

# 2020

## *Environmental and Social Responsibility Report*



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

STOCK CODE : 0576



# ABOUT THIS REPORT

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## REPORTING PERIOD

This report covers the reporting period from January 1, 2020 to December 31, 2020 (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 of the Hong Kong Stock Exchange.



## 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.

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## Chairman's Statement



Looking back at 2020, we strived to place the pandemic under effective control to ensure smooth business operation. We aimed to build a renowned brand for expressway operations and services under our new operation management model to boost economic development and to provide satisfying travel experience to the people.

We are concerned about the impact of our operations on the environment and have assumed social responsibility in our legitimate and compliant operations. For the environment, we proactively identify environmental emission factors and take measures to save energy and reduce emissions continuously. For social responsibility, we care about the needs of our employees internally and, at the same time, actively provide external support to charity. This year, to support pandemic prevention and control, the Company actively donated fund and necessities, organized multiple volunteer actions to assist pandemic prevention and control efforts, and ensured smooth and orderly operation of the expressways and toll stations under its management.

With adjustments made to our toll collection and management system, the Company will start on a new foundation to integrate its corporate development concept and brand proposition, continuously improve its social responsibility management system, optimize its risk control structure, accelerate intelligent expressways, and enhance the overall operational efficiency with technology empowerment. The goal is to allow the Company to operate harmoniously with our society and our environment.

**YU Zhihong, Chairman**  
March 23, 2021

# Environment

## 1 Emissions

### 1.1 Air emissions

The Company's waste gas emissions are mainly derived from motor vehicles, including nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>) and particulate matters (PM). In 2020, the Company's emissions of nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>) and particulate matters (PM) were 13,030 kg, 20 kg and 690 kg, respectively<sup>note 1</sup>.

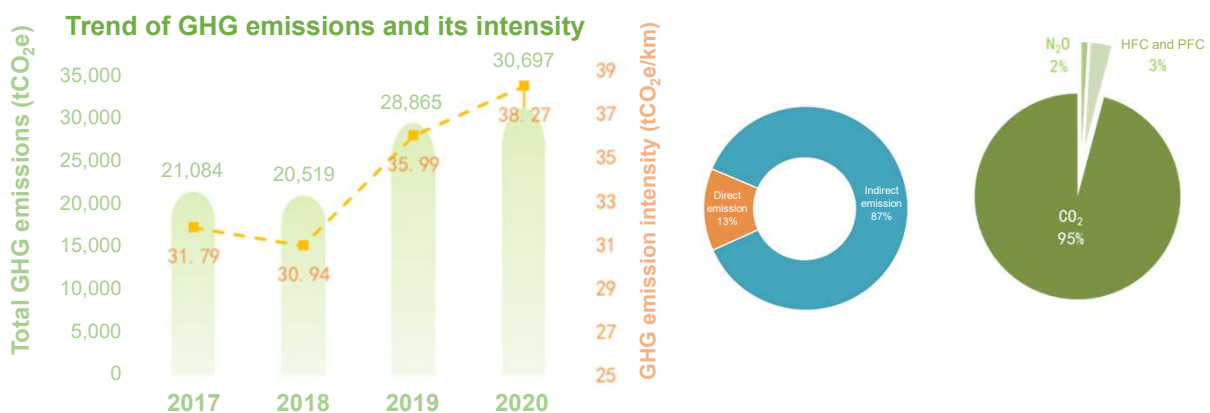
The graph on the right illustrates various types of emissions (kg) in the past three years<sup>note 2</sup>.



### 1.2 Greenhouse Gas (GHG) emissions

In 2020, the Company's total GHG emissions were 30,697 tonnes of carbon dioxide equivalent <sup>note 3</sup>, of which 95% were carbon dioxide, the majority of our GHG emissions. Among our GHG emissions, direct (Scope 1) GHG emissions were 4,141 tonnes of carbon dioxide equivalent and indirect (Scope 2) GHG emissions were 26,556 tonnes of carbon dioxide equivalent. The GHG emission intensity in 2020 was 38.27 tonnes of carbon dioxide equivalent/km, representing an increase of 6.35% as compared with that of 2019.

According to our internal analysis, the reason behind it was the increase of 6.32% in indirect energy emissions caused by electricity consumption. In 2020, the removal of expressway toll stations at provincial borders and addition of more than 300 sets of equipment and facilities such as new toll collection antennas, main lane gateway systems and network security systems had contributed to an additional electricity consumption of approximately 2.8 million kWh. Excluding the above-mentioned factors, the Company's total GHG gas emissions in 2020 would be 28,933 tCO<sub>2</sub>e, with a GHG gas emission intensity of 36.07 tCO<sub>2</sub>e/km, an increase of 0.24% as compared with that of 2019, which was substantially stable.



Note 1: NO<sub>x</sub> and SO<sub>x</sub> 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.

Note 2: In 2019, Shenjiahuhang Expressway and Zhoushan Bay Bridge were newly included. Same in thereafter.

Note 3: 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).

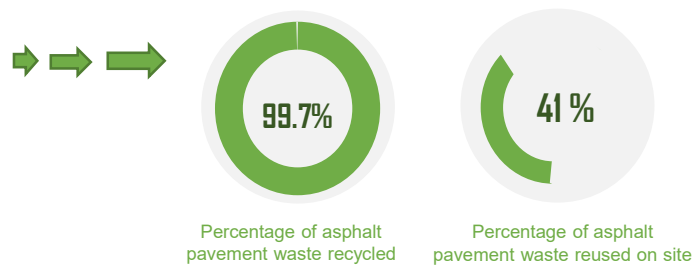
# Environment

## 1.3 Waste emissions

The Company's hazardous waste mainly consists of road maintenance waste and its non-hazardous waste mainly consists of domestic waste.

The total amount of used asphalt material generated in 2020 was 173,100 tons.

100% of our domestic waste was disposed of by entrusted local cleaning service providers. There is no calculating method for the total amount of waste generated for now.



## 1.4 Emission reduction measures

The Company's waste gas and direct greenhouse gas emissions mainly come from gasoline and diesel used in motor vehicles, while its indirect GHG emissions mainly come from electricity consumed. The Company has set energy saving targets, which are monitored and evaluated regularly, of 1% reduction in electricity, gasoline and diesel fuel consumption in each administration center and has adopted various measures to reduce pollutant and GHG emissions.

### Continuous promotion of green and low-carbon travel

- Promote the "135" green and low-carbon travel mode;
- Strengthen daily management of company vehicles and production vehicles, prioritize the purchase of energy-saving, low-emission green vehicles, and retire high energy-consuming and high-emission vehicles timely;
- Establish a sound management system to regulate company vehicles usage, complete the filing of company vehicles, arrange reasonable routes for vehicles to match travel needs, reduce the travel distance of empty vehicles, and improve the efficiency of company vehicles usage.

### Continuous promotion of green office

- Strictly implement the procurement system to prioritize the purchase of energy-saving green products;
- Strictly enforce the requirements concerning air-conditioning temperature, that it should not be lower than 26° C in summer and not higher than 20° C in winter;
- Explicitly require our staff to make full use of natural lighting during office hours to reduce electricity consumption from lighting equipment;
- Require our staff to turn off lights and switch off office equipment when leaving office, in order to prevent unneeded and prolonged lighting.

### Continuous promotion of green technology transformation

- **708** LED lighting were installed in 2020, contributed to an estimated annual electricity savings of RMB**64,000**;
- "Green Sunshine Carport" is a photovoltaic power generation project in Jiaying. In 2020, it generated **244,400** kWh of electricity, of which 59,800 kWh were outputted to the grid and 184,600 kWh were for our own use, reducing **191,885.4** kg of carbon dioxide emission.

### "Green Sunshine Carport"





## 1.4 Emission reduction measures

### ● 100% utilization of maintenance waste

The use of “low-carbon, eco-friendly and high-efficiency” on-site thermal regeneration technology for maintaining asphalt pavement enables 100% reuse of the original asphalt pavement material. Waste generated from maintenance works that is not compatible with this technology will be used for slope or lower-level road maintenance, and thus nearly 100% of maintenance waste will be reused.

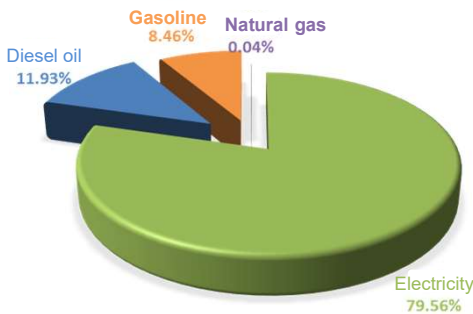
### ● Waste reduction

We encourage the sorting and disposal of used items and promote the recycle of kitchen waste, old newspapers, used bottles, packaging material and other waste into useful resources. To advocate the idea of paperless office, we utilize the Company’s OA office system for document processing to save paper, reduce the need of printing documents with the help of WeChat, QQ and other document sharing applications, and share one printer among several computers and save paper with double-sided printing.

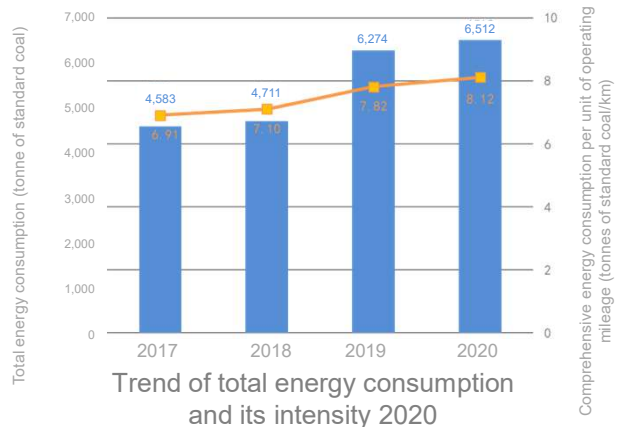
## 2 Use of Resources

### 2.1 Energy

The Company consumes energy including electricity, diesel oil, gasoline and natural gas. Total energy consumption in 2020 was 6,512 tonnes of standard coal<sup>note1</sup>, of which electricity was the most heavily used, accounting for around 80% of the total energy consumption. Comprehensive energy consumption per unit of operating mileage in 2020 was 8.12 tonnes of standard coal/km, an increase of 3.78% compared with 2019.



Breakdown of energy consumption in 2020

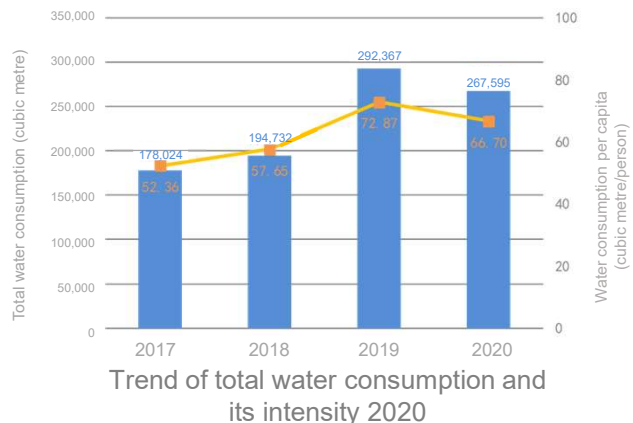


Trend of total energy consumption and its intensity 2020

### 2.2 Water resources

In 2020, total water consumption was 267,595 cubic metres, and water consumption per capita was 65.89 cubic metre/person, a decrease of 9.58% compared to 2019.

The Company continues to endeavor to save water and reduce consumption by using water-saving appliances to reduce water usage. The Company keeps strengthening its regular maintenance and management of water supply equipment. Water pipes and parts are inspected regularly and will be replaced once aged. Water faucets will be shut off immediately after usage to eliminate emission, seepage, dripping and leaking and avoid unattended running faucets.

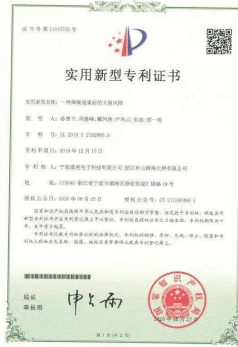


Trend of total water consumption and its intensity 2020

Note 1: The standard coefficient is quoted from the GB/T 2589-2008 General Principles for the Calculation of Comprehensive Energy Consumption.

## 3 The Environment and Natural Resources

The Company has taken a series of steps to mitigate the impacts of its operations on the environment and natural resource.



### Reduce noise emissions

In 2020, the Company applied successfully for a new patent “wind barrier on bridges with effective noise reducing function”, which performs well in noise isolation. Cotton sound insulation are 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.

The Company will continue to install sound barriers on various sections of expressways under its operation to reduce noise pollution.



### Use of renewable energy

The Company is committed to the use of renewable resources.

Electricity generated from our distributed photovoltaic power stations are supplied directly to the administration centers for their own use, while the electricity unconsumed will be distributed directly to the grid; electric car charging piles were installed next to the photovoltaic power stations to charge electric cars with photovoltaic power and fulfill the needs of low-carbon travel of most of our employees.

Solar-powered hot water central heating system was used.

Solar-powered wireless synchronized guiding signals were developed and upgraded.



### Reuse of waste materials

In 2012, on-site thermal regeneration technology was first used in Hangzhou section of Hangzhou-Ningbo Expressway, followed by other sections in that highway. On-site thermal regeneration of 190,700 square metres were completed in 2020. Our on-site thermal regeneration for asphalt pavement obtained outstanding energy saving and emission reduction results and had effectively reduced pollution. It is estimated that using on-site thermal regeneration technology in our works on a single carriageway road can reuse 100% of used material and save 0.65 tonnes of heavy oil, 15.95 tonnes of asphalt, and 353 tonnes of new materials per lane/kilometer compared with the traditional milling and paving method, thus reducing CO<sub>2</sub> emissions.

## 4 Climate Change

The Company has always been monitoring climate change issues and has incorporated climate change responses into its corporate strategic management to pursue sustainable development in the process of addressing climate change. The Company has established energy-saving and emission reduction targets and action plans, such as reducing energy consumption through projects including the upgrade to LED lighting; and building photovoltaic power stations to reduce pollution and GHG emissions from fossil fuels at source by using renewable energy, in order to achieve sustainable development.



## 5 Employment

As an enterprise of modern management, the Company begins its new chapter of quality and efficiency enhancement with its concept of “strengthening the enterprise with talents”. Adhering to the open and fair talent selection and recruitment principles of “being both virtuous and talented, morality first, emphasis on performance”, the Company has performance assessment and compensation incentive mechanism and a refined personnel management system in place to protect the legal rights and interests of our employees and to boost their enthusiasm and creativity.

### Compliance with laws and regulations

Labour Law of the People’s Republic of China  
 Law of the People’s Republic of China on the Protection of Minors  
 Provisions on Prohibition of Child Labour  
 Interim Provisions on Labour Dispatching



### Recruitment channels adopted

Campus recruitment  
 Open recruitment  
 Referral and self-recommendation  
 Recruitment agency and other channels

### Workforce:

During the Reporting Period, the Company had **4,061** employees.



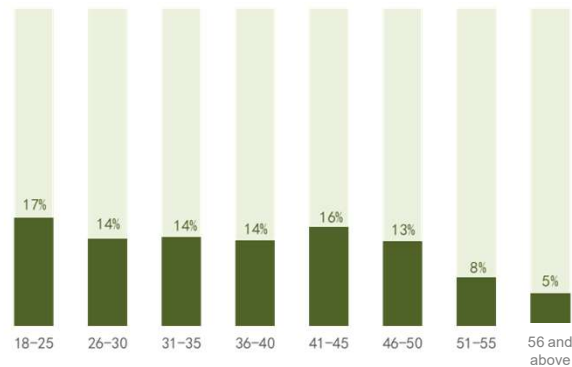
44%



56%

### Province of origin:

Zhejiang, Anhui, Jiangxi, Jiangsu, Henan, Shanxi, Sichuan, Hubei, Heilongjiang, Fujian and other provinces.



### Employee turnover:

During the Reporting Period, 404 employees left and 50 employees retired.

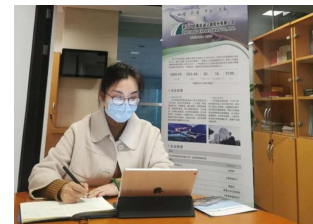
Turnover ratio was 4:5 by gender (male to female) and 23.5% of employees left were contract workers. They came from different regions and there were no significant regional differences.

### Percentage of employees by age group

### Anti-epidemic efforts – “Cloud Recruitment”

To strictly implement the idea of Central Committee and Provincial-level Committee of the Party on coordinating pandemic prevention and control with economic and social development, the Company spearheaded new work arrangement on the first instance and spared no effort to establish its talent pool to “stabilize employment and advance development” amidst pandemic prevention and control.

The Company conducted all spring recruitment sessions online with contactless recruitment processes such as online posting, consultation, screening, interviewing and evaluation. In order to further understand the background of our applicants, our Human Resources Department conducted video interviews to select suitable candidates after initial screening of resumes and preliminary interviews. In addition to addressing the Company’s actual employment needs, “Cloud Recruitment” also fulfilled the needs of applicants, demonstrating the Company’s willingness to assume responsibility during the pandemic.



Video interview

## 6 Health and Safety

Adhering to the “people-oriented, safety first, prevention priority, comprehensive governance, and secured development” production safety policy as well as the management principle of close integration of operation and production safety, the Company continuously implements the production safety target-oriented responsibility system and the security risk mortgage system, which have defined the production safety duties and responsibilities in each position, thus substantially maintaining a standardized safety operation procedures that inherently matches the characteristics of the job.



### Continuous strengthening of safety production supervision and inspection efforts

Our Safety Supervision Department organized **128** safety inspections and supervised the rectification of **376** issues;

Relevant business departments conducted **97** safety inspections and supervised the rectification of **153** issues;



### Clarify safety responsibilities

A list of rights and responsibilities for safety was compiled for general workers to ensure that safety responsibilities were assigned to the workers and positions and that tasks will be assigned according to positions;

### Safety-related activities

Third-party safety performance evaluation and activities on essential safety production skills were organized to guide our departments and employees to understand and fulfill their responsibilities through third-party evaluation, on-site consultation and survey evaluation.

### Staff protection:

The Company provides personal accident insurance and work injury insurance for all employees, arranges regular body checks for employees and purchases protective gears to protect employees on duty as needed, such as reflective vest and smart helmets. To protect the mental health of our employees, each staff station has a specific mental consultation room and areas for emotional release with 11 qualified counselors.

### During the Reporting Period:

no incident of occupational disease occurred among employees and a total of 1,514 lost days due to work injury were recorded.

### In the past three years (including the Reporting Period):

Work fatality: 1, representing 0.02%.

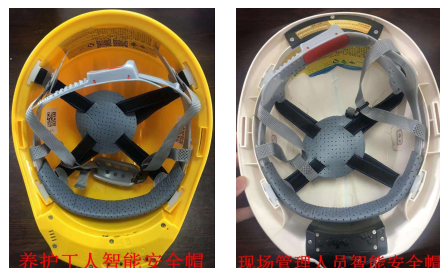
### “Pandemic prevention and control platform”

In February 2020, Zhoushan Management Center developed its own pandemic prevention and control platform, which can perform speedy analysis about employees and vehicles entering and leaving Zhoushan, enabling the health management of our employees and providing comprehensive reasonable data to support pandemic prevention and control efforts.



### “Cloud Supervisor”

Zhoushan Bay Bridge has an intelligent “Cloud Supervisor” system which uses intelligent safety helmet as the carrier to realize real-time connection between front-end operation and backstage management through intelligent safety remote monitoring system. It can improve the overall safety management standard and protect the safety of construction workers.



## 7 Development and Training

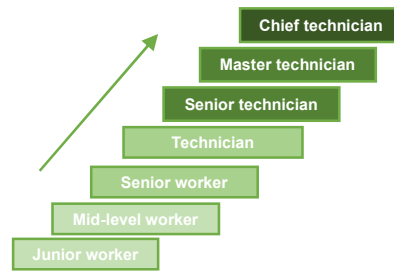
During the Reporting Period, the Company improved its three-channel development system which emphasizes the “management + professional + skill” to give full play to the role of industrial workers in solving practical problems and serve as business benchmark, so as to accelerate balanced development of different talents in the Company.

### Training overview

- Total education and training cost accrued in 2020: over RMB **5.6 million**, a slight increase as compared to last year.
- The Company and its subsidiaries had organized **more than 1,000** education and training events in different forms with **100%** of staff received trainings.
- **Over 10,000** staff attended the trainings.
- Total training hours reached **over 20,000** hours, 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.

### Workforce development

The Company has a sound career development system for its workforce. Our workers can climb the career ladder from junior worker, mid-level worker, senior worker, technician, senior technician to highly skillful positions of master technician and chief technician. The Company focuses on the actual needs of different groups and establishes a multi-pronged three-dimensional motivation system.



### Refined online and offline platform for interactive learning

- The Company’s online training relies on its cloud classroom platform to organize training activities and holiday learning programs under the main concept of “learning from courses”, “being a lecturer” and “encouraging sharing”. Leveraging on the advantages of e-learning of being real-time and timely, the Company shares and builds an internal learning resource database with all employees.
- The platform closely integrated with the external situation and company strategies. Our offline training included large-scale seminars on topics such as big data, the Civil Code, brand building and the 14th Five-Year Plan organized in multiple venues to boost work progress and improve management.



Youth career planning consultation



Toll operation skills test

## 8 Labour Standards

During the Reporting Period,

Labour contract rate was **100%**

Social insurance coverage was **100%**

No labor disputes were recorded

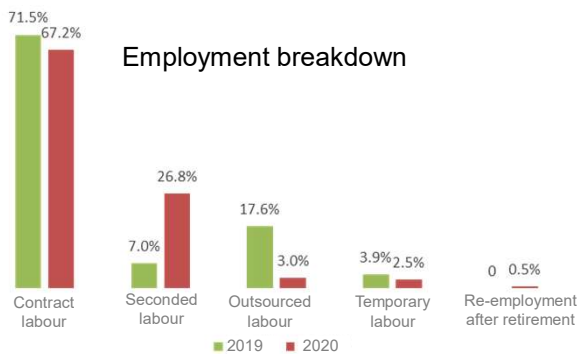
No child labor was used

No forced labor was used

The Company strictly complied with the Law of the People's Republic of China on the Protection of Women's Rights and Interests, Regulation on the Prohibited Use of Child Labour and other laws and regulations. Labour Dispute Mediation Committee, employees' home, mental health consultation room and area for emotional release, alongside with employee assistance funds, Party members service platforms and others, were established to protect employees' rights and interests effectively. Female members are included in the union and special rights such as Women's Day are recognized to protect the rights and interests of female workers. Recuperation system is in place.

During the Reporting Period, employee assistance funds provided RMB **81,000** to assist our employees.

We received **23** requests from our employees through various channels and resolved **23** of them.



During the Reporting Period, the Company had five types of employment, i.e. contract labour, seconded labour, outsourced labour, temporary labour and re-employment after retirement. As compared to last year, re-employment after retirement was added.



In order to help employees make good use of their spare time, effectively relieve employees from their stressful work, and allow them to develop their hobbies, the Company actively organize staff activities, such as mental health training, English conversation sessions and basketball game.

### Anti-epidemic measures - Employee care

During the pandemic, we deepened the implementation of the requirements put forward by the Communications Group and took strong measures to strengthen the supply of pandemic prevention materials and employee safety protection. We immediately ensure that the Communications Group's condolences payment was received by each front-line employee.

We ensure our employees had received sufficient supply of nutrition. In addition to improving the catering provided in our staff canteen, we provided **RMB 300** for each of our front-line staff to buy healthcare food product to improve immunity. At the same time, given the work nature of our employees in staff station, we purchased **over 300** sets of automatic disinfection device.

During the pandemic, the Company purchased **2,000,000** disposable medical masks, **450,000** disposable latex gloves, **28,000** disposable medical gowns and sufficient medical alcohol and disinfectant. We ensure that our front-line employees receive at least two masks per day.

## 9 Supply Chain Management

- The Company is committed to building a standardized, fair, just and transparent tender procurement system, and constantly optimizing the control and supervision of the procurement process.
- The Company has formulated the tender standards in accordance with the Law of the PRC on Tenders and Bids, Regulations on the Implementation of the Law of the PRC on Tenders and Bids, and Regulations of the Zhejiang Province on Tenders and Bids and other laws and regulations.
- The best suppliers are selected based on the principles of openness, fairness, justice and integrity.
- It is explicitly required during the tender process that tenderers shall strictly adhere to principles and rules, uphold integrity and self-discipline, and firmly deny unlawful and non-compliant practices.
- The Discipline and Supervision Department continues to play their role in pre-tender review, supervision and post-tender filing to ensure a standardized process and transparent operation.

### Supplier overview

- In 2020, the Company selected 77 suppliers for our key products, services, and maintenance work, including 58 suppliers in Zhejiang Province and 19 suppliers from other provinces.

**58 suppliers** were based in Zhejiang Province

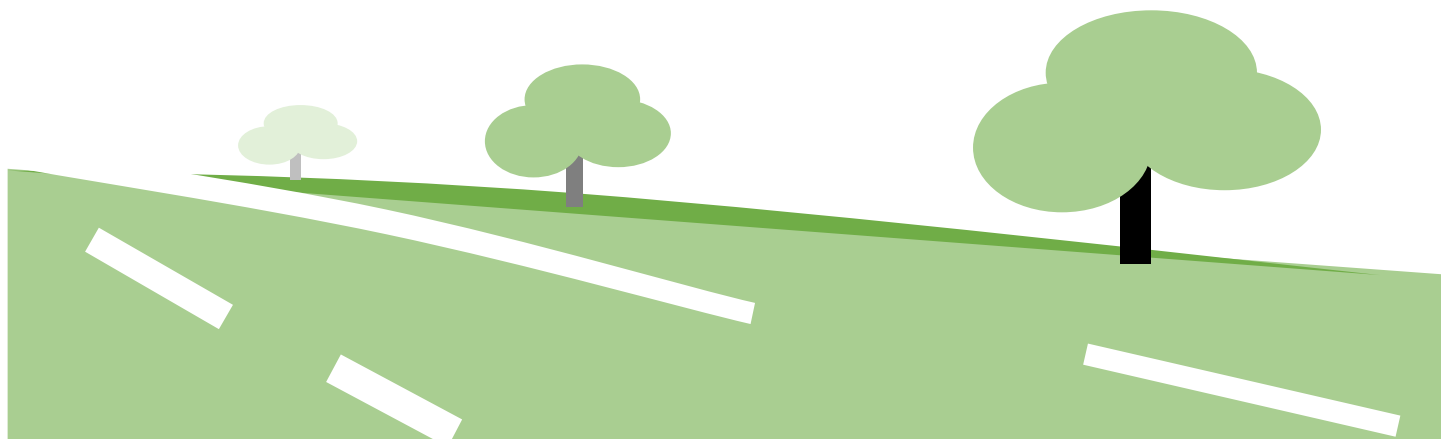
**19 suppliers** were from other provinces

- Office supplies were procured on the open procurement platform “Xiaolu Shangxuan” operated by Zhejiang Communications Investment Group Co., Ltd. to make the occasional procurement of low-value supplies more standardized and transparent.

### Environmental and safety requirements

#### Communicate the Company’s environmental and safety requirements to our suppliers during our process.

- In 2020, the Company’s tender documents for the procurement of light vehicles explicitly require that the vehicle emission must comply with the Limits and Measurement Methods for Emissions from Light-duty Vehicles (CHINA VI).
- The following safety requirements were applied to the procurement of maintenance work:
  - (1) the supplier’s qualifications and the project’s key management personnel must hold safety qualification certificate that meets the project’s requirements;
  - (2) sign a safety production agreement which clarify responsibilities and obligations;
  - (3) inclusion of production safety funds in contract cost;
  - (4) payment of performance security which shall be subject to deduction if violation of safety production were observed.



## 10 Product Responsibility

- The Company adheres to the quality management policy for “safe, smooth, high-quality and efficient” traffic, and ensuring sound, intact and unobstructed expressways and facilities is the core responsibility of the Company’s products and services.
- In 2020, the Company focused on the goal of building a renowned brand for expressway operations and services under its new operation and management model. Guided by the travel need of general public, the Company made every effort to build intelligent expressway and experiential toll service environment to improve its branded toll service.
- In 2020, there was no responsible production safety accident within the Company.



### Operation Overview

In 2020, the Company’s road maintenance work mainly consisted of: disease treatment of road surface, preventive maintenance such as pavement overlay and on-site thermal regeneration, bridge area overlay, special treatment for bridge, tunnel and slope hazards, and daily maintenance.

During the Reporting Period,

- no litigation regarding intellectual property rights was recorded.
- no litigation regarding customer privacy breach was recorded.
- total numbers of vehicles passing through our toll stations were **279.91** million.
- numbers of days of smooth road passage were **about 359** days.
- congestion rate<sup>note 1</sup> was **0.1%**.

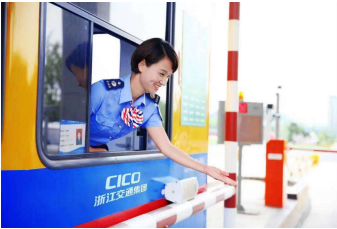


During the Reporting Period,

numbers of complaints related to clearance and rescue was **145**. Average response time required for the deployment of rescue teams after receiving a request for rescue was **3.83** minutes. Average arrival time after receiving the request was **10.94** minutes, average duration of rescue operation was **17.60** minutes. Average response time for complaints was **31.60** hours. Customer complaints handling and response rate was **100%**. Customer satisfaction rate related to clearance and rescue was **99%**.

Note 1: Congestion rate = time of congestion over 1 km \* length/total mileage \* 365 \* 24.

## 10 Product Responsibility



Ma Hongfei, the prettiest state-owned enterprise staff in Zhejiang Province, 2020

### Most Beautiful Toll Collector

In October 2020, the China Highway Association held the annual “Most Beautiful Toll Collector in China” beauty contest in Kunming. The Company won 1 individual award, 2 team awards, and was shortlisted for 1 individual award and 1 team award.

### Service optimization

- The Company attaches great importance to the protection of customer data and intellectual property rights. No lawsuit concerning intellectual property and customer privacy breach was recorded during the Reporting Period.
- The Company continued to optimize its toll services with the goal of building a renowned brand for expressway operations and services. Focusing on a new toll model, the Company researched on toll service and rethought its toll management to provide its contactless and helpful services with smile that emphasis on the experience of drivers and passengers and smooth traffic, comprehensively improving its toll service standard.



### 7<sup>th</sup> Most Beautiful Toll Collector in China Award

Guo Lu, East Yiwu Station, Shaoxing Admin Center	“The Most Beautiful Toll Collector in China”
Team “Mo Shang Hua”, Lin’an Station, North Hangzhou Admin Center	“The Most Beautiful Toll Collector Team in China”
Toll Collector Team “Anhui Girl”, Tunxi Station, North Hangzhou Admin Center	“The Most Beautiful Toll Collector Team in China”
Liu Qiong, Ninghai Station, Ningpo Admin Center	Shortlisted for “The Most Beautiful Toll Collector in China”
Service Team “Camellia”, Futian Station, Shaoxing Admin Center	Shortlisted for “The Most Beautiful Toll Collector Team in China”

### “Intelligent Expressway”

Continuous acceleration of

intelligent expressway construction with technology empowerment

- Digital platform is deployed to enable comprehensive tracking of traffic and provide digital protection for the smooth return of heavy traffic during holidays.
- Intelligent guidance system instantly senses changes in traffic flow on the road network ahead and around. With display screens installed before large hubs, the system shows road congestion status with “red, yellow and green” signals and estimated travel time, making road condition information more clear, convenient, intuitive and multi-dimensional.



## 11 Anti-corruption

In 2020, under the strong leadership of the Group's disciplinary committee and the Company's Party committee, the Company's disciplinary committee resolutely put into practice the general requirements for Party building in the new era, intensifying the deployment of "corruption-free Shanghai, Hangzhou and Ningbo" construction, focusing on main duty and business, strengthening work measures, paying close attention to the implementation of work, and carefully performing the responsibility of ensuring good supervision. As a result, new progress and result have been achieved in various Party style and clean governance construction tasks.

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

### Clarify responsibility checklist

Detailed **41** items in the list of major responsibilities of the Party committee

Detailed **28** items in the list of supervisory responsibilities of the disciplinary committee

### Strict supervision and inspection on pandemic prevention and control

In 2020, the Company's disciplinary committee conducted **48** inspections on pandemic prevention and control, during which **125** issues were found and rectified, and **94** suggestions were made for pandemic prevention and control.

### Implementation of responsibilities at all levels

Liability Statement Regarding the Goal of Construction of the Party's Honesty and Integrity and Letters of Commitment for Integrity were signed at different grades and levels.

### Solid foundation of political supervision

Completed the construction of political ecology filing and updated the integrity files of **12** management members and **100** mid-level managers.

### Maintain routine supervision

In 2020, the Company carried out **815** tender supervision at all levels and issued **36** integrity appraisals.

### Enhance integrity promotion and education

- Organize:
- integrity warning education seminar
  - integrity group interview
  - warning education film viewing
  - integrity short video contest



In 2020, a total of **8** complaints were received and **2** issues were dealt with.

With complaint investigation, internal supervision and inspection and safety accident investigation, one staff received party warning, four staff were cautioned, three staff were reminded, two units' management teams were interviewed, and five units were ordered to make written inspections.





## 12 Community Investment

The Company has been actively participating in the building of civilized units, implements pandemic prevention and control, and supports business development. It participated in community charity activities, took part in the pairing system for poverty alleviation, established normalized assistance mechanism for employees in need, provided help to staff in need in material, mental and capacity terms, promoted ideological and moral construction, enriched the cultural life of villagers in their spare time, improved villagers' living environment and life concepts, and cared for left-behind children.

Volunteer activity is an important part for the Company's employees to give back to society, being also the cultural values promoted by the Company.

With Party members as its major force, the Company has established a number of volunteer service teams to carry out diverse volunteer service activities.

During the Reporting Period, the Company conducted an average of **28** volunteer activities per month, participated in about **110** charity events throughout the year,

number of volunteers participated was **2,373**,

annual contribution to public welfare was **RMB1,513,000**,

representing a year-on-year **increase** of **16.3%**.



She County Management Office, North Hangzhou Admin Center helped farmers with their harvest work



Jiaochuan Toll Collection Center, Zhoushan Admin Center organized clothing donation



Contributed to flood relief in She County, Anhui Province



Young volunteers from the joint group branch of the Company's headquarters visited education promotion organization



Over 20 enthusiastic youths from Jiaxing Admin Center donated blood



Our staff actively participated in community prevention and control volunteer work

### Anti-epidemic efforts

During the Reporting Period, the Company actively donated fund and materials for pandemic prevention and control efforts.

- The Company's Party members donated a total of RMB **1,106,400** and **3,200** employees participated in the donation.
- Supported related businesses to reduce their costs and burdens by providing two rounds of operating housing rent concession for **39** eligible SMEs from February to March with a total amount of RMB **8,482,600**.
- Sent volunteer service teams from 15 units to the service area under Zhejiang Commercial Group's management to carry out voluntary services for pandemic prevention and control. By the time the quarantine checkpoints at the entrances and exits under the Company's control were removed, the Company assisted the verification of **4.05 million** vehicles and performed checks on **more than 10 million** travelers.



# INDICATOR INDEX

Aspects	Indicator no.	Description of the indicator	Disclosure	Location in the report
<b>Environmental</b>				
<b>A1: Emissions</b>	<b>General disclosure</b>	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 nonhazardous waste.	√	P4
	<b>A1.1</b>	The types of emissions and respective emissions data.	√	P4
	<b>A1.2</b>	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).	√	P4
	<b>A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	√	P5
	<b>A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	√	P5
	<b>A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	√	P5
	<b>A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	√	P5 – P6
<b>A2: Use of Resources</b>	<b>General disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	√	P6
	<b>A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and in-tensity (e.g. per unit of production volume, per facility).	√	P6
	<b>A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	√	P6
	<b>A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	√	P5
	<b>A2.4</b>	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.	√	P6
	<b>A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable as it is a service	
<b>A3: The Environment and Natural Resources</b>	<b>General disclosure</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	√	P7
	<b>A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	√	P7
<b>A4: Climate Change</b>	<b>General Disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	√	P7
	<b>A4.1</b>	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	√	P7

Aspects	Indicator no.	Description of the indicator	Disclosure	Location in the report
<b>Social</b>				
<b>B1: Employment</b>	<b>General disclosure</b>	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.	√	P8
	<b>B1.1</b>	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	√	P11
	<b>B1.2</b>	Employee turnover rate by gender, age group and geographical region.	√	P8
<b>B2: Health and Safety</b>	<b>General disclosure</b>	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.	√	P9
	<b>B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	√	P9
	<b>B2.2</b>	Lost days due to work injury.	√	P9
	<b>B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	√	P9
<b>B3: Development and Training</b>	<b>General disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	√	P10
	<b>B3.1</b>	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	√	P10
	<b>B3.2</b>	The average training hours completed per employee by gender and employee category.	√	P10
<b>B4: Labour Standards</b>	<b>General disclosure</b>	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.	√	P11
	<b>B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	√	P11
	<b>B4.2</b>	Description of steps taken to eliminate such practices when discovered.	√	P11
<b>B5: Supply Chain Management</b>	<b>General disclosure</b>	Policies on managing environmental and social risks of the supply chain.	√	P12
	<b>B5.1</b>	Number of suppliers by geographical region.	√	P12
	<b>B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	√	P12
	<b>B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	√	P12
	<b>B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	√	P12

Aspects	Indicator no.	Description of the indicator	Disclosure	Location in the report
<b>B6: Product Responsibility</b>	<b>General disclosure</b>	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.	√	Health and safety P9 Advertising and labelling are not applicable as it is a service
	<b>B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as it is a service	
	<b>B6.2</b>	Number of products and service related complaints received and how they are dealt with.	√	P13 Product returns are not applicable as it is a service
	<b>B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	√	P7, P14
	<b>B6.4</b>	Description of quality assurance process and recall procedures.	Not applicable as it is a service	
	<b>B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	√	P14
<b>B7: Anti-Corruption</b>	<b>General disclosure</b>	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.	√	P15
	<b>B7.1</b>	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.	√	P15
	<b>B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	√	P15
	<b>B7.3</b>	Description of anti-corruption training provided to directors and staff.	√	P15
<b>B8: Community Investment</b>	<b>General disclosure</b>	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.	√	P16
	<b>B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	√	P16
	<b>B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	√	P16

# 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 audit verification on the 2020 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 implementation of the contents of the Report within its terms of reference under the agreement with Zhejiang Expressway. Zhejiang Expressway is the customer designated under the Verification Statement. The Verification Statement is based on the 2020 environmental and social responsibility report prepared by Zhejiang Expressway. Zhejiang Expressway takes responsibility for the completeness and truthfulness of the information in the Report.

### Scope of Audit Verification

- the accuracy and reliability of the Report as to key performance indicators, information and management systems in the year of disclosure (2020);
- 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 audit supervision department, human resources department, operations department, maintenance management department, as well as the Information Centre and Hangzhou Management Office in Yunfeng, 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 period of verification is March 25, 2021.

### Verification Method

The verification process includes the following activities:

- Assess the information and documents provided by Zhejiang Expressway;
- Interview the personnel responsible for collecting the information and documents of Zhejiang Expressway;
- Examine the public information published on the related websites and media, and verify the relevant information in the Report by 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 ESG Reporting Guide (revised 2019) in the Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange Listing Rules") (the "ESG Reporting Guide").

### Verification Conclusion

- The 2020 environmental and social responsibility report prepared by Zhejiang Expressway Co., Ltd. objectively reflects the progress of the Company's performance of social responsibilities in 2020 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 available;
- The Report is prepared based on the structure of the ESG Reporting Guide (revised 2019) of Appendix 27 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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 materiality topics 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 2020 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 the energy saving aspect 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 observing 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:

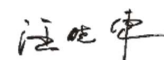
The Verification Statement does not include:

- Activities other than information disclosure;
- Statements regarding the positions, views, beliefs, objectives and future development directions and undertakings of Zhejiang Expressway.

## Statement of Independence and Capacity:

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") with its capacity approved 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 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 verifying the Report. All of the information in the Report is provided by Zhejiang Expressway. Wantai Attestation is not involved in the compilation of the Report.



General Manager

Date: March 26, 2021