



招商公路

CHINA MERCHANTS EXPRESSWAY

China Merchants Expressway Network
& Technology Holdings Co., Ltd.

2023

Environmental, Social and Governance Report

Empower the Industry and Optimize the Environment

for a Shared Sustainable Future





About This Report

This is the second annual Environmental, Social and Governance (ESG) report released by China Merchants Expressway Network & Technology Holdings Co., Ltd. Based on the principles of objectivity, standardization, transparency, and comprehensiveness, it discloses in details our practices and performance in the economic, environmental, social, and governance areas for the year 2023. The Company tries to effectively communicate with various stakeholders and systematically respond to their expectations and requirements.

Reporting Scope

China Merchants Expressway Network & Technology Holdings Co., Ltd. and its subsidiaries (consistent with the scope covered by the consolidated financial statements).

Reporting Period

This report covers the period from January 1, 2023 to December 31, 2023, and may use data beyond the stated scope to enhance comparisons and completeness.

References

For better presentation and readability, "China Merchants Expressway Network & Technology Holdings Co., Ltd." is also referred to as "CMET", "We" or "the Company" in the report.

Data Source

The financial data disclosed in this report is from the *2023 Annual Report of China Merchants Expressway Network & Technology Holdings Co., Ltd.*, and other data comes from official documents and statistical reports of the Company, which have been reviewed by relevant departments of the Company. Unless otherwise specified, the monetary unit in this report are all in RMB.

Compilation Conformance

The 2030 Agenda for Sustainable Development (SDGs) issued by the UN

IFRS S2 Climate-related Disclosures

GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)

Guidelines to the State-owned Enterprises on Better Fulfilling Corporate Social Responsibilities released by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)

Social Responsibility Guidelines for Listed Companies released by Shenzhen Stock Exchange

Guidance on Social Responsibility (ISO 26000:2010) issued by International Organization for Standardization (ISO)

Guidance on Social Responsibility Reporting (GB/T 36001-2015) released by Standardization Administration of the People's Republic of China (SAC)

Reporting Principles

The report is free of false records, misleading statements, or significant omissions. CMET is responsible for the authenticity, accuracy, and completeness of its content.

Report Access

This report is published in electronic format, which can be viewed or downloaded from the official website of CMET (<http://www.cmet1965.com/>) and website of Shenzhen Stock Exchange (<http://www.szse.cn>).

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Message from the Chairman

The year 2023 kicked off our efforts to put the guiding principles of the 20th CPC National Congress into action. It was a crucial witness for CMET to embark on a new journey, and for our employees to stay visionary and grounded, and a year that balanced sustainability and responsibility. In 2023, as we made new contributions to building a strong and rejuvenated nation, we marched forward tenaciously with confidence in our history and a better understanding of how things moved around. Committed to our future direction, we shouldered political responsibility and strived to compose another chapter in CMET's high-quality development in the new era.

We stabilize the growth of our primary business while seeking breakthroughs in innovation. Guided by the concept of a "safe, convenient, efficient, green, and economical" transportation system for "Building a Strong Transportation Nation", we maintain the logic of transforming our business model and branching out into new fields. This means optimizing investment, incubating new business, growing our business while contributing to ecological protection and social prosperity, and gathering new momentum for high-quality and sustainable development. We have implemented several high-quality investment projects, gained control of China Merchants & China Railway Holdings Co., Ltd. (CMC), and commenced the reconstruction and expansion project of the Beijing-Tianjin-Tanggu Expressway (Tianjin Section). We accelerate platform-based development and guarantee the unblocked traffic of expressways on important holidays and unobstructed channel flow in extreme flood seasons, facilitating people's travel during special periods. Following deployment of the Ministry of Transport, Zhejiang Wenzhou Yongtaiwen Expressway Co., Ltd. and Ningbo Merchants Highway Transportation Technology Co., Ltd. provided supporting services for the 19th Asian Games Hangzhou, demonstrating the responsibility of a central SOE in serving the nation's major endeavors. As a listed company, we drive ESG advancement with high standards and make new progress in sustainable development.

All beings flourish when they live in harmony and receive nourishment from Nature. Fully aware of the importance of ecological synergy and sound environment, we are convinced that a well-protected environment means uncompromised productive forces while a better environment means stronger productive forces. We say no to the short-sighted practice of sacrificing the environment for near-term benefits and adhere to an eco-friendly development path. As we implement the *CMET Low-carbon Strategy*, we seize the huge development opportunities brought by green transformation to deliver our pledges to carbon peak and carbon neutrality. Empowered by digital innovation for business transformation, we promote applications such as "HOPE" and "One road, Three parties" and tap into technological means to tackle challenges from climate change. We also carry out innovative research to support ecological restoration and vigorously develop soil restoration technology. We thus enable the sound environment to underpin the green development of CMET and make our expressway business a booster for realizing China's 30·60 Decarbonization Goal.

A business thrives with the support of its talent. Holding the belief that "a business succeeds as talent gathers", we respect the value and progress of employees, maintain diversity, equality, and inclusion in recruitment, and protect the legitimate rights and interests of our employees. We attach great importance to talent training, improve team building, and prioritize the career development and training of employees. These efforts enhance employees' sense of gain, wellbeing and security as we work together with them towards common goals.

Small acts put together create the utmost kindness. We play a leading role in promoting industry development and prosperity and leverage the "multiplier benefit" of social welfare by fully giving back to society through our toll roads business. In 2023, we polished the C Green charity brand and relied on the "people educating others" platform to spread the message of

green development. Based on the Expressway Operation Branch of China Highway and Transportation Society, we joined hands with 21 expressway operators to carry out a large-scale charity event of "Warm Journey" to pay tribute to truck drivers, which was well received by the public and attracted the proactive participation of our subsidiaries. We carried out the "Love from CMG, Together with CMET" care initiative for truck drivers in the 59 toll stations and 17 service areas of 26 expressways across 15 provinces. Seeing it as our mission to serve people and assume social responsibility under national strategies, we take practical actions under the noble pursuit of "people first" and make unremitting efforts to meet the people's growing needs for a better life. We grow and expand our business through dedication and hard work.

When people pull together, nothing is too heavy to be lifted. The year 2024 marks the 75th anniversary of the founding of the People's Republic of China, a key year for achieving the goals and tasks of the 14th Five-Year Plan and promoting the beautiful China initiative as well as Building a Strong Transportation Nation Initiative. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we will answer the call of CMG to "start again to compose the Era Chapter on the third round entrepreneurial venture", follow national strategies, and serve the needs for industrial upgrade. Working together for a splendid future, we dare to act first and create comprehensive value for all stakeholders, contributing to the sustainable development of China.

Chairman of China Merchants Expressway Network
& Technology Holdings Co., Ltd.

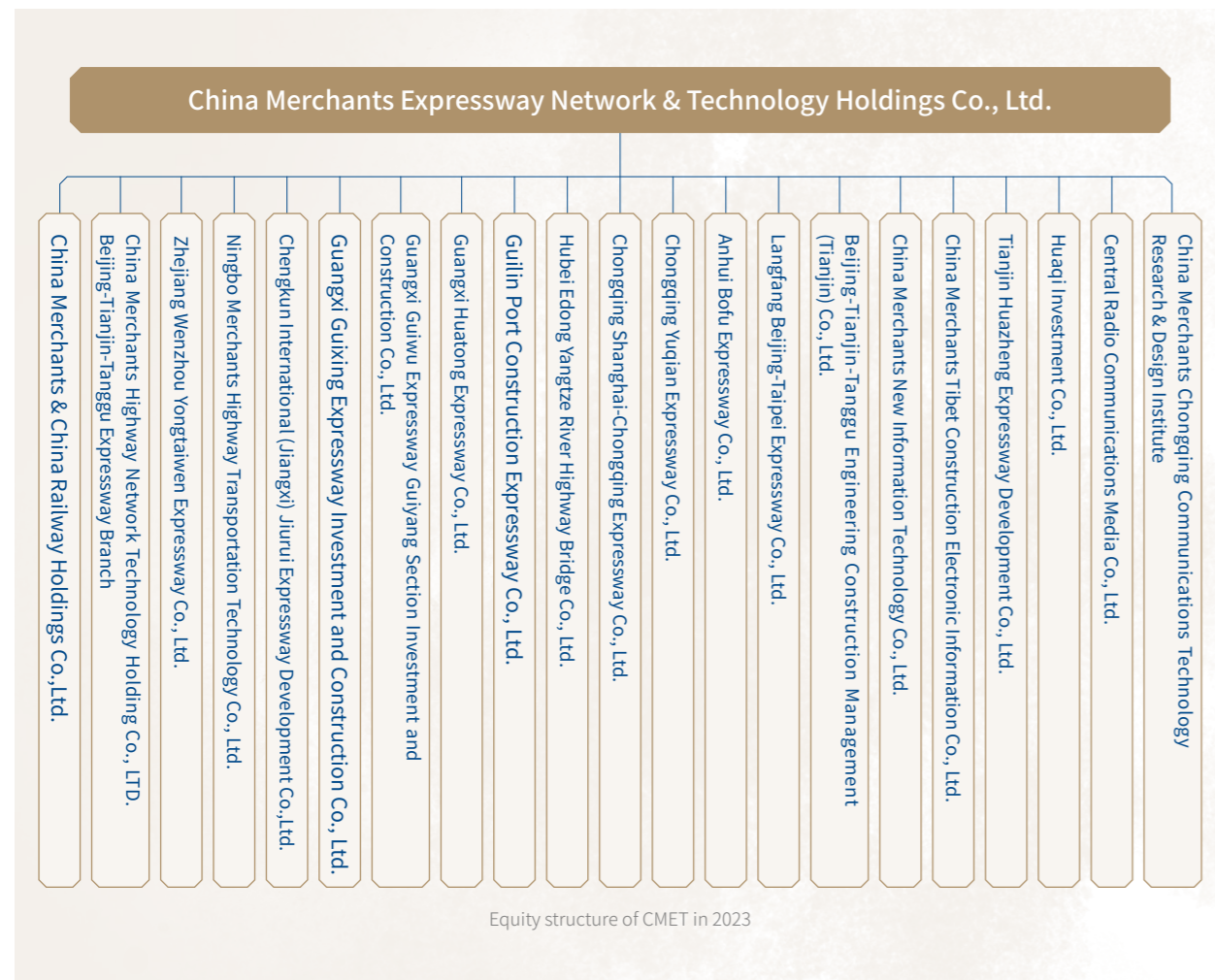


About CMET

Company Profile

China Merchants Expressway Network & Technology Holdings Co., Ltd. (CMET) was established in August 2016 with the approval of the the State Administration for Industry and Commerce. On December 25, 2017, CMET merged with Huabei Expressway Co., Ltd., and was successfully listed on the Shenzhen Stock Exchange (SZSE, stock code: SZ001965). Since its listing, CMET has been included as a sample stock of the CSI 300 index, SZSE Component Index, SZSE 100 Index, and CSI 500, becoming an industry leader with strong influence.

CMET is a leading Chinese expressway and related infrastructure investor and operator with the longest investing and operating road mileage, the most business coverage areas and the most integrated industry chain in China. Now, CMET's business scope includes investment and operation of expressway transportation infrastructure, traffic technology, intelligent transportation, and transportation ecology, covering important stages throughout the expressway industry chain. As of the end of 2023, CMET had invested in and operated expressways totaling 14,745 km in 22 provinces, autonomous regions, and municipalities. The company has invested in 26 high-quality toll expressway companies, of which 16 are A-share and H-share listed companies. We manage 26 toll expressway projects with a total operating mileage of 2,008 km in 15 provinces, autonomous regions, and municipalities. The Company's total assets amounted to RMB 157.48 billion with annual revenues reaching RMB 9.73 billion.



ESG Practice

Committed to integrating ESG concepts and practices into all operated business chain, CMET puts forward the ESG theme of "an empowered industry, a better environment, and a shared sustainable future". Leveraging our extensive expressway network, we continue with the "Together with CMET" care initiative for truck drivers and C Green strategic charity projects, supporting community development with CSR actions. By experimenting with green development technologies covering the entire expressway industry business chain, we practice low carbon, environmental protection, and circular economy in daily operations, improve new quality productive forces, and strive to become a responsible and green industry leader.

Construction	Management	Maintenance	Operation	Service
<ul style="list-style-type: none"> During project construction, we fully consider the habitat of wild animals and emphasize ecological restoration. 	<ul style="list-style-type: none"> We carry out green and low-carbon publicity and training. We shape an energy-saving and environmental protection management mechanism. 	<ul style="list-style-type: none"> We promote green maintenance and apply cold recycling foamed asphalt to maintain pavement. 	<ul style="list-style-type: none"> We upgrade tunnel LED lighting. We adopt intelligent tunnel management and control technology. We promote energy-saving control technology for tunnel lighting. We develop expressway photovoltaics. We promote new energy projects. 	<ul style="list-style-type: none"> Zhejiang Wenzhou Yongtaiwen Expressway Co., Ltd. implements the "reclaimed water" sewage treatment project. We promote energy conservation and emission reduction in service areas. We apply toll lane robots. We promote the "paper-to-electronic transition" project for green and low-carbon development. The plan of the green energy comprehensive service system supports low-carbon expressway development.

Environment

Society

Governance

- We fully consider the impact of expressway construction on surrounding communities.
- We improve the construction of intelligent transportation.
- We strengthen the management of severe weather events to reduce their impact.
- We create job opportunities.
- Based on the operation of the main expressway business, we carry out the C Green strategic philanthropic project.
- We vigorously carry out rural vitalization projects.
- We roll out the "Together with CMET" care initiative for truck drivers.
- We standardize the operation of the Shareholder's Meeting, the Board of Directors, and the Board of Supervisors, optimize the established ESG governance system, strengthen business ethics management, and improve the risk management and control process to ensure the high-quality and sustainable development of the Company.

Honors

This Decade - a classic case of M&A in the capital market
China Association for Public Companies



Investor Relations Gold Award - Outstanding IR Team
ir.p5w.net



"ESG Competitiveness and Strategic Philanthropy" award, "C GREEN" was included in the 2023 GoldenBee CSR Competitiveness Case Collection
China International Forum on Corporate Social Responsibility



ESG Best Practice Case Award for Listed Companies
China Association for Public Companies



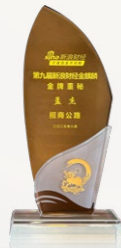
2023 Wind Top 100 ESG Best Practices for Listed Companies in China
Wind



Golden Bull "Best Investment Value"
China Securities Journal



The 9th Annual Meeting of Listed Companies and the Golden Kirin Gold Medal Board Secretary Dedication Award
Sina.com



2023 China Listed Company Innovation Award
Special Committee for Listed Companies of the Central Committee of the China Democratic National Construction Association



China Listed Company Value Selection - China Listed Companies ESG Top 100 Award, and CMET was included in the "China Securities Times ESG Top 100 Index"
China Securities Times



ESG Top 50 Among Central State-owned Enterprises
China Securities Journal



ESG Top 100
China Securities Journal



2022 Annual Golden Information Disclosure Award
China Securities Journal



Outstanding Case Award for Rural Vitalization of Listed Companies
China Association for Public Companies



2023 "Best Practice Case" Award of the Board of Directors of Listed Companies
China Association for Public Companies



"Xinhua Credit Jinlan Cup" ESG Excellent Case
Xinhua News Agency



The 23rd China Top 100 Enterprise Award
Wharton Economic Institute



China Ethical Business Award
Wharton Economic Institute



Best Practice Case of Listed Companies
China Association for Public Companies



Performance Highlights

Economic

RMB 157.48 billion		
Total assets		
RMB 9.73 billion	RMB 7.61 billion	
Operating income	Total profit	
RMB 6.77 billion	RMB 820 billion	
Net profit attributable to shareholders of listed companies	Total tax payment	
49	35	
Patent applications	Newly granted patents	
36	1,082	
Science & technology awards	R&D personnel	

Governance

12	4
Directors*	ESG training sessions
4	1
Independent directors	Female director
3	1
Supervisors	Employee supervisor
7	1
Senior executives*	Female senior executive
100%	100%
Compliance audit rate of rules, regulations and laws	Compliance audit rate of trademark, patent application and other intellectual property related laws and regulations

Integrity risk incidents

0

Note: On March 15, 2024, Mr. Ou Yong, a director of the Company, submitted his resignation, and the actual number of directors of CMET is eleven as of the date of this report.

On March 28, 2024, Mr. Liu Ruihua, the deputy general manager of the Company, submitted his resignation, and the actual number of senior managers of CMET is six as of the date of this report.

Environmental

53,320.43 tons
Greenhouse gas emission
76,934,257.98 kWh
Electricity consumption
845.23 L
Gasoline
482,948.98 m ³
Natural gas
915,216.54 tons
Water consumption

Social

6,641	2,483
Employees in total	Female employees
458	100%
Ethnic minority employees	Labor contract signing rate
100%	0
Social insurance contribution rate	Safety accidents
RMB 14 million	4,770
Total philanthropic donations	Participants of volunteer activities in total
13,369 hours	93.05
Employee volunteer service	Pavement Quality Index (PQI)





Beijing-Tianjin-Tanggu Expressway Feature:

The First Cross-Provincial/Municipal Carbon-free Green Demonstration Expressway for Piloting Cooperative Vehicle Infrastructure System (CVIS) in China



Beijing-Tianjin-Tanggu Expressway is a "golden channel" for integrated Beijing-Tianjin-Hebei transportation, significantly contributing to regional development. In 2023, guided by the Building a Strong Transportation Nation Initiative, we pursued the goal of making a "benchmark for expressway reconstruction and expansion in the new era". To this end, we focused on eight systems, namely operation management, maintenance management, toll management, safety management, service management, operation management, green energy management, and cooperative vehicle infrastructure" based on the design of "all-round perception, whole-process control, all-weather transportation, and full-cycle digitalization". We made breakthroughs in integrated construction, management, maintenance, and transportation and sought carbon-free development. These actions are intended for intelligent operation management, streamlined facility maintenance, people-oriented travel services, green and self-consistent use of energy, and traffic coordination.

Industry, Innovation, and Infrastructure

CMET has contributed to six key ministerial projects, including the Ministry of Transport's "Building a Strong Transportation Nation Initiative", "Port and Industrial Park Accessibility", and "Safe Transportation in Severe Weather" by the Ministry of Public Security, China Meteorological Administration, and the Ministry of Transport. With core capabilities sharpened in the fields of green energy, smart operation, and vehicle-road coordination, we build up our industry influence, promote innovative business, integrate innovation with low-carbon development, and serve the Beijing-Tianjin-Hebei integrated development strategy.

We develop and apply key smart expressway technologies supported by green energy. Guided by the principle of "100% electrical energy and green self-consistent energy", we strengthen low-carbon expressway development and finalize the blueprint of the Beijing-Tianjin-Tanggu Expressway green energy comprehensive service system, which has been approved by the Tianjin Municipal Transportation Commission.

We take the lead to join hands with multiple departments to ensure travel safety in severe weather. Through the fusion of data provided by various sensing devices including high-definition cameras, LiDARs, and meteorological detection instruments, we can achieve all-weather perception of rain, snow, fog, and hail, identification of road conditions such as flooding and potholes, and accurate detection of pedestrians, vehicles, and littering. The data accumulated is essential for real-time and accurate monitoring of road status, event identification and processing powered by AI algorithms, and real-time road information under adverse weather conditions to ensure safety.

We create a demonstration road with Cooperative Vehicle Infrastructure System (CVIS) for autonomous driving. As one of the first intelligent transportation pilot projects (autonomous driving and intelligent freight) under the Ministry of Transport, "Port and Industrial Park Accessibility" is launched in Beijing-Tianjin-Tanggu Expressway as China's first cross-provincial/municipal expressway for truck autonomous driving. A total length of more than 100 km at the Beijing and Tianjin section of this expressway was included in pilot projects, allowing demonstrative autonomous trucks to test drive on it under the speed limit of 80 km/h with a safety operator in the driver's seat.



Autonomous trucks for the "Port and Industrial Park Accessibility" project

In December 2023, the Beijing and Tianjin sections of the Beijing-Tianjin-Tanggu Expressway incorporated autonomous truck lanes, making the Beijing-Tianjin-Tanggu Expressway the first expressway in China to support vehicle-road cooperative and autonomous driving tests across provinces and cities.

Good Health and Well-being

The Beijing-Tianjin-Tanggu Expressway manages several service areas. In addition to ensuring smooth traffic flow, we fulfill our social responsibilities and respond to the Company's strategic philanthropy concept by offering extended services for local communities and vehicles in these service areas.

Case Langfang toll station built the CMET service area

Based on the feedback from the local community, Langfang toll station built the CMET service area and put it into use in early 2024. After the service area was opened to the public, it offered a wide range of services for drivers and passengers such as vehicle rescue, urgent medical help, providing drinking water, battery charging, break taking, ETC handling, jump starting and tire change for vehicles, maintenance tools, and emergent OTC medications. It also provided free meals for stranded long-haul truck drivers when the road was closed.



"Together with CMET" care initiative for truck drivers

Case Tanggu toll station promotes safety awareness in communities

The new media publicity team of "CMET Sunflower" at the Tanggu toll station of the Beijing-Tianjin-Tanggu Expressway carried out safety publicity events in surrounding communities. Through lectures on "driving safety" and "emergency handling and emergency measures", the team explained safety tips for expressway driving and emergency response. The activity effectively improved the skill of residents to rescue themselves and help others in case of an emergency and achieved the intended effect of "popularizing safety knowledge, improving safety awareness, and enhancing self-protection capabilities".



Promoting safety awareness in communities

Life on Land

The Beijing-Tianjin-Tanggu Expressway reconstruction and expansion project earmarked RMB 129,168,000 for environmental protection. A third-party organization was hired to thoroughly investigate the surrounding eco-environment and biodiversity, which identified six major ecosystems of forests, shrubs, grasslands, wetlands, farmlands, and towns as well as 19 species of mammals and 36 species of birds, including animals under second-class state conservation such as the little owls (*Athene noctua*) and the common kestrel (*Falco tinnunculus*).

The Company has proposed detailed wild animal protection measures in the reconstruction and expansion project



Terrestrial animals

- The terrestrial wild animals in the project area are mainly small insectivores, carnivores, and rodent mammals. We minimize the size of newly occupied land to reduce damage to the feeding grounds and habitats for small mammals. When construction ends, the original vegetation and landscapes will be restored in a timely manner.



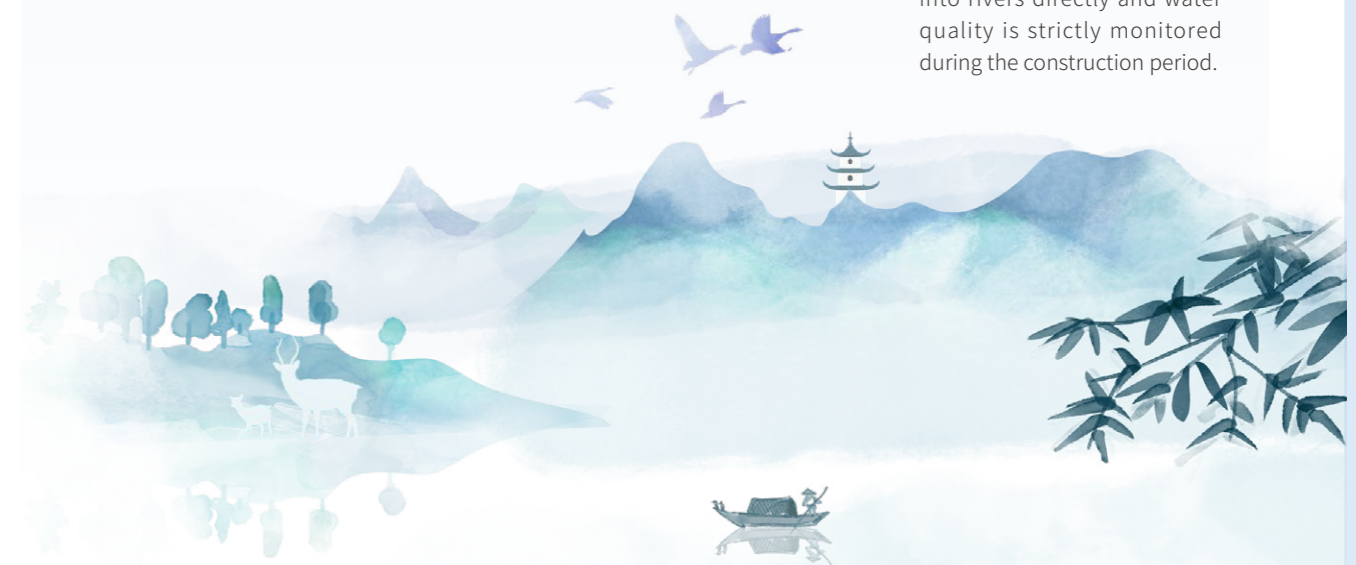
Birds

- We strengthen construction management and strictly prohibit dispersing or killing all birds in the evaluation area or damaging their nests. We draw a strict construction boundary line to avoid destroying vegetation outside the scope of land acquisition and prohibit construction at night except for emergency repairs.



Aquatic organism

- We strengthen the management of safety responsibilities for heavy polluting substances such as oil and avoid the impact of leakage on river water quality and aquatic organism. We swiftly collect and dispose of solid wastes such as mud and drilling waste generated by the construction of bridge structures. Solid waste is prohibited from being discharged into rivers directly and water quality is strictly monitored during the construction period.



ESG management



- CNI ESG Level AA
- Ranked No. 1 in Wind ESG among transportation companies (the only Level AA company in the industry)
- No. 1 in Harvest Fund ESG Rating (transportation industry)
- One of five major ESG indices, including the Central 50 SOEs ESG Index

• 4
ESG training session

• 9
ESG-related policies formulated and disclosed

As a responsible listed company, CMET integrates ESG principles into its corporate operations. Following the guidelines in the *Work Plan for Enhancing the Quality of Listed Companies Owned by Central State-owned Enterprises* issued by the SASAC, we prioritize the enhancement of ESG management practices. We enhance the ESG management structure, identify risks and opportunities, establish ESG policies, and foster a culture centered around ESG principles, aiming to drive our high-quality development.

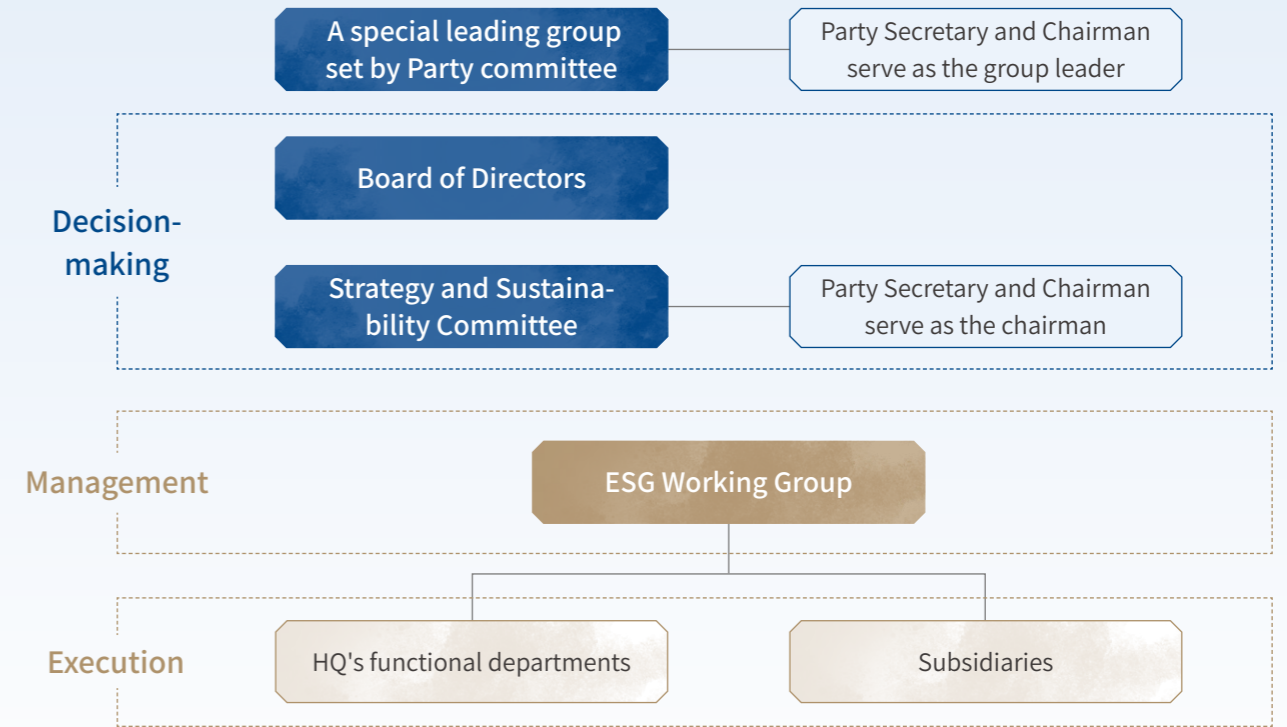
Board Statement

As the highest decision-making body for CMET's ESG management, the Board of Directors (the Board) is responsible for making decision on key matters such as ESG strategic planning and target setting. They also review and approve the annual ESG report, special reports, and other management policies. The Strategy and Sustainability Committee, a subcommittee under the Board, supports the Board in monitoring and managing the key ESG issues, providing regular updates to the Board on performance and implementation.

The Board places a high priority on the management of ESG performance. The Company assesses key issues such as road safety, ecological conservation, environmental governance, sci-tech innovation, public welfare, work safety, and compliance management. These assessments are tied to executive compensation, with the Board overseeing progress towards the annual targets.

ESG Governance Structure

In 2023, we built an ESG management structure with the Board as the decision-making body, the Strategy and Sustainability Committee as the supervisory body, the ESG Working Group as the management body, and HQ's functional departments and subsidiaries as executing arms. This structure was designed to meet the demands of our growth and ensure effective and compliant ESG performance.



CMET ESG Governance Framework



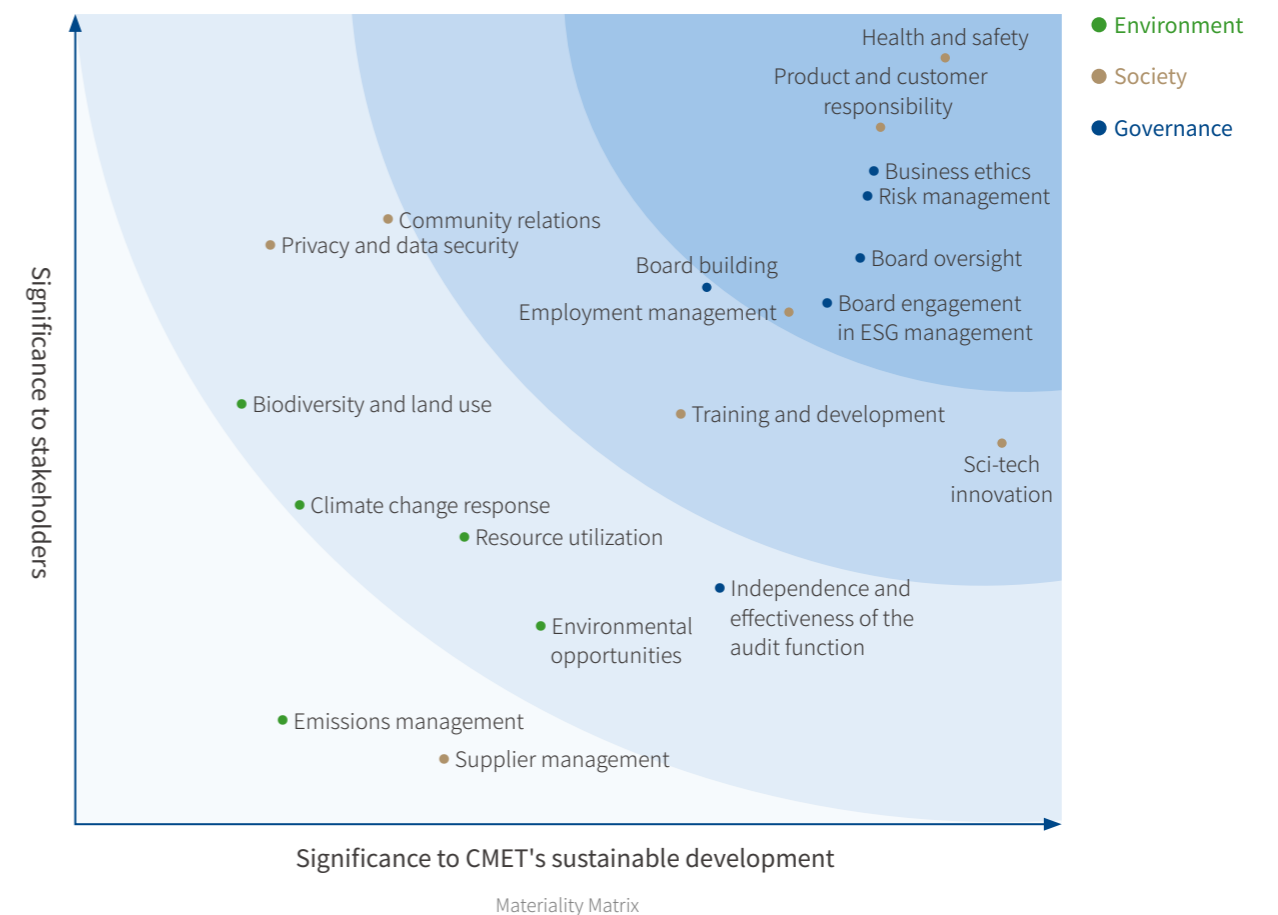
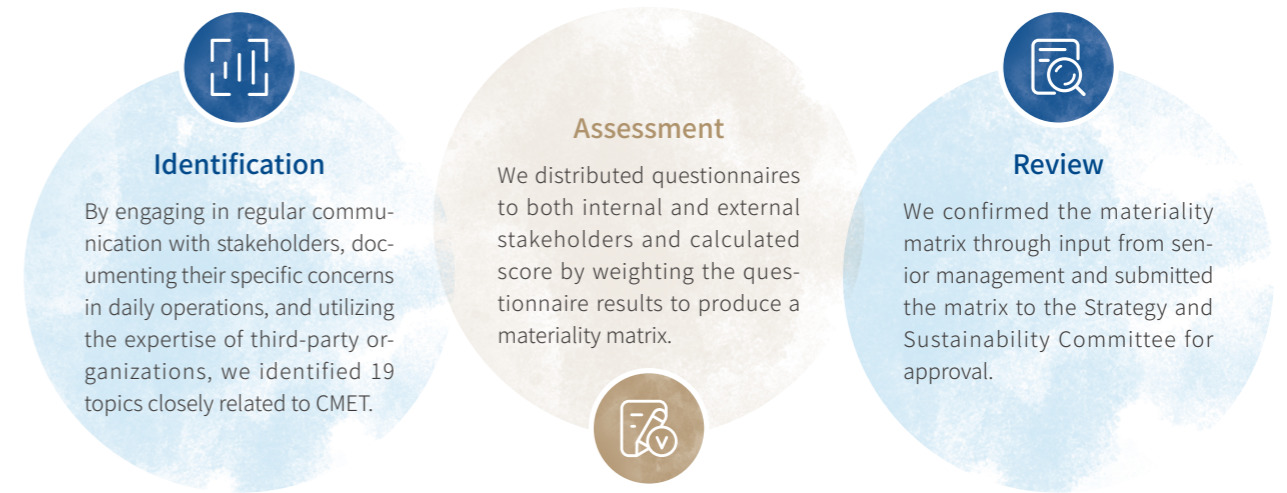
Stakeholder Management

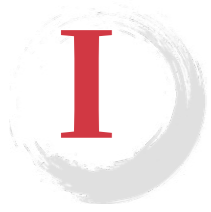
The Company attaches great importance to sound communication with various stakeholders, whose demands are an important driving force for promoting our ESG management practices. In 2023, we maintained regular communication with government and regulators, shareholders and investors, customers, partners, employees, communities and media, etc. through concrete actions. In this way, we ensure actively response to the expectations and demands of relevant parties.

Stakeholders	Expectations and appeals	Communication channels and methods
 Government and regulators	<ul style="list-style-type: none"> Ensuring legal and compliant operation Supporting economic development Supporting rural vitalization Contributing to carbon peaking and carbon neutrality goals Supporting smart transportation Supporting national economic development 	<ul style="list-style-type: none"> Daily reports, communication, and performance assessment Inspections and instructions Work meetings Annual reports Industry associations
 Shareholders and investors	<ul style="list-style-type: none"> Protecting shareholders' rights and interests Improving corporate governance Improving profitability Strengthening risk management Disclosing business information 	<ul style="list-style-type: none"> Shareholders' Meetings Regular and interim reports SZSE Easy Interaction platform Investor hotlines Activities of "Investor Day" Company official website
 Customers	<ul style="list-style-type: none"> Building safe, smooth, and comfortable traffic environment Providing quality services Strengthening R&D and innovation Disclosing business information 	<ul style="list-style-type: none"> Expressway travel announcements Communication with staff at toll stations and service areas Service area complaint hotlines Customer service hotlines New media Industry forums Regular and interim reports
 Partners	<ul style="list-style-type: none"> Ensuring continuous and stable cooperation Carrying out supplier management Strengthening R&D and innovation Contributing to the development of the industry 	<ul style="list-style-type: none"> Business cooperation and daily communication Supplier communication channels Forum participation and cooperation Formulation of industry standards
 Employees	<ul style="list-style-type: none"> Protecting employee rights Ensuring occupational health and safety Supporting employee development Enhancing employee wellbeing 	<ul style="list-style-type: none"> Trade union and activities Staff training programs Festival-themed events and visits
 Communities and media	<ul style="list-style-type: none"> Supporting economic development Contributing to rural vitalization Contributing to carbon peaking and carbon neutrality goals Supporting smart transportation Disclosing business information 	<ul style="list-style-type: none"> Philanthropic activities Regular and interim reports Forum participation and cooperation Social media promotion

Materiality Assessment

Following the principle of "Double Materiality", CMET conducts an annual materiality assessment to address the expectations and needs of various stakeholders and enhance its ESG management. In 2023, the Company carried out a materiality assessment based on the process of "identification --- assessment --- review".





Responsibility on the Way:

Reinforcing Governance Foundation

CMET focuses on its core main business, and makes efforts to accelerate the Company's high-quality and sustainable development via practical actions. Shareholder's Meeting, the Board of Directors, and the Board of Supervisors are operated in a standardized way to achieve effective corporate governance. In 2023, the Company was crowned with 18 authoritative awards in the capital market. As a visionary approach, risk management is integrated with the Company's business operation with a closed-loop mechanism in the long run. Putting Party building high on our agenda, we comply with rigorous planning norms, fully demonstrating the Company's political responsibility.

Performance highlights

148

Proposals reviewed by the Shareholder's Meeting, the Board of Directors, and the Board of Supervisors

0

Integrity risk incidents

100%

Audit coverage of major investment projects

2023 Best Practice Case for Public Company Board of Directors

2023 ESG Best Practice Case for Public Companies

2023 Golden Bull "Best Investment Value"

2023 Wind Top 100 ESG Best Practices for Listed Companies in China

Our commitment

- We will improve the corporate governance structure and promote sound development of the Company.
- We will deliver works of identifying, controlling and responding to internal risk and will shape a good operation ecosystem.



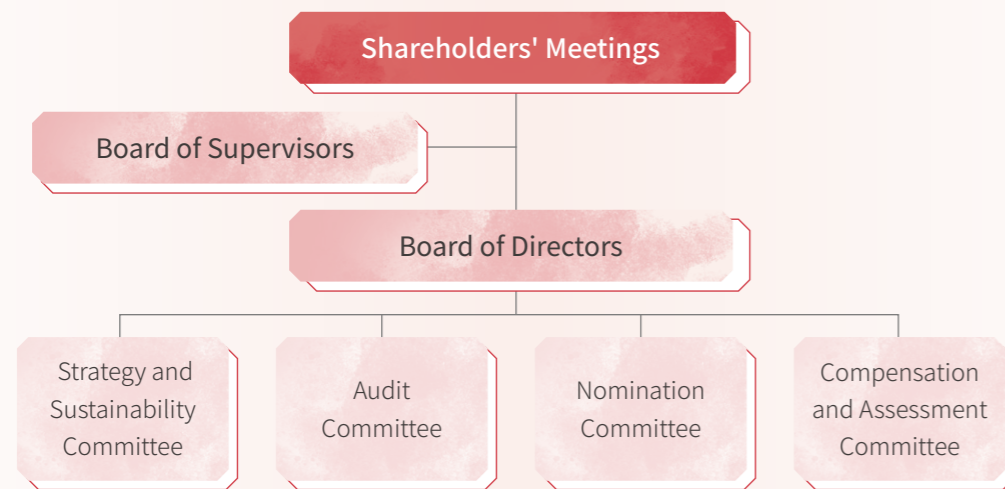
SDGs



Better Corporate Governance

The Company is deeply aware that sound governance holds the key to a company's long-term development. Measures featuring "strengthening compliance, optimizing information disclosure, and innovating investor relations management" integrate the concept of sustainable development into the Company's operation, propelling the Company to progress steadily towards high-quality development.

The Company strictly complies with Chinese laws and regulations and regulatory requirements including the *Company Law*, *Guidelines for the Articles of Association of Listed Companies*, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange*. Given our business reality, we renamed the "Strategy Committee" as "Strategy and Sustainability Committee" during the reporting period, and incorporated ESG into the Company's strategic decision-making system. With the *Board of Directors Independence and Member Diversity Policy issued*, the Company now has 12 directors, including four independent directors and one female director. As of the end of the reporting period, the Company held 14 Board meetings, 19 meetings of special committees, four meetings of the Board of Supervisors, and six Shareholders' Meetings, with 148 proposals reviewed.



Governance Structure

Investor relations management

Upholding the principle of "Going Out and Bringing In", we have been treating all investors equally. We engage with investors through online, offline, and telephone performance briefings. During the reporting period, we issued a total of 178 announcements without any errors, corrections, or inquiries.

"Optimizing information disclosure" has always been the core concept of CMET's information disclosure. In 2023, CMET was rated A for information disclosure assessment of the Shenzhen Stock Exchange (SZSE) for several consecutive years. This accomplishment solidifies CMET as the only listed company (SZSE, SSE) registered in Tianjin with five consecutive level-As in information disclosure assessment.



Tighter Risk Management

Following the *Company Law of the People's Republic of China* and other laws and regulations, we continue to integrate compliance management, risk management, and IPR management into our internal management process, which allows us to effectively cope with diverse risks encountered during the course of our business development.

Improving the compliance management system

We continue to improve our compliance management policies, including the *Compliance Management Regulations*, to support the standardized operation. To implement the requirements of the SASAC, we have appointed a chief compliance officer, under which setting up compliance officers and compliance liaison officers. The company also instituted a framework for regular joint meetings to enforce the primary responsibilities of business compliance management.

To promote the development of the cultural compliance, we have created the *CMET Code of Conduct* and signed the *CMG Code of Conduct on Integrity and Compliance* to enhance compliance management capabilities. To foster our sustainable and healthy development, we also share our cultural compliance through various innovative initiatives, such as legal literacy events and educational courses.



Internal control and audit supervision

In 2023, we revised 12 policies covering internal audit, legal compliance management, and accountability to enhance the development of our internal control policies. We expanded the coverage of internal control evaluation to include newly acquired subsidiaries, ensuring compliance with the SASAC's full-coverage requirement for internal control and self-evaluation. Furthermore, assessments were carried out on the internal control supervision of 10 units, and audits were conducted on six subsidiaries.



Risk management

We continue to enhance our risk management system. We identify operational risks and develop response strategies from the perspectives of seizing opportunities and managing risks to ensure the realization of strategic objectives. We have formed a network of risk management structures by establishing a vertical risk management structure based on the three horizontal lines of defense for each unit. Risks are classified into six categories, as in strategy, operations, market, finance, legal affairs and compliance, and integrity. Moreover, rectification advice is presented for identified risk sources to ensure universe risks are effectively prevented.

In 2023, we conducted our annual assessment of major risks, made more detailed risk list and optimized content presentation, and updated our risk map, risk case library, and "six-in-one" risk database.



Integrity and Anti-corruption

We have established the guiding principles of "detecting issues, forging deterrence, driving reforms, and fostering development" to advance the development of the mechanism that anyone dares not, cannot, and does not want to be corrupted. During the reporting period, CMET did not encounter any instances of business ethical misconduct. By bolstering education on discipline and law, the Company has ingrained integrity into its corporate culture.

The Company discloses five whistleblowing channels, including: Discipline Inspection Committee of the higher level, Discipline Inspection Committee at the same level, inspection feedback, audit, and public feedback. The company complies with the whistle-blower protection system.

Whistleblowing channels

Dedicated e-mail address of Discipline Inspection Committee:

zsgljw@cmhk.com

Address:

Huafeng Mansion, No.1 Building, No.9
Beitucheng East Road, Chaoyang District,
Beijing, China

Stronger Party Leadership

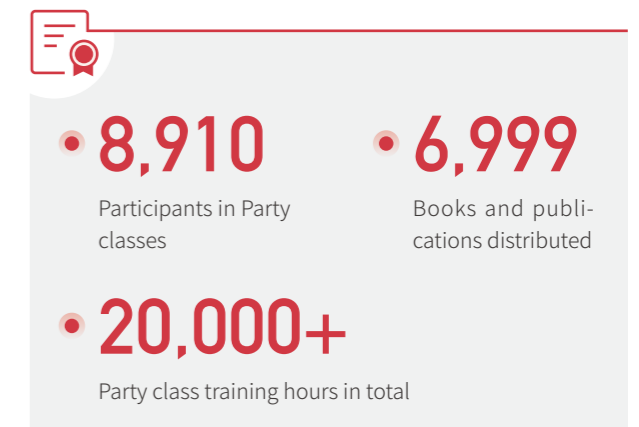
The Company integrates the themed education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era with the implementation of the guiding principles of the 20th CPC National Congress. In response to the inspections carried out by the central government, we implemented the *Special Plan for Party Building* and elected the new members of Party committee and discipline inspection committee to improve the quality and efficiency of Party building, injecting strong impetus into the reform and development of the Company.

Carrying out the themed education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era

We have established a task force and office for CMET Party building, improved the long-term mechanism of theoretical learning, and implemented the "top agenda" system. Altogether, we have carried out learning on 74 themes, six theory center group study sessions, and in-depth exchanges on 26 topics. As for themed education, the two-level party organizations organized 67 special Party courses and 100% of participants in the reading class completed their courses.



Reading class of the themed education on Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era



The Company has picked out 20 topics such as "Rethinking the High-quality and Sustainable Development of CMET", and our subsidiaries focus on 77 topics such as smart operations and ways to unleash potentials for revenue increases. We have conducted 251 investigations, analyzed 34 typical cases, and developed 92 research reports. As for the 174 problems identified, each subsidiary holds best practice exchanges that engage 1,434 employees to make suggestions, 150 of which are adopted and 259 specific measures are reflected. Measures above help the company achieve the goal of practical investigations and real applications.

Benchmarking Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, we find out where still fall short and shore up our weaknesses. We have identified 103 existing problems in lean operation and management, which will be solved one by one by the formulation of four special rectification plans and 234 measures.

Deepening the implementation of the three-year action plan for creating a Party building brand

Driven by CMET's high-quality Party building model of "Three Advantages and Three Strengths", we set an example and guide Party organizations at all levels to serve the major tasks of smooth traffic flow, emergency rescue, smart operations, and revenue increases. The DaYangfang of Beijing-Tianjin-Tanggu Expressway and the "Making Concerted Efforts for Party Building and Business Operation" of CMCR Yunnan Fuyan Expressway won the 2023 National Corporate Party Building Excellent Model and Expressway Transportation Industry Excellent Party Building Cultural Model award, shaping a "one trunk with multiple branches" branding matrix. At the National Expressway Policy Studies Conference, the Company made a report on practices, further expanding brand influence.



II

Service on the Way:

Realizing First-class Value

Leveraging our industry leadership, we support the high-quality development of the expressway transportation industry. Specifically, we improve the multi-layered management and control of safety risks and bring under control identified hazards, realizing zero work safety accidents in 2023. Following CMG's benchmark, we promote the Company's digitalization and meet the overall annual assessment indicators, supporting the development of intelligent transportation. In close alignment with the industry characteristics and customer needs, we create innovative service models to improve user experience.

Performance highlights

100%

Safety responsibility letter signing rate in 2023

1,816

Safety training sessions

100%

Rectification rate of safety hazards in 2023

29,454

Training participants

0

Cybersecurity incidents

Our commitment

- We will launch "HOPE 3.0" in 2025 to facilitate the Company's digitalization.
- We will continue to promote smooth traffic and quality service and lay a solid foundation for work safety.
- We will hold regular driver service activities of larger scale and higher level and advance the driver service activity of "Warm Journey to Pay Tribute to Truck Drivers" .

SDGs



Optimized Travel Experience

We believe work safety underpins all work. Committed to the concept of safe development, the Company strengthens road maintenance and operation safety management and standardizes the Company's safety culture and regulations systematically, laying a solid foundation for a sustainable travel experience.

Building safety capabilities

Strengthening the safety system

We have built a sound work safety management responsibility system and established a safety management department. All subsidiaries are required to create their work safety agencies to engage all employees for better performing their safety duties. As we reorganize the Company's safety management policies, we completed 11 new or revised policies and plans such as the *Work Safety Management Regulations* and updated the *CMET Expressway Standardized Operation System (2023 Edition)* to set up rules for work safety. China Merchants New Information Technology Co., Ltd. (CMNIT) has passed the annual certification audit of the ISO 9001 quality management system.

Maintaining safety inspections

In 2023, the Company highlighted special programs such as the "Year of Strengthening Work Safety" and the "2023 Action for Special Investigation and Rectification of Major Accident Hazards". Those initiatives focused on the performance of inspections, problem rectification, and effectiveness verification in a closed loop.

Strengthening safety training

In 2023, the Company carried out 1,816 safety training sessions for 29,454 participants, effectively improving the knowledge and skills of staff and further consolidating the foundation of the Company's safety and environmental protection management.

During the reporting period, a Company-wide safety knowledge competition was held to motivate employees to master safety knowledge, which involved 4,987 participants.



Pursuing technology-empowered safety

The Company continues to empower work safety through innovation to improve our intrinsic safety.

Case Bofu Expressway's drone-based safety inspection system

In June 2023, Bofu Expressway, together with China Tower Bozhou Branch, created a new model of "5G + drone smart airport + remote communication", driving the intelligent expressway inspection from conventional staff patrol, machine patrol, to "5G + drone" autonomous patrol. Technology-powered safety practices break through the time and safety bottlenecks in conventional staff inspections and significantly lower road safety risks.



Drone inspection system

Boosting travel quality

Maintaining road safety

Strictly abiding by the road operation safety and management regulations, we heighten the safety awareness of drivers and passengers, improve the Company's road emergency management capabilities, and optimize the road safety index.

Case CMET copes with the continuous heavy snowfall for the Spring Festival travel rush

At the beginning of 2024, the Bofu Expressway, Hubei Edong Yangtze River Highway Bridge, CMCR Dezhou-Shangqiu Expressway, and Pingyu-Zhengyang Expressway were affected by large-scale severe temperature drop, freezing, and snow to varying degrees. Maximum snowfall in some road sections exceeded 14cm. To tackle the situation, we optimized our contingency measures and kept track of severe weather conditions such as rain, snow, ice, strong winds, and fog with timely warnings and better dynamic emergency response. To ensure expressway safety, we stepped up efforts to remove snow and ice and guide vehicles, especially in bridges, tunnels, and dangerous road sections, supporting the safety of the Spring Festival travel rush.



A toll collector clears snow from vehicles

Guaranteeing smooth traffic

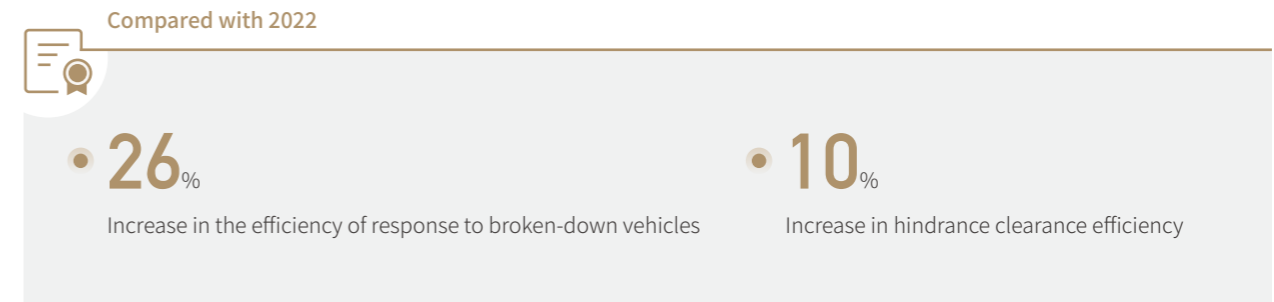
The Company adopts multiple measures to effectively ensure smooth flow of traffic. We strengthen daily inspections removing obstacles that affect vehicles. In addition, all operating units strengthen the daily communication mechanism with relevant local departments, implement efficient smooth traffic plans with them, and form a joint mechanism to quickly respond to emergencies. Notices would be issued as soon as emergencies happen to alleviate congestion under this partnership.

Case CMET Guilin subsidiary ensures unblocked traffic during the Mid-Autumn Festival and Chinese National Day Holiday

During the Mid-Autumn Festival and National Day Holiday in 2023, the traffic volume of road sections under the management of the Guilin subsidiary increased by about 37.02% compared with last year. Through the "road-police-enterprise" platform, the subsidiary set up 22 emergency teams and offered 396 considerate services in congestion-prone road sections and toll stations. It also ensured 45 emergency duties during peak hours and quickly sent 68 times of hindrance clearance and rescue vehicles, with an average time of 26.65 minutes for hindrance clearance. The subsidiary had 17 cleanings of road surface spills, 42 times of support for the traffic police department to guide vehicles, and 16 handlings of slow traffic, with an average handling time of 23.25 minutes, effectively ensuring safe and uninterrupted traffic during the holiday.

Case Chongqing subsidiary efficiently handles the spontaneous combustion of an edible oil tanker

In November 2023, a spontaneous combustion incident occurred in the Shuanghekou service area of Shiyu Expressway under the management of the Chongqing subsidiary. The service area management center immediately activated an emergency plan by organizing on-site personnel to effectively control the fire, reporting the emergency, and using nearby fire extinguishers and water devices to extinguish the fire. Such actions were taken in three minutes after the fire occurred, and the fire was controlled within five minutes. Visible fire was extinguished before the arrival of expressway traffic police and firefighters. This prevented the fire from spreading to the tank and minimized the destrutive impact, effectively protecting the life and property safety of people.



Bigger Digital Empowerment

In the 14th Five-Year Plan period, China's transportation industry embraces a critical stage of digitalization and rapid development. By developing a new generation of information and communication technology for a smart transportation network, CMET enhances the operational stability and coordination efficiency of our transportation network and improves expressway resilience for a better travel experience.

Enabling smart transportation

In 2023, the Company completed reports such as *Research on the Self-dependent Development and Self-improvement of Smart Expressways* and *Research on Key Issues and Improvement Measures for the Iteration of the HOPE Platform* to support the Company's digitalization. We also upgraded the HOPE platform, deepened smart toll collection, and created a new business ecology for autonomous driving, effectively improving digital and intelligent management.

Case



The HOPE platform upgrades digital operation and management

In 2023, based on the HOPE platform, the Company standardized and digitalized expressway operation and management: The "1191" platform was established covering operation, maintenance, and comprehensive management, with 54 business indicators in seven categories. The platform resolved the problems of inadequate business coordination and insufficient information sharing between the headquarters and project companies. Specifically, it reduced engineering maintenance costs by 6%, improved the efficiency of collaborative hindrance clearance and rescue by 20%, and sped up customer service by 15%. It significantly raised the quality and efficiency of operations and management. Some functions of the platform were applied to 16 provinces, municipalities, and autonomous regions, covering more than 10,000 kilometers of expressways on an initially commercialized scale.



- CMNIT passed the annual certification audit of the environmental security management system (ISO/IEC 27001)

Emphasizing cybersecurity

The Company strictly abides by Chinese laws and regulations such as the *Cybersecurity Law*, *Cryptography Law*, *Regulation on Measures for Cybersecurity Review* as well as the *Interim Measures for the Network Security Management of Toll Expressway Networked Toll System*. Based on our business operations, we have formulated the *CMET Cybersecurity Management System (Trial)* and clarified the structure of the Company's cybersecurity and information technology task force.



Cybersecurity and information technology task force

The Company works to establish a sound cybersecurity management system, divides cybersecurity emergencies into four levels according to the cybersecurity incident classification standards, and has formulated data protection measures and emergency plans to deal with cyberattacks and data leaks. Cybersecurity responsibilities are implemented following the principle that "those who manage, build, maintain, or use the system should be responsible".

To standardize the protection of customer privacy, the Company has formulated the *Privacy Protection Policy* to ensure that access to customer information is only authorized to staff in specific scenarios. In 2023, the Company did not register lawsuits due to the loss and leakage of customers' sensitive information. CMNIT passed the annual certification audit of the information technology-service management system (ISO/IEC 20000) and the information security management system (ISO/IEC 27001).

Improvement of Service Management

Adhering to the service concept of "better is better than best", we provide customers with high-quality and normative travel services. The Company has been proactively developing The *Customer Satisfaction Survey Management Measures*, to improve service quality, efficiency, ability, and attitude in pursuit of a better customer management service system. In 2023, the Company revised management systems, standardized customer service processes in quality inspection, assessment, and operation, and improved customer services in multiple dimensions.

Improving service areas

The Company continues to upgrade existing expressway service areas and explores with new formats of expressway service areas to help develop the "service area plus" business model.

Case



"Service area plus new energy"

Chongqing subsidiary joins hands with Li Auto to install four supercharging stations in Fuling West and Shuanghekou service areas. Each supercharging station is equipped with seven fast pile chargers with a peak power of 250kW and one pile supercharger with a peak power of 480kW, achieving a charging speed of "12 minutes for 500 kilometers". The presence of supercharging stations realizes quality and speedy charging, effectively addressing the problems of difficult and slow charging and long queues in the service area. These new facilities alleviate the "battery range anxiety" of new energy vehicle drivers and shore up the Company's charging service capabilities in the service area.



Fuling West supercharging station

Case



"Service area plus tourism"

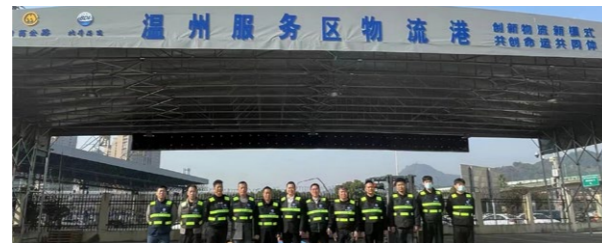
Zhejiang Wenzhou Yongtaiwen Expressway launched 11 holiday-themed promotions in 2023 by leveraging the characteristics and advantages of each service area and the trends of the 19th Asian Games Hangzhou. The Expressway integrated resources for a product portfolio, adding 1,174 new products of different categories to fully meet the consumption needs of drivers and passengers.



Zhejiang Wenzhou Yongtaiwen Expressway service area promotion for Asian Games licensed products

Case  "Service area plus logistics"


Zhejiang Wenzhou Yongtaiwen Expressway experimented with a new operation model of "service area plus logistics", together with Huazheng Company and Beidou Xintu (Beijing) Technology Co., Ltd. based on multi-party cooperation. The Wenzhou Service Area Logistics Port Project completed construction and started trial operation in March 2023, handling a total of 53,000 pieces of goods, weighing 1,067 tons, in 2023, which provided better freight connection services for truck drivers and logistics companies along the expressway.



Wenzhou Service Area Logistics Port is put into operation

Improving toll station services

Adhering to the customer-oriented principle, we explore how to improve toll station services and shape our toll station brand to raise our reputation. We optimize toll station services by classifying toll stations and selecting the most dedicated "toll collectors" and best service providers. Intelligent equipment is installed to elevate the efficiency and service quality of toll stations for the safety and convenience of the public.

Case  Intelligent devices improve the efficiency and service quality of toll stations

Chongqing subsidiary has installed 52 smart toll collection robots on the Shiyu Expressway and Yuqian Expressway. These smart toll collection robots improve traffic efficiency by about 40%. The remote operation platform enables remote manual intervention to solve complex issues at smart toll robot lanes. Toll station personnel are reassigned to provide on-site services such as vehicle and passenger services to ensure smooth traffic.



Smart toll collection robot

Serving drivers and passengers

As an industry leader, the Company responds to the call of the CPC Central Committee and the State Council to give more support to truck drivers. To ensure safe, convenient travel and unblocked, efficient logistics, we focus on the transportation needs of drivers and passengers and make service more convenient with various warm services for drivers and passengers. This contributes to realizing the vision of "easier movement of people and smoother flow of goods". In 2023, the Company regularly carried out the "Together with CMET" care initiative for truck drivers, deeply analyzed the needs of truck drivers in service areas, and solidly guaranteed services.

The Company and the Highway Operation and Management Branch of the China Highway & Transportation Society launched the "Warm Journey" campaign to pay tribute to truck drivers, involving 21 companies in the industry. As a co-sponsor, CMET carried out 254 warm assistance activities in the areas under its management, engaging 2,543 employees to devote 8,509 volunteering hours and benefiting 46,000 people. This initiative has been reported by mainstream media many times.

"Warm Journey" campaign to pay tribute to truck drivers



Case  "Together with CMET" care initiative for truck drivers


Our employees of 59 toll stations and 17 service areas of the 26 expressways under the management of the Company across 15 provinces carried out the "Warm Journey" campaign to pay tribute to truck drivers in December of the lunar calendar, sending hot water, body warmers, and ginger soup to truck drivers. Laba Congee and CMET care bags were given to truck drivers in different service areas and toll stations. Such heart-warming dedication offered most truck drivers a comfortable and warm journey.

the activity captured attention in our industry—during the Spring Festival in 2024, two central SOEs, 17 provincial transportation investment groups, and two municipal transportation investment groups combined "online + in-person" and "on-expressway + off-expressway" activities to give practical support to truck drivers.

The "Warm Journey" campaign will continue to be carried out to effectively implement the three initiatives of "providing safer services, more comfortable business services, and more caring services". This will give support to truck drivers, improve our social responsibility awareness and sense of happiness, and jointly build an expressway industry of "service, dedication, and harmony".



The "Warm Journey" campaign to pay tribute to truck drivers in Yunnan Province

Case  Guangxi Cenxing Expressway Development Co., Ltd. and Cenwu Expressway Co., Ltd. improve services for drivers and passengers

The Company's subsidiaries, Guangxi Cenxing Expressway Development Co., Ltd. and Cenwu Expressway Co., Ltd., upgraded service areas and their service quality through a series of measures, such as, building "5S" standardized kitchens in service areas, adding indoor free massage chairs and children's play areas, launching the marketing of "service area + discount", and offering fuel coupons in the drivers' chat group.

In 2023, the "Driver's Home" in the Yulin service area of Cenxing Expressway was awarded the honorary title of "National Heart-warming Driver's Home" by the Ministry of Transport and the All-China Federation of Trade Unions, and the honorary title of "5A Driver's Home" by the China Highway & Transportation Society.



Cenxing Expressway sets up a self-service cooking area at the driver's home

III

Environmental Protection on the Way: Safeguarding Green Ecology

CMET is deeply committed to promoting ecological conservation and endeavors to act on the vision of green development. We remain as determined as ever to pursue green development that prioritizes eco-environmental conservation. Aiming at the goals of carbon peaking and carbon neutrality, we continue to push forward tasks such as energy and resource conservation, coping with climate change, and biodiversity conservation. Giving full play to our advantages in adverse weather responses, road maintenance, and engagement in renewable energy projects, we ramp up efforts to adopt digital and intelligent management measures and strive to strike a harmonious balance between development and ecological protection.

Performance highlights

0

Environmental pollution accidents of general or higher severity levels and violations of energy conservation and environmental protection regulations

5,768.00 kWh

Clean electricity consumption

RMB 3.65+ million

Invested for energy conservation and environmental protection in total

ISO 14001 certification obtained by China Merchants New Information Technology Co., Ltd. and China Merchants Huaruan Information Technology Co., Ltd.

Our commitment

- We will improve safety management system, further advance energy conservation and environmental protection, and continuously implement the *Special Plan on Carbon Peaking and Carbon Neutrality Strategy for the 14th Five-Year Plan Period*.
- China Merchants Ecological Environmental Protection Technology Co., Ltd. will stay committed to environment protection, contributing to improving ecological environment, biodiversity conservation, and strengthening the stability and sustainability of ecosystem.



SDGs



Sound Environmental Governance

With the goal of building a conservation-oriented company, the Company keeps improving low-carbon strategy and regulations and policies on energy conservation and environmental protection, calling for every employee to raise the awareness in this aspect, and effectively preventing the occurrence of related accidents resulting from dereliction of duty. We have also achieved remarkable results in energy conservation and carbon emission reduction by focusing on integrating technological, management and operational measures to conserve energy.

Low-carbon strategy and action

The Company further implements the *CMET Low-carbon Strategy for the 14th Five-Year Plan Period*, urges staff at all levels to attentively implement the CMET Carbon Peaking and Carbon Neutrality Strategy, and serves the green transition of society with multiple strategic moves at a faster pace. We strive to build China's leading investment and operation enterprise in expressway and related infrastructure from all aspects as a staunch contributor and model of green transition and development.



The Company has formulated the *Management of Energy Conservation and Environmental Protection and Measures for Reporting and Investigating Environmental Emergencies* and other documents. Accordingly, we urge each subsidiary to develop relevant business- and location-specific contingency plans of their own, and mitigate impacts on society and reduce waste of resources through a sound emergency response mechanism. In addition, we put in place a two-tier organizational structure for energy conservation and environmental protection management consisting of the energy conservation and environmental protection leading group at the headquarters and its subordinating executive offices for high-efficient management.

Case Chongqing Subsidiary carries out energy conservation and environmental protection practice

In 2023, Chongqing Subsidiary launched special campaign for the National Energy Conservation Publicity Week and Low Carbon Day. It carried out themed publicity and educational activities by using the LED screens and bulletin boards in the office buildings, organized employees to watch national documentaries promoting ecological conservation, handed out the *Low-carbon Life for You* leaflets to drivers and passengers at each toll station, so as to guide the general public to actively practice energy conservation and environmental protection.

Meanwhile, Chongqing Subsidiary arranged energy conservation and environmental protection management personnel to attend "training on energy conservation and environmental protection regulations and policies" of CMG and "special capacity enhancement training for energy conservation and environmental protection management personnel" of CMET, constantly strengthening targeted management; the company also carried out "special training on legal risk prevention and control for emergency response to environmental emergencies" to effectively fulfill the obligations of emergency responses to environmental emergencies.

The Company released the *Environmental Protection Policy and Commitment*, and rolled out energy conservation and environmental protection training sessions and knowledge sharing to all employees on the occasions of World Environment Day, National Ecology Day, and National Energy Conservation Publicity Week, with an aim to strengthen their overall energy conservation awareness and environmental awareness. In the past four fiscal years, no major penalties or fines were imposed on CMET for environmental or ecological non-compliance.

Energy and resource management

The Company continues building a conservation-oriented enterprise, keeps improving the energy conservation management system, and increases consuming clean energy with higher proportion; we encourage and push forward innovations in the energy application technologies and solutions, improve energy resource utilization, and strive to achieve the goals of minimizing energy consumption, maximizing efficiency, and optimizing the environment.

For energy management, the Company takes the headquarters as the management body, and sets up separate management and execution agencies under subsidiaries at all levels to form a top-down hierarchical energy management system with clearly defined responsibilities.

Case  CMET tunnel energy-saving cases

Intelligent tunnel management technology

It achieves unified control over 14 categories of mechanical and electrical equipment such as ventilation, lighting, traffic control and induction.



Tunnel lighting energy-saving control technology

The "going with vehicles" energy-saving tunnel lighting control technology based on real-time visible traffic flow enables energy-saving intelligent control of lighting by using real-time monitoring data feedback of brightness outside the tunnel, traffic flow, and brightness inside the tunnel.

Solar fiber optic light technology

It brings the sunlight outside the tunnel directly to areas inside the tunnel that need to be illuminated through the solar fiber optic lighting system.



Case  All-In-Data(Beijing) Technology Co., Ltd. implements the project to promote green and low-carbon development

All-In-Data(Beijing) Technology Co., Ltd., a high-tech enterprise invested by CMET, leads the implementation of "MTC paper-to-electronic invoice low-carbon and emission-reduction innovation project based on multi-dimensional data fusion technology". The project was awarded as the "2023 Expressway Green and Low-Carbon Typical Case" by the China Communications and Transportation Association. During the reporting period, the project saved 525 million copies of paper invoices for the entire industry, achieving an annual cost reduction of approximately RMB 80 million for provinces where the project has been implemented. The average traffic efficiency of the manual toll lanes increased by around 25%-50%, with annual CO₂ emission reduction of approximately 36,200 tons.



• **5,768.00** kWh

Total renewable energy consumption

• **9,496.91** tce

Indirect energy consumption

• **13,737.54** tce

Total non-renewable energy consumption

• **915,216.54** tons

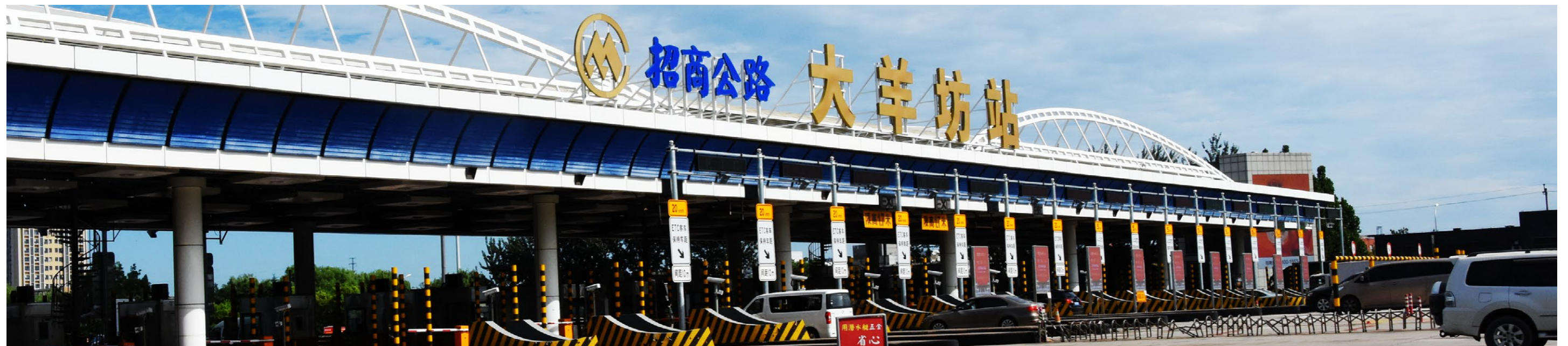
Water consumption

• **4,240.63** tce

Direct energy consumption


• **5,768.00** kWh

Clean electricity consumption



Green maintenance technology

The Company continues to research and develop advanced road maintenance technology and scientific maintenance methods, deepens research on green maintenance technologies such as modified asphalt, and promotes hot in-place recycling and rubberized asphalt pavement in subsidiaries and road sections. Waste materials are recycled and maintenance emissions are reduced.

Case  Application of foamed bitumen cold recycling technology on the Tanggu extension line of Beijing-Tianjin-Tanggu Expressway

The Beijing-Tianjin-Tangzhou Expressway took the Tanggu extension line pavement maintenance project as an opportunity to adopt the foamed bitumen cold recycling technology on the trial road sections of the project through optimizing the pavement layer structure design, so as to accumulate experience for the implementation of the reconstruction and expansion project and provide relevant technical support. In this project, all 31,000 tons old and waste asphalt pavement materials are recycled, achieving a reduction of 982 tons of asphalt, thus reducing 570.40 tons of CO₂ emissions and 215,000 m³ of hazardous gas emissions.

Clean energy development

Relying on expressway and related traffic scenarios, the Company breaks into supporting businesses of the industry chain, including photovoltaic project operations, energy storage, carbon trading, electricity distribution and sales and others, and develops distributed photovoltaic projects by focusing on clean energy power generation, striving to create an integrated clean energy system with CMET features.

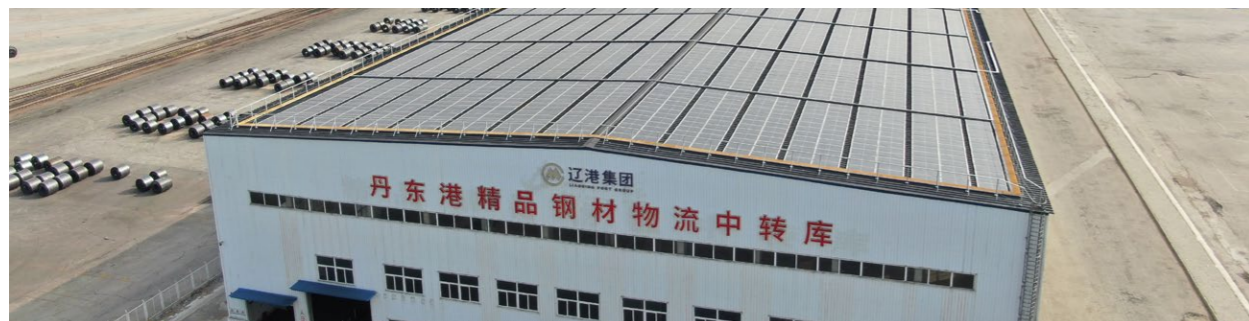
Case  Overview of new energy projects invested by Huaqi Investment

1 The Huize centralized photovoltaic project in Feng County

The total installed capacity of the Feng County photovoltaic project is 23.80MW and it was combined to the grid for power generation in December 2011. 31.50 GWh power was generated in 2023, reducing approximately 11,300 tons of standard coal consumption, and approximately 27,000 tons of CO₂ emissions.

2 Dandong Port Phase I 5.6MW distributed photovoltaic power project

It was combined to the grid for power generation in December 2023 with an estimated annual power generation of 5.5 GWh, equivalent to an annual reduction of 4,234 tons in CO₂ emissions. The power generated in 2023 was 59.7 MWh.



Dandong Port steel warehouse distributed photovoltaic power generation project

Practicing green operation

The Company practices the concept of green office in its daily operations and advocates green office among all employees.




Green office initiatives

Conserving energy and improving efficiency by encouraging all subsidiaries to adopt energy-saving and environmental friendly measures such as paperless office, recycling office supplies, adjusting the operation hours of square lighting, and supervising the implementation in monthly assessments.

Offering shuttle bus services to reduce the travel of official cars and pickup trucks, to cut cost and improve efficiency to a greater extent.

Reminding all employees to proactively save energy by sticking energy-saving labels on energy-consuming equipment.

Carrying out driving skills and vehicle maintenance training, improving daily driving standardization, and reducing dynamic energy consumption.

Case  Strengthening publicity and education to raise awareness of energy conservation and environmental protection among all employees

The Company organized the special capacity enhancement training for energy conservation and environmental protection management personnel with a total of 66 attendants.

Each subsidiary carried out energy conservation and environmental protection publicity activities in various forms such as WeChat official account proposals, posters, and roll-up banners. A total of over 100 events were held with more than 3,900 participants, and over 10 energy conservation and environmental protection emergency drills were organized with more than 200 participants.

Case  Promoting electric vehicles to reduce carbon emissions

The Company made electrification solutions for vehicles, replacing scrap age official vehicles with electric ones. CMET currently has 255 company vehicles powered by combustion engines, and a total of 19 company vehicles are expected to be replaced in 2025. By doing so, it is expected to save 38 tons of fuel and reduce CO₂ emissions by 111.15 tons.

Response to Climate Change

Climate change is one of the common challenges for the world., It is also the key task of CMET in pursuing green and high-quality development. As China's leading investment and operation enterprise in expressway and related infrastructure, CMET attaches great importance to risks and opportunities brought by climate change, proactively responds to climate change, and implements China's carbon peaking and carbon neutrality strategy, to secure a steady development of its businesses.

Governance

The Company incorporates the Board of Directors into the ESG governance structure and clarifies its role of supervision, with the Strategy and Sustainability Committee jointly coordinating various climate change response efforts. We integrate the systematic approach throughout the entire process of carbon peaking and carbon neutrality work to properly address the relationship between development and emission reduction, long-term planning and short-term goals through identification, evaluation and supervision of climate-related risks and opportunities.



Organizational structure and functions

- **Headquarters – low-carbon management:** to provide support and guidance to subsidiaries regarding the energy conservation and carbon reduction work and ensure timely support and effective management; to clarify responsibilities among various departments and optimize responsibilities and staffing of departments based on low-carbon strategy, and build a professional, streamlined and efficient headquarters.
 - The Safety Management Department is responsible for calculating carbon emission data, formulating assessment indicators and implementing carbon emission reduction assessment targets.
 - The Business Management Department is responsible for green maintenance and carbon reduction work
 - The Capital Operation Department is responsible for ESG implementation
 - The Strategic Development Department is responsible for formulating the Company's carbon peaking and carbon neutrality strategy and developing clean energy business
- **Subsidiaries – specific implementation:** to carry out low-carbon positioning, business integration and specific implementation for subsidiaries based on selected corporate strategy



Categorized management of subsidiaries

- **Adopting different management models based on business category of the subsidiaries**
 - **For subsidiaries engaged in expressway operation,** they implement centralized functional management, deepen the low-carbon operation management and control model, and let the expressway company spearhead energy conservation and carbon reduction businesses within the scope of its authorization.
 - **For subsidiaries in emerging industries,** they need to ensure a sound top-level design, explore strategic management and control model, focus on strategy, budgeting at the preliminary stage and on performance, auditing in the later stages, and authorize them to make independent operational decisions in low-carbon businesses.

Allocation of low-carbon responsibilities in CMET

Strategy

The Company has formulated a number of strategic initiatives to establish a comprehensive carbon neutrality plan in line with ESG standards. We gradually improve management measures in terms of system building, performance assessment and awareness publicity and promotion, conduct prediction and analysis of carbon emissions in the context of the three emission reduction initiatives for expressway primary business, and implement information disclosure at the same time.

CMET low-carbon strategic initiatives



Strategic initiative I System building

- Comprehensively review the business processes of the Company based on the ESG system, formulate ESG-related corporate policies, establish ESG management bodies, and build an ESG management system covering all aspects.



Strategic initiative II ESG Assessment

- Incorporate ESG indicators into KPI assessment, deeply integrate ESG, green and sustainability philosophy into daily work, and focus on tasks such as pollutant discharge management, GHG emission management, biodiversity conservation, resource utilization, environmental risk and environmental accident management.



Strategic initiative III Publicity and promotion of ideas

- Carry out company-wide ESG-related trainings to comprehensively publicize, promote, and implement ESG and the sustainability philosophy, and practice green operation ideas.



Strategic initiative IV Carbon neutrality plan in line with ESG standards

- Further formulate a proactive plan on carbon neutrality under the framework of CMG's carbon peaking and carbon neutrality plan and with reference to ESG disclosure standards and practices, strive to achieve carbon neutrality under Scope 1 and Scope 2 ahead of industry peers, and take measures to promote the carbon emission reduction of upstream and downstream partners, so as to effectively facilitate the achieving of carbon peaking under Scope 3 as early as possible with continuous reduction of carbon emission intensity.
- Gradually reduce the Company's contribution to warming indicators, indirectly facilitating the investor relations management of the Company.
- Consider carbon elimination based on the actual situation of the Company, such as carrying out afforestation in poverty alleviation regions.
- Establish a full-time carbon asset management agency to carry out coordinated and unified management of carbon asset trading, replacement, custody, etc.



List of Risks and Opportunities for Climate Change Response

Risks/ opportunities	Risk type	Description of impacts of risks/opportunities on our business	Time Frame	Responses
Physical risks	Acute risks	<ul style="list-style-type: none"> The occurrence of extreme weather events such as hurricanes, floods, extreme cold, high temperatures, and rainfall mainly affect the smooth flow of roads and have impacts on operations and corporate reputation 	Short term	<ul style="list-style-type: none"> Conduct science-based optimization of project layout nationwide to balance the proportion of project development in areas affected by different climates Perform meteorological data analysis on digital platforms to ensure smooth traffic Constantly optimize contingency plans for extreme weather prevention
	Chronic risks	Rising average temperature	Long term	<ul style="list-style-type: none"> Promote the application of energy conservation and environmental protection equipment Carry out high temperature weather monitoring to ensure safe operation Formulate high-temperature related contingency plans
		Rising sea level	Long term	<ul style="list-style-type: none"> Mainly affect the Company's assets in coastal areas/ road operations, most likely force the relocation of project infrastructure to increase operation difficulty; may also result in decrease in annual revenue due to decrease in operational projects Carry out regular water level monitoring Strengthen the construction of typhoon and flood prevention infrastructures
Transition risks	Policy and legal risks	Carbon emission reduction policy introduced	Short to medium term	<ul style="list-style-type: none"> Further implement energy conservation and consumption reduction measures and accelerate low-carbon transition
		Ecological conservation policy introduced	Short to medium term	<ul style="list-style-type: none"> Meanwhile, the national ecological conservation policy requirements are becoming increasingly stringent, posing new energy conservation and environmental protection challenges to project development and increasing compliance costs Study and understand relevant policies in a timely manner, strictly implement ecological conservation and environmental protection throughout the whole life cycle of the project to ensure compliance

Risks/ opportunities	Risk type	Description of impacts of risks/opportunities on our business	Time Frame	Responses
Transition risks	Market risks	New energy development and utilization and update of green maintenance technologies by industry peers	Medium to long term	<ul style="list-style-type: none"> Accelerated development and application of new energy by industry peers results in intensified market competition
		Change of travel patterns and consumption habits affect highway operation models and business scale	Long term	<ul style="list-style-type: none"> Promote green operation models that are suitable for industry development trends, continue to improve digital management, and keep track of customer satisfaction
	Technology risks	Low-carbon technologies	Short term Long term	<ul style="list-style-type: none"> The Company's investment in low-carbon technology R&D and application will increase driven by national policies Promote the application of energy-saving and emission-reduction technologies Actively develop comprehensive utilization projects of distributed renewable energy
Opportunities	Energy source	development opportunity for renewable energy	Long term	<ul style="list-style-type: none"> Achieve large-scale development of clean energy and promote a new natural development model that benefits nature through complementary and diversified development of multiple energy The renewable energy market has considerable potentials in the context of carbon peaking and carbon neutrality
		Participate in carbon market	Medium to long term	<ul style="list-style-type: none"> Actively launch the corporate greenhouse gas (GHG) inventory of the Company The implementation of <i>Measures for the Administration of Carbon Emissions Trading (Trial)</i> provided guidance for the Company to participate in carbon market trading
	Products and services	Low-carbon preferences of consumers	Long term	<ul style="list-style-type: none"> Actively develop green operation model and expand the scale of green energy use Ever-increasing demands throughout society for green travel in line with China's support and vigorous efforts on carbon emission reduction

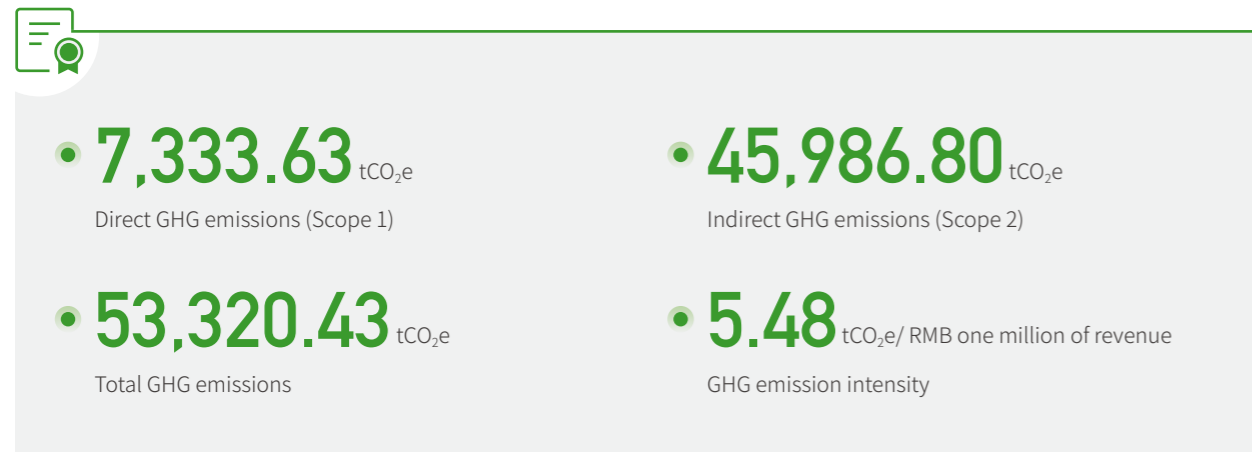
Note: According to the business development model, the time frame defined in the risk and opportunity list for short term is 1-3 years; the medium term is 3-5 years; the long term is 5 years and above

Risk management

The Company incorporates climate risks into the enterprise risk management (ERM) mechanism, continues to improve relevant rules and regulations to reduce possible risk losses in the process of transition. Meanwhile, we have adopted targeted response strategies to minimize the physical risks caused by extreme weather, ensuring business operations and asset safety. In 2023, the Company issued 14 adverse weather warnings and initiated corresponding precaution measures to ensure smooth traffic and mitigate negative impacts.

Metrics and targets

The Company has developed and disclosed climate-related indicators in order to analyze the risks and opportunities caused by climate change and the potential impacts on the Company's development strategy under different climate change scenarios.



Ecological Conservation

The Company always feels duty-bound to ensure ecological conservation, and carries out pollutant discharge management, bio-diversity conservation, ecological restoration and other related work by formulating environmental protection policies and waste disposal measures, so as to promote the common development with the ecological environment.

Pollutant discharge management

The Company continues to strengthen waste source emission reduction control and specialized management, adopting different measures to constantly improve the recycling of solid waste. During the reporting period, the Company identified and adjusted the classification of general solid waste and hazardous waste according to the *National Catalogue Of Hazardous Wastes (2021 Edition)* in a timely manner to ensure the standardization of waste disposal and recycling.

Measures to reduce discharge of the solid, liquid and gaseous wastes

Apply new technologies, new products, and new processes in maintenance projects and tunnel management to reduce discharge of the solid, liquid and gas wastes.

Conduct unified management of dust control, solid waste treatment, waste residue recycling, filling material processing during road construction in strict compliance with national and local regulations.

Speed up the recycling of fill and waste residue in the process of construction to improve resource utilization efficiency and reduce discharge of the solid, liquid and gase wastes.



Case



The "reclaimed water" sewage treatment project of Ningbo-Taizhou-Wenzhou Expressway promotes the utilization efficiency of water resources

Ningbo-Taizhou-Wenzhou Expressway builds a reclaimed water sewage treatment system in an innovative way. From its completion in early 2022 to the end of 2023, a total of about 66,000 tons of reclaimed water were processed and used for toilet flushing, plant watering, square cleaning, etc. in the service areas. This system has effectively improved water resource utilization efficiency and relieved water shortage pressures in the service areas, achieving wastewater recycling and "high-quality water for high-end use, poor quality water for specified use" of water resources in the service area.



Sewage treatment project of Ningbo-Taizhou-Wenzhou Expressway

Biodiversity conservation

The Company incorporates the concept and requirements of biodiversity conservation into its daily operations. We have released the *Biodiversity Commitment* to stay committed to biodiversity conservation efforts within our own operations and business partners throughout the supply chain such as suppliers and contractors. Meanwhile, we also released the *No-Deforestation Commitment* to continuously promote green production and lifestyle in the pursuit of the harmonious coexistence of human and nature, contributing to the building of a beautiful eco-environment.

In the process of planning, construction

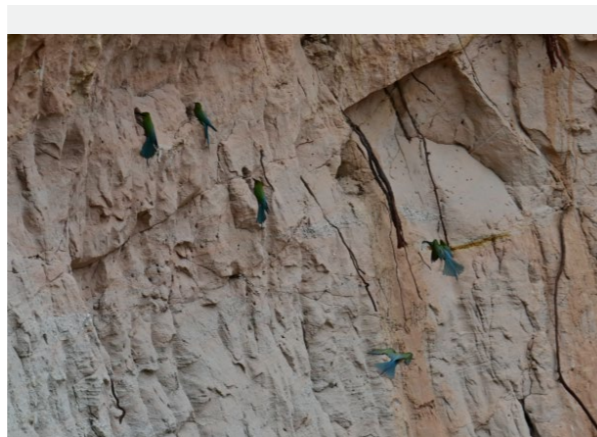
- Take full consideration of the impact on biodiversity by project construction and each links throughout the supply chain, and conduct a comprehensive environmental impact assessment to avoid project construction's impact on habitats of life on land and below water, bird and others.

In the process of operation

- Strengthen the renovation of roads in scenic spots. In response to the problem that the existing scenic area roads cut off the habitat, the scenic area will increase investment and carry out targeted modification to roads in the scenic area. Reduce the fragmentation effect of roads on the ecosystem by optimizing road slopes and setting up wildlife passages.
- Standardize driving at night in scenic areas. The scenic areas will formulate strict night driving regulations in the scenic spot, limiting night driving periods and speed. Warning signs in Chinese brown frog (*Rana chensinensis*) frequented areas are set up to remind drivers to avoid running over wild animals.
- Strengthen the supervision on nighttime driving, increase the frequencies of nighttime patrols, put an end to illegal driving behaviors in a timely manner, and ensure the normal breeding of wildlife populations in these habitats.
- In scenic areas, monitoring of the ecological environment is required to be strengthened, and the number and living conditions of protected wildlife populations is regularly assessed to ensure the protection measures are effective.

Case CMCT protects nesting site of bee-eaters

The construction project of Yuanmou to Dayao (Xinjie) expressway by China Merchants Ecological Environmental Protection Technology Co., Ltd., a subsidiary of CMCT, involves the nesting sites of blue-tailed bee-eaters, a nationally protected wild animal of second-class. Upon learning the situation, the project team conducted surveys around 14 surrounding nesting sites and found that 30 to 40 blue-tailed bee-eaters were concentrated at their nesting habitats located on the vertical cliff to be excavated and reconstructed. The company actively carries out compensation by building artificial nesting sites for these bee-eaters, and will track and monitor the nesting of blue-tailed bee-eaters every year, striving to minimize the impact on eco-environment.



The blue-tailed bee-eater nesting site on the vertical cliff to be excavated and reconstructed

Ecological restoration

The Company actively carries out ecological restoration, and implements the *14th Five-Year Plan for Soil, Groundwater and Rural Ecological Environment Protection Plan* of the Ministry of Ecology and Environment. We put forward requirements for the soil and groundwater environment from multiple aspects, and develop plans to further fight against pollution and effectively strengthen the eco-environmental protection of soil and groundwater.

The 1233 strategic targets of China Merchants Ecological Environmental Protection Technology Co., Ltd.

From 2024 to 2025, the soil restoration business of China Merchants Ecological Environmental Protection Technology Co., Ltd. becomes the industry leader in Southwest China with its market share ranking among the first-tier companies in this area, standing out as an influential enterprise in the domestic soil restoration industry.

Focusing on soil restoration (including sites, groundwater, farmland and mines) as its core business, the company also nurtures solid waste recycling treatment business. It has a track record of completing multiple large-scale soil restoration engineering projects and overcoming cutting-edge difficulties in these projects.

Case



EPC project facilitates soil restoration in the contaminated soil pollution treatment and restoration project of Plot H13-1 located at Dadukou District Chongqing

The contaminated soil restoration and treatment project for a part of Plot H13-1 of Dadukou District, Chongqing by China Merchants Ecological Environmental Protection Technology Co., Ltd. is located at the Minle Village, Baqiao Town, Dadukou District. A total of approximately 29,124.50 m³ of contaminated soil was excavated and treated on site, providing a clean site area of approximately 11,000.00 m².

After the completion of land restoration, the soil on the site has reached the environmental quality standards for residential land, with the environmental quality of the land improved in a timely manner and the risk of being affected by heavy metals, organic compounds and pollutants eliminated for people within the boundary of this plot of land.



IV

Growth on the Way:

Joining Hands for Common Prosperity

Adhering to the "people-oriented" philosophy, we continue to protect employees' fundamental rights and interests, and provide a range of training programs at different levels and diverse promotion channels to support their career development. Furthermore, we prioritize the well-being and quality of life of our employees and share the fruits of our company's growth with them as we strive towards a brighter future together.

Performance highlights

157
Incentive recipients exercising

6,952,092
Options in total

approx. RMB
4,398,900
Invested in employee training

Our commitment

- We will continue to focus on employee training and development to cultivate the potential of our employees.
- We are committed to safeguarding the physical and mental well-being of our employees and enhancing the overall quality of their lives.



SDGs

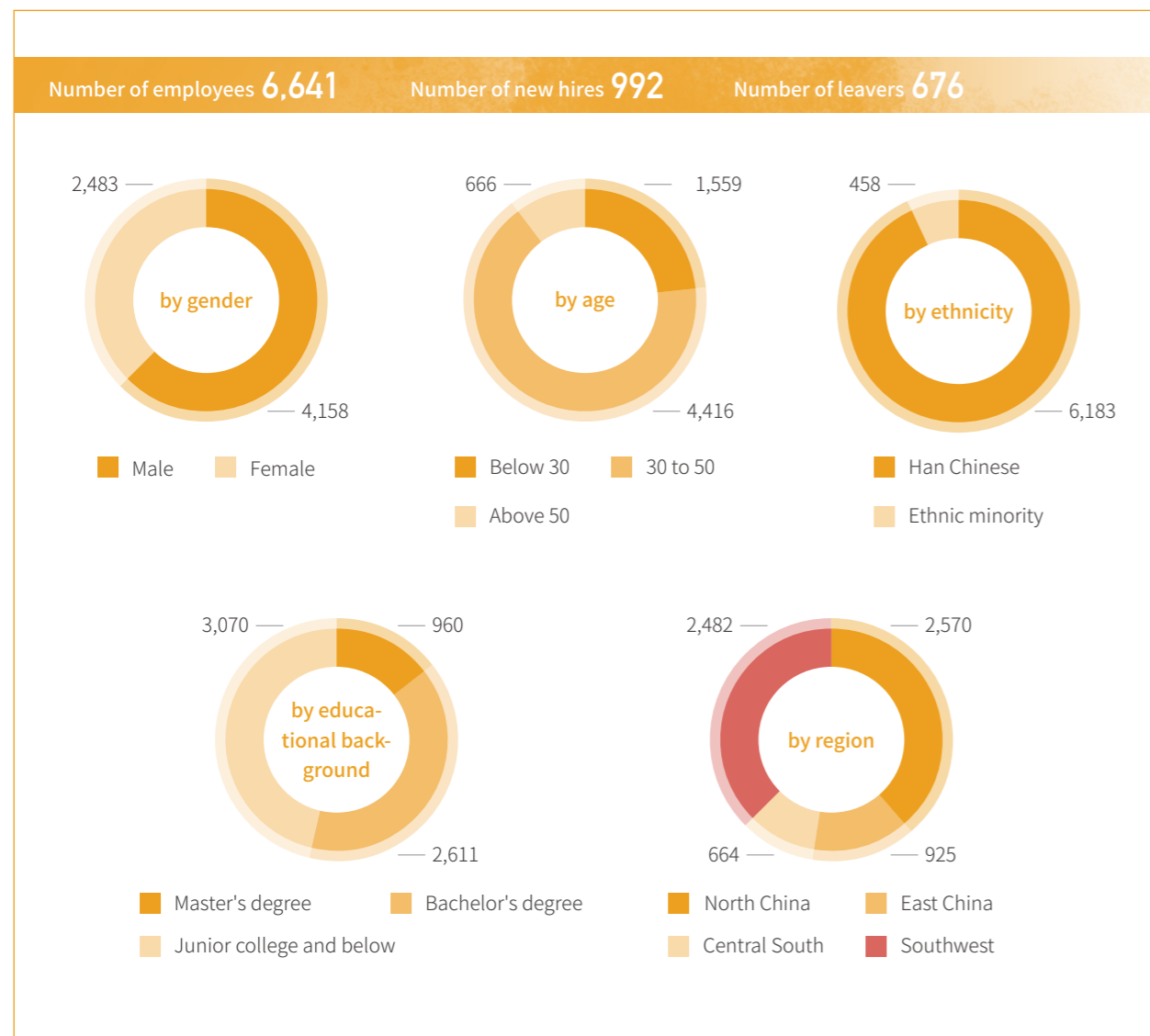


Employee Rights

We provide equal employment opportunities for all with a support of the robust incentive and development system. We listen to our employees' feedback and help them create clear career plans at different stages, aiming to foster an inclusive and warm workplace. Our ultimate goal is to achieve mutual growth for both our company and our employees.

Equal Employment

At CMET, we strictly abide by Chinese laws and regulations, including the *Labor Law* and the *Labor Contract Law*. We have published the *Human Rights Commitment* and *CMET Code of Conduct* to standardize employment procedures, ensure equal employment opportunities, and utilize multiple recruitment methods including internal, social, and campus recruitment. On the premise of protecting the legal rights of employees, we forbid any form of child labor, forced labor, and employment discrimination. With a focus on a diversified and equal career development environment, we provide equal opportunities for employees of different nationalities, genders, ethnicities, religious beliefs and cultural backgrounds, creating a workplace atmosphere that is open, inclusive, respectful and diverse. During the reporting period, we achieved a 100% labor contract signing rate and a 100% social insurance coverage rate.



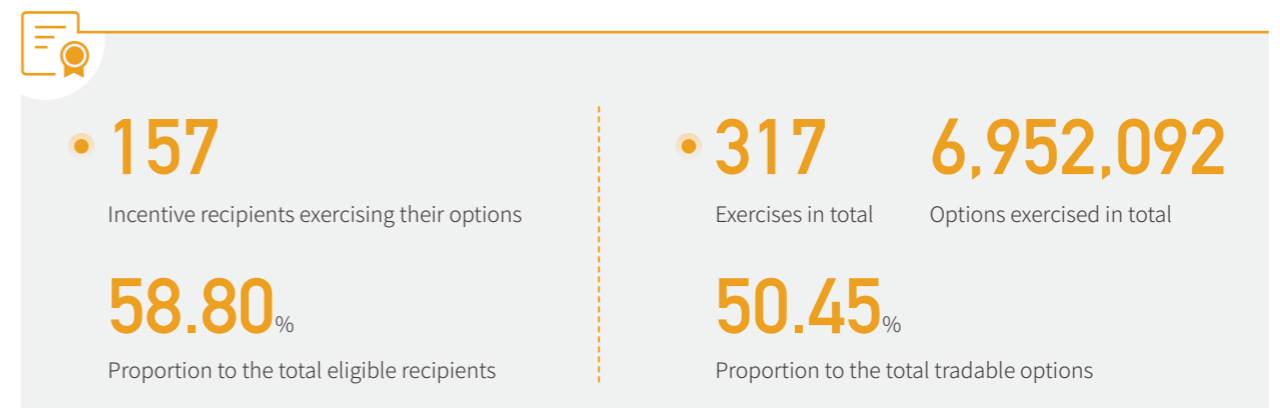
Indicators	Unit	2023
Number of leavers by gender	Male	347
	Female	202
Number of leavers by age	Below 30	226
	30 to 50	226
	Above 50	97
Number of leavers by educational background	Master's degree or above	70
	Bachelor's degree	210
	Junior college and below	269

Remuneration and Incentives

We have enhanced the *CMET Performance Management Measures*. We are working to develop an internal remuneration and performance benchmarking system, in which we will design a compensation classification and collection system, establish a full cycle compensation management mechanism, and introduce new evaluation indices for total wage management. Moreover, we have optimized the regulations governing annual assessments and bonuses for middle-level management and employees at the headquarters, while also implementing a transparent remuneration assessment mechanism for them.

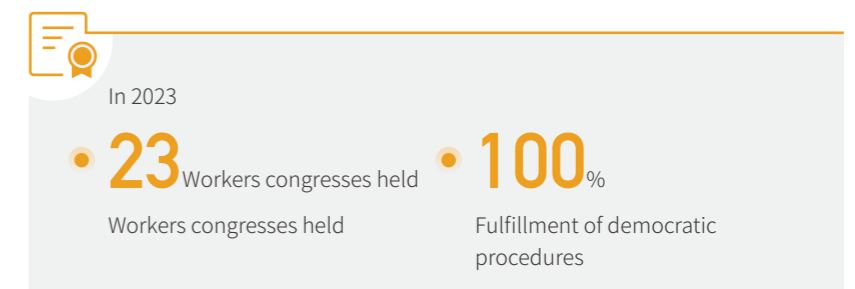
CMET has conducted a specialized study on building talent teams in emerging industries. By issuing research outlines in advance, listening to team reports, engaging in discussions and exchanges with key employees, and reviewing information, the Company has developed 8 specific initiatives, which have been included in its research issue list and the results transformation list. Meanwhile, a tracking mechanism is established for continuous improvement. In 2023, CMNIT established implementation rules for surplus profit-sharing to incentivize key employees. Meanwhile, CMET's Huaqi Investment Co., Ltd. developed the *Project Development Incentive Regulations* to motivate talents to engage in project development.

The Company has improved the medium and long-term incentive systems and achieved effective implementation. We have completed the first batch of our stock option plan and carried out the exercise procedures for 267 incentive recipients, with a total of 13,780,500 shares exercisable under the share option scheme.



Democratic management

We continue to enhance our democratic communication platform and management mechanism. Through various democratic communication channels, such as conducting workers congress and establishing trade union committee, we aim to effectively safeguard employees' rights of information, participation, expression, and scrutiny.





Employee Development

We are dedicated to enhancing talent selection, training, and incentives to attract top talents and improve the talent pool. We also engage in research on building talent teams in emerging industries, seeking to drive corporate transformation and foster sustainable development with talent support.

○ Career Development

We have revised the *CMET Middle-Level Personnel Management Regulations and Guidelines for the Selection and Appointment of Cadres*, establishing a dual-channel promotion mechanism based on skills and management. In line with the rule of "survival of the fittest", we implement dynamic talent management with the principle of "talents can be recruited and dismissed". Additionally, we put in place a qualification management system and conduct professional assessments. Reserve cadres are trained in practice by means of taking a temporary post in the superior and subordinate units, exchanging posts and participating in major projects. In 2023, CMET organized the annual two-way exchange program among headquarters and subsidiaries, selecting 17 candidates for temporary exchange positions.


We continue to further our tenure system and contract management, progressing with the signing of management performance responsibility letters for the management team in 2023 to standardize cadre management. Furthermore, we continuously refine our cadre structure, with an emphasis on enhancing the selection, training, and appointment processes for young cadres.

○ Competence Cultivation

We have revised the *CMET Internal Instructor Management Measures*, developed a customized annual training program based on business development needs, and established a structured, tiered, and phased approach to provide growth opportunities and resources for new hires.

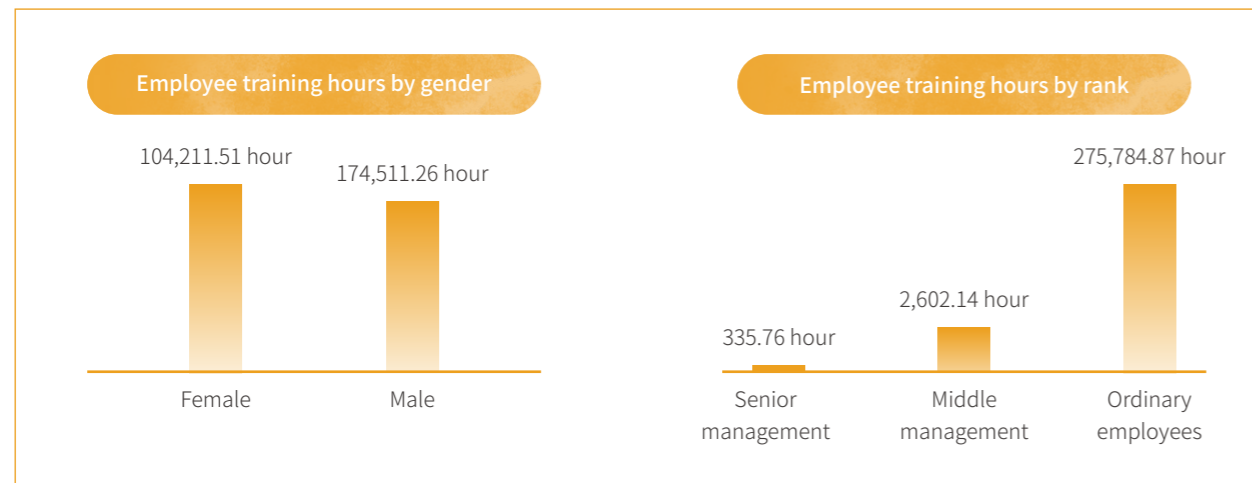
Employee training system

Types of training	2023 Initiatives	Key performance
Orientation training 	<ul style="list-style-type: none"> We carried out the <i>2022 CMET Grassroots Training and Development Program for Fresh Graduates</i>, monitored the training progress, conducted midterm reviews, and reinforced grassroots training for fresh graduates to align their skills with job roles and responsibilities. 	100% coverage rate of new hires in orientation training
Regular training 	<ul style="list-style-type: none"> We conducted a training requirement study, developed 5 categories and 41 annual training programs, and arranged 87 new employees to attend CMG's new employee training camp. We launched the E-TALK program, an internal expert talk series. 	9 employees recognized as the Outstanding Individual 13 as the Outstanding Manager
Thematic training 	<ul style="list-style-type: none"> We organized a training called "Cultivation Program for young leaders · Smart Travel Class 2". We held a training course to enhance the capabilities of the heads in charge of human resources work. We organized cadres and employees to take part in training programs, including transfer and rotation courses conducted by the Organization Department of the Central Committee, CMG, and other superior units. 	7 innovative problem-solving initiatives formed Continuous improvement of human resources effectiveness 12 training programs with more than 208 participants
Emerging plan 	<ul style="list-style-type: none"> According to the <i>CMG Three-Year Action Program for the Development of Emerging Industries (2023-2025)</i>, we developed a talent development program for emerging industries within CMET, with a specific focus on two companies, CMNIT and Huaqi Investment. 	9 technical and product-based trainings held in 2023, with a total of over 20 trainings, engaging over 1,000 participants

Case  CMNIT cultivates talents in emerging industries through online training

By leveraging the Zhiniao platform, CMNIT has established an Internet training program for its talent team, covering courses in product technology, Party building, industry development, leadership enhancement, management improvement, and other topics. As of the end of 2023, a total of 91 self-created courses and over 200 shared courses had been uploaded, resulting in a cumulative learning time exceeding 5,472.5 hours and a total attendance of over 11,700 participants.

Indicators	Unit	2023
Total investment in employee training	RMB million	4.40
Investment in development and training per employee	RMB	660.88
Training hours in total	hour	278,722.77
Training hours per employee	hour	41.97
Participants in employee training	/	6,641



Employee Safety

CMET attaches importance to the physical and mental health of employees. In accordance with the relevant laws and regulations such as the *Work Safety Law*, *Law on Prevention and Control of Occupational Diseases* and *Trade Union Law*, we have issued the *2023 CMET Safety and Environmental Protection Work Plan* and the *CMET Action Implementation Plan for the Year of Strengthening Safety Management*. We have enhanced the supervision and management of work safety, implemented safety training and education programs, and improved rules and regulations related to occupational health and safety to ensure the safety of our employees.

○ Safety awareness-raising practices

Dedicated to fostering a culture of safety, the Company oversees and encourages its subsidiaries to enhance the management system for employees' safety training records. In 2023, the Company updated three national standards, industry norms, and standardized documents.

Case  CMCT holds a safety emergency drill

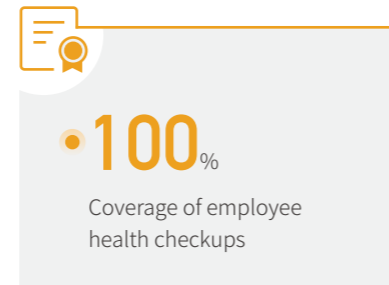
In June 2023, CMCT conducted fire safety training and a fire emergency drill. The drill simulated a fire at the China Merchants Tower, involving the organization of individual evacuation, rescue operations for the injured, and hands-on experience with manual fire alarms, fire extinguishers, AED operation, and other fire safety measures. A fire center instructor was invited to train employees on fire safety knowledge. Over 70 CMCT employees participated in the training, while more than 260 employees took part in the drill. The training session heightened employees' awareness of fire safety, enabling them to acquire essential knowledge and skills, fulfill their fire safety responsibilities, and enhance emergency response capabilities, thus cultivating a safe fire environment conducive to the company's healthy and stable growth.



CMCT's safety emergency drill

Occupational health protection

CMET has released the *Occupational Health and Safety Policy* and remains committed to health promotion efforts through the Health Management Committee. We also offer employees a comprehensive health protection system, including the annual health checkup for all employees, and explanations for health checkup reports. In 2023, CMNIT was certified by the ISO 45001 occupational health and safety management system.



- Cooperating with the Company's Catering Committee to supervise and inspect the hygiene of the Company's tableware



Indicators	Unit	2023
Work-related fatalities	/	0
Employee participants in various health and safety training programs	headcount	52,611
Suppliers participating in various health and safety training programs	headcount	1,110

Employee Well-being

The Company is dedicated to fostering the personal growth of its employees within a warm and inclusive work environment. With a focus on the full life cycle experience of employees, we enhance the employee welfare system, offer human-centered care and foster a supportive workplace through tangible initiatives.

Work-life balance

To stimulate the vitality of our employees and promote their work-life balance, we organize a variety of cultural and sports activities, including basketball, volleyball, and badminton competitions. In 2023, we established 10 Staff Homes equipped with fitness facilities and relaxation areas, aiming to promote employee health.

Case CMET participates in the CMG's Corporate Day celebrations

In October 2023, CMG marked its 20th Corporate Day with a celebration centered around the theme of "Towards the Future: Embracing Three Ventures". During this special occasion, CMET organized a series of festive activities and sports competition, incorporating its ethos of striving for excellence among employees in the celebrations.



Corporate Day celebrations

Employee care

The Company has revised the *CMET Measures for Administration of Welfare Expenses* and developed a comprehensive welfare policy. New initiatives have been launched to care for employees, including standardized issuance of various benefits such as heating and communication expenses. Additionally, we have introduced welfare programs such as corporate annuities, supplementary medical care, and holiday and birthday blessings. Subsidiaries have implemented one-child nursing leave and childcare leave policies. Furthermore, we procure special insurance for female employees and organize health lectures for women. We have also formulated the *Administrative Rules for the Reimbursement of Medical Expenses for the Children of CMET Employees* to enhance welfare benefits for employees' children. Moreover, we conduct visits to retired employees and those facing difficulties to provide assistance and care.

Case CMCT organizes a flower-arranging activity for female employees

In March 2023, to celebrate the International Women's Day, CMCT organized a flower-arranging activity for all female employees. A professional florist was invited to provide training on floral arrangements at CMCT. Female employees engaged in the activity and immersed themselves in the festive atmosphere.



CMCT's flower-arranging activity



Cooperation on the Way:

Seeking Harmonious Development

Upholding the charity value proposition of "integration and co-existence with one heart and one mind", CMET actively fulfills social responsibilities, and strengthens supply chain management, facilitating upstream and downstream industry chain partners to jointly promote the vision of better travel. Meanwhile, we make steady progress with the "C Green" charity brand, engage in rural vitalization, volunteer services and other activities, and continuously strengthen communication and exchanges with government, institutions, schools and business partners, with an aim to jointly contribute to social prosperity.

Performance highlights

0

Procurement risk incidents in 2023

RMB 397 million

R&D investment in 2023

36

Science & technology awards obtained

RMB 14 million

Rural vitalization investment by the Company

69,715

Beneficiaries of charity activities

Charity investment by CMCT

RMB 4.17 million

Among which

RMB 0.7 million

Investment in rural vitalization

Our commitment

- We will continue to carry out green social practices for college students under the "C Green" charity brand.



SDGs



Green Supply Chain





Committed to conveying the concept of responsible supply chain, the Company constantly advances the building of responsible supply chain, extends its own sustainability requirements to upstream supply chain partners, and assesses ESG risks of suppliers.

Supplier management

The Company continues to optimize supplier management system, releases the *CMET Supplier's Code of Conduct* to constrain suppliers' performance in terms of compliance, environmental and societal impacts, and strictly formulates supplier admission, review and withdrawal mechanism. We implement a tiered management of suppliers, offer empowerment training, and encourage suppliers to use green raw materials with lower impact on the environment, thus guiding suppliers to fulfill their social and environmental responsibilities.

Name of Indicator	Unit	2023
Total number of suppliers	/	9,233
Numbers of Tier 1 suppliers	/	309
Numbers of unqualified suppliers eliminated	/	121

Supplier evaluation, admission and withdrawal mechanism

Phase	Management
 Supplier qualification verification	Supplier's qualification, ability, scale, reputation, and other basic information are verified according to the needs of procurement with eligible ones recorded.
 Procurement qualification review	During the procurement process, supplier's qualifications, performance, employees, and other factors are evaluated based on the requirements of the procurement documents.
 Supplier performance assessment	The supplier performance assessment is carried out every year with the deadline of December 31. Each subsidiary should make an annual summary about the assessment of supplier integrity and grade each supplier according to the assessment results, which will be published on our trading platform.
 Supplier misconduct handling	According to relevant policies, supplier with malpractice should be black-listed or down-graded to D (unqualified).



Before the contract fulfilment

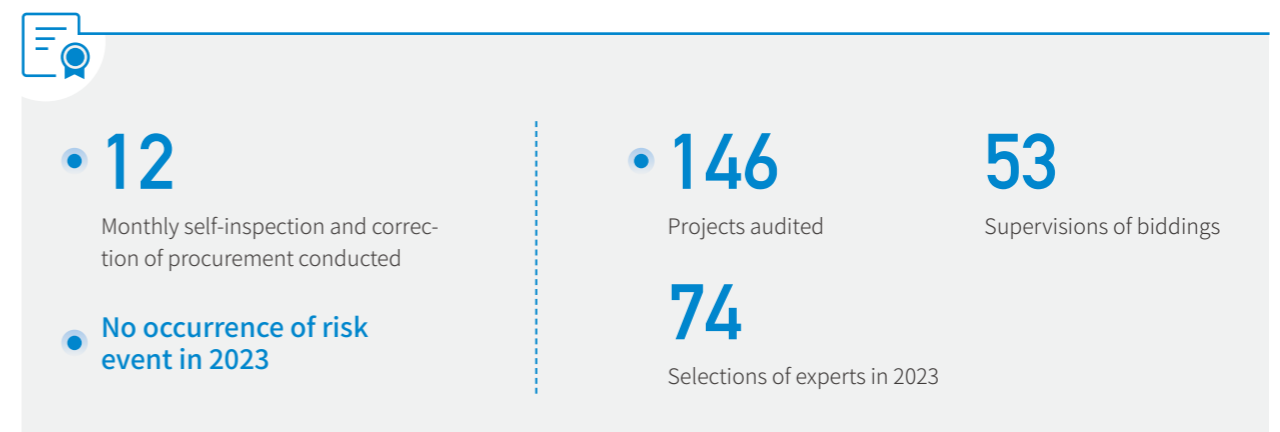
- Conducting technical briefing and pre-guidance to suppliers.
- Offering suppliers trainings on procurement standards of CMG Trading Platform.

During the contract fulfilment

- On-site checks on workplace safety, working environment, quality, technology and so on, executing in-time training and rectification on non-standardized operation.

Supplier empowerment training process

Responsible procurement



Following the procurement policy of "fairness, openness and impartiality", the Company further standardizes the procurement process. Specifically, we have revised and released the *Supplier Management Measures, Regulations for Supplier Integrity Management, and Assessment and Evaluation Standards for Bidding and Procurement Management* to continuously implement the principle of clean procurement and refine the assessment indicators. We have formulated a special improvement plan by benchmarking against the 2022 performance analysis report on procurement management of China Merchants Group. In 2023, the Company launched 639 bidding and procurement projects with a turnover of RMB 1,089.18 million.

Contribution to Industry Development

The Company continues to expand the boundary of industry-university-research cooperation by leveraging our business advantages. Through strategic cooperation with our partners, we participate in the formulation of industry standards, advance the application of innovative technologies, and lead the digital and intelligent transportation technology.

Industry-university-research cooperation

The Company cooperated with Tongji University and Chongqing Jiaotong University in research and application of intelligent road pavement defect identification technology. By combining the scientific research and innovation strength of universities with the road resources of the Company, we strive to forge a solid, sustainable and effective in-depth cooperation model. Together, we work on research of industry-leading digital and intelligent pavement application technology to equip the road with sensing and perception capabilities, so as to realize smart expressway.

Industry standards developed with participation of CMET in 2023

Name	Standard Category
Participated in the formulation of <i>Light-emitting diode (LED) Changeable Message Signs of Expressway (GB/T 23828-2003)</i>	National Standard
Tunnel entrance traffic control system	National Standard
Code for monitoring measurement of urban rail transit engineering	National Standard
Requirements for preparation of contingency plans for expressway tunnels	Industry Standard
Standard for automated monitoring of dangerous rock collapse of expressways	CECS Group Standard
Technical specification for expressway tunnel systems based on digital twin	CECS Group Standard
Standard for testing of expressway reconstruction and extension engineering projects	CECS Group Standard
Standard for acceptance of construction quality of road transportation infrastructure monitoring systems	CECS Group Standard
Static and dynamic data standards for in-service expressway infrastructure	CECS Group Standard
Design standards for active ship collision prevention and warning systems for road bridges	CECS Group Standard
Technical specification for road construction and markings with two-component methacrylic (MMA) resin paints	CECS Group Standard

Case

CMET signs the Joint Innovation Laboratory for All-Weather Traffic Guarantee in the 2023 World Transport Convention

The 2023 World Transport Convention (WTC2023) co-hosted by China Association for Science and Technology, the Ministry of Transport, the Chinese Academy of Engineering, and the People's Government of Hubei Province was officially held in June 2023. CMET, as a golden partner of the event, hosted the Intelligent Road Network Forum and Strategic Signing Ceremony & Achievement Release Conference of CMET. The Company took the lead in establishing a "Joint Innovation Laboratory for All-Weather Traffic Guarantee" with multiple parties to jointly carry out industry policy recommendations and core technology research in key fields regarding safe traffic in adverse weather conditions.



The opening ceremony of Joint Innovation Laboratory for All-Weather Traffic Guarantee

Case

CMCT launches an industry-university-research cooperation base

In 2023, CMCT carried out industry-university-research cooperation with the School of Civil Engineering of Chongqing University to "strengthen the institute with talents" and facilitate the commercialization of sci-tech achievements. Both parties jointly established the "Industry-university-research Cooperation Base" and "Yang Yongbin's Academician Studio of CMCTC" with an aim to create a community with shared future for enterprises, universities, research institutes and end-users. Giving full play to their respective advantages, both parties will step up efforts to strengthen and deepen cooperation in the commercialization of sci-tech achievements, project application, talent training, demonstration projects, and sci-tech awards, etc., build a long-term cooperative relationship, and further cooperation with concrete actions, contributing to a strong transportation network in China.

A leadership in Strategic Charity Initiatives

The Company founded the "C Green" charity brand by combining public welfare education program and green concept. With a focus on local normal universities, the brand provides corporate scholarships and supports students to carry out social practices on environmental protection, as a part of efforts to facilitate the continuous spreading of the green development philosophy through "words and deeds of people who educate people."

During the reporting period, our subsidiaries carried out a series of "C Green" activities to make all-out efforts to expand the influence of this charity brand. Guilin subsidiary carried out "Intelligent Ocean Education Charity Campaign", Chongqing subsidiary launched "CMET Juveniles Protection Campaign", and Zhejiang Wenzhou Yongtaiwen Expressway Co., Ltd. conducted "Zhaoxiao-chang Public Welfare Education Assistance Program", integrating the sustainability philosophy into various education aid activities through concrete actions.



Charity

Case #Carbon to Zero# Youth Green Co-creation Camp

In November 2023, the Company held the #Carbon to Zero# Youth Green Co-creation Camp, a sub-project of the C series of charity activities by focusing on topics such as "low carbon and sustainable development philosophy" and "green travel initiatives and road & traffic safety". The co-creation camp was hosted by the China Merchants Foundation (CMF) and CMET, and organized by the China Education Support Project. Funded by the C Green Charity Education Program, representatives of teachers and students from six normal universities were invited to participate.

The co-creation camp set up rich interactive courses including brainstorming, group co-creation discussions, low-carbon city tour, etc. During these events, teacher and student representatives gained in-depth understandings of Sustainable Development Goals (SDGs) of the United Nations, shared their insights focusing on co-created contents such as sustainable development, green and low-carbon lifestyle and response to climate change. They contributed their suggestions and opinions on green transportation and road safety initiatives, and discussed the topic in depth how young people play the positive roles serving China's green development.

Funded by the C Green Charity Education Program, 48 teachers and students from six provincial normal universities completed courses like the Movers sustainability with our lives, climate action and Design Thinking low-carbon workshops, and successfully completed the study program after the field visit of the green and low-carbon model project at Shougang Park.



The C Green Youth Green Co-creation Camp

Case Phased implementation of C Green brand charity projects facilitates young students from normal universities to explore low-carbon development

The Company continues to promote C Green brand charity project. Since officially launched in 2022, it has been implemented in six normal colleges and universities, including Xinzhou Normal University, Shangqiu Normal University, Minnan Normal University, Anshan Normal University, Lishui University and Anhui Normal University. A scholarship of RMB 500,000 was distributed to each university, and the materials donation was implemented in phases in 2023, with an aim to spread the concept of green development and promote education for sustainable development.



Signing ceremony of C Green Charity Education Program with Anhui Normal University in November 2023



Signing ceremony of C Green Charity Education Program with Lishui University in December 2023

Rural vitalization

The Company joins hands with financial institutions to carry out rural vitalization activities to enhance the capability of villagers to create wealth through technology empowerment. We help rural areas build up a professional talent pool through education, and facilitate rural infrastructure construction with financial donations, providing multi-faceted and in-depth support to rural vitalization. In 2023, we donated RMB 14 million through CMF to focus on facilitating Weining of Guizhou to develop distinctive local businesses, so as to promote rural vitalization on all fronts.

Building rural vitalization demonstration projects

<p>Rural vitalization projects in Weining of Guizhou</p>	<ul style="list-style-type: none"> • Newly supported the building of 5 rural demonstration projects, to improve industrial infrastructure and equipment, and cultivate cooperatives. • Provided support for 5 rural demonstration projects to improve the morale and capabilities of primary-level cadres and industry leaders to participate in industry projects. • Set up collective economic development funds to cultivate entrepreneurial and employment talents.
<p>Education development projects in Weining of Guizhou</p>	<ul style="list-style-type: none"> • Continued to carry out "Reading for Growth" program and donated 500 class book corners to 46 schools in Weining County. • Conducted 8 online and offline training sessions, with a total of 585 teacher participants.
<p>Healthcare improvement projects in Weining of Guizhou</p>	<ul style="list-style-type: none"> • Social Work Service Project for resettlement school in Weining County. • The rural chronic disease prevention and control project, supporting local social organizations to explore pilot experiences focusing on chronic disease prevention and control for middle-aged and elderly people in rural areas. • Weining Critical Neonatal Treatment Project, adding critical neonatal treatment facilities and equipment to Weining County Maternal and Child Health Hospital. • Piloted the construction of 5 smart rural clinics and built a big data monitoring platform for smart rural clinics.
<p>Talent vitalization project in Weining of Guizhou</p>	<ul style="list-style-type: none"> • Implemented a training course for CMG cadres in targeted areas, with 40 cadres in Weining trained. • Carried out talent empowerment training for ecology vitalization to raise rural environmental sanitation awareness, and build rural areas with pleasant living environments.

Case The construction of the Science Center of the Konjac Demonstration Park in Muchuan County invested by CMCT completed

The Konjac Science Museum (Popular Science Center) is a supporting sub-project for the construction and industry development of the Konjac Park project in Muchuan County. The project was invested and constructed by CMCT and has been fully completed in 2023. The project injected new impetus for the konjac industry development of Muchuan county, achieving an output value of RMB 360 million and generated USD 24 million in exports. In addition, konjac technology themed academic research tours and industrial tourism projects were also carried out to comprehensively facilitate the expansion and development of the ecological konjac industrial chain of Muchuan.

Outlook

The tide of a new era is surging. Standing at a historical juncture of accelerating the "third round of entrepreneurial venture", CMET steadfastly embraces digital, intelligent, and green expressways. Targeting the requirements of Building a Strong Transportation Nation Initiative during the 14th Five-Year Plan period, we will tap into our expressway resources and bring out new integrated business forms such as "transportation plus" and "service area plus". It is imperative for us to improve our ability to contribute to matters of national significance and nourish new quality productive forces. To serve China's 30·60 Decarbonization Goal, we will explore comprehensive green energy services in the transportation scenario and develop high-quality distributed photovoltaic projects. To foster the internal driving force of the Company, we will improve the quality of in-house talent training, strengthen talent selection, training, appointment, and incentives, and raise our appeal to outstanding professionals. The C Green volunteer teaching assistant program will take a step further, and we will deliver the "Warm Journey" campaign to pay tribute to truck drivers, in which we are expected to attract more industry partners and fulfill the role of a central SOE. To build a better ESG system, we will, starting from the primary business, integrate ESG concepts into the Company's entire business, create best ESG practices in the expressway industry, and leverage the whole ESG system to build a high-quality and sustainable listed company. We will make unremitting efforts to march toward a leading investor and operator of Chinese expressway and related infrastructure.

ESG Performance

Governance

Indicators	Unit	2023	2022	2021
Number of Directors	/	12	12	12
Number of Executive Directors	/	1	1	1
Number of proposals reviewed by the Board	/	65	56	44
Number of Directors by gender - male	/	11	10	10
Number of Directors by gender - female	/	1	2	2
Number of External (Independent) Directors	/	4	4	4
Meetings of the Nomination Committee	time	4	6	3
Meetings of Audit Committee	time	6	2	2
Meetings of the Compensation Committee	time	3	2	1
Meetings of the Strategy and Sustainability Committee	time	1	-	-
Number of Anti- corruption and anti- monopoly trainees - middle management	/	25	8	7
Number of Anti- corruption and Anti- monopoly trainees - ordinary employees	/	122	91	90
Economic losses caused by business ethics disputes	RMB	0	0	0
Coverage of risk control system	/	67	40	38
Major illegal and irregular events occurred	time	0	0	0
Number of audit projects carried out	/	12	13	12
Legal review rate of business contracts	%	100	100	100
Legal review rate for major business decisions	%	100	100	100
Number of Shareholders' Meetings	time	6	5	4
Board meetings	time	14	13	8
Meetings of the Board of Supervisors	time	4	11	4
Meetings of the Specialized Committees	time	19	12	8
Number of proposals reviewed by the Shareholder's Meeting, the Board of Directors, and the Board of Supervisors	/	148	133	98
Number of Board of Supervisors	/	3	3	3
Number of employee supervisors	/	1	1	1

Environmental*

Indicators	Unit	2023	2022	2021
Total GHG emissions	tCO ₂ e	53,320.43	42,021.89	45,197.94
Scope 1 GHG emissions	tCO ₂ e	7,333.63	4,320.56	4,254.45
Scope 2 GHG emissions	tCO ₂ e	45,986.80	37,701.33	40,943.49
GHG emissions intensity	tCO ₂ e/RMB million	5.48	5.06	5.24
Clean electricity used	kWh	5,768.00	7,543.00	-
Emissions of nitrogen oxides (NO _x)	ton	3.15	2.69	3.25
Sulfur oxide (SO _x) emissions	ton	0.11	0.06	0.02
Hazardous wastewater discharged	ton	105,080.86	40,516.81	98,499.00
Total household waste discharged	ton	2.51	-	-
Total kitchen waste discharged	ton	1.15	-	-
Total recyclable waste discharged	ton	1.32	-	-
Water consumption	ton	915,216.54	909,372.28	412,478.60
Consumption of municipal water supply (or other tap water enterprises)	ton	30,332.00	-	-
Total direct energy consumption	tce	4,240.63	2,147.61	3,101.12
Consumption of liquefied petroleum gas	ton	757.08	18.15	-
Natural gas consumption	m ³	482,948.98	325,616.80	403,719.45
Gasoline consumption	ton	845.23	598.04	1,254.37
Diesel consumption	ton	759.31	430.31	618.47
Other types of direct energy consumption	tce	38.98	35.57	50.41
Total indirect energy consumption	tce	9,496.91	9,078.16	9,893.07
Electricity consumption	kWh	76,934,257.98	56,465,165.63	57,276,087.60
Heat consumption	GJ	1,222.00	-	-
Indirect energy consumption of other types	tce	20.55	35.57	-
Research and development investment in green business related technologies	RMB million	18.87	-	-
Green business revenue	RMB million	70.88	67.71	65.28
Number of patents related to green business	/	88.00	-	-
Green investment	RMB	200,000	-	-

Note: In 2023, we further optimized the statistical method of environmental performance, resulting in discrepancies between the data of previous years and the data disclosed in 2022, so the latest data shall prevail.

As the financial statement of CMCR was consolidated on December 31, 2023, in order to keep consistent with the processing of operating income and other indicators in the financial report, the carbon emission data of 2023 does not include the data of CMCR.

Social

Business and products

Indicators	Unit	2023	2022	2021
Pavement Quality Index (PQI)	point	93.05	93.52	-
Road maintenance input	RMB million	258	195	185
Proportion of Type 1 and 2 bridges	%	99.77	100	100
Arrival rate of congestion-alleviation and obstacle-clearance within 20 minutes	%	82.92	81.10	-
Arrival rate of congestion-alleviation and obstacle-clearance within 30 minutes	%	93.73	95.23	-
Number of obstacle-clearance and rescue stations along expressways	/	57	38	32
Obstacle clearance	time	36,663	28,006	-
Average clearance time	minute	27.47	26.50	-
Satisfaction rate of obstacle clearance	%	99.97	99.03	99.41
Accidents per million vehicle kilometers	time	0.64	0.70	-
Number of customer complaints	/	1,972*	565	661
Tolls waived on major holidays	RMB million	615.40	250.96	37.15
Preferential fee by green channel	RMB million	416.28	203.79	231.50
Total known appeal cases	/	0	0	0

Note: The financial statement of CMCR was consolidated in 2023, resulting in an increase in customer complaints. We will continue to optimize customer experience. The customer complaint resolution rate was 100% during the reporting period.

Employee employment

Indicators	Unit	2023	2022	2021	2021
Number of employees		/	6,641	6,540	5,459
by gender	Male	/	4,158	4,068	-
	Female	/	2,483	2,472	-
by age	Below 30	/	1,559	1,678	1,719
	30 to 50	/	4,416	4,243	3,319
	Above 50	/	666	619	421
by ethnicity	Han Chinese	/	6,183	-	-
	National minority	/	458	-	-

Indicators		Unit	2023	2022	2021
by educational background	Master's degree	/	960	872	788
	Bachelor's degree	/	2,611	2,465	2,037
	Junior college and below	/	3,070	3,203	2,634
by region	North China	/	2,570	-	-
	Northeast region	/	0	-	-
	East China	/	925	-	-
	Central and southern region	/	664	-	-
	Southwest China	/	2,482	-	-
	Northwest China	/	0	-	-
	Number of new hires	/	992	905	731
Number of leavers	/	676	760	700	
Number of departing employees by gender	Female	/	202	-	-
	Male	/	347	-	-
Number of departing employees by age	Below 30	/	226	-	-
	30 to 50	/	226	-	-
	Above 50	/	97	-	-
Number of departing employees by educational background	Master's degree or above	/	70	-	-
	Bachelor's degree	/	210	-	-
	Junior college and below	/	269	-	-

Employee rights and interests

Indicators	Unit	2023	2022	2021
Labor contract signing rate	%	100	100	100
Social insurance contribution rate	%	100	100	100
Number of workers congress held	time	23	6	-
Employee health checkup coverage	%	100	100	100

Employee training

Indicators		Unit	2023	2022	2021
Total investment in employee training		RMB 10,000	439.89	74.52	79.39
Investment in development and training per employee		RMB	660.88	-	-
Training hours in total		hour	278,722.77	202,117.00	217,739.00
Training hours per employee		hour	41.97	30.90	39.89
Employee training hours by gender	Female	hour	104,211.51	-	-
	Male	hour	174,511.26	-	-
Employee training hours by rank	Senior management	hour	335.76	-	-
	Middle management	hour	2,602.14	-	-
	Ordinary employees	hour	275,784.87	-	-
Participants in employee training		/	6,641	-	-

Occupational health and safety

Indicators	Unit	2023	2022	2021
Number of work-related injuries	/	9	-	-
Number of days lost due to work injury	day	404	139	76
Days lost due to work injury per employee	day	0.061	0.021	0.014
Lost Workday Rate (LWD)	-	6.08	2.09	1.39
Work-related fatalities	/	0	0	0
Employee participants in various health and safety training programs	participants	52,611*	20,020	21,259
Suppliers participating in various health and safety training programs	participants	1,110	-	-

LWD: (total workdays lost *200,000)/Total working hours during the accounting period

As the financial statement of CMCR was consolidated, there was a larger increase in this data over the previous year.

Industry development

Indicators	Unit	2023	2022	2021
Amount of R&D investment	RMB million	397	364	272
Patent applications	/	242	156	143
Newly granted patents	/	205	203	179
Science & technology awards	/	36	26	12
R&D personnel	/	1,082	1,060	1,041

Supplier management

Indicators	Unit	2023	2022	2021
Total suppliers	/	9,233	8,161	7,468
Number of Tier-1 suppliers	/	309	-	-
Number of disqualified suppliers eliminated	/	121	-	-

Charity

Indicators	Unit	2023	2022	2021
Employees engaged in volunteer activities	participants	4,770	1,620	/
Employee volunteer service hours	hour	13,369.00	178,111.50	-
Charity donation in total	RMB million	14.00	14.10	8.10
Number of beneficiaries of charity activities	/	69,715	23,500	-

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Feedback

Dear stakeholders,

Thank you very much for reading the *2023 Environmental, Social and Governance Report of China Merchants Expressway Networks & Technology Holdings Co., Ltd.* To leverage this report as a better tool for the communication with all stakeholders, we sincerely look forward to your valuable comments and suggestions on this report and our ESG work.



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