



2014

年度社會責任報告

SOCIAL RESPONSIBILITY REPORT



SHENZHEN EXPRESSWAY COMPANY LIMITED

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

Directors and senior management of the Company confirm that there are no false representations or misleading statements contained in or material omissions from this Report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of the report.



stock code: 00548(SEHK)
stock code: 600548(SSE)

- **Introduction**

We published this annual *Social Responsibility Report* with an aim to provide regularly and systematically the information on fulfilment of corporate social responsibility of the Company to stakeholders such as the Company's shareholders, customers, employees, service providers and partners, and government authorities, non-governmental organisations and community, and hence strengthen the understanding and relationship between the stakeholders and the Company, and accept supervision from the society.

- **Reporting Cycle**

Annually. This report is the seventh *Social Responsibility Report* published by the Company.

- **Reporting Period**

This Report covered the year 2014 (i.e. from 1 January 2014 to 31 December 2014).

Taking into account the continuity and comparability of the information disclosed, some of which was adjusted forward or backward properly.

- **Coverage**

The Company and its subsidiaries.

- **Basis of Preparation**

This Report has been prepared according to the requirements of the *Guidelines on Preparation of Corporate Social Responsibility Report* of the Shanghai Stock Exchange and with reference to the *Environmental, Social and Governance Reporting Guide* of The Stock Exchange of Hong Kong Limited. The report focuses on the responsibility and practices of the Company in relation to products, customers, employees, environment and community.

- **Indicative Statement**

The words "Shenzhen Expressway", the "Company", the "Group" or "We" used in this Report represented Shenzhen Expressway Company Limited and/or its subsidiaries for identification purpose; the "Headquarters" represented Shenzhen Expressway Company Limited and its directly-managed subsidiaries in Shenzhen. This Report is presented in Renminbi (RMB), unless otherwise stated.


- **Date of approval**

20 March 2015.

- **Form of Publication**

This Report is available and can be downloaded from the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) in Chinese, the website of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) in both Chinese and English and the website of the Company (<http://www.sz-expressway.com>) in both Chinese and English. For further enquiries, please contact us at (86)755-82853411 (by fax) or ir@sz-expressway.com (by e-mail).

Contents

2	<i>Overview</i>
2	<i>Social Responsibility Concept</i>
2	<i>Social Responsibility Statement</i>
3	<i>Quality and Safety</i>
3	<i>Quality Management</i>
5	<i>Safe Management</i>
6	<i>Service and Communication</i>
6	<i>Enhancement of Service Quality</i>
7	<i>Establishment of Communication Platform</i>
10	<i>Respect and Caring</i>
10	<i>Assurance of Staff's Rights and Interests</i>
11	<i>Promotion of Staff Development</i>
12	<i>Safety and Health</i>
13	<i>Communication and Interaction</i>
14	<i>Green Operation</i>
14	<i>Promotion of Environmental Protecting Concept</i>
14	<i>Practice of Green Construction</i>
15	<i>Practice of Resource Conservation</i>
16	<i>Development and Mutual Success</i>
16	<i>Win-win Cooperation</i>
16	<i>Social Development Support</i>
17	<i>Dedication to Charity Activities</i>
18	<i>Conclusion</i>
19	<i>Appendix of Indicators</i>
	<i>Feedback and Contact Information</i>



Overview

I. Social Responsibility Concept

▶▶ The Company is principally engaged in the construction and investment of high-grade highways, which not only meets the needs of society for rapid transportation, but also effectively facilitates the regional economic and social development. As such, the basic social responsibility of the Company is to provide high quality products and thereby safe, rapid, economical and comfortable transportation services to the society.

▶▶ To concern that the possible worries of products which produced in the process of design, manufacture and delivery, and take positive response measures, to achieve the harmony between products, people and nature.

▶▶ While providing products and services and deriving profits, the enterprises should respect the interests of all stakeholders and continue to show their concerns for the impact on the environment. Such concerns and respects not only come from the importance of stakeholders to corporate development, but also from the gratitude and return of enterprises to the society and their environment for existence.

II. Social Responsibility Statement

Committed to good corporate citizenship, the Company has incorporated the concepts of sustainable development and social responsibility into its daily operation and corporate culture. While achieving its growth, the Company assumes its responsibilities towards its shareholders, customers, staff, creditors, service providers, the community and the environment. Our responsibility statement is as follows:

<i>Shareholders</i>	<i>Customers</i>
<ul style="list-style-type: none"> ■ Equal right of knowledge ■ Truthful, accurate and complete information disclosure ■ Reasonable investment return 	<ul style="list-style-type: none"> ■ High quality road products ■ High quality services ■ Enhanced customer satisfaction
<i>Creditors</i>	<i>Service Providers</i>
<ul style="list-style-type: none"> ■ Honesty and credibility, timely payment of loans 	<ul style="list-style-type: none"> ■ Fairness and equitability, co-development
<i>Employees</i>	<i>Environment and community</i>
<ul style="list-style-type: none"> ■ Stable and reasonable remuneration and benefit protection ■ Room for career development and platform for learning and growth ■ Safe work environment ■ Increased employee compatibility 	<ul style="list-style-type: none"> ■ Rational utilisation of resources, emphasis on environmental protection ■ Compliance with laws in operation and tax payment ■ Contribution to technological progress ■ Contribution to society development



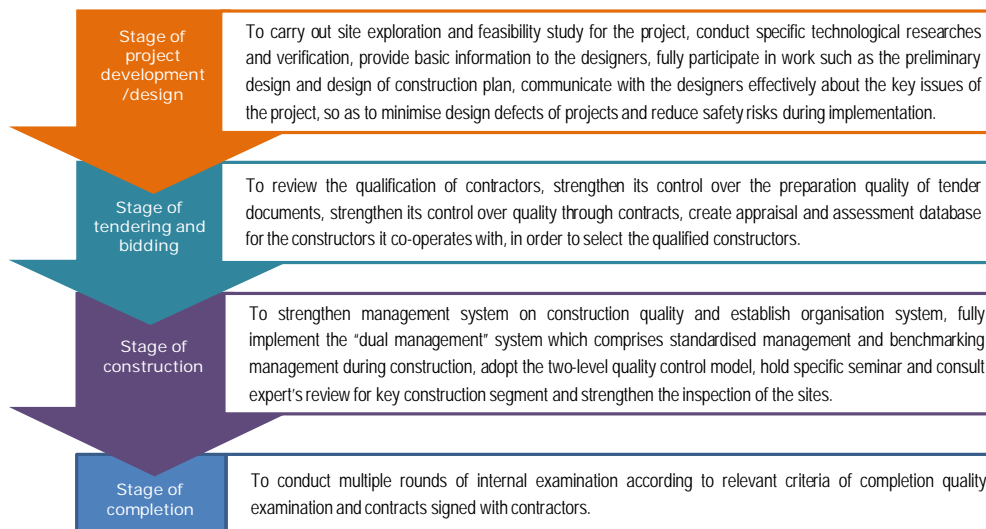
Quality and Safety

It is the Company’s essential social responsibility and development basis to provide safe and high quality highway products and services. The Company adheres to the management philosophy of “Enhancing the Road Construction, Maintenance and Operating Quality through Excellent Purchase and Integration in Work Quality” and implements safety management throughout the entire process the project and build quality and safe highway products by promoting institutionalized, systemized and informational quality control and management system. Besides, the Company keeps good technological conditions of highways during operation and management periods to provide the society and customers with safe and comfortable road.

I. Quality Management

■ Construction of High Quality Highway Products

The Company integrates quality control with the entire process comprising design, purchasing, preliminary preparation for construction, construction and completion. Respective business procedures and quality control system are established in each working section to ensure fulfilment of targeted quality.



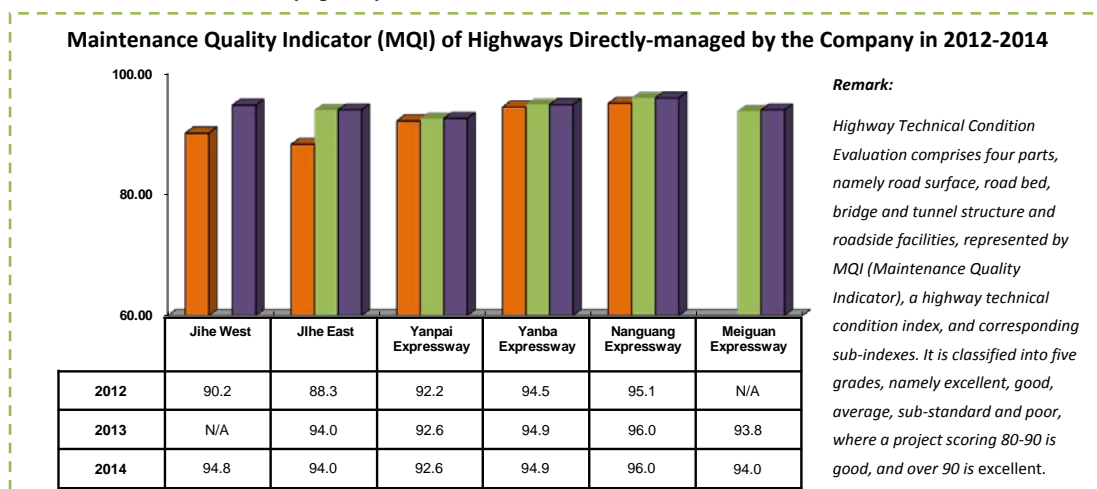
With a quality management system that meets scientific standards and good system implementation to lay a solid foundation to accomplish management goals on construction quality, safety, cost, progress and environmental protection, the construction quality of the Company’s projects has continued to maintain at a higher level. In 2014, the Company launched many projects. Under tight work schedule, heavy workload and demanding requirements, the construction team completed entrusted construction projects of, among others, Dezheng Road Project, contract phase of Xinghai Avenue of Nanping Phase II on schedule and with high quality. In Guizhou Province, Guilong Project was completed as well. Guilong Project is the construction project of Phase I of Guilong Road (“Guilong Road”) in Longli, Guizhou Province by BT mode. As the first urban expressway from Longli County to Guiyang, the provincial capital city, its regional transportation function is outstanding and is an important traffic line for promoting local economic development. As



such, the project company has been committed to the goal of constructing projects of exquisite products and pushed forward the project based on standardised quality management requirements in every stage ranging from primary design to completion. For example, the Guilong Road is located in regions where karst caves are formed, mountains and ranges are dispersed and geological conditions are sophisticated. To ensure project quality, the Company conducted detailed geological inspection and assessment, well formulated design plans according to the geological conditions and road requirements, and actively communicated and coordinated with construction companies that were responsible for the construction of adjacent road sections. The Company has been controlling the quality from the source of the project. During the stage of construction, the Company implements the policy of one ballot veto in terms of safety quality and effectively promotes the system of construction supervision, independent third-party inspection and other quality inspection systems to control construction and completion quality of every phase and ensure project quality. Since its opening to traffic, Guilong Road has met the design requirements and quality standards in terms of quality indicators such as deflection value of the road, compactness, flatness, friction factor, overall stability etc. The road has good quality and function. The construction and management outcome of the Company has been highly appreciated and recognised by the principal.

■ Maintenance of High-level Road Quality

In order to ensure travel quality of roads, the Company has been strictly pursuing National Highway Maintenance Regulations and Assessment Criteria to conduct daily inspections, frequent inspections and regular inspections of the managed expressways. The Company has been closely inspecting technological conditions of the highway to identify and handle highway damages as early as possible. In recent years, the Company has been exploring the management technique and mode of preventive maintenance. By daily repairing and restoring the functional damage of road surface, it can defer the structural damage of road surface and enable the function and indicators of road surface to maintain at a higher level for a long period, thus generally enhancing the safety and comfortableness of the road. Based on the road surface reparation of the whole line of Jihe Expressway, the Company completed the pre-maintenance work of Section A of Yanba Expressway during 2014. By the end of the Reporting Period, the technological conditions of each expressway managed by the Company have achieved the necessary quality standard.



Note: Since Meiguan Expressway was under expansion at the end of 2012, and Jihe West was under reconstruction on road surface at the end of 2013, no evaluation was arranged on the expressways' technological condition.



II. Safety Management

Safe production is one of the major responsibilities of a corporate. The Company adheres to the safety management principle of “*Safety Comes First, Focus On Prevention*” by carrying out the tasks including risk assessment, preparation of supplies, team building, equipment upgrade and emergency drill in the ordinary course of business. Meanwhile, the Company established specific emergency plans and continued to optimise the safe production system and standards to address such issue, aiming at integrating the emergency tasks into our daily operation in an efficient way.

During the project construction, the Company focuses on the safety management during its tender process and explicitly defines the management responsibilities and exclusive terms in the related contracts and adopts the similar awards or penalties and assessment approach for those successful tenders. The Construction Management Department assumes the responsibilities of monitoring the performance of contracts in a comprehensive way, procuring the contractors and supervisors to establish a sound system of safety security and management of all levels, sorting out the possible deficiencies and formulating specific measures, and regularly organising special examination on the security management of projects’ major hazards to avoid the occurrence of any accidents and to ensure safety in each aspect of production and construction.

In 2014, the Company organised 4 comprehensive inspections of group-level, 2 specialised inspections, 12 department-level, and nearly 300 toll station-level (construction project) safety inspections as well as organised more than 300 safety trainings of various levels and conducted over 100 emergency drillings covering accidents including fire, vehicle damage, object crash, food borne diseases etc. During the year, the Company held its first fire-fighting sports event where nearly one hundred staff members participated in the drillings. The participants understood and acquired basic skills for emergency such as putting out fire at an early stage, fire escape, heart recovery, rescuing the wounded and the use of fire extinguisher and fire hydrants. The Company increases the safety awareness of staff and promotes the ability of self-rescue and mutual-rescue through various means, laying a necessary and solid foundation for safety production and services.





Service and Communication

The recognition of customers is the foundation of the Company's sustainable development. It is the Company's essential responsibility to provide customers with safe and rapid transportation services and professionalized construction and management services. The Company has established market-oriented and customer-demand-oriented management system and maintains consistent and effective communication with customers. The Company continues to improve the operating procedures of various businesses according to business development of the Company and external and internal environmental changes, and strives to share values with customers through high quality services.

I. Enhancement of Service Quality

■ Further the Equality of Operation Management

In 2014, the Company adopted “*Consistently Improvement of the Quality of Operation Management*” as the theme of annual operation management to further improve operation management system, enhance vocational training and performance appraisal, strengthen the concept of quality service, effectively promote standardised business operation and consistently implement various service procedures. The Company held activities such as Smiling Stars Competition and campaign on quality services to promote service quality with scientific management and realise the quality service standard as daily performance in general.

■ Implement Network Toll Collection to Improve Traffic Efficiency

According to the centralised deployment of Guangdong Province, the expressways within the province achieved a One-for-All (「一張網」) network toll collection at the end of June, 2014. To ensure successful implementation of network connection, the Company made detailed arrangements, upgraded and improved technology and facilities in advance, updated and improved work procedures and management measures under new network conditions, and organised targeted business trainings for toll collection personnel. Meanwhile, the Company coordinated with other industry peers and cancelled cross-region joint stations and route marking stations, and scientifically improved toll stations based on network joints and layout of traffic flow distribution. For example, the Company implemented toll-collection-lane diversion of He'ao toll station of Jihe Expressway to achieve the direct link between Jihe Expressway and Huiyan Expressway without toll station. The Company also added two ETC vehicle lanes at each of the entrance and exit of Xili toll station of Nanguang Expressway and added one ETC vehicle lane at each of the joint entrance and exit between Huanghe toll station and 107 national highway to reduce congestions during rush hours. Through network toll collection and scientific management, the Company improved the travel efficiency of highways and provided more convenient and effective travel services for drivers and passengers.

■ Improve Management Mechanism to Ensure Smooth Traffic

The Company established and improved effective management mechanism for traffic-flow evacuation during rush hours and emergency and contingency responses through scientific analysis and consistent exploration and summary in practice. Emergency and contingency response management mechanism covers responses to various situations including, among others, holiday peak times, road accidents, secured smooth traffic during construction and extreme weather conditions. The mechanism can guide the traffic and evacuate vehicle flows through the system management over



various administrative modules such as vehicle flow forecast, emergency resource allocation, level-by-level response and control, standardised operation and problem solving guidelines, business training and drilling practice, travel guidelines and information circulation, evacuation of vehicle flows during rush hours, conduct and dispatch and post-administration assessment. During peak seasons in 2014 such as the holidays of Spring Festival, Tomb Sweeping Day, and National Day, the key sections directly managed by the Company were well run in order with smooth vehicle flows, offering rapid and safe traffic conditions for the citizens.

In order to timely deal with traffic accidents to save lives and procure property security of customers, the Company has already established service mechanisms for road rescue. In 2014, the Company further optimised management mechanisms to improve timelines of rescue. Meanwhile, the Company consistently improve rescue management and service quality by improving communication with police officers and rescue authorities to regularly solicit feedbacks from customers and make known of their comments. During the year, the sections directly managed by the Company handled approximately 9,000 rescue cases, including 9 major accidents, and successfully removed approximately 7,300 vehicles involved in accidents.

II. Establishment of Communication Platform

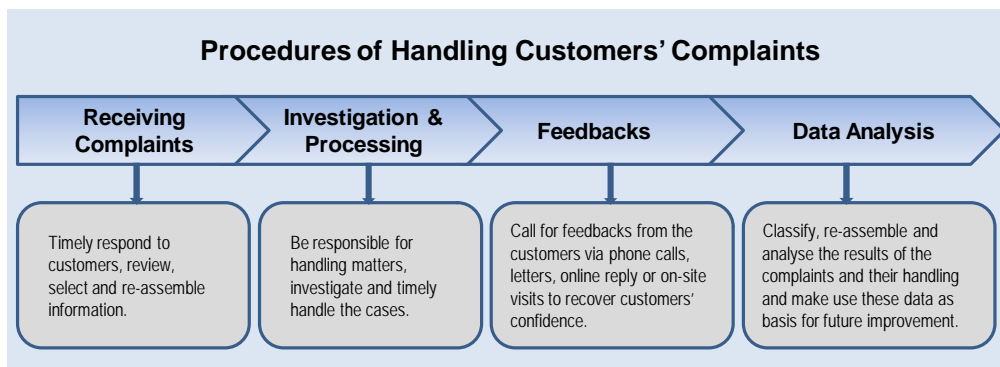
The Company has set up a customer service centre mainly for collecting and releasing information, emergency operation, on-road rescue, customer complaint management, and customer satisfaction survey. The Company also used the customer service centre as an information hub to set up a multi-layered information communication platform for the purpose of listening to complaint of customers and continuously enhancing customer satisfaction.

■ Information Management and Release

The customer service centre of the Company timely released information on road conditions to drivers and passengers via various means. To further enhance service quality, in 2014, the Company officially launched the Public WeChat Platform for Shenzhen Expressway Customer Service Centre. The public can leverage the road condition consultancy, service complaints and other functions by mobile phones. Besides immediately answering consultations about road conditions and policies, the platform also uses illustrated information guidelines, policy and brand promotion. For example, the platform releases guidelines for evacuating vehicle flows of expressways in Shenzhen during holiday peak periods and explains FAQs or complaints etc. During the year, based on different characteristics of each holiday, the Company focused on regional road networks and designed easy guidelines for road routes and travelling which are distributed free of charge to the public. Before holiday peak periods, the Company released information about road conditions during these periods in advance through various channels such as road broadcast, television, press, Weibo, WeChat etc. The information clearly indicated congestion sites, congestion periods and immediate alternative travelling routes to effectively reduce the pressure of traffic evacuation in sites where vehicle flow was dense. During 2014, the customer service centre of the Company released approximately 11,000 different types of traffic information. Through timely information exchange, the Company has helped drivers and passengers reasonably choose travelling routes to improve efficiency of handling emergencies and road use.

■ Mechanism for Handling Customer Complaints

The Company announced hotline, official Weibo account and WeChat public platform for consultations and complaints for the purposes of timely responding to customers' consultations, handling complaints, and consistently summarizing previous experience to continuously improve service quality.



In 2014, in the early stage of implementing network toll collection throughout Guangdong Province, there was a surge in consultation and complaint services at customer service centre. As such, the Company attached reasonable importance to this and continuously collected problems of networking, timely communicated and coordinated with provincial ministries of transportation management and system developers, convened specialised meetings to come up with solutions and gave customers feedbacks on results as soon as possible. Meanwhile, the customer service centre promoted and answered questions about the relevant network and toll collection on carrying weight via WeChat, Weibo and other media channels. Through the consistent improvements of toll collection system and working procedures, the related complaints have been reduced month by month. Besides, Jihe West and Yanba Expressway launched maintenance projects during the year, which unavoidably affected the smoothness of road traffic. For such cases, apart from reasonably coordinating with the traffic authorities to perform designated road evacuation, the Company also organised the staff of the customer service centre to make inspections along the road sections under construction and familiarise themselves with the conditions of congestion sites and guiding measures to help customers solve practical problems.

Consultation and Complaint Statistics Table of Customer Service Centre

Item	2012	2013	2014
Consultation via phone	355,000 times	356,000 times	442,000 times
Complaints regarding the operation	892	538	1,190
Total annual complaint rate	0.843/100,000vehicle	0.469/100,000vehicle	0.881/100,000vehicle
<i>Among which: reasonable complaint rate</i>	<i>0.055/100,000 vehicle</i>	<i>0.064/100,000vehicle</i>	<i>0.044/100,000vehicle</i>

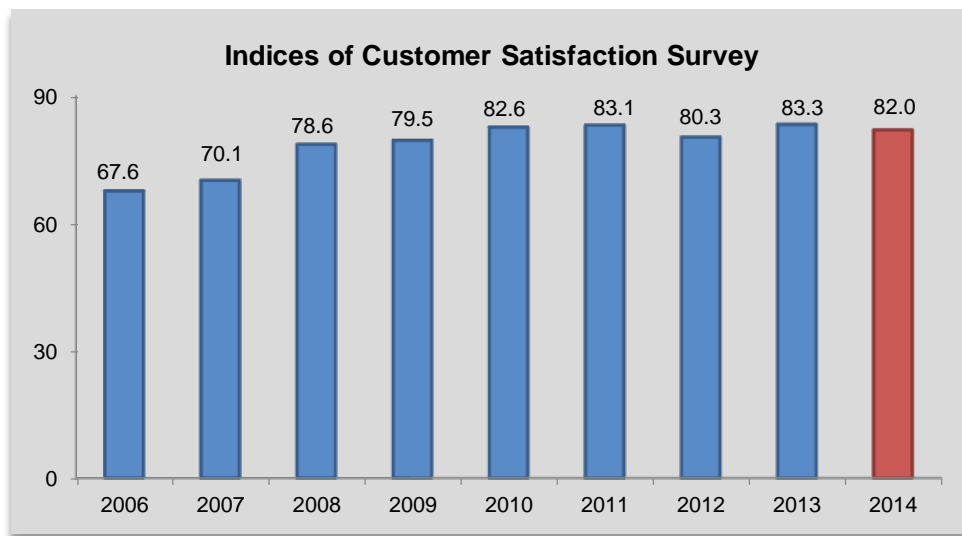
In 2014, in terms of changes in operating environment and business development, the Company analysed the cases of complaints for the past three years and prepared the *Cases and Analysis on Shenzhen Expressway Operation Complaint* based on the typical cases. The analysis is summarised with factors of specific cases, handling solutions, highlights and relevant bases and delivered to every operation unit to ensure standardisation and generalisation in terms of handling on-site complaints and problems by the toll stations in order to improve the operation management and service quality.



■ Customer Satisfaction Survey

In order to timely know and study current and potential demands of customers, the Company regularly set guidelines for customer satisfaction survey every year, organised assessments as planned, collected data on customers' satisfaction with road condition quality, landscapes, services and social image of the Company's projects. Based on data analysis, the Company sets key improvement tasks during the year. The Company also used a survey method of "mysterious customer" to ensure reliability and effectiveness of data and information.

In 2014, the headquarters of the Company took road users as targets and, by using questionnaires and calling for feedbacks via phone, organised customer satisfaction surveys. According to the statistic results of the survey, the overall customer satisfaction index of the Company was 82.0 (2013: 83.3) and maintained at a relatively higher level.



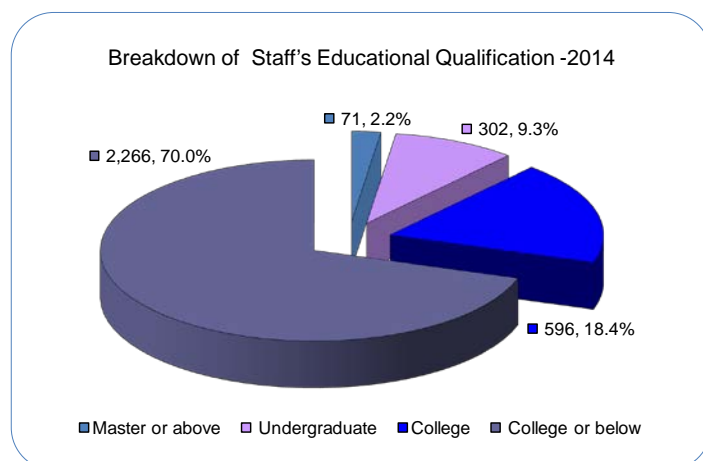
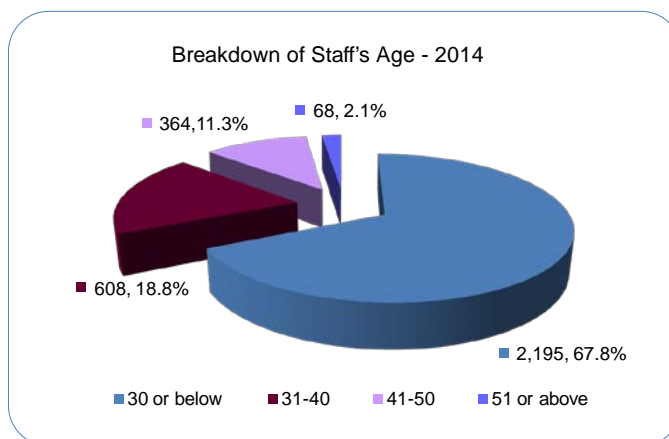
Respect and Caring

“Enabling the staff to have sense of achievement and to be healthy and happy” is a key element of the Company’s core values. The Company values and upholds basic rights and interests of staff, respects their reasonable demands and appeals, cares about their personal growth, strives to provide safe and sound working environment for staff, expands the platform for their career development, and promotes mutual development of staff and the Company.

I. Assurance of Staff's Rights and Interests

■ Equal Employment Opportunity

The Company pursues the concept of long-term employment with gender equality, equal pay for equal working conditions, and prohibition of employment of minors in any manner. We will not treat candidates differentially because of gender, ethnicity, geographical region, cultural background and other factors during recruitment of staff. During 2014, the Company’s signing rate of labour contracts with its staff amounted to 100%, without any illegal dismissals. In 2014, the Company and its subsidiaries had a total number of 3,235 employees, of whom 698 were management and professional staffs, while 2,537 were toll collection staff. Female staff accounted for 48% of the total number of staff. Paid annual leave system has been implemented to protect the staff’s rights to normal workload, rest and leave according to laws.





■ Remuneration and Benefits

The Company has developed a remuneration system in line with the Company's actual condition in accordance with the statutory requirements and market conditions. The staff remuneration and benefits are determined according to the market value of the position and the overall performance of staff, with strategy-oriented, market-oriented and performance-oriented objectives, taking into account of both internal and external fairness. In July 2014, the Headquarters implemented its remuneration adjustment plan again for toll collection staff, with an average increase of about 6%. This marked the fifth consecutive year in which the Company increased the overall remuneration level of toll collection staff in order to effectively protect the interests of staff and share with them the Company's operating results.

Pursuant to the statutory requirements, the Company has participated in an employee retirement scheme co-ordinated or organised by the local government authorities (social pension insurance) and housing provident fund plan, and has applied various protection plans such as basic medical insurance package, industrial injury insurance, unemployment insurance and maternity insurance for its staff. Besides, the Company has made regular corporate annuity fund (supplementary pension insurance) for its management staff, thereby building a long-term trust between the Company and staff. During 2014, the Group's total payment of social insurance such as pension and medical insurance amounted to RMB27,750,000, housing provident fund RMB11,289,000 and corporate annuity fund RMB6,829,000.

II. Promotion of Staff Development

The Company has established Staff Performance Management System and multi-level Training System, which are customer-oriented and based on business improvement, to motivate our staff to unleash potential and to offer talented and moral staff members a platform to fully show their talents.

■ Career Development

The Company focuses on developing the human resources and talents within the enterprise. In accordance with the professional capacity and performance of staff based on key position models, the Company selects outstanding members to be listed in the reserved talent bank and to provide them with corresponding vocational guidance and training in order to reserve talents for the development of the Company. In 2014, 31 management staff members and 216 top-tier staff members of the headquarters of the Company were promoted under the competition from public recruitment and they have become new incentives for the Company's development.

Besides, the Company also values career development of top-tier staff members and have provided them with support for enhancing their professional abilities such as qualification upgrade and skill training. For toll collection staff of more than five years' service, the Company also offers re-employment incentive fund to provide more opportunities and choices for their career development. During 2014, the headquarters distributed re-employment incentive fund in a total amount of RMB300,000 to 44 staff members.

■ Staff Training

The Company offers diversified vocational training for staff and enhances their comprehensive quality and ability to discharge their respective role of existing position through various means such as lectures by experts, internal specialised training, experience sharing, and position experience exchange. During 2014, the headquarters of the Company and its various departments organised 62 training seminars with a total of 11,546 hours for an aggregate number of 1,455 staff members per head. The annual cost paid for education and training amounted to RMB1,605,000.



Besides, the Company encourages self-study and self-enhancement of staff and has established online training schools. Meanwhile, by promoting qualification education and examination management, the Company provides a certain amount of subsidies or incentives for the participating staff members to encourage them to constantly study and grow.

III. Safety and Health

The Company values health and safety of staff and continue to launch training on work safety to raise the awareness of staff as well as regular seminars on identifying various sources of danger and risk and environmental factors, controlling hazard factors, increasing safety of staff's working environment and preventing vocational diseases. In terms of management and operation, the Company adopted the model of building "*Safety Model of Toll Collection Stations*" as a guideline for safety management of top-tier units. Meanwhile, through developing the rules and regulations for safety operations and enhancing real-time control, the Company has reduced and avoided industrial injuries of working staff.

Every year the Company organises a physical check-up for staff and actively undertakes commercial insurance related to personal accidental injury. The labour union of the Company launched and established "*Mutual Fund for Staff's Major Diseases and Personal Accidental Injuries*" to enhance the protection against diseases and accidental risks for staff. For the staff members under accidental injury, the Company puts great efforts to rescue and provide treatments and strictly follow the industrial injury insurance and other relevant regulations to ensure obtaining medical treatments and economic compensations by staff. During 2014, the headquarters of the Company distributed such mutual fund in a total of RMB10,000 to staff and processed and completed industrial injury claims totalling approximately RMB100,000 for 6 staff members who have suffered from industrial injuries.

During the year, the Company invited certain experts to host two lectures on health for staff. The lectures were designated to convey knowledge about medical and health care. Besides, the Company launched various courses and seminars on various topics including yoga, Tai-chi, badminton, basketball, photography and others during spare time. Recreational and physical fitness facilities were equipped at every toll station. The Company also organised speech contests, art performances, mountain hiking, various ball games and other team events to help the staff balance work and life and develop a healthy and positive work mind-set.





IV. Communication and Interaction

In addition to daily communication, performance interviews and employee suggestion box, the Company has developed various complaint and communication channels for staff including internal published materials, staff forum via intranet and e-mail. All of these are effective way through which employees can express their thoughts and feelings while the management can listen to and respond to their staff opinions. During 2014, the headquarters of the Company collected 35 comments and recommendations from staff and accordingly made relevant improvement on management work based on the reasonable appeals of staff members.

In order to enhance communications among top-tier staff members and help new staff members get familiar with and get involved in new working environment, the Company organised programs for staff to visit, collect and sort out information about the peripheral living facilities including, among others, traffic stations, supermarkets, banks and medical institutions nearby every toll station during spare time, and has prepared the *Travelling Guidelines for Shenzhen Expressway Toll Collection Station Staff*. This has not only allowed convenience for the staff's travel, but also built a communication platform among young staff members at every toll station.

Every year the headquarters of the Company conducts satisfaction surveys in order to provide valuable references for improving and enhancing the management standard of the Company. Satisfaction survey covers four dimensions, namely job content, job reward, working teams and corporate management. The relevant questionnaires and statistical analysis are designed separately based on different characteristics of management staff and toll collectors. According to the findings of the end of 2014, the overall satisfaction of management staff was 71%, an increase of 2 percentage points compared to the previous year. The satisfaction of toll collectors was 64%, an increase of 6 percentage points compared to the previous year. Based on the statistics from the survey, the Company also conducted analysis based on gender, age, education, job positions and key projects to identify the problems and propose measures to address and improve them. During 2014, the overall staff turnover rate of the headquarters was 24.5% among which the staff turnover rate of management staff and toll collectors were 1.6% and 29.8% respectively.





Green Operation

As an enterprise engaging in main business of expressway operation and construction, the Company values the development of environmental protection awareness of staff and practising the environmental protection concept in operation and management, actively explores new skill and crafts and innovative technologies which are energy-saving and resources-saving, to discharge our responsibility through practice.

I. Promotion of Environmental Protection Concept

The Company promotes environmental protection concept through company magazines, staff forums, billboards and organising environmental protection-related volunteers' events and publishing environmental protection-related initiatives, in order to develop the staff's environmental awareness and call for their

voluntary participation in environmental protection in daily life.



The Company has set up internal working information management systems to promote paperless office; the Company advises the staff to save paper and try the best to use both sides of the paper; the Company enhances meeting organisation and management to conserve resources through various approaches.



The Company has established office supply declaration and review system, in which the office supplies are purchased according to demand in order to improve the use efficiency of them and to reduce waste.



The Company develops the staff's awareness of saving water and electricity and enhances management of office air conditioning and cooling system. Various newly added or replaced lighting facilities should be innovative, environmentally-friendly and energy-saving products. Meanwhile, the Company reforms the system of vehicle use to reduce working energy consumption and emission.

When choosing suppliers for office supplies, the Company

regards it a key selection criteria whether the supplier has passed the certificate of environmental management system. During the period of project construction, the Company is clearly aware of the requirements of environmental protection on processing and transporting construction materials. Provided same qualities and specifications, the Company shall select and use the construction materials with signs of environmental friendly and energy-saving products.

II. Practice of Green Construction

The Company observed and met the requirements of environmental protection laws and regulations and adopted the principle of "Prevention Oriented, Protection Priority, Integration of Prevention and Treatment, Comprehensive Treatment". The concern over environmental protection is manifested in product planning, design, construction and conservation of highways.

In 2014, the Company kicked off the construction of Priority Section of Outer Ring Expressway and completed certain preliminary tasks such as project environment assessment report, soil conservation report based on the aforesaid requirements. During the design and planning of the project, the Company installed sound insulation screens at sensitive points, made asphalt pavement to reduce noise, used LED energy-saving lighting facilities, designed water retention measures for wetlands of low-carbon road sections, and prepared greening work for abandoned soils and road-bed embankments. The Company spared no efforts in careful consideration of environmental protection factors over such details.

During the year and the construction of Section B of Nanping Phase II, the Company adopted the use of manoeuvre drills to perform deep foundation construction to reduce working noise



pollution. At the foundation site, mud pools and depositing banks were designed to dry construction mud before removal from the site for recycling use to avoid mud drainage into municipal pipe network facilities. Concerns and implementation of environmental protection concept were also manifested and demonstrated in various arrangements during construction.



III. Practice of Resource Conservation

In operation and management, the Company has been committed to promoting the use of innovative materials, skills and crafts and enhancing the comprehensive efficiency in use of resources based on technological innovation. In recent years, the Company has been actively promoting the optimisation of maintenance management system and cooperating with experts to conduct relevant researches on preventive maintenance technologies and has successfully applied hot-in-place recycling technologies to highway maintenance and reconstruction, which has yielded positive results.

During 2014, the Company launched preventive maintenance projects on Section A of Yanba Expressway. During implementation, the Company selected those sites with defective highway characters to conduct specialised inspections, reviewed and adopted polymer injection casting and consolidation technologies for road-beds, changed the original model of extensive reconstruction through digging to save resources effectively by leveraging the advantages of existing road-beds and base foundation.

Besides, compared with traditional skills and crafts, the hot-in-place technology has many advantages including, among others, energy-saving, investment-saving, less traffic disruption and short construction period. The technology features immediate access to materials on-site and can, to the largest extent, make use of waste asphalt mixtures to save a large amount of gravel stone materials and asphalt and mitigated damage from stone material exploitation to the ecological environment as



well as to conserve the occupied land resources resulting from stone material exploitation and placement of large amounts of piled waste asphalt mixtures. Meanwhile, the technology can reduce the impacts on abandoned sites and their surrounding environment. Because the transportation distance has been shortened, the amount of transport has been reduced as well as carbon emission. During the reconstruction of Section A of Yanba Expressway, the overall area applying hot-in-place

recycling was 126,000 m² which can save approximately 12,600 tonnes of asphalt mixtures, or an equivalence of reducing mineral resource exploitation amount of 5,000 m³. As such, it has avoided damage to the natural environment with an area of approximately 2,400 m²; the reduced transportation was equivalent to a reduction of carbon emission of 47 tons.

In recent years, the Company has been promoting EMC contracted energy management investment models and LED energy-saving lighting facilities in major highway sections in Shenzhen. During 2014, the total amount of energy saved in lighting projects undertaken by the Company was 4.5 million kWh fostering a significant result of energy saving. Besides, the affiliated advertising company under the Group conducted comprehensive technological upgrade, develop and use outdoor LED lights, solar energy lights and complementary lighting system of advertising board with sunlight to achieve the goal of energy conservation, environmental protection and effective saving of operation and management cost.



Development and Mutual Success

The Company values the interests of working partners and seeks to grow with them. In addition, the Company pays attention to social development and public welfare and strives to contribute to social harmony and stability and sustainable development.

I. Win-win Cooperation

The Company has regarded all co-operating parties in value chain (including material and equipment suppliers, construction contractors, design companies, supervisory authorities, consulting firms and intermediary advisors etc.) as its working partners. The Company neither deem itself as the stronger party nor gives up its position or rights and interests as the weaker party, if any. The Company seeks to grow with its working partners. The Company seeks to establish a long-term and intensive strategic partnership with financially strong and reputable partners who share the same values. Appraisal and assessment have been conducted by the Company on quality of the products and services provided by its working partners, contract performance ability and business reputation as basis for future collaboration. At the same time, the Company pursues business ethics and earnestly executes the contracts signed with its working partners to establish sound business reputation. The Company also interacts positively with all co-operating parties in respect of value chain and provides support to the working partners to facilitate their work, resulting in the fulfilment of the mutual objectives.

The Company pays high regard to the protection of the interest of our creditors. The Company adheres to sound financial strategies and maintains reasonable level of indebtedness and debt structure. For the year 2014, debt-to-asset ratio, interest cover multiple and EBITDA interest multiple of the Company were 46.1%, 6.57 and 8.42 respectively, and each financial indicator remained at secure levels. Meanwhile, the Company focused on its credit construction and maintenance and maintained a sound credit record by timely repayment of the principals with interests of its bank loans and bonds. For the year 2014, the Company continued to gain the highest rating of AAA in credit rating for borrowing enterprises in Shenzhen City and maintained the equivalent credit rating in follow-up rating for bonds.

II. Social Development Support

The Company upholds the mission of “*Construct and Manage Quality Expressways and Enhance Social Transportation Efficiency*”. For over ten years, the Company has been committed to providing quality services in the highway construction area and has completed the construction and investment in road building projects with a total value of over RMB10 billion in Shenzhen and its surrounding areas. The mileage of highways invested, constructed by the Company and entrusted to the Company for construction and operation accounted for approximately 60% of market share in Shenzhen. The expressway network developed by the Company has become an essential route facilitating the economic development and cultural exchange in the regions.

In 2014, the Group and Shenzhen Municipal Government reached a consensus and entered into agreement on adjusting toll collection of Meiguan Expressway. The approximate 13.8km road section



of Meiguan Expressway was officially opened free travel from 1 April 2014. This adjustment of toll collection was a multiple-winning plan with the joint effort of the government and the Company. For the public and the society, free travel can reduce the travel costs of citizens and the logistic costs of the enterprises, and increase the level of intensive use of land along the line. In addition, it is conducive to accelerating the transformation and upgrade of Longhua New District and the construction along the development axis of central Shenzhen, which has positively promoted the integration progress of the special administrative region and strategic layout optimisation of the entire city.

In 2014, the tax payment of the Company and its subsidiaries amounted to RMB409 million in totals, making appropriate contribution to national and local financial income. During the year, the Company continued to earnestly cope with the farmer-benefiting *Green Passage* policy by the government and the policy of free travel of small-sized carriages during holidays, which has yielded an aggregate of waived revenue of free travel which amounted to RMB65 million and RMB162 million respectively (as per consolidated financial statements). Besides, the headquarters of the Company provided 790 job opportunities for the society. In recruiting toll collectors, the Company has introduced a policy of giving priority to the applicants from underdeveloped regions. By working and living in Shenzhen, the toll collectors can utilise the policy to improve the financial situation of their families and provide a platform for transmitting new thoughts and new philosophies, which in turn promotes the employment in these regions and supports the regional development.

III. Dedication to Charity Activities

To support the educational development in the communities, the Company initiated the *Starlight Program*, an education program to regularly support a primary school in the western region at the end of 2012. In 2014, the Group allocated a total of RMB595,000 for charity or public welfares, which mainly used to improve the facilities of and purchase books for the above-mentioned school.

The Company encourages its investees and staff to pay attention to social charity and try their best to help the groups in need. In 2014, Advertising Company, a subsidiary of the Company, provided 81 advertising spaces with total areas of over 20,000 m² at nil consideration for charitable promotion purpose and conveyance of related charitable events. During the year, after learning that a retired staff member urgently needed money for medical treatment, the staff of the Group gave a helping hand one after another and donated a total amount of over RMB110,000. The Company also organised the staff to participate in charitable events including, among others, maintaining traffic order and cleaning mountain forests as the solid contributions to the society.





Conclusion

Harmonious internal and external environment is essential for the development of a company. While going through sustainable development and creating profits, Shenzhen Expressway is committed to be a responsible corporate citizen who respects and protects the interests of the stakeholders. Since 2009, the Company completes the preparation and publication of the annual *Social Responsibility Report* before April every year, to strengthen the understanding and relationship between the stakeholders and the Company, and accept supervision of society. The *Social Responsibility Report* of this year has described the responsibility and practices of the Company in relation to products, customers, employees, environment and community. For information about sustainability responsibilities, corporate governance and shareholder return, please refer to the Company's *2014 Annual Report*.

We are deeply aware that with the change of competition layout and the common increase of social awareness, the Company will face more challenges in terms of self-development and assuming social responsibility, and there is still much to reform and improve as well. We will continue to pursue the concept of honesty and faithfulness, scientific operation and constantly improve various aspects of tasks to achieve a harmonious mutual success between the Company and the stakeholders. We will also continue to develop and practise noble business ethics and corporate deeds to make a positive contribution to the mutual growth of the enterprise and the society. We hereby express our gratitude to all aspects of the society and all stakeholders of the Company for their consistent support, understanding and assistance help towards the Company. We look forward to have you as the valued partners and travelling with you on the future development path of Shenzhen Expressway!





Appendix of Indicators

Item	2014	2013	2012	Index of the report
Revenue (RMB'000 million)	36.20	32.79	31.35	2014 Annual Report
Total asset (RMB'000 million)	243.29	228.40	242.1	2014 Annual Report
Net profit (RMB'000 million)	21.87	7.20	6.85	2014 Annual Report
Net asset (RMB'000 million)	117.98	99.74	95.36	2014 Annual Report
Dividend payout ratio <small>Data in current year represents dividends distributed for last year</small>	49%	41%	40%	2014 Annual Report
Dividends (RMB million) <small>Data in current year represents dividends distributed for last year</small>	3.49	2.84	3.49	2014 Annual Report
Interest covered multiple	6.57	2.44	2.42	Page 16 of this report
EBITDA interest multiple	8.42	3.98	3.66	Page 16 of this report
Credit rating for borrowing enterprises in Shenzhen	AAA	AAA	AAA	Page 16 of this report
Number of employees of the Group (person)	3,235	3,234	3,066	Page 10 of this report
Management and professional staff	698	709	678	Page 10 of this report
Toll collection staff	2,537	2,525	2,388	Page 10 of this report
Social insurance paid by the Group (RMB'000)	27,750	25,180	24,543	Page 11 of this report
Payment of re-employment incentives (RMB'000)	300	415	456	Page 11 of this report
Training hours (hour)	11,546	12,763	12,805	Page 11 of this report
Training costs paid (RMB'000)	1,605	1,205	1,177	Page 11 of this report
Participant (person-time)	1,455	1,574	1,823	Page 11 of this report
Donations for charities (RMB'000)	595	560	200	Page 17 of this report
Tax (RMB'000)	408,908	397,010	498,626	Page 17 of this report
Jobs provided (position)	790	785	663	Page 17 of this report
Highway maintenance quality indicator (MQI)				
Jihe East	94.0	94.0	88.3	Page 4 of this report
Jihe West	94.8	N/A	90.2	Page 4 of this report
Yanpai Expressway	92.6	92.6	92.2	Page 4 of this report
Yanba Expressway	94.9	94.9	94.5	Page 4 of this report
Nanguang Expressway	96.0	96.0	95.1	Page 4 of this report
Meiguan Expressway	94.0	93.8	N/A	Page 4 of this report
Customer satisfaction index <small>Data in current year is the result of previous year's survey</small>	82.0	83.3	80.3	Page 9 of this report

Feedback and Contact Information

Shenzhen Expressway takes your opinions on our social responsibility work and this report seriously. If you have any opinions or suggestions, please fill out the following feedback form and return to us by post, fax or e-mail. We would like to express our deepest gratitude for your valuable opinions!



Please provide your personal information if you are willing to do so:

Name: _____ Telephone: _____

Company: _____ E-mail: _____

Contact us:

Telephone: 86-755 - 8285 3300 *Facsimile:* 86-755 - 8285 3411

E-mail: secretary@sz-expressway.com; ir@sz-expressway.com

Address: Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen
518026, PRC