

股票代码HK03399



广东交通集团



粤运交通

Yueyun Transportation



ESG Report 2023

of Guangdong Yueyun
Transportation Company
Limited



About the Report

Scope of report

This Report is the eighth Environmental, Social and Governance (ESG) Report issued by Guangdong Yueyun Transportation Company Limited. The information and data in the Report mainly cover the Company's ESG practices during the period from January 1, 2023 to December 31, 2023, while some contents shall be traced back to previous years or extended to coming years as appropriate so as to enhance the comparability and completeness herein. This Report covers information and key performance in sustainable development of the Company and its holding subsidiaries.

Principles for preparation

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

About company name

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

Content selection

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

Materiality: Conduct regular stakeholder communications and significance assessments to identify significant environmental, social and governance issues and ensure they are reflected in our reports;

Quantification: The information and data disclosed in this report are mainly derived from relevant internal statistical reports or documents of the company and have been reviewed by relevant departments;

Balance: The positive and negative impacts of the business are disclosed in a transparent manner;

Consistency: Unless otherwise indicated, the disclosure, data collection and calculation methods in this report have been consistent with those in previous years to facilitate comparison at any time.

Release of report

This Report is publicized annually in both printed and electronic versions, the latter is available on the WeChat official account (ID: YJTO3399) of the Company and the website of the Stock Exchange of Hong Kong Limited at www.hkex-news.hk. This Report is prepared in simplified Chinese and English. In case of any ambiguity, the Chinese version shall prevail.

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Statement of the Board of Directors

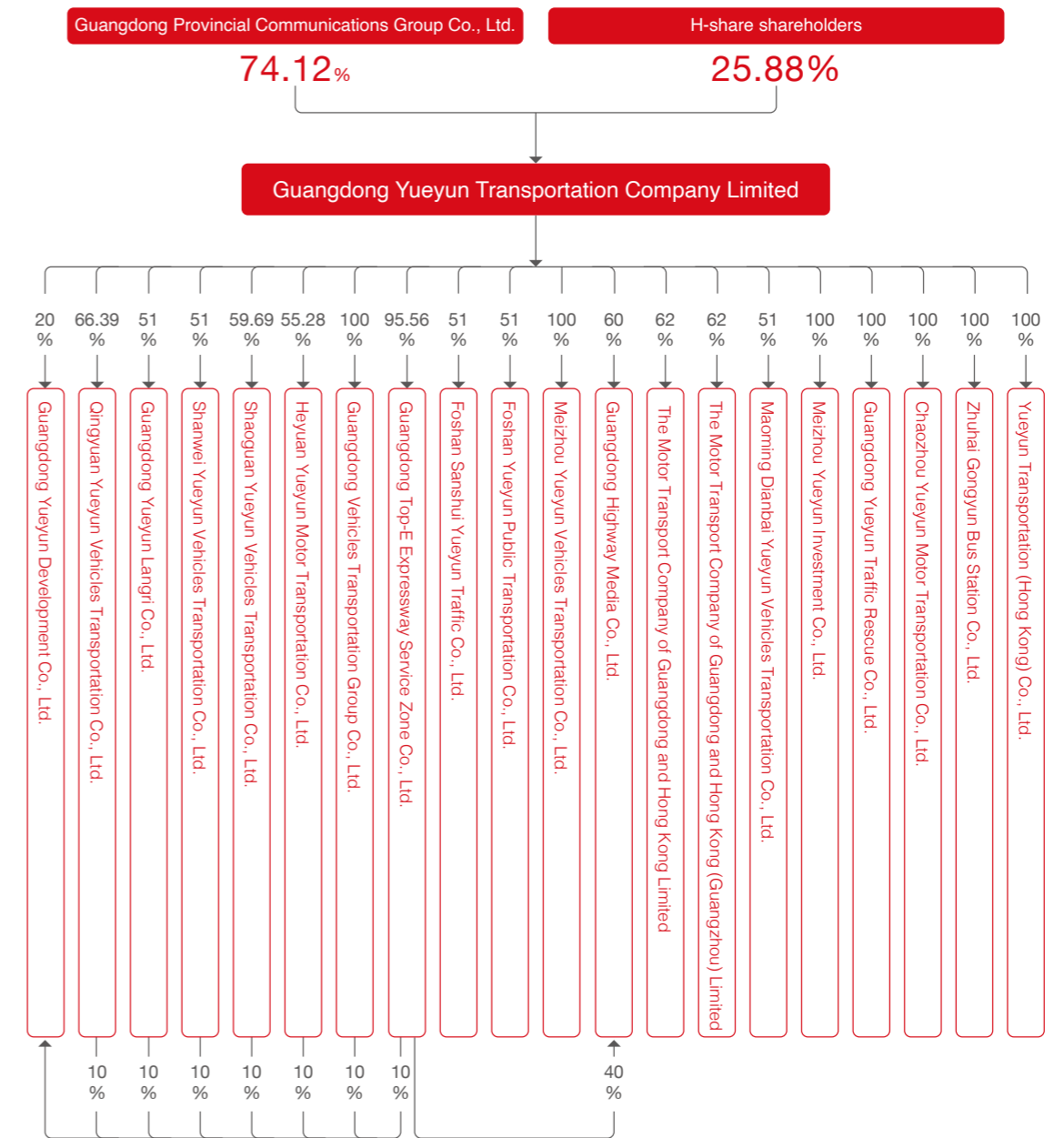
The Board of Directors of Yueyun Transportation makes a commitment that the Company strictly observes the disclosure requirements in the Stock Exchange of Hong Kong Limited's Environmental, Social and Governance Reporting Guide. The Company publishes ESG reports, and supervises the commitments and performance of its key ESG issues on a regular basis. The Board of Directors reviewed the targets and plans of the Company's core ESG indicators, and defined the Company's targets for the years 2024 and 2027 as for energy conservation, consumption reduction, waste disposal, water resource use intensity, carbon emission intensity and other aspects. Meanwhile, it accelerated the optimization of the Company's ESG management systems, procedures and responsibilities and kept improving the Company's ESG governance level, by preparing annual ESG management plan and confirming responsible departments and time nodes.

About Us

Company profile

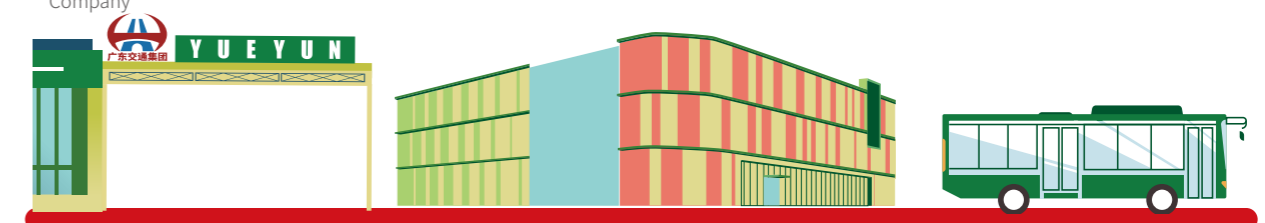
Guangdong Yueyun Transportation Company Limited ("Yueyun Transportation" for short) and its affiliated companies (collectively referred to as "the Group") are integrated transportation service providers. Established in 1999, Yueyun Transportation was listed on the main board of the Stock Exchange of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

Company architecture



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

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



Business segments

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

Company brands



Company strategy

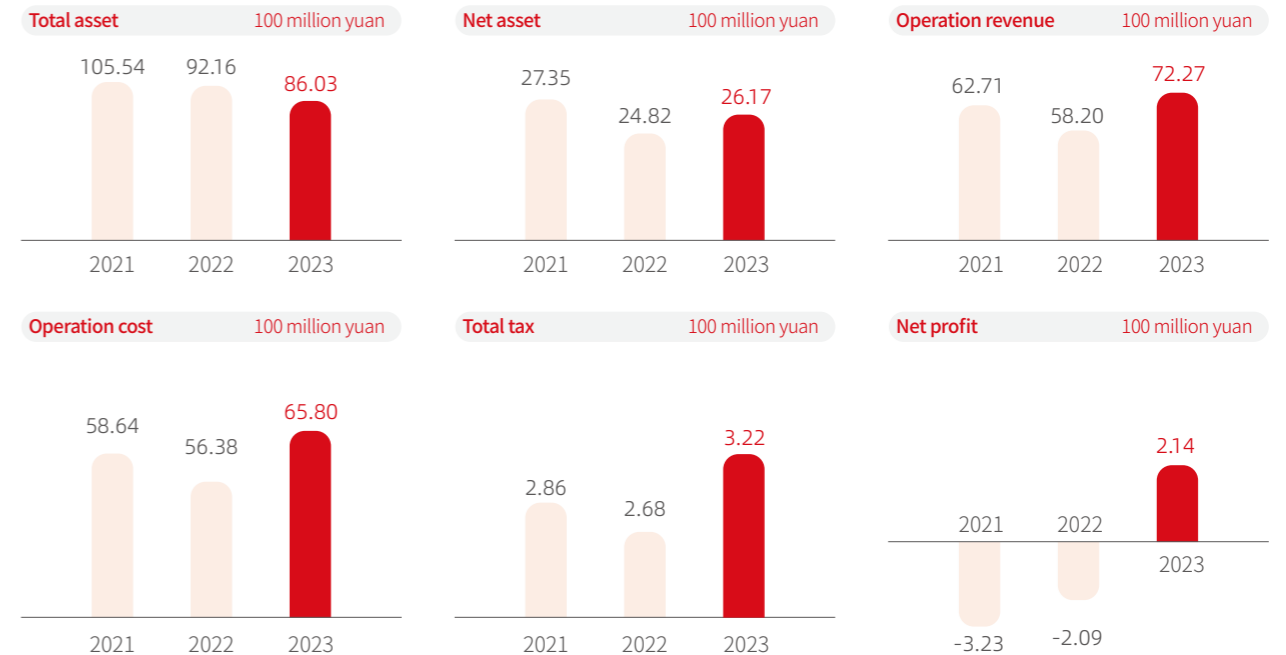
Taking the expressway travel service as core business, the Company which is transportation-oriented manages transportation network resources to a great extent. Following an intensive, digital and specialized operation mode, the Company, which is committed to becoming a group of integrated transport services,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

Corporate culture

Mission	Serve the society and facilitate travel	Spirit	Adopt a pragmatic approach and pursue perseverance, uphold integrity and break new grounds
Core values	Integrity, Responsibility, Openness, Sharing and Ambition	Development concept	Focus, Innovation, Coordination, Openness, Greenness, and Sharing
Vision	Committed to becoming a domestic leading integrated service platform for expressway travel services and integrated operation of transportation industry and green, renewable energy	Brand concept	To become a model in the industry and preferred choice of customers

Figures of 2023

Business performance



Environmental performance

The Company disposed of 100% wastes in a harmless way	The Company saved 261,804.78 tons of water	The Company invested RMB 4,470,000 in the maintenance of special sewage facilities	The Company emitted greenhouse gas of 180,625.877 tons
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Social performance

The Company 100% responded to customer complaints	The Company had 926 suppliers in Guangdong Province	The Company 100% signed labor contracts with its employees	The Company had purchased social security for all its employees (100% coverage rate)
The Company's safety training covered 190,244 persons	The Company donated RMB 18,000 to charity organizations	The Company invested RMB 154,900 in rural revitalization	

Awards Received in 2023

Guangdong Yueyun Transportation Company Limited won the title of **"2021-2022 Exemplary Publicity Organization in Guangdong Road Transport Industry"**

Guangdong Yueyun Transportation Company Limited was awarded the title of **"Top 10 Members of Guangdong Intelligent Transportation Association"**

Guangdong Yueyun Transportation Company Limited was rated as one of enterprises on the **"ESG Development Index for State-owned Enterprises in Guangdong-Hong Kong-Macao Greater Bay Area"**

Guangdong Top-E Expressway Service Area Co., Ltd. was awarded the title of **"Excellent Management Enterprise for Celebrating the 35th Anniversary of China's Expressway Service Area"**

Dahuai and Yiliu service area teams of Guangdong Top-E Expressway Service Area Co., Ltd. won the title of **"Excellent Service Team for Celebrating the 35th Anniversary of China's Expressway Service Area"**

Yangjiang service area of Guangdong Top-E Expressway Service Area Co., Ltd. was awarded the title of **"China's Expressway Tourism Service Area at the Third Tourism Traffic Conference"**

Jinzao Service Area of Guangdong Top-E Expressway Service Area Co., Ltd. was rated as the **"National AAAAA Driver's Home"**

Guangdong Yueyun Transportation Rescue Co., Ltd. was awarded the **"Top 10 Outstanding Teams in the First Annual Conference for National Expressway Rescue Management and Service"** by the China Highway & Transportation Society

Guangdong Yueyun Transportation Rescue Co., Ltd. won **"First Prize in Innovative Cases of First Annual Conference for National Expressway Rescue Management and Service"**



01

Forging Ahead to Become a Pioneer for Modernizing Corporate Governance

By strictly following the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, and other related laws and regulations, Yueyun Transportation constantly improved its corporate governance mechanism, and expedited its high-quality development on the basis of science-based and standardized systems, supervisory mechanism of check and balance, and effective executive ability, thus promoting its capability of modernizing corporate governance.

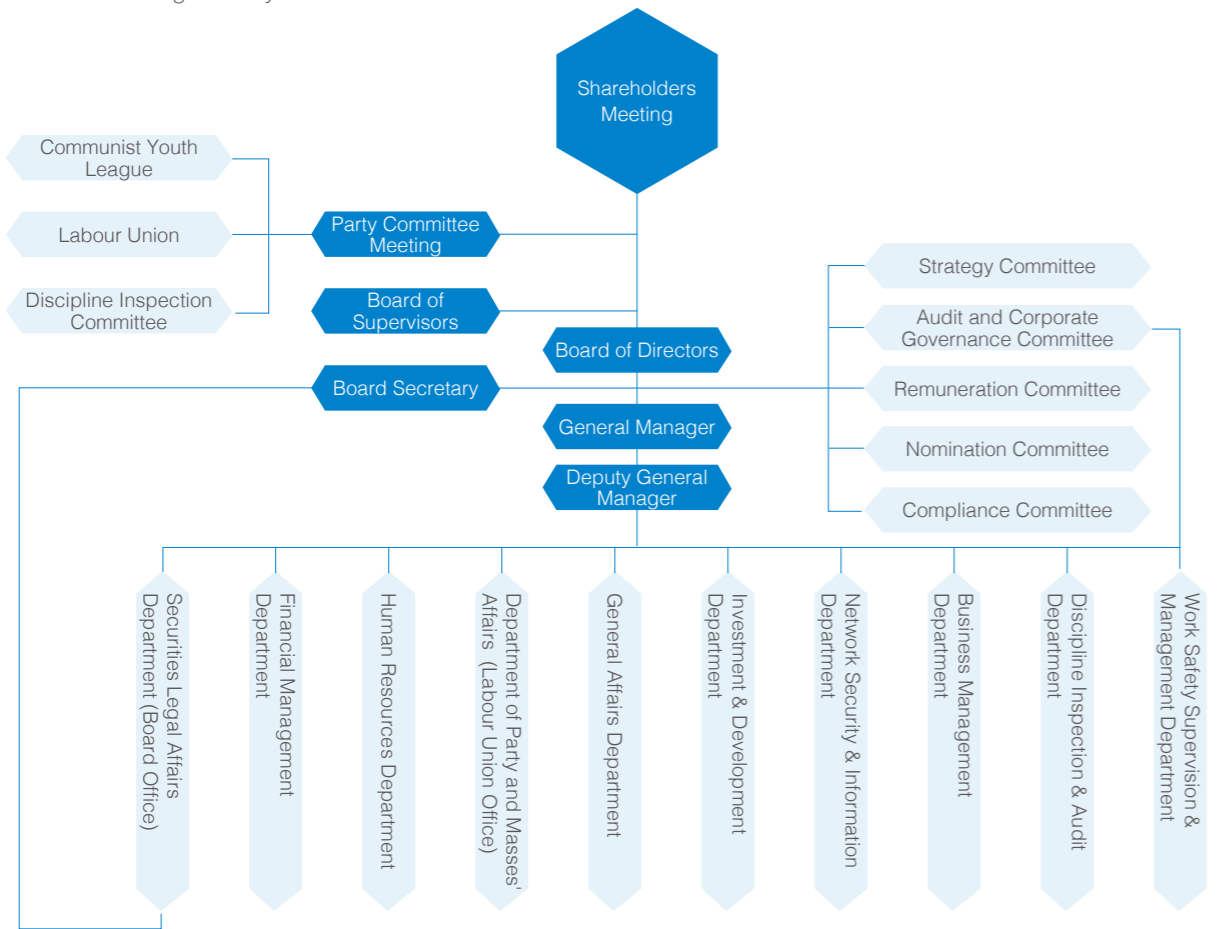


Corporate governance

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

Improving the governance mechanism

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



In 2023, the Company held

1 general meeting of shareholders	18 meetings of the Board of Directors	2 meetings of the Board of Supervisors	2 meetings of the Strategy Committee
3 meetings of the Audit and Corporate Governance Committee	2 meetings of the Remuneration Committee	1 meetings of the Nomination Committee	

Deepening the corporate reform

Grasping the opportunities brought by the new round of actions for deepening and upgrading the reform of SOEs, the Company earnestly implemented the reform tasks for the “Year of Reform and Development” to boost its high-quality development.

Improving the modern SOE mechanism

- The Company reviewed its implementation system for decision-making on major events in all respects. It improved the list of rights and responsibilities for the clear boundary and efficient process relating to the decisions made by the Board of Directors, the Party Committee and management team, and revised and issued the Implementation Measures for Decision-making on Major Events, and the Rules of Procedure for the Meeting of Party Committee and Rules of Procedure for the Meeting of General Manager, thus sufficiently promoting the modern corporate governance efficiency for SOEs with Chinese characteristics.
- The Company continued to follow up the performance of six duties by the Board of Directors, and updated and revised its articles of association and relevant systems of Board of Directors. It also formulated the Authorization List of the Board of Directors for Managers, Working Rules for Special Committees under the Board of Directors, and Working Rules for Secretary of the Board of Directors, so as to improve the discussion and decision management systems.

Promoting the reform of SOEs to a deeper level

- The Company revised all contents of the specific timetable and roadmap for the exit from passenger transport sector in the mid-late period of the “14th Five-Year Plan”, and clarified the orientation of reform and development for the expressway travel service industry.
- The Company pushed forward the actions to build up itself into a world first-rate enterprise and create more values, and formulated the 2023-2025 implementation scheme while focusing on the vision of “excellent product, outstanding brand, leading innovation, and modernized governance”.
- The Company comprehensively reviewed and summarized the achievements, highlights and problems regarding the SOE reform in recent three years, and earnestly implemented the rectification measures for the special “look-back” inspection for the three-year action plan of state-owned enterprises reform launched by the Guangdong Provincial Party Committee and the State-Owned Assets Supervision and Administration Commission of Guangdong Province. For 4 major problems discovered in the inspection, it formulated 21 rectification measures.

Continuously optimizing the layout of state-owned capital

- While focusing on its main business of travel services, the Company implemented its business strategy for the complete and orderly exit from passenger transport sector, and formulated relevant roadmaps and implementation schemes for its subordinate passenger transport enterprises to exit from passenger transport businesses in line with the principle of “one policy for one enterprise”.
- The Company established a special leading group for revitalizing assets of transport enterprises, and carried out the asset disposal and equity transfer relating to passenger transport in an orderly manner, revitalizing the assets worth of RMB 118 million.
- The Company gave full play to integrated resources and specialized operation advantages of the Group’s services areas, and facilitated the purchase of equity of Top-E Company. It also started the formulation of restructuring scheme for service areas, and explored the values of resources relating to expressway travel service network.

Actively promoting the elevation of market value

- The Company consolidated the foundation for market value management, took the initiative to adopt diversified measures to manage the investor relations, and elevated the share price of listed companies step by step from HKD 0.69/share (at the end of October 2022) to HKD 1.6/share (the highest price) in 2023, marking a year-on-year increase of 132%.
- The Company conducted timely information disclosure, and took measures to maintain the existing relations with shareholders and core institutions. It also elevated the understanding and recognition of its business perspectives among the shareholders, and sustained its influence on capital market.
- The Company strengthened the study on rival listed companies of the industry. To be specific, by combining with its development status, it comprehensively analyzed the development strategies, operating conditions and financial positions of rival companies, and explored the resources of expressway travel service network, thus providing experience and reference for improving the quality and efficiency of listed companies.

Managing the enterprise according to law

The Company adhered to the principle of managing the enterprise according to law, and enhanced the whole process management for the monitoring, identification, analysis and tracking of compliance risks, thus improved its capabilities for compliance management, scientific decision-making and risk control.

Internal control

- The Company checked and assessed its internal control status, identified the defects regarding the design and operation of its internal control system, and proposed corresponding rectification measures, so as to promote the constant update and optimization of its internal control system.
- The Company established and improved its internal audit system, and revised the *Management Measures for Internal Audit of Guangdong Yueyun Transportation Company Limited*, and the *Management Measures for Financial Responsibility Audit of Guangdong Yueyun Transportation Company Limited*, so as to further regulate the working mechanism for internal control.
- The Company implemented the comprehensive supervision mechanism, and carried out the daily and annual comprehensive supervision, thus realizing the complete coverage of supervision through audit.
- Following the principle of "taking rectification measures to make up the weak points and promote the efficiency", the Company reinforced the assessment on rectification of problems, improved the long-term mechanism for audit and rectification work, and promoted the application of rectification results, thus enhancing the efficiency of audit rectification.

Risk control

- The Company set up a leading working group for risk prevention and dissolution, formulated the emergency plans for security and stability incidents resulted from debt risks according to the principle of "one policy for one enterprise", and constantly improved the "1+5+N" comprehensive emergency management system for sudden incidents.
- The Company improved its legal risk control system, and implemented strict control over the formulation and revision of relevant regulations, contract signing and operation management, thus effectively safeguarding its interests in a proactive and timely manner.
- The Company formulated the detailed implementation rules for managing legal disputes, and offered effective support for legal consultation and solution of debt dispute cases relating to Heyuan Yueyun, Shanwei Yueyun, and Zhaoqing Yueyun.
- Considering the progress for dissolution of debt risks for passenger transport businesses, the Company strengthened the prevention and control of major risks, constantly improved its risk control management system, and optimized its risk management system.

In 2023, the Company had

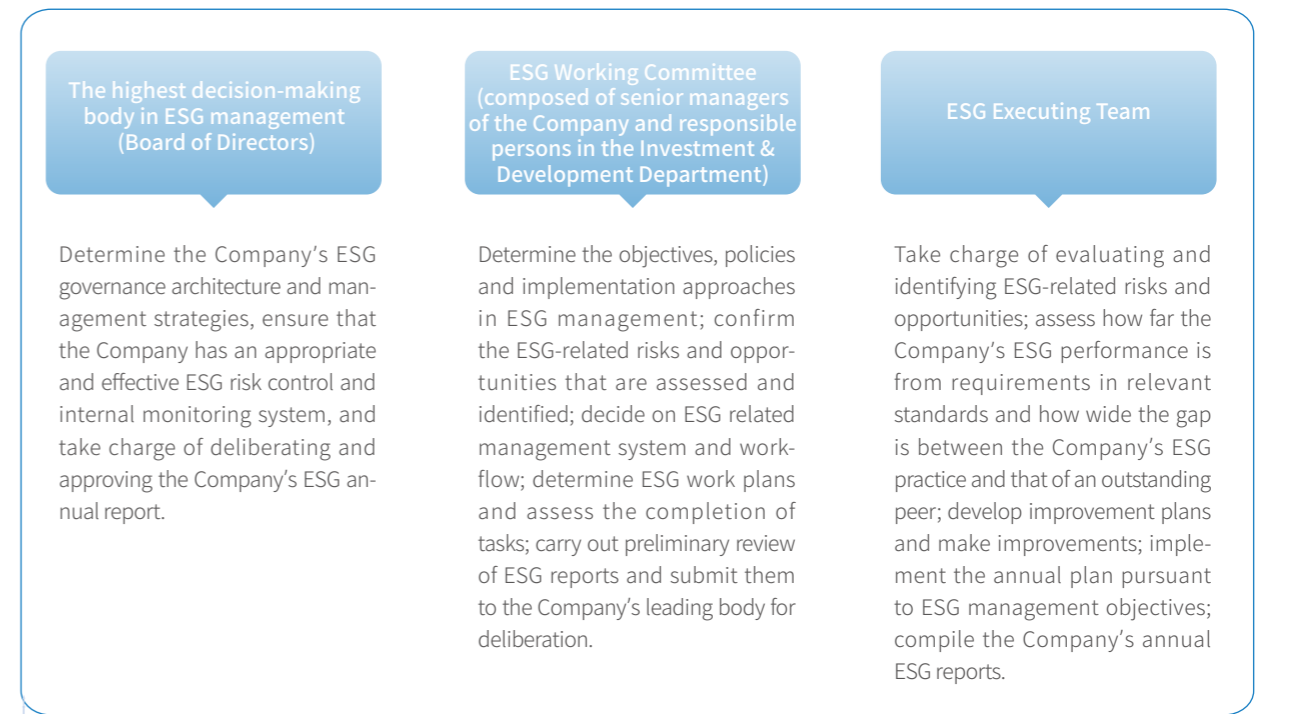
100% examination rate of rules and regulations	100% legal examination rate of major issues and	100% examination rate of contracts
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ESG management

The Company constantly strengthened its ESG management, and expanded the channels and means of communication with stakeholders. It also listened to the expectations and suggestions of related parties on the performance of social responsibilities by the Company, actively responded to the opinions and appeals from stakeholders, and coordinated with related parties to share the values.

ESG governance architecture

The Company established an ESG governance structure with distinctive layers and clear division of tasks, and constantly improved its ESG management system, thus promoting the management and practice of social responsibilities in an orderly manner.



Identification of substantive issues

The Company sorted out the key issues relating to its economic, environmental and social influences and influences from appraisals and decisions of stakeholders, after it took into consideration its understanding of expectations of internal and external stakeholders, its operation status as well as standards in the industrial and global sustainable development. Based on the expectations of internal and external stakeholders, its own business strategies, and analysis and evaluation of sustainable development capacity, the Company ranked relevant issues from the perspective of the “importance for the operation and development of the Company” and “importance for stakeholders” according to relevant requirements of domestic and overseas standards for corporate social responsibilities, formulated the importance assessment matrix, and selected and disclosed the substantive issues in relevant reports.



Prospects for target management

Taking into account its own operational status and the latest ESG guide of the Stock Exchange of Hong Kong Limited, the Company ascertained anticipated indicators for environmental aspects such as pollution prevention and control, energy conservation and emission reduction respectively in 2024 and 2027 according to the *Opinion of the CPC Central Committee and the State Council on Fully, Accurately and Comprehensively Implementing the New Development Concept to Achieve Carbon Peaking and Carbon Neutrality, the Action Plan for Carbon Dioxide Peaking Before 2030* and other relevant policies. The ESG Leading Team of the Company regularly reviewed and supervised the progress in indicator management, and reported to the Board of Directors.

Indicators	Prospects for target management (for year 2024, using those in 2022 as benchmarks)	Prospects for target management (for year 2027, using those in 2022 as benchmarks)
Resource saving	Use intensity of comprehensive energy A decrease of 10%-15% (reducing to 0.091-0.096 tons of standard coal per 10,000 yuan revenue)	A decrease of 20% (reducing to 0.086 tons of standard coal per 10,000 yuan revenue)
	Use intensity of water resource A decrease of 10%-15% (reducing to 6.571-6.957 tons per 10,000 yuan revenue)	A decrease of 20% (reducing to 6.184 tons per 10,000 yuan revenue)
Exhaust emission	Exhaust emission intensity A decrease of 5%-8% (reducing to 0.0004407-0.0004551 tons per 10,000 yuan revenue)	A decrease of 10% (reducing to 0.0004311 tons per 10,000 yuan revenue)
	Carbon emission intensity A decrease of 8%-10% (reducing to 0.3249-0.3321 tons per 10,000 yuan revenue)	A decrease of 15% (reducing to 0.3069 tons per 10,000 yuan revenue)
Disposal of solid waste	Disposal rate of hazardous waste	100%
	Disposal rate of harmless waste	100%

Communications with stakeholders and their involvement

The Company attached great importance to its communication with stakeholders. In order to achieve sustainable development with all stakeholders, where values are created together and benefits are shared between the Company and all stakeholders, the Company established diversified communication channels and feedback mechanisms in reference to the characteristics of all stakeholders, and responded more to the claims and expectations of stakeholders.

Key stakeholders	Expectations and requirements	Ways and channels of communication	Responses and practices
The government and regulatory authorities	Laws and regulations National policies	Information reporting Daily communication Meetings of senior managers	Strictly follow laws and regulations Actively respond to national policies Pay taxes according to laws and operate in compliance with relevant regulations
Shareholders	Steady operation Market value Information disclosure	Shareholders' meetings Company announcements and periodic reports Investor relations meetings and road shows	Enhance corporate governance level Disclose information in a compliant way Raise its profitability
Employees	Remuneration and benefit Safety and health Career prospect Education and training	Employee representatives Communication with employees Labor contracts Care for daily life	Improve the remuneration and performance system Improve employee insurance system Enrich the contents of employee trainings Provide long-term career opportunities
Customers	Safety and quality Rights and interests of customers Premium services	Signature of contracts Customer service Service assurance	Provide diversified and premium services Ensure service security and stability Protect the privacy of customers
Partners	Equality and fairness Honesty and faithfulness	Cooperation in development Industrial communication	Call for bids in an open, fair and impartial way Strictly abide by contracts and agreements
Environment	Ecological environment Use of resources	Information disclosure Environmental protection measures	Promote the efficient use of resources Conserve energy, reduce emissions, and pursue green operation
The public	Community development Public welfare and charity	Community building Publicity activities	Participate in building a harmonious community Drive local economic development Conduct public welfare and charity activities

Anti-corruption

The Company strictly abided by the national and local laws and regulations on prevention of corruption, bribery, extortion, fraud and money laundering, regulated the code of conduct for all employees, and attached great importance to the development of capabilities for performing the compliance obligations regarding the prevention of corruption, bribery and money laundering.

In 2023, the Company held

an anti-corruption training for 5 directors	with a total duration of 7.5 days	It gave an anti-corruption training to 70 employees
with a total duration of 105 hours	It also concluded the investigation of 0 corruption lawsuits	It held 40 lectures on discipline education for 2,416 employees

Reinforcing the anti-corruption frontier

- The Company implemented the “two responsibilities”, and built up and improved its accountability system featuring “coordination of five responsibilities” for the sake of strengthening the strict Party discipline.
- The Company organized its employees to sign the Responsibility Statement for Improving Party Conduct, Upholding Integrity and Combating Corruption, and clarified relevant objectives and tasks for the accountability system, thus ensuring the efficient operation of such accountability system.
- The Company earnestly carried out the special rectifications for addressing the “formalism, bureaucratism, hedonism, and extravagance”, and launched the special rectification actions on illegal business reception, illegal allocation of allowances and subsidies, formalism, bureaucratism and other problems, thus promoting the long-term efficiency for improving its conduct.
- The Company enhanced the supervision of bidding process for procurement, personnel inspection and other key steps in important fields, so as to constantly improve the supervision efficiency.
- The Company judged and categorized clues collected by means of reporting mailbox and hotline, registered the relevant information for clues within the scope of acceptance, and submitted the clues exceeding the scope of acceptance to corresponding authorities.

Enhancing the anti-corruption education

- The Company carried out the monthly event themed as discipline education, and promoted the transformation of discipline education results into motivations and practical performance of tasks by strengthening the warning education and innovating the forms of education. In 2023, the Company held 40 special lectures for the monthly event themed as discipline education, carried out 105 sessions of exemplary education and warning education on positive and negative cases, and organized anti-corruption talks for 1,280 employees.



Protection of intellectual property

Deriving its core competitiveness from technological innovation, the Company accumulated the achievements of technological innovation, protected relevant intellectual properties, and tried its best to attain the R&D qualifications and supportive policies for relevant enterprises, thus further enhancing its competitiveness.

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



Yueyun Development Company registered 4 new software copyrights, including the online car-hailing data management system (V1.0), the cloud platform for commercial vehicle travel management (V1.0), the large screen system for supervision of commercial vehicles (V1.0; referred to as “large screen system for vehicle supervision”), and the comprehensive travel service platform for chartered vehicles (V1.0).

The Company raised the awareness of copyright protection. In order to prevent the copyright risks, it checked the font authorization and picture sources involved therein before the release of messages on WeChat public accounts.

The Company carried out a series of publicity activities on intellectual property rights, urged its employees to integrate the daily work with the protection of intellectual property rights, and improved its capability for managing and protecting intellectual property rights, thus laying solid foundation for its digital transformation.

The Company signed a trademark authorization agreement with DiDi Global Inc. and Yueyun Development Company, filed the agreement in local trademark office, and authorized the aforesaid companies to legally use relevant trademarks of Yueyun Transportation in business promotion and publicity.



Case Digital intelligence is adopted to infuse new vitality for high-quality development

As a subsidiary under Yueyun Transportation, Yueyun Development Company is a hi-tech enterprise specialized in digital services for transportation. In 2023, Yueyun Development Company obtained its first value added telecommunication business license (ICP), and the qualification certificate (EDI) for online data processing and transaction. What’s more, after the examination by departments at municipal and provincial levels, Yueyun Development Company was recognized as a hi-tech enterprise in Guangdong Province, and was registered and announced on the official website for the hi-tech enterprise recognition management, thus infusing new vitality for the digital transformation, technological innovation, product R&D, and recruitment of talents for Yueyun Transportation.

02

Pursuing Green Development to Serve as a Guardian of the Ecological Environment

The Company adhered to the development concepts of "innovation, coordination, greenness, openness, and sharing", and implemented the major decisions and plans of the Central Committee of the Communist Party of China and the State Council on ecological environment protection and carbon dioxide peaking and carbon neutrality. Relying on the building of a comprehensive operation platform for service areas, the Company worked to explore new energy business, and facilitated high-quality public transportation services. It also continued to promote the green, environmental reform, and put greater efforts to reduce pollution and carbon emissions and improve quality and efficiency for operation and management of service areas, so as to achieve high-quality development.



Environmental management

The Company strictly followed the requirements of the *Emergency Plan for Ecological Environment Pollution Incidents of Guangdong Provincial Communications Group Co., Ltd.*, and formulated, printed and distributed the *Emergency Plan for Ecological Environment Pollution Incidents*. It also improved the emergency plan system for sudden incidents, increased the efficiency of emergency response to sudden incidents, optimized the emergency response process, and continuously enhanced the environmental emergency management capacity and level.

Resource management

The Company implemented the concept of green development, promoted innovation in management models, and integrated the concepts of low carbon and carbon emission reduction into the entire process of its service area operation. At the same time, it took full advantage of renewable energy sources such as solar and wind energy, promoted the use of clean energy, and drove its low-carbon transformation and development.

Promoting energy conservation and consumption reduction

The Company practiced the concept of green development, innovated management methods and technological means, and put great efforts to reduce energy and resource consumption, contributing its power to achieving the goal of peaking CO2 emissions before 2030 and achieving carbon neutrality before 2060.



Saving resources

During the upgrade of service areas, and renovation of operation facilities and public toilets, the Company gave full considerations to the effective combination of building structure, lighting, and ventilation to further reduce energy consumption. It also carried out a quantitative and comparative analysis on water and electricity consumption by the public in service areas. In addition, by strengthening control measures, it optimized the arrangement of utilities, adjusted public lighting according to seasonal changes, and regulated water supply pressure according to changes in passenger flow, so as to save water and electricity consumption by the public. In 2023, the Company consumed 4,236,579.49 tons of water, with a water consumption density of 5.86 tons / 10,000 yuan revenue, and water saving amount 261,804.78 tons.



Reducing consumables

The Company organized plumbers and electricians in service areas to establish maintenance teams across regions. These teams carried out self-maintenance for sporadic maintenance needs in the service areas and repaired facilities with methods such as "splicing", "refitting", and "partial replacement", thus saving maintenance consumables. Besides, they reevaluated and optimized service area renovation projects that must be implemented to save on consumables' expenses in each link.



Increasing the application of clean energy

The Company integrated the green travel strategy into its energy business. Green energy stations were built by the Company with IT application as a means and new technologies and processes as breakthroughs. At the same time, relying on the “integrated” development strategy of the Group’s service areas, it promoted the construction of charging, gas fueling, and hydrogen fueling facilities in its expressway service areas, accelerating the environmental protection and low-carbon transformation of transportation.

Expanding the charging pile service network

The Company operated a total of 275 charging piles, covering 61 service areas. A total of 814 charging piles were constructed by owners on cost-effective road sections, covering 203 service areas. These facts indicated that its charging service capacity was significantly enhanced and that the driving range problem of new energy vehicle owners was effectively solved.

Accelerating the construction of clean energy facilities

The Company completed battery swapping stations for Guandu, Dahuai, Waxi, and Lianhuashan service areas, etc., gas fueling stations (liquefied natural gas) for Lechang and Hengshishui service areas, and a photovoltaic power station for Hengshishui service area, further improving the energy supply layout and advancing green travel services.

2023 energy consumption statistics of Yueyun Transportation:

Energy category	Type	Consumption	Unit
Direct Energy	Diesel	23,677,603.241	L
	Petrol	1,763,826.67	L
	LNG (Liquefied Natural Gas)	0	kg
Indirect Energy	Consumption by electric vehicles	132,053,931.986	kWh
	Charged using own charging piles	95,030,487.519	kWh



Pollution treatment

Adopting a sustainable development strategy, the Company treated sewage in service areas on all fronts, to improve the quality of public travel services.

Waste management

The Company strengthened environmental management of projects under construction, introduced professional cooperators, and standardized hazardous waste treatment at self-operated gas stations, exerting efforts to create a win-win situation for work safety and environmental protection.

In 2023, the Company disposed of 100% wastes in a harmless way. To be specific, it eliminated (disposed of) 308 vehicles, 14,141 worn-out tires and 33,159 waste materials and spare parts. It treated 100% hazardous wastes, 85,682.52 liters of spent lubricating oil and 1,996 waste batteries.

Wastewater treatment

The Company treated sewage in service areas and hired professional companies to maintain sewage equipment, test water quality, and undertake other tasks on a regular basis, fully ensuring that sewage was up to standard before discharge. It also satisfied the special work requirements of the Group on sewage management in service areas. For example, it has upgraded and renovated 7 sets of equipment in 4 service areas, namely, Dahuai, Houmen, Duozechu, and Xiangang. In addition, it organized inspections of hidden environmental dangers and risks related to sewage discharge at 196 outsourced gas stations in service areas, and proposed targeted rectification measures for sewage discharge issues, effectively addressing environmental governance risks, and optimizing the refueling service environment. In 2023, the Company invested RMB 4,470,000 in the maintenance of special sewage facilities, with 260,000 tons of wastewater treated.

Air pollution control

With the increasing risks brought by climate change to global enterprises, the Company actively takes climate actions to promote the use of new energy buses and pure electric vehicles, and reduce the impact and impact of vehicle exhaust emissions on climate change. At the same time, we focus on business to drive the upstream and downstream of the industrial chain, and work with employees, suppliers, customers and communities to jointly carry out emission reduction actions and address the challenge of climate change. Carbon emission statistics are conducted based on the *Greenhouse Gas Accounting System*. The operating boundary includes scope I direct emission and scope II indirect emission, which helps the company to further understand the greenhouse gas emission situation. The Company prepared the *Technical Specification for Vehicle Maintenance* to maintain the technical conditions of vehicles, reduce harmful gas emissions from engines, ensure driving safety and prolong the service life of vehicles.

Indicators	2023
Exhaust emissions (tons)	
Nitrogen oxide emission	217.392
Sulfur dioxide emission	0.407
Total	217.799
Greenhouse gas emissions (tons)	
Category 1 (Indirect emissions: diesel, gasoline and natural gas)	66,055.886
Category 2 (Direct emissions: Electricity purchased)	114,569.991
Total	180,625.877

Green footprint

The Company continued to strengthen the building of a green environment in service areas with more frequent inspections on garbage sorting and on-site environment. In the meantime, it advocated a green and low-carbon lifestyle, and encouraged employees to improve their awareness and ability of environmental protection by starting from small things around them.

Sorting garbage properly

According to the work plan of "setting up facilities, labels, and guide signs", the Company prepared guidelines for sorting garbage in service areas, cooperated with owners to design construction plans for sorted garbage chambers, and developed cleaning management standards for sorted garbage chambers. It insisted on promoting the "green revolution", and installed over a total of over 20,000 sorted garbage bins in a standardized manner for the service areas. It also established service posts. By taking advantage of volunteer activities of the Party and the Communist Youth League, it guided travelers to strengthen their awareness of garbage sorting in ways of guidance from specially-assigned persons, game interaction, distribution of promotional posters, broadcasting of promotional videos, voice broadcasting, etc.

Building green service areas

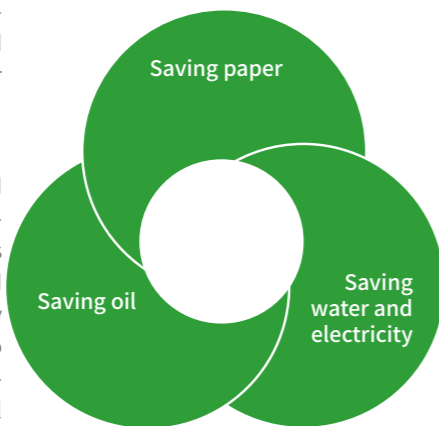
Strengthening on-site management

Relying on the smart cloud platform and using a remote monitoring system, the Company achieved 24-hour supervision and guidance for on-site management of service areas, thereby improving its management efficiency. It also strengthened on-site environmental supervision and inspection in service areas, promoted standardized management, and relied on commercial property management to promote benchmark management models, effectively improving the layout of on-site management. Besides, it ensured the coordinated and beautiful appearance of the service areas, and upgraded the environmental health image of these areas.

Advocating green office

According to the principles of green development, environmental protection and strict control of office costs, the Company advocated the implementation of quantitative goals for printing paper, and exercised strict control over the quantity of paper used, reducing paper costs.

Company-owned cars were arranged and managed by the Integrated Affairs Department. A vehicle application system was implemented, where approval was required before use, and unnecessary use was strictly avoided and reduced. The Company also optimized the plan of daily vehicle dispatching, and arranged the types and travel routes of vehicles to be dispatched in a reasonable way.



In 2023, the Company held over **60** video and telephone conferences in total

The Company conducted patrol inspections on water facilities in its headquarters and promptly replaced some aging and leaking faucets. It also strengthened the audit and control of monthly utility bills of offices, and promptly closed any loophole found. Besides, it released notices on cutting off the power supply of electrical equipment and conducted inspections before holidays.

Case Pursuing green travel to live a beautiful life

During the 2023 Green Travel Promotion Month and Promotion Week for Travel by Bus, Foshan Yueyun Public Traffic Co., Ltd., in collaboration with Chancheng Branch of Foshan Public Transport Management Co., Ltd., drove a bus into the affiliated school of Foshan No. 2 Middle School (Lvdaohu School) where its compartment was instantly transformed into a safety classroom, providing students with exciting and interesting traffic etiquette and safety education classes. Through methods of small safe class, immersive teaching, and explanation of evacuation knowledge, they taught young students to pursue green travel and safe ride, and cultivated their awareness of green travel.



Foshan bus walks into the campus lecture hall

Case Top-E Company joins the voluntary tree planting campaign

In March 2023, members of the Party and the Communist Youth League from service areas under Top-E Company made up a volunteer team to respond to the Arbor Day campaign themed as "Voluntary Tree Planting to Build Beautiful Stations", practicing the national green development concept with practical actions, and adding green to the beautiful stations in the countryside. More than 100 members of the Party and the Communist Youth League from 29 service areas participated in the tree planting activity and planted more than 600 trees and shrubs suitable for the environment of South of the Five Ridges.



Carry out voluntary tree planting activities

03

Working Together to Act as a Pathfinder in Serving the Society

Yueyun Transportation was committed to its corporate mission of "serving the society and facilitating travel", with the goal of delivering top-quality travel services to customers. It established a responsible supply chain, collaborated with partners, and fostered a healthy and harmonious work environment for its employees. It also actively engaged in community development to improve people's livelihoods and shared the benefits of its development with society, aiming to become a domestic leading integrated service platform for expressway travel services and integrated operation of transportation industry and green, renewable energy.



Customer's rights and interests

The Company upheld the brand concept of "becoming a model in the industry and preferred choice of customers". It ensured customer safety during travel with work safety practices, delivered a safe, convenient, and comfortable travel service experience, and protected customers' rights and interests with concrete actions.

Work safety

The Company established the principle of "life and safety first", ensuring the bottom line of safety in serving customers. It enhanced safety management levels through digital means, strengthened the investigation of safety hazards, and improved emergency management for sudden incidents, thus effectively ensuring the safety of people's travel.

In 2023, the Company

invested RMB 38,888,300 in safety assurance	Its safety training covered 190,244 employees	with a total of 1,236,586 hours of training	The average training time per person was 6.5 hours
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Notes: The statistics cover 16 subsidiaries that have signed a work safety responsibility agreement with the Company, as well as Taiping Interchange Management Department.

Case Yueyun Transportation is fully prepared to defend against the formidable typhoon Doksuri

In July 2023, the year's first super typhoon Doksuri struck the coastal area of Huian. Faced with this severe situation, Yueyun Transportation, which always put the people and human life above all else, swiftly implemented emergency response measures against the typhoon. It established a supervisory group to oversee the typhoon defense efforts of affiliated enterprises in eastern Guangdong, and formed a collaborative emergency response mechanism involving enterprises at the province, municipality, and county levels, with coordinated efforts among service areas, road passenger transportation departments, and highway rescue teams to spare no effort in responding to the typhoon and ensure the safety of people's lives and property.



Comprehensive inspection on the permanent rescue points along the highway

Fulfilling safety management responsibilities

- The Company signed the work safety responsibility agreement for the year 2023, continued improving the work safety responsibility system for all employees at the headquarters, and further refined and clarified the responsibilities of all employees in work safety positions.
- The Company conducted annual work safety and emergency management assessments for all affiliated companies, aiming to further improve the work safety management capabilities of these companies.
- The Company carried out specialized supervisory inspections on the implementation of the detailed measures outlined in the "Forty-Three Rules" by integrating quarterly safety inspections and daily safety checks, thus ensuring effective implementation of work in all its affiliated companies and enabling prompt action for improvement.

Conducting digital management of work safety

- The Company advanced the digital management of work safety in commercial vehicles, achieved terminal broadcasting of warnings and proactive alerts for safety risks along operation routes, as well as statistical analysis and application of driving behavior data of commercial vehicle drivers, and drove the transformation of safety management towards proactive prevention.
- The Company established an effective connection between on-site safety management tasks and internal record data by leveraging the "Safe Yueyun APP", thus advancing its digital management capabilities for work safety.

Investigating potential safety hazards

- The Company conducted special inspections and corrective actions for major accident hazards in 2023, and carried out special corrective activities for major hazards at the beginning and end of the year to strengthen risk control and the investigation and dissolution of hidden hazards.
- The Company carried out comprehensive supervisory inspections on the investigation and dissolution of major accident hazards, with a focus on promoting the main heads of the enterprise to fulfill their statutory duties as the first person in charge, thereby driving all staff to fulfill their responsibilities for work safety.
- The Company organized the identification, analysis, assessment, and development of control measures for safety risks in 2023, and continuously updated the risk control list for work safety to ensure that safety risks remained under control all the way.

Improving the emergency management system

- The Company strengthened the development of the contingency plan system, and formulated and issued three emergency plans, i.e., the *Emergency Response Plan for Work Safety Accidents*, *Comprehensive Emergency Response Plan for Sudden Incidents*, and *Emergency Response Plan for Natural Disasters*.
- The Company organized emergency drills addressing scenarios such as fires in parking lots for new energy vehicles, defense against typhoon of advertising facilities, and fires in managed properties.

Raising safety awareness and capabilities

- The Company promoted the implementation of safety training plans in an orderly way, and organized cautionary education and training on road traffic accidents for drivers, training on safety maintenance standards for new energy vehicles, education and training on employment of "three types of personnel" with a permit, and training on the newly revised and promulgated *Work Safety Regulations of Guangdong Province*.
- The Company strengthened accident and warning education management, and conducted cautionary education on driver accidents and accident analysis seminars, effectively preventing and reducing work safety responsibility accidents.
- The Company organized activities such as Work Safety Discussion Sessions, Pre-shift Meetings, and Case-based Law Studies, watched Educational Videos on Ten Fire Escape Drills, and participated in online knowledge competitions such as Everyone Prioritizes Safety and Acquires Emergency Response Skills.

High-quality service

With the core philosophy that "services create values", the Company was committed to crafting a professional and distinctive service brand. It elevated its service levels through digital means, and established a robust response mechanism to customer demands, so as to safeguard customer privacy and boost customer satisfaction and loyalty.

Service upgrade



Strengthening the building of the service brand

- The Company implemented the brand strategy of "one policy for one route, one brand for one area", and upgraded the service quality of three service areas (i.e., Yangxi, Qianshui, and Yangjiang service areas) along the Guangzhou-Zhanjiang Highway on all fronts. It also collaborated with Guangdong Museum to hold cultural exhibition activities at service areas such as Liangjinshan service area, and explored new forms of business that were integrated with local cultural characteristics.
- The Company formulated a demonstration plan for property service at service areas, and established demonstration zones for property services at locations such as Liangjinshan to advance the further improvement of service quality at service areas.
- The Company strengthened the development of self-owned brands through investment attraction, and established self-operated brands such as "Dashi Hui" and "Letu Hui". It also introduced new forms of business such as fashionable brands, store retail, and food streets, with a focus on cultivating integrated core brand values of service areas.
- The Company strengthened the development of self-operated brands, and continuously raised the brand awareness and influence by increasing the brand promotion of Yueyun Energy. It increased 357,300 new e-members for Yueyun Energy, showing a year-on-year growth of 62.5%.
- The Company reformed the operational model of retail business, with comprehensive line management for the business operations of LOYEE stores, as well as innovative management models such as "human + machine" and unmanned stores with on-duty staff, thereby bolstering the stores' profitability.

- The Company collaborated with Top-E Company to establish a digital retail system to improve the digital capabilities in store operations, purchase-sales-inventory management, storage management and supplier collaboration in all respects.
- Yueyun Rescue Company and Yueyun Development Company jointly promoted the independent research and development of the "Digital Rescue" service platform for highway vehicle rescue, aiming to develop high-quality digital solutions for highway rescue. They developed functions such as "One-click Rescue", intelligent dispatch, and resource optimization and configuration, and optimized and upgraded the highway rescue service efficiency with digital transformation.
- The Company continuously optimized the customer service functions of "digital energy" in terms of mobile payments, electronic invoices, etc.
- The Company developed the plan for establishing and implementing the "Digital Media" system, innovated new business models under digital transformation of advertising operations to promote the integration and efficiency improvement of advertising resources on highways, and designed advertising resource platforms tailored for advertisers.
- The Company continuously advanced business cooperation with leading e-commerce and supply chain platforms, and explored the way to develop "new retail" businesses under the special scenarios of highway service areas, while promoting cooperation for highway rescue and post-rescue market businesses.
- The Company promoted the building of a service platform for travel circle operation. It implemented the "One Card for One Platform" policy, created the mini-program of Yueyun Easy Travel platform to enable users to access expressway travel service sections of Yueyun Transportation and realize online consumption by logging into the portal, and continuously expanded the market-oriented value-added benefits and services for members.



Improving the digital service level

In 2023,

The Company offered highway rescue services on **79** highway sections, accounting for more than **88%** of the total highway mileage in Guangdong Province, with an annual work load exceeding **210,000** services.



Case Over 200 new "Station Bus" routes are introduced

Yueyun Transportation introduced a new service called "Station Bus" in collaboration with Didi Global Inc. It opened over 200 Station Bus routes across multiple cities in the Greater Bay Area, providing a new travel model for passengers featuring "online selection of pick-up stations, boarding at the nearest pick-up stations, and direct route". Passengers can select the nearest pick-up stations when purchasing a ticket online, which can make their public transportation more convenient and faster and save their travel time. This has created a high-quality and safer travel environment for passengers.



Passengers take the "Station Bus" at the pick-up station in Zhujiang New Town

Case The first self-operated KFC store of Top-E Company is opened

In January 2023, the first self-operated KFC store of Top-E Company was opened simultaneously on both sides of Lantang service area featuring the Huachao Drama of Zijin-Huiyang Expressway. The store adopted a warm decoration style of 6.0 version, and all catering equipment was directly purchased, providing a comfortable and safe dining experience for travelers. The store also set up a KFC Convenient Pickup Point at the service counter, and introduced a set meal with faster food delivery named "Kuaiyibu" for peak dining periods in the service area on holidays, providing travelers with convenient dining services.



KFC Convenient Pickup Point at the service counter

Demand response

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

In 2023, the Company

received **0** complaint about its services **100%** response rate to customer complaints

Privacy protection

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

In 2023, the Company

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

Responsible supply chain

The Company continually refined its supplier management system and actively responded to supplier risks. It established a mechanism for supplier assessment and exit management, and fostered stable and persistent partnerships with suppliers, upon which it built a robust responsible supply chain.



The Company established methods and criteria for supplier evaluation, introduced measures for managing negative behaviors such as blacklisting/greylisting, and specified procedures, standards, and frequency for supplier assessments.

The Company developed the supplier admission and exit mechanism, and specified the criteria for identifying deficiencies in supplier evaluations, evaluations and tracking of improvement measures, and supplier exit conditions and procedures.

The Company incorporated quality, environmental protection, and safety requirements into the supplier management standards, and required suppliers to provide products with China Energy Conservation Product Certification and China Environmental Labeling Certification.




The Company signed the *Work Safety Management Agreement* with engineering contractors, specifying that contractors should establish an on-site safety management system, regularly organize emergency response drills for safety accidents, give safety education to construction personnel, and strengthen the cultivation of safety management capabilities.

In 2023, the Company

had **926** suppliers including **823** suppliers in Guangdong and **103** suppliers in other regions outside Guangdong
It had a local procurement rate of **70%** and eliminated **40** suppliers

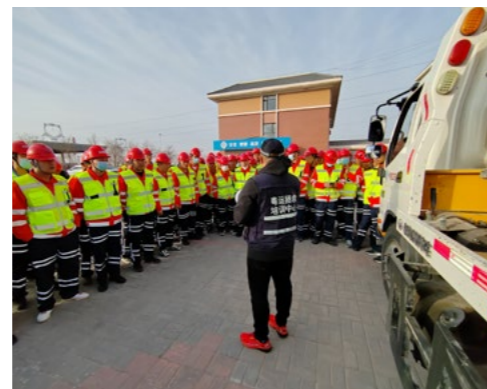
Collaboration to make progress together

While prioritizing the transformation and upgrading of its own business, the Company also emphasized on the exchanges and collaboration with prominent industry enterprises and platforms. It facilitated business cooperation among internal units, utilized various resources to stimulate innovative collaboration, and shared the fruits of development with industry partners.

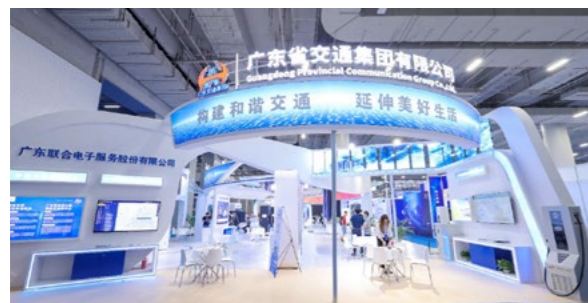
 Cooperation and exchanges	 Business collaboration	 Industry exchange
<ul style="list-style-type: none"> The Company initiated in-depth cooperation with Didi on long-distance carpooling and passenger transport services, and leveraged specialized platforms to optimize road passenger transportation products and services. The Company collaborated with Guangdong United Electronic Service Co., Ltd. on various aspects including promotion of ETC in convenience stores, construction of ETC service centers in service areas, cooperative marketing of One-click Rescue services, data sharing, and ETC advertising promotion. 	<ul style="list-style-type: none"> The Company facilitated the strategic cooperation agreement for operational services between Yueyun Rescue Company and Yueyun Development Company, and advanced the subsequent cooperation agreement for software and hardware operation & maintenance to jointly promote the building of the Sunshine Rescue Platform. It conducted business cooperation for the cooperative marketing of One-click Rescue services, and made new breakthroughs in promoting the rescue business membership cards, data sharing, and advertising operations. 	<ul style="list-style-type: none"> The Company participated in the 2023 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Industry Expo hosted by Guangdong Provincial Communications Group Co., Ltd. The Company organized and assisted Yueyun Development Company in participating in the 16th Annual Conference on Highway Service Area Management in Shenyang, demonstrating the Company's achievements in IT application and facilitating exchange and learning with enterprises from various regions.

Case Yueyun Rescue Company shares invaluable experience with industry peers across a distance of over 2,000 km

In March 2023, Yueyun Rescue Company introduced "Yueyun Experience" to Ningxia, and offered training sessions for highway vehicle rescue personnel of Ningxia Transport Investment Group Co., Ltd. The training encompassed theoretical instructions, on-site exercises, practical guidance, and skill assessments, with the goal of comprehensively improving the theoretical knowledge level and practical rescue capabilities of the participants. Yueyun Rescue Company has always been committed to establishing a management model for highway vehicle rescue and actively promoting cooperation in the output of vehicle rescue technology. It was invited multiple times to offer technical consultations and pre-job training services for highway obstacle clearing and rescue operations in several provinces nationwide. As a result, it has garnered recognition from counterparts across the country, playing a pivotal role in fostering unified local industry standards.



An instructor of Yueyun Rescue explains practical operations outdoors



Yueyun Transportation attends 2023 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Industry Expo



Business cooperation and exchange meeting with Guangdong United Electronic Service Co., Ltd.

Employee development

The Company actively recruited capable people and considered employees as the most valuable assets and its primary resource. It continuously improved the development mechanism for capable people, and stimulated employees' innovation and creativity to provide solid guarantee for achieving high-quality development.

Guarantee of rights and interests

The Company advocated a "people-oriented" value concept, strictly complied with the requirements of laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, and safeguarded the legitimate rights and interests of employees, aiming to build a harmonious and stable labor relationship.

 Equal employment	<ul style="list-style-type: none"> The Company was determined to eliminate discrimination of age, gender, ethnic group, and region, encouraged gender equality, as well as ethnic and religious diversity. It also prevented the employment of child labors and forced labor, and upheld equal pay for equal work, and equal recruitment. The Company recruited and selected capable people through various forms such as internal, online & onsite recruitment, and campus recruitment with the principles of openness, fairness, and impartiality.
 Salary and welfare	<ul style="list-style-type: none"> The Company paid social insurance premiums in time including endowment insurance, medical insurance, work injury insurance, maternity insurance, and unemployment insurance as well as housing provident fund for all employees in accordance with the relevant state policies, and provided comprehensive welfare programs, career development plans and other incentive plans for employees. The Company established a comprehensive cash compensation system, deepened reforms in the income distribution system, improved the performance-based salary growth mechanism, and standardized and improved the salary distribution system for all types of personnel. The Company strengthened the application of assessment results based on the "four-in-one" compensation incentive and restraint mechanism composed of strategy, budget, assessment, and compensation, and continuously improved the salary management measures for top executives of directly-affiliated enterprises to achieve the unity of incentive and restraint.
 Occupational health	<ul style="list-style-type: none"> The Company improved the occupational health and safety management system, and strengthened occupational health control measures. It also provided necessary personal protective equipment for employees, organized employee health check-ups, and carried out occupational disease prevention and control work. The Company organized work safety training and inspections of safety risk hazards regularly, and provided employees with professional health and safety guidance.
 Democratic management	<ul style="list-style-type: none"> The Company held the first meeting of the Fourth Staff and Workers' Representative Congress and the Trade Union Congress, and standardized the implementation of the two-tier congress mechanism to strengthen the foundation of democratic management. The Company collected employee proposals and suggestions in a wider scope with a focus on company development, management innovation, and employee welfare, with 194 proposals collected and implemented, which effectively mobilized employees' enthusiasm for participating in democratic management of the enterprise. The Company promoted the institutional and standardized disclosure of corporate affairs, with key focuses of enterprise reform and development as well as issues of concern to employees as an important part of the disclosure. It also improved the disclosure procedures and enriched the content of disclosure.



First meeting of the Fourth Staff and Workers' Representative Congress of Yueyun Transportation

In 2023, the Company

had **0** incident of discrimination, employment of child labor, or forced labor in all stages of employment

It had a total of **14,558** employees at the end of the period

It **100%** signed labor contracts with its employees

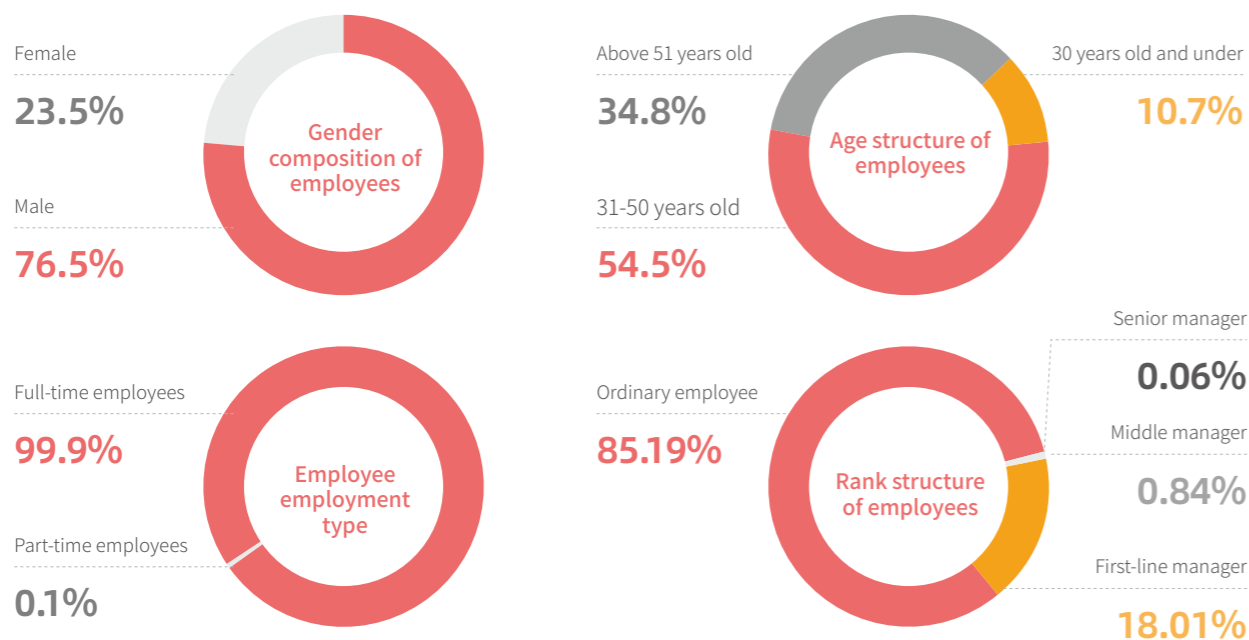
It achieved a **100%** social insurance coverage rate for employees

Every employee of the Company had an average of **8.40** days of paid leave

82.93% of its employees received medical examinations

It organized specialized health examinations on occupational diseases for a total of **6,868** people

It had **0** case of occupational disease



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

In 2023, a total of 2,691 employees left the Company, with a total of 3,251 days of work lost due to work-related injuries. The Company's main business was concentrated in Guangdong, and there were very few employees working outside Guangdong. Therefore, the turnover rate of employees categorized by region did not have a substantial impact on the Company, and the Company did not statistically record or disclose these indicators.

	Employee turnover count (person)	Proportion (%)		Number of deaths due to work-related reasons (person)	Proportion (%)
Male	1,937	71.98	2021	0	0.00
Female	754	28.02	2022	2	0.01
30 years old and under	816	16.87	2023	5	0.03
31-50 years old	974	56.00			
Above 51 years old	901	27.13			

Vocational development

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

In 2023, the Company

organized a total of **401** internal training courses

It had a total of **65,800** participants in training activities, with **31,425** attending management and professional skill training sessions

34,416 attending vocational skills training sessions

It delivered training sessions for a total of **192,069** hours

Building a talent pipeline

- The Company developed the *Action Plan for Building a Talent Team of Yueyun Transportation*, and facilitated the building of talent teams from seven aspects, namely, establishing a talent management mechanism, a rational talent allocation mechanism, a talent attraction and cultivation mechanism, and a talent evaluation and incentive mechanism, optimizing a talent selection mechanism, improving the training mechanism, perfecting the talent structure, and promoting talent capabilities.
- The Company strengthened the education of professional and technical personnel, encouraged employees to participate in various types of training sessions according to job requirements, and provided training platforms for professional personnel and skilled talents.

Smoothing the channels for talent promotion

- The Company successfully promoted 17 middle-level managers through competition according to the requirement of promoting 100% of middle-level managers through competition, which broadened the channel for talent selection.
- The Company issued the *Notice on Revising the Management Measures for Middle-level Managers of Guangdong Yueyun Transportation Company Limited* and the *Notice on Adjusting the Authority for the Selection and Appointment of Middle-level Managers of Top-E Company* to further standardize and strengthen the management of middle-level managers.

	Average training duration (hour)	TraPercentage of training by relevant category(%)
Male	78	76.51
Female	66	23.49
Manager	90	14.81
Ordinary employee	68	85.19

Case Resolving questions and meeting requirements based on the new media platform, and empowering the new media publicity cadres

In November 2023, Yueyun Transportation held a training session for publicity cadres according to the current new technologies and trends. The trainings covered various aspects including writing mindset, formats, tools, and dissemination methods in new media, providing systematic explanations and practical demonstrations. Through the session, participants acquired common writing techniques and AI application skills in new media, which improved their comprehensive practical skills in writing and communication. The aim is to report more “good stories of Yueyun” and spread more “positive voices of Yueyun”, thus creating a favorable public opinion atmosphere for the building of a nation with great transport strength.



2023 training session for publicity cadres

Care for employees

Adhering to the concept of “people first”, the Company cared for and cherished its employees. It was committed to creating a good working environment and quality of life for them. The goal was to ensure that every employee can lead a happy life, feel the Company’s support, and work together to create a better future.

In 2023, the Company

visited and comforted a total of **1,602** employees facing financial difficulties due to illness, model workers, and frontline staff, with a total of funds reaching RMB **1,847,300**

Caring for physical and mental health

- The Company established and improved a long-term assistance mechanism, regularly carried out activities such as “sending warmth in winter and coolness in summer”, and paid visits to frontline production personnel and those on duty during the Spring Festival travel rush.
- The Company revised the *Interim Management Regulations for Family Planning of Yueyun Transportation* and the *Family Planning Benefits Standard for Headquarters of Yueyun Transportation*, and provided family planning services and established incentive systems more suitable to the needs of employees. Besides, it regularly organized reproductive health checks, followed up on pregnant female employees, and visited families with newborns.
- The Company established a multi-level medical insurance mechanism to provide comprehensive medical insurance services for employees’ children, including purchasing and renewing comprehensive insurance for children and health insurance for female employees, showing care and concern for the health and welfare of employees and their children.

Balancing work and life

- The Company organized employees to participate in the female staff talent show named “Dreaming in the New Era, Blossoming Women’s Talent”, as well as the badminton and table tennis competitions for employees held by the Group, aiming to enrich the cultural and metal life of grassroots workers.
- The Company organized celebrations for statutory holidays, employee birthdays, etc., to increase employees’ sense of gains, happiness, and security.
- The Company set up summer childcare classes, and established a “parent-child reading area” and employee-child room, aiming to help employees address childcare issues and further improve employee satisfaction.
- The Company hosted a series of distinctive parent-child activities to convey the care for employees to their children, allowing employees to fully feel the warmth of the big family.



"Sending coolness in summer" activity



"Traveling together in a colorful summer day" parent-child activity held by Top-E Company

Well-being of people

The Company adhered to the principle of “upholding the mission and benefiting the people” with practical actions. It actively implemented the rural revitalization strategy, organized and participated in voluntary services and public welfare activities, and provided support for the local economic and social development.

Rural revitalization

The Company resolutely implemented the CPC Guangdong Provincial Committee’s plan for promoting the “high-quality development project in counties, towns, and villages” and coordinated development in urban and rural areas, and further advanced this project to provide in-depth and practical support for rural revitalization.

In 2023, the Company

invested RMB **154,900** in rural revitalization



Yueyun Transportation undertakes the onsite promotion meeting entrusted by Guangdong Provincial Communications Group Co., Ltd. to launch new cooperation model of “integrating transportation with agriculture, culture, tourism, and commerce” and promote the integration and mutual development of road networks and local economies

Providing assistance to industrial development

- The Company carried out specialized actions to upgrade service areas under the “high-quality development project in counties, towns, and villages” at different levels, through classification and by batches. It set up service areas with five distinctive features and actively explored new models for the development of highway service areas by combining transportation with agriculture, culture, tourism, and commerce, aiming to make service areas a new platform to support rural revitalization and a new engine for the development of integrated economy incorporating transportation, agriculture, culture, tourism, and commerce.

Improving traveling conditions

- The Company innovatively implemented the “Town-to-Village” rural passenger transport model featuring one policy for one town or one village (township), selected different types of vehicles according to local conditions, and introduced special routes such as “morning service”, “evening service”, “holiday service”, “market day service”, “student service”, and “reservation service”, leading the way to transformation in rural travel patterns.
- The Company introduced free bus routes of bus No. 56 named “National Unity Bus”, and continued to provide tailored safe transportation services for primary and secondary school students, aiming to realize more convenient transportation between towns and villages, and increase the well-being and satisfaction of people.

Case Small shops are opened at service areas to drive the rural revitalization process

With a close attention to the progress of the “high-quality development project in counties, towns, and villages” implemented at the service areas, Top-E Company established dedicated areas for agricultural products subject to rural revitalization assistance in the Chinese food restaurants at service areas. These dedicated areas were to sell high-quality agricultural products from the areas where the service areas were located and from the villages to which partner assistance was provided, further expanding the market for agricultural and sideline products, providing more sales opportunities for local agricultural products, and promoting the development of rural industries. By the end of 2023, a total of 95 Chinese restaurant merchants in the service areas had established dedicated areas to sell products subject to rural revitalization assistance. Nearly 1,000 different varieties of local special agricultural products were displayed in these areas.



Dedicated area for selling products subject to rural revitalization assistance in Huishike restaurant at the service area

Case Town-to-Village rural passenger transport service was launched from Maba Town to Longgang Village in Shaoguan City


On June 19, 2023, Longgang Bridge in Maba Town, Shaoguan City, was officially put into service. In order to meet the transportation needs of villagers from Longgang Village, Shaoguan Yueyun South Bus Station introduced a “Town-to-Village” reservation service for rural passenger transport from Maba to Longgang Village. This further improved the transportation conditions for villagers, and truly bridged the “last mile” of travel for Longgang villagers.




Drivers of Town-to-Village passenger vehicles at Shaoguan Yueyun South Bus Station

Social contribution


While developing its own business, the Company has been caring about community affairs all the time. It actively participated in community volunteer services, ensured smooth transportation operations, and strived to establish a warm and harmonious community relationship. The Love Mummy Cottage at Wayaogang service area of the Beijing-Zhuhai Expressway and Dahuai service area of the Shenyang-Haikou Expressway, both managed by Top-E Company, was awarded as the demonstration site for Love Mummy Cottage by Guangdong Federation of Trade Unions in 2023.



The Company organized a variety of voluntary service activities, including the “Enjoying Your Journey Full of Love” Spring Festival voluntary service, the “Inheriting Lei Feng Spirit, Committing to Voluntary Services” themed Lei Feng Voluntary Service Month, TC Public Transit Week promotion activities, training for haircutting volunteer teams, as well as “Toilet Revolution” and “Garbage Classification”. It also continued with epidemic control and provided public services during major holidays.



The Company carried out routine voluntary service activities such as care for farmers, voluntary blood donation, voluntary tree planting, traffic safety and anti-drug campaigns, and assistance for those in need to promote the spirit of volunteerism with concrete actions.



The Company provided voluntary services including travel guidance, order maintenance, convenience haircuts, tour explanations, travel consultations, aiming to provide pleasant travel services for the people.

In 2023, the Company

had a total of 2,238 registered volunteers	and conducted 469 charitable volunteer service activities	had over 22,948 persons participating in volunteer activities
with a total of 78,330 volunteer service hours throughout the year	donated RMB 18,000 to charity organizations	

Case A success in providing transportation support for Investment Promotion Conference on High-Quality Development in Shaoguan

On February 3, 2023, Shaoguan held an Investment Promotion Conference on High-Quality Development. As the transportation guarantee organization for conference attendees, Shaoguan Yueyun Company dispatched 25 drivers, more than 10 volunteers, 19 commercial vehicles, and 3 emergency vehicles, and established a vehicle dispatch command group, under which the transportation guarantee group, on-site management group, and emergency response group were set up. These groups cooperated closely, performed their respective duties, and successfully completed the transportation service for conference attendees.



Attendees take the Yueyun express bus

Case "The Love Exam Escort" Team helps high school students set sail for their college entrance examination journey

Yueyun Transportation dispatched over 4,000 "Yueyun Love Exam Escort Buses" to participate in the exam escort transportation activity. Teachers and students from various places can take these buses for free with their invigilator certificates or examination admission tickets. To ensure the proper allocation of buses passing by exam centers, the affiliated bus companies contacted the local education bureau in advance to gain a detailed understanding of the locations of exam centers, number of candidates, and traffic restrictions in these areas. They took measures such as reducing the interval between bus departures and increasing the frequency of departures to ensure that buses passing by exam centers departed and arrived on time, providing reliable transportation services for students taking the college entrance examination.



Candidates board the Yueyun Love Exam Escort Bus to head for the examination center



Employees in the Dahuai service area help local farmers harvest agricultural products



A volunteer team of Foshan Yueyun Company carries out voluntary activities



Traffic safety activity in schools



Volunteers at Shaxi service area present Spring Festival couplets to travelers



Qingyuan Yueyun offers free shuttle services for enterprise campus recruitment

Appendix

Indicator Index

List of Associations Joined by Guangdong Yueyun Transportation Company Limited in 2023		
S/N	Name of association	Membership level
1	China Road Transport Association	Standing council member
2	New Energy Vehicle Committee of Guangdong Road Transport Association	Deputy Director
3	Passenger Transport Branch of Guangdong Road Transport Association	President
4	Motor Vehicle Maintenance and Testing Branch of Guangdong Road Transport Association	Vice president
5	Guangdong Federation of Enterprises and Guangdong Provincial Association of Entrepreneurs	Council member
6	Guangdong Expressway Development Association	Standing council member
7	Guangdong Provincial Transportation Association	Standing council member
8	Road Rescue Branch of China Highway and Transportation Society	Council member
9	Guangdong Provincial Association of Road Transport Industry	Executive vice president
10	Guangdong Intelligent Transportation Association	Executive vice president
11	Transportation Big Data Committee of Guangdong Intelligent Transportation Association	Member
12	Guangdong Urban Public Transport Association	Vice president
13	Guangdong Provincial Zhongdao Tourism Distribution Center Alliance	Council president
14	Guangdong Provincial Communications Accounting Society	Council member
15	Guangdong Association of Management Accountants	Member
16	Guangdong State-owned Assets Finance & Accounting Society	Member
17	Guangdong Trademark Association	Member
18	Guangdong Chain Operations Association	Vice president
19	Guangdong Discipline Inspection and Supervision Society for State-owned Enterprises	Member
20	Guangdong Transport Law Research Institute	Member
21	Guangdong Market Institute of Guangdong Province	Member
22	Guangdong Legal Consultants Association for State-owned Enterprises	Member

Area	Aspect	Content	Page
A1: Emissions	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.	P20
	A1.1	Types of emissions and respective emissions data	P20
	A1.2	Emissions (in tons) and intensity (if applicable) of direct (Area 1) and energy-related indirect (Area 2) greenhouse gases (for instance, calculated in each unit of production or each facility).	P20
	A1.3	Total hazardous waste produced (in tons) and intensity (if applicable) (for instance, calculated in each unit of production or each facility).	P20
	A1.4	Total non-hazardous waste produced (in tons) and intensity (if applicable) (for instance, calculated in each unit of production or each facility)	P20
	A1.5	Description of established initiatives on emission volume and steps taken to achieve these initiatives.	P13
A2: Use of resources	General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P19
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (calculated in 1,000 kWh) and intensity (for instance, calculated in each unit of production or each facility).	P19
	A2.2	Total water consumption and intensity (calculated in each unit of production or each facility).	P21
	A2.3	Description of designed initiatives on energy use efficiency and steps taken to achieve these initiatives.	P13
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, explanation of water efficiency initiatives and steps taken to achieve such initiatives.	P21
A3: The environment and natural resources	A2.5	Total packaging material used for finished products (in tons), and packaging material used for finished products per unit produced (if applicable).	inapplicable
	General disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	P18
A4: Climate change	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P21
	General disclosure	Identification of and response to policies on significant climate-related affairs that have affected and may affect issuers.	P19
	A4.1	Description of significant climate-related affairs that have affected and may affect issuers, and explanations of response actions.	P19

Area	Aspect	Content	Page
B1: Employment	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P30
	B1.1	Total work force by gender, employment type (e.g. full-time or part-time), age group and geographical region.	P31
	B1.2	Employment turnover rate by gender, age group and geographical region.	P32
B2: Health and safety	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to providing a safe working environment and protecting employees from occupational hazards.	P30
	B2.1	Annual numbers and rates of work-related fatalities in the past three years (including the reporting year).	P32
	B2.2	Lost days due to work injury.	P32
	B2.3	Description of what occupational health and safety measures are adopted, and of how they are implemented and monitored.	P30
B3: Development and training	General disclosure	Policies on improving employees' knowledge and skills for performing duties at work, and description of training activities.	P32
	B3.1	Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P32
	B3.2	Average training hours per employee by gender and employee category.	P32
B4: Labor standards	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to preventing child and forced labor.	P30
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	P30
	B4.2	Description of steps taken to eliminate such practices when discovered.	P30
B5: Supply chain management	General disclosure	Policies on managing environmental and social risks of the supply chain.	P28
	B5.1	Number of suppliers by geographical region.	P28
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P28
	B5.3	Description of practices relating to identifying environmental and social risks along each link of the supply chain, and explanations of how they are implemented and monitored.	P28
	B5.4	Description of practices relating to promoting the use of environmental products and services while selecting suppliers, explanations of how they are implemented and monitored.	P28
B6: Product responsibility	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to health and safety, advertising, labeling and privacy matters associated with the products and services provided and remedy.	P28
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	inapplicable

Area	Aspect	Content	Page
B6: Product responsibility	B6.2	Number of products and service-related complaints received and handling methods for these complaints.	P28
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	P16
	B6.4	Description of quality assurance process and product recall procedures.	inapplicable
	B6.5	Description of consumer data protection and privacy policies, and explanations of how they are implemented and monitored.	P28
	General disclosure	Information on: (a) Policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer Which is related to the prevention of bribery, extortion, fraud and money laundering	P15
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.	P15
	B7.2	Description of preventive measures and whistle-blowing procedures, and explanations of how they are implemented and monitored.	P15
	B7.3	Description of anti-corruption training provided for directors and employees.	P15
B8: Community investment	General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure that its activities take into consideration the communities' interests.	P34
	B8.1	Focus areas of contribution (such as education, environmental issues, labor demand, health, culture, sports).	P34-P38
	B8.2	Resources contributed (e.g., money or time) to the focus area.	P34-P36

Feedback Form

Dear readers,

Hello!

Thank you very much for reading the *ESG Report 2023 of Guangdong Yueyun Transportation Company Limited*. If you have any ideas and suggestions on this Report, please fill in the feedback form below and send it to us by mail, fax or email. We are deeply grateful for your valuable comments!

Name: _____ Tel.: _____ E-mail address: _____

Which chapters do you think provide you with important information?

- About Us Figures of 2023 Forging Ahead to Become a Pioneer for Modernizing Corporate Governance
 Pursuing Green Development to Serve as a Guardian of the Ecological Environment
 Working Together to Act as a Pathfinder in Serving the Society

What do you think of this Report?

- | | | | |
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| Impartiality | <input type="checkbox"/> Good | <input type="checkbox"/> Average | <input type="checkbox"/> Poor |
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What's your suggestion for our next annual report?

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