

2021

*Environmental and
Social Responsibility Report*



ABOUT THIS REPORT



REPORTING PERIOD

This report covers the reporting period from January 1, 2021 to December 31, 2021 (the “Reporting Period”).



REPORTING SCOPE

This Environmental and Social Responsibility Report covers the Company and its subsidiaries (the “Company”) engaging in the expressway business, excluding Zhesang Securities Co., Ltd., Zhejiang Grand Hotel Limited and the Company’s associates, joint ventures and joint-stock companies.



BASIS OF PREPARATION

Environmental, Social and Governance Reporting Guide, Guidance on Climate Disclosures and Practical Net-Zero Guide for Business of the Hong Kong Stock Exchange, and GRI Standards issued by the Global Reporting Initiative.



SOURCE OF INFORMATION

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.



LANGUAGES

This report is prepared in both traditional Chinese and English. In case of discrepancies, the traditional Chinese version shall prevail.



ACCESS TO THE REPORT

You can download both Chinese and English versions of this report from the Hong Kong Stock Exchange's website at <http://www.hkexnews.hk>.

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

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Chairman's Statement

2021 was an important year for the Company to develop a new strategy and start a new journey. Looking back on the year, we operated steadily and demonstrated new achievements in the starting year of the 14th Five-Year Plan, by implementing the concept of high-quality development and sustainable development, insisting on the policy of market-oriented development and taking the initiative for innovation and changes. We drove economic development and served public transportation with more intelligent, safer and higher quality services, which was recognized by all sectors. The Company has received 30 awards in the expressway industry throughout the year.

During our corporate development, we always bear in mind fulfilling our social responsibility from a longer-term perspective and in a more open attitude. For the environment, focusing on the goal of "carbon peak and carbon neutral", and adhering to the policy of low-carbon and green development, we have effectively reduced the environmental impact of our operations continuously, lowered pollution emissions and improved the use of resources to protect the environment and natural resources. Meanwhile, we have paid close attention to climate changes by formulating and implementing special response plans. For the social aspect, we have ensured the safety of public travel despite of the typhoons namely "In-fa" and "Chanthu"; continued to improve our measures to meet the needs of our staff and grow with them; deepened our supply chain management and created a transparent business environment jointly with our suppliers; and proactively engaged in charity activities to promote the prosperity of the community. In addition, we have continued to carry out regular epidemic prevention and control. Upon the outbreak of the epidemic in Ningbo and Shaoxing, we have effectively ensured the safety of our employees and the public in the epidemic prevention and control in Shangyu, Shaoxing and Jiaochuan, Ningbo. There was no confirmed case of the epidemic in the Company throughout the year.

In 2022, by consistently adhering to the core value of "integrity, harmony, openness and aggressiveness", the Company will further integrate the concept of sustainability into its development strategy, and will focus on five key areas - technology, service, development, reform and safety, to generate higher value for the harmonious development of economy, environment and society with sustainable momentum by bringing together our partners, employees and other parties.

YU Zhihong, Chairman

March 24, 2022



I. Responsibility Governance

Adhering to the core value of "integrity, harmony, openness and aggressiveness", the Company consistently enhances its social responsibility philosophy and integrates it into its management and daily operations, striving to maximise the comprehensive value incorporating economy, society and environment and achieve sustainable development. In particular, a dedicated task team is established to manage, plan and organise environmental, social and governance ("ESG") issues in the Company. A regular social responsibility disclosures and communication system is established, striving to obtain the trust and recognition of internal and external stakeholders. The Company is committed to building the "No. 1 Brand" of sustainability in the industry, by deepening iteration to build "a model of intelligent roads", providing high-quality services to build "a model of comfortable roads", improving road conditions to build "a model of cozy roads", responding quickly to build "a model of safe and unblocked roads" as well as exploring potential and increasing efficiency to build "a model of economical roads".

Stakeholder Engagement

Stakeholders	Major issues of concern	Communication and response methods
Customers	<ul style="list-style-type: none"> ◆ Unblocked, intact and comfortable roads ◆ A wide range of services in the service areas ◆ Good and efficient toll collection service ◆ Timely arrival for roadside assistance and obstacle clearance in an effective manner 	<ul style="list-style-type: none"> ◆ Service feedback ◆ On-site survey on service areas ◆ Survey on the internet ◆ Telephone interview
Government and regulatory authorities	<ul style="list-style-type: none"> ◆ Results of operation ◆ Supporting government work plans and contributing to economic and social development ◆ Compliance with national and local policies and regulations and payment of taxes according to the law ◆ Contributing to the construction of intelligent transportation ◆ Compliance and Integrity ◆ Industrial optimization and upgrading ◆ Sharing industry experience 	<ul style="list-style-type: none"> ◆ Reporting ◆ Inspection ◆ Approval ◆ Institutional documents ◆ Work meetings ◆ Annual reports
Securities regulators	<ul style="list-style-type: none"> ◆ Compliance with relevant regulations of stock exchanges ◆ Disclosure of information in a timely and high-quality manner 	<ul style="list-style-type: none"> ◆ Institutional documents ◆ Reporting ◆ Publication of announcements ◆ Annual reports



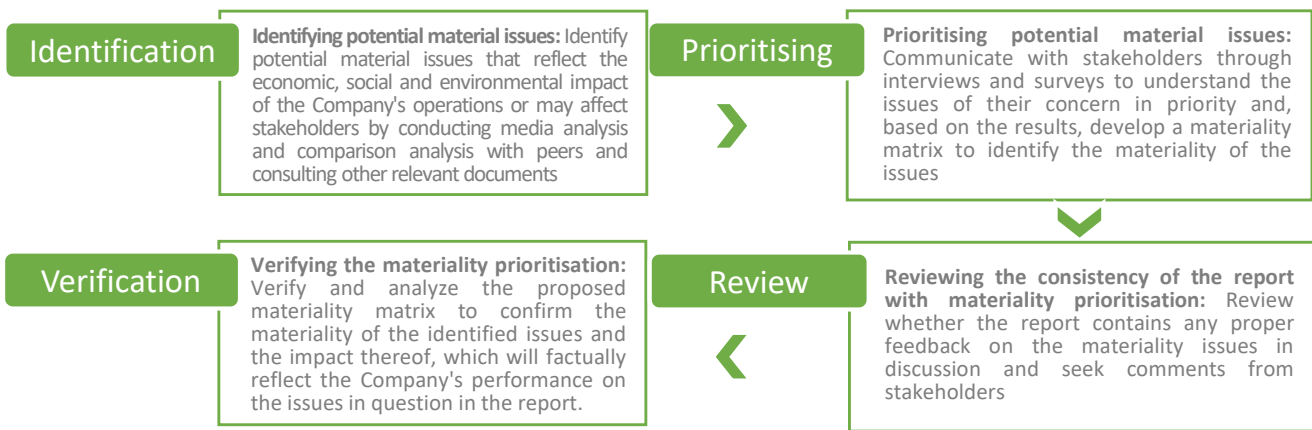
Stakeholder Engagement

Stakeholders	Major issues of concern	Communication and response methods
Investors and creditors	<ul style="list-style-type: none"> ◆ Return on investment ◆ Preservation and appreciation of value ◆ Risk defence ◆ Stable income and dividends ◆ Exploring new points of profit growth ◆ Reducing the risk of business investment 	<ul style="list-style-type: none"> ◆ Board meetings ◆ Annual reports ◆ Public announcements and roadshows ◆ General meetings of shareholders ◆ Investor survey
Partners (suppliers, contractors, road authorities, traffic police, and etc.)	<ul style="list-style-type: none"> ◆ Mutual benefits ◆ Performance in good faith ◆ Stable partnerships ◆ Support for the information and conditions on roads 	<ul style="list-style-type: none"> ◆ Contracts ◆ Daily communication
Industry competitors	<ul style="list-style-type: none"> ◆ Experience sharing ◆ Promoting the healthy development of the industry 	<ul style="list-style-type: none"> ◆ Industry conferences ◆ Visit and exchange
Employees	<ul style="list-style-type: none"> ◆ Good welfare and benefit system ◆ Sound career development plan ◆ Providing opportunities for transition ◆ Safer and more comfortable working environment ◆ Caring about occupational mental health 	<ul style="list-style-type: none"> ◆ Employment contracts ◆ Collective contracts ◆ Congress of employees ◆ Staff satisfaction survey
Communities where we operate	<ul style="list-style-type: none"> ◆ Reducing road noises ◆ Protecting the local ecology 	<ul style="list-style-type: none"> ◆ Survey and communication
Public/Media	<ul style="list-style-type: none"> ◆ Open and transparent information ◆ Disclosure of significant information in a timely manner 	<ul style="list-style-type: none"> ◆ Information publication ◆ Interview and report

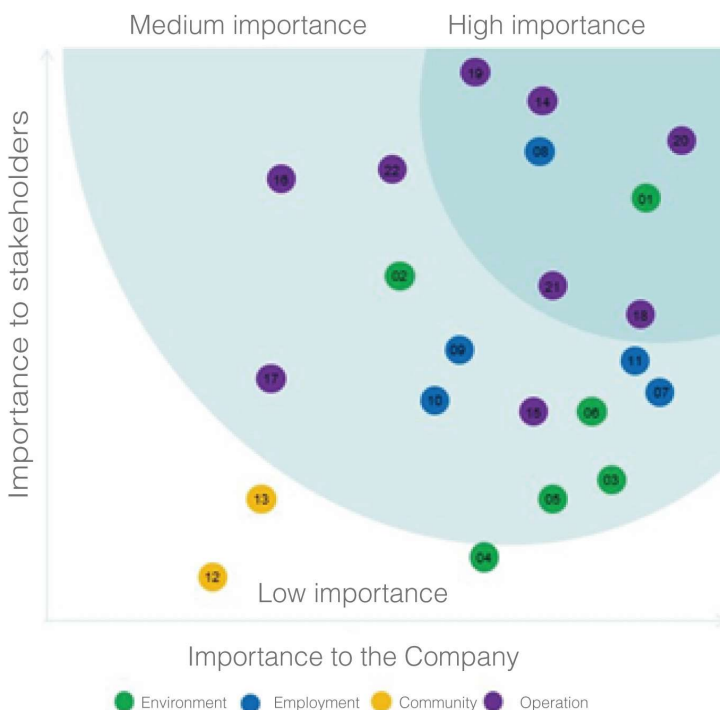


Identification of Material Issues

By integrating the opinions and expectations of stakeholders into its management and development goals, the Company has conducted a materiality assessment and analysis on ESG issues identified in its operations in order to respond to stakeholders' concerns proactively and specifically in this report. The Company has engaged a third party certification entity to form an analysis team with our dedicated task force, which conducted a materiality assessment in a rigorous and effective manner through four stages: identification, prioritising, verification and review.



Materiality Matrix of Zhejiang Expressway in 2021



<p>Environment</p> <ul style="list-style-type: none"> 1 Energy management 2 Reduction of greenhouse gas emissions 3 Waste management 4 Environmental management 5 Water management 6 Impact of climate changes 	<p>Employment</p> <ul style="list-style-type: none"> 7 Occupational health and safety 8 Talents attraction and development 9 Diversification and Inclusion 10 Employees' benefits 11 Respect for human rights and labour practices
<p>Community</p> <ul style="list-style-type: none"> 12 Enhancement of social welfare activities 13 Local economic impact 	<p>Operation</p> <ul style="list-style-type: none"> 14 Economic growth 15 Sustainable operation 16 Anti-corruption 17 Fair competition 18 Digital reform 19 Product safety and quality 20 Privacy and information security 21 Supply chain management 22 Growth with partners



II. Environment

The Company strictly abides by national and local laws and regulations, including the Environmental Protection Law, the Law on Air Pollution Prevention and Control, the Law on Water Pollution Prevention and Control, the Law on the Prevention and Control of Environment Pollution Caused by Solid Wastes, the Law on Soil Pollution Prevention and Control and the Regulations on the Management of Domestic Waste in Zhejiang Province, and has formulated and issued the Management Measures for Energy Conservation and Emissions Reduction to continuously improve the Company's environmental management system. The Company has also implemented the management of prevention and control of the pollution caused by waste gas, sewage, solid wastes and noises, with an aim to minimise emissions and to mitigate the environmental impact of the Company's operations.

Reduction of Pollution Emissions

Reduction of waste gas emissions

- ◆ The Company's waste gas emissions mainly come from gasoline and diesel used in motor vehicles, and it actively advocates the use of new energy vehicles for patrol and employees' own use to help reduce emissions
- ◆ Reducing fuel emissions during dispatch by accurately positioning through the integrated rescue GPS

2021 Emissions:
nitrogen oxides (NOX) ^①: 11,631kg
sulphur oxides (SOX): 20kg
particulate matter (PM) : 730kg

Treatment of sewage up to standard

- ◆ The sewage is discharged into the municipal network to be treated up to standard
- ◆ Improving the coordination mechanism and incorporating sewage treatment up to standard into construction proposals
- ◆ Implementing road-related construction sewage discharge according to local requirements

2021:
sewage discharge connected
to the municipal network:
100%

Effective reduction of noises

- ◆ Attaching importance to the demand of residents along the expressways for noise reduction, and reducing the impact of expressway noises on the surrounding environment by building acoustic barriers
- ◆ Developing innovative technologies and applying them in practice to improve the effect of noise reduction

2021:
acoustic barriers are
newly built:
2,061.8 metres

Proper disposal of solid wastes

- ◆ Separation of wastes in accordance with local regulations on waste classification
- ◆ General wastes and toxic and hazardous wastes are disposed of by outsourced qualified entities in accordance with national regulations to ensure the treatment of solid wastes be non-hazardous and recyclable

2021:
domestic wastes and refuse
are removed and disposed of
100%

Case: A new patent performs well in sound insulation and noise reduction

The "Huiqiao Innovation Workshop" of Zhoushan Admin Center, through active innovation, has invented a kind of movable wind barrier suitable for the conditions of Xihoumen Bridge, which is adjustable, scalable and has effective noise reducing function. Cotton sound insulation is newly attached to one side of the wind barrier plate which can effectively keep the noise from reaching the other side. It also equips with slots, cleats, fastening bolts, springs, sliding rods, coils and spindles which enable self-adjustment of inclination angle according to wind speed in order to reduce wind load on the device itself and the bridge, thus protecting both.

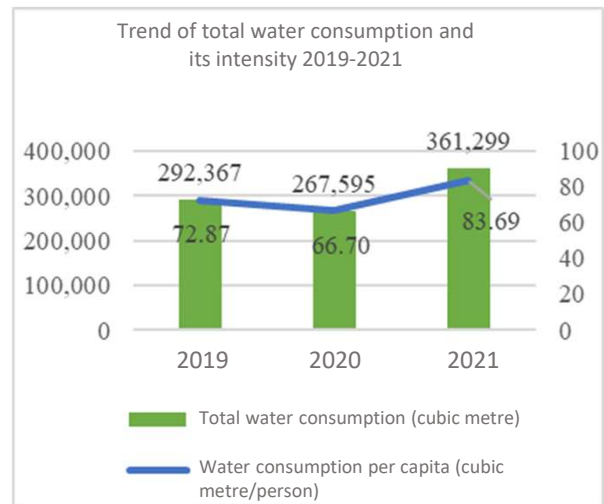
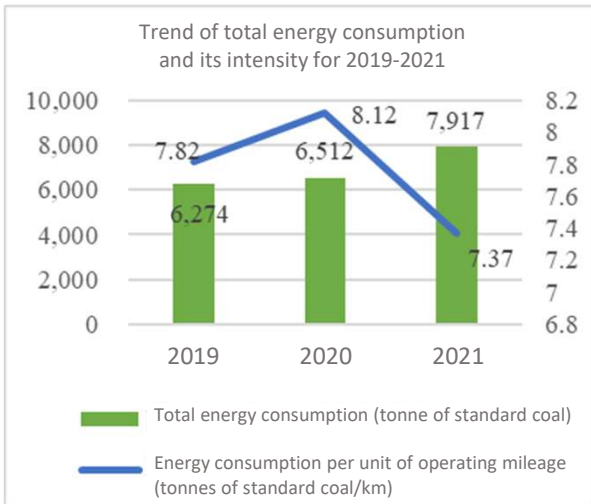


^①: NOX and SOX emission factors are based on The Clean Air Charter - A Business Handbook issued by the Hong Kong General Chamber of Commerce and the Hong Kong Business Coalition and that data comes from the Sustainability Report 2014 of Towngas. PM emission factors are based on the EMFC-HK Vehicle Emission Calculation Model of the Hong Kong Environmental Protection Department (EPD) and the vehicle emission modelling software of the US Environmental Protection Agency, assuming 80% relative humidity, 25 degrees Celsius, an average speed of 30 kmh and emissions only during driving.

Improvement of the Use of Resources

Adhering to the concept of energy conservation and high efficiency, the Company sets energy-saving targets for all administration centres and monitors and assesses the same regularly. It effectively reduces the consumption of energy including electricity, water and gasoline, by taking measures such as the promotion and application of photovoltaic power generation, intelligent upgrade to LED lighting, use of solar-powered hot water central heating system and water-saving appliances.

During the Reporting Period, total energy consumption was 7,917 tonnes of standard coal^①, of which electricity was the most heavily used, accounting for around 79.89% of the total energy consumption. Comprehensive energy consumption of operating mileage was 7.37 tonnes of standard coal/km, a decrease of 9.24% as compared with last year. Total water consumption was 361,299 cubic metres, and water consumption per capita was 83.69 cubic metre/person.



Protection of Environment and Natural Resources

The Company is highly concerned about the environmental impact of its operations and has taken a series of measures to mitigate such impact. In particular, the Company keeps promoting green maintenance, and continues to increase the application of preventive maintenance technologies such as on-site thermal regeneration and ultra-thin wearing layers to effectively improve the use of resources and support the green and high-quality development of maintenance.

During the Reporting Period, on-site thermal regeneration was completed for 51,200 square metres; ultra-thin (very thin, super sticky and elastic and super surfacing) and other preventive maintenance were carried out for 347,400 square metres; 100% of used asphalt was recycled with the on-site recycling rate of 3.3%; and 96.7% of maintenance waste was reused, achieving outstanding energy saving and emission reduction results.

Case: Updating and promoting the new technology of hard road shoulder without pavement overlay to reduce costs and increase efficiency

The Ningbo Admin Center independently developed and modified the asphalt concrete paver, which has effectively address the difficulties in connecting lanes to hard shoulders during pavement overlay, reducing costs and increasing efficiency. In 2021, the Company continued to refine the construction process and promoted the same across the Company. On the basis of ensuring traffic safety, a total length of about 76.05 kilometres of hard shoulder without pavement overlay was completed, which reduced the consumption of bituminous mixture by approximately 6,590 cubic metres, saved funds by approximately RMB19,140,300 and shortened the length of road occupation due to construction by around 2,126 hours, achieving significant economic and social benefits.



^① The standard coefficient is quoted from the GB/T2589-2020 General Principles for the Calculation of Comprehensive Energy Consumption.

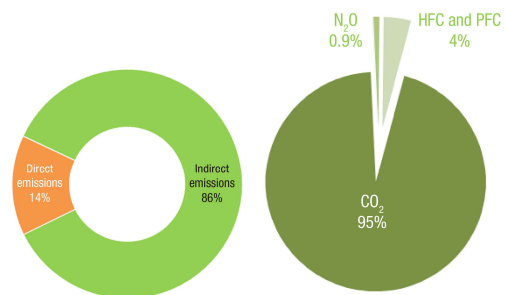
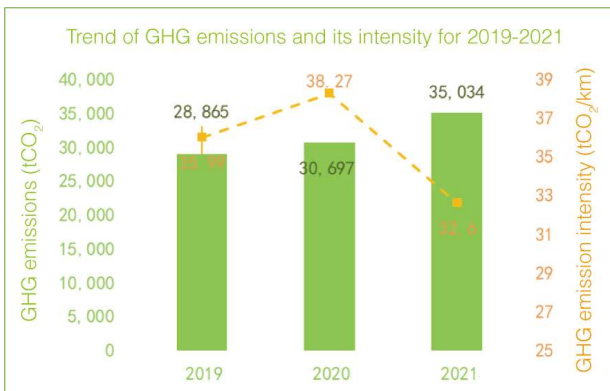
Climate Change Responses

The Company closely monitors climate change issues, and has incorporated "carbon peaking" and "carbon neutral" into its corporate strategic management, by formulating and implementing the "Special Action Plan to Realize Carbon Peaking and Carbon Neutral". By making efforts from increasing income and reducing costs to all other aspects, and on the basis of efficient, safe and green expressways, the Company will accelerate diversified and low-carbon energy supply and facilitate efficient and reduced resource consumption, to give full play to the key support role of the expressway industry in the transformation to low-carbon practices.

Mitigation of environmental impact

To further mitigate the impact of its operations on climate change, the Company has improved energy utilization efficiency and reduced carbon emissions by increasing the use of environmentally friendly materials and energy-saving technologies through the enhancement of technological innovation. The Company will continue to improve its operational management, advocate green office and create green and low-carbon office environment as well as keep promoting energy saving and emission reduction.

During the Reporting Period, the Company's total GHG emissions were 35,033 tonnes of carbon dioxide equivalent^①, of which 94.9% were carbon dioxide, the majority of our GHG emissions. Among our GHG emissions, direct (Scope 1) GHG emissions were 4,984 tonnes of carbon dioxide equivalent and indirect (Scope 2) GHG emissions were 30,049 tonnes of carbon dioxide equivalent. The GHG emission intensity was 32.6 tonnes of carbon dioxide equivalent/km, representing a decrease of 14.82% as compared with that in the previous year. Photovoltaic power generation reduced CO₂ emissions by 386.33 tons of carbon dioxide equivalent.



Case: The long-lasting solar-powered light-controlled and wireless synchronous flashing guiding sign saves power and ensures safety

The Master Workshop of North Hangzhou Admin Center has developed a "long-lasting solar-powered light-controlled and wireless synchronous flashing guiding sign". At night and in a dimly lit environment, the sign automatically lights up and multiple "birdhouses" flash synchronously, forming a strip of yellow warning light, to guide and warn drivers about the road ahead, which effectively prevents accidents and ensures driving safety at night. By integrating multiple functions and fixtures, such as efficient collection of green energies, power storage and supply, brightness control, wireless synchronous flashing control and super-capacity battery charging and discharging management, the new guiding sign can be charged automatically as long as there is light, and is able to capture light even in rainy days for uninterrupted power supply, so as to meet the needs all-round the clock with "zero power consumption and emission".



^①: Emission and removal factors are based on the Hong Kong EPD's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes), and electricity emission factors are derived from the national average electricity emission factors in the "Guidelines on Enterprises' Greenhouse Gas Emissions Accounting and Reporting - Power Generating Equipment (2021 Revision)" of the Ministry of Ecology and Environment.

Mitigation of environmental impact

Contributing to low carbon travel

- ◆ Automatically discover, detect and predict the actual situation of vehicles on highways through intelligent high-speed sensing systems, and in combination with the releases through navigation systems, broadcast media and APPs, speed up and guide traffic immediately to unblock roads, so as to reduce carbon emissions from social vehicles in driving on expressways
- ◆ Develop and implement a congestion reduction plan, the "Stop-by-Stop Policy", enhance on-site traffic smoothing, and deepen the joint logistics and service system "All Parties Support Any Highway" to continuously reduce the carbon emissions generated by vehicles staying on site
- ◆ Shorten the duration of congestion and slow moving on main roads, speed up traffic and extend the duration of traffic flow limitation at entrances by improving combined construction management and reducing work surfaces, so as to reduce carbon emissions from vehicles
- ◆ Efficiently use vehicles for business and production purposes, with priority given to the purchase of environment-friendly vehicles that are energy-saving and emission-reducing
- ◆ Timely retirement of vehicles with high energy consumption and pollution
- ◆ Promote targeted rescue and accurate GPS positioning for proper dispatch, so as to reduce carbon emissions during rescue

Promoting low carbon office

- ◆ Strictly implement a policy on the purchase of energy-saving and environment-friendly products in priority
- ◆ Establish distributed photovoltaic power stations for the use and grid connection of photovoltaic energy in large volumes
- ◆ Explore new green energies such as offshore wind power and tidal energy
- ◆ Upgrade LED lighting and promote intelligent switches for high-pole lights
- ◆ Strictly comply with the rules that the air-conditioning is set at 26 Celsius degrees or above in summers and at 20 Celsius degrees or below in winters
- ◆ Staff are specifically required to make full use of natural light during office hours to reduce power consumption of illumination devices
- ◆ Staff are required to turn off lights and power off office equipment when they are leaving the office
- ◆ Effectively use the Company's OA office system for handling of documents
- ◆ Promote the use of "Zhi Ding Guanjia (智鼎管家)" system to use electronic documents instead of paper as far as possible
- ◆ Reduce the frequency of printing and issuing paper documents by using the file sharing functions of APPs such as WeChat and QQ
- ◆ Promote various instruments such as event propaganda windows and electronic publicity screens to reduce the use of paper materials
- ◆ Share "cloud printing" among computers with double-sided printing

Responses to extreme weather conditions

The Company closely monitors the risks arising from climate change and extreme weather, by identifying the risks of bad or extreme weather such as heavy fog, storms and typhoons through safety risk assessment and developing responsive measures and specific emergency plans. In particular, the Company has formulated the "Guidance on Further Enhancing the Capability to Respond to Disaster Weather and Emergencies", and has in place an emergency response system with "centralised guidance, clear responsibilities, definite process and immediate response". The Company has also strengthened the cooperation with the units in the joint logistics and service system "All Parties Support Any Highway", carried out emergency drills and trainings at all levels and in multiple modes, and expanded the information dissemination channels by using intelligent technologies to release the information on roads as soon as possible, which have improved its emergency response capability in a full range.

Case: Effectively fighting against the typhoons In-fa and Chanthu

In July and September 2021, Typhoons No. 6 "In-fa" and No. 14 "Chanthu" landed on the coast of Zhejiang successively. The Company's "Three-Defence Office" launched an emergency response plan immediately, ensuring that the emergency arrangement, supplies and joint emergency services were in place, and that the responses were put into practice, which effectively ensured that the road network was running safely during the typhoons.

In the two typhoon fighting actions, there were a total of 60 emergency rescue stations, 50 emergency rescue teams consisting of 2,664 members, 2,004 loading machines and excavators for fighting against typhoons and floods, and 525 generators and water pumps for anti-typhoon purpose, ensuring roads safe and smooth.



III. Society

Employment

In strict compliance with the laws and regulations including the Labour Law and the Labour Contract Law and adhering to equal employment, the Company enters into labour contracts with employees in accordance with the law, contributes to social insurance in strict accordance with the regulations, and participates in medical aid support schemes or purchases commercial insurance for employees. It also provides various welfare benefits such as talent subsidies, paid annual leave, staff quarters, recuperation activities, labour union benefits and holiday benefits. The Company has a comprehensive compensation system in place to improve performance appraisal and remuneration incentives on an impartial and efficient basis. In addition, it protects employees' privacy and continuously improves the basic management of labour and employment.

Work force

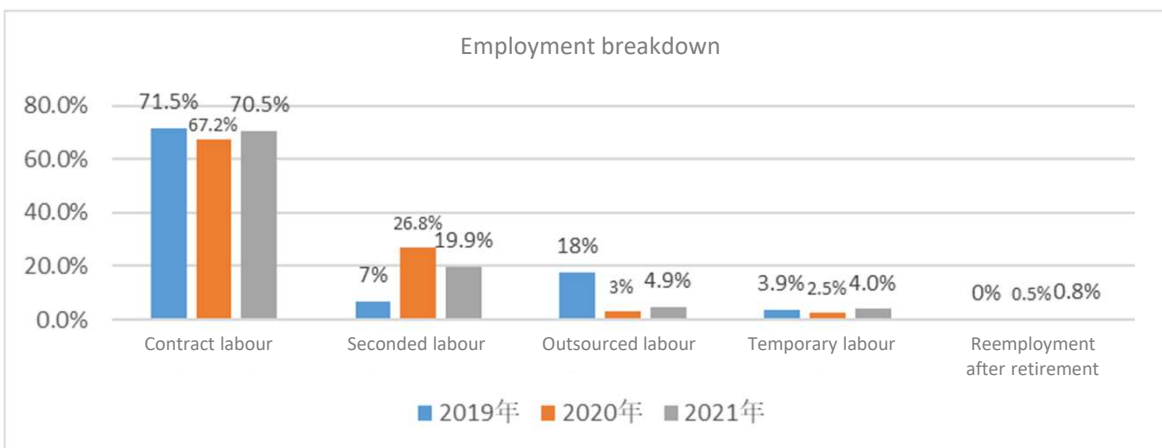
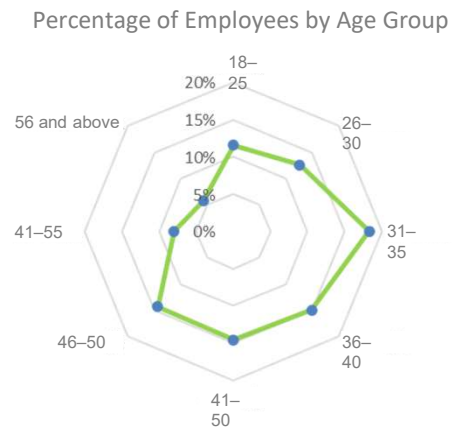
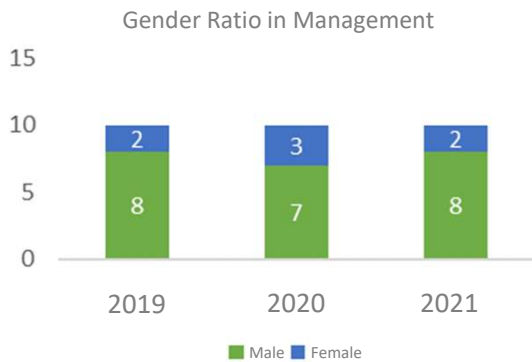
During the Reporting Period, the Company had 4,317 employees. 563 employees left the Company, and 52 employees retired. Turnover ratio was 4:5 by gender (male to female) and 7.6% of employees left were contract workers. They came from different regions and there were no significant regional differences.

The Company had five types of employment, i.e. contract labour, seconded labour, outsourced labour, temporary labour and reemployment after retirement. The employees came from various provinces, including Zhejiang, Anhui, Jiangxi, Jianguo, Henan, Shaanxi, Sichuan, Hubei, Heilongjiang and Fujian, with even distribution, and there were no significant regional differences.



Labour contract rate was **100%**

Social insurance coverage was **100%**



Health and Safety

Adhering to the “people-oriented, safety first, prevention priority, comprehensive governance, and secured development” production safety policy, the Company continues to improve the safety management system, fulfills the responsibility of production safety and enhances the safety management level. In particular, the Company has promoted the construction of "Intelligent Safety Supervision" and independently developed "An Jian Bao (安監寶)", a road-related work supervision platform, and the safety module of Zhi Ding Guan Jia. It has also organised special safety trainings to enhance employees’ safety awareness and protection skills; and has provided personal accident insurance and work injury insurance for all employees, arranged regular body checks for employees and purchased protective gears. Each staff station has a specific mental consultation room and areas for emotional release with 17 qualified counselors^①. In addition, the Company has arranged safety publicity to create a safe environment for the public and its employees.

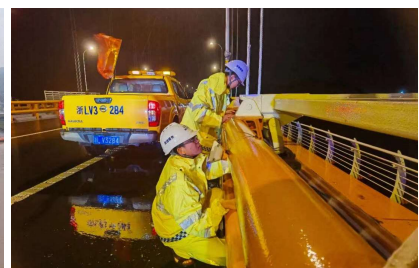
During the Reporting Period, no incident of occupational disease occurred among employees and a total of 790 lost days due to work injury were recorded. In the past three years (including the Reporting Period), there was 1 work fatality, representing 0.02%.

60 full-time security personnel.

104 part-time security personnel.

25 registered safety engineers.

During the Reporting Period, 1,181 safety meetings were held with **19,448** participants. **4,270** safety inspections and checks were organized. **5,539** potential safety hazards were identified, **99.03%** of which were handled. RMB**11.6161** million was available for rectification. RMB**224.8779** million was expended on safety issues. **130** emergency drills of various types were conducted. **925** safety trainings were organised with **28,089** trainees.



▲ Maritime emergency drill

▲ Safety hazard investigation

Fulfilling the responsibility of production safety

- ◆ A list of main responsibilities to be fulfilled was compiled to implement the policy of "one position with two responsibilities"
- ◆ A production safety responsibility statement was signed at all levels and positions, to ensure that production safety responsibilities are assigned to all staff, and promote the performance of production safety responsibilities at all steps and all positions
- ◆ Enhanced the assessment of safety supervision, and improved the security risk mortgage assessment system by grading the performance appraisal indicators of risk mortgage assessment personnel, highlighting the assessment basis of rewarding the good and punishing the bad

^①: They hold psychological counselor certificates.

Enhancing emergency response capabilities

- ◆ A general plan and five specific emergency plans were developed in relation to, among others, the accidents of "three preventions" and vehicles carrying hazardous chemicals at the Company's level
- ◆ An emergency plan system was established at the administration centre's level, which included 5 specific plans and 19 on-site response plans at least
- ◆ Each administration centre prepared a risk assessment report and "one diagram and two lists", and completed internal revision and review of the plan on this basis
- ◆ There were a total of 24 in-house emergency rescue teams consisting of 1,112 members, and a pool of 28 emergency response experts and a pool of 32 event (accident) rescue professionals were established
- ◆ Efficient handling of emergencies and traffic accidents to protect the lives and properties of drivers and passengers. The 20-minute and 30-minute arrival rates increased to 97.86% and 99.17%, respectively
- ◆ Intensified regular drills in practice, increased drilling models combining comprehensive drills, desktop exercises and unscripted practical drills, compiled drilling plans for highway emergencies of the Group's companies, and completed emergency response drills upon the occurrence of sudden traffic accidents and desktop exercises for emergency rescue of structures at toll stations with high traffic flow

24 in-house emergency rescue teams

1,112 emergency response members

20-minute arrival rates: 97.86%

30-minute arrival rates: 99.17%



41 slopes, 108 bridges and 3 tunnels were repaired and reinforced, with the focus on the repair and reinforcement of 12 defected bridges on No. 320 National Highway and the troubleshooting of 5 hidden dangers of the slopes in the Group's list of handling

Focusing on tackling hidden hazards

- ◆ Measures for the Management of Hidden Hazards from Production Safety Accidents have been formulated, clarifying the system for daily identification, regular identification and specific identification of hidden hazards
- ◆ A closed tracking mechanism for tackling hidden hazards was in place, to take rectification measures, perform responsibilities, make funds available, set time limits and implement plans
- ◆ A third party was engaged to carry out safety assessment and special evaluation of obsolete guardrails during the operational period, laying the foundation for the subsequent development of management measures
- ◆ Focused on the troubleshooting of hidden dangers from geological disasters during flood seasons, intensified the monitoring of key slopes and organised specific identification of hidden dangers for special bridges such as steeve-arch bridges and cable systems



Case: Innovative safety services refined epidemic prevention and control

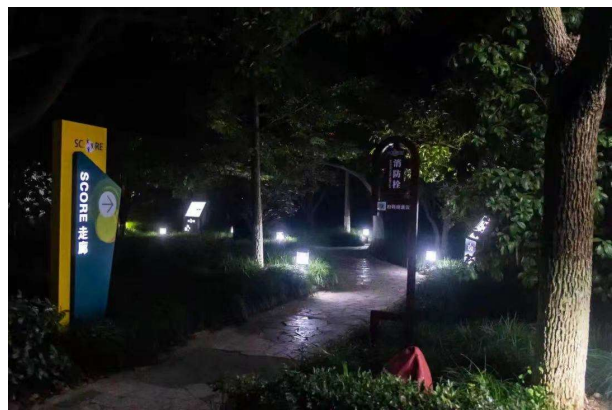
In 2021, in order to address the difficulties in the prevention and control of COVID-19 epidemic at toll collection sites, the Company launched a number of innovative measures by adopting modest technical improvements and innovations, and making full use of and upgrading the existing equipment to promote safety services. In particular, Ningbo Admin Center made a simple CPC card disinfection device by revamping the cleaning cabinet, steam box and other discarded items, realizing simultaneous disinfection while collecting CPC cards; it also had a square disinfection spraying system in place and provided such services as full-automatic lane car washing. The Company took full use of and innovatively revamped the existing self-service card issuing machines, which were put into trial operation at Jiakou Toll Station, further reducing contact and promoting the enhancement of both anti-epidemic safety and traffic capacity.



4 helicopter landing and take-off spots for highway emergency rescue were put into use

Carrying out specific production safety activities

- ◆ A three-year action focusing on tackling difficulties in the comprehensive management of production safety was further implemented, highlighting the production safety in high-temperature weather, flood and typhoons fighting, epidemic prevention and control and etc.
- ◆ Proceeded with special activities to improve the safety management of cooperative units and completed the safety evaluation of 135 cooperative units
- ◆ The activities were carried out, including the specific troubleshooting of quality safety issues and production safety months
- ◆ Three pilot administration centres in Shaoxing, Ningbo and Huzhou have established an approach to implement SCORE "Group localisation" based on the actual situation, effectively integrating safety management into project construction
- ◆ The upgrading and eye-catching projects for traffic safety facilities were further promoted, to improve the traffic safety and the comfort level of traveling at key road sections in the nighttime
- ◆ An initiative to form a safety management alliance was launched, which received positive responses from seven outstanding peers, including Shandong Hi-speed and Jiangsu Expressway



SCORE Project Notes

Strengthening production safety training

- ◆ All staff were procured to watch a TV special "Life Is of Paramount Importance" with full participation
- ◆ A special training propagandizing the Production Safety Law was organized to increase the safety awareness of all staff
- ◆ Safety knowledge competitions were held to allow all staff to know what they should know and to understand and fulfill their responsibilities
- ◆ A special event "Cloud Safety" was launched across the Group to conduct online safety education by daily asking, weekly learning and quarterly testing



A safety knowledge competition organised

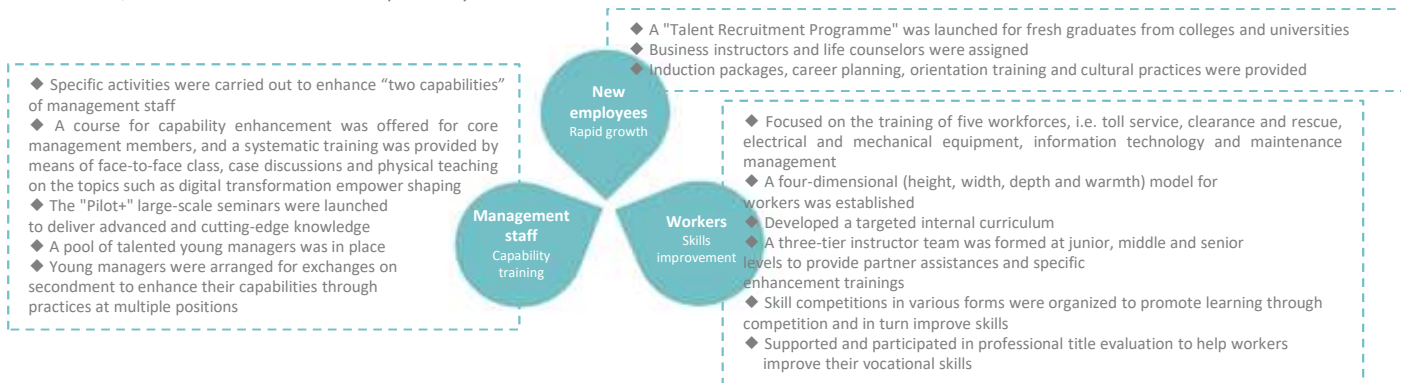


Development and Training

Consistently adhering to the concept of "talents being the most important resource", the Company has established diversified recruitment channels including its website, third-party recruitment websites, headhunters, internal referrals and social channels such as WeChat official accounts to absorb talents. The Company has improved its three-channel development system emphasizing the "management + professional + skill" and created an "H" typed model to provide employees with a smooth career development channel. It has also revised the "Management Measures for Staff Training", by tailoring specific training plans to cater for the needs of employees of different ages, business lines and positions, keeping innovating training forms, increasing online training channels and forming a professional internal training team, to continuously empower the growth of employees.

During the Reporting Period, the Company promoted 24 mid-level or above employees (including assistants). In 2021, the total education and training cost amounted to RMB5,831,300, and the Company and its subsidiaries organized a total of 1,113 education and training events in various forms, with 26,636 participants and full participation. The total training hours were 32,842.35, among which the training hours of non-management staff, general management staff, mid-level management staff and senior management staff maintained at over 8 hours, 60 hours, 100 hours and 50 hours respectively.

During the Reporting Period, the Company promoted 24 mid-level or above employees (including assistants). The total education and training cost amounted to RMB 5.8313 million, with full employee participation.



The New Employee Handbook



The operation skills competition



A training for new employees

Case: The "Cloud Classroom" platform was upgraded to satisfy various learning needs of employees

In 2021, the Company fully upgraded Zhejiang Expressway's Cloud Classroom platform to continuously improve the quality of online learning for employees, which took effect during the epidemic period and satisfied the learning needs of employees in all aspects.

The classroom platform has abundant resources: in terms of rigid job requirements, it focuses on management quality, internal professional skills training and mandatory job-based courses. In terms of attractiveness, it offers learning activities centralizing on key topics such as company strategy, comprehensive personal quality and the hotspots in close correlation with personal interests.

Training is conducted in flexible and diversified forms: the "Zhi Ding Classroom" has been officially introduced, which includes, among others, Daily Practice, PK Contest, Learners Ranking List, Zhi Ding Library and Online Courses. The learning is started from Daily Practice every day, which helps staff to accumulate business knowledge over a long period; in the "PK Contest", learners may elect the breaking through mode which is easier or the battle mode which is intense and exciting, to have lots of fun in learning; the competitive Learners Ranking List further stimulates the enthusiasm of learning; the Zhi Ding Library and Online Courses allow employees to make use of fragmented time to refresh themselves by self-studying or watching courses on the operation management system, business operation norms and relevant policies and regulations.

Labour Standards

The Company has a Labour Dispute Mediation Committee, which procures staff to participate in legal aid and guides them to duly protect their own rights and interests in accordance with the law by giving full play to the role of the Labour Law Supervision Committee. The Company has enforced a collective wage negotiation system, promoted the entering of collective contracts for employees and special collective contracts for the protection of rights and interests of female employees, and implemented a business democratic management system mainly in the form of employees' congress, as well as reinforced the open management of the Company's affairs, so as to safeguard the employees' rights to know, to participate, to be heard and to oversee.



During the Reporting Period,

no labor disputes were recorded and no child or forced labor was used.

---o The first meeting of the seventh Employees' (Trade Union Members') Congress of the Company

Caring for the needs of employees

The Company has established an employees' home and developed the "Employees' Home of Zhejiang Expressway" small program on WeChat to understand the needs of grassroots staff and make responses in a timely manner. The Employee Helping Fund has been founded and sound electronic records for employees in difficulty have been kept, to take the initiative to help the employees suffering from major diseases or living difficulties in a timely manner. The Company cares for the work and life of female employees by formulating and implementing the policies on their recuperation and organising various activities.

During the Reporting Period, the Employee Helping Fund provided RMB150,000 to help **52** employees. We received **158** requests from our employees through various channels, **124** of which were resolved.



Enriching the life of employees

We allow employees to develop their hobbies, continuously promote the establishment of employees' clubs and organise diversified activities to relieve employees from their stressful work and increase their sense of well-being.



Badminton game



Sailing game



Zhejiang Expressway Mountaineering Club established



Basketball game

Supply Chain Management

Consistently adhering to the principles of openness, fairness and justice, and in compliance with relevant laws and regulations and the rules and regulations of Zhejiang Communications Investment Group Co., Ltd., the Company continues to improve its procurement management system. It has a procurement management system with clear division and has carried out a digital reform to enhance the tender procurement management system. It regulates supplier selection and management with accountable procurement and intensifies the supervision and control of the tender procurement process, creating a transparent business environment jointly with suppliers.

In 2021, the Company selected **238** suppliers for its key products, services, and maintenance work, including **185** suppliers in Zhejiang Province and **53** suppliers from other provinces.

Laws and regulations complied with

The Law of the PRC on Tenders and Bids, Regulations on the Implementation of the Law of the PRC on Tenders and Bids, Regulations on Construction Projects Required to Be Tendered, and Regulations on the Scope of Infrastructure and Utilities Projects Required to Be Tendered

Implementation rules of the Company developed

Administrative Measures for Tenders (Procurement) and Implementation Rules for the Management of Non-tender Procurement

Regulations of the Group referred to

6 regulations, including Administrative Measures for Tenders (Procurement), Implementation Measures for the Management of Non-tender Procurement, Administrative Measures for Objections and Complaints to Tenders, Measures for the Supervision and Administration of Tenders, Administrative Measures for Tender Agencies (Trial), Administrative Measures for Tender Evaluation Professionals, and 20 model tender documents

Highlights of the Company's Tender Procurement Management

Defining management responsibilities

The Company clarifies the duties and responsibilities of the tender procurement management, implementation and supervision departments to enhance the regulation of tender procurement

Refining selection criteria

The Company takes full account into the performance of suppliers in terms of business compliance, energy saving and environment protection, reduction of pollution and emissions and occupational health and safety when selecting suppliers, and adopts follow-up measures during the implementation process

Intensifying supervision and regulation

It is clearly provided that the personnel in charge of tender shall adhere to the principles and strictly abide by the rules, and act with integrity and self-discipline in the bidding process, to firmly eliminate the illegality and non-compliance.

Adhering to supervision and inspection across the Company, the Discipline and Supervision Office adopts a combination of methods including routine supervision, specific supervision and periodic supervision, and plays its role in pre-tender review, supervision and post-tender filing

Lifting the quality of workforce

The Company strengthens the training on tender procurement management, and raises the awareness of risk prevention and control and process supervision of the personnel in charge of tender procurement, to enhance the supervision and regulation generally

Improving systems and processes

The Company improves the review and maintenance in each section through the electronic tender procurement management system, and regularly sorts out the weaknesses in key aspects such as purchase plans, procurement processes, purchase contracts and product quality in a full range to make remedies one by one, so as to establish a long-standing sound management system



↑ The Company's electronic tender procurement management system

Product Responsibility

Improving quality to ensure smooth traffic

Adhering to the quality management policy for “safe, smooth, high-quality and efficient” traffic, and focusing on the construction of “a model of comfortable roads”, the Company deepens the new development philosophy of “scientific, intelligent, high-quality, safe and green maintenance”, to ensure sound, intact and unobstructed expressways and facilities. It has been improving the road smoothing system, by revising the Administrative Measures for Road Smoothing, strengthening the linkage with the traffic police and the units in charge of road sections, and refining the “Stop-by-Stop Policy” to give full play to the synergies of the joint system “All Parties Support Any Highway”, which have improved the smoothness of heavy traffic during holidays and ensured the immediate and efficient clearance and rescue. We continue to improve our capability of rapid response and comprehensive handling, to build a smooth and orderly road network which satisfies the public, provides strong protection and occupies a leading position in the industry.

During the Reporting Period, the sections under our management and maintenance of highways in Zhejiang Province had the average PQI of **95.04**, PCI of **96.90**, RQI of **93.37** and RDI of **95.84**, with a pass rate of **100%** and a qualification rate of **92.98%** in terms of the technical conditions of the road surface (evaluated by kilometers), and there were no sub-standard roads. All bridges and tunnels fell into class **3** or above, and no road sections ranked among the last three in the provincial maintenance check.

During the Reporting Period, the total number of vehicles passing through our toll stations was **420.11** million and the accident rate per million vehicles per kilometer was **0.47%**. The average response time required for the deployment of rescue teams after receiving a request for rescue was **1.95** minutes. The average arrival time after receiving the request was **8.59** minutes, and the average duration of rescue operation was **19.47** minutes, with the customer satisfaction rate related to clearance and rescue of **99%**.



Case: Intensive maintenance efficiently shortened the duration of road closure

In 2021, the Company implemented the integrated intensive construction or off-peak construction in the nighttime for road maintenance, and considered and developed the Guidance on Intensive Construction Work, to scientifically regulate maintenance and construction entities. The cutoff integrated intensive construction was carried out for 9 times at Hangzhou-Ningbo Expressway, Shangsang Expressway, Ningbo-Taizhou-Wenzhou Expressway, Ningbo-Jinhua Expressway, Lianhang Expressway and the North Line of Qianjiang Channel, which reduced the frequencies of road closures by about 984 times, shortened the duration of road closures by around 8,796 hours, and increased the construction efficiency (RMB0'000/hour) by about 10.5 times as compared with the construction by traditional means. The Company explored the scientific maintenance and construction of heavy traffic roads, and implemented for the first time intensive construction through long-distance diversion of the eight-lane section at Hangzhou-Ningbo Expressway at night, with a decrease in the maximum congestion duration, the maximum traffic length in congestion, and the number of traffic accidents caused by congestion due to construction of approximately 85%, 2.5 kilometres and 91% respectively, as compared with the construction by occupying other lanes at Hangzhou-Ningbo Expressway in 2020.



Innovative and intelligent upgrades

Improving the ability of scientific and technological innovation is a backbone for the Company's development. Sticking to the direction of "science and technology boosting the road", and focusing on the transformation and upgrading to informationized, intelligent and green expressways, the Company enhances digital empowerment, and steadily promotes the construction of digital Zhejiang Expressway, as well as deepens the effective linkage between business and technology and inter-sector integration. The Company has increased the investment in innovative platforms such as the Long Bridge Management and Maintenance Centre and the Master Technician Workshop, and actively carried out the combination of production, learning, research and application to enhance the capability to gather innovative resources and transform innovation results, thus continuously improving the intelligent expressway, intelligent maintenance, intelligent operation and intelligent service, and striving to become the main force in respect of innovation and creation in the industry.

During the Reporting Period, there were **9** new utility model patents and **7** new software copyrights including **5** for maintenance and 1 for invention. **The innovative achievements were granted the Classic Work Award of Chinese Informationized Expressways in 2021 and the First Prize of Science and Technology Progress Award of China Communications and Transportation Association in 2020.**

Intelligent expressway

- ◆ The Company has upgraded the monitoring system in the pilot section of the intelligent Shanghai- Hangzhou-Ningbo Expressway (Phase I), and improved the cloud platform data governance, software application functions and related hardware testing studies to refine the implementation plan of the intelligent expressway (Phase II)
- ◆ The Company has built a Zabbix control system which monitors the basic operation properties and status of all servers and industrial controllers related to the gantry mounting system, ensuring stable operation of the system
- ◆ The Company has integrated the servers at portals and built available high platforms for ETC portals at provincial borders and heavy traffic sections, ensuring normal operation for 7*24 hours of the servers
- ◆ The Company has implemented renovation works for the electrical and mechanical equipment of tunnels, and commenced the works for guidance to escape from tunnels and entrance control systems

Intelligent maintenance

- ◆ The Company has continuously improved the management system related to routine maintenance, and completed the maintenance safety inspection, site evidence collection for hidden projects, crossing projects and the development of idle resources exhibition board, realizing portable maintenance and information-based and closed management
- ◆ The Company has piloted the application of a new intelligent slope remote monitoring system, which effectively enhances the ability of early warnings and prevention and control of the geological hazards of slopes
- ◆ The Company has piloted the application of height limit warning monitoring system for under-bridge passageways, which gives an early warning of the entering vehicles of over-height and traces accidents, enhancing the safety control of bridges
- ◆ The Company has completed the connection of the health monitoring system for four bridges at Ningbo-Zhoushan Expressway to the dynamic safety monitoring system for major bridges and tunnels in the province
- ◆ The Company has tackled the difficulties in the key technology relating to vortex vibration prediction and early warning for cross-sea bridges, and completed the vortex vibration identification and the development of warning sub-system for Xihoumen Bridge
- ◆ The Company has developed a guardrail robot, and actively explored the replacement of human with the robot in high-risk areas such as weed removal in the middle belt and early warning of road-related operations, effectively reducing security risks

Intelligent operation

- ◆ The Company has introduced the "Zhi Ding Guan Jia" business system, which incorporates 7 management parts, i.e. comprehensive office, personnel, safety supervision, operation and smoothing, equipment maintenance, dispatch inspection and statistical analysis, and over 20 applications, with nearly 100 functions, effectively addressing the difficulties in online handling of basic business
- ◆ The Company has proceeded with the work of digital trading and completed the access to the financial sharing system
- ◆ The Company has procured to sort out the inventories of digital assets across the Group to enhance the information and data management of the Company

Intelligent service

- ◆ The Company has innovatively developed the applications such as "Chang Xing Code (暢行碼)" and "Drive away Nearby" for over-limited vehicles for toll stations, effectively enhancing traffic efficiency
- ◆ The Company has optimized the intelligent management at toll collection sites, by taking the lead in piloting automatic card issuing at entrances in the province, and innovatively revamping the "self-service card issuing machines based on vehicle type identification library". The coverage rate for configuration of automatic card issuing machines at entrances and automatic identification management system was over **15%** during the Reporting Period
- ◆ The intelligent self-service toll collector has been introduced to effectively increase traffic efficiency
- ◆ The Company has completed the construction of network status sensing and "Three Networks Isolation" system for toll collection system
- ◆ The Company has introduced the "Zhi Zai Kiosk (智在亭)" code scanning service, to provide one-stop intelligent services
- ◆ The Company has improved the customer service platform system and introduced distinctive applications such as points redemption and traffic benefits, with **17,000** active users during the Reporting Period

Case: ETC free flow system provided a friendly and convenient traveling experience with contactless payment

In 2021, Chang'an Toll Station of Jiaying Admin Center and West Zhoushan Toll Station of Zhoushan Admin Center put into use the latest contactless payment system - ETC free flow system for ramps and main roads. By mounting ETC portal frames on the main roads in front of toll stations, the expressway toll can be identified and showed at an exit lane before a vehicle has yet completely got into the toll station, and the lever can be lifted early, realizing contactless payment. The transaction time is a half of that of the general ETC lanes, and the vehicles with ETC travel faster, with the efficiency being increased by 50%. It allows people to experience more comfortable and faster travelling.



The tunnel orbital intelligent inspection robot was put into use at the Maa Ling Tunnel



The first highway construction management inspection robot in China was put into use at the maintenance work site of G50 Expressway



Improving service quality

The Company firmly targets at building the No. 1 brand of highway operation service providers under the new toll collection model, and highlights the concept of broad service in all respects. Centralizing on the experience of drivers and passengers, the Company has optimized the service system, upgraded the construction of service areas, and improved its service quality. It has carried out special actions to provide a full range of service to drivers and passengers entering and leaving expressways, so as to continuously improve the satisfaction of drivers and passengers.



Improving the service system

- ◆ The Company has revised the "Comprehensive Evaluation of Service Quality at Toll Stations", the "Standards for Expressway Operation and Management" and other regulations
- ◆ The newly added operating mileage was 89 kilometers, and the addition and expansion of 7 pairs of service areas and 1 pair of parking areas for hazardous chemicals were arranged.
- ◆ The Company has enhanced its complaint acceptance capability, established a complaint ledger template and refined the complaint process, with **100%** complaint response rate

Enhancing service quality

- ◆ The Company has strengthened the brand building of the toll collection service "Zhi Zai Xing (智在行)" and developed a distinctive service plan for each station
- ◆ The Company has organized a special improvement event of providing service with smile regardless of the mask
- ◆ The Company has improved the force of elite collection instructors and the training system and organized the training on core and difficult businesses including work order processing on the audit platform and emergency response of the collection system, as well as conducted regular exercises

During the Reporting Period, the general customer satisfaction rate was **98.22%**. There was no litigation involved in intellectual property rights or the leakage of customer privacy.

Refining the toll collection policy

- ◆ The Company has piloted the introduction of differential pricing for commuter monthly tickets on the Shangsán Expressway
- ◆ The Company has introduced customised and differentiated services such as points discount and exchange, discount in service areas and highway + travel portfolio

Case: "Zhi Zai Kiosk" facilitated the intelligent service

In August 2021, the Company conducted in-depth research on customer needs, and in combination with the branding of the toll collection service "Zhi Zai Xing", established an intelligent service kiosk - "Zhi Zai Kiosk" - at Shaoxing Toll Station. Through code scanning, the Kiosk innovatively provides one-stop intelligent services such as temporary rest, smart enquiry, self-service shopping, cloud printing of ETC invoices and free tools and medicines borrowing, realizing a new mode of convenient services that are unattended and self-served throughout the process. The Kiosk is also equipped with a dedicated 24-hour manual service line on E duty, which enables drivers and passengers to obtain manpower assistance via the intercom system installed in the Kiosk. As of the end of 2021, the Kiosk has served hundreds of people in aggregate and received positive feedback from drivers and passengers.



Case: Deduction and exemption of tolls helped fighting against the epidemic and secured urgent transportation and travel

Since February 2020, in order to meet the needs of epidemic prevention and control, all operating toll stations of the Company have opened "green channels" for the transportation of anti-epidemic supplies, with eye-catching guiding signs in the lanes and field personnel taking the initiative to guide, ensuring that those vehicles with relevant permits are checked and released free of charge as soon as possible. According to the requirements of Opinions of the Provincial Party Committee and the Provincial Government on Resolutely Defeating the COVID-19 Epidemic and Stabilizing Enterprises, Economy and Development with All Efforts, from 12 February 2020, we have offered a 35% discount on tolls for all container trucks travelling through the toll stations and stopped charging the entrance fees. For all qualified trucks with ETC and Class-3 and Class-4 passenger vehicles with ETC, a 15% discount has been offered on the tolls for three months. As of the end of 2021, the toll stations under the Company have released more than 3,000 vehicles for emergency transportation free of charge.

Case: The Company won 14 awards including "The Most Beautiful Toll Collector in China" and "The Most Beautiful Highway Service Window in China"

In the contests of **"The Most Beautiful Toll Collector in China"**, **"The Most Beautiful Highway Service Window in China"**, and the **"Selected Outstanding Culture Brands in Transportation"**, Liu Qiong from Ninghai Station of Ningbo Admin Center, and Ding Jianying from North Yuhang Station of Huzhou Admin Center were awarded **"The Most Beautiful Toll Collector in China"**; the monitoring team **"Anhui Girl"** of North Hangzhou Admin Center was awarded **"The Most Beautiful Toll Collector Team in China"**; and the **"Qingmiao Xiaomei"** team of Shengxin Station of Shaoxing Admin Center was shortlisted for **"The Most Beautiful Toll Collector Team in China"**; Central Huangshan Station of North Hangzhou Admin Center, Central Shengxin Toll Station and Central Tiantai Toll Station of Shaoxing Admin Center were awarded **"Top 10 Most Beautiful Highway Service Windows in China"**; and Central Longgang Station of North Hangzhou Admin Centre, Central Keqiao Toll Station of Shaoxing Admin Centre, Central Yuyao Toll Station and Central Ninghai Toll Station of Ningbo Admin Centre and South Huzhou Integrated Admin Station of Huzhou Admin Center were awarded **"The Most Beautiful Quality Highway Service Window in China"**, and etc.



Anti-corruption

By strictly complying with national laws and regulations including the Anti-Corruption and Bribery Law, and intensifying the construction of “corruption-free Zhejiang Expressway”, the Company continues to improve the incorruptibility management system and administration mechanism. According to the requirements of the *Opinions on Intensifying the Construction of the Accountability System for Non-compliant Operation and Investment of Provincial Enterprises and Implementation Measures on the Accountability for Non-compliant Operation and Investment of Zhejiang Communications Investment Group Co., Ltd. (for trial)*, the Company established a General Supervision Department in 2021, highlighting the combination of supervision by both dispatch and inspection, and emphasizing on the audit supervision function, which has strengthened the force of corruption supervision and prevention and control.

The Company has built the "Intelligent Discipline Inspection" platform on Zhi Ding Guanjia to further increase the coverage, accuracy and effectiveness of discipline inspection. It has also conducted in-depth incorruptibility education to keep improving the incorrupt practice of all employees, and intensified the creation of a clean culture position and atmosphere, striving to promote the formation of a clean and honest corporate atmosphere.

During the Reporting Period, there was no corruption lawsuit brought against the Company.



We organised a special training of anti-corruption for the management personnel

Case: Digital intelligence empowered discipline supervision, to further upgrade "corruption-free Zhejiang Expressway"

Relying on Zhi Ding Guanjia, the Company actively explored the construction of digital and intelligent discipline inspection, and compiled the Digital and Intelligent Discipline Inspection Manual. By applying big data and information technology to discipline inspection, it has established a real-time "cloud supervision" platform by way of on-site inspection and leveraging on the toll operation monitoring system and the intelligent expressway monitoring and directing system, and formed a closed loop between supervision and inspection and rectification by means of, among others, dispatching orders online to supervise the rectification, online follow-up supervision, online rectification feedback and regular notification and disclosure. Through One-click Report by WeChat code scanning, Snapshot for Work Practices and other means, zero-distance supervision was realized. Also, the Company has built an incorruptibility warning education module online, which incorporates, among others, the analysis of typical cases, warning education videos and theoretical knowledge illustrations, creating a warning education cloud platform.



Community Investment

The Company cares about the community and is committed to creating a harmonious community atmosphere. It took part in the pairing system for poverty alleviation, aggressively participated in community charity activities and stimulated the initiative of voluntary employees. It also organised charity activities and provided volunteer services in respect of helping the elderly and the young and caring for the disadvantaged group, to promote the boom of the community together.

During the Reporting Period, the Company had **1,009** volunteers and conducted an average of **9** volunteer activities per month. It engaged in **6** charity events throughout the year, and the annual contribution to public welfare was RMB1,700,000, representing a year-on-year increase of **44%**.



Since 2009, we have been carrying out the publicity event "Go to the Island And Fishing Villages" to build a safe bridge for **12** consecutive years.



In 2015, the Company's "Little Red Hat" volunteer team was established, which has carried out volunteer services for over **120** times, repaired more than **600** small household appliances and served **26** sub-districts and villages in aggregate



We organised a "villagers' market" event and conducted sales and purchase on site together with the supported villages to broaden the sales channels of agricultural products

INDICATOR INDEX

Aspects	Indicator no.	Description of indicators	Disclosure	Location in the report
Environmental				
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.	√	P9
	A1.1	The types of emissions and respective emissions data.	√	P7-9
	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).	√	P9
	A1.3	Total volume of hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	√	P7
	A1.4	Total volume of non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	√	P7
	A1.5	Description of emission target(s) set and steps taken to achieve them.	√	P7
	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.	√	P7
A2: Use of Resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	√	P8
	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).	√	P8
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	√	P8
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	√	P8
	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.	√	P8
	A2.5	Total volume of packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as the product is a service	
A3: The Environment and Natural Resources	General disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	√	P8
	A3.1	Description of the significant impact of business activities on the environment and natural resources and the actions taken to manage the same.	√	P8
A4: Climate Change	General disclosure	Policies on the identification of significant climate-related issues which have impacted and may impact the issuer and the responses thereto.	√	P9
	A4.1	Description of the significant climate-related issues which have impacted and may impact the issuer,	√	P10

Aspects	Indicator no.	Description of indicators	Disclosure	Location in the report
Social				
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.	√	P11
	B1.1	Total workforce by gender, employment type (e.g. full-time or part-time), age group and geographical region.	√	P11
	B1.2	Employee turnover rate by gender, age group and geographical region.	√	P11
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.	√	P12
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	√	P12
	B2.2	Lost days due to work injury.	√	P12
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	√	P11-14
B3: Development and Training	General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	√	P15
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	√	P15
	B3.2	The average training hours completed per employee by gender and employee category.	√	P15
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.	√	P16
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	√	P16
	B4.2	Description of steps taken to eliminate such practices when identified.	√	P16
B5: Supply Chain Management	General disclosure	Policies on managing environmental and social risks of the supply chain.	√	P17
	B5.1	Number of suppliers by geographical region.	√	P17
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	√	P17
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	√	P17
	B5.4	Description of practices used to promote the use of environment-friendly products and services when selecting suppliers, and how they are implemented and monitored.	√	P17

Aspects	Indicator no.	Description of indicators	Disclosure	Location in the report
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 remedies.	√	Health and safety P12 Advertising and labelling are not applicable as the product is a service
	B6.1	Percentage of total products sold or delivered subject to recalls for safety and health reasons.		Not applicable as the product is a service
	B6.2	Number of products and service related complaints received and how they are dealt with.	√	P20 Product returns are not applicable as the product is a service
	B6.3	Description of practices relating to preserving and protecting intellectual property rights.	√	P19
	B6.4	Description of quality assurance process and recall procedures.		Not applicable as the product is a service
	B6.5	Description of policies on consumer data protection and privacy, and how they are implemented and monitored.	√	P21
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.	√	P22
	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.	√	P22
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	√	P22
	B7.3	Description of anti-corruption training provided to directors and staff.	√	P22
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.	√	P22
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	√	P22
	B8.2	Resources contributed (e.g. money or time) to the focus areas.	√	P22

VERIFICATION STATEMENT

VERIFICATION STATEMENT OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

Pursuant to the engagement by Zhejiang Expressway Co., Ltd. (“Zhejiang Expressway” or the “Company”), Hangzhou Wantai Attestation Limited Company (“Wantai Attestation”) has conducted an independent review verification on the 2021 environmental and social responsibility report of Zhejiang Expressway (the “Report”).

Zhejiang Expressway is responsible for the information collected, analysed, compiled and disclosed in the Report, whereas Wantai Attestation 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 2021 environmental and social responsibility 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 (2021);
- The locations of verification including relevant departments of Zhejiang Expressway Co., Ltd., which is situated at No. 2, Mingzhu International Business Center, 199 Wuxing Road, Hangzhou City, Zhejiang Province, China, namely the Party group department and union office, discipline inspection and supervision office, audit department, human resources department, operation management department, maintenance management department, as well as the Information Centre in Pengbu Town, Hangzhou City. We did not interview other business units and stakeholders of Zhejiang Expressway Co., Ltd.;
- We assessed the processes including collection, analysis and inspection of the information in the Report.

The verification is conducted on March 24, 2022.

Verification Process

The verification process includes the following activities:

- Assess the information and documents provided by Zhejiang Expressway;
- Interview the personnel of Zhejiang Expressway responsible for collecting the information in the Report;
- Examine the public information published on the related websites and media, and verify the relevant data and information in the Report at random;
- Assess the balance of the content and reporting structure, comparability, accuracy, timeliness, clarity and reliability of the data disclosed in the Report with reference to the requirements of Environmental, Social and Governance Reporting Guide (revised 2019) in the Appendix 27 to the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange Listing Rules”), and if applicable, with reference to the requirements of Guidance on Climate Disclosures, Practical Net-Zero Guide for Business and GRI Standards issued by the Global Reporting Initiative.

Verification Conclusion

- The 2021 environmental and social responsibility report prepared by Zhejiang Expressway Co., Ltd. objectively reflects the progress of the Company’s performance of social responsibilities in 2021 and the performance results obtained. By random verification, the information in the Report is reliable and objective. Wantai Attestation is not aware of any systematic or material mistakes. The information disclosure is clear, understandable and accessible;
- The Report is prepared based on the structure of the Environmental, Social and Governance Reporting Guide (revised 2019) of Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange Listing Rules”) in the manner that the requirements of the Guide are implemented, and the expectations and demands of the stakeholders are responded.

- **Completeness:** The Report of Zhejiang Expressway covers all material issues identified and their boundaries, which give a full picture of their important impacts as to the environmental and social aspects such that the stakeholders can assess the performance of Zhejiang Expressway during the Reporting Period.
- **Balance:** The Report is in compliance with the principle of balance which truly discloses both positive and negative information.
- **Comparability:** The Report discloses various performance indicators of Zhejiang Expressway for 2021 and historical data have been disclosed for emissions and the use of resources. These data allow the stakeholders to understand the improvement in performance each year.
- **Accuracy:** The information set out in the Report is accurate where qualitative and quantitative information of many performance indicators is publicly disclosed to the stakeholders.
- **Timeliness:** The data and information set out in the Report are timely and valid during the Reporting Period. Social responsibility report is published as and when appropriate, indicating its good timeliness.
- **Clarity:** The Report takes a combination of forms including textual description, charts, remarks and photos as well as case studies such that the stakeholders can easily understand it.
- **Reliability:** Through timely collection, record and analysis review of the information and data set out in the Report of Zhejiang Expressway, the information and data disclosed in the Report are true and reliable.

Rectification Recommendations

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

- It is advised to further quantify the indicators in respect of energy saving, carbon emission and response to climate changes, and disclose in more details the performance indicators so as to satisfy the increasingly stringent disclosure requirements of the Hong Kong Stock Exchange.
- It is advised to strengthen the data collection on waste classification in the environmental aspect.
- It is advised to optimise the description of the practices relating to preserving and protecting intellectual property rights to fully execute the undertaking of social responsibilities. A reasonable increase in the case studies can enrich the contents of the social responsibility section.

Special Statement

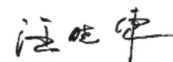
This verification statement does not include:

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

Statement of Independence and Competence

Hangzhou Wantai Attestation Limited Company is the most longstanding third-party professional institution in China engaging in attestation. The qualifications of Wantai Attestation are recognised by Certification and Accreditation Administration of the People's Republic of China ("CNCA") and its professional competence is accredited by China National Accreditation Service for Conformity Assessment ("CNAS") and ANSI-ASQ National Accreditation Board. Its businesses cover three major types of attestation namely management systems, products and services. It is currently one of the large-scale comprehensive attestation institutions in China with the most complete range of certifications and qualifications and the largest scope of business.

Hangzhou Wantai Attestation Limited Company 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. Wantai Attestation is not involved in the compilation of the Report.



Signature of
General Manager

Date: March 24, 2022