



Anhui Expressway Company Limited

(A joint stock limited company incorporated in the People's Republic of China)

Stock Code: 0995

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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ABOUT THIS REPORT

1 ABOUT THIS REPORT

1.1 Basis of Preparation

This report is prepared with references to “Notice on Enhancing Assumption of Social Responsibilities for Listed Companies and Release of Guidelines on Environmental Information Disclosure by Listed Companies on Shanghai Stock Exchange”, Guideline for Preparing Report on the Performance of Social Responsibilities by Companies, Notice on Further Improvement of Disclosure of Information on Poverty-alleviation Work by Listed Companies” issued by Shanghai Stock Exchange and the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 of Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

1.2 Scope of Reporting

This report disclosed the relevant information of Anhui Expressway Company Limited for the period from 1 January 2020 to 31 December 2020 on its performance of environmental, social and governance (ESG) responsibilities in a comprehensive manner. In order to enhance the comparability and perspectiveness of the report, some contents have been extended.

1.3 Salutation Description

In this report, “Anhui Expressway”, “Company” and “we” all refer to “Anhui Expressway Company Limited”.

1.4 Reliability Guarantee

The preparation of the report follows the reporting principles of importance, quantification, balance and consistency. All information used in the report came from official documents, statistical reports or public data of internal systems of the Company. The Company undertakes that the report is free from any false or misleading statements and is responsible for the authenticity, accuracy and completeness of the contents. After being confirmed by the management, the report was considered and approved at the 6th meeting of the ninth session of the Board of Directors of the Company on 26 March 2021.

1.5 Report Access

This report is published in electronic version and can be downloaded and accessed on the website of Anhui Expressway Company Limited (www.anhui-expressway.net), the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of The Stock Exchange of Hong Kong Limited (https://www.hkexnews.hk/index_c.htm).

ABOUT US

2 ABOUT US

2.1 Corporate Profile

Anhui Expressway Company Limited was incorporated on 15 August 1996, issued overseas-listed foreign shares (H shares) in November 1996 and has been listed on The Stock Exchange of Hong Kong Limited. It is also the only listed highway company in Anhui Province. In December 2002, the Company issued RMB ordinary shares (A shares) in the PRC.

The principal businesses of the Company include investment, construction, operation and management of partial toll roads within Anhui Province. The Company owns the toll road equity in Hening Expressway (G40 Hushan Expressway Hening Section), New Tianchang Section of National Trunk 205, Gaojie Expressway (G50 Huyu Expressway Gaojie Section), Xuanguang Expressway (G50 Huyu Expressway Xuanguang Section), Guangci Expressway (G50 Huyu Expressway Guangci Section), Ninghuai Expressway Tianchang Section, Lianhuo Highway Anhui Section (G30 Lianhuo Expressway Anhui Section) and Ningxuanhang Expressway, etc. Most of the highways held by the Company are east-west national trunks which play an important part in the road transportation in Anhui Province and the whole country.

In 2020, Anhui Expressway was awarded the “Sixth National Excellent Enterprise” for its outstanding performance.

2.2 Corporate Strategy

For a period of time in the future, the Company will adopt the development strategy of “focusing on principal business, diversifying development channels, improving operation and management efficiency, and strengthening brand effect”.

Internally, we will continue to acquire quality road sections in the province to increase the proportion of quality assets, while accelerating the construction and expansion of new expressway and increasing the mileage of existing expressway. Externally, we will actively seek policy support to acquire excellent toll road assets outside the province and internationally in various effective ways to inject new momentum into the development of our principal business.

We will strengthen our organisational structure, management system and human resources, optimise our management processes and enhance our control capabilities.

Focusing on principal business

Diversifying development channels

Improving operation and management efficiency

Strengthening brand effect

On the basis of our principal business, i.e., expressway, we are expanding horizontally in both the industrial and regional directions. In other words, in line with the current economic environment and the national development plan, we will further enhance our diversified development and develop our international business.

We will clarify the Company's core values, establish brand awareness and strengthen cultural construction, to make Wan Tong Expressway a well-known brand at home and abroad.

ABOUT US (Continued)

2 ABOUT US (Continued)

2.3 Corporate Governance

The Company has strictly complied with the requirements of laws, regulations and regulatory documents for listed companies, including the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, the “Rules of Procedure for Shareholders’ General Meeting”, the “Code of Corporate Governance for Listed Companies”, and has continued to improve its corporate governance standards and achieve high standards of corporate governance.

As the decision-making organ of the Company, the Board of Directors is responsible for improving the Company’s governance system, formulating the Company’s overall strategic plan, and determining long-term performance and management objectives, etc. The Board has established the Strategic Development and Investment Committee, the Human Resources and Remuneration Committee and the Audit Committee. Each of the committees has specified its rules of procedure. Each member of each of the committees has the ability to conduct in-depth research on its own professional issues and provide scientific and reasonable professional advice to the Board, which can effectively improve the corporate governance and operational efficiency. The Supervisory Committee conducts inspections and supervision on the performance of duties by the senior management by holding regular meetings, considering the work report and thematic reports of the management in accordance with the procedures and voting procedures stipulated in the “Regulations on Work of Supervisory Committee”.

As of the end of the reporting period, the Company had 9 directors, including 4 executive directors, 2 non-executive directors and 3 independent non-executive directors. In 2020, the Company held a total of 4 general meetings, 9 Board meetings, 2 Human Resources and Remuneration Committee meetings and 4 Audit Committee meetings.



STEADY PATH FOR OPERATION

3 STEADY PATH FOR OPERATION

As a national basic, leading and strategic industry, transportation is an important support and strong guarantee for economic and social development. The Company always bears in mind General Secretary Xi Jin Ping' words that "Only companies that actively take social responsibility are the most competitive and vital enterprises". On the basis of making our main business "more extensive, stronger, and better", we actively fulfill our economic responsibility, environmental responsibility and social responsibility. We will give full play to the leading role of the Party building and lay a solid foundation for the development of the enterprise, to show the Company's sense of responsibility in serving the overall work of the Party and the country.

3.1 Responsibility Management

The Company is committed to promoting social development and serving the people's livelihood through infrastructure construction and operation, including road building for the community, providing funding for the government, benefiting investors, and providing better trips for the people. Over the years, the Company has gradually improved its operating management system and optimized its risk management and control structure by integrating its development philosophy and brand proposition for steady improvement of the environmental, social and governance capabilities and comprehensive corporate value of the Company, so as to achieve the common progress and development of the Company's management ability and the ability to fulfill duties.

3.1.1 ESG philosophy

The Company has always regarded the fulfillment of social responsibilities as the essential way for the sustainable development of the enterprise and the longevity of the foundation. It firmly believes that the development of the Company is inseparable from the support of good national policies, the hard work of employees and the full support of all sectors of society. As a state-owned listed enterprise, the Company firmly establishes the core values of "integrity, pragmatism, innovation and responsibility". Adhering to the mission of "paving for the beautiful Anhui and speeding up the happy life", we are shouldering the responsibility of transportation and pursuing economic efficiency. At the same time, we actively safeguard the legitimate rights and interests of stakeholders, protect the environment, give back to society, and make unremitting efforts to realize the vision of being the "strong support of the country's transportation and the role model in the industry".

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.2 ESG management structure

To better implement the corporate environmental, social and governance management, improve ESG management level and ESG information disclosure quality, since January 2019, the Company set up the environmental, social and governance (ESG) working group, which is headed by the general manager of the Company, with seven persons including the deputy general manager and members of the Board of Supervisors serving as the deputy leaders and the Board Secretary's Office as the main implementation department of report preparation. In 2020, we continued to consolidate the functions of the ESG working group and allocated related functions to various departments in order to advance the ESG efforts in a coordinated approach based on the Company's material ESG issues and constantly improved the coordination and effectiveness of ESG work.

In order to further increase the engagement of the Board in the works of ESG of the Company, improve the Company's governance capability in ESG and promote the sustainable development of the Company, according to the relevant requirements under the "Listing Rules of the Stock Exchange", "Guidance on ESG Report", the appendix of the "Listing Rules of the Stock Exchange", and other laws and regulations, with the consideration and approval at the 5th meeting of the 9th session of the Board of Directors held in January 2021, the Company made some amendments to the relevant articles of "Terms of Reference of the Strategic Development and Investment Committee" of the Company. It attached additional responsibilities, i.e., ESG management responsibilities, to the Strategic Development and Investment Committee, including considering and formulating ESG risk management framework; overseeing and reviewing the Company's ESG materiality assessment and reporting to the Board on key ESG issues; considering and establishing ESG strategic objectives and reviewing the achievement of ESG objectives; reviewing the Company's annual ESG report, ensuring the compliance and completeness of the Company's annual ESG report, as well as recommending specific actions or decisions for the Board's consideration, etc.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.3 Promotion of ESG work

On 18 December 2019, the Stock Exchange officially published the “Consultation Conclusions on Reviews of the Environmental, Social and Governance Reporting Guide”, which added a number of new disclosure requirements in the areas of directors’ responsibilities, risk management, objective reporting principles, reporting boundaries, environment and society, and comprehensively improved the compliance standard for ESG reports of companies listed in Hong Kong. Following this trend, the Company has further optimised its ESG management, integrated ESG work functions into the daily business management and operation of all departments, and offered training on new ESG regulations to enhance the Company’s ability to disclose ESG matters and continue to promote ESG work.

Delineating management responsibilities among various departments

The Company revised its personnel management rules and formulated the “List of Rights and Responsibilities of Anhui Expressway” to clarify the major ESG responsibilities of each department and improve decision-making and operational efficiency. The Company organized interviews with major functional departments and sorted out the management systems of each department that were highly relevant to ESG for the first time, further implemented ESG work content and improved management efficiency.

Studying the latest ESG compliance regulations of the Stock Exchange

The Company actively carried out communication and exchange activities for sustainable development, invited experts to share the latest ESG compliance requirements, investors’ requirements for non-financial information audit of enterprises and excellent ESG practices in the industry, both domestically and overseas, clarified the focus of the Company’s ESG work in the future, and continuously built consensus and improved the management level.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.3 Promotion of ESG work (Continued)

Convening the kick-off meeting for ESG report preparation

Members of the Board of Directors of the Company and the leading members of the ESG Working Group participated in the kick-off meeting on ESG report preparation, reviewed the ESG work achievements over the past two years, clarified the orientation of the Company's work on ESG, put forward objectives, requirements and suggestions for ESG report preparation for this year, and thus opened a new chapter for the preparation of 2020 ESG report.



Figure: ESG Report Preparation Kick-off Meeting

3.1.4 Material issue management

Stakeholders' attention to various ESG issues and determination of the importance of issues are the basis for the Company's assessment of material issues. The Company attaches importance to the identification and management of ESG issues, conducts surveys for a wide range of stakeholders every two years and regularly communicates with stakeholders. In 2020, the Company conducted a questionnaire survey for the Board of Directors, the Supervisory Committee, management, investors and other stakeholders to identify the Company's annual material issues.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(1) Identification of ESG issues

- the Company comprehensively sorted out the important matters of sustainable development of the Company and the attention of various stakeholders to the Company, and determined the key issues of the industry through benchmark against domestic and foreign peers;
- the Company referred to the industry standards of SASB (Sustainability Accounting Standards Board) to identify ESG issues that can generate value and have a substantial impact on financial performance;
- the Company identified the industry's frontier goals and potential risks in the field of sustainable development by summarizing the ESG rating or index inspection requirements in the capital market;
- Through a detailed survey on the Company in the early stage, the Company sorted out and formed the ESG issues bank of Anhui Expressway in 2020.

(2) Survey for stakeholders

- the Company divided the issues into three categories of environment, society and corporate governance;
- the Company invited internal and external stakeholders to evaluate the importance of ESG issues of Anhui Expressway via online questionnaires, and collected needs of and suggestions from various stakeholders on the issues;
- the Company collected 548 valid questionnaires from the Board of Directors, the Supervisory Committee, management, investors, regulatory agencies, customers, drivers and conductors, partners and other stakeholders.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(3) *Ranking of the importance of issues*

Based on the survey results and according to the substantive principles, the Company ranked the importance of various issues from the two dimensions of “importance to the development of the enterprise” and “importance to the stakeholders” by taking into account the development of the enterprise and the demands of the stakeholders.

(4) *Review and confirmation of material issues*

The Board of Directors of the Company and external experts reviewed the selection results of the issues and finally determined the issues based on the development situation and future goals of the Company.

Through the analysis and ranking of the survey results, eight highly material issues, including “improving road quality and ensuring traffic safety”, “keeping roads clear and improving transportation efficiency”, and “improving the quality of road service and building a service brand” were finally identified. In this report, the Company will fully elaborate on the key and substantive issues and will closely follow the concerns and demands of stakeholders to adjust the Company’s strategies and management policies.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(4) Review and confirmation of material issues (Continued)

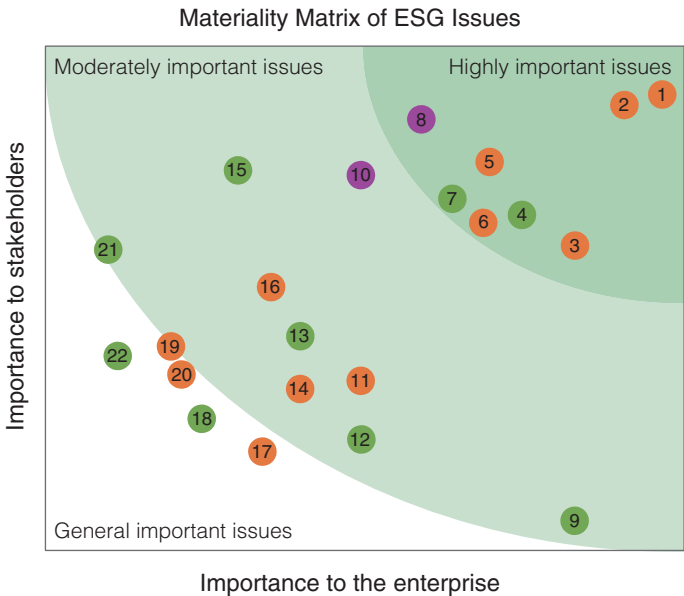


Figure- Materiality Matrix of ESG Issues in 2020

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(4) *Review and confirmation of material issues (Continued)*

Table – List of Material ESG Issues

List of material ESG issues (from high importance to less importance)		Corresponding sections	
Issues of high importance	1	Improve road quality and ensure traffic safety	Implement safety responsibilities Improve road quality
	2	Keep roads clear and improve transportation efficiency	Maintain traffic order Enhance emergency response Speed up information construction
	3	Improve the quality of road service and build a service brand	Insist on quality service
	4	Water resources utilization and measures to protect water resources	Green office
	5	Avoid child labor and forced labor	Employee rights and interests

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(4) Review and confirmation of material issues (Continued)

	List of material ESG issues (from high importance to less importance)	Corresponding sections
	6 Employee safety and health guarantee	Employee care
	7 Highway noise standards and control	Green conservation
	8 Anti-corruption	Prudent operation
Issues of moderate importance	9 The rational use of land and the harmonious relationship with residents residing along such roads	Green conservation
	10 Develop sustainable development plan, management system and ESG risk assessment	Responsibility management
	11 Consumer privacy protection	Insist on quality service
	12 Efficient use and recovery of resources	Green service Green office
	13 Energy consumption and energy-saving measures	Green office

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.4 Material issue management (Continued)

(4) *Review and confirmation of material issues (Continued)*

List of material ESG issues (from high importance to less importance)		Corresponding sections	
14	Employee training and development	Employee development	
15	Solid waste disposal and emission reduction measures	Green office	
16	Customer complaint response and communication	Insist on quality service	
Issues of less important	17	Community public welfare construction	Volunteering activities
	18	The impact of highway construction on biodiversity	Green conservation
	19	Supply chain management	Responsibility management
	20	Employee compensation and benefits	Employee rights and interests
	21	Air pollution management	Green service
	22	Greenhouse gas and carbon emission management and emission reduction measures	Green service Green office

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.5 Stakeholder communication

We have built a relatively complete communication mechanism to better understand and respond to the expectations and appeals of various stakeholders. By establishing a regular communication mechanism and efficient and convenient communication channels, the Company has established close contact with various stakeholders and continuously improved the effectiveness of communication with them.

Table – Stakeholder Communication Table

Stakeholders	Expectations and appeals	Way to communicate
Investors/shareholders	Improve business performance Transparent information disclosure Practice of integrity	Shareholders' meeting Holding of the performance meeting Periodic reports and information announcements Exchange visits
Governments and regulators	Compliance operation Enhance risk management and control Support local development	Daily report and communication Meeting Forum and exchange activities Periodic reports and information announcements
Staff	Career promotion space Training and growth Performance feedback Healthy and safe working environment Balance of work and life	Regular meeting Daily communication Normal training Employee activity

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.1 Responsibility Management (Continued)

3.1.5 Stakeholder communication (Continued)

Stakeholders	Expectations and appeals	Way to communicate
Customers/crews/ road users	Enhance customer experience Feedback and customer complaints Protect customer privacy Open and transparent charges Road is in good condition Road safety and rescue	Customer service hotline Customer complaint platform Customer satisfaction survey Toll information disclosure Road information disclosure
Environment	Environmental management Green operation Publicity and education	Environmental information disclosure Forum and exchange activities
Suppliers/partners	Open and fair bidding Cooperation in good faith Regular communication and feedback Win-win development	Electronic bidding platform Business development and cooperation Meetings
Community/public	Community communication Community public welfare activities	Public welfare activities Volunteer service Targeted poverty alleviation Information disclosure

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.2 Prudent Operation

The Company strictly abides by laws, effectively protects the rights and interests of investors and solidifies the Company's development foundation to escort its stable and long-term development.

3.2.1 Strengthening clean governance construction

The Company has formulated the "Interim Measures for Strict Political Discipline and Political Rules" and the "Interim Measures for the Investigation And Punishment of Disciplinary Violations" in accordance with the "Supervision Law of the People's Republic of China and the Standards on Integrity" and the "Self-discipline of the Communist Party of China", and guided the practice of integrity by focusing on major areas and key links, paying attention to warning education and daily supervision, accurately preventing and controlling the risk of corruption and improving the handling process of complaint reporting.

Promoting the construction of the system and mechanism of "three noes" in an integrated way

The Company made solid progress in the Party Committee inspection, actively carried out special activities such as deepening the warning education of "learning lessons from cases (三個以案)", improved the mechanism of corruption prevention and control, integrated the construction of system and mechanism of "three noes (三不)", being that dare not corrupt, can not corrupt, and do not want to corrupt, and promoted steady and efficient development of the Company.

Accurate warning education: The Disciplinary Committee of the Company accurately selected typical cases of violation of laws and disciplines to educate and warn the officers and employees around, and further improved the sense of practice of integrity of employees of the Company. In addition, the Company vigorously carried out "integrity education +" activities and guided employees to work with integrity by compiling and sending reminder messages at important festivals and time.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.2 Prudent Operation (Continued)

3.2.1 Strengthening clean governance construction (Continued)

Promoting the construction of the system and mechanism of “three noes” in an integrated way (Continued)

Accurate risk prevention and control: By conducting style inspection every quarter and other work, the Company further identified the key and difficult points of supervision, sorted out and updated the list of corruption risk prevention and control, and drafted and issued the “Implementation Measures for Accountability of Operation and Investment Against Discipline” (Trial Implementation) (《違紀經營投資責任追究實施辦法試行》) and other documents this year, gradually improving the accuracy of corruption risk prevention and control in different fields.

Detailed daily supervision: The Company adhered to the practice of supervision and discipline enforcement in a detailed manner, strictly and fully completed the task of style inspection every quarter, carried out the activity of a standard year of supervision and discipline enforcement, and established and improved the effective mechanism of finding problems, correcting deviations, and accurate accountability. This year, the Company completed rectification work once, revised and added a number of core systems of discipline inspection work, and further constructed the system and mechanism which dare not to corrupt, can not corrupt, and do not want to corrupt.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.2 Prudent Operation (Continued)

3.2.1 Strengthening clean governance construction (Continued)

Improving the handling process of complaint reporting

For complaint reporting acceptance channels, the Company can receive complaint reporting mainly through telephone, e-mail and special suggestion box. This year, the Company further deepened the “three transfers” that clarify the positioning of full-time staff to ensure smooth reporting channels. For handling process of complaint reporting, on the basis of implementing the existing system, the Company revised the “Administrative Measures for Disciplinary Inspection Staff of Anhui Expressway to Implement Avoidance System” (《皖通公司紀檢工作人員實行回避制度管理辦法》) and other systems to further standardize the work of clue handling for problems, letter inquiry, preliminary verification, case filing, review, trial and other processes. For protecting informants’ information security, the Company strictly implemented the “Interim Measures for Management of Disciplinary Inspection, Supervision and Confidentiality of Anhui Expressway” (《皖通公司紀檢監察保密工作管理暫行辦法》) and other systems, strictly forbade the disclosure of information and evidence provided by the parties, and provided a strong guarantee for informants’ information security. For internal accountability mechanism, the Company generally followed the procedures of acceptance, disposal in categories, dealing with and rectification, and adhered to hierarchical accountability.

With the gradual improvement of the handling process of complaint reporting, Anhui Expressway further strengthened the construction of clean governance in the Party, which escorted the harmonious, stable and sustainable development of the Company. In 2020, Anhui Expressway did not record any lawsuit or major violation of laws and disciplines related to corruption.

STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.2 Prudent Operation (Continued)

3.2.2 Information compliance disclosure

The Company attached great importance to the right to know of stakeholders and strictly complied with the requirements of information disclosure to ensure timely and transparent information disclosure. In 2020, in accordance with the “Administrative Measures for Information Disclosure of Listed Companies” (《上市公司資訊披露管理辦法》) and the “Guidelines for Standardized Operation of Companies Listed on the Main Board of Shanghai Stock Exchange” (《上海證券交易所主板上市公司規範運作指引》), the Company strictly reviewed the information for disclosure, completed 4 regular reports and 33 A interim share reports, and continuously improved the quality of information disclosure. In accordance with the “Toll Road Management Regulations” (《收費公路管理條例》), “Expressway Management Regulations in Anhui Province” (《安徽省高速公路管理條例》) and other laws and regulations, the Company publicized toll collection information to the public through the Company’s official website and toll collection bulletin board, so as to protect the rights to know of drivers and conductors.

3.2.3 Investor communication and participation

The Company attaches great importance to communication with investors or potential investors, manages investor relations adhering to the principles of full disclosure, compliance disclosure, equal treatment, high efficiency and low consumption, honesty and trustworthiness. In accordance with the “Company Law of the People’s Republic of China”, “Working Guidance for the Listed Companies and Investor Relations” and other relevant laws and regulations, the Company formulated the “Management Measures on Investor Relations” and the “Administrative System of Proceeds” to protect the legitimate rights and interests of investors. It maintained close communication with investors by making full use of the Company’s website, “e interactive” platform, Company mailbox, hotline and other channels to maintain a long-term trust relationship between investors and the Company. In 2020, for better management of investor relations, the Company carried out knowledge training on investor relations management for directors, supervisors, senior executives and department heads. In 2020, the Company carried out 2 roadshows, accepted 3 on-the-spot surveys by institutional investors and 4 telephone surveys; answered 27 questions from small and medium-sized investors through the “e-interactive” platform, and 11 questions from investors via Company email.

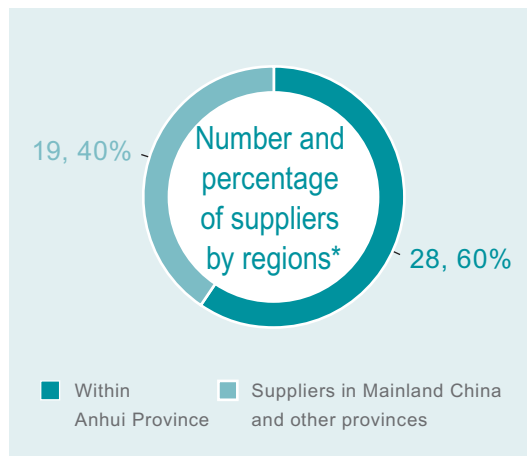
STEADY PATH FOR OPERATION (Continued)

3 STEADY PATH FOR OPERATION (Continued)

3.3 Win-Win Cooperation

In strict accordance with the “Law of the People’s Republic of China on Bidding and Tendering”, the “Method of Implementation of the Law of the People’s Republic of China on Bidding and Tendering” in Anhui Province and other laws and regulations, the Company has formulated the Bidding Management System and establish the procurement management system to control the entire process of supply chain and procurement.

- By screening enterprises with excellent qualifications, results and performance, the Company built a management evaluation system to evaluate suppliers every year on a regular basis and to continuously and dynamically manage the centralized procurement of suppliers.
- In accordance with the Bidding Management System, the Company established a procurement working group and a review team to carry out public bidding and signed an additional “Integrity Agreement” to ensure that suppliers strictly abide by the provisions of the integrity and confidentiality system. A procurement ledger was also established for auditing.
- The Company made full use of information technology, promoted electronic bidding, improved the efficiency and transparency of bidding, and established complaint and reporting channels to completely eliminate fraud in the procurement process.



* Data category description: The statistical category of the number and distribution of suppliers of the Company in 2020 only includes the engineering suppliers determined through open bidding and does not include the suppliers identified through other forms.

BUILDING SAFE AND STABLE ROADS

4 BUILDING SAFE AND STABLE ROADS

With the socio-economic development, highway transportation is showing a rapid growth trend and the hidden risks are also emerging, which puts forward higher requirements for the Company's road safety work. The Company, by closely centering on the safety production responsibility system of "the Party and the government sharing the same responsibility, one position with dual responsibilities, and joint control and management (黨政同責、一崗雙責、齊抓共管)", continuously improved the level of road maintenance, strengthened the risk management and control capabilities, created standardized, systematic and informatized management models, enhanced the education of safety, and effectively promoted interconnection between regions with safe roads.

4.1 Implementing Safety Responsibility

Ensuring the safety operation of the road is the priority of the Company and the foundation of all work. The Company firmly established the safety concept of "safety is life, safety is service, and safety is benefit". According to the "Road Traffic Safety Law of the People's Republic of China", "Emergency Handling Law of the People's Republic of China" and other legal provisions, we updated the "Safety Production Management Measures" of the Company and improved the safety production responsibility system of all staff and deepened unified, efficient and standard safety management system and administrative system. The Company signed annual production safety responsibility letters with its subordinate operating units and relevant departments and offices, evaluated the responsibility objectives of production safety every year, and enhanced the main responsibilities of each unit and business department and the supervision responsibility of the full-time department of safety production.

The Company established a Safety Production Committee (the "SPC") as the leading organization of safety production, and focused on the deployment, guidance, supervision and assessment of all units of the Company's safety protection, and coordinated and solved major problems of safety production. In 2020, the SPC of the Company formulated the "Three-year Action Implementation Plan for Special Rectification of Safety Production" (《安全生產專項整治三年行動實施方案》) and clarified the Company's task list of safety production, time for each task, responsible units and departments in the next three years with a focus on eight main aspects including the implementation of the main responsibility of safety production, improvement of hidden danger investigation and governance mechanism, road operation safety guarantee, and study of safety production theory and regulations.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.1 Implementing Safety Responsibility (Continued)

Key performance:

In 2020, the Gaojie Office won the honor of “Advanced Unit of Safety Production in Anqing City” for 12 consecutive years, passed the re-examination of “National Demonstration Enterprise of Safety Culture Construction” twice in a row, and continued to maintain the title of “National Demonstration Enterprise of Safety Culture Construction”. Its culture publicity work of the “Ankang Cup” safety competition won the title of “National Advanced Unit of Safety Culture Publicity in 2020”.

4.2 Improving Road Quality

The Company strictly abided by national system documents such as the “Product Quality Law of the People’s Republic of China” and the “Technical State Assessment Standards for Highways”, timely revised 7 maintenance policies including the “Measures for Highway Bridge Maintenance” and the “Administrative Measures for Highway Maintenance Engineering” to improve the principles, work content and technical means on routine maintenance and management of roads. The Company thoroughly investigated weak links and problems, promptly corrected hidden dangers, strengthened mutual integration and promotion of investigation of hidden dangers and risk control, and eradicated hidden dangers on roads.

On the basis of paying close attention to standardized operations, the Company actively cooperated with industry enterprises, research institutions, universities, etc. to carry out maintenance technology subject research, and selected appropriate road sections for technology application so as to improve road quality and promote the rapid progress of industry maintenance technology.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.1 Increasing risk prevention and control

The Company improved and updated the list of road operation risks, organized a maintenance inspection team, and carried out road inspection no less than once a day so as to timely understand the status of road infrastructure and ancillary traffic facilities along the line. According to the requirements of technical specifications, the Company insisted on carrying out regular inspection (monthly), periodic inspection (annually) and special inspection for pavements, bridge culverts, tunnels and traffic safety facilities. At the same time, the Company established the hidden danger investigation ledger and required the inspection team to upload it to the Company's maintenance management system in time so as to ensure clear road maintenance responsibilities, timely and comprehensive inspection, and ready supervision and inspections. During important periods such as flood seasons, year-end and the beginning of the year, the Company increased the frequency of maintenance inspection, carried out the special inspection together with "Tripartite Dispatch System for One Road (一路三方)", thoroughly investigated in-depth weak links and problems, and resolutely remediated road safety hazards.

Key performance:

In 2020, the Company identified more than 1,300 hidden dangers, 40 of which are still under rectification, and the rest have been rectified.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.1 Increasing risk prevention and control (Continued)

Case:

Investigation of the hidden danger of Ningguo Management Office in flood seasons

During flood seasons in 2020, there was continuous heavy precipitation in Anhui Province, which made the Company burden heavy safety management tasks and great pressure. Ningguo Management Office strictly implemented the “Notice on Effectively Strengthening the Operation Safety Management in Flood Seasons” (《關於切實加強汛期營運安全管理工作的通知》) issued by the Company, and together with “Tripartite Dispatch System for One Road (一路三方)”, conducted a comprehensive investigation on the high slopes, bridges and tunnels, safety facilities, water-logged ground of curved road, longitudinal slope and other sections of roads under its jurisdiction which were prone to landslides, collapses and other natural disasters, so as to timely drain away water from and dredge the roads, and ensure a smooth subgrade drainage system. In this action, a total of 35 general hidden dangers were found, and the management office timely managed all kinds of hidden dangers, continued to implement the hierarchical management and control of safety risks, and laid a solid foundation for safely living through the flood seasons.

In addition, the Company also adopted new equipment to strengthen the automatic monitoring and early warning of key maintenance objects such as bridges across the Yangtze River and Huaihe River and slopes in mountainous areas. In 2020, the Gaojie Management Office of the Company installed a health monitoring system for its G35 Hedong Extra-large Bridge, and monitored the temperature, beam end displacement and cracks of bridge structure in real time, which helped to improve the monitoring accuracy, eliminated hidden dangers in advance and prevented the collapse of the bridge deck.

The Company actively accepted the supervision of the road maintenance work by the third-party professional organizations, further unblocked the channels for mass supervision and media supervision, and encouraged all sectors of the society to utilize the reporting telephone, WeChat, microblog and other platforms to report hidden dangers and violations of laws and regulations relating to safety production, so as to eliminate the blind side of hidden safety hazards of the Company.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.1 Increasing risk prevention and control (Continued)

Case: Maintenance inspection work by the third-party professional organization

From August to September in 2020, the Company commissioned a third-party professional inspection organization to conduct a spot check on the road sections under the jurisdiction of each management office of Anhui Expressway. The inspection dimensions included road inspection, bridge and tunnel maintenance, drainage system, greening management and maintenance, quality of minor repair project, time efficiency, etc., and the inspection results formed a road inspection report, which provided the basis for the management quality assessment of the Company for 2020.



Xuanguang Company were receiving inspection



Hefei Management Office was receiving inspection

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.2 Increasing investment in traffic safety facilities

According to the notices such as the Technical Guidelines for the “Special Action to Enhance the Safety Protection Capacities of Highways and Bridges” (《提升公路橋樑安全防護能力專項行動技術指南》) issued by the Ministry of Transport, the Company continued to promote the project of improving traffic safety facilities, added fog area guidance systems, solar fog-proof lights and other safety facilities in special sections with heavy fog, curves and ramps, strengthened the safety warning of bad weather, and improved the setting of signs and replaced anti-collision barriers in sections near water and cliff, so as to improve the level of safety protection. According to the actual operation, each management office successively carried out special actions to improve traffic safety facilities. For example, the Chuzhou Management Office drawn 20,853.98 square meters of hot-melt marking and 7,270.88 square meters of vibration marking in the Chuzhou section of Chuma Expressway. Xuanguang Company conducted the special action of safety protection capabilities of highways and bridges.

Key performance:

In 2020, the Company invested more than RMB2 million of safety funds.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.2 Increasing investment in traffic safety facilities (Continued)

Case: Quality improvement and upgrading project of bridges and tunnels by Gaojie Management Office

On 20 June 2020, the Gaojie Management Office completed the quality improvement and upgrading project of bridges and tunnels. In the project, 124 bridges and 470 transition joints of guardrails were transformed and upgraded, traffic signs were added at tunnel portals, and the traffic signs at tunnel portals and within the tunnels were improved. A total of 1,470 meters of concrete barriers were poured, 5,821 meters of corrugated steel beam barriers were installed, 8 sets of traffic signs were added, 70 pieces of sign boards, 2,800 square meters of marking lines and 126 square meters of universal facade reflective stickers were added or replaced, so as to comprehensively improve the quality of the tunnels and ensure the safety of public driving.



BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.3 Increasing innovation research

The Company continued to summarize and reflect on the key and difficult problems in the maintenance work, established a scientific research project group, and cooperated with universities and professional institutions to carry out an in-depth research project on maintenance technology and material innovation. In 2020, the Company's maintenance and innovation research work achieved fruitful results. The main projects included "Research on Slope Stability Risk Assessment and Comprehensive Prevention and Treatment Technology for Expressways under Operation in Mountainous Areas of Anhui Province" (《安徽省山區營運高速公路邊坡穩定性風險評估及綜合防治技術研究》), "Research on Application of Integrated Deicing and Snow Melting Technology of Expressways in Mountainous Areas" (《高速公路山區除冰融雪集成技術應用研究》), "Research on New Self-adaptive Comb Telescopic Device with Multi-directional Displacement Function and Key Application Technologies" (《新型自適應多向變位元梳齒伸縮裝置及關鍵應用技術研究技術》), etc., which had important guiding significance for standardized safety assessment, scientific snow melting and deicing, and improvement of road maintenance, noise reduction, drainage, anti-skid performance and other aspects of slope sections along rivers in mountainous areas.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.2 Improving Road Quality (Continued)

4.2.3 Increasing innovation research (Continued)

Case: Project of “Research on Slope Stability Risk Assessment and Comprehensive Prevention and Treatment Technology of Expressways in Mountainous Areas”

The Company operated many expressways located in mountainous areas such as southern Anhui, Dabie Mountains and areas along rivers. Due to the frequent occurrence of extreme weather such as rainstorm in recent years, the subgrade slope was destroyed by water, which affected driving safety and posed serious economic and social losses. The Company immediately established the research project group for the “Research on Slope Stability Risk Assessment and Comprehensive Prevention and Treatment Technology of Expressways in Mountainous Areas” (《山區高速邊坡穩定性風險評估及綜合防治技術研究》) to investigate the damaged sections and typical slopes in regions such as Anqing and Huangshan. In combination with the geological conditions and extreme climatic conditions of subgrade slopes of expressways under operation in typical mountainous areas of Anhui Province, the Company formulated the classification and grading evaluation standards of slope stability. At the same time, based on the fact that most of the collapse of subgrade slopes under operation was closely related to water damage, the research project group put forward the optimization scheme and application effect of new comprehensive prevention and control technologies such as retaining wall, ecological beam and ecological protection, so as to reduce the adverse impact of the utilization of masonry materials and slope engineering construction on the environment. In addition, by adopting the new real-time monitoring technology, the Company timely warned the slope instability caused by extreme climate and controlled it in advance and proposed a set of reasonable suggestions and programs for expressway slope protection.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety

The Company strictly abides by the requirements of the “Highway Operation Safety Management Standard (Trial)” (《公路營運安全管理規範(試行)》), the “Implementation Guidance on the Highway Operation Safety Management Standard (Trial)” (《公路營運安全管理規範實施指南(試行)》), the “Guidance Manual for the Construction of the Highway Operation Safety Risk Classification”, the “Control and Hidden Danger Investigation and Management System (Trial)” and other systems and norms, strengthens the joint logistics linkage with “Tripartite Dispatch System for One Road (一路三方)”, promotes the construction of a comprehensive emergency disposal mechanism, implements road safety management, and strengthens education and training of safety production at the same time, so as to improve the safety awareness of employees and their capabilities to deal with emergencies and create a safe traffic environment for the public.

Key performance:

In 2020, the Company signed nearly 100 outsourcing rescue units.

4.3.1 Enhancing control of operation safety

In view of the potential road safety hazards such as three illegal vehicles (overspeed, overcrowding and overloading), vehicles carrying hazardous chemicals, pedestrians crossing roads, and construction site safety, Anhui Expressway has continuously strengthened its control. The major actions are as follows:

- Safeguarding personnel and equipment: in strict accordance with the legal requirements and actual business needs, the Company allocated adequate safety management personnel and strengthened the daily maintenance to rescue equipment to ensure that the rescue equipment is always in good condition;

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.1 Enhancing control of operation safety (Continued)

- Consolidating multi-parties cooperation: the Company strengthened the supervision and management of personnel, vehicles and service behaviors of social cooperation rescue units; by holding safety meetings and work arrangement meetings with the traffic police, road administration and social cooperation rescue units, the Company will strengthen multi-parties communication and form a working synergy;
- Implementing system learning: the Company invited industry experts to train employees of various departments on potential safety hazards in highway operation; in the meantime, each management office actively organizes publicity and education of “Highway Operation Safety Standard” and other systems, as well as education of typical accident cases;
- Achieving advanced control: the Company implemented weighing testing on freight vehicles at expressway entrances and linked the inspection data with the card-issuing system at the entrance of toll stations to – achieve “mandatory inspection of trucks and prohibition of overweight vehicles”;
- Strengthening road inspection: the Company intensified the inspection of key and dangerous road sections such as key road sections, construction road sections, water-facing road sections and steep slopes, and cooperated with traffic police and other departments to regularly redress unsafe behaviors such as pedestrians crossing expressways and the boarding and disembarking of passengers on expressways which in violation of regulations; urged the service areas to strengthen the guidance on the access of hazardous chemicals transportation vehicles, parking management and management of registration records; in view of the safety of the construction site, and the road assets and maintenance personnel daily checked the safety of road operations on the construction site, and from time to time, jointly with the traffic police, road administrations and other departments, conducted another investigation on the operation behavior of the construction site to standardize the layout of the construction site;

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.1 Enhancing control of operation safety (Continued)

Key performance:

In 2020, the Company cooperated with the traffic police and other departments to correct 1,400 peccancy vehicles, nearly 1,000 pedestrians with violation of regulations, advised more than 60,000 overloaded vehicles to return at the entrance of toll stations, cleared more than 20 illegal occupation areas, investigated more than 16,000 signages along the expressways, and cleaned up garbage and weeds in road shoulder and green belt with a length of approximately 3,500 kilometers.

Case:

Ningguo Management Office launched a transportation safety inspection and safety publicity for hazardous chemical transportation enterprises

Considering the large number of hazardous chemical transportation enterprises in Ningguo City, Ningguo Management Office, together with the staff of "Tripartite Dispatch System for One Road (一路三方)", field visited, investigated and inspected a number of local hazardous chemicals transportation enterprises, conducted special inspections on their equipment, transport vehicles and internal safety management, publicised, urged and reminded them to do a good job in safety inspection of transport vehicles, safety control during transport and safety education of transport personnel, so as to learn lessons and prevent transport safety accidents.

- Doing a good job in safety warning: by using leaflets, reminders at toll crossings and information boards along the routes, the Company warned of bad weather, traffic accidents and road traffic jams in the road section under the jurisdiction, and strengthened verbal reminders of fatigue driving behaviours, especially for large trucks at night.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.2 Improving emergency safety management

The Company continued to enhance safety guarantee during holidays, inclement weather such as rainy, snowy and freezing, pandemic and other key periods and major events, issued notices in advance on operation safety management, extensively mobilized staff to make comprehensive emergency preparedness, prepared sufficient supplies and equipment for emergency power generation, and organised special inspection and emergency rescue teams to be always ready to ensure the safety and health of drivers, passengers, staff and other parties in the event of emergencies.

Case: Flood control deployment of Management Office of Xiao County

In accordance with the flood prevention requirements, the Management Office of Xiao County formulated a duty system and duty schedule in advance of the flood season, implemented a 24-hour duty system, revised the flood emergency plan, actively prepared flood prevention materials and equipment, and launched special patrols to inspect special sites prone to flood. During the flood season, serious waterlogging occurred in the Management Office this year. By repairing the retaining dam and ceaseless pumping water 24 hours a day, the Management Office of Xiao County solved the safety hazards in the flood season as soon as possible.



BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.2 Improving emergency safety management (Continued)

Case: Hefei Management Office launched a flood season emergency rescue operation

In July 2020, affected by continuous heavy rainfall and upstream flood discharge, the maximum depth of water on the interchange ramp of Longtang, Hefei Ring Expressway under the jurisdiction of the Hefei Management Office reached 1.2 meters. The Hefei Management Office has adopted the drainage plan of "building dams before draining water". It has built a retaining dam of more than 500 meters to drain the accumulated water on the ramp in a timely manner.

Due to the high water level outside, water seeped into the pavement from the side of the ramp, causing water damage to part of the ramp pavements. Hefei Management Office immediately worked out the water damage repair plan together with the design unit, grouted the roadbed to improve the carrying capacity of the road, and repaired the roadbed pavement, traffic safety facilities, slope collapse, etc., to ensure traffic safety.



BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.2 Improving emergency safety management (Continued)

Case: Tianchang Management Office Coping with Winter Ice and Snow Weather

During the Spring Festival in 2020, the section of the Tianchang Management Office experienced four consecutive snowfalls. The management office responded actively by storing snow removal materials in important sections to ensure adequate reserves and reasonable layout of snow removal and anti-skid materials and equipment. At the same time, it strengthened the emergency rescue team and completed the snow removal and traffic guarantee work in a timely and efficient manner in accordance with the principle of “man rests without stopping the machines”. No road closures or accidents occurred due to untimely snow removal.

4.3.3 Strengthening the safety education and training

The Company unswervingly promotes the construction of a safety culture. It carried out a series of online/offline safety production training, knowledge competitions and other activities, organized and conducted emergency drills in accordance with the “Interim Provisions on Safety Production Training” in order to continuously improve the safety awareness of employees and their abilities to deal with potential safety hazards to create a working atmosphere of “safety first for everything and each member”.

The Company continued to promote activities such as the “Ankang Cup”, “Promotion Week for the Law on Safety Production” and “Safety Production Month”, and formulated implementation plans for these activities. The specific actions are as follows:

- Intensified the learning and implementation of important discourses and laws and regulations on safety production, purchased and distributed more than ten sets of safety knowledge pocket books, such as “General Secretary Xi Jinping’s Important Discourses on Safety Production” and “General Knowledge on Disaster Prevention and Mitigation”, and supervised each employee to learn;

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.3 Strengthening the safety education and training (Continued)

- Launched safety production warning education and organised staff to watch safety production education warning films;
- Carried out safety production training and knowledge competitions in accordance with the "holding competitions to promote their learning", and added an interactive online Q&A function;
- Conducted drills on fire-fighting, anti-theft and robbery at toll crossings and handling traffic accidents in tunnels.

Key performance:

In 2020, the Company organized more than 100 times of concentrated learning and education on safety production.

Case:

Safety production business training of Gaojie Management Office

From 22 to 23 June 2020, the Gaojie Management Office held a two-day training on production safety. The training invited experts and scholars from Anqing Safety Professional Training Institute, the Municipal Traffic Police Division and the Municipal Transportation Bureau as the trainer. They gave in-depth lectures on the laws and regulations related to safety production, the process of handling safety accident reports, prevention and control of safety accidents and hidden trouble investigation and management, and combined with typical cases to analyse the causes and consequences of production safety accidents thoroughly, providing guidance and valuable experience to enhance the ability of hidden trouble investigation and management, accident prevention and avoidance of liability risks.

BUILDING SAFE AND STABLE ROADS (Continued)

4 BUILDING SAFE AND STABLE ROADS (Continued)

4.3 Ensuring the Operation Safety (Continued)

4.3.3 Strengthening the safety education and training (Continued)

Case: “Ankang Cup” competition of Hefei Management Office

In 2020, the “Ankang Cup” competition under the Hefei Management Office was carried out in a solid manner. The Management Office organized the textbook study of the “National ‘Ankang Cup’ Employee Safety and Health Awareness and Emergency Response Skills”, which provided popular education on fire safety, occupational disease prevention and control, mental health and psychological counseling for employees, knowledge of common infectious diseases protection, prevention and response to emergencies, emergency and first aid skills, so as to enhance employees’ self-awareness of safety and health, knowledge of safety responsibilities, and ability to deal with emergencies.

In addition, in combination with the “International Disaster Reduction Day on 13 October” and “National Fire Prevention Day on 9 November” activities, the Company organized various units to set up convenient service desks and display boards at toll gates and other areas to explain to the passing drivers and passengers about disaster reduction, prevention, and self-rescue and mutual rescue skills in a fire. The Company also organized safety publicity activities in conjunction with expressway traffic police, road administration and other departments to promote safety publicity into enterprises, rural areas, communities, schools and families (“five-into”).

Case: Ningguo Management Office jointly carried out safety publicity and consultation activity with “Tripartite Dispatch System for One Road”

In 2020, united with the expressway traffic police and expressway road administration, the Nanjing Administration Office launched a safety publicity and consultation day activities in service areas and toll stations, with the core contents of “eliminating potential dangers of accidents and consolidating a strong safety defense line”, “traffic safety on the expressway and road property protection knowledge”, pandemic prevention and control under normal conditions and resumption of work and production. By posting propaganda wall charts, displaying propaganda boards, distributing propaganda leaflets and propaganda materials, the Management Office publicized the safety production guidelines, policies, laws and regulations and emergency knowledge to the drivers and passengers, and answered the hot and difficult issues concerned by the masses face to face. During the consultation day, Ningguo Management Office distributed more than 500 safety leaflets, displayed 25 display panels and served more than 1,000 people.

ENSURING A SMOOTH AND ORDERLY ROAD

5 ENSURING A SMOOTH AND ORDERLY ROAD

With the development of the social economy and the increase in demand for travel, smooth roads have become one of the public's most concerns, and it also directly reflects the Company's road operation level. In 2020, the Company, based on the "Twelve Provisions for Smooth Traffic on Expressways in Anhui Province" (《安徽省高速公路保通保暢十二條》) issued by the Transport Department of Anhui Province, adopted a mechanism of leadership segmentation, dividing and contracting by sections, and linking tripartite to carry out the deployment and emergency response for peak traffic around key sections, key time intervals and key nodes, committed to providing smooth travel conditions for the public and effectively ensuring the maximum traffic capacity and the highest traffic efficiency.

5.1 Maintaining Traffic Order

The Company strictly monitored the flow of traffic, released information and facilitated the control of toll stations, and increased the number of crossings according to actual needs to ease the pressure on the traffic at the toll stations under its jurisdiction. At the same time, the Company required each management office to report its disposal plan for peak traffic flow and achieved "One Policy for One Station (一站一策)", performed smooth traffic ensuring responsibilities by using the disposal plan as the basis for Anhui Expressway to assess the management office's work for ensuring smooth traffic.

5.1.1 Strict road control

The Company has established a daily smooth working mechanism. The monitoring sub-center monitors the changes in traffic flow on roads and toll stations and immediately notifies the traffic police, road administration and relevant departments of the management office of the section under its jurisdiction when an increase in traffic flow, slow movement or vehicle backlog is detected, with the relevant departments carrying out corresponding traffic control, diversion and guidance measures as well as other deployments. At the same time, the monitoring center adds subtitles such as "slowing down" on the information board to prompt vehicles to be ready for a diversion.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.1 Maintaining Traffic Order (Continued)

5.1.1 *Strict road control (Continued)*

During the pandemic, Anhui Expressway strictly implemented the toll road free policy during the pandemic prevention and control period, set up a special working group, actively implemented the working mechanism of “four-party joint control”, guaranteed the quick passage of emergency vehicles with “no stopping, no inspection, no fees, and priority access”, and set up 199 pandemic inspection points at toll stations and 202 pandemic inspection points in service areas to quickly arrange vehicle registration, personnel inspection, site disinfection and other work. In 2020, the Company served 36,900 emergency vehicles for pandemic prevention, with zero suspected and zero confirmed cases. On 24 October 2020, the Ministry of Transport awarded Anhui Expressway the title of “Advanced Collective in the Fight Against COVID-19 of National Transportation System”.

5.1.2 *Road expansion*

With the increasing traffic flow, congestion has increased at part of the sites due to small toll plazas, short ramps and many heavy-duty trucks, etc. Based on the existing conditions of the road crossings, Anhui Expressway widened the toll road crossings without acquiring new land for construction to improve the road crossing environment.



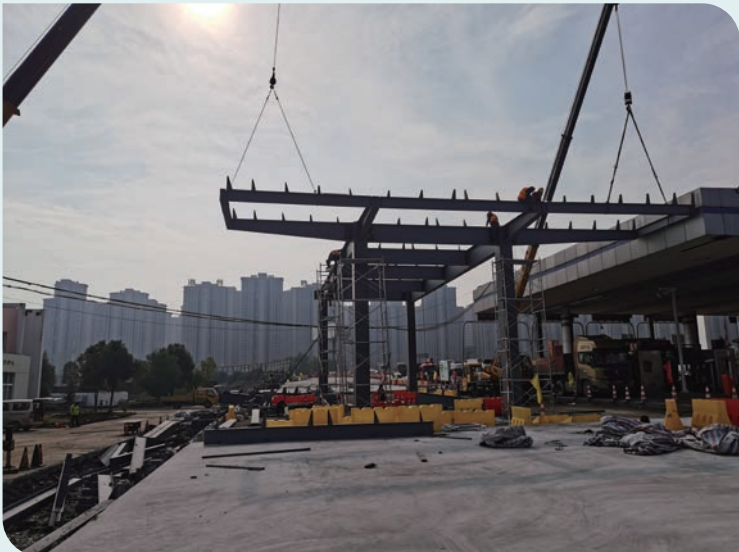
ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)


5.1 Maintaining Traffic Order (Continued)

5.1.2 Road expansion (Continued)

Case: Crossing widening project



Shushan Toll Station of Hefei Ring Expressway added 3 entrance lanes and 1 exit lane, with 7 entrance and 7 exit lanes upon the widening.



Xiao County East Toll Station adopted the two-side widening plan, which is expanded from 2 entrance and 3 exit lanes to 3 entrance and 5 exit lanes. At the same time, a 16-meter-wide minor bridge was widened.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.2 Strengthening the Emergency Response

For holidays, bad weather and road accidents handling, the Company has established a series of emergency command, material security and preparedness systems, and has formulated the “Maintenance Management Regulations for Time-limited Repair”, which requires the construction team to repair the complete road damage facilities unconditionally within 48 hours of receiving the “Road Damage Repair Notice”; The Company also targeted issued “Emergency Response Plan for Expressway Operations”, “Special Emergency Response Plan for Flood Control”, “Special Emergency Response Plan for Geological Disasters” and “Guide for Snow Removal Operation on Expressway and other guiding working documents. Each management office, based on the actual situation, refined the disposal methods of emergency plans for flood control, typhoon prevention and natural disasters, standardized various working procedures for an emergency operation and obstacle clearance and rescue, and ensured the rapid response, internal and external coordination and proper handling of emergencies.

5.2.1 Guaranteeing emergency smoothing mechanism

The Company established a severe weather response team, a professional emergency rescue team and other special teams, and has set up emergency disposal sites along important sections of the route, so as to strictly implement the 24-hour duty system at important time points and ensure the smooth flow of information pipelines. Once the professional response team receives the emergency situation report, the disposal procedure is activated according to the situation, and the team leader of the response team directs and coordinates the department to carry out the emergency disposal work in order to enhance the efficiency of on-site clearance, rescue and disposal.

During major holidays and bad weather, each management office, firstly, formulated detailed implementation rules in advance, organized all employees to learn, so as to ensure each employee understand the policies and operation procedures; secondly, organized the assessment and analysis of traffic flow during holidays and allocated CPC cards, paper traffic cards, emergency toll collection equipment and other materials according to the assessment; thirdly, performed well in safety self-inspection in advance and paid attention to the normal working conditions of lanes, gantries and emergency equipment.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.2 Strengthening the Emergency Response (Continued)

5.2.1 *Guaranteeing emergency smoothing mechanism (Continued)*

The Company also reasonably allocated rescue forces for obstacle clearance. For example, according to the peak direction of traffic flow at different time intervals, Xuanguang Company arranged rescue forces for obstacle clearance in a 10 kilometers working radius and implemented progressive quick evacuation operation for faulty vehicles at different sections. According to the principle of proximity and quickness, the monitoring sub-center carries out overall coordination for all obstacle clearance resources and provides flexibly handling and dispatch when necessary.

In 2020, the Company rescued more than 40,000 faulty vehicles, more than 10,000 accident vehicles and more than 60,000 overrun and overloaded vehicles, laying a solid foundation for the successful completion of the Company's task of ensuring smooth traffic during the "Four Seasons and Seven Festivals".

5.2.2 *Strengthening emergency smoothing drill*

In order to improve the practice capabilities of all employees, the Company has organized special and comprehensive emergency trainings such as road rescue, fire safety, snow removal and deicing with various parties. For example, Ningguo Management Office has jointly conducted five drills such as "Five Parties for One Road (一路五方)" snow removal and deicing drills with parties such as Xuancheng Traffic Police Division and Guangning Expressway Road Administration Team, "road traffic accident emergency handling" drills with Xuzhou Management Office etc., which laid the foundation for efficient and orderly emergency work.

Key performance:

In 2020, the Company organized more than 20 emergency drills for various emergencies.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.2 Strengthening the Emergency Response (Continued)

5.2.2 Strengthening emergency smoothing drill (Continued)

Case: Xuanguang Company's diversion drill for emergency handling of traffic interruptions

On 24 June 2020, Xuanguang Company, jointly with the 2nd Brigade of Expressway Traffic Police, Xuanguang Expressway Road Administration Team, and the obstacle clearance and rescue unit under its jurisdiction, carried out the diversion drill for emergency handling of traffic interruptions in the Xuanguang section of G50 Shanghai-Chongqing Expressway. The drill simulated a four-car rear-end collision, with all lanes of the accident blocked, resulting in single-lane traffic disruption and failing to open to traffic within a short time.

Xuanguang Expressway's "Tripartite Dispatch System for One Road (一路三方)" immediately activated the emergency plan, organized personnel and vehicles to quickly rushed to the site of the accident for control. The drill was completed within 45 minutes with the issuance of traffic control instructions, the rescue of personnel at the accident site, the rescue of vehicles at the accident site, clean-up of the accident site, lifting traffic control and resuming normal traffic, which further strengthened the coordinated capability of various departments and improved the ability of the comprehensive emergency rescue team to quickly deal with emergencies on expressways.



ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.3 Accelerating Information Construction

In active response to the call for construction of “green roads”, the Company continuously promoted the expressway networked electronic toll collection (ETC) system, orderly removed the toll stations at provincial borders, and accelerated the construction of the “two systems” (the video monitoring and management system and the bad weather conditions monitoring and early warning system), striving for an improved level of digital and intelligent management of road facilities, proper operation and management of the road network under the new situation of nationwide networked toll collection through “one network”, and enhanced the overall traffic capacity of the road network.

In order to fully and orderly promote the informatization of operation, the Company carried out various stages of work such as system upgrading and renovation, joint debugging and testing, field testing, inter-provincial mutual testing, and network-wide retesting on the networked toll collection at all levels, and advanced the research on the operation and maintenance mechanism for the electromechanical system following the removal of toll stations at provincial borders, details of which include:

- Establishing an independent, flexible and efficient multi-level operation and maintenance management hierarchy to ensure stable progress of the operation and maintenance work;
- Improving the operation monitoring and maintenance mechanism for the networked toll collection systems at all levels, creating an “integrated” informatization system for operation and management, and promoting the quality and efficiency of operation and management;
- Studying the operating characteristics of backup power supplies such as UPS and EPS, and building a state prediction and fault warning model for reserve power supplies;
- Strengthening preventive maintenance of key equipment such as UPS and gantry systems to reduce the maintenance rate;
- Establishing step by step the security management of toll stations and sub-center computer rooms, and strengthening the network and data security of the computer rooms at all levels;
- Building a technical service system based on intelligent mobile terminals and continuously expanding smart travel, digital operation and other scenarios.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.3 Accelerating Information Construction (Continued)

Case: “Triple Screen Mode” Electromechanical Maintenance at Chuzhou Management Office

Based on the changes in the operating parameters and indicators of the electromechanical equipment in the sections under its jurisdiction, Chuzhou Management Office drafted the “(Interim) Measures for Maintenance and Management of the Networked Toll Collection System of the Chuzhou Management Office” (《滁州管理處聯網收費系統維護管理(暫行)辦法》), established a “triple screen mod”, carried out renovation of the UPS monitoring system to address the problems in the monitoring of the original UPSs in the unattended computer room, incorporated all UPSs into a unified monitoring and management platform which realized daily online inspections and multi-point and multi-place early warning push, and consolidated the daily inspection of the electromechanical equipment to ensure stable operation of networked toll collection.

Chuzhou Management Office has encouraged employees to innovate in electromechanical equipment and systematic maintenance models. Zhou Baowu (周保武), an employee of the central control room, joined the China Invention Association by virtue of 4 technical upgrading patents.

In 2020, Anhui Expressway focused on advancing the construction of the “two systems” by, on the basis of the existing progress in expressway video surveillance and severe weather conditions monitoring, adding new low-altitude cameras, six-element automatic weather stations and single-visibility stations, establishing and encrypting new monitoring points, and utilizing high-speed private network communication to transmit the front-end video to the road section monitoring center, thus achieving unified video transmission, storage, display, forwarding, decoding and display on the screen, and access on the internet and other functions. Meanwhile, the Company accelerated the “video cloud networked project construction” by completing the renovation of access conditions of the monitoring video system, thus realizing connection and video transmission, sharing and interaction with the traffic police and road administration video platforms, and comprehensively improved level and efficiency of road network monitoring, early warning and reporting.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.4 Adhering to High-quality Service

The Company pursues the development concept of “outstanding main business, diversified development channels, efficient operation and management, and significant brand effect”, treats road services in the same way as road quality, integrates services into the strategy of business operation, management and development, and injects brand awareness ahead of time. While adhering to the smile service concept of “Sincere smile, attentive service”, and based on the group companies’ “service area +” strategy, the Company promoted quality and efficiency improvement in smile service, and gradually extended “smile service” to service areas and gas stations, so as to build a great service system, provide active services in response to demands and realize a new start of “smile service”. The Company guaranteed its sustained and stable development under the development situation where opportunities and challenges coexisted while continuously improving the recognition and satisfaction of the drivers and passengers for the Company.

5.4.1 Optimizing toll service

With the development of internet technology, expressway toll payment is ushering in new changes. In response to the new changes in the toll mode, the Company, while strictly abiding by the “Regulation on the Administration of Toll Roads” (《收費公路管理條例》), strengthened analysis and research on the new situation of networked toll collection nationwide, and used big data resources to conduct a comprehensive investigation for illegal evasion of expressway toll payment based on the road network management practice in the whole province. Through regular data audits and linkage audits on a monthly basis, the Company improved its early detection, preparation and disposal capabilities against toll-evading vehicles, thereby comprehensively improving its level of toll management, and ensuring fairness and justice in toll collection.

The Company innovatively built a provincial-level audit system to enhance its road network big data audit capabilities, used the provincial “recovery list” lane interception system to strengthen the interception of toll-evading vehicles, and researched and developed an audit management platform to realize automatic creation and report of information about “changes of judgments on vehicle models” at the toll stations under its jurisdiction, and achieved the purpose of automatic management of the green channel business at the toll stations.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.4 Adhering to High-quality Service (Continued)

5.4.1 Optimizing toll service (Continued)

Meanwhile, the Company further advanced the ETC service “zero clearing” action by establishing 26 second-level ETC service sites and 180 third-level ETC service sites at the toll stations under its jurisdiction to provide ETC service consultation, top-up, on-site processing and other services for drivers and passengers, thereby enhancing ETC user experience in an all-round way.

5.4.2 Providing heartwarming and convenient service

“Smile Service” represents the Company’s service spirit and cultural heritage. The Company formulated the Interim Measures for the “Management of Smile Service of Highway Toll Window” (《公路收費窗口微笑服務管理暫行辦法》) and the “Interim Measures for the Assessment of Smile Service of Highway Toll Window” (《公路收費窗口微笑服務考核暫行辦法》) to standardize the management, training, assessment, and rewards of its smile service of highway toll window, improve the level of smile service, and strive to build a long-term mechanism for “big services”.

The Company set up convenience service desks at the crossing of the toll stations to provide quick services such as directions, hot water, mobile phone fast charging, topical medicines and simple repairs for passengers in need. Especially in winter when the expressways would be closed sometimes due to bad weather, all the toll stations would provide services such as boiling water, food and road condition consultation for the detained passengers, eliminating their anxiety in time.

The Company also took advantage of the “Woodpecker” and “Spring Blossom” volunteer service teams, the “Spring Blossom Demonstration Post for Party Members”, the “Spring Blossom Team” and a number of other platforms and carriers to carry out volunteer service activities during holidays, such as youth members issuing youth civilization service cards, “9 + x” Convenience Services, etc. at the toll crossings and service areas, so as to carry forward the spirit of volunteering and undertake its social responsibilities as a state-owned enterprise.

In 2020, Hefei Management Office won the first prize in the Second Provincial Youth Home Building by virtue of the “Spring Blossom” Youth Home & Youth Oxygen Bar Program.

ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5 ENSURING A SMOOTH AND ORDERLY ROAD (Continued)

5.4 Adhering to High-quality Service (Continued)

5.4.3 Listening to customers' voice

Customer feedback is the indicator for the Company's continuous development. The Company encourages passengers to make complaints through service hotline consultations, complaints on portals, etc., or directly to the management offices that govern the highways, and give them feedback on service quality, road safety, and charging standards. In accordance with the requirements of the "Interim Measures for the Management of Smile Service of Highway Toll Window", the Company strictly regulates the complaint handling process, requiring employees to listen to, record, investigate, verify, and provide feedback on customer complaints in a timely and effective manner. The Company will follow up on the complaint issues in a unified manner and properly handle every question raised by the attendants, to ensure the smooth operation of the Company. In 2020, the Company received 11 complaints, and the normal complaint closing rate was 100%.

5.4.4 Protecting customers' privacy

The Company fully recognizes the importance of protecting customer privacy in the information age and has formulated the "Interim Measures for Informationalization of Work Management" to standardize the passenger information collection process and storage and the use of the information. The Company takes full advantage of the electronic work platform, strengthens the information collection and management, ensures that the data collected is only used by the relevant internal personnel authorized in specific scenarios, and fully protects the privacy of the drivers and passengers. For information collection of drivers and passengers, the Company only records the necessary information such as license plate numbers and costs incurred. Meanwhile, the Company implements three levels of protection in its internal network to ensure the security of important information. In 2020, the Company had no lawsuits caused by the loss or disclosure of sensitive information.

FRIENDLY PATH FOR ENVIRONMENT

6 FRIENDLY PATH FOR ENVIRONMENT

The Company actively responds to the national “14th Five-Year” comprehensive transportation planning call, adheres to ecology first and continues to promote green development. We will further deepen the concept of green transportation on the basis of a comprehensive summary of the “13th Five-Year” work experience and accelerate the establishment of a green transportation system by means of improving the green system, implementing green management and applying green technology to promote the green transformation in the process of road operation and construction.

6.1 Green Conservation

The Company thoroughly implements the concept of green conservation and strictly abides by the “Environmental Protection Law of the People’s Republic of China”, the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes” and other laws and regulations, so as to reduce the waste of maintenance resources, and manage and control the environmental impact arising from the road maintenance process. The Company revised the “Administrative Measures for the Maintenance of Expressway Greening” to clarify the scope of responsibilities and work quality standards of the relevant departments for the maintenance, supervision and evaluation of the expressway greening under their jurisdiction. Meanwhile, the Company constantly optimized the management level of green conservation, actively applied new green technologies, and continuously invested resources to green conservation to fully implement its green conservation work goals.

Use and management of snow melting agent

Following the principle of “scientific, precision and environmental protection”, the Company strictly controls the dosage of snow melting agent under the operating model of “mechanical operation as principal method and distribution of snow melting agent as a supplement”. The snow melting agent is distributed based on snowfall conditions to reduce the environmental pollution caused by the snow melting agent entering the farmland and river. The Company uses different specifications of environmental protection snow melting agent according to different road sections, that is, using solid environmental-friendly snow melting agent with less chlorine content on ordinary roads, and using non-chlorine organic snow melting agent in key sections such as water source protection zones, to minimize the pollution of snow melting agent on the environment along the roads and effectively protect the surrounding ecological environment. In 2020, the Company actively explored new technologies for de-icing and snow melting to further reduce the use of snow melting agent.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.1 Green Conservation (Continued)

Use and management of snow melting agent (Continued)

Case: Research on the application of integrated technology for de-icing and snow melting on expressways

Based on the winter maintenance engineering technology and management practice of expressways in Anhui Province, in 2020, the Company researched the topic of “Integrated Technology of De-icing and Snow Melting on Expressways” in five aspects such as de-icing and snow melting technology decision, usage and dosage of snow melting agent and test on asphalt mixture from snowmelt asphalt pavement.

The topic proposed the principle of de-icing and snow melting technology decision to be linked with meteorological information, established the technical index system of snow melting agent based on environmental protection requirements, and compiled the “Implementation Guidelines of De-icing and Snow Melting Technology for Expressways in Anhui Province”, which made a positive contribution to optimizing the usage and dosage of snow melting agent and further reducing the environmental impact of snow melting agent. The research topic won the second prize of Transportation Science and Technology Progress awarded by the eighth session of Anhui Provincial Highway Institute.

Case: Gaojie Management Office carried out the test project on snow removal spraying system

In 2020, the Gaojie Management Office continued to explore new ideas for de-icing and snow melting, introduced a snow removal spraying system to the Yueqian Section of Jiguang Expressway, and actively tested the new snow removal techniques. In the process of the project, the Gaojie Management Office set up a 400-meter test section for the spraying system to verify the snow removal effect of the spraying system in the field. In the test process, the snow melting effect of the spraying system was good, which reduced the impact on the surrounding environment during the snow melting process while effectively saving the snow removal costs, providing new concepts and ideas for de-icing and snow removal.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.1 Green Conservation (Continued)

Waste recycling

The Company attaches importance to the management and control of road construction wastes, and reduces the environmental impact of construction wastes from two aspects on the waste disposal principle of resource utilization and harmlessness. For the wastes with recycling value, the Company actively promotes the recycling of waste materials and maximizes the use of the generated bitumen waste materials for urbanization transformation or maintenance of surrounding rural infrastructure. The waste materials difficult to be reused are collected and handed over to a qualified professional company for harmless disposal to eliminate environmental pollution caused by random dumping and landfills. In 2020, the subordinate expressways of the Company, such as Hening Expressway and Lianhuo Expressway, achieved 100% waste recycling, with an average recycling rate of 97.97%.

Road greening maintenance

The Company inspects and maintains greening plants along the highways in accordance with the “Technical Specifications for Highway Maintenance of the People’s Republic of China” and regularly carries out maintenance construction of greening plants along the highways, the central isolation zones and the interchange areas. In 2020, the Company replanted and updated about 70,000 greening seedlings, focused on pruning and cutting a number of plants along the highways with the impact on road safety, effectively safeguarding the function of the greening plants in terms of road safety, soil and water conservation and landscaping, and maintaining a sound and safe driving environment. Meanwhile, the Company developed a scientific governance plan to inhibit the invasive alien species Common Goldenrod and increased its efforts on manual cutting, striving for the complete elimination of the invasive species through a combination of manual cutting and drug removal, avoiding damage to the highway ecosystem and maintaining biodiversity.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.1 Green Conservation (Continued)

Road greening maintenance (Continued)

Case: Hefei Management Office replanted and upgraded greening plants

In order to improve the landscape effect along the highways, in 2020, the Hefei Management Office replaced and replanted the trees at the median strips of the K18-K22, K24-K25 and K27-K30 sections of the Ring Expressway, respectively. A total of 9,600 *Sabina Chinensis* were replanted and 15,700 *Photinia Fraseri* were replaced, effectively improving the greening effect and driving environment along the lines.

Road noise prevention measures

The Company strictly abides by the “Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution”, manages and controls noise pollution through various measures such as reducing noise sources and optimizing noise barriers, while strengthening the connection with stakeholders along the highways to reasonably solve the highway noise problem. In 2020, the Company replaced the sound barrier materials with a better noise reduction effect, removed the shock deceleration lanes not meeting the specifications, and introduced new environmental-friendly and low-noise expansion joint technology to minimize the traffic noise and ensure the quality of life of residents along the lines.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.1 Green Conservation (Continued)

Road noise prevention measures (Continued)

Case: Hefei Management Office innovated four models for dealing with noise problems according to local conditions

In 2020, with a combination of years of experience in dealing with highway noise problems, based on the development and construction time of communities and the highway construction time nodes, and according to the two situations of “housing first, roads later” and “roads first, housing later”, the Hefei Management Office summarized and developed the following four new models for dealing with highway noise problems by further clarifying the subjects responsible for noise pollution control: the “Poly Xishan Lingyu” model built by the construction unit, the “Taohua Town” model built by the local government, the “Susong Section of the Jingtai Expressway” model jointly built by the local government and the Company, and the “Binhu Pingge” model funded by the Company.

In the process of practice, the above four models have achieved positive results. Through the mutual combination and flexible handling, the impact of highway noise on the surrounding stakeholders has been effectively resolved, providing a certain reference value and significance for dealing with similar noise problems.

Road green project

The Company integrates the concept of green environmental protection into the process of road construction and operation, clarifies the environmental protection requirements for road construction through active application of green engineering technology while carrying out environmental protection projects along the line to comprehensively improve the green level of road project construction.

- The Company carried out the “Research on the Risk Assessment of Slope Stability and Prevention Technology for Operating Highways in Mountainous Areas of Anhui Province”, proposed stabilization mechanisms and optimization schemes for new integrated prevention and control technologies such as ecological protection, and reduced the adverse impact on the environment caused by the use of masonry materials and the construction of slope project, lowering vegetation deterioration and groundwater pollution, and increasing the utilization rate of green protection.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.1 Green Conservation (Continued)

Road green project (Continued)

- The Company implemented the non-destructive or low-damage defect treatment technology on Lianhuo Road and adopted the polymer injection process for non-excavation treatment of road defects, which had significant benefits in terms of asphalt and stone savings compared to traditional maintenance techniques and reduced the environmental pollution of engineering materials.
- In the tender documents for the milling and repair project, the Company clearly required the milling and repair project contractor to be equipped with self-priming dust recovery devices and to install dust reduction devices to the sweeping equipment, so as to effectively reduce the dust emission at the construction site and reduce the dust pollution caused by road construction.

Case:

Hefei Ring Expressway carried out a safety protection project for water source protection zones

As a 9.2km section in the West Ring Section of Hefei Ring Expressway crosses over the primary and secondary water source protection zones of the Dongpu Reservoir, the treatment of road sewage is essential to ensure the safety of drinking water for local citizens. In order to prevent the impact of road sewage on the environment of the protection zones, the Hefei Management Office implemented a safety protection project for the water source protection zones in August 2020.

The warning traffic signs were added to the water source protection project, while the bridge anti-falling nets, centralized drainage pipes, rainwater collection ponds under bridges, emergency ponds, isolation fences and other sewage barrier facilities were constructed, which effectively avoided the sewage generated during highway operation from directly entering the water source protection zones to ensure the safety of water resources in the drinking water protection zones.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.2 Green Service

While providing high-quality road services, the Company also attaches importance to the implementation of green and environmental protection concept. The Company abides by laws and regulations such as the “Law of the People’s Republic of China on Energy Conservation”, the “Law of the People’s Republic of China on Cleaner Production Promotion”, and the “Law of the People’s Republic of China on Water Pollution Prevention and Control”, and actively expands the business philosophy of green services by continuously promoting ETC toll collection and upgrading green and environmental protection facilities and other actions to upgrade the energy consumption structure and provide the passengers with green, reliable and efficient services.

6.2.1 Promotion of ETC lanes

The Company actively promoted the construction of ETC lanes, upgraded the toll collection method of large-area roads under its jurisdiction to free-flow tolls and optimized the network security architecture to increase the toll rate and attract and assist more drivers and passengers using ETC toll collection services. In 2020, the Company continuously strengthened the construction of the ETC toll collection system, abolished five provincial boundary stations, achieved a 63% ETC pass rate and continuously optimized the service level of the ETC system.

The effective promotion of ETC toll collection services has brought various environmental benefits. On the one hand, the application of the ETC system improves the efficiency of vehicle traffic and reduces the emission of greenhouse gases and harmful exhaust gases from vehicles. According to the estimation of the traffic department, compared with the manual toll collection lane, the ETC channel reduced fuel consumption by 20% on average. CO₂ emissions were reduced by about 48.9%; Carbon monoxide emissions were reduced by about 71.3%; and nitrogen oxide emissions by 16.4%. On the other hand, the application of the ETC system helps to reduce the construction and operation size of toll stations while realizing paperless toll collection through the electronic toll collection system and reducing the waste of energy and resources on highways.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.2 Green Service (Continued)

6.2.2 Replacement of old road equipment

The Company continuously invests resources in the procurement of efficient energy-saving new road facilities to phase out old road equipment as planned. In 2020, Ningxuanhang Expressway and Gaojie Expressway carried out a tunnel facilities renewal project to update LED lighting fixtures, new power supply and distribution systems and other efficient green equipment to replace the original road facilities of the tunnels, further reducing energy losses during road operations.

6.3 Green Office

The Company is committed to practicing the concept of green office, incorporating the environmental protection concept of energy-saving and reducing waste of resources in the Company's operation, and taking practical actions to boost green and low-carbon office. The Company effectively ensures the efficient use of energy and water resources in daily office work through improving the green office system, setting up a special group for water and energy conservation and introducing energy-saving and environmental protection equipment.

6.3.1 Energy saving

The Company formulated a number of energy-saving policies, including the "Management System for Power Supply and Distribution", to encourage to save power and energy use management and adopt new energy alternatives to promote office energy conservation and emission reduction. In terms of power supply, the Company follows the principle of "turning off the lights when leaving", puts an end to "ever-burning lights" and issues warm prompts for turning off the power on holidays; clearly defines the air conditioning turn-on time and room temperature. Employees shall report the use time in advance in case of overtime, eliminate outdated equipment with high energy consumption and upgrade energy-intensive and polluting fluorescent lamps to energy-efficient LED lamps. Besides, the Company advocates the use of clean energy, introduces solar water heater in the gym of complex building, and some buildings use solar system lighting.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.3 Green Office (Continued)

6.3.1 Energy saving (Continued)

In terms of heating, the Company implements municipal collective heating measures for unified management and reasonably regulates the operating hours and working temperatures of heating equipment to avoid excessive energy consumption in the process of heating. In addition, the heating equipment adopts a shell-and-tube heat exchanger device, which has high thermal conductivity and can reduce heat loss during heat conduction and improve the energy efficiency of heating equipment.

Case: Hefei Management Office actively explored a new mode of electric energy control

In 2020, the Hefei Management Office actively explored a new mode of electric energy control, tried to adopt an assessment method of combining mathematical modelling with monthly comparison to monitor the monthly electricity consumption of each station in an all-round manner, which steadily promoted the fine management to take root, provided an effective decision-making basis for the reasonable planning of electricity consumption costs of the Hefei Management Office, and actively created a good working and living environment of energy saving, consumption reduction and emission reduction.

6.3.2 Water conservation

The Company continuously implements water conservation systems such as the "Management System for Planned Water Consumption and Water Conservation", the "Water Metering Management System" and the "Water Conservation Reward and Punishment System", and established a water-saving leadership group, regularly held water-saving meetings, and formulated relevant water-saving goals, to further refine water resources management and water pollution prevention. In 2020, the Company actively carried out water conservation culture promotion activities, regularly conducted water supply network maintenance work and was awarded the provincial public institution water conservation civilization unit.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.3 Green Office (Continued)

6.3.2 Water conservation (Continued)

- The Company actively promoted the culture of water conservation internally, carried out water conservation activities such as World Water Day, National Urban Water Saving Publicity Week, Annual Water Consumption Planning Indicators Setting and Water Conservation Demonstration Unit Establishment, posted water conservation slogans and issued warm tips on water conservation, so that the culture of water conservation is deeply rooted in people's hearts.
- The Company regularly inspects the water supply network, repairs and replaces aging appliances in a timely manner to reduce waste of water resources. In 2020, the Company transformed the secondary water supply system of the apartment building into a direct water supply pump and an intelligent monitoring system, troubleshooting seven water leakage points and saving nearly 5,000 tons of water.

6.3.3 Utility vehicle management

The Company continuously improves the management of public vehicles and reduces the environmental impact caused by official vehicles. The Company strictly implements the "Management of Public Vehicles". The vehicles adopt an appointment-use system to achieve "centralized management, unified dispatch, unified accounting". The Company advocates multi-department travel at the same time, which greatly improves the utilization rate of vehicles, and uses big data to analyze and supervise the normativity and rationality of the use of vehicles through the vehicle management platform. In addition, the Company regularly carries out maintenance work on public vehicles and gradually eliminates old utility vehicles that have reached the prescribed service life to ensure that the environmental performance of the vehicles meets national and industry standards. In 2020, the Company disposed of 11 public vehicles in total that met the scrapping standard.

FRIENDLY PATH FOR ENVIRONMENT (Continued)

6 FRIENDLY PATH FOR ENVIRONMENT (Continued)

6.3 Green Office (Continued)

6.3.4 Office waste management

The Company attaches great importance to the office waste management and comprehensively controls the environmental impact of office waste by reducing waste generation and implementing harmless waste disposal. On the one hand, the Company advocates a green office and has taken a number of measures to reduce the generation of office waste and reduce the environmental impact of office waste from the root. In 2020, the Company further promoted intelligent paperless office, reduced the waste of office supplies such as ink and paper, reduced office waste and promoted the establishment of the corporate culture of thrift through the “OA office platform” and the “Anhui Expressway Collaborative Business System” and other information management platforms.

On the other hand, the Company strictly complies with waste disposal regulations to ensure that all types of waste are disposed of reasonably. For non-hazardous waste such as waste paper, household waste, food waste and oil stain, the Company actively implements waste classification, updates the smoke extraction equipment, comprehensively purifies kitchen oil fumes, and regularly arranges for special personnel to recycle oil stain of the canteen; for hazardous wastes such as printer cartridges, toner cartridges and lamps, the Company requires suppliers to replace regularly and collects waste printer cartridges and toner cartridges for pollution-free disposal, so as to eliminate the environmental pollution caused by improper disposal of hazardous waste.



GROWTH PATH FOR EMPLOYEES

7 GROWTH PATH FOR EMPLOYEES

Excellent talents are the core driving force for sustainable development and the indispensable valuable asset of the Company. The Company has always insisted on being people-oriented, committed to creating a fair, inclusive, harmonious and positive enterprise platform, providing diversified career growth paths to achieve the common growth of employees and the Company.

7.1 Employee Rights

The Company establishes and continuously improves the human resources policy system, protects the rights and interests of employees, ensures to provide employees with fair work opportunities and a healthy and safe working environment, as well as competitive salaries and benefits.

In accordance with the “Labor Law of the People’s Republic of China”, the “Social Insurance Law of the People’s Republic of China” and other laws and regulations, the Company formulated the “Labor Contract Management Measures” that meet the characteristics of the Company’s labor, and signed labor contracts with employees to ensure their legal labor rights. Besides, the Company abides by the relevant national regulations and implements a 40-hour work system per week, resolutely resisting forced labor. In 2020, there were no child labor or forced labor lawsuits.

7.1.1 Adhering to Equal Employment

The Company has always adhered to the principles of “employing based on the post”, implemented equal employment and opposed all forms of employment discrimination. In strict accordance with the provisions of the “Labor Law of the People’s Republic of China” and the “Law of the People’s Republic of China on the Protection of Minors” and based on the requirements under the “Management Measures for Staff Recruitment and Labor Contract Management Measures”, we firmly adhere to the basic principle of openness and fairness, oppose all inequalities that treat employees differently based on gender, age, nationality, ethnicity, religious belief, location of household registration, etc. in recruitment and employment, prohibit child labor or forced labor and fully ensure the legal rights and interests of female employees. Once illegal activities are discovered, the Company will immediately terminate the labor contract and report to the local government authority for processing.

GROWTH PATH FOR EMPLOYEES (Continued)

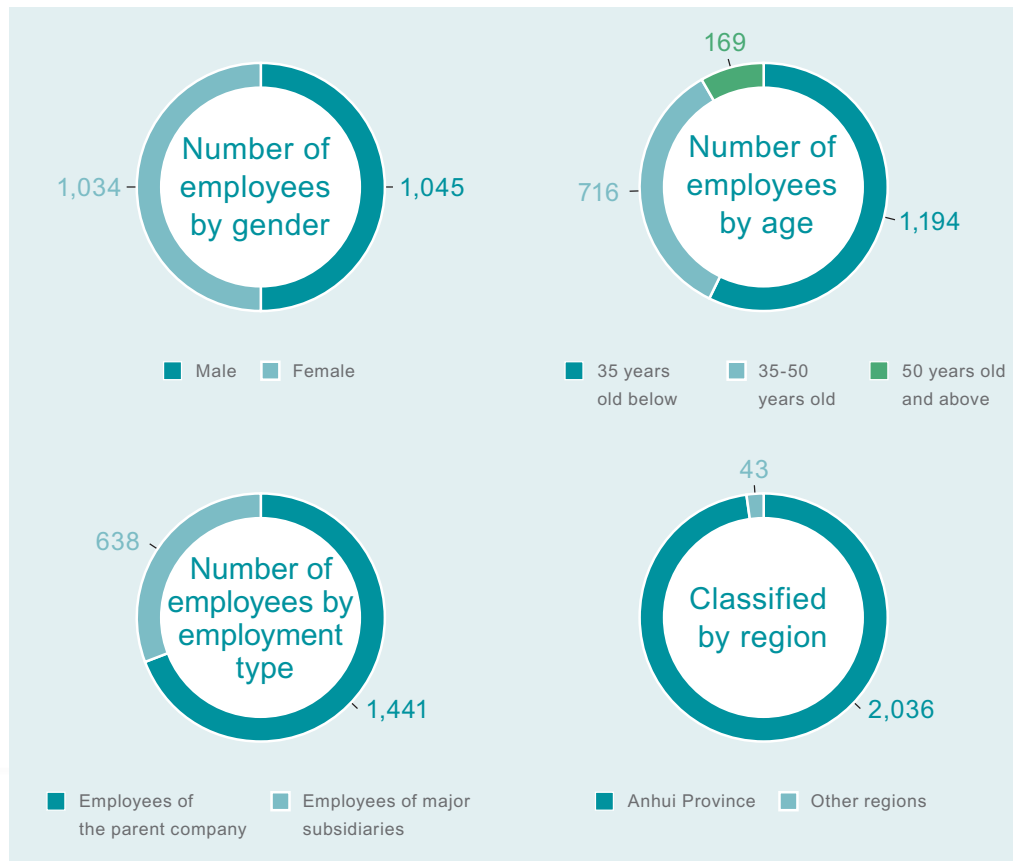
7 GROWTH PATH FOR EMPLOYEES (Continued)

7.1 Employee Rights (Continued)

7.1.1 Adhering to Equal Employment (Continued)

The Company adheres to the principle of equality and multi-channel recruitment, publishes recruitment information in several ways, organizes evaluations and interviews in a unified manner, and prevent falsification and events detrimental to fair recruitment. Adhering to the closed-loop management model of “complete process, one thing at one time”, the Company formulated the “Human Resource Management Process” and integrates it into the human resource management system (eHR), and standardizes management processes such as employee recruitment, resignation, job adjustment and salary adjustment, to ensure that the Company’s employee recruitment and personnel changes meet the relevant laws and regulations.

In 2020, the Company had a total of 2,079 employees, and 49.7% of whom are female employees.



GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.1 Employee Rights (Continued)

7.1.2 Improving salary and benefits

The Company adheres to the principle of distribution according to work, further explores the incentive effect of the remuneration system and performance appraisal in depth, and provides employees with competitive remuneration packages. Meanwhile, the Company provides employees with multi-level welfare and security, to create a sense of belonging among employees and maintain the structural stability of the Company's talent team.

Salary management

In terms of employees' salary, the Company has implemented the policy of "paying salary based on positions and establishments". In accordance with the "Interim Measures for Remuneration Management", the Company evaluates employees' salary comprehensively and reasonably, determines the salary level and pays a certain percentage of floating salary to motivate employees, with reference to various factors such as nature of the positions, length of service, work experience and academic qualification of employees.

Assessment incentives

In order to give full play to the incentives of the assessment system and stimulate the potential of employees, the Company formulated the "Performance Appraisal Implementation Plan for Department at Headquarter" for the headquarters and implemented targeted evaluation standards according to the employee grading, in the meantime, separate evaluation and recruitment of skilled personnel and hierarchical management have been implemented to ensure the fairness and justice of the assessment process.

GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.1 Employee Rights (Continued)

7.1.2 Improving salary and benefits (Continued)

Welfare guarantee

The Company actively implements welfare treatment for employees and provides comprehensive social security and employee benefits based on national standards, in order to create a warm working environment for employees. The Company strictly abides by the “Social Security Law of the People’s Republic of China”, purchases statutory insurance including pension, medical treatment, work injury, maternity, unemployment or commercial accident insurance for employees, provides housing provident fund and establishes the enterprise annuity plan. Above the basic employee welfare, the Company also purchases accidental injury insurance, major illness insurance for employees, and provides additional insurance benefits for female employees, to build a robust guarantee system for employees. In addition, the Company has built mother-and-baby rooms, gyms and other welfare facilities for employees, and festival greetings and birthday welfare are organized to provide comprehensive employee care.

7.2 Employee Development

The Company has planned a scientific and reasonable talent growth path for employees, and invested resources to establish a comprehensive employee training system to help employees to improve their professional capabilities continuously in the diversified training process and facilitate the growth of employees efficiently, so as to deliver outstanding talents for the Company constantly and promote the building of talent team of the Company effectively.



GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.2 Employee Development (Continued)

7.2.1 Smoothing career channels

In order to give full play to employees' talents and capabilities, the Company has established smooth career flow channels, which offer adequate opportunities and room for employees' improvement. After years of practice and improvement, the Company has gradually formed a professional promotion management mechanism with the core of the "Measures for the Administration of Executive Employee", the "Measures for the Administration of Professional and Technical Post", the "Measures for the Administration of Skilled Talent", which specified the promotion conditions and selection standards of employees and encouraged healthy competition among employees in the principles of fairness, openness, competition and selection of excellence to realize an orderly flow of talents.

Job category	Basis for promotion
Management positions	The promotion is determined under the guidance of the "Measures for the Administration of Executive Employee" with reference to academic qualifications, capabilities, and performance assessment.
Professional technical positions (engineering, economics, politics, accounting, law, etc.)	The position adjustment and the promotion of professional technicians was determined under the guidance of the "Measures for the Administration of Professional and Technical Post", and talents are selected through "evaluation" (acquisition of professional and technical qualifications), "employment" (employment of professional and technical duties), and "appointment" (employment of professional and technical positions), as well as the selection mode of "merit-based appointments, strict assessment, appointment period management" and the determination method of "total control, dynamic management", based on the appointment situation and business needs.
Administrative and logistics posts	The promotion is guided by the "Measures for the Administration of Skilled Talent" with reference to years of service, technical grade, job requirements and other factors.

GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.2 Employee Development (Continued)

7.2.1 Smoothing career channels (Continued)

In 2020, the Company further expanded the channels for internal post transfer, amended the “Management Measures for Staff Recruitment”, appropriately relaxed the age and educational background restrictions for internal post transfer, provided broader cross-regional and cross-field development opportunities for employees, and met the two-way needs of organizational development and talent development.

7.2.2 Improving the training system

The Company has been continuously building the talent training system, improving the training management system, and introducing a variety of training forms, and actively practicing the concept of “allocating the best talent to the best position”. The Company has formulated regulations like the “Interim Measures for Staff Training Management” and the “Company Headquarters Education Training Work Rules” and opened an online business school, held lectures regularly, established a classified “online + offline” multi-channel training system. Meanwhile, general training courses were developed and special training plan such as Excellent Training Class for Young and Middle-aged Cadres were held to help employees improve their management and professional skills, and provide solid support for their future career development. In 2020, the Company conducted training for 1,700 employees, and the average training hours for all employees was 12.72 hours/person.

In 2020, the Company revised the “Management Measures for Staff Education and Training” timely, improved the personnel training responsibilities of the human resources department, and added two training methods, namely online training and lectures, to make the internal system more in line with the needs of talent training.

GROWTH PATH FOR EMPLOYEES (Continued)


7 GROWTH PATH FOR EMPLOYEES (Continued)

7.2 Employee Development (Continued)

7.2.2 Improving the training system (Continued)

Case: Excellent Training Class for Young and Middle-aged Cadres

In September 2020, the Company held a training class for outstanding young and middle-aged cadres at the EDP Center of the School of Management of Zhejiang University. A total of 61 trainees from the Company headquarters and various management units participated in the training. The training class offered courses on team management, corporate governance by law, economic analysis, corporate risk control, management decision-making, etc., to teach students advanced corporate management concepts and broaden their horizons which played a positive role in cultivating the backbone of Anhui Expressway.

A group photograph of approximately 60 people, including men and women of various ages, posing in front of a large stone archway at Zhejiang University. The archway has the university's name in Chinese characters. A red banner across the photo reads "浙江大学—皖通高速优秀中青年干部培训班" (Zhejiang University - Excellent Young and Middle-aged Cadres Training Class of Antong Expressway) and includes the date "2020.9.21". The participants are arranged in several rows, with some sitting on the ground in the front and others standing behind them.

GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.3 Employee Care

The Company always pays attention to the needs of employees, encourages a healthy and active lifestyle, creates a corporate atmosphere of mutual help and love, enhances employees' sense of belonging to the company, and improves the Company's cohesion and centripetal force.

7.3.1 Focus on Employee Health

The physical and mental health of employees is an effective guarantee for the Company's operation and development. The Company always attaches great importance to the physical and mental health of employees, guarantees the safety of the working environment, sets up fitness places for employees, organizes various activities that are beneficial to the body and mind, and implements the main responsibility of occupational health of the Company.

Arrange health checkup

Employee health examinations are arranged every year in a regular manner to help employees discover occupational health hazards in a regular basis and prevent and eliminate major risks that may have impact on employee health.



Carry out cultural and sports activities

Various cultural and sports activities such as employee walking and the "Wantong Cup" are carried out to help employees achieve work-life balance and improve their physical and mental health.

Hold health lectures

We cooperate with authoritative organizations to carry out pandemic prevention and control, psychological counseling, occupational disease protection, health lectures and other activities in a regular basis to spread health knowledge.

GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.3 Employee Care (Continued)

7.3.1 Focus on Employee Health (Continued)

Case: Hold lectures on health and pandemic prevention and control knowledge

In order to comprehensively strengthen the health education of employees and ensure their physical and mental health, Hefei Administration Office held a lecture on health and pandemic prevention and control knowledge on 12 June 2020. Professional lecturers from Anhui Station of Safety and Health Education (Center) Network*(安全健康教育(中心)网) were invited to impart health knowledge to employees. The course focused on a healthy lifestyle, comprehensive management of sub-health, COVID-19 prevention and control knowledge, emergency response and other aspects. In teaching, the teachers taught through explanation, interactive communication and one-on-one guidance. The on-site teaching atmosphere was active, and the staff involvement was high, which achieved the expected effect of a special lecture.



GROWTH PATH FOR EMPLOYEES (Continued)

7 GROWTH PATH FOR EMPLOYEES (Continued)

7.3 Employee Care (Continued)

7.3.2 Care for employees with sincerity

The Company always pays attention to the needs of employees, actively carries out caring activities such as festival greetings and sending coolness during high-temperature days, and implements employee assistance measures, and improve files for employees living in poverty continuously, so as to turn the Company into solid and reliable support and a warm and caring harbor for employees.

The Company actively implements employee insurance, renewal, compensation and other related work, and continue to promote mutual assistance coverage of all employees and all types of insurance. In 2020, the Company has achieved full coverage of mutual assistance and protection for union members of the Company, effectively protecting the vital interests of employees.



The Company pays special attention to families of employees in difficulty, grants condolence to employees and their families in difficulty due to illnesses, accidents, education treatment of children. In 2020, the Company granted a total of RMB130,300 for condolences, and carried out 162 condolence visits.

BENEFIT PATH FOR PEOPLE LIVELIHOOD

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD

The year 2020 is the final year of building a moderately prosperous society in all respects and decisively poverty alleviation and the Thirteenth Five-Year Plan. Standing at the historical intersection of the “Two Centenary Goals” and facing the severe challenges of the COVID-19 pandemic, the Company actively responds to the national call for targeted poverty alleviation and actively fulfills the responsibilities of state-owned enterprises with firmer determination and clearer thinking. Make use of the Company’s resources and technological advantages to launch a general attack on the fortress of poverty, contributing to the cause of poverty alleviation nationwide and the building of a moderately prosperous society in all respect.

8.1 Decisive Battle Against Poverty

Since 2017, the Company has adhered to the “Notice of the State Council on Issuing the Thirteenth Five-Year Plan for Poverty Alleviation” and implemented the “Targeted Poverty Alleviation Work Plan of the Company”, carried out targeted assistance work to assist Lishu Village, Taihu County, Anqing City, Anhui Province. In 2020, the village resident team worked hard with tenacity without sparing effort to help Lishu Village’s collective economic income to exceed RMB500,000, achieving a leap from an indebted village to an economically strong village, striving to paint a magnificent picture of rural revitalization, and steadily moving towards the goal of common prosperity.

Constantly consolidating the effectiveness of assistance

The Company’s village resident team in Lishu Village, combined with daily visits and other methods, conducted an in-depth investigation on the production and living conditions of the poor households in the village, improved assistance measures, strengthened service guarantee, and actively resolved the difficulties of the poor people to ensure that the people who have not been lifted out of poverty this year will be stably lifted out of poverty. Those who have been lifted out of poverty will steadily increase their income and not return to poverty. Under the third party’s assessment and acceptance, Lishu Village has achieved zero poverty under the current standard this year.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.1 Decisive Battle Against Poverty (Continued)

Constantly consolidating the effectiveness of assistance (Continued)

- **Industrial poverty alleviation:** Industrial poverty alleviation is the main way and long-term policy to realize the stability of poverty alleviation. Through technical guidance, industry awards and subsidies, unified purchase and sales, the resident team guided more than 230 poor households to develop characteristic planting and breeding industries. Since this year, agricultural products processing plants and greenhouse mushroom planting bases have been built and put into operation; the tea planting base is under good management, and the tea plants are growing well. In terms of poverty alleviation through consumption, more than RMB2 million agricultural products were sold this year, which effectively promoted poverty alleviation industries and the steady increase of income of poor households. The village collective photovoltaic power station runs well, with an annual income of more than RMB300,000, and continues to enhance the collective economy.
- **Employment poverty alleviation:** Promoting employment and income growth for the poor is an important part of winning the battle against poverty. Since this year, various economic organizations in the village have arranged more than 90 people to be employed nearby, set up 100 public welfare positions in total, guided more than 300 people to go out for employment, arranged 3 poor college students to work in the Yida service area during the summer vacation, and applied for a total of RMB340,000 of transfer employment subsidy.
- **Volunteering Service:** In addition to the resident team which carries out special assistance work, the Company is deeply concerned about Lishu Village. All departments of the Company went to the village to carry out public welfare activities for poverty alleviation, visited four low-income families, and carried out charity activities for students in Liuhe Primary School to convey warmth to the children in Lishu Village.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.1 Decisive Battle Against Poverty (Continued)

Sparing no effort to fight against the pandemic

In the face of the sudden outbreak of the COVID-19 pandemic, the Company coordinated the pandemic prevention and control and poverty alleviation work, and went all out to overcome the difficulties. The resident team established a team of joint defense chiefs and a team of volunteers, donated masks, alcohol, disinfectant and other anti-pandemic materials to Lishu Village, and distributed more than RMB200,000 hardship subsidies and employment subsidies to poor households affected by the pandemic. While fighting the pandemic, the Company actively promoted the resumption of work and production, orderly pushed forward the resumption of work of provincial-level central farms, agricultural products processing plants and irrigation and water conservancy projects, supported and guided poor households to vigorously develop tea and camellia planting and other income-increasing industries, and further increased the proportion of poor people in employment.

Actively carrying out post-disaster reconstruction

The resident team is committed to reducing the impact of extreme weather on Lishu Village. After the summer floods, 16 houses collapsed in the village due to the disaster, 10 house slopes collapsed, more than 20 road collapses, more than 10 mu of farmland was destroyed by flooding, and 50 mu of crops were damaged. The resident team inspected properly, the personnel were transferred and resettled in time, and there were no casualties. At the same time, the two village committees quickly carried out post-disaster reconstruction work, repaired damaged houses in a timely manner, restored road traffic, and disaster-stricken farmland irrigation and water conservancy facilities, arranged-replanting, and distributed the disaster relief funds in time, minimized the impact of floods on the production and life of poor households, and protected the lives of villagers and the economic development of the entire village.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.2 Fee Reductions

The expressway is the artery of national transportation and the life path of the people's production and life. It is closely related to economic development and social livelihood. The Company insists on adopting the measures to benefit the people, and strictly implementing the "green channel" for the transportation of fresh agricultural products, exempting tolls for small passenger cars on major holidays, Huitong Card reductions and other reductions and benefits to the people, and benefiting the people to travel. In the face of the sudden COVID-19 pandemic, the Company introduced corresponding fee reduction policies to help prevent and control the pandemic and overcome the impact of pandemic. In 2020, the Company released vehicles free of charge for 79 days in all road sections, extended the toll-free period for small passenger vehicles for 9 days, and reduced the vehicle tolls by RMB800 million in total, insisting that the smooth traffic flow be maintained and the services never closed.

Reduction during the prevention and control period of COVID-19 pandemic

The COVID-19 pandemic began in early 2020. On 15 February 2020, following the 9-day free period added during the Spring Festival this year, according to requirements of "Notice on Exempting Tolls of Toll Roads during the Prevention and Control of the COVID-19 Pandemic" (Jiaogonglu Mingfa [2020] No. 62) (《關於新冠肺炎疫情防控期間免收收費公路車輛通行費的通知》(交公路明發[2020]62號)) issued by the Ministry of Transport. Starts from 0:00 on 17 February until the end of the pandemic prevention and control work, toll roads across the country will be exempt from tolls. The charges will be resumed at 0:00 on 6 May 2020. During this period, the expressway industry shall strengthen traffic maintenance, keep unblocked, make every effort to fight the pandemic, provide a strong guarantee for the resumption of work and production and social and economic development.

Exemption and reduction on the green channel

The Company opened the "green channel" for vehicles such as transportation of fresh agricultural products, flood relief, emergency transportation of coal and cross-regional combine harvesters, and reduced tolls. From 2019 onwards, in strict accordance with the document joint issued by the Ministry of Transport and the Ministry of Agriculture and Rural Affairs on the adjustment of the "green channel" policy for the transportation of fresh agricultural products, the Company resumed the implementation of the "green channel" policy for the transportation of fresh agricultural products for vehicles that legally transport piglets and chilled pork, with no vehicle tolls.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.2 Fee Reductions (Continued)

Exemption and reduction on major holidays and festivals

The Company strictly abides by the “Implementation Plan of National Toll Free Policy for Small Passenger Cars” to provide convenience for people to travel and return to their hometowns on holidays while promoting the holiday economy and stimulating domestic consumption.

Exemption and reduction on ETC

The Company strictly abides by the “Notice on Vigorously Promoting the Development and Application of Expressway ETC” of the General Office of the Ministry of Transport, strictly implements the policy of giving 5% discount to the users of ETC traffic vehicles in the region, and gives the region ETC vehicles basic discounts without a difference to improve the efficiency and experience of expressways.

Exemption and reduction on Huitong Card

On 31 December 2020, with the consent of the provincial government, the Provincial Department of Transportation, the Provincial Development and Reform Commission, and the Provincial Department of Finance issued the “Notice on Matters Concerning the Tolls of Our Province’s Toll Road Vehicles”, which will be officially implemented on 1 January 2021. The period of 15% discount for freight vehicles holding Anhui transportation cards is tentatively extended for 3 years, that is, from 1 January 2021 to 31 December 2023.

8.3 Volunteering Activities

As a responsible enterprise, the Company has always been enthusiastic about public welfare, and advocated employees to actively participate in various public welfare volunteer activities. Through the establishment of volunteer service teams and joint charities, the Company carried out volunteer service activities around caring for children with disabilities and left-behind children, orphans, the widowed elderly, and call on employees and the public to provide help to those in need. Wantong Youth League Committee affiliated organizations set up a total of 24 youth volunteer service brigades, and 69 other volunteer service groups and squadrons. The Company has organized and participated in nearly 1,500 volunteering service activities throughout the year, and the service time is more than 60,000 hours.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.3 Volunteering Activities (Continued)

Group Honor

- A number of organizations and groups were awarded as “Excellent Youth Volunteering Service Organization of the Group”.

8.4 Preventing and Fighting the COVID-19 Pandemic

After the outbreak of the COVID-19 pandemic, the Company rose to the challenge, took the initiative and implemented targeted measures to fully implement various measures for pandemic prevention and control. While achieving “Zero Infection” among its staff, the Company adhered to the principle of guaranteeing the opening of the expressways, with non-stop services, worked on “stability on six fronts” in a satisfactory manner, and promoted the implementation of “security in six areas”, to effectively guarantee the work of pandemic prevention and control. Meanwhile, the Company actively shouldered the responsibilities to serve as the transit point for inbound persons via Anhui Province and provided safe and warm services for the returnees, reflecting the Company’s high sense of social responsibility and mission.

Giving full play to the role of road network in pandemic prevention and control

In pursuit of the overall target of “Orderly road network management and control, effective internal prevention and control, and effective pandemic monitoring and prediction”, the Company spared no effort to cooperate with the local government to conduct health quarantine at toll stations and temporary traffic management. As one of the “four parties working for joint prevention” at health quarantine stations, the toll stations set up a total of 199 pandemic checkpoint, and 202 pandemic checkpoint were set up in the service areas, so as to strictly prevent and contain the spread of the pandemic. Meanwhile, 67 accesses at toll stations were temporarily closed, and 104 toll stations exhorted out-of-town vehicles to drive back to effectively prevent the spread of the pandemic through expressways.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.4 Preventing and Fighting the COVID-19 Pandemic (Continued)

Giving full play to the role of road network in pandemic prevention and control (Continued)

Case: Tianchang Management Office holding fast to the front line, to cooperate with local government in pandemic prevention and control

Tianchang Management Office focused on the key points for pandemic prevention and control, implemented the requirements of “giving green light” to pandemic prevention and control emergency vehicles and vehicles delivering supplies to Hubei, and released vehicles before conducting verifying. However, it cooperated with local health and pandemic prevention departments and transport departments in pandemic prevention and control, and conducted round-the-clock body temperature check for all passengers in all vehicles passing through at the exits of the expressways, so as to know about the information on the health condition of people returning from other parts of China and conduct effective source screening. On the eve of the spring festival, Tianchang Management Office actively cooperated with the community to record the number of people returning from Wuhan and reported to the community in a timely manner any person who refused quarantine at home in accordance with the regulations, so as to provide full support for the pandemic prevention and control in the place where it was located.

Case: Hefei Management Office provided warm voluntary service for anti-pandemic workers

The pandemic prevention and control came amid the end of winter and the beginning of spring when it was cold and rainy. The workers at Hefei Management Office took the initiative to cook brown sugar ginger soup for drivers and passengers passing by, the traffic police and medical workers who were working on the frontline as part of “four parties working for joint prevention”, to help them to get rid of the feeling of chill. In addition, the workers at Hefei Management Office and the “Little Red Hats” volunteers working at the toll stations took the initiative to act as “takeaways” deliverymen and delivered hot meals in food containers for various workers working at the road crossing, so as to avoid the risk of infection among the workers.

BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8 BENEFIT PATH FOR PEOPLE LIVELIHOOD (Continued)

8.4 Preventing and Fighting the COVID-19 Pandemic (Continued)

Undertaking the work for the transit of inbound persons

The Company also actively undertook the responsibilities to serve to work for the transit of people entering China via Anhui Province, on call 24 hours a day, completed the transit of 1,418 persons in 87 flights, and achieved zero accident and zero infection. The Company was not only commended by the Comprehensive Emergency Response Commanding Center for Pandemic Prevention and Control of Anhui Province (安徽省疫情防控應急綜合指揮部) but also received unanimous recognition from returnees.

Case: Hefei Management Office took the initiative to undertake the work for the transit of inbound persons and did a good job in preventing and controlling the pandemic and receiving compatriots

Jinzhai Road Toll Station on Hefei Beltway is a transit point for people entering China via Anhui Province. During the outbreak of the pandemic, Hefei Management Office did its best to provide services such as premise construction, logistics support, sanitation and disinfection, scientifically divided the site into rest zone for inbound persons and rest zone for workers, so as to avoid cross-contact, and established a contact mechanism with the Second Affiliated Hospital of Anhui Medical University, inviting professionals to conduct pandemic prevention and disinfection training, so as to ensure the safety in transit stations for inbound persons. At the transit stations, meticulous and warm services are provided through the whole reception process, providing 24-hour hot meals for the inbound persons, soothing the inbound compatriots, answering questions from them, and paving a safe way home for them with professionalism and patience.



APPENDIX OVERVIEW OF ESG KPI

9. APPENDIX OVERVIEW OF ESG KPI

Category	ESG Indicator	Unit	2020
A Environment ^{a)}			
A1 Emissions			
	A1.1 The types of emissions and respective emissions data		
	Nitrogen Oxides(NO _x) ^{b)1)}	ton	4.8
	A1.2 Greenhouse gas emissions in total and, where appropriate, intensity		
	Total greenhouse gas emissions	ton-carbon dioxide equivalence	16,613.0
	Greenhouse gas emission intensity	ton-carbon dioxide equivalence/km (length of the highway in operation)	29.8
	Direct emission (scope 1) ^{c)2)}	ton-carbon dioxide equivalence	1,448.5
	Indirect emission (scope 2) ^{d)3)}	ton-carbon dioxide equivalence	15,164.5
	A1.3 Total hazardous waste produced and, where appropriate, intensity		
	Total amount of hazardous waste ^{e)}	kg	794.1
	Density of hazardous waste	kg/km (length of the highway in operation)	1.4
	A1.4 Total non-hazardous waste produced and, where appropriate, intensity ^{f)}		
	Total amount of non-hazardous waste	ton	601.4
	Density of non-hazardous waste	ton/km (length of highway in operation)	1.1
	Household waste	ton	328.3
	Kitchen waste	ton	273.1

APPENDIX OVERVIEW OF ESG KPI (Continued)

9. APPENDIX OVERVIEW OF ESG KPI (Continued)

Category	ESG Indicator	Unit	2020
A2 Use of Resources			
	A2.1 Direct and/or indirect energy consumption by type in total and intensity		
	Total energy consumption ^{9/4)}	tons of standard coal	3,011.0
	Energy intensity	tons of standard coal/ km (length of the highway in operation)	5.4
	Petrol consumption ^{9/1)}	liter	360,745.1
	Diesel consumption ^{9/2)}	liter	218,060.6
	Liquefied petroleum gas	ton	20.1
	Outsourced electricity ^{h)}	kWh	18,847,258
	Total resources consumption ⁱ⁾	ton	223,236
	Asphalt mixture (hot mix)	ton	71,331
	Cement concrete (new material)	kg	43,219,697
	Stone (new material)	kg	105,952,429
	Stone (reuse)	kg	270,000
	Snow-melting agent	kg	474,300
	Curing agent (bridge repair)	kg	2,145
	Paint	kg	19,180
	Steel	kg	1,960,802
	A2.2 Water consumption in total and intensity		
	Total water consumption	ton	170,747.6
	Water consumption intensity	ton/km (length of the highway in operation)	306.5

APPENDIX OVERVIEW OF ESG KPI (Continued)

9. APPENDIX OVERVIEW OF ESG KPI (Continued)

Category	ESG Indicator	Unit	2020
B Society			
B1 Employment			
	B1.1 Total workforce by gender, employment type, age group and geographical region		
	Total employees	person	2,079
Gender	Male employees	person	1,045
	Female employees	person	1,034
Employment type	Employees of the parent company	person	1,441
	Employees of major subsidiaries	person	638
Age	35 year-old and below	person	1,194
	35–50 year-old	person	716
	50 year-old and above	person	169
Region	Anhui Province	person	2,036
	Other areas in China other than Anhui Province	person	43
B2 Health and Safety			
	B2.1 Number and rate of work-related fatalities		
	Number of work-related fatalities	person	0

APPENDIX OVERVIEW OF ESG KPI (Continued)

9. APPENDIX OVERVIEW OF ESG KPI (Continued)

Category	ESG Indicator	Unit	2020
B3 Development and Training			
	B3.1 The percentage of employees trained by gender and employee category		
	Total employees trained	person	1,700
Gender	Male employees %	%	49.1%
	Female employees %	%	50.9%
Employment type	Employees of the parent company %	%	65.4%
	Employees of major subsidiaries %	%	34.6%
	B3.2 The average training hours completed per employee by gender and employee category ^{j)}		
	Total average training hours completed	hour/person	12.7
Gender	Male employees	hour/person	13.0
	Female employees	hour/person	12.4
Employment type	Employees of the parent company	hour/person	16.4
	Employees of major subsidiaries	hour/person	4.4
B5 Supply Chain Management			
	B5.1 Number of suppliers by geographical region ^{k)}		
	Total suppliers	suppliers	47
Region	Number of suppliers within Anhui Province	suppliers	28
	Mainland China (other than Anhui Province)	suppliers	19

APPENDIX OVERVIEW OF ESG KPI (Continued)

9. APPENDIX OVERVIEW OF ESG KPI (Continued)

Category	ESG Indicator	Unit	2020
B6 Product Responsibility			
	B6.2 Number of products and service-related complaints received and how they are dealt with		
	Complaints by providing related services	times	11
	Normal closure rate for complaints	%	100%
B7 Anti-corruption			
	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.		
	Number of concluded legal cases	cases	0
B8 Community Investment			
	B8.2 Resources contributed to the focus area		
	Total investments in targeted poverty alleviation	ten thousand	415.72
	Investment amount	ten thousand	407.30
	Material	ten thousand	8.42
	Number of recorded poverty population lifted out of poverty	person	1,098

Notes:

- a) If indicators of the A1 environmental category are not specified, the statistical categories are the indicator data generated or used by the own road sections of the Company;
- b) According to the actual situation of the Company's utility vehicles, the Company selected fuel emission factor which met with National-V standards, and the emission of nitrogen oxides decreased slightly;

APPENDIX OVERVIEW OF ESG KPI (Continued)

9. APPENDIX OVERVIEW OF ESG KPI (Continued)

Notes: (Continued)

- c) Indicator A1.2 Greenhouse gases (scope 1) include direct emissions from gasoline, diesel, liquefied petroleum gas, etc.;
- d) Indicator A1.2 Greenhouse gases (scope 2) include indirect emissions from outsourced electricity;
- e) Indicator A1.3 Total amount of hazardous waste includes the total amount of waste generated in work such as lamps, batteries, and ink cartridges;
- f) Due to the impact of the COVID-19 pandemic, the production of household waste and kitchen waste decreased, and the total amount of harmless waste decreased;
- g) Indicator A 2.1 Total energy consumption includes the total use of gasoline, diesel and liquefied petroleum gas and purchased electricity, of which,
 - g,1) Gasoline consumption includes the use of gasoline on its own road sections and commissioned sections, the calculation scope of energy consumption and greenhouse gas emissions generated is the same as that of gasoline statistics;
 - g,2) Diesel consumption includes the use of diesel on its own road sections and commissioned sections, the calculation scope of energy consumption and greenhouse gas emissions generated is the same as that of diesel statistics;
- h) Purchased electricity includes the electricity consumed in the office and is in the process of operation of the Company. The electricity consumed in the process of operation included electricity consumed by external units such as the Construction Project Office and the external joint road administration team;
- i) In 2020, the Susong Road Crossing relocation project, Shushan Toll Station maintenance project and the expansion project of Xiao County East Toll Station led to a significant increase in the use of construction materials;
- j) Due to the impact of the COVID-19 pandemic, the number of offline trainings for employees decreased and the number of training hours decreased slightly;
- k) Indicator B5.1 The statistical scope of the number of suppliers by region includes only engineering suppliers determined through public bidding and does not include suppliers identified by non-bidding forms.

Standards for determining data

- 1) Nitrogen oxides (NO_x) emissions from gasoline and diesel are calculated with reference to the "Technical Guidelines for the Compilation of Emission Inventories of Road Vehicles (Trial Version)" 《(道路機動車大氣污染物排放清單編製技術指南試行版)》 issued by the Ministry of Environmental Protection;
- 2) The direct greenhouse gas emissions from gasoline, diesel, liquefied petroleum gas, etc. are calculated with reference to the "Compiling Guidelines for Provincial Greenhouse Gas Inventories" 《(省級溫室氣體清單編製指南)》 issued by the National Development and Reform Commission for climate change;
- 3) The indirect greenhouse gas emissions from outsourced electricity are calculated with reference to the "Provincial Greenhouse Gas Inventory Guidelines" 《(省級溫室氣體清單編製指南)》 issued by the National Development and Reform Commission for climate change. Among them, the electricity emission factor of the mainland area refers to the standard of the "2017 Emission Reduction Project China Regional Power Grid Baseline Emission Factor" 《(2017年度減排項目中國區域電網基準線排放因子)》;
- 4) The total energy consumption refers to the Chinese standard "GB/T 2589-2008 General Rules for General Energy Consumption Calculation" 《(GB/T 2589-2008綜合能耗計算通則)》 for standard coal conversion.