment of new energy businesses, promote the construction of integrated photovoltaic and energy storage projects, pilot the development of "zero-carbon" stations, and advance the application of energy-saving technologies. By deepening the construction of intelligent operation platforms and collaborating with industry chain partners, we will build a green transportation ecosystem and drive industry development through industrial innovation.

Growing together with all stakeholders

We will continue to prioritize the healthy development of our employees, broaden career development pathways, and foster a warm and positive workplace environment. With gratitude, we will give back to the community through ongoing volunteer services and public welfare activities, further promote the rural revitalization strategy, and address the concerns and expectations of stakeholders to jointly create a better future.

Performance Table

Governance

Three meetings governance mechanism

Indicator Name	2022	2023	2024
Number of Board meetings (times)	13	14	11
Number of special committee meetings (times)	6	7	9
Number of Supervisory Committee meetings (times)	2	2	2
Number of general meetings (times)	6	9	3
Number of resolutions considered (items)	77	91	86

Others

Indicator Name	2022	2023	2024
Number of cybersecurity incidents (times)	0	0	0
Total number of customers, clients, and employees affected by cybersecurity incidents (persons)	0	0	0
Number of patents granted (items)	19	29	32
Participated in or led the drafting of national/industry standards (items)	0	0	0
Number of corruption litigation cases (cases)	0	0	0
Number of anti-corruption and anti-bribery training sessions (times)	2	3	3

Social

Supply chain management

Indicator Name	2022	2023	2024
Total number of suppliers (units)	1,106	1,106	1,080
Number of suppliers by region - Mainland China (units)	1,103	1,103	1,075
Number of suppliers by region - Hong Kong, Macao, and Taiwan (units)	3	3	5
Total number of tier 1 suppliers ⁶ (units)	115	139	183
Total number of key tier 1 suppliers ⁷ (units)	10	11	16
Expenditure proportion of key tier 1 suppliers (%)	14.65	12.34	56.30
Total number of non-key tier 1 suppliers ⁸ (units)	105	128	167
Total number of key suppliers ⁹ (units)	1,106	1,106	1,080
Total number of suppliers via desktop/on-site assessments (units)	0	0	389
Proportion of key suppliers assessed (%)	0	0	100

⁶Direct procurement suppliers

⁷Internal collaborative suppliers

⁸Direct procurement suppliers without internal collaboration)

⁹Tier 1 and non-tier 1

Employee rights and protection			
Indicator Name	2022	2023	2024
Labor contract signing rate (%)	100	100	100
Social insurance coverage rate (%)	100	100	100
Number of full-time employees (persons)	4,029	3,428	3,245
Number of part-time employees (persons)	-	1,461	1,307
Total number of employees - by gender			
Number of male employees - full-time (persons)	-	2,159	2,040
Number of female employees - full-time (persons)	-	1,269	1,205
Total number of employees - by age			
Number of employees under 30 (persons)	-	-	226
Number of employees aged 30-40 (persons)	-	-	1,033
Number of employees aged 40-50 (persons)	-	-	1,314
Number of employees aged 50 and above (persons)	-	-	672
Total number of employees - by region			
Number of employees in Mainland China (persons)	-	-	3,243
Number of employees in Hong Kong, Macao, and Taiwan (persons)	-	-	2
Number of employees in other regions (persons)	-	-	0
Total number of employees - by ethnicity			
Number of Han ethnic employees (persons)	-	-	3,209
Number of She ethnic employees (persons)	-	-	25
Number of Tujia ethnic employees (persons)	-	-	4
Number of Hui ethnic employees (persons)	-	-	3
Number of employees from other ethnic groups (persons)	-	-	4
Number of employees of other nationalities (persons)	-	-	0
Total number of employees - by education level			
Number of employees with doctoral degrees (persons)	-	-	9
Number of employees with master's degrees (persons)	-	-	158
Number of employees with bachelor's degrees (persons)	-	-	1,095
Number of employees graduating from junior college and below (persons)	-	-	1,983
Proportion of female employees			
Percentage of female employees in total workforce (%)	-	-	37.13
Percentage of women in management (%)	-	-	35.09
Percentage of women in senior management (%)	-	-	12.50
Percentage of women in middle management (%)	-	-	21.50
Percentage of women in junior management (%)	-	-	37.09
Others			
Percentage of employees with high sense of well-being ¹⁰ (%)	-	-	90.11
Employee satisfaction rate (%)	-	-	88.72

¹⁰This indicator is part of the Company's "Grassroots Burden Reduction Satisfaction Survey"

Employee turnover rate			
Indicator Name	2022	2023	2024
Overall employee turnover rate (%)	-	-	2.99
Voluntary employee turnover rate (%)	-	-	2.99
Employee turnover rate - by job level			
Junior employee turnover rate (%)	-	-	3.91
Mid-level employee turnover rate (%)	-	-	1.87
Senior employee turnover rate (%)	-	-	25.00
Employee turnover rate - by gender			
Male employee turnover rate (%)	-	-	2.60
Female employee turnover rate (%)	-	-	3.65
Employee turnover rate - by age			
Employee turnover rate under 30 (%)	-	-	1.77
Employee turnover rate aged 30-40 (%)	-	-	0.97
Employee turnover rate aged 40-50 (%)	-	-	1.22
Employee turnover rate aged 50 and above (%)	-	-	10.12

Occupational health and safety			
Indicator Name	2022	2023	2024
Number of employee deaths due to work ¹¹ (persons)	0	1	2
Number of contractor deaths due to work (persons)	0	0	0
Number of work-related injury incidents ¹² (times)	30	42	27
Rate of work-related deaths ¹³ (%)	0.00	0.03	0.06
Number of working days lost due to work-related injuries (days)	2,199.00	3,766.00	2,854.57
Employee lost time injury frequency rate (LTIFR)	0.38	0.61	0.42
Supplier lost time injury frequency rate (LTIFR)	0	0	0

Employee training			
Indicator Name	2022	2023	2024
Total investment in employee training (RMB10,000)	832.08	761.90	717.90
Number of training participants (persons)	19,677	10,069	15,878
Coverage rate of employee training/development programs (%)	100	100	100
Average training hours per full-time employee (hours)	39.79	8.70	34.20
Average training hours per general and technical employee (hours)	8	36	25
Employee training hours - by job level			
Average training hours for junior employees (hours)	60	46	33
Average training hours for mid-level employees (hours)	100	56	59
Average training hours for senior employees (hours)	50	56	56
Average amount spent on training and development per full-time employee (RMB)	2,065.23	2,222.58	2,212.33

¹¹Explanation: In 2023, a bus driver unfortunately passed away due to a sudden heart attack while driving a shuttle bus, despite rescue efforts. In 2024, one rescue worker experienced dizziness and discomfort at a rescue scene and, despite medical intervention, passed away. Another rescue worker tragically lost life while handling a traffic accident. Following these incidents, the Company actively assumed corporate responsibility, fully cooperating with medical treatment, work-related injury identification, and aftercare work.

¹²The Company will continue to monitor employee work-related injuries, optimize management practices, and reduce the frequency of such incidents.

¹³Calculated as number of employees injured or died due to work-related reasons / total number of full-time employees * 100

Public welfare

Indicator Name	2022	2023	2024
Total volunteer service hours (hours)	31,896.00	40,357.00	48,955.00
Number of public welfare projects (cases)	52	59	62
Number of employee participating in public welfare volunteer activities (persons)	998	1,023	1,112

Environment

Environmental compliance management

Indicator Name	2022	2023	2024
Fines/penalties related to environmental pollution (RMB)	0	0	0
Investment in maintenance projects (RMB)	148,997	102,683	87,854

Energy management

Indicator Name	2022	2023	2024
Total energy consumption (tce)	9,181.00	13,055.77	16,819.50
Total non-renewable energy consumption (tce)	2,277.00	2,406.00	2,989.60
Total renewable energy consumption (tce)	92.21	259.00	557.03
Electricity consumption (10,000 kWh)	5,340	8,543	11,658
Installed capacity of photovoltaic power stations (MW)	3.90	8.70	8.70
Annual electricity output of photovoltaic power stations (10,000 kWh)	92.20	283.70	491.20

Waste management issues

Indicator Name	2022	2023	2024
Total waste generated (tonnes)	168,319	235,372	177,951
Total waste incinerated with energy recovery (tonnes)	0	0	0
Total waste incinerated without energy recovery (tonnes)	0	0	0
Total waste treated by other methods (tonnes)	152,224	222,514	164,182
Total waste with unknown treatment methods (tonnes)	16,095	12,858	13,769

Water resources management¹⁴

Indicator Name	2022	2023	2024
Total water consumption (million cubic meters)	0.50	0.57	0.70
Total water withdrawal (million cubic meters)	0.50	0.57	0.70

Tackle climate change

Indicator Name	2022	2023	2024
Total greenhouse gas emissions (tonnes of f CO ₂ e)	39,771.80	58,269.30	74,780.00
Direct (Scope 1) greenhouse gas emissions (tonnes of f CO ₂ e)	12,227.80	9,549.80	11,470.96
Indirect (Scope 2) greenhouse gas emissions (tonnes of f CO ₂ e)	27,544.00	48,719.50	63,308.91
NO _x emissions (kilograms)	12,742.00	20,464.66	26,871.36
SO _x emissions (kilograms)	14.00	31.44	88.86
PM emissions (kilograms)	802.00	1,422.79	1,862.96
NO _x emissions (kilograms)	12,742.00	20,464.66	26,871.36

¹⁴The Company's water usage only includes municipal water and does not include seawater. There is no drainage other than sewage.

Indicator Index

Indicator index of stock exchange

Level	Description of Indicators	Location	
A. Environment			
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.	P27-36
	A1.1	The types of emissions and respective emissions data.	P51
	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)	P51
	A1.3	Total volume of hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P51
	A1.4	Total volume of non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P51
	A1.5	Description of emission target(s) set and steps taken to achieve them.	P27-31
A2: Use of Resources	A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	P27-31
	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P27-31
	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).	P51
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P51
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P27-34
A3: Environment and Natural Resources	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.	P27-31
	A2.5	Total volume of packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	N/A
	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	P27-31
A4: Climate Change	A3.1	Description of the significant impact of business activities on the environment and natural resources and the actions taken to manage the same.	P27-31
	General Disclosure	Policies on the identification of significant climate-related issues which have impacted and may impact the issuer and the responses thereto.	P32-34
B. Society	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.	P32-34
	B. Society		
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.	P39-44
	B1.1	Total workforce by gender, employment type (full-time or part-time), age group and geographical region.	P49
	B1.2	Employee turnover rate by gender, age group and geographical region.	P49

Level	Description of Indicators	Location
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.	P17-21、P40-43
	B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P50
	B2.2 Lost days due to work injury.	P50
	B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P17-21、P40-43
B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P17-21、P40-43
	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management, etc).	P50
	B3.2 The average training hours completed per employee by gender and employee category.	P50
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.	P39
	B4.1 Describe measures to review recruitment practices to avoid child labour and forced labour.	P39
	B4.2 Describe the steps taken to eliminate the situation if a breach is identified.	P39
B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P23-24
	B5.1 Number of suppliers by geographical region. Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P48
	B5.2 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P23-24
	B5.3 Description of practices used to promote the use of environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P23-24
	B5.4 Description of practices used to promote the use of environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P23-24
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.	N/A
	B6.1 Percentage of total products sold or delivered subject to recalls for safety and health reasons.	N/A
	B6.2 Number of products and service-related complaints received and how they are dealt with.	P17-22
	B6.3 Description of practices relating to preserving and protecting intellectual property rights.	P22-23
	B6.4 Description of quality assurance process and recall procedures.	N/A
	B6.5 Description of policies on consumer data protection and privacy, and how they are implemented and monitored.	P14
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.	P11-12
	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.	P48
	B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P11-12
	B7.3 Description of anti-corruption training provided to directors and staff.	P11-12
B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P44-46
	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P44-46
	B8.2 Resources contributed (e.g. money or time) to the focus areas.	P44-46、P50-51

GRI Index

Title	GRI Index
About This Report	2-2/2-3/2-4/
Chairman's Statement	2-14/2-17/2-24
About Zhejiang Expressway	
Company Profile	2-1/201-1
Honours for the Year 2024	
Responsibility and Performance	302-3
ESG Governance	2-12/2-14/2-16/2-17/2-26/2-29/3-1/3-2/3-3
Enhancing Governance: Strengthening the Foundation of Responsibility	
Upholding the Bottom Line of Compliance	2-9/2-10/2-25/2-26/205-2/205-3
Strengthening Risk Management	2-25/2-27/205-2/205-3
Emphasizing Information Security	418-1
Upgrading Service: Safeguarding the Road to the World	
Ensuring Service Quality	416-1
Building Intelligent Expressway	
Boosting Industry Development	308-1/308-2/414-1
Protecting Environment: Preserving Ecological Integrity	
Enhancing Resource Management	301-2/302-1/302-2/302-4/303-2/306-1/306-2/306-3
Responding to Climate Change	201-2
Contributing to Ecological Protection	304-1/304-2/304-3
Benefiting Society: Leading a Better Life	
Protecting Employee Rights and Interests	2-7/2-23/201-3/401-1/401-2/405-1/406-1/408-1/409-1
Partnering with Employees for Development	404-2/403-1/403-2/403-3/403-5/403-6/403-8/403-10
Enhancing Employee Well-being	403-10
Contributing to Community Development	203-1/413-1
Looking Ahead	2-22
Performance Table	302-1/302-2/302-3/303-3/303-4/303-5/305-1/305-2/305-7/306-4/306-5/401-1/403-9/404-1/405-1
Indicator Index	
Verification Statement	2-5
Feedback Channels	2-29

Verification Statement

Verification Statement of the Report

Pursuant to the engagement by Zhejiang Expressway Co., Ltd. ("Zhejiang Expressway"), Zhejiang Gainshine Assessment Co., Ltd. ("Zhejiang Gainshine Assessment") has conducted an independent review verification on the 2024 environmental, social and governance report of Zhejiang Expressway (the "Report").

Zhejiang Expressway is responsible for the information collected, analysed, compiled and disclosed in the Report, whereas Zhejiang Gainshine Assessment is responsible for verifying the contents of the Report within its terms of reference under the agreement with Zhejiang Expressway. Zhejiang Expressway is the customer designated under this verification statement. This verification statement is based on the 2024 environmental, social and governance report prepared by Zhejiang Expressway. Zhejiang Expressway takes responsibility for the completeness and truthfulness of the information and materials in the Report.

Scope of Verification

- The accuracy and reliability of the Report as to key performance indicators, information and management systems in the year of disclosure (2024).
- The locations of verification including relevant departments of Zhejiang Expressway Co., Ltd., which is situated at No. 2, Mingzhu International Business Centre, 199 Wuxing Road, Hangzhou City, Zhejiang Province, China, namely the Secretarial Office to the Board, human resources department, operation management department, road network management department, technology information department, maintenance management department, safety supervision and management department, discipline inspection and supervision office, audit and legal affairs department, as well as union office. We did not interview other business units and stakeholders of Zhejiang Expressway Co., Ltd.
- Zhejiang Gainshine Assessment assessed the processes including collection, analysis and inspection of the data in the Report.
- The verification was conducted on March 6, 2024.

Verification Basis

Zhejiang Gainshine Assessment, in accordance with the verification scheme established by the China National Accreditation Service for Conformity Assessment (CNAS) based on CNAS-CV01·ISO/IEC 17029:2019 Conformity assessment — General Principles and Requirements for Validation and Verification Bodies, adopts the requirements of Appendix C2 Environmental, Social and Governance Reporting Code and the Guidance on Climate Disclosures of the Rules Governing of the Listing of Securities (the "Stock Exchange Listing Rules") on the Stock Exchange of Hong Kong Limited and GRI Standard of the International Sustainability Standards Board, among others, to assess the materiality, quantitative, balance, consistency, and overall structure of the content disclosed in the report.

Verification Process

- Examine the management practices and processes of Zhejiang Expressway to evaluate the environmental, social, and governance system, which includes ESG strategy, corporate governance, compliance management, risk management, stakeholder communication, material issue analysis, and key performance indicators.
- Interview the management of Zhejiang Expressway and the personnel responsible for the collection and statistics of ESG performance information.
- Review and examine ESG management practices, performance information, and data based on sampling principles and analytical procedures to test the accuracy of such information and data.
- Collect and evaluate supporting written evidence and management representations to support the extent of their adherence to the verification principles.

Verification Conclusion

The 2024 Environmental, Social and Governance Report prepared by Zhejiang Expressway Co., Ltd. objectively reflects the progress of the Company's performance of social responsibilities in 2024 and the performance results obtained. By random verification, the data in the Report is reliable and objective. Zhejiang Gainshine Assessment is not aware of any systematic or material mistakes. The information disclosure is clear, understandable and accessible.

- Materiality:** Zhejiang Expressway places significant emphasis on communication with stakeholders. It identifies material issues through various means, including internal and external environmental changes, stakeholder demands, industry developments, and questionnaire surveys. By comprehensively assessing the impact level of these issues, the Company prioritizes them and provides corresponding disclosure, explanation, and reporting.
- Quantitative:** Zhejiang Expressway has implemented relevant management processes, including energy and greenhouse gas emissions data management, to collect and aggregate key performance data related to material issues within the reporting boundary. The provided data encompasses a three-year period, including the Reporting Period, enabling a comparison of historical data. Key indicators have been evaluated and are supported by written evidence, which can accurately reflect the management practices of Zhejiang Expressway in the field of ESG.
- Balance:** The content of the Report reflects objective facts, disclosing both positive and negative indicators. For instance, climate change-related risks are incorporated into the Company's comprehensive risk management, along with occupational health and safety indicators.
- Consistency:** By comparing the disclosure scope of Zhejiang Expressway's annual report and the Report, a unified data disclosure standard and statistical methodology have been applied.

Rectification Recommendations

Through verification and assessment, we have made the following rectification recommendations with respect to Zhejiang Expressway's ESG management and practice:

- Improve the integration of ESG management with various aspects of business operations by enhancing understanding of ESG initiatives among management and employees at all levels and carrying out external exchange programs, specialized training sessions, and other methods.
- Establish an information-based data system to automate the collection of all relevant quantitative data and enable real-time updates, allowing for continuous monitoring of goal achievement progress and the timely implementation of effective measures.

Special Statement

This verification statement does not include:

- the activities other than in the information disclosed.
- the statements regarding the positions, views, beliefs, objectives and future development directions and undertakings of Zhejiang Expressway.

Statement of Independence and Competence

Zhejiang Gainshine Assessment (GAC), established in 1993, is one of the first large-scale comprehensive certification institutions approved by the Certification and Accreditation Administration of the People's Republic of China (CNCA). Headquartered in Hangzhou, Zhejiang, it has branch offices in Beijing, Jiangsu, and Chengdu, as well as an overseas office in Vietnam. Its certification technical capabilities are accredited by the China National Accreditation Service for Conformity Assessment (CNAS) and the United Kingdom Accreditation Service (UKAS). GAC's services span three major certification categories: system certification, product certification, and service certification. To date, it has issued nearly 10,000 certification certificates to over 4,000 organizations, serving clients across more than 20 provinces, municipalities, and autonomous regions in China.

Zhejiang Gainshine Assessment Co., Ltd. warrants that there is no conflict of interest with Zhejiang Expressway Co., Ltd. or its branches and stakeholders in the course of reviewing and verifying the Report. All information in the Report is provided by Zhejiang Expressway. Zhejiang Gainshine Assessment is not involved in the compilation of the Report.

Sign: 

Date: March 6, 2025

Feedback Channels

We highly value the opinions of our stakeholders. Please do not hesitate to contact us via the contact details below. Your feedback will encourage us to improve our ESG performance and help us further enhance our ESG information disclosure.

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