



2015

年度社會責任報告

SOCIAL RESPONSIBILITY REPORT



2015



SHENZHEN EXPRESSWAY COMPANY LIMITED

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

Stock Code:00548

The board of directors of the Company and all members of the board confirm that there are no false representations or misleading statements contained in or material omissions from this Report, and severally and jointly accept responsibility for the truthfulness, accuracy and completeness of the content of this Report.



Stock Code: 600548(SSE)

Stock Code: 00548(SEHK)

- **Introduction**

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

- **Reporting Cycle**

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

- **Reporting Period**

This Report covered the year 2015 (i.e. from 1 January 2015 to 31 December 2015). Taking into account the continuity and comparability of the information disclosed, some of which was adjusted forward or backward properly.

- **Coverage**

The Company and its subsidiaries.

- **Basis of Preparation**

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

- **Indicative Statement**

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


- **Date of approval**

18 March 2016.

- **Form of Publication**

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

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Overview

I. Social Responsibility Concept

- ▶▶ The Company is principally engaged in the construction and investment of high-grade highways, which not only meets the needs of society for rapid transportation, but also effectively facilitates the regional economic and social development. As such, the basic social responsibility of the Company is to provide high quality products and thereby safe, speedy, economical and comfortable transportation services to the society.
- ▶▶ To take note of the possible concerns of products arising from the process of design, manufacture, delivery and use, and take positive response measures during these processes, so as to achieve the harmonic equilibrium between the enterprises' products, people and nature.
- ▶▶ While providing products and services and deriving profits, the enterprises should respect the interests of all stakeholders and continue to show their concerns for the impact on the environment. Such concerns and respects not only come from the importance of stakeholders to corporate development, but they also come from the gratitude and return of enterprises to the society and their environment in which they rely on for existence.

II. Social Responsibility Statement

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

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

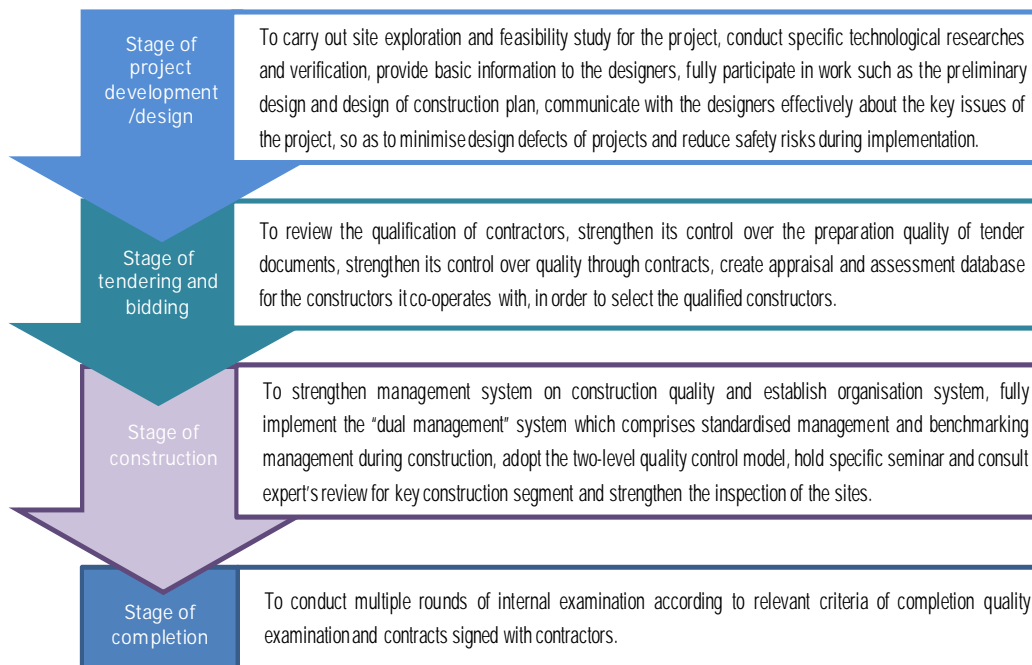
Quality and Safety

Shenzhen Expressway is principally engaged in the construction and investment of high-grade highways. It is the Company’s basic social responsibility to provide high quality products and thereby safe, speedy, economical and comfortable transportation services to the society. The Company adheres to the management philosophy of “Enhancing the Road Construction, Maintenance and Operating Quality through Excellent Purchase and Integration in Work Quality” and implements safety management throughout the entire process of the projects and builds quality and safe highway products by promoting institutionalised, systemised and informational quality control and management system. Besides, the Company keeps good technological conditions of highways during operation and management periods to construct trustworthy roads for the society and customers.

I. Quality Management

■ Construction of Quality Highway Products

The Company integrates quality control of construction projects with the entire process comprising design, purchase, preliminary preparation for construction, construction and completion. Respective business procedures and quality control system are established in each working section. Meanwhile, the Company continues to bring management and technology innovation into practice to ensure the quality and safety of the construction projects through scientific quality management system and technology.



During the project management process, the Company treats contract management as the core and implements refined control over construction quality through measures such as system management, access management, construction procedure management, and standardised management. It implements quality management systems such as the access system for raw materials, owners’ independent inspection system, first construction recognition system, and trial construction system, so as to ensure the accomplishment of quality goal.

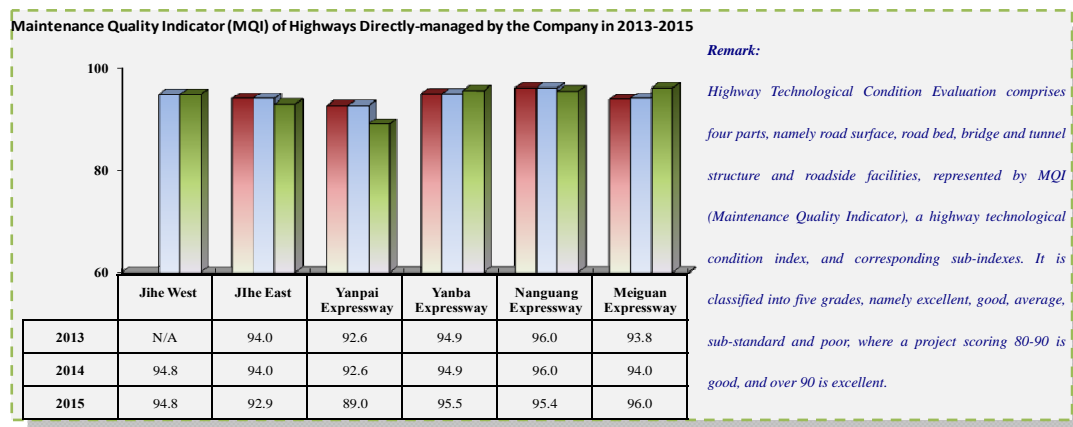
In 2015, the Company's construction in progress included new toll station and facilities project of Meiguan, forgoing section of Outer Ring Project and Longda Municipal Section. Regardless of the sizes of the projects, the Company strictly monitors the quality of construction projects to ensure better results through various measures, including the implementation and establishment of sound quality management system, quality management accountability system and refined quality management approaches, the adoption of first construction recognition system, and strengthening its quality inspection and supervision over construction quality. After consideration of the features of the Outer Ring Project in Shenzhen such as large scale of construction works, diversified types of structures and high requirements for construction techniques, the construction management team of the Company consistently adheres to the philosophy of "people-oriented and safety comes first" and "ecological harmony, resources conservation and sustainable development" in the design management stage, so as to reasonably finalizethe route design and strengthen the inspection on key engineering designs, such as roads, bridges and culverts, interchanges, tunnels, etc.. During the process, priorities have been given to the enhancement of the quality and durability of the construction and to thoroughly implement our design concept of "lowering costs over the entire lifecycle". With the combined use of the above technological management measures, the design of the original 150 meters ultra-large overpass bridge of Nanguang Expressway has been adjusted to a 30 meters pre-fabricated box girder, thereby significantly reduced the safety risks of construction and is expected to effectively shorten the construction period. The relocation of hypo-high pressure gas pipes and military optical fiber cables was avoided and the number of expropriation and demolition was also reduced. The Company has also completed the formulation of specific protection plan for natural gas pipelines in Dapeng and oil pipelines of Sinopec, which has in turn provided assurance for the quality and safety of the construction works in the future. The management office of Outer Ring Expressway Project also prepared and strictly executed various documents such as *Manual for the Prevention of Common Quality Issues* (質量通病防治手冊), *Procedures for Quality Management* (質量管理規程), *Technical Specifications* (技術規範), *Manual for Standardised Management* (標準化管理手冊) and *Procedures for Safe and Civilized Construction Management* (安全文明施工管理規程), with a view to ensure that the construction works can comply with the requirements in relation to quality, safety, cost, progress and environmental protection, etc.

With a quality management system that meets scientific standards and good system implementation to lay a solid foundation to accomplish management goals on construction quality, safety, cost, progress and environmental protection, etc. the Company has continued to maintain the construction quality of its projects at a higher level. In 2015, two sections of Coastal Project Phase I, an entrusted project undertaken by the Company, were awarded "Shenzhen High Quality Engineering Prize" (深圳市優質工程獎) by the Shenzhen Construction Industry Association (深圳市建築業協會).

■ Standardised management and maintenance in pursuit of better quality

The Company has been strictly adhering to the National Highway Maintenance Technical Regulations and Assessment Criteria to conduct daily inspections, frequent inspections and regular inspections of the managed expressways, so as to ensure the safety of structures such as bridges and tunnels. The Company has been closely inspecting technological conditions of highways to identify and make corrections for highway damages as early as possible. In order to ensure travel quality of roads, the Company has formulated a mid-to-long term maintenance plan for each expressway mainly based on the 5-year maintenance system. The maintenance plan served as a guideline for the maintenance work in each year during the operation period, and was improved and

amended based on the annual inspection result of the technological conditions of the highways. During the year, the Company has completed the construction works of preventive maintenance for Nanguang Expressway and section B of Yanba Expressway, which has enhanced the technological conditions of those sections of the highways. The expansion work of FuminToll Station has been completed, which has relieved the traffic congestion of the station. The reinforcement work for dangerous slopes and retaining walls of section C of Yanba Expressway has also been completed, which has ensured safe operation of the project. In 2015, the national trunk highway maintenance management inspection under the 12th Five-Year Plan (“12th Five-Year Plan National Inspection”) was commenced in Guangdong province. The Company actively operated with the inspection by comprehensively rationalising each expressway and project managed by it in accordance with the standards and requirements of the National Inspection. The Company has further conducted self-inspection, rectification and maintenance for various sections based on the preventive maintenance plan, with a view to provide its customers roads with high travel quality. By the end of the Reporting Period, the technological conditions of each expressway managed by the Company were graded as excellent or good.



Note: Since Jihe West carried out maintenance works for its road surface at the end of 2013, no evaluation was arranged on the highway’s technological condition.

II. Safety Management

Safe production is one of the major responsibilities of an enterprise. The Company adheres to the safety management principle of “Safety Comes First, Focus On Prevention” and establishes a 3-level system (the Company, departments and subordinated entities) for safety management as well as prevention and control of accidents, so that tasks including risk assessment, preparation of supplies, team building, equipment upgrade and emergency drill are duly carried out in the ordinary course of business. Meanwhile, the Company establishes specific emergency plans and continues to optimize the safe production system and standards to address such issue, aiming at integrating the emergency tasks into our daily operation in an efficient way.

During the project construction and management, the Company focuses on the safety management as early as the commencement of its tender process and explicitly defines the management responsibilities and exclusive terms in the related contracts and adopts the similar awards or penalties and assessment approach for those successful tenders. The Construction Management Department assumes the responsibilities of monitoring the performance of contracts in a comprehensive way, procuring the contractors and supervisors to establish a

sound system of safety security and management of all levels, sorting out the possible safety deficiencies and formulating specific measures in a timely manner, and regularly organising special examinations on the security management of projects' major hazards to avoid the occurrence of any accidents and to ensure safety in each aspect of production and construction.

In 2015, the Company organised four comprehensive inspections of group-level, arranged a number of special random safety inspections on an irregular basis and organised safety trainings for over 800 staff members. During the year, the Company kick-started the “Production Safety Month (安全生產月)” campaign, during which extensive inspections have been conducted to identify possible safety deficiencies in each of the construction in progress and operating highways. For the possible safety deficiencies identified during the inspections, the Company has set a clear deadline for rectification to ensure all stages of construction and operation are conducted in a safe and orderly manner. Over 50 notices were issued for rectification of the possible safety deficiencies during the year, all of which have been rectified in the specified period. In addition, the Company has promoted knowledge on safe production through various means, including safety knowledge contests, safety skills contests, emergency drillings, etc., which has enhanced the staff's ability of self-rescue and mutual-rescue, thereby laying a necessary and solid foundation for safety production and services.



Service and Communication

Customers (i.e. clients), the users of the Company's products and services, are the foundation for growth and development of the Company. Shenzhen Expressway constantly advocates a "client-focused" principle, and it is the Company's essential responsibility to provide customers with safe and rapid transportation services and professional is deconstruction and management services. The Company has established a market-oriented and customer-demand-oriented management system and continues to improve the operating procedures of various businesses according to the business development of the Company and internal and external environmental changes, and strives to boost customers' satisfaction with its enhanced service quality.

I. Enhancement of Service Quality

■ Standardised System for Quality Services

In 2015, the Company seized the opportunities created by the 12th Five-Year Plan National Inspection by adopting the standardised operation management modules. Based on the requirements under the expressway operation service quality assessment system introduced by Guangdong Provincial Transportation Department during the year, the Company further improved the operation management system and work procedures such as handling of customer's complaints, collection and publication of road information, road rescue and emergencies coordination in strict compliance with the requirements on standardised business operation. It also continued to enhance the comprehensive business capabilities of operational service staff by means of enhanced vocational training and regular specialised appraisal. In addition, the Company held activities such as skills contests and campaigns on civilized services to promote the concept of pursuit and display of excellence with a view to provide equality services on a regular basis.

■ Nationwide Network to Improve Traffic Efficiency

Upon the implementation of the provincial expressway inter-network toll collection in Guangdong Province in 2014, the Company embarked on the construction and inter-network switch of the inter-network toll collection for electronic toll collection (ETC) services nationwide in 2015. The Company made detailed arrangements to ensure successful implementation of the project, including designating core personnel to form a special working group to facilitate works in relation to ETC inter-network nationwide, leading and participating in the formulation and review of ten technological standards, work procedures and management systems such as *General Technical Plan for ETC Inter-network Toll Collection for Expressways Nationwide*, and raising various professional suggestions. These efforts were recognised by Guangdong Provincial Transportation Department and its industry peers, and have made significant contribution to the promotion and development of ETC inter-network toll collection nationwide. To successfully promote network construction and inter-network switch, the Company, based on the actual circumstances, closely monitored and constantly optimized each aspect of the network construction project, including preliminary design, construction, upgrading, transformation and testing of technology and facilities and inter-network switch; updated and improved relevant work procedures and systems, promulgated, implemented and explained the related policies to the staff, organised targeted business trainings for toll collection staff in respect of on-site operational requirements, work procedures, technology and



facilities operation for toll collection. Meanwhile, the Company scientifically improved toll stations based on network joints and layout of traffic flow distribution, and added 23 ETC lanes and 40 toll-by-weight lanes in the directly-managed sections in Shenzhen and Coastal Expressway (Shenzhen Section). The Company had officially switched its inter-network toll collection system and integrated into the nationwide network on 28 June 2015; the system is running well and the overall operation quality is stable and under control.

■ **Improve Mechanism to Ensure Smooth Traffic**

The Company established the management mechanism for traffic-flow evacuation during rush hours and emergency and contingency responses to maintain safe and smooth traffic of the roads, and has been revising and improving the mechanism continuously based on the actual circumstances. The management mechanism covers emergency and contingency responses to various situations including, among others, holiday peak seasons, road accidents, secured smooth traffic during construction and extreme weather conditions. The mechanism can guide the traffic and evacuate traffic flow through system management over various administrative modules such as traffic flow forecast, emergency resource allocation, level-by-level response and control, standardised operation and problem-solving guidelines, business training and drilling, travel guidelines and information circulation, evacuation of traffic flow during rush hours, conduct and dispatch and post-administration assessment. During peak seasons in 2015 such as the holidays of Chinese New Year, Ching Ming Festival and National Day, the key sections directly managed by the Company were well run in order with smooth traffic flow, offering rapid and safe traffic conditions for the citizens.

In order to timely deal with traffic accidents to save lives and procure property security of the customer, the Company has already established the service mechanism for road rescue. In 2015, the Company further enhanced its resource allocation and logistics support. Meanwhile, the Company consistently improved rescue management and service quality by improving communication with police officers and rescue authorities to regularly solicit feedbacks from customers and make known of their comments. During the year, the sections directly managed by the Company handled 9,243 rescue cases, among which are 2 major accidents, and successfully removed 8,358 vehicles involved in accidents/out of order.

II. Improvement of Communication Mechanism

The Company has set up a customer service centre mainly responsible for information collection and release, emergency operation and arrangement, road rescue, customer complaint management, and customer satisfaction survey. The Company also used the customer service centre as an information hub to set up a multi-level communication platform for the purpose of listening to customers' concerns, defining the responsibilities of collection, response, analysis and handling of information and continuously improving the communication mechanism.

■ **Information Management and Release**

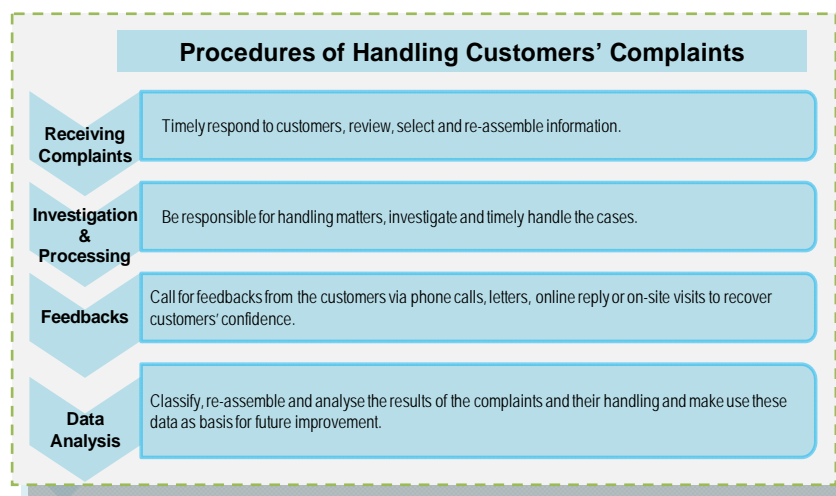
The customer service centre of the Company timely released information on road conditions to drivers and passengers via various means. To further enhance service quality, in 2015, the Company fully utilised the Public We Chat Platform for Shenzhen Expressway Customer Service Centre for information exchange with the public. Besides immediately answering consultations about road conditions and policies raised by customers, the platform also provides the public with illustrated information guidelines as well as promulgation and



implementation of policies, releases guidelines for evacuating traffic flow of expressways in Shenzhen during holiday peak seasons and publicizes and explains FAQs or complaints consistently etc. To ensure safe and smooth traffic of the sections and stations directly managed by the Company during holidays, the Company, based on different characteristics of each holiday, focused on regional road networks and designed easy guidelines for road routes and travelling which are distributed free of charge to the public. Before holiday peak seasons, the Company released information about peak traffic flow during these periods in advance through various channels such as road broadcast, television, press, Weibo, We Chat etc. The information clearly indicated congestion sites, congestion periods and immediate alternative travelling routes to effectively reduce the pressure of traffic evacuation in sites where traffic flow was dense. During 2015, the customer service centre of the Company released approximately 12,000 pieces of different types of traffic information. Through timely information exchange, the Company has helped drivers and passengers select travelling routes in a reasonable manner to improve efficiency of handling emergencies and road use.

■ Mechanism for Handling Customer's Complaints

The Company announced hotline, official Weibo account and We Chat public platform to the public for consultations and complaints in order to offer timely response to customers' consultations, handle complaints, and consistently summarise previous experience to continuously improve the service quality.



In order to effectively provide drivers and passengers with accurate road information, the Company provides trainings in relation to knowledge of road networks for the staff of the customer service centre on an ongoing basis, so as to familiarize them with the distribution of the sections managed by the Company and the provincial road network and that of nearby provinces and cities. The Company provides drivers and passengers with detailed driving guide for their convenient travel; on the other hand, the customer service consultation hotline also offers great help to drivers and passengers when they travel. In 2015, with a view to facilitate the successful switch to the nationwide inter-network toll collection system, the customer service centre promoted and answered questions about the nationwide inter-network toll collection and the related toll-by-weight businesses via We Chat, Weibo and other media channels. After gathering problems identified in inter-network operation through

communication with customers, the Company timely communicated and coordinated with the relevant cooperating parties, convened specialised meetings to come up with solutions and consistently improved the toll collection system and work procedures. Nanguang Expressway and Section (B) of Yanba Expressway launched maintenance projects during the year, which has affected the smoothness of road traffic to a certain extent. For such cases, apart from reasonably coordinating with the transportation authorities to perform on-site road evacuation, the Company also organised inspections along the road sections under construction for the staff of the customer service centre to familiarize them with the conditions of congestion sites and concrete guiding measures to better explain the conditions and guide the drivers and passengers.

Consultation and Complaint Statistics Table of Customer Service Centre

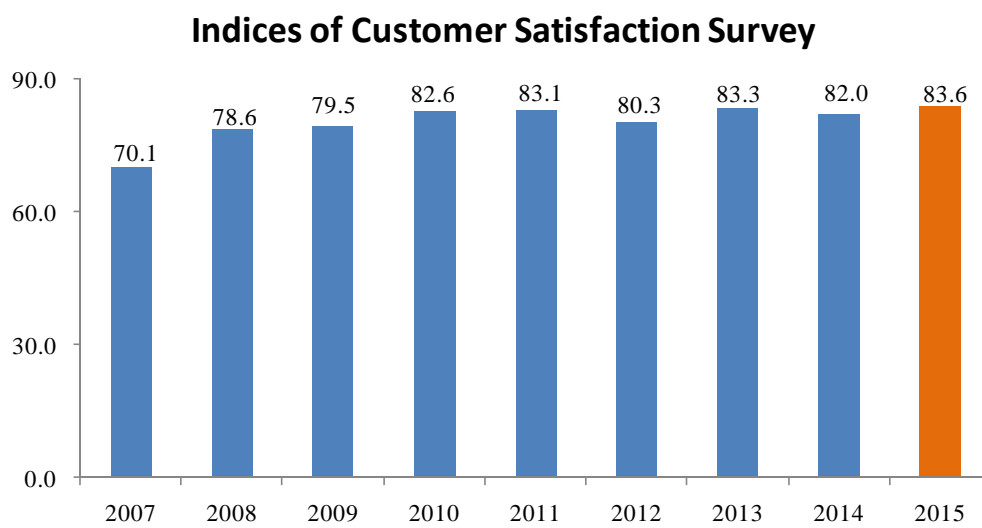
Item	2013	2014	2015
Consultation via phone	356,000 times	442,000 times	605,000 times
Complaints regarding the operation	538	1,190	928
Total annual complaint rate	0.469/100,000 vehicles	0.881/100,000 vehicles	0.726/100,000 vehicles
<i>Among which: reasonable complaint rate</i>	<i>0.064/100,000 vehicles</i>	<i>0.044/100,000 vehicles</i>	<i>0.059/100,000 vehicles</i>

In 2015, the Company continued to improve the Cases and Analysis on Shenzhen Expressway Operation Complaint, which is summarized and reviewed based on specific cases, handling solutions, highlights and relevant bases and delivered to each operation unit to ensure standardisation and consistency for the toll stations in terms of handling on-site complaints and problems in order to help improving the operation management and service quality.

■ Customer Satisfaction Survey

In order to timely understand and study the current and potential demands of customers, the Company continues to prepare the customer satisfaction survey plan in 2015, organised assessments as planned, collected data on customers' satisfaction of road condition and quality, landscapes, services and social image of the Company's projects. Based on data analysis, the Company sets key improvement priorities for the coming year. The Company also used a survey method called "mysterious customer" to ensure the reliability and validity of data and information.

In 2015, the Headquarters took road users as the prime target and, by distributing questionnaires and calling for feedbacks via phone, organised customer satisfaction surveys. According to the statistic results of the survey, the overall customer satisfaction index of the Company was 83.6 (2014: 82.0), which remained at a relatively high level.



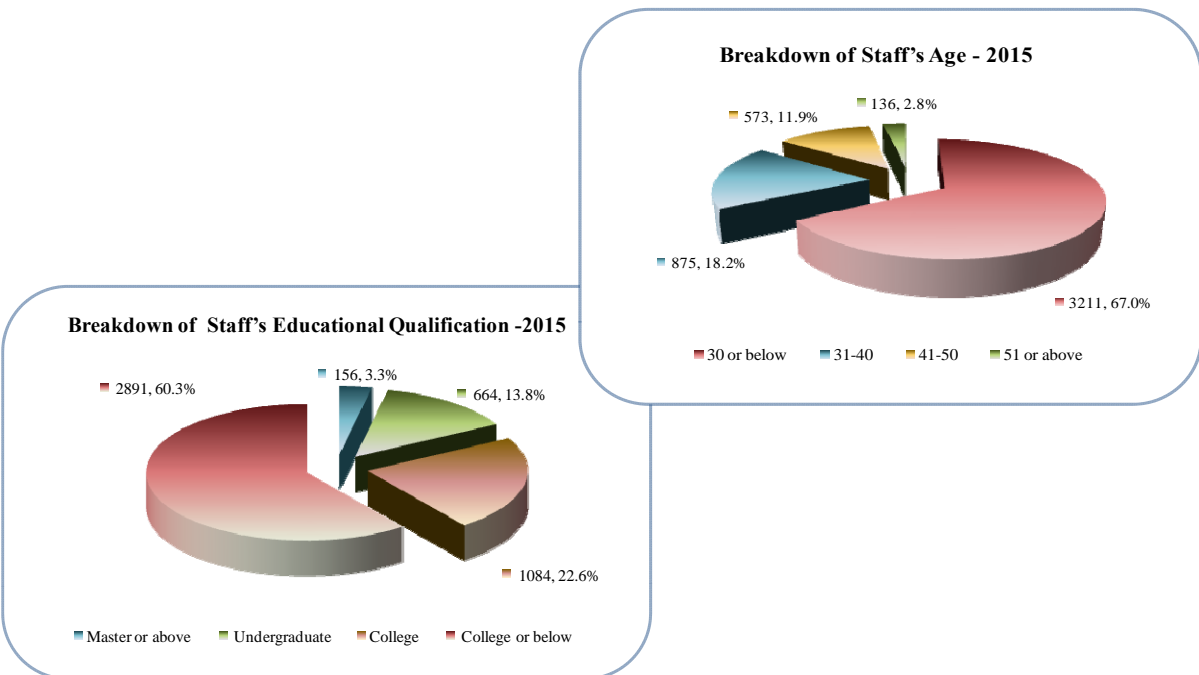
Respect and Caring

The Company adheres to its “staff-oriented” business philosophy and proclaims a management concept of “sharing the fruits of development with its staff”, which has successfully created an “honest and diligent, joyful working, harmonious and mutually-benefitted” cultural sentiment. The Company values and upholds basic rights and interests of staff, respects their reasonable demands and appeals, cares about their personal growth, strives to provide safe and sound working environment for staff, expands the platform for their career development, and promotes mutual development of staff and the Company.

I. Assurance of Staff’s Rights and Interests

■ Equal Employment Opportunity

The Company pursues the concept of long-term employment with gender equality, equal pay for equal working conditions, and prohibition of employment of minors in any manner. Adhering to our corporate human resources philosophy of “embracing diversification and maintaining an inclusive and open attitude”, we will not treat candidates differently because of gender, ethnicity, geographical region, cultural background and other factors during the recruitment of staff. During 2015, the Company’s signing rate of labour contracts with its staff amounted to 100%, without any illegal dismissals. In 2015, the Company and its subsidiaries had a total number of 4,795 employees, of whom 1,664 were management and professional staff, while 3,131 were toll collection staff. Female staff accounted for approximately 43% of the total number of staff. Paid annual leave system has been implemented to protect the staff’s rights to obtain normal workload, rest and leave according to laws.





■ Remuneration and Benefits

The Company has developed a remuneration and benefit system in line with the Company's actual condition in accordance with the statutory requirements and market conditions. The staff remuneration and benefits are determined according to the market value of the position and the overall performance of staff, with strategy-oriented, market-oriented and performance-oriented objectives, taking into account of both internal and external fairness. In February 2015, the Headquarters implemented its remuneration adjustment plan again for toll collection staff, with an average increase of about 5%. This marked the sixth consecutive year in which the Company increased the overall remuneration level of toll collection staff in order to effectively protect the rights and interests of staff and share with them the Company's operating results.

Pursuant to the statutory requirements, the Group has participated in an employee retirement benefit scheme (social pension insurance) co-ordinated or organised by the local government authorities and housing provident fund plan, and has applied various protection plans such as basic medical insurance package, industrial injury insurance, unemployment insurance and maternity insurance for its staff. Besides, the Company has made regular corporate annuity fund (supplementary pension insurance) for its management staff, thereby building a long-term trust between the Company and its staff. During 2015, the Group's total payment of social insurance such as pension and medical insurance amounted to RMB24,400,000, housing provident fund RMB12,920,000 and corporate annuity fund RMB8,280,000.

II. Promotion of Staff Development

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

■ Career Development

The Company focuses on developing talents within the enterprise. In accordance with the professional capacity and performance of staff based on key position quality models, the Company selects outstanding members to be listed in the reserved talent bank and to provide them with corresponding vocational guidance and training in order to reserve talents for the development of the Company. In 2015, 11 management staff members and 235 front-line staff members of the Headquarters were promoted under the competition from public recruitment and they have become new driving forces for the Company's development.

Besides, the Company also values career development of front-line staff members and have provided them with support for enhancing their professional abilities such as qualification upgrade and skill training. For toll collection staff who served for more than five years, the Company also offers re-employment incentive fund to provide more opportunities and choices for their career development. During 2015, the Headquarters distributed re-employment incentive fund in a total amount of RMB275,000 to 41 staff members.

■ Staff Training

The Company offers diversified vocational training for staff and enhances their comprehensive quality and ability to discharge their respective role of existing position through various means such as lectures by experts, internal specialised training, experience sharing, and position experience exchange. During 2015, the Headquarters and



its various departments organised 49 training seminars with a total of 13,509 hours for an aggregate number of 2,436 staff members. The annual cost paid for education and training amounted to approximately RMB2,200,000.

Besides, the Company encourages self-learning and self-enhancement of staff and has established online training schools. Meanwhile, by promoting academic education and qualification examination management, the Company provides a certain amount of subsidies or incentives for the staff members participating in such academic and professional qualification examinations to encourage ongoing study and improvement.

III. Safety and Health

The Company values occupational health and safety of staff and continue to launch training on work safety to raise the safety and prevention awareness of staff. Regular seminars were also organised on topics such as identifying sources of danger and risk and environmental factors, controlling hazard factors, increasing safety of staff's working environment and preventing occupational diseases. In terms of operation and management, the Company adopted the model of building "Safety Model of Toll Collection Stations" as a guideline for safety management of front-line units. Meanwhile, through developing the rules and regulations for safety operations and enhancing real-time control, the Company has reduced and avoided industrial injuries of working staff. "Mini Medical Kits" are distributed to front-line staff members to provide them with free first-aid services.

Every year the Company organises physical check-up for all staff members and actively maintain commercial insurance coverage related to personal accidental injury for them. The labour union of the Company launched and established "Mutual Fund for Staff's Critical Illness and Personal Accidental Injuries" to enhance the protection against diseases and accidental risks for staff. For staff members injured during a work-related accident, the Company puts great efforts to rescue and provide treatments and strictly follows the industrial injury insurance and other relevant regulations to ensure that medical treatments and economic compensations will be received by the staff. During 2015, the Headquarters distributed such mutual fund in a total of RMB40,000 to the staff.

During the year, the Company invited certain experts to host a lecture on health-related knowledge for its staff. The lecture was designated to convey knowledge about medical and health care. Besides, the Company arranged various courses and seminars for staff members to participate during their spare time, including yoga, Tai Chi, badminton, basketball, photography and others. Every toll station has been equipped with recreational and physical fitness facilities. The Company also organised speech contests, art performances, hiking's, various ball games and other team-building events to help its staff to maintain their work-life balance and develop a healthy and positive working mind-set.



IV. Communication and Interaction

In addition to daily communication, performance interviews and employee suggestion box, the Company has developed various complaint and communication channels for staff including internal published materials, staff forum via intranet and corporate e-mail. All of these are effective ways through which employees can express their thoughts and feelings while the management can listen to and respond to staff opinions. During 2015, the Headquarters collected 33 comments and recommendations from staff. Improvements on management works have been made accordingly based on the reasonable appeals of staff members.

In order to enhance communications among front-line staff members and help new staff members to get familiar with and get involved in new working environment as soon as possible, the Company organised programs for staff to visit, collect and sort out information about the peripheral living facilities including, among others, traffic stations, supermarkets, banks and medical institutions near every toll station during their spare time, and has prepared the Travelling Guidelines for Shenzhen Expressway Toll Collection Station Staff. This has not only allowed convenience for the staff's transportation, but also built a platform for exchange and interaction among young staff members from different toll stations.

Every year, the Headquarters conduct employee satisfaction surveys in order to provide valuable references for improving and enhancing the management standard of the Company. Satisfaction survey covers four dimensions, namely job content, job reward, working teams and corporate management. The relevant questionnaires and statistical analysis are designed separately based on different characteristics of management staff and toll collection staff. According to the findings by the end of 2015, the overall satisfaction of management staff was 71%, which remained same level as last year. The satisfaction of toll collection staff was 61%, representing a decrease of 3 percentage points compared to the previous year. Based on the statistics from the survey, the Company also conducted analysis based on gender, age, education, job positions and key projects to identify the problems and propose measures to address and improve them. During 2015, the overall staff turnover rate of the Headquarters was 25%, among which the turnover rate of management staff and toll collection staff were 3% and 30%, respectively.



Environmental Protection

Shenzhen Expressway has always placed great emphasis on its social responsibilities towards environmental protection and resource conservation in the process of corporate development. We value the development of environmental protection awareness of staff and actively explore new skills and innovative technologies which are energy-saving and resources-saving, so as to fulfil our social responsibility in relation to the environmental protection with our best endeavours.



I. Promotion of Green Operation

The Company advocates the concept of green operation and strives to develop the staff’s environmental awareness by various means, including the Company’s website, magazines, staff forums and billboards, etc. It also promotes energy conservation and environmental protection to its co-operating parties and customers, with an aim to raise public awareness and work on environmental protection and resources conservation together.

For highway operation management, the Company has increased manual toll collection efficiency by strengthening the training for toll collection process and skill training. In addition, measures such as setting up auto toll lanes, installing self-service card issuing machines and maintaining smooth and unjammed rides are adopted for efficient road traffic to help reduce petroleum consumption and exhaust emissions of vehicles. Moreover, the Company also made great efforts to introduce the ideas of environmental protection to drivers and passengers, such as posting environmental protection-themed posters on the toll plazas of expressways, placing waste separation bins and putting up “No Littering” warning signs along the roads, which all serve to remind the public not to litter on the expressways, and thus minimising pollutions and safety deficiencies on the expressways.

In the course of daily office administration, the Company has set up internal working information management systems to promote paperless office and advised the staff to try their best to use both sides of the paper. The Company develops the staff’s awareness of saving water and electricity and tightens its control over office air conditioning and cooling system. Innovative, environmentally-friendly and energy-saving products should be used if various lighting facilities are to be added or replaced. Meanwhile, the Company reforms the system of vehicle usage to reduce working energy consumption and emission. The Company has established office supply declaration and review system, in which the office supplies are purchased according to demand in order to improve their utilisation efficiency and to reduce waste. When choosing suppliers for office supplies, the Company regards it as a key selection criterion whether the supplier has obtained the certificate of environmental management system. During the process of project construction, the Company clearly sets out the requirements of environmental protection on processing and transporting construction materials. Under the circumstances that the materials have the same qualities and specifications, the Company shall give preference to the construction materials and energy-saving products with environmentally-friendly labels.

II. Practice of Green Construction

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

In 2015, the Company also manifested and demonstrated concerns and implementation of environmental protection concepts during the construction and management processes of various projects. In the course of construction of Longda Municipal Project, the environmental protection department was entrusted by the Company to strengthen its inspections on noise and dust pollution produced by the construction site. Mud pools and depositing banks were designed for the work site to ensure mud and sewage from production will not be discharged into municipal pipe network facilities or rivers without being sedimented and processed, and the waste slurry and sludge shall be transported by specialised panel trucks. Construction works at night time were carried out in strict compliance with the relevant regulations of Shenzhen. Standard landfills were used to prevent irresponsible dumping of sludge and muck. As for the construction of Guanlan Renmin Road – Meiguan Expressway Joints Project, the focuses of environmental protection works are soil and water conservation and fugitive dust prevention and control during the construction period. The Company implemented relevant measures strictly during the construction process, and worked diligently on greening and other protective measures at the same time. For instance, a timely sprinkling system was used at the construction site to prevent dust from floating around, automatic car-washing pools were set up at the entrances and exits of the site; and all transportation vehicles must be covered appropriately when transporting soil and rock wastes to government-designated landfills, so as to ensure no pollution will be released to the roads and environment during the ride. Meanwhile, the Company has implemented the soil and water reservation measures in an appropriate manner. We also actively promoted the use of green and environmentally-friendly materials and recycling of construction wastes. The green roads built by using these recycled construction wastes have a total length of about 1,400 meters.

III. Promotion of Resource Conservation

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

During 2015, the Company launched preventive maintenance projects on several sections of Nanguang Expressway and the entire Section B of Yanba Expressway, respectively based on the preventive maintenance plan, where hot-in-place recycling technology has been adopted in the construction of all of the abovementioned projects. Compared with traditional skills and crafts, the hot-in-place recycling technology has many advantages including, among others, resources-saving, investment-saving, less traffic disruption and short construction period. The technology features immediate access to on-site materials and can, to the largest extent, make use of waste asphalt mixtures to save a large amount of gravel stone materials and asphalt, mitigate damage to the

ecological environment from stone material exploitation as well as conserve the occupied land resources resulting from stone material exploitation and placement of large amounts of piled waste asphalt mixtures. Meanwhile, the technology can reduce the impacts on abandoned sites and their surrounding environment. As the transportation distance has been shortened, the transportation volume has been reduced and so as the carbon emission.

In recent years, the Company has been promoting EMC contracted energy management investment models and LED energy-saving lighting facilities in major highway projects in Shenzhen. During 2015, the total amount of energy saved in street lighting projects and toll station shelterlighting projects undertaken by the Company was 9.02 million kWh, fostering a significant result of energy saving. Besides, the affiliated advertising company under the Group had also conducted comprehensive technological upgrade on the development and use of outdoor LED lights, solar energy lights and complementary lighting system of advertising board which utilises sunlight and wind as sources of power to achieve the goal of energy conservation, environmental protection and effective reduction of operation and management cost.

Mutual Development

The Company values the interests of working partners and seeks to grow with them. In addition, on the condition that market principles are followed, the Company works with the government to support regional economic development and actively engages in charitable activities, striving to contribute to social harmony and stability and sustainable development.

I. Win-win Cooperation

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

The Company pays high regard to the protection of the interests of our creditors. The Company adheres to stable financial strategies and maintains reasonable level of indebtedness and debt structure. For the year 2015, debt-to-asset ratio, interest cover multiple and EBITDA interest multiple of the Company were 52.76%, 4.38 and 6.20 respectively, and each financial indicator remained at secure levels. Meanwhile, the Company focused on its credit construction and maintenance and maintained a sound credit record by timely repayment of the principals with interests of various debts such as its bank loans and bonds. For the year 2015, the Company continued to be AAA-rated, the highest rating of credit rating for borrowing enterprises in Shenzhen City and maintained the high-grade rating in the follow-up rating for bonds. During the year, the Company rated Baa2 (stable), Poor's BBB ((stable),and Fitch BBB (stable)international rating agencies, namely Moody's, Standard & Poor's and Fitch Ratings respectively, and became one of the very few local state-owned enterprises that has obtained international investment ratings in the PRC.

II. Social Development Support

The Company upholds the mission of “Construct and Manage Quality Expressways and Enhance Social Transportation Efficiency” and holds itself accountable for fulfilling such mission. For the past approximately twenty years, the highway investment, construction and operation projects of the Company have met the transportation needs of the society, and have made positive contributions to regional economic development and social progress. The Company has completed the construction and investment in road building projects with a total value of over RMB10 billion in Shenzhen and its surrounding areas and the expressway network developed by the Company has become an essential route facilitating the economic development and cultural exchange in

the regions. As a public product, expressway shall have the characteristics of “safe, speedy, economical and comfortable”, and shall assume social functions of matching national planning on regional economic and industrial policies and enhancing regional transportation capacity.

In 2015, the Group and Shenzhen Government reached a consensus and entered into agreement on adjusting the toll collection of Nanguang Expressway, Yanpai Expressway and Yanba Expressway. The Company has implemented the toll-free policy for Nanguang Expressway, Yanpai Expressway and Yanba Expressway since 7 February 2016, while the Shenzhen Government has given the Company a reasonable compensation on market basis for the corresponding adjustment of toll collection. The adjustment represents the objective needs of Shenzhen after economic development and urbanisation has reached a certain level. For the public and the society, free travel can lower the transportation and logistics costs of the citizens, improve the efficiency of the transportation network of the entire city and enhance the urban traffic service capacity, forming a more reasonable passenger and cargo traffic pattern, as well as releasing the lands along the expressways, promoting intensive land development and industrial upgrading in the regions, and thus Shenzhen’s urban transformation and the integration of internal and external development will be accelerated. This round of adjustment enables the Company to improve its financial position and enhance its ability and provide room for business expansion and exploration of new industries by acquiring a large amount of cash assets at a reasonable consideration and capital cost. In connection with this round of adjustment, the Company has received a reasonable compensation, which has taken into account its needs for sustainable development. The adjustment also benefits the social and economic development of the regions along the expressways and the overall development of Shenzhen area. Therefore, the adjustment is a win-win solution that brings benefits to the society, government and the Company.

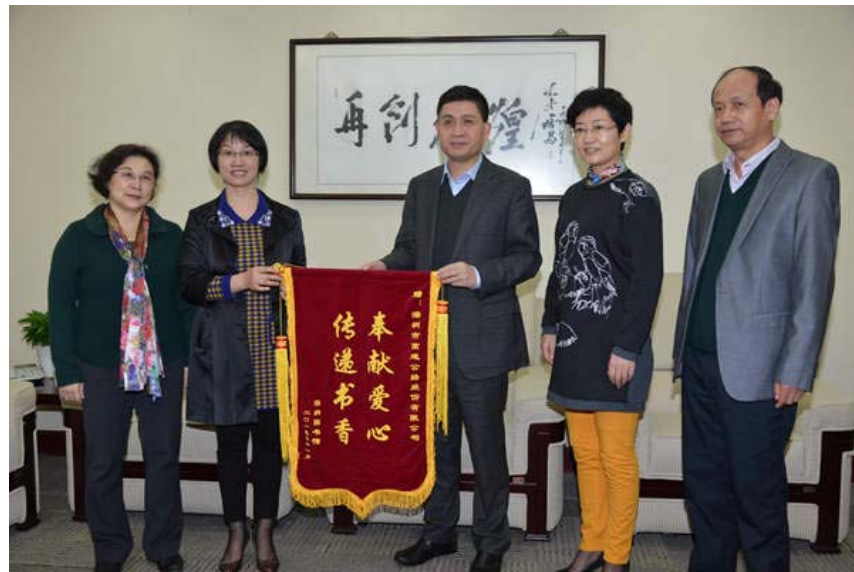
In 2015, the tax payment of the Company and its subsidiaries amounted to RMB892 million in totals, making appropriate contribution to national and local financial income. During the year, the Company continued to earnestly implement the farmer-benefiting “Green Passage” policy introduced by the government and the policy of free travel of small-sized passenger cars during festival holidays, which has yielded an aggregate of waived revenue of free travel amounting to RMB56 million and RMB162 million respectively (as per consolidated financial statements). Besides, the Headquarters provided 730 job opportunities for the society. When recruiting toll collection staff, the Company has introduced a policy of giving priority to the applicants from underdeveloped regions. By working and living in Shenzhen, the toll collection staff can utilise the policy to improve the financial situation of their families. Moreover, the policy provides a platform for delivering new thoughts and new concepts, which in turn promotes the employment in these regions and supports regional development.

III. Dedication to Charitable Activities

The Company has always cared about the society and engaged in charitable activities while achieving its corporate growth. To support the educational development in the communities, the Company has launched the Starlight Program, a charitable education program to regularly support a primary school in the western region, since the end of 2012. The Company has donated nearly RMB1 million to help improving the school’s infrastructure; books, winter clothing and other materials were also donated to the students. During the year, subsidiaries of the Group also organised all party members to visit the left-behind children in that school to express their care and celebrate the joyful International Children’s Day with the children. In order to help children in the rural areas, the party committee of the Company also donated materials such as books, stationery

and sports equipment which worth over RMB10,000 to a primary school in the rural area of Guangdong Province in 2015.

The Company encourages its investees and staff to support activities relating to social welfare and try their best to help the groups in need. In 2015, Consulting Company, a subsidiary of the Company, donated RMB509,000 to Shenzhen Social Welfare Fund Association to support social welfare services which aimed to promote the development of small and medium-sized enterprises; meanwhile, Advertising Company provided 95 advertising spaces with a total area of over 2,257m² at nil consideration for charitable promotion purpose and propagation of related charitable events. The Company also organised its staff to participate in voluntary work including, among others, partaking in public cultural services of library, maintaining traffic order and cleaning mountain forests as a form of solid contributions to the society.





Conclusion

Harmonious internal and external environment is essential for the steady and healthy development of an enterprise; and noble corporate deeds can also help improve its competitiveness. Therefore, while going through sustainable development and providing great returns to shareholders, Shenzhen Expressway is committed to be a responsible corporate citizen. Since 2009, the Company has completed the preparation and publication of the annual Social Responsibility Report before April every year, with a view to strengthen the understanding and relationship between the stakeholders and the Company, and welcome supervision from the society. The Social Responsibility Report of this year placed emphasis on reporting the responsibility and practices of the Company in relation to products, customers, employees, environment, community, etc. For information about sustainability responsibilities, corporate governance and shareholder returns, please refer to the relevant content in the Company's 2015 Annual Report.

As a company principally engaged in the investment, construction and operation of expressways, the Company always keeps in mind that it is its social responsibility to find ways in realising sustainable development of the enterprise, to create long-term, steady and stable returns for the society, and create a platform for the staff to achieve their career development and dreams in life against the operating environment of the toll highway industry, which is currently undergoing some profound changes. Meanwhile, there is still much to reform and improve as well. Shenzhen Expressway will continue to pursue the concepts of honesty and faithfulness, scientific operation as well as innovation, thereby realising sustainable development of the Company. We will also continue to take into account the respective interests of shareholders, creditors, service providers, customers, staff, the government and the community to achieve harmonious mutual success between the Company and the stakeholders within our reach. We hereby express our gratitude to all sectors of the society and all stakeholders of the Company for their consistent support, understanding and assistance towards the Company. We look forward to have you as the valued partners and travelling with you on the future development path of Shenzhen Expressway!

Feedback and Contact Information

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

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

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