

2024

Sustainability Report



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About This Report

Report Description

This annual report is the third Sustainability and Environmental, Social and Governance ("ESG") Report released by Xiandai Investment Co., Ltd. ("Xiandai Investment", "Company" or "We\our" for short).

Reporting Boundary

This report covers Xiandai Investment and our branches, wholly-owned subsidiaries, and holding subsidiaries. Unless otherwise stated, the scope of this report is the same as that of the Company's annual report.

Branches

Changsha Branch of Xiandai Investment Co., Ltd. ("Changsha Branch" for short)

Huaihua Branch of Xiandai Investment Co., Ltd. ("Huaihua Branch" for short)

Holding subsidiaries

Hunan Yueyang Baling Rural Commercial Bank Co., Ltd. ("Yueyang Baling RCB" for short)

Hunan Huaizhi Expressway Construction and Development Co., Ltd. ("Huaizhi Company" for short)

Hunan Xiangheng Expressway Co., Ltd. ("Xiangheng Company" for short)

Wholly-owned subsidiaries

Dayou Futures Co., Ltd. ("Dayou Futures" for short)

Modern Wealth Capital Management Co., Ltd. ("Modern Wealth" for short)

Hunan Modern Environment Technology Co., Ltd. ("Modern Environment" for short)

Hunan Modern Assets Management Co., Ltd. ("Modern Assets" for short)

Hunan Modern New Energy Co., Ltd. ("Modern New Energy" for short)

Hunan Modern Hongyuan Venture Capital Co., Ltd. ("Modern Hongyuan" for short)

Reporting Scope

Unless otherwise specified, the time range of the data contained in this report is from January 1, 2024 to December 31, 2024 ("during the reporting period" for short). In order to enhance the comparability and completeness of the report, it will be extended appropriately.

Preparation Basis

- Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange Sustainability Report (For Trial Implementation)
- GRI Sustainability Reporting Standards (GRI Standards) issued by Global Sustainability Standards Board
- The 2030 Agenda for Sustainable Development (SDGs) issued by United Nations
- Reference Indicator System for ESG Reports of Listed Companies Controlled by Central State-owned Enterprises issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC)
- Guidance on Social Responsibility (ISO 26000:2010) issued by the International Organization for Standardization (ISO)

Data Source

The financial data disclosed in this report is sourced from the 2024 Annual Report of Xiandai Investment Co., Ltd. Other data comes from the Company's official documents and statistical reports, which have been reviewed by relevant departments. Unless otherwise specified, all currency amounts involved in this report are in CNY. During the reporting period, due to some adjustments in statistical methods and restatements of certain data, for any discrepancy with previous reports, this report shall prevail.

Reliability Assurance

The Board of Directors of the Company hereby guarantees that the report is free of misrepresentations or misleading statements, and bears responsibility for the authenticity, accuracy and completeness of the contents.

Report Access

This report includes Chinese and English versions, is designed to meet the information needs of stakeholders from different geographical and linguistic backgrounds, and is published annually in electronic format. You can obtain the electronic version of the report on the *www.cninfo.com.cn*. If there is any discrepancy between the two versions, the Chinese version shall prevail.

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Message from the Chairman



Party Secretary and Chairman



Where the will leads, no mountain nor sea is insurmountable. With perseverance, a promising future awaits. As we move past the milestone year of 2024, Xiandai Investment marks its 31st anniversary. Bearing in mind the country's most fundamental interests, we are mapping out a new blueprint and advancing with steady progress to drive high-quality development. Amid the global wave of ESG development, we are fully aware that ESG is not only a benchmark for high-quality corporate development but also a key pathway for listed state-owned companies to fulfill their mission and responsibilities. Over the past year, with the "30·60 Decarbonization Goals" as the rudder and ESG governance as the anchor, we have forged a distinctive path to sustainable development by balancing economic performance, environmental responsibility, and social value.

Contributing to national development agenda and shouldering mission of new era

In line with the national development landscape, Xiandai Investment remains closely attuned to national strategies. Guided by the strategy of "turning China into a country with vast transport infrastructure", we are committed to supporting coordinated regional economic development with a high-quality road network, and facilitating the smooth operation of domestic circulation. By optimizing transportation infrastructure, we strive to pave the way for building China a great transport power. New growth drivers have upgraded to facilitate the innovation-driven development of our business sectors, contributing to solid operational performance. In 2024, the Company achieved a total profit of CNY 604 million. Our profitability ranked among the top tier of listed state-owned companies in the province.

Consolidating modern governance and strengthening competitive advantage

Upholding Party leadership and strengthening Party building are the foundation and core of Xiandai Investment. We remain steadfast in leveraging Party building to drive stronger corporate growth, higher-quality operations, and more effective governance performance. We uphold the fine tradition of standardized development as a listed company, continuously improving our corporate governance system. By strengthening political oversight and integrity management, we have significantly enhanced compliance in internal management and risk control capabilities. In terms of market communication, we innovatively hosted a dual-platform annual performance briefing and roadshow to enhance investor engagement. For the third consecutive year, we received a Grade A rating for information disclosure from Shenzhen Stock Exchange. We have advanced ESG rating management, achieving a leading position within the industry.

Driving development with technology-driven innovation and boosting industrial transformation

Technological innovation is an enduring driver for corporate development. The Company attaches great importance to technological upgrading, enhancing operational efficiency through digital development. In terms of smart tolling, we have further refined the application of the ETC pre-transaction model and launched the "pay-after-pass" service at toll stations. The application has alleviated congestion and traffic delays, improving passage efficiency by over 50%. In terms of smart service areas, we have established Hunan's first management cabin, removing toll booths and implementing intelligent business management and centralized control. It becomes a model for on-site smart monitoring and efficient operation. In terms of smart highways, we have applied unmanned robotic devices, leveraging cloud technology, big data and Al, to the intelligent guidance and management of driver and passenger services, as well as special occasions. The innovation has further enhanced passage efficiency and incident handling rate.

Safeguarding travel safety and fulfilling our responsibility

Work safety is the cornerstone of Xiandai Investment's sustainable development. With essential safety as the top priority, the Company implements a dual prevention mechanism and employs a variety of measures to ensure both road safety and employee well-being. In 2024, we implemented a three-year action plan to address the root causes of work safety, conducting 796 safety inspections with 100% identification and rectification rates. Meanwhile, we have established an inspection ledger for key road sections and critical slopes, strengthened monitoring and early warning systems to promptly repair water-damaged slopes. Our smart drones for bridge inspections cover 100% of blind spots, ensuring the safety and smooth flow of traffic. Internally, we organized 408 safety training sessions throughout the year for 2,869 participants. We also held the "Ankang Cup" safety emergency skills knowledge contest, communicating work safety awareness across the board. In 2024, no major work safety accidents occurred. In the annual assessment of facilitating better travel for the people, we delivered an excellent performance, demonstrating high-quality development.

Protecting ecological homeland and demonstrating environmental responsibility

Respecting, adapting to, and protecting nature is essential for building China into a modern socialist country in all respects. In response to the national call for green development, the Company fully integrates the carbon peaking and carbon neutrality into its daily operations. In terms of road maintenance, we extensively use environmentally friendly materials and energy-saving technologies to minimize ecological disruption. In terms of operational management, we actively promote energy-saving and emission-reduction measures, continuously improving energy utilization efficiency, enhancing employees' awareness of energy conservation, and integrating energy-saving elements into daily production and operations.

Promoting social welfare and building a brighter fu-

Whenever the country needs and whenever the people call, enterprises need to timely respond. Following a people-centered principle, the Company always prioritizes the expectations and demands of both internal and external stakeholders. We attach great importance to the growth of our employees. Several employees have received awards in the provincial transportation industry vocational skills contest, testifying our commitment to helping them to achieve both their personal value and corporate development. Meanwhile, the Company vigorously practices the people-centered development approach, upholding the philosophy of "compassion, sincerity, perseverance, enthusiasm and warmth" to serve rural vitalization. We are deeply involved in social welfare cause, spreading love and contributing to the local economic development and social progress.

We are working assiduously for the people and the country. At the historical starting point with the conclusion of the 14th Five-Year Plan and the commencement of the 15th Five-Year Plan, Xiandai Investment will elevate its commitment to ESG philosophy. We will demonstrate the responsibility of a state-owned enterprise in serving national strategies, inspire internal growth through deepening reform and innovation, showcase our commitment to protecting the environment, and fulfill our founding aspiration by enhancing people's well-being. We firmly believe that when ESG philosophy is deeply integrated into the core of our company, we will rise with even greater vigor in the new era on the great journey of building China a great transport power and achieving national rejuvenation.



Company Profile

Xiandai Investment Co., Ltd. was established in 1993 and listed on the Shenzhen Stock Exchange in 1999 (stock code: 000900.SZ, "Xiandai Investment" for short). We are the only listed company in the transportation field in Hunan Province. Currently, Xiandai Investment has formed the "Main Engine with Dual Boosters" development pattern with expressway investment, construction, operation and management as the main engine, and financial services and industrial management as the "dual boosters". Our business scope involves expressways, banking, futures, environmental protection, new energy, digital economy, asset management and other fields.



Annual revenue

8.20 CNY billion



Total profit

604 CNY million



Total assets

58.13 CNY billion



Profit and tax

759 CNY million



The Company is included as a constituent stock in the Shenzhen-Hong Kong Stock Connect program

Honors



2024 Outstanding Sustainable Development **Practices of Listed Companies**

China Association for Public Companies

Grade A rating for information disclosure

Shenzhen Stock Exchange

The 15th China Listed Companies Investor Relations Tianma Award

Securities Times

2023 Outstanding Inspection and Review Case in Expressways

China Communications and Transport Association

Shanghai Futures Exchange 2023 Natural Rubber "Insurance + Futures" Special Project Award

Shanghai Futures Exchange

Second Prize in the 3rd "Dingxin Cup" Digital **Transformation Application Competition**

China Communications Standards Association, China Academy of Information and Communications Technology

Third Prize of 2023 China Highway and Transportation Society Science and Technology Award

China Highway and Transportation Society

The 3rd Xinhua Credit Jinlan Cup Outstanding Social Responsibility Case

China Economic Information Service

The 5th place in team ranking of 2024 National Industry Vocational Skills Competition, and the national final of the 15th National Transportation Industry "Jizhi Cup" Highway Toll Collection and Monitoring Operator Vocational Skills Competition

Ministry of Transport of the People's Republic of China, Ministry of Human Resources and Social Security of the People's Republic of China, All-China Federation of Trade Unions, Communist Youth League of China

2024 Hunan Specialized and Sophisticated Small and Medium-Sized Enterprises

Industry and Information Technology Department of Hunan Province

Gold Award in the Invention and Entrepreneurship **Project Award**

China Association of Inventions

Bronze Award in the 27th National Invention **Exhibition Skill Development and Technology Innovation Competition**

China Association of Inventions

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Highlight Performance



Governance

Number of female directors

Attendance of board members

100%

Annual audit plan execution rate

investor inquires 100%

Response rate of

100%



Operation

Length of highway landscape greenbelt

206.40_{km}

Proportion of Class I and Class II bridges

100%

Road excellence

100%

Individuals covered by financial knowledge activities

49,521 participants



Environmental

Renewable energy consumption

826,581.00 kWh

Indirect (Scope 2) GHG emissions

8,891.94_{tCO₂e}



Social

Direct (Scope 1) GHG emissions

6,312.84 tCO₂e

Total investment in environmental protection

Investment in road maintenance projects

437 CNY million

166 CNY million

Customer satisfaction percentage

Total number of employees

2,434

Total social welfare ex-Total investment in rural penditure

1.53 CNY million 32.00 CNY million

Annual training expenditure

Beneficiaries of rural vitalization

Participants of

employee training

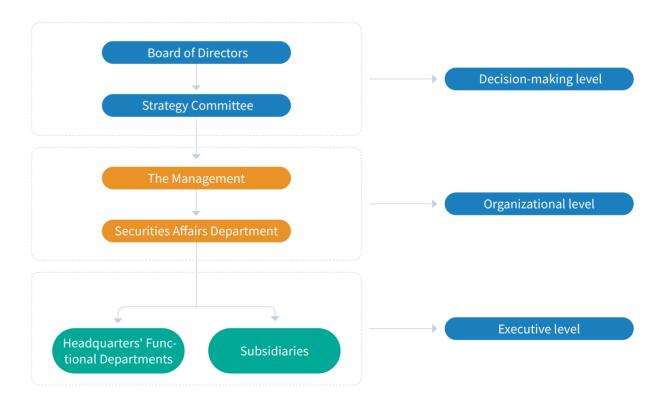
ESG Governance

Board Statement

The Board of Directors(the Board) is the highest supervisory and decision-making body for the Company's ESG management. It is responsible for formulating ESG strategies, managing risks and opportunities, making decisions for major matters, and approving the Company's annual sustainability report, etc. The Board has established a subordinate Strategy Committee to assist itself in overseeing the implementation of key ESG topics and strategies and to report to the Board on a regular basis. The Board attaches great importance to ESG performance management. The Company has integrated such key topics as work safety, rural vitalization and environmental compliance into performance and compensation assessments. The Board conducts annual self-evaluations of its work to review whether ESG targets are fulfilled.

ESG Governance Structure

During the reporting period, we further improved our ESG management system, designated the Board as the decision-making body for sustainability initiatives and the responsible unit for the overall planning and promotion of ESG management. The Strategy Committee is fully responsible for the Company's sustainability strategies and management policies. The management formulates and optimizes ESG management policies and implementation strategies. The Securities Affairs Department, as the leading ESG department, assists the management in setting specific ESG goals and action plans. Other functional departments, branches and subsidiaries are responsible for executing related tasks. This solid structure ensures closed-loop management to achieve the Company's sustainability strategies and objectives.



Xiandai Investment ESG Governance Structure

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Stakeholder Communication

Xiandai Investment attaches great importance to communication with government and regulatory authorities, customers, employees, suppliers and partners, shareholders and investors, media and non-governmental organizations, communities, the public, etc. We have established diversified communication channels and feedback mechanisms in response to the characteristics of each party, and disclose our sustainability information to all parties in a timely manner to ensure that we can accurately identify, fully track and precisely respond to the demands of stakeholders.

Stakeholders	Expectations for Xiandai Investment	Response and measures
Government and regulatory authorities	 Integrity and law-abiding operation Local economic development promotion Energy saving and consumption reduction Environmental protection 	Policy advocacyQualification reviewInformation disclosureSuggestions
Employees	Work safetyCareer developmentCompensation and benefitsInterests and rights protection	 Employee seminars Employee training Corporate culture activities Social media Workers' congress
Customers	Safe travelService qualityInformation and privacy protection	Customer complaintsSatisfaction surveySocial media
Suppliers and partners	 Procurement in an open, fair and transparent way Compliance management Contract fulfillment in compliance with laws 	Supplier auditBidding procurementPhone and email
Shareholders and Investors	Sustainable profitabilityRegulating governance	Investor meetingPeriodic information disclosureMedia publicityShareholders' meeting
Media and NGOs	Environment and social performanceRoad quality and safety	Regular communication and reportingPress releaseMedia interview
Communities and the public	 Harmonious community development Local livelihoods improvement Public welfare support Operation according to laws 	Volunteer activitiesJob creationCharitySocial media

Materiality Assessment

In response to stakeholder concerns, the Company conducts materiality assessment following the double materiality principle. The process follows the steps of "identification - assessment - prioritization - confirmation" to ensure a comprehensive analysis of material topics.

Materiality assessment process

Identification

With reference to the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation), as well as to domestic and international ESG disclosure standards and key stakeholder concerns, the Company benchmarks against leading industry counterparts and has identified 21 material topics based on its actual circumstances.

Confirmation

In consultation with the management, the prioritization of material topics based on both impact and financial materiality is reviewed and finalized, and subsequently submitted to the Strategy Committee for approval.



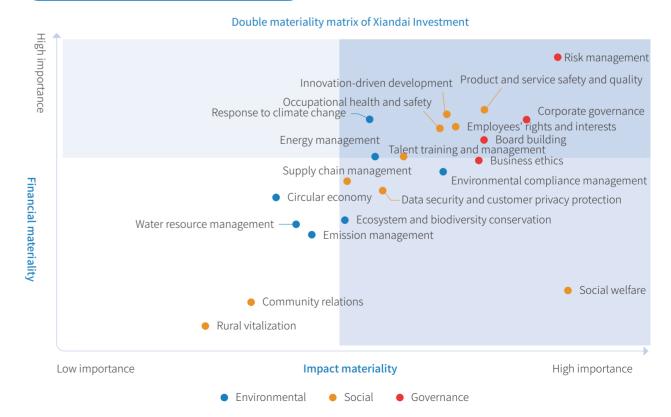
Assessment

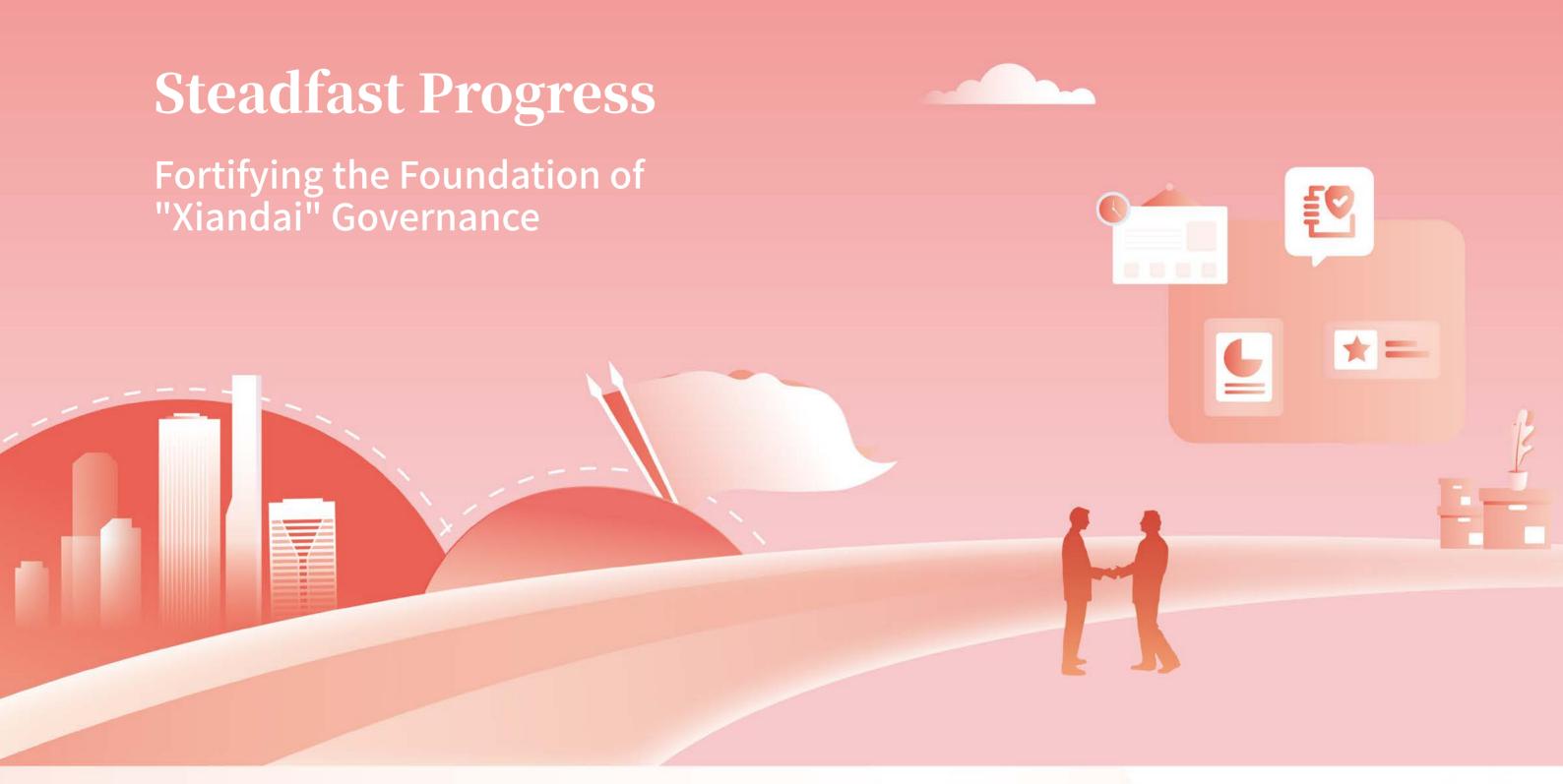
The Company prioritizes material topics by means of quantitative and qualitative analysis, special interviews, expert consultations and etc., and distributes 113 survey questionnaires to internal and external stakeholders. The survey results are weighted and scored to develop a materiality matrix.

Prioritization

A materiality matrix is developed based on the assessment and priorotization of material topics in terms of their "impact materiality" and "financial materiality" to Xiandai Investment.

2024 Xiandai Investment ESG Materiality Matrix





Xiandai Investment adheres to the principle of seeking progress while maintaining stability, with corporate governance as the foundation, risk management as the safeguard, and the leadership of Party building as the direction. We are committed to constructing a sound and scientific governance system to establish a trustworthy corporate image.

Solidifying Corporate Governance

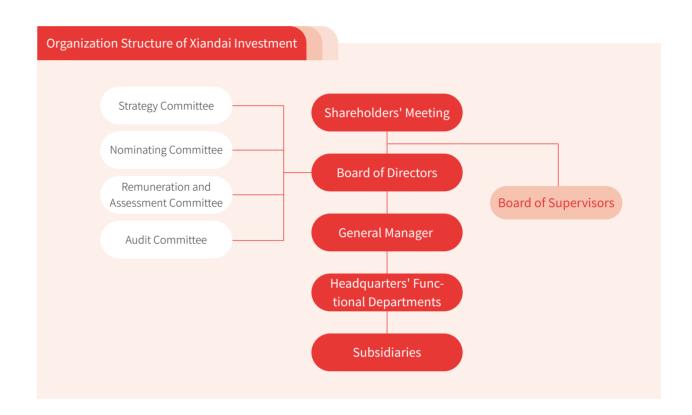
Xiandai Investment adheres strictly to the requirements of the Company Law of the People's Republic and the Securities Law of the People's Republic of China and other relevant laws and regulations. We have established a clearly defined and efficient governance structure, standardized the construction of the Board of Directors. Besides, compliant operations have been promoted and the protection of investor rights and interests has been strengthened, thereby supporting the Company's stable operation and value creation.

Construction of the Board of Directors

Xiandai Investment consistently focuses on the professionalism, diversity and inclusiveness of its Board of Directors. When nominating board members, we consider a range of factors, including gender, age, educational background, expertise, and industry standing. Our directors possess profound expertise in areas such as road operations, risk management, and financial management, which significantly supports the Board's scientific decision-making. The current Board comprises nine members, including three independent directors and three female directors.

During the reporting period, to further enhance the scientific decision-making of the Board and its specialized committees, several thematic training sessions and industry-specific conferences were held for the directors. We also arranged three on-site investigations for the independent directors, focusing on the operational and industrial companies. This initiative aims to provide independent directors with an in-depth understanding of the Company's operations and market environment, thereby supporting the external directors in fulfilling their duties.







Protection of investors' rights and interests

Xiandai Investment places significant emphasis on safeguarding shareholder rights. We are dedicated to enhancing communication channels with investors while generating value, and we actively protect the rights of minority shareholders to information and participation. Throughout the reporting period, the Company has strictly adhered to the principles of truthfulness, accuracy, completeness, timeliness, and fairness in information disclosure. We continuously improve the quality and efficiency of our disclosures to ensure that investors can obtain complete and transparent information promptly.

Furthermore, the Company enhances investor relations management through multiple channels. Following the release of its periodic reports, the Company actively disseminates reports in mainstream financial media and institutions to broaden market recognition. We adhere to a "going out and bringing in" communication strategy which specifies various approaches to deepen communication and exchange with the capital market such as participating in industry exchange meetings, hosting institutional research, attending strategy conferences, and conducting small-scale roadshows. Through innovative models and multi-dimensional channels, we are able to present our core value and future vision to the market. For retail investors, we implement a refined communication strategy to facilitate their in-depth understanding of the Company's business and market dynamics.



The Company's 2023 annual performance briefing was conducted via dual-platform live streaming, achieving a record high

with over 500,000 views across various networks.



 Xiandai Investment has received an A rating in the information disclosure by the Shenzhen Stock Exchange for three consecutive years.

Investor Contact Information - Hotline, Fax, Email

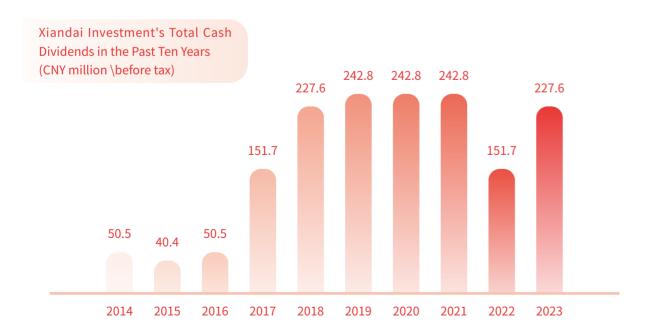


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Business ethics

Compliance management

Xiandai Investment has established and improved its organizational structure for the compliance management system, clarifying responsibilities of the Board of Directors, the Compliance Committee, the Management Team, compliance management officer, lead compliance management department, and business departments. This constructs a hierarchical organizational system of governance, management, and execution. Specifically, the Company has established a Compliance Committee, which is co-located with the leading group for the Company's legal construction, with the chairman and general manager as the team leaders. The Committee has an office responsible for researching and formulating the construction goals of the compliance management system and determining the implementation plan. Its responsibilities also cover the overall deployment of compliance management, the coordination of internal and external resources, and the scheduling of important matters in the system construction.

Xiandai Investment has formulated and implemented institutional documents such as the *Compliance Management System, Compliance Risk List*, and *Management Decision-Making Authority List* to further clarify the responsibilities, authorities, and processes of internal compliance management. Simultaneously, a hierarchical and categorized online institutional database has been established to enable "one-stop" system inquiries, significantly improving communication efficiency.



16

19

Systems revised

242

Existing systems in total

100%

The signing rate of compliance commitment letter



New systems added

Xiandai Investment hosts a training to interpret the new Company Law

To further enhance employees' awareness of legal compliance, Xiandai Investment held a specialized training on the new *Company Law* and compliance. Experts and directors form the Provincial State-owned Assets Supervision and Administration Commission were specially invited to conduct an in-depth analysis of the new *Company Law* from multiple perspectives. Through this and other timely trainings following the revision of systems, the legal awareness and compliance awareness of all company personnel have been greatly enhanced, ensuring that the Company moves forward steadily on the track of standardized operations.

Anti-bribery and anti-corruption

Xiandai Investment integrates integrity into the core contents of its compliance operations, issued the *Implementation Measures* for the Responsibility of Party Governance with 'Five Responsibilities Coordination' (Trial) and the Management Measures for Integrity Supervisors (Trial). We have developed the Integrity Risk Prevention Manual and the Warning and Educational Record of Typical Disciplinary and Legal Violations in the Company System, establishing a management system for anti-commercial bribery and anti-corruption. A "One Company, One Checklist" supervision model has been implemented and special supervision and self-inspection have been conducted in operational and industrial areas, and the Company's standardized management level has been continuously improved.

Xiandai Investment has deeply advanced the "Clean Xiandai" initiative, intensifying the special rectification of issues related to "Profiteering at the Expense of the Enterprise". We have comprehensively launched the "Investigate Risks, Eliminate Hidden Dangers, and Promote Integrity" campaign, leveraging the exemplary role of "Integrity Party Branches," "Integrity Teams," and "Integrity Service Stars". Simultaneously, all subsidiaries have correspondingly strengthened integrity publicity and education, regularly held various forms of compliance training, and utilized multiple channels such as WeChat official accounts to comprehensively promote the concept of integrity and implant it deeply into the minds of all employees.





Coverage of integrity and anti-corruption training

2,869

Attendancesin integrity and anti-corruption training

2,000

Attendances of employees joining the self-inspection and self-correction activities

Xiandai Investment rigorously enforces internal whistleblowing procedures, maintaining a detailed log of all reported issues. Internal and external stakeholders can submit reports through designated channels, including designated whistleblower mailbox, telephone hotline, and publicly accessible email address. Any individuals found to have violated regulations or engaged in misconduct will be addressed in accordance with relevant rules, regulations, and laws. Any disclosure of whistleblowers' personal information will be strictly prohibited. Therefore, we have established a whistleblower protection policy to safeguard their legitimate rights.



Whistleblowing and Complaint Channels



E-mail xdtzjjb@163.com



Tel 0731-88749890

Anti-money laundering

The financial sector of Xiandai Investment constitutes a crucial component of the Company's "Main Engine with Dual Boosters" development paradigm. Dayou Futures has continued to enhance the anti-money laundering internal control system, revising a series of regulations including the *Money* Laundering and Terrorist Financing Risk Management System, Anti-money Laundering Performance Evaluation and Incentive System, and Money Laundering and Terrorist Financing Risk Self-Assessment System. Yueyang Baling RCB has formulated 16 anti-money laundering regulations to ensure the thorough implementation of related efforts.



Anti-money laundering sessions organized

Attendances of employees



Dayou Futures innovates anti-money laundering management practices, comprehensively enhancing compliance capabilities

In November 2024, Dayou Futures held an inaugural anti-money laundering (AML) skills competition. The competition, closely aligned with the characteristics of the futures industry, focused on topics such as the interpretation of AML laws and regulations, beneficial owner identification, and customer due diligence. Participants provided in-depth explanations of the core requirements of AML, fully demonstrating their professional capabilities and sense of responsibility. This competition not only strengthened employees' understanding of AML but also effectively promoted the concept of "AML Vigilance: A Collective Effort," fostering a strong culture of compliance.



Dayou Futures' AML Skills Competition

Fair competition

We uphold market principles, adhere to the spirit of contracts, and foster a fair competitive environment. We continuously standardize procurement management by revising the Procurement Management System and the Cost Management System, developing a series of regulations, including the Comprehensive Scoring Method List and the Internal Supplier List. The Company has enhanced the transparency and traceability of procurement processes, mandating that all procurement processes to be reviewed, filed, and publicly announced through the Company's procurement management platform. In 2024, procurement efficiency has seen a year-on-year growth of 23%. No instances of delayed payments to suppliers occurred.

Strengthening Risk Management

Xiandai Investment fully fulfills risk management responsibilities and improves its comprehensive control system. We strengthen internal control mechanisms to ensure compliant and efficient operations, and deepen audit supervision to fortify the defense line for safe development.

Internal control and audit supervision

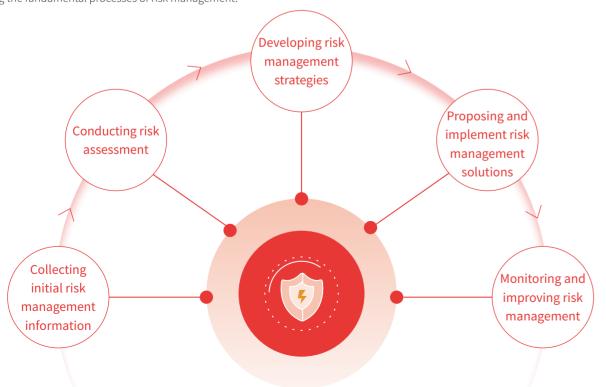
The Company strictly complies with laws and regulations such as the *Audit Law of the People's Republic of China*, continuously improving the internal control and audit supervision system. We have formulated institutional norms such as the *Internal Control Management Measures*, *Audit Supervision Management System*, and *Economic Responsibility Audit Implementation Rules*, constructing a "three-in-one" management framework for internal control, risk, and compliance.

The Company has established key functional modules including an internal control standards library, internal control evaluation, and system management, and has established an audit system to achieve full-process online management of financial and engineering audits. The Company's audit department adheres to the principles of independence, objectivity, and service, providing support for management decisions through annual internal control assessments and risk hazard investigations, and continuously optimizing the Company's operational management.



Risk management

The Company has established the *Comprehensive Risk Management System* and strictly implemented the *Risk Assessment and-Management Implementation Rules, Operating Risk Prevention and Control System for Subsidiaries* and other regulations, clarifying the fundamental processes of risk management.



We have integrated risk management into business processes and key areas and constructed a comprehensive enterprise risk management system through a "three lines of defense" vertical structure and pre-, during-, and post-event horizontal management.



Business departments and their subordinate enterprises are the specific implementing bodies for risk management and assessment. Their responsibilities primarily involve the implementation of relevant policies and procedures, the solving of issues within risk management operations, and the regular identification and self-assessment of risks.



Second Line of Defense



Third Line of Defense

The Company's Management and the Enterprise Management Department, as the leading organizing departments for risk assessment, are responsible for organizing and guiding the relevant work of the Company's departments and subsidiaries, supervising and inspecting the implementation of risk assessments, and submitting risk assessment and management reports to the Company's management.

The Audit Committee and external auditors provide risk management tools and conduct risk management supervision and evaluation.

During the reporting period, the risks identified by the Company mainly covered strategic risks, financial risks, market risks, operational risks, and legal risks. Analysis of various risks was conducted, and three levels were proposed: "General, Significant, and Critical." The degree of risk was determined based on "impact*probability of occurrence," ultimately determining the corresponding risk level.



As the Company's risk identification and assessment efforts deepen, we intend to integrate sustainability risks into our overall risk management framework.



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Investment projects within the Company experienced risk reviews



Upholding Party Leadership

Upholding the Party's leadership and strengthening Party building are fundamental to the Xiandai Investment's core values. The study of the Party's innovative theories has been enhanced. For example, we have strictly implemented the "First Agenda" system and thoroughly studied and implemented the spirit of the 20th National Congress of the Communist Party of China and the second and third plenary sessions of the 20th Central Committee, leveraging Party building to drive the Company's more robust and higher-quality operational development.

Ideological guidance: In-depth learning demonstrates essence

The Company's Party Committee prioritizes the Party's political construction. Guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, we promptly formulated the Task Decomposition Table for Studying, Publicizing, and Implementing the Spirit of the Third Plenary Session of the 20th CPC Central Committee, and subsequently organized two publicity and report meetings on the spirit and closely organized party discipline education, inviting experts to give lectures twice.



Xiandai Investment has focused on grassroots. Training sessions for Party affairs cadres have been held to enhance the performance capabilities of grassroots Party secretaries, Excelent Party workers, outstanding Communist Party members, and advanced grassroots Party oreanizations have beerselected and commended and the construction of model Party branches has been continuously deepened. We have selected twograssroots Party organizations as the Company's third batch of "Five-Standards" construction model Party branches.



Party Affairs Training on the Spirit of the Third Plenary Session of the 20th CPC Central Committee

The Company's Party Committee set up a special study class and held a 2024 training session for Party cadres to study and publicize the spirit of the Third Plenary Session of the 20th CPC Central Committee. The training adopted a combination of theoretical lectures and on-site teaching, with professors from the Party schools of the provincial and municipal Party committees invited to give lectures.



Group photo of the Special Study on Publicizing and Implementing the Spirit of the Third Plenary Session of the 20th CPC Central Committee and the 2024 Training for Party cadres

Business empowerment: Deep integration yields results

We have continued to promote the deep integration of Party building with production and operation. The Party Committee has been committed to an approach of Party building branding to advance grassroots Party building. Under the "Shou Chuang Hong" Party building brand system of Hunan Expressway Group, we have established the "Jiao Rong Zhi Yuan" Party building brand and we are accelerating the construction of Party building brands for the Changsha and Huaihua branches. Dayou Futures has been guided to enrich the connotation of the "Da Rong Shu" brand and awarded as a demonstration case of the third "Transportation Industry Grassroots Party Building Innovation Case." Xiandai Investment focuses on core business and has established more than 70 secretary-led project tackling key problems. Closely following the concerns of employees and the masses, we have continuously improved the "Practical Matters List for the People's Livelihood" with a 100% completion rate.



Dayou Futures' Party building case receives national recognition

The "Da Rong Shu" Party building brand created by Dayou Futures through the "Point-Line-Surface" approach was successfully selected as a demonstration case of the third "Transportation Industry's Grassroots Party Building Innovation Case and Excellent Party Building Brand", becoming the only financial unit to be selected this time. Following the selection as an "Excellent Party Building Case of Futures Companies in 2024" by the China Futures Association, Dayou Futures has once again received a "national-level" honor.



Dayou Futures won the "Demonstration Case" of the third national Transportation Industry's Grassroots Party Building Innovation Case and Excellent Party Building Brand



Changsha Toll Station's Party-building initiative awarded commendation of transportation industry

The Changsha Toll Station's "Five Teams in One" model for Party building has been recognized as an "Excellent Case" in the 3rd Transportation Industry's Grassroots Party Building Innovation Case and Excellent Party Building Brand. This follows the model's previous recognition as an "Excellent Case" in the "Hunan Provincial State-owned Assets Supervision and Administration Commission's 10,000 Party Member Pioneers Action."



The "Five Teams in One" Party building model at the Changsha Toll Station recognized as an excellent case in the 3rd Transportation Industry's Grassroots Party Building

Quality Foremost Providing Excellent Services

Xiandai Investment adheres to the "three guarantees, three majors and one creation" action standard, with safety as the foundation. Focusing on technological innovation, the Company continues to optimize service quality, and has built an intelligent and efficient transportation system to provide the public with a safe, convenient, and high-quality travel experience.











Safeguarding Safety Bottom line

The Company puts safety before everything else. In compliance with the *Work Safety Law of the People's Republic of China* and other regulations, the Company continuously enhances its work safety system, strengthens hazard identification and road maintenance, improves emergency management mechanisms, and promotes safety training for all employees. Through these efforts, the Company has reinforced its comprehensive risk prevention and control capabilities, ensuring a solid foundation for work safety.

Sound work safety system

Highlighting work safety, the Company is in strict compliance with the *Work Safety Management System*. We have formulated the *2024 Key Points for Work Safety* and *Work Safety Three-Year Action Implementation Plan*. Based on realities, the Company has established a four-tier work safety management framework, comprising the Work Safety Committee, Work Safety Committee Office, Safe Operations Department, and the work safety supervision and management bodies of all branches and subsidiaries. Work safety was incorporated into the 2024 performance assessment indicators for industrial subsidiaries, ensuring comprehensive accountability and effective control of work safety initiatives.

The Company leverages the "Five Fix and Three Check" full-business inspection mechanism to enhance hazard identification and work safety assessments. In alignment with the annual safety plan, we conduct regular work safety inspections to meticulously identify and address potential operational risks.

100%

100%

Safety hazard self-inspection rate

Safety education training coverage rate

Т

The Company accomplished four management objectives

100%

Safety hazard timely rectification rate

100%

Regular inspection rate of special equipment



Science-based road maintenance and management

As of the end of the reporting period, the total length of highways managed by the Company (including operated and agent operated sections) reached around 563 km. The Company adopts the principle of "one road, one policy" for the smart maintenance and precise management of different road sections. By integrating advanced technologies such as IoT sensing and big data analysis, we have developed an intelligent maintenance and management system that covers the entire lifecycle of highways. The system enables real-time monitoring and early warning of key structures like bridges and tunnels, as well as dynamic assessment of pavement conditions. In addition, the Company continues to optimize its maintenance team, supporting the safe operation of highway facilities.



Xiandai Investment introduces road distress detection robots to enhance highway maintenance accuracy

To address the inefficiency and inaccuracy of traditional road distress detection methods, Xiandai Investment cooperated with Guimu Robot to introduce a new detection robot system, exclusively designed for the Tan-Heng West Expressway. The robots can autonomously plan its path, collect images and electromagnetic wave data for comprehensive detection, providing centimeter-level positioning accuracy. The optimized stitching software integrated the collected data into comprehensive pavement information, supporting the identification of the contours, locations and depths of pavement defects and providing a science-based evidence for subsequent design and construction.



A view of road inspection



Closed-loop road maintenance management

Xiandai Investment applied "IoT+" technology in expressway maintenance and management. The Company piloted the "electronic road contour markers + software system" model on Changsha - Shaoshan - Loudi Expressway, the first try in the province. The system can accurately locate road distresses, collect data fast, and provide early warnings for vehicles colliding with guardrails. Meanwhile, through the software system, the electronic road contour markers can be remotely controlled to flash warnings, which is especially importance during severe weather conditions or in construction zones, enhancing traffic safety.



Electronic road contour marker

27



Smart bridge monitoring technology

To tackle bridge pier misalignment, Xiandai Investment implemented an intelligent bridge monitoring system on Xuhuai Expressway. The system enables real-time monitoring, data analysis, information sharing, and automated early warnings to monitor bridges with excessive correction and reinforcement and those with excessive sliding bearings, establishing a comparative data record. It integrates periodic bridge inspections and verticality detection results to monitor bridge conditions in real time, ensuring that dangerous bridges are promptly reinforced or upgraded and enhancing driving safety and extending the service life of the structures.



Smart drone inspections enhance highway maintenance efficiency

To overcome the difficulties in inspections of highways and bridges in mountainous areas, Xiandai Investment collaborated with Changsha University of Science and Technology to develop a vision-based smart drone inspection system. The system utilizes path information collection, visual positioning and image processing algorithms to enable 3D modeling of bridge structures and distress detection, significantly enhancing the automation level and inspection accuracy.

Huaihua Branch has established a three-pronged inspection model integrating ground patrol, aerial inspection and system monitoring through drone inspections, enabling comprehensive oversight of the entire roadway. The drone can ascend to 500 m in just a few seconds, capturing panoramic images and playing a crucial role in safety monitoring, especially during flood seasons.

In 2024, the branch conducted 95 drone inspection missions, with a cumulative flight time of over 50 hours.



Huaihua Branch uses DJI drones for highway maintenance inspections.



Improve noise reduction performance and enhance driving experience

To address the noise issue in the Lituo sinking section project of the Changtan Expressway, Xiandai Investment adopted a combination of chemically toughened high-performance modified asphalt and gradation optimization technology independently developed by the road surface team led by Professor Zheng Jianlong, an academician of the Chinese Academy of Engineering. This approach enhances the durability and noise reduction performance of the road surface from both material modification and skeleton structure optimization perspectives. It can effectively reduce tire-road noise by more than 6dB, improve the quality of the surrounding environment, and enhance driving comfort.

Emergency management

The Company has formulated the *Work Safety Emergency Plan*, *Special Plan for Sudden Emergencies*, and *Comprehensive Plan for Sudden Emergencies*, etc., employing a diverse range of measures to ensure smooth road operations.

Comprehensive Work Safety and Risk Control Management System

Through the work safety management system featuring "prevention, control and rectification", the Company endeavors to enhance its safety level.

Prevention



- Improving system and standard framework: We further standardize work safety management, upgrading our standardized management from level two to level one as required by the Law of the People's Republic of China on Work Safety.
- Improving staff capabilities: We conduct systematic work safety training that focuses on the standard use of new processes, new equipment and new materials, ensuring that construction workers are fully aware of relevant requirements.
- Implementing risk assessment mechanism: We have developed emergency response plans for projects, established preventive measures for emergencies such as fires and explosions, and enforced risk assessments and preventive actions.

Control



- Risk grading and control:We implement a four-tired risk grading and control system, applying differentiated measures to manage risks.
- Hazard identification and rectification: We have established a two-tier classification system for major and general hazards, conducted comprehensive weekly inspections, and implemented supervisory measures for major hazards to ensure that corrective actions are in place.
- **Digital systems:**We implement a road asset management system and IT-based system, contributing to closed-loop management incorporating hazard identification and real-time alerts and developing dual prevention and mitigation mechanisms.

Rectification



- Accident investigation and accountability: In the event of an accident, investigations are conducted promptly to determine responsibility and ensure strict accountability.
- Rectification and review: We conduct accident analysis to conclude experience, and implement measures to prevent similar incidents from occurring.

Enhancing disaster prevention and reduction capabilities, and improving emergency management



Vehicle rescue skills competition



2024 Changsha - Shaoshan - Loudi Expressway Slope Landslide Emergency Drill

Emergency drills conducted for highway natural disasters. tunnel emergencies, vehicle blockages and self rescue

1,648

Participants involved

Emergencies handled

During the reporting period, the Company expanded emergency supplies reserves and dispatches, especially the reserves of emergency materials and hazard inspections during critical periods such as heavy snowfall and major holidays. During the flood season, a total of 1,338 square meters of pavement potholes were repaired, and 20 instances of water-damaged landslides were addressed, ensuring smooth traffic on our managed road sections.



Ensuring smooth traffic flow during holidays

In front of the challenges of work safety during the May Day holiday, flood prevention in rainy season, and highway traffic management, Changsha Branch strategically deployed measures to ensure road safety and smooth traffic flow. Before the holiday, Changsha Branch, in collaboration with highway traffic police, held a joint traffic safety meeting to analyze traffic flow trends, refine emergency response plans, and enhance information sharing and coordination mechanisms. At the same time, in collaboration with the local law enforcement agency, the branch cleared accumulated debris under bridges, repaired damaged facilities, and conducted road law awareness campaigns in surrounding townships to enhance public awareness of road protection, reinforcing safety measures before the holiday.

During the holiday, Changsha Branch implemented





During the Spring Festival rush, the staff of Changsha Branch's Loudi Maintenance Station on duty conducts hazard inspections to eliminate traffic safety risks on roads, bridges and tunnels within their jurisdiction.

a "fixed post duty + mobile patrol + surveillance inspection" model to tighten the management of congestion-prone sections, swiftly handle unexpected incidents, and ensure smooth traffic on main roads. The branch implemented the leadership on-duty and 24-hour shift monitoring systems, enhanced traffic flow analysis and emergency command, and ensured prompt response to unexpected incidents, effectively guaranteeing safe and smooth travel during the holiday.

Safety culture promotion

During the reporting period, the Company communicated the safety-first culture by organizing cautionary education, knowledge competitions and professional training sessions. Additionally, we distributed safety handbooks such as the Employee Work Safety Emergency Knowledge Manual and the Operator Safety Manual to reinforce safety awareness in daily operations and management, fostering a company-wide commitment to safety.



Changsha Branch launches the "Road Administration Awareness Month" to educate nearby enterprises and residential communities on relevant laws and regulations.



Training sessions on work safety and fire

2,869

257

prevention

Training sessions on safety and fire prevention publicity

Safety training sessions for special operation personnel

Inspiring Technological Innovation

Xiandai Investment has formulated the Technological Innovation Management Measures to enhance digital empowerment, improve the intellectual property protection system, and strengthen cybersecurity, providing sustained momentum for building intelligent and efficient transport infrastructure. During the reporting period, the Company was awarded the honor of "Model Worker and Craftsman Talent Innovation Studio" supported by Hunan Provincial Federation of Trade Unions in 2024.

Digital-driven development

The Company has developed the Technological Innovation Planning set for the 14th Five-Year Plan Period and the Digital Transformation Plan, and established a leading team for informatization and digital transformation. By implementing an innovation-driven development strategy, the Company aims to enhance operational efficiency and management precision through digital empowerment.

Intelligent operation



A data dashboard helps monitor operational status in real-time

Xiandai Investment has developed a data dashboard to manage operational status in real time, enhancing operational control and decision-making support with a lean approach. By integrating such functions as maintenance, safety and electromechanical operation& maintenance, the system enables "one inspection, one record, data sharing and closedloop management", significantly improving coordination efficiency.

Intelligent highways



Smart toll stations

Xiandai Investment is actively advancing the development of smart highways and accelerating the adoption of intelligent toll collection systems. Currently, 22 smart toll stations have been built and put into operation, with an intelligent toll collection system coverage rate of 67% of all. Self-service toll collection (card issuance) has been fully implemented on Changsha-Shaoshan-Loudi, Xupu-Huaihua, and Huaihua-Zhijiang expressways.

As of December 2024, Changsha Branch deployed a total of 40 unmanned toll collection devices across its toll stations. The unmanned robot toll collection system leverages cloud computing, big data, and AI technologies, operating on an "edge + cloud" architecture. At the "lane end", it utilizes intelligent lane robots to support automatic card issuance for all vehicle types, multiple electronic payment methods, and intelligent guidance for special cases. This represents another "contactless" tolling model following the ETC. With the application of intelligent toll collection robots, toll collectors have transitioned into multi-skilled operators, enabling lower costs and higher efficiency.



Toll Station's self-service card issuance device



Infrared over-height detection device empowers intelligent highways

Changsha Branch has introduced infrared over-height detection device at Zhaoshan Toll Station to measure vehicle height. When an over-height vehicle enters, the system automatically triggers an alarm to notify staff for handling, avoiding manual measurement and reducing labor intensity and enhancing safety. The device utilizes all-weather, non-stop and fully comprehensive infrared laser measurement technology, achieving a 100% alarm success rate. It helps effectively reduce toll disputes at the source, contributing to a harmonious toll collection environment.



Infrared over-height detection device

Intelligent services



Intelligence-oriented construction of Huaihua North Integrated Service Center

Huaihua North Integrated Service Center, as the first multi-functional integrated service center in the Hunan expressway network, has officially been put into operation. The service area has introduced intelligent payment robots and multi-functional integrated equipment, promoting collaboration between manual and intelligent systems. The integration of operational data aims to reduce costs, increase efficiency, and comprehensively improve service quality. The vehicle recognition accuracy is close to 100%, with the average passage time reduced by 4 to 5 seconds. The card issuance efficiency at the entrance has increased by 20%, and the single-vehicle passage efficiency has improved by 40%. This significant improvement in passage efficiency ensures smooth operations of the road.



Data dashboard at Huaihua North Integrated Service Center

IPR protection

Xiandai Investment attaches great importance to independent research and development as well as intellectual property right (IPR) protection, considering them key to ensuring innovation and development. By implementing the *Technological Innovation Management Measures*, the Company has established clear criteria for intellectual property classification, standardized the processes for patent application and copyright registration, and integrated IPR protection into the entire business management. In addition, we continue to strengthen our patent portfolio and technology reserves, promoting the transformation and application of R&D achievements.





Cybersecurity

In compliance with the *Cybersecurity Law of the People's Republic of China*, the Company has established the *Informatization Management System* and another three management measures covering information system management, data center management and network security management. A cybersecurity leadership team has been formed to implement relevant responsibilities. In 2024, the Company commissioned a third party to conduct security audits on key systems, including the monitoring network and toll network, of two subsidiaries. Through quarterly security inspections and asset reinforcement, we continue to strengthen the security of road network operations.







Delivering Premium Services

Upholding a people-centered service philosophy, Xiandai Investment is committed to building a diversified quality service system. We continuously enhance traffic accessibility, optimize inclusive financial services, and improve diversified industry management. By consistently elevating customer satisfaction, we strive to meet the diverse needs of the public with high-quality, convenient and efficient services.

Safeguarding smooth travel experience

The Company continuously improves its service system, optimizes toll station operations, and enhances service quality in service areas. We have built an operational management brand to improve customer experience and satisfaction.

Toll station operation

Highlighting traffic efficiency, the Company continuously enhances the operational management of expressways. By adopting such innovative models as "pay after pass", the Company endeavors to improve smart infrastructure and convenient services. Additionally, we have implemented the "one station, one policy" strategy to make differentiated holiday security and traffic flow plans for each toll station, providing warm and seamless experience for drivers and passengers.



Developing the "pay after pass" service model

Xiandai Investment has unprecedentedly invented the "pay after pass" service model, with the traditional one being "pay before pass". The model enables vehicles to pass through toll stations seamlessly and complete payments online afterward. By integrating license plate recognition, data interaction and online payment technologies, the model has significantly improved traffic efficiency by over 50%, with a repayment rate of 95.5%. The impact is even more pronounced during non-free holiday periods. At Changsha Toll Station, approximately 5,000 vehicles experienced that service during the Dragon Boat Festival and Mid-Autumn Festival. With continuous



The "pay after pass" service model is applied

passage for up to seven hours, congestion did not occur from the toll station to the ramps, ensuring smooth traffic flow. This model helps prevent prolonged congestion and toll revenue loss during holidays and peak periods while reducing the risk of traffic accidents.



Changsha Branch upgrades its "Pomegranate Flower" brand

Adopting a brand new service philosophy, Changsha Branch's Huaminglou Toll Station is giving full play to its role as a service window. By integrating the "Pomegranate Flower" service brand with the "Streetlight" brand, it has evolved into an industry-leading toll station. The station has revised the *Civilized Service Operating Procedures* and the *Pomegranate Flower Service Star Evaluation Plan* to standardize service norms and strengthen employee motivation. Additionally, by organizing toll collector and monitor skill competitions, it promoted the spirits of "passion, dedication, perseverance and hard work" from the Pomegranate Flower, and improved the service quality at the toll station.

Service area upgrading and renovation

Xiandai Investment continues to renovate and upgrade highway service areas, striving to build such operational brands as Changsha Branch's "Pomegranate Flower" and Huaihua Branch's "Chasing Light". We are exploring diversified development paths for service areas, providing considerate and high-quality services to drivers and passengers.



Huaihua Branch builds Zhijiang Operations Management Center

Leveraging a pioneering spirit, Huaihua Branch has built the Zhijiang Operations Management Center based on the "home for drivers and passengers" station. The center is a hallmark for Zhijiang City's anti-war spirit and its reputation for "City of Peace", representing the "station of peace" philosophy.





Protecting customer rights and interests

Prioritizing customer rights, the Company vigorously implements toll discount policies, and has established a customer complaint mechanism. We have expanded communication channels to promptly respond to customer needs, and enhanced public awareness and satisfaction with the travel environment and policy services.

The Company has established a standard complaint handling mechanism and diversified communication channels.



Huaihua Branch

The Huaihua Branch has deployed dedicated personnel to promptly handle and record customer complaints from phone lines, SMS, WeChat platforms, and other channels around the clock. The complaint calls are answered within three rings and the feedback is updated within three working days. An information management system has been established, including confidentiality requirements and reporting standards, with a regular communication mechanism in place to continuously improve service quality.



Changsha Branch

The Changsha Branch has formulated the *Customer Hotline Management Measures* to promptly handle complaints, reports, information inquiries and suggestions regarding toll collection, road assets, rescue, maintenance, service areas and ETC, enhancing the governance capabilities of the highway industry and improving public service level.



Developing diversified services

Xiandai Investment is deepening its "Main Engine with Dual Boosters" development pattern. Focusing on the strategy of "main business growth, dual boosters enhancement, and investment expansion", we continue to enhance highway operation and management, expand financial services and investment businesses, and explore opportunities to strengthen and extend the road--associated industrial chain. We work to foster synergy across our three core businesses, leveraging a dual-engine approach integrating industrial operations and capital management to drive high-quality, efficient and sustainable development.

Diversified industrial layout

The Company is committed to developing diversified industries relying on its expressway business. By promoting such models as "Expressway + Energy", "Expressway + Logistics" and "Expressway + Cultural Tourism", the Company strives for collaborative innovation across the industry chain.



"Expressway + Energy" model

Modern New Energy continues to expand the deep integration of "transportation + energy", carrying out the construction of "high-speed photovoltaic" in areas such as toll stations, service areas, and road slopes under the Company's jurisdiction, and has built the province's first pilot "Green Source High-Speed" power station.

Modern Environment starts with the treatment of wastewater in highway service areas and the management of the ecological environment to enhance environmental service capabilities, further improving the utilization of recyclable energy.



"Expressway + Data" model

Modern Assets leveraged the "GSHT" platform to tap into transportation scenarios and data resources to drive lower costs and higher efficiency in the expressway logistics industry. The platform helps enhance logistics efficiency, reduce transportation costs, and optimize service quality and customer experience. The "GSHT" platform was selected as an industry-finance cooperation case at the 13th Central China Investment and Trade Expo.



"Expressway + Cultural Tourism" model

Xiandai Investment blazed a new path by developing the "Highway + Cultural Tourism" model. Our promotional video titled "Travel Along Changzhi Expressway" was widely praise on many platforms including Douyin, the Chinese version of Tik Tok. The exterior wall of Changzhi Operations Management Center has become a unique checkpoint showcasing local tourist attractions and food culture. Since its opening in December 2024, it has provided convenient travel information services to hundreds of drivers and passengers, promoting both the highway and local tourism brands.



The exterior wall of Changzhi Operations Management Center

Inclusive financial services

Through the "GSHT" platform, Xiandai Investment has synthesized highway scene data and financial resources to offer customized insurance services, optimizing the working environment for truck drivers and safeguarding their legal rights and interests.

Dayou Futures is leveraging its edges in financial services to provide material supply assurance for ongoing highway construction projects through the "spot + futures" model.

At the same time, Xiandai Investment's financial division is vigorously promoting the "Three Into" publicity campaign — "into communities", "into campuses" and "into conferences" — to spread financial knowledge and expand financial services.



147

49,521

Participants involved

Financial activities conducted

122

Online financial knowledge promotion works



Dayou Futures establishes the "Awareness" investment education service brand

During the reporting period, Dayou Futures developed 115 investment education products, and published 253 articles, with over 345,000 views in total. Additionally, 47 training sessions were conducted, benefiting a total of 9,521 individuals. In collaboration with different universities, Dayou Futures hosted six investment education events in universities, including the "Zhengzhou Commodity Exchange Cup".





"Financial Night School" warms up villagers

During the reporting period, Yueyang Baling RCB hosted the Financial Night School" campaign in Zhangguying Town. The campaign centered on financial expertise concerning telecom fraud, anti-money laundering, illegal fundraising, and fee reductions and concessions. The volunteers used simple and plain language to guide villagers in the proper use of financial products, raising their right protection awareness.





Financial Night School" education campaign



Xiandai Investment consistently pursues a path of facilitating the green coexistence between enterprise development and environmental protection. We contribute our strength to the construction of a beautiful Hunan by strengthening environmental governance, valuing climate change, and implementing comprehensive ecological and environmental protection measures.













Practicing Environmental Governance

The Company rigorously abides by the national requirements for environmental protection and champions the nation's call for green transportation. With a keen focus on environmental management in our main business such as highway operation and financial investment, we have established an efficient environmental management framework.

Environmental management

Xiandai Investment strictly complies with the Environmental Protection Law of the People's Republic of China. We have formulated such internal documents as the Ecological Environmental Protection Management System and the Environmental Protection Management Measures for Construction Projects (Trial), continuously strengthening the standardized development of our environmental management system. During the reporting period, the Company achieved the GB\T24001-2016\ISO14001:2015 environmental management systems certification, marking a significant advancement in its standardized management.

Integrating environmental management throughout the entire project lifecycle, the Company sets relevant environmental standards and measures at pre-project, during the project, and post-project stages.



We utilize professional environmental assessment tools to comprehensively identify potential environmental impact factors of the project, and determine strict environmental goals and feasible implementation plans in accordance with relevant laws and regulations.



During the project

We establish a leadership group for environmental protection. We strictly mandate the construction contractors to adhere to environmental management plans during the execution, intensifying controls over pollutants such as dust, noise, and wastewater generated during construction, while enhancing environmental monitoring and pollution source control.





When the project finishes, all relevant units are required to promptly finalize environmental protection acceptance procedures and conduct environmental protection facility commissioning before operational commencement.

Post-project

Energy and resource utilization

The Company effectively reduces energy consumption, increases the proportion of clean energy, and improves energy utilization efficiency through technological innovation and equipment upgrades. Driven by the national strategy of China's "30 ⋈ 60 Decarbonization Goal", Modern New Energy fully advances the "Three-Year Action Plan for Photovoltaic and Energy Storage Construction". In 2024, Modern New Energy achieved remarkable results in the construction of photovoltaic projects, successfully completing 98 photovoltaic power stations with a total installed capacity of up to 22MW. At present, the completed projects are expected to provide an annual average of 18.7 GWh of clean electricity, saving about 7,480 tons of standard coal consumption, and 8,880 tons of CO₂ emissions, equivalent to the ecological impact of planting over 12,000 trees.



Innovation drives the development of photovoltaic projects

The photovoltaic project at the toll station in Huaihua, the first area-wide photovoltaic development project on operational highways in Hunan Expressway Group, boasts a total installed capacity of 3.2MW. It not only effectively utilizes the idle space of the toll station, but also adds a clean and green new option for regional energy supply.

The total installed capacity of the interchange PV project at the Ziyang Service Area is 1.5MW. It marks the first time Human's expressways have achieved "local consumption" of interconnected photovoltaics. This essentially fulfills 100% "green power" supply in the service area, effectively promoting the "zero carbon" operation of the service area.

The "service area + slope" photovoltaic project of Huaminglou is a demonstration model for the cooperation between the Hunan Expressway Group and Huawei Digital Power. It is also the first "Photovoltaic-Storage-Charging" power station of the Company along the expressway in Hunan Province, with an installed capacity of 0.934 MW.





Photovoltaic Area at the Huaminglou Service Area

Meanwhile, the Company intensifies its use of new materials, technologies, and processes, and emphasizes resource circularity and waste reduction. This approach not only mitigates environmental pollution but also yields substantial economic benefits.



Waste-to-energy incineration project promotes energy recycling

The household waste incineration power generation project of Modern Environment in Huaihua efficiently processes 438,000 tons of domestic waste annually, effectively solving waste disposal challenges while achieving circular energy utilization. The project adopts advanced mechanical grate furnace technology to ensure thorough combustion of waste at high temperatures ranging from 850 °C to 1100 °C. Through precise control of primary and secondary air supply, the combustion effect is further optimized.

The high-temperature flue gas generated from combustion is channeled into the waste heat boiler, where the resulting high-temperature and high-pressure steam drives the steam turbine generator unit, with an annual power generation of up to 150 GWh. After cooling and magnetic separation, the metal recovery rate of residual slag exceeds 8%, and the remaining slag is transformed into environmentally friendly building materials. This interconnected process not only ensures efficient and eco-friendly waste treatment, but also injects new vitality into the city's sustainable development.



Centralized Control Room of Household Waste Incineration Power Generation Project in Huaihua

Pollutant discharge

The Company strictly controls pollutant discharge during the operation process, identifies and distinguishes the types of pollution sources that may arise during construction, and formulates corresponding regulatory measures.

Based on the characteristics of sewage service areas, the Company has improved and empowered the traditional "A²O+MBR" process. This technology has been fully applied in the wastewater treatment projects of Chaling Service Area and Guanxin Expressway.

Sewage Discharge Project in the Chaling Service Area

- Add two sets of integrated treatment equipment with a capacity of 200 m3\day, and upgrade the original system by renovating the ECRI tank, biochemical reactor, and equalization tank.
- The final effluent meets the Class A (Level 1) standard of the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002).

Sewage Discharge Project in the Guanxin Expressway

the Gulou Service Area and the east and west zones of the Baomuyuan Service Area, with a construction capacity of 100m3\day on each • Xin'an Ramp Toll Station, Xi'an Ramp Toll Sta-

tion, and Anhua West Ramp Toll Station each

builds a new sewage treatment system with a

• A new sewage treatment system is built in

construction capacity of 8.0m3\day; Two sets of sewage treatment systems are newly built in the Nanjin Operation Management Center, with a construction capacity of

15m3\day and 1.0m3\day.

• The final effluent will be released after the final effluent meets the second-level standard of the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant in Hunan Province (DB43\T 1546-2018).

Waste treatment

In order to ensure the effective control and treatment of the "three wastes (wastewater, waste gas, and solid waste)" during operations, the Company actively explores new treatment methods, and guarantees the reasonable and compliant disposal of waste, promoting waste recycling and reuse.

For the asphalt waste, discarded building materials and other waste generated during road construction, the Company prioritizes localized recycling and applies them to other nearby road engineering projects. This method improves resource utilization efficiency and reduces the impact of waste on the environment. Taking the discarded corrugated panels as an example, the Company recycles them and hands them over to asset companies for professional processing, providing other enterprises with reusable raw materials. In such way, we effectively extend the service life of resources, and promote resource recycling in the industry.

When collaborating with local waste recycling plants for waste treatment requiring third-party intervention, the Company rigorously verifies the qualifications of its partners, mandating that all third parties involved possess complete and relevant certifications. The treatment processing procedures shall strictly comply with environmental protection requirements and industry standards.

Green office

The Company encourages employees to develop a green office philosophy and practice it from small actions in daily work routines to foster a culture of universal environmental consciousness.

Office Scenes	Measures for Green Office
Daily office work	 Promote paperless office. Utilize electronic documents and instant messaging tools for file transfer and information communication Encourage employees to use double-sided printing
Canteen management	 Install energy-saving kitchenware, such as energy-saving stoves Launch the "Clear Your Plate Campaign" and post slogans, to advocate employees to save food
Property management	 Post green office slogans in the office area Renovate air conditioning, elevators and other equipment in the office area for energy saving
Energy saving training	 Regularly organize employees to participate in energy-saving training courses Incorporate green office related content into the onboarding training for new employees



Addressing Climate Change

Addressing climate change is a major challenge and key task during operational development. Highlighting the risks brought by extreme weather, the Company takes proactive response measures, clarifies governance structures and strategies, and conducts continuous monitoring to ensure robust business operations.

Governance

Playing a pivotal leading role in climate change response, the Strategy Committee collaborates with the Management and various departments to build a governance system with clearly defined responsibilities and efficient operations.



- Closely track the dynamic changes of climate-related policies and regulations both domestically and internationally, and conduct in-depth research on their potential impacts on core business such as highway operation and financial investment.
- Based on industry development trends and the actual situation of the Company, formulate a forward-looking climate change strategic plan, specify the Company's longterm goals and phased tasks in low-carbon development and adaptation to climate change.



- Develop specific implementation plans based on climate-related strategy and implement them effectively within the Company.
- Organize the formulation and improvement of the Company's climate change-related management systems and procedures, and clarify the responsibilities and operational guidelines for each department in addressing climate change.
- Coordinate the reasonable allocations of human, material, and financial resources among all departments.
- Establish an environmental protection work leading group to implement all tasks for environmental protection management.



- Fully consider climate change factors during project planning and construction phases.
- Strengthen energy management in service areas and other operational locations, and adopt energy-saving equipment and technologies, to reduce operational energy consumption.
- Implement schemes and plans to address climate change.

Strategy

To comprehensively address the challenges and seize opportunities brought by climate change, Xiandai Investment has formulated multiple measures and strategies to ensure that the Company has strong adaptability in carbon reduction and extreme weather response.



Carbon reduction strategy

• In response to the China's "30 ☒ 60 Decarbonization Goal", we gradually reduce carbon emissions during our operations by optimizing business procedures, promoting the application of renewable energy, and improving energy utilization efficiency. In highway operations, we vigorously promote intelligent transportation systems, optimize traffic flow and reduce vehicle idling and unnecessary energy consumption. We also prioritize the use of solar energy in the workplace to reduce reliance on traditional fossil fuels.



Extreme weather response strategy

• To mitigate extreme weather risks brought by climate change, we develop a comprehensive emergency plan for such extreme weathers as rainstorm, freezing rain, typhoon, and high temperature. Besides, the Company strengthens the disaster resistance of its infrastructure construction, optimizes emergency response mechanisms, and provides emergency training for employees, to ensure stable business operations in extreme weathers.

	List of Climate Risks and Opportunities				
	sks\ tunities	Risk\ Opportunity Name	Impact on Business	Time Frame	Countermeasures
		Risk of road	Continuous extreme high tem- perature leads to a decline in the performance of pavement		• Strengthen the research on the heat resistance of pavement materials and select new materials that are more resistant to high temperatures;
Physical phy	Acute physical risks	damage caused by high tempera- ture	materials, resulting in soften- ing, deformation, cracking, and seriously affecting transporta- tion safety caused by a possible increase of traffic accidents.	Short term	• Optimize road maintenance plans and increase inspections during high temperature seasons;
	IISKS				• Reserve emergency repair materials and equipment in advance, and implement immediate repair once the pavement is damaged.
	Acute	Risk of facility damage caused	Low-temperature frost damage may cause water pipe bursts, pavement frost heave, electrical		 Implement cold-proof and insulation upgrades to infrastructure, such as wrapping water pipes with insulating materials and applying anti-frost heave measures to road surfaces;
Physical risks	physical risks	by low-tem- equipment failures perature frost ture such as roads,	equipment failures to infrastruc- ture such as roads, bridges, and service areas, affecting their	Short term	• Strengthen the cold-weather maintenance of electrical equipment and regularly check their operational status;
			normal operation.		• Stockpile emergency repair materials and equipment for low-temperature environments.

	List of Climate Risks and Opportunities					
	sks\ rtunities	Risk\ Opportunity Name	Impact on Business	Time Frame	Countermeasures	
Physi-	Acute	Risk of traffic disruption	Extreme weather events such as torrential rains and floods may lead to		 Enhance the design standards for road drainage systems, and increase efforts to the build and maintain drainage facilities; Strengthen the construction of slope protection projects and 	
cal risks	physical risks	caused by torrential rains and flooding	disasters including road waterlogging, slope collapses, and bridge washouts, resulting in traffic disruptions.	Short term	conduct regular stability monitoring of slopes; • Establish a meteorological disaster warning mechanism, collaborate with meteorological departments for early warning information and make preparations for prevention.	
					• Establish a cooperative mechanism with seismic departments for earthquake early warning information;	
	al physical age caused by fractures, damage to ser-		 Reserve earthquake relief supplies and equipment, including rescue tools and medical supplies; 			
Physi- cal risks		structure dam- age caused by fractures, earthquakes vice area l traffic disr	road collapses, bridge fractures, damage to ser- vice area buildings, and	Short term	 Conduct seismic performance assessments on critical infra- structure and implement reinforcement and retrofitting based on the assessment results; 	
					 Develop earthquake emergency response plans, organize regular drills, and establish a mechanism for assessing earth- quake disaster losses. 	
		ice layer Risk of traffic of road: safety caused leading by freezing rain condition vehicle	Freezing rain may cause		 Before the onset of freezing rain, reserve materials such as de-icing agents and anti-skid chains; 	
Physi-	Acute		ice layers on the surfaces raffic of roads and bridges, aused leading to slippery road ing rain conditions and loss of vehicle control, affecting	Short	 Enhance road patrols to promptly identify and address icy road sections; 	
cal risks	physical risks			term	 Disseminate road condition information to remind drivers to slow down through traffic broadcasts and electronic display screens etc.; 	
			traffic safety.		 Research and apply new anti-skid and de-icing technologies and materials. 	
		Risk of facil-	and destroy service area buildings, compromising		 Prior to typhoon seasons, conduct comprehensive inspec- tions and reinforcement of facilities along the route, such as removing or securing unstable billboards; 	
Physi- cal risks	Acute physical risks	ity damage caused by		Short term	• Strengthen collaboration with meteorological departments for accurate typhoon early warning;	
115%5	115%5	typhoons.	driving safety and services, and reducing traffic efficiency.		 Develop a typhoon emergency response plan, clarify emergency procedures, and establish a facility wind-resistance performance evaluation system. 	
			Heavy rains, earth- quakes, and other events		 Conduct inspections of landslide-prone road sections, and install warning signs; 	
Physi- cal	may trigger landslides, Physi- Acute Risk of road burying roads, damaging	Short	 Enhance monitoring of areas with landslide risks and take en- gineering measures such as constructing retaining walls and drainage systems in susceptible zones; 			
risks	risks	by landslides	traffic, thus increasing cleanup and repair costs,	term	• Develop a landslide emergency response plan with clear emergency procedures;	
			and endangering people safety.		 During road planning, thoroughly consider geological conditions and avoid high-risk areas as much as possible. 	



	List of Climate Risks and Opportunities				
	sks\ rtunities	Risk\ Opportunity Name	Impact on Business	Time Frame	Countermeasures
			The construction and op-		 Conduct comprehensive ecological impact assessments at the project planning phase to identify potential biodiversity hotspot areas that may be affected;
Physi- cal	Chronic physical risk	Risk of biodi- versity loss	eration of the Company's projects may potentially destroy habitats and threaten species surviv-	Short term	 Develop a biodiversity conservation plan, and take measures such as habitat protection and species conservation, includ- ing the establishment of ecological corridors and species monitoring programs;
risks	risk		al, leading to a decline in biodiversity and affect- ing regional ecological service functions.		• Strengthen ecological protection training for construction personnel to raise their awareness of biodiversity conservation;
					• Establish an ecological compensation mechanism to compensate biodiversity losses caused by projects.
			Due to global warming,		• Conduct a comprehensive risk assessment of coastal facilities to determine their risk levels;
Physi-	Chronic	Risk of rising sea levels af- fecting coastal facilities	rising sea levels threaten coastal highways, service areas, and other facili- ties, which may cause flooding and damage to these infrastructures.	Long term	• Implement protective measures, such as building seawalls and elevating facility foundations;
risks	risks risk				• Participate in coastal ecological restoration and protection projects to enhance the resilience of coastal zones;
					• Establish a facility management system adapted to rising sea levels, and regularly evaluate and adjust protective measures.
			sk caused by mental regulations,	Medium and short term	• Closely track changes in policies and regulations, and enhance communication with government departments;
Tran- sition risks	Policy risk	Compliance risk caused by stricter policies			 Increase investment in the R&D of energy-saving and emission-reduction technologies to drive the green transformation of the Company's operations and project construction;
IISKS					• Establish and improve a carbon emission management system to ensure the accuracy and compliance of the Company's carbon emission data.
			The increasing envi- ronmental awareness		Strengthen market research to gain in-depth understanding of evolving customer demand trends;
Tran- sition risks	Market risk	Risk of market demand shift	shift bring a growing demand	short term	• Increase R&D investment in low-carbon financial products and green transportation services, and cultivate specialized innovative talent;
			for green financial prod- ucts and low-carbon transportation services.		• Collaborate with relevant enterprises to jointly develop products and services that meet market needs.
Tran-	Tran- Market sition risk risks	by insufficient	Untimely or inaccurate information disclosure may lead to stakeholder doubts, damage the tompany's reputation, and undermine investors' confidence, customers' trust, and partner relationships.	Medium and long term	 Establish a comprehensive information disclosure system and procedure to ensure timely and accurate information disclo- sure;
					 Create a quality assessment and improvement mechanism for information disclosure, regularly evaluating and enhancing the disclosure practices.

			List of Climate Risks a	nd Oppo	rtunities
	isks\ rtunities	Risk∖ Opportunity Name	Impact on Business	Time Frame	Countermeasures
					 Optimize energy procurement strategies by signing long-term, stable supply contracts with suppliers to secure favorable prices;
Transi-			Tight energy supply or rising prices increase the Company's	Medium	• Enhance energy usage management to avoid waste;
tion risks	Market risk	Risk of rising energy costs	operating costs, reducing profit margins and limiting business development.	and long term	 Explore diversified energy supply channels and increase the proportion of renewable energy procurement;
			development.		 Invest in energy-saving technologies and equipment, such as energy-efficient lighting and smart energy management systems.
	Environmental standards have			 Closely monitor the dynamics of environmental protection standards and establish a tracking and evaluation mechanism; 	
Transi-	D. 1: 1	Cost risk caused by stricter environmental standards	been improved, and the Compa-	Medium and long term	• Develop a plan for upgrading environmental equipment and improving processes, and allocate capital investment reasonably.
tion risks	Policy risk				• Actively apply for special environmental funds and seek preferential policies;
					 Establish a mechanism for environmental cost con- trol and efficiency improvement, reducing environ- mental costs through optimized management and technological innovation.
Transi- tion risks	Market risk	Risk of carbon market price volatility	Fluctuations in carbon market prices may impact the value and cost of the Company's carbon assets, affecting financial planning and the motivation for energy conservation and emission reduction.	Medium and long term	 Closely track the trends in carbon market prices, optimize the Company's carbon asset structure, and rationally allocate carbon quotas and carbon reduction projects.
Oppor-	Prefer-	Opportunities	China strongly supports the development of green finance, introducing a series of preferential policies to encourage	Medium	 Expand the scope of financial investment business and optimize investment portfolios for new profit growth points;
tunities	ential policies	of green finance investment	financial institutions to increase investment in green industries such as renewable energy and energy conservation.		• Enhance the Company's brand influence in the green finance field to attract more green investment projects and customer resources.
Oppor- tunities	Tech- nology advance-	Opportuni- ties of green transportation	Technological advancements drive the rapid development of green transportation technologies, such as intelligent transportation systems and new	Medium term	 Enhance the operational efficiency of highways, and reduce energy consumption and environmental pollution; Improve the Company's service quality, strengthen
	ments	technology innovation	energy vehicle charging technologies. The Company is actively introducing and applying these technologies.		its market competitiveness, and expand business development space.

	List of Climate Risks and Opportunities				
	isks\ rtunities	Risk\ Opportunity Name	Impact on Business	Time Frame	Countermeasures
Oppor- tunities	Self-de- velop- ment	Opportunities for enhancing environmental image	The Company actively fulfills its social responsibility to address climate change, achieving significant results in energy conservation, emission reduction, ecological protection, and establishing a sound environmental image.	Long term	 Attract more environmentally conscious customers and partners, and enhance the Company's brand value; Obtain policy support and social recognition from government departments to create favorable busi- ness development conditions.
Oppor- tunities	Market demand	Opportunities of green build- ing develop- ment	With the popularization of green building concepts, the Company observe green building stand- ards to reduce costs to increase efficiency, and enhance image.	Long term	 Reduce building energy consumption and operation costs, and enhance corporate brand value to attract customers and partners; Promote green building standards comprehensively in new construction and renovation projects, and practice green concepts throughout the entire process from design, construction to operation; Adopt energy-saving equipment and technology, and collaborate with research institutions to explore innovative green building solutions.
Oppor- tunities	Industry develop- ment	Opportunities of cooperation in the environ- mental protec- tion industry	The rapid development of the environmental protection industry allows the Company to collaborate with environmental protection enterprises and research institutions in business operations, achieving resource sharing and complementary advantages, and enhancing the Company's environmental protection technology level and innovation capabilities.	Long term	 Conduct feasibility studies on cooperative project to evaluate the technical feasibility, economic rationality, and market prospects of the projects; Implement pilot cooperation projects and accumulate cooperation experience; Build a stable environmental protection industry cooperation network, and promote the transformation and application of cooperative project achievements.

Risk management

Regarding climate risk as one of the key risk fields for management, the Company establishes a whole-process climate change risk management mechanism of "identification - Assessment - Response" to systematically and scientifically address climate risks.



We establish a cross-departmental risk identification team to comprehensively assess climate risks. By using various approaches, potential risk points are identified based on the distribution of existing facilities and our disaster resilience capabilities.

We employ a combination of qualitative and quantitative assessment approaches to rate risks based on their likelihood of occurrence and impact. We assess the probability of occurrence, potential economic losses, casualties, and business interruption duration to determine risk levels.

We formulate differentiated response strategies for various types and levels of climate risks. For physical risks, we enhance infrastructure protection and strengthen emergency management capabilities. For transition risks, we adopt proactive strategies, intensifying policy research and market monitoring.

Moreover, we further specify incident management responsibilities by taking actions to prevent and respond to environmental emergencies and formulating the Emergency Plan for Environmental Incidents, which clarifies the duties of personnel at all levels in incident handling. In such way, employees' emergency response capabilities for environmental protection are enhanced.



Automatic ice-melting system enhances our capability in ensuring road accessibility during extreme weather

Changsha Branch has actively explored innovative solutions to ensure road accessibility and smooth traffic flow during extreme weather. Specifically, two sets automatic ice-melting systems are deployed in the ice-prone sections of the Guanyinshi Tunnel on the Changsha-Shaoshan-Loudi Expressway. Equipped with a snow-melting agent solution spraying subsystem and a storage control management subsystem, the system automatically activates the spraying device based on meteorological temperature conditions, enabling preventive treatment and effectively mitigating driving risks caused by slippery road surfaces.

The automatic ice-melting system can rapidly clear road ice during freezing rain, black ice, and light snow conditions. It also ensures basic vehicle passage during heavy or moderate snow conditions, avoiding lane occupation for manually spreading snow-melting agent. This system significantly enhances de-icing efficiency and our capability to ensure smooth traffic flow and transportation safety, providing a technological solution for expressway operations in extreme weather.



Ice-melting System

Metrics and targets

A scientific and comprehensive climate-related indicator monitoring and management system has been established. We continuously track key indicator data and set clear, measurable annual targets for different metrics, which serve as crucial framework for evaluating the effectiveness of our efforts in addressing climate change.

Metrics category	Specific Metrics	2024
Carbon emission	Scope 1 Carbon Emissions (ton)	6,312.84
Carbon emission	Scope 2 Carbon Emissions (ton)	8,891.94
Water resources	Total water consumption (m³)	1,133,394.61
Energy	Total energy consumption (tons of standard coal)	114,501.43

Protecting Ecological Environment

Biodiversity

In strict compliance with the *Management Policies on Ecological Environmental Protection*, we implement biodiversity conservation and restoration throughout the "design - development - construction - operation" of projects, including ecological protection projects, habitat restoration, species conservation programs, and measures to minimize impacts on biodiversity and land during operations.



Modern Environment participates in volunteer service publicity

In September 2024, Modern Environment participated in the volunteer service publicity campaign for the "Year of Enhancing Quality Service in Transportation" in Gejiu City, Yunnan Province. Volunteers distributed environmental protection leaflets and provided on-site policy explanations to disseminate environmental protection knowledge to citizens. This campaign not only deepened the public's understanding of the Company's eco-friendly business philosophy but also strengthened their sense of environmental responsibility and engagement.



On-site volunteer service promotion event



Strengthening termite control to improve the ecological environment of service areas

The Huaminglou Toll Station, located in a perennially humid zone, is a high incidence area for termites. To effectively address termite threat, the Company has established a long-term termite monitoring mechanism, conducting regular and thorough inspections of buildings, green belts, and other areas within the area. In conjunction with chemical control measures, environmentally friendly and effective termite control agents are applied precisely to infested areas, ensuring the effective eradication of termite colonies. Additionally, the Company takes preventive measures at the source by pre-treating materials such as wood that are susceptible to termite infestation, thereby enhancing their resistance to termites.



Through continuous and effective termite control efforts, the Company has significantly reduced building damage caused by termites, effectively preventing

Spraying termite control chemicals in the park area

safety incidents resulting from damaged building structures. Meanwhile, these scientific termite control measures also demonstrate the Company's proactive commitment to ecological environmental protection, aligning with the principles of sustainable development.

Land use

In response to the concept of "integrated ecological and green development", the Company makes reasonable use of land to enrich the leisure cultural life of employees, and beautify the park environment. The construction project of three gardens (vegetable garden, breeding garden, fish pond) launched in Changshaolu Industrial Park begins to take shape. Currently, the cement road hardening, tap water irrigation system, and signage in the park have been completed, and various vegetables and fruits are thriving. After completion, the base will cover a total area of about 6,600 m², with about 3,200 m² cultivation fields, adding a vibrant touch to the Company's ecological conservation efforts.

Collaborative Development

Nurturing Xiandai's Talented Workforce





Xiandai Investment adheres strictly to *Labor Law of the People's Republic of China*, and other relevant laws and regulations. In our daily operations, we actively optimize our talent development initiatives, facilitate unblocked career paths, and provide platforms for employee growth. We strive to ensure a work-life balance for our workforce, thereby enhancing their sense of belonging.













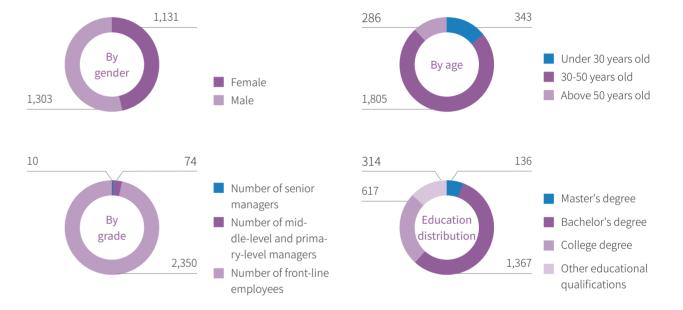


Protecting Employee's Rights and Interests

In accordance with the relevant provisions of the Measures for Labor Employee Management, Xiandai Investment implements comprehensive management throughout the employee lifecycle.

Category	Regular Management	Performance in 2024
Recruitment	 Xiandai Investment develops talent recruitment plans in line with the Company's development needs, attracting em- ployees from diverse backgrounds through various channels including campus recruitment, social recruitment, and tal- ent acquisition programs. We innovate and explore efficient recruitment methods, actively leveraging recruitment re- sources, and strengthening the reserve of key positions and potential successors. 	 We have recruited a total of 19 legal, accounting, financial and engineer- ing related talents through internal selection, exchanges, campus re- cruitment and social recruitment.
Welfare	 Basic five insurance and one pension: pension insurance, medical insurance, maternity insurance, industrial injury insurance, unemployment insurance and housing provident fund. Regular benefits: annual physical examination for all employees; hygiene allowances for female workers; collective birthday celebrations, and activities on New Year's Day, Spring Festival, Dragon Boat Festival, Mid-Autumn Festival and other festivals; distribution of financial allowances or procurement of holiday gifts for employees. Supplementary insurance: enterprise annuity, supplementary medical insurance. 	 The labor contract signing rate, collective contract signing rate and social insurance coverage rate are 100%. Newly established <i>Measures for Annuity Management</i> were officially issued in November, 2024.
Working Hours and Leave	 To uphold employees' right to rest and leave, the Company's relevant policies and regulations explicitly stipulate that employees are entitled to: paid annual leave, family visit leave, marriage leave, prenatal check-up leave, maternity leave, breastfeeding leave, nursing care leave, parental leave, personal leave, sick leave, bereavement leave, and work-related injury leave with pay, etc. Furthermore, sick leave is further categorized into non-hospitalized sick leave, hospitalized sick leave, and leave for major and critical illnesses. Sick leave wages are disbursed based on the duration of the leave and the severity of the illness, underscoring our commitment to balancing regulatory compliance with compassionate care. 	• Employees collectively took 5,085 days of maternity leave, 570 days of paternity leave, and 1,476 days of parental leave.
Democracy	 Regularly conduct staff congresses and employee forums. Carrying out joint development initiatives and investing dedicated funds to address practical employee needs. 	• The labor union added 38 employee representatives in accordance with the relevant regulations, organized and held 2 workers' congresses, listened to and considered the administrative work report, workplace safety and occupational health report, key proposals implementation report, and the proposal review report, etc.

Category	2024
Total number of employees	2,434
Number of employees with disabilities in service	4
Number of employees with ethnic minority in service	175
Number of foreigners in service	0
Number of veterans in service	110



Xiandai Investment provides special protective measures and compassionate welfare policies for female employees, retirees, and employees facing difficulties. Additionally, various cultural and recreational activities are organized to enrich employees' leisure time and help them achieve a work-life balance.



We have organized a campaign for female employees to raise their legal awareness, distributing 2,500 informational brochures and conducting over 10 knowledge-sharing seminars. Furthermore, our innovative online activity "Women's Craftsmanship, Pursuing Dreams" has garnered over 2,000 views.



Legal awareness campaign for female employees



The trade unions of each subordinate branch have pooled resources to carry out childcare services during the winter and summer vacations, alleviating employees' concerns and increasing parent-child quality time.



"Welcoming the New Year" parent-child activity



Changsha Branch's Mother and Child Care Rooms achieve outstanding results

In 2024, the Zhengxiang Toll Station established a "Mother and Child Care Room" due to a high concentration of young female employees and its location distant from urban centers. The Qingshanqiao Toll Station followed suit, constructing the "Qing Care Harbor" Mother and Child Care Room in the same year, with dedicated personnel assigned to ensure regular cleaning and maintenance. Fully considering the special needs of mothers and children, these rooms are fully equipped with facilities such as sofas, chairs, and children's toys, providing support and assistance to female employees and their children, thereby enhancing employees' happiness.



Huaminglou Toll Station's "Pomegranate Flower" Mother and Child Care Room was awarded as the provincial union's Mother and Child Care Room.

Zhengxiang and Qingshanqiao Toll Stations' Mother and Child Care Rooms awarded 2024 Provincial Transportation Industry's "Standardized Mother and Child Care Room".



Zhengxiang Toll Station's Mother and Child Care Room



Qingshanqiao Toll Station's "Qing Care Harbor" Mother and Child Care Room



Huaminglou Toll Station's "Pomegranate Flower" Mother and Child Care Room

Prioritizing Employee Development

Xiandai Investment has established a compensation system aligned with job grades and levels, adhering to the principles of distribution based on work and contribution, with differentiated compensation that favors positions involving arduous, hazardous and demanding labor. We have issued the *Salary Management System*, *Measures for Excellent Performance Appraisal Management*, and *Incentive Management System* to guide our industrial subsidiaries. These subsidiaries are expected to develop market-competitive compensation systems based on a "one company, one policy" approach, while maintaining internal consistency in compensation structures. Furthermore, we guide our operational companies to refine performance appraisal indicators based on job responsibilities, labor intensity, skill requirements, and work performance, thereby creating performance-based salary differentials to highlight the incentive effect of compensation.



Modern Wealth conducts company-wide compensation incentive training conference

In January 2024, Modern Wealth organized the first company-wide training session for all employees, aiming at deepening employees' understanding of the purpose and essence of the Company's divisional reform, as well as the design mechanisms of compensation incentives and performance management evaluation methods.

In 2024, Modern Wealth's comprehensive sales incentive mechanism is being steadily developed. This training session effectively enhances employee participation in reforms and strengthens their competitive awareness, thereby assisting the Company in better engaging in market competition.



2024 company-wide training conference of Modern Wealth



pation of 15,000 person-times, further enhancing employees' job performance capabilities and levels.

During the reporting period, the "Changsha Branch Smart Operation Research and Training Center" was established, focusing on six key indicators of the electromechanical system. This initiative further strengthened the operation and maintenance management level of ETC gantries and lane systems, ensuring the safe and efficient operation of electromechanical equipment, and providing strong talent support for the Company's independent maintenance of the electromechanical system.

Training type	Training objects	Training form
Management training	• Senior management	 Directors, supervisors and senior management training Economic knowledge training Enterprise management knowledge training Senior workshop
Comprehensive training	All employeesProfessionals in various positionsTechnical personnel	 Professional and technical training Continuing education training Induction training Special training On-the-job training
Business training	 General management positions Professional and technical positions 	 Vehicle rescue supervision system training Audit training System training, etc. Academic exchange meetings



Strengthening professional training to build an efficient maintenance team

The Huaihua Branch has improved the professional capabilities and sense of responsibility of maintenance personnel by regularly organizing technical training, examinations, competitions, and technical briefings. In 2024, two maintenance training sessions were held, contributing to the continuous improvement of maintenance management efficiency and team building levels.



Group photo of Phase I of the Highway Maintenance Civil Engineering Skills Training Course



Regular "Theory + Practice" business training

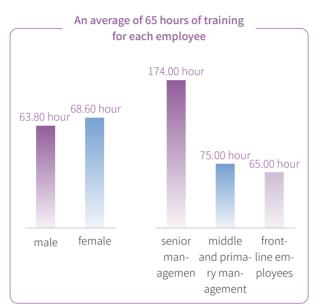
The Company, relying on the Smart Operations Research and Training Center of its Changsha branch, organizes regular business training for operation and maintenance positions combining theory and practice. In the past year, a total of 22 sessions of training in electromechanical operation and maintenance, auditing, safety and road assets, and maintenance were conducted, with 277 participants. This has further improved the professional level of grassroots employees and laid a solid foundation for the Company's employees to achieve excellent results in provincial and national competitions. The Company

selected 8 people to participate in the provincial toll and monitor vocational skills competition, with 7 entering the top ten. In the 15th National Transportation Industry Highway Toll and Monitor Vocational Skills Competition held in December 2024, the two employees selected by the Company won the 4th and 7th places respectively, contributing to Hunan Province's 5th place in the national rankings.

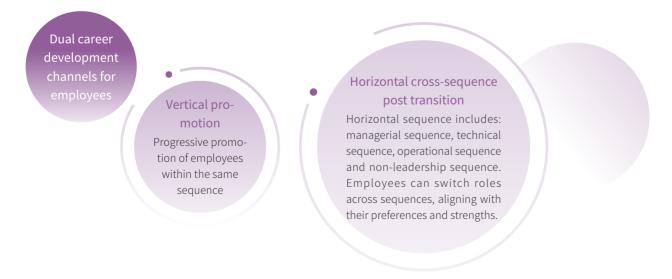


Indicator	Unit	2024
Employee training investment	CNY million	1.65
Employee training coverage training	%	100
Total training sessions	\	1,232
Total hours of employee training	hour	161062.50





To strengthen job grade management, standardize job level evaluation, and further promote the implementation of internal job grade evaluation, the Company has, in light of practical work, issued the *Guidance on Job level Evaluation for Operational Company Operation Sequence Employees* and the *Guidance on Job Level Evaluation for Technical Sequence Employees*. We promote the concept of "unified talent planning" across the Company, strengthening flexible personnel mobility and establishing a "horizontal sequence - vertical grade" mobility mechanism.



Maintaining Occupational Health and Safety

Xiandai Investment prioritizes employee health and safety, strictly adhering to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases. We have formulated systems such as the Occupational Health and Safety Management System and Job Safety Operating Procedures to promote the Company's occupational disease prevention and control, and to properly prevent, control, and eliminate occupational hazards. Modern Environment has established a safety manual for workers, covering content such as the safety mantra, employee responsibilities and rights, safety protection knowledge, basic safety regulations for the work site, major hazards and accident risks, common habitual violations of operations, prevention and treatment of occupational diseases, accident emergency rescue and disposal methods, and safety warnings.

To ensure the occupational safety of employees, the measures we have taken include

Offering pre-employment, during-employment and post-employment occupational health check-ups for personnel exposed to occupational hazards, and establishing individual occupational health surveillance records

Conducting occupational hazard factor testing

Regularly conducting occupational health training

Equipping employees with labor protection supplies, relevant emergency equipment, and emergency medicines Setting up occupational disease hazard warning signs and bulletin boards and publicizing health knowledge

We also attach importance to the mental and physical well-being of our employees. Based on their actual needs and career development, we have enriched our psychological counseling services, transitioning from a "singular focus on mental and physical health" to "employee career development counseling." In 2024, we organized one psychological counseling lecture and four group counseling sessions for frontline employees, along with nine individual psychological consultations, addressing their career development concerns and practical issues.



Hunan Yueyang Baling Rural Commercial Bank integrates "employee mental health" into its Youth Day series of activities.

In April 2024, Yueyang Baling RCB held the "Youth Hearts Towards the Party, Building a New Era" May Fourth Youth Day series of activities at the Huayue Siji Study and Research Base in Baixiang Town, Yueyang County, with over 160 young employees participating. Experienced psychological counselors were invited to deliver a course on Emotional Regulation and Stress Management, providing guidance on workplace psychological well-being to young employees.

Indicator	Unit	2024
Hours lost due to work-related injuries	hour	1,278
Number of work-related fatalities	\	0
Number of work injury accidents	\	9

We have thoroughly reflected upon and investigated relevant workplace injury situations, strengthening management oversight of employee health and safety.

Enhancement of Public Well-being

Prospering with Partners



Following the philosophy of mutual benefits and win-win cooperation, Xiandai Investment is working hand in hand with its partners to build industry ecosystems and contribute to industry development. The Company continuously improves its procurement management system, encourages suppliers to fulfill their responsibilities, and cares for social welfare. Leveraging our own achievements, we support rural vitalization and charitable causes, sharing the benefits of development with all parties.

SDGs











Building a Responsible Supply Chain

The Company strictly complies with such laws as the Law of the People's Republic of China on Tenders. We have established a series of systems, including the Tendering and Procurement Management System and the Tendering and Procurement Agency Management System to ensure the orderly operation of the supply chain management system. During the reporting period, the Company did not experience any violations of tendering or procurement.



Supplier management

The Company regulates the processes of supplier admission, inspection and assessment, exit, and confidentiality based on the principles of "openness, fairness and justice" and in accordance with the established systems including the *Supplier Management Measures* and *Contract Management System*.

A new supplier development plan is carried out quarterly.
 During the supplier admission stage, information is collected from multiple channels, and risk assessments are conducted. After a basic investigation, an on-site inspection and evaluation are performed. Suppliers passing the evaluation are included in the potential supplier list.

Suppliers are categorized into five major types: equipment, materials, engineering, services, and others, with different evaluation criteria. Based on their scores, they are classified into four levels, and non-compliant ones are included in the restricted bidding list.



 For existing suppliers, follow-up inspections and dynamic evaluations are conducted to encourage their continuous improvement in product and service quality. • We proactively identify and dynamically monitor supply chain risks, ensuring supply chain security and compliance through quality control and emergency mechanisms. We maintain frequent communication with suppliers, promptly share information and requirements, conduct full-process tracking and inspection of projects, and evaluate project progress. We have established corresponding emergency mechanisms for contractors' performance capabilities and unexpected situations to ensure the Company's stable development.



Xiandai Investment has integrated the idea of environmental protection into the procurement of materials and equipment, and continuously optimizes the *Tender Procurement Management System*. Through the four-in-one tender procurement management system, the Company prioritizes the procurement of energy-saving and environmentally friendly products, strictly abiding by national green manufacturing standards and relevant customer requirements with a commitment to building a responsible supply chain. During the reporting period, the Company required relevant suppliers to participate in industry and professional training organized by relevant ministries and commissions.



Promoting Industry Development

Upholding the principles of open cooperation and mutual benefits, the Company work to build a collaboration platform, engaging in exchanges and cooperation with various partners. We continuously expand our cooperation areas to create a value ecosystem for the industry chain with them.



Dayou Futures holds "Futures in Campus" financial knowledge training campaign

In response to the national rural vitalization strategy, Dayou Futures has established close relations with Changsha University of Science and Technology, Hunan University of Science and Technology, and Shaoyang University to jointly promote financial talent programs. The company organized the "Futures in Campus" financial knowledge training campaign, providing training and internship opportunities for 52 students from rurally vitalized areas. The activities not only helped enhance the overall quality and employment competitiveness of students in these areas but also lay a solid foundation for talent reserves and team building.



"Futures in Campus" financial knowledge training campaign

Facilitating Rural Vitalization

Leveraging its professional expertise and the resource advantages in supported regions, Xiandai Investment has taken concrete actions based on differentiated strategies to support rural vitalization.



Deepening intensive development of the real economy to serve the "last mile" of rural vitalization

Zhongfang County, located in the southwest of Hunan Province, insists on high-standard ecological pig farming, which is an important engine for the development of the local county economy. In order to solve the challenges of high financing costs and difficult financing for local enterprises, Modern Wealth, through on-site project inspections and due diligence assessments, deployed CNY 18.75 million through the financial leasing license and CNY 1.5 million through microcredit license, totaling CNY 20.25 million, to help complete the overall construction of the pig farm project and support the development of small and medium-sized enterprises.



Dayou Futures helps vitalize Mengla County in Yunnar

The rubber industry, as the pillar industry of Mengla County in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, serves as the primary source of income for local farmers. However, in recent years, due to fluctuations in both

international and domestic markets, the price of natural rubber has been highly volatile, representing a significant uncertainty of income for rubber farmers. In December 2024, Dayou Futures, in collaboration with the Yunnan Branch of China Pacific Property Insurance Co., Ltd., launched the "Insurance + Futures" project for natural rubber in Mengla County. The project insured 2,000 tons of natural rubber, covering 1,683 rubber farming households in Mengla County. It vitalized the local rubber industry and dedicated to rural vitalization.



Daya Futures holds the "Insurance + Futures" launching seminar.



Buxian Branch of Yueyang Baling RCB supports "One Village, One Product" initiative to vitalize the country

To diversify agricultural products, mitigate the risks resulting from a single-product market, and increase the added value of industries, the Buxian Town Government guided the village collective economy to implement the "One Village, One Product" initiative. Under the guidance of the government, the Buxian branch of Yueyang Balin RCB assisted the village collective economy in areas such as planting and sales, paving a new path for rural vitalization. Since the *Buxian Town*

Inclusive Financial Services for Rural Vitalization Work Implementation Plan (Trial) was launched, the branch has completed the credit rating and approval work for all of the ten villages. The total credit amount granted to the entire town reaches CNY 546 million, with a loan balance of CNY 112.06 million. There are 1,015 households with loans under CNY 1 million. The average loan per household is CNY 109,500. Xianqiao Village has introduced eel farming. Fenghuang Village has attracted investment for a smokeless, environmentally friendly charcoal factory. Shanmei Village started to plant day lilies considering its local conditions. Guanwang Village is endeavoring to become a provincial-level rice industry leader.



Songxi Village has planted 23 mu of lotus, with a yield rate exceeding 74%.

Dedicating to Charity

Xiandai Investment continues to support social development by actively engaging in charitable activities. With concrete actions, we share our development fruits to benefit more people.

Indicator	Unit	2024
Total investment in charitable donations	CNY million	1.53
Participants of employ- ee volunteering services	participant	1,205
Number of beneficiaries of charity activities	\	108
Total hours of employee volunteering services	hour	343



Volunteers use employee lounges, mother-and-baby care rooms and other facilities to offer thoughtful services for drivers and passengers stranded on the highway due to heavy snow or rain.



The "Sending Blessings to Thousands of Homes" calligraphy charity event produced over 600 couplets and distributed more than 700 "Fu" characters to employees and passing drivers.



ueyang Baling RCB assists farmers in post-disaster recovery

In July 2024, Yueyang County was hit hard by heavy rainfall, causing severe losses to the local aquaculture industry. As a community-focused bank, Yueyang Baling RCB took the lead in providing disaster recovery loans to its customers, emerging as the first local financial institution to issue loans for post-disaster reconstruction. The Company attaches great importance to funding customers' post-disaster reconstruction. A fast-track approval process was immediately launched for disaster recovery loans submitted by branch offices, ensuring timely financial assistance to help customers rebuild quickly. Since the flood season began, Yueyang Baling RCB has issued three new post-disaster reconstruction loans, totaling CNY 850,000.



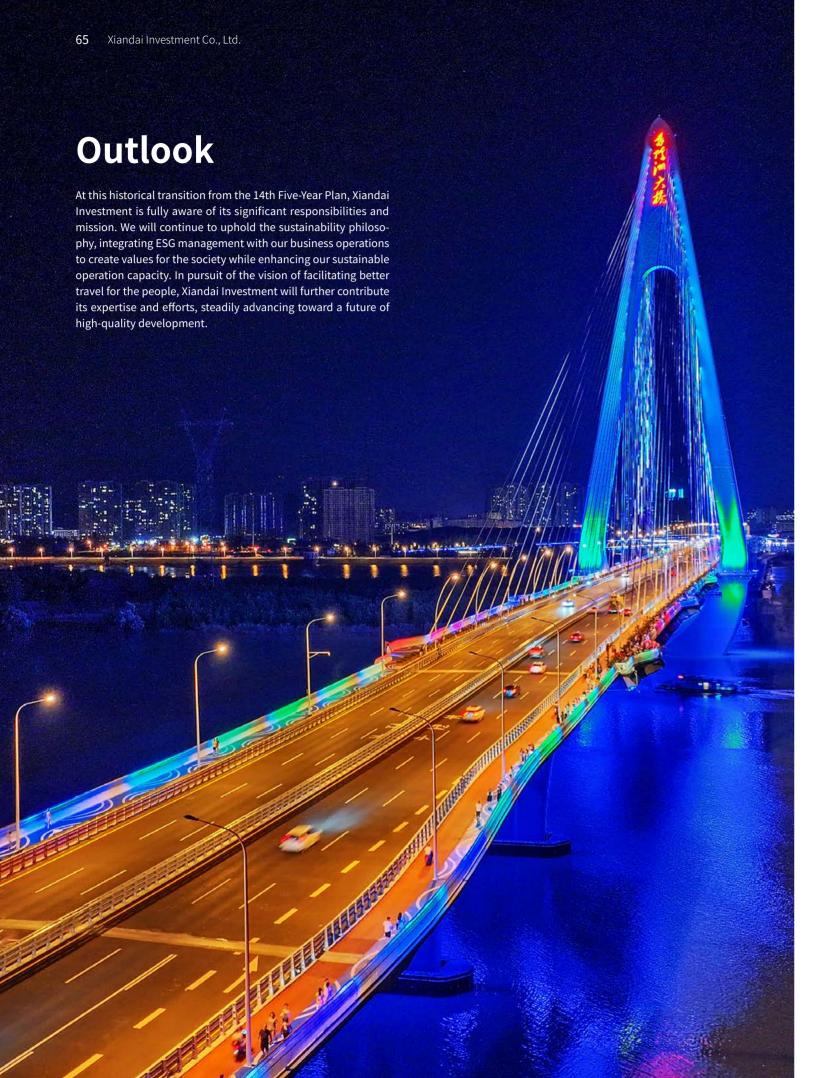
hangsha Branch holds its first "Streetlight" Brand Open Day

In July 2024, Changsha Branch held the "Streetlight" Brand Open Day and the 2024 "Closer to Highways, Embrace Civility" charity event. The event was open to employee families and attracted 15 families to sign up. The activities were designed to be both fun and practical, fostering parent-child relationships while providing children with an excellent social practice experience. The event further enlarged the influence of the "Streetlight" Brand.

During the event, the road safety management personnel from Changsha Branch used animated videos and quizs to educate children on basic highway traffic safety knowledge. Jintai Branch of Changsha Bank held the unique "Little Banker" activity that integrated highway business knowledge with financial expertise. Through hands-on experiences, young participants earned small gifts, harvesting fun and joy.



Children are visiting the Information Monitoring Center of Changsha Branch.



Appendixes

Key ESG Performance

Indicator	Unit	2024	2023
Company	information		
Annual revenue	CNY billion	8.20	8.47
J	ax		
Tax paid	CNY million	416	357
Corporate	governance		
Total board members	\	9	9
-Number of female directors	\	3	2
-Percentage of female directors	%	33.33	22.22
-Number of independent directors	\	3	3
-Proportion of independent directors	%	33.33	33.33
-Number of employee directors	\	1	1
-Proportion of employee directors	%	11.11	11.11
Average term of office of board members	year	4	3
Number of female senior management personnel	\	1	1
Proportion of female senior management personnel	%	16.67	16.67
Turnover rate of directors, supervisors and senior management	%	0	4.00
Standard deviation of age among directors, supervisors and senior mar agement	ı- year	8	7
Number of board meetings	\	5	9
Attendance of board members	%	100	100
Number of directors attending less than 75% of meetings	\	0	0
Number of Audit Committee meetings	\	5	10
Number of Remuneration Committee meetings	\	1	2
Number of Nomination Committee meetings	\	1	1
Number of Strategy Committee meetings	\	1	3
Interna	l control		
Announcement disclosed	piece	73	72
Periodic reports	\	6	6
Interim reports	\	67	66
Annual audit plan execution rate	%	100	\
Investor relation	on management		
Investor Reception Day	times	1	1
Investors received	\	30	\
Performance briefing	session	1	1
Number of investor inquires	\	57	\
-Number of replies	\	57	\
-Response rate	%	100	100

Indicator	Unit	2024	2023
Sha	areholders' equit	у	
Number of Shareholders' meetings held	session	3	3
	Business ethics		
Lawsuits related to anti-competitive behavior, anti-trust,	case	0	\
and anti-monopoly laws		-	
Integrity and anti-corruption training			
Number of executives receiving integrity and anti-corruption training	\	10	\
Proportion of executives receiving integrity and anti-corruption training	%	100	\
Number of middle and primary-level management receiving integrity and anti-corruption training	\	74	\
Proportion of middle and primary-level management receiving ing integrity and anti-corruption training	%	100	\
Number of front-line employees receiving integrity and anti-corruption training	\	2,350	\
Proportion of front-line employees receiving integrity and anti-corruption training	%	100	\
	red business indicat	tors	
Total investment in environmental protection	CNY million	437	253
Investment in road maintenance projects	CNY million	166	165
Number of work-related fatalities among suppliers	\	0	\
Number of work-related injuries among suppliers	\	0	\
Resumption of normal traffic within 2 hours	%	Expressway 100 Changsha: Changyong and Changtan Expressway 96.00, Changsha - Shaoshan - Loudi Expressway 90.00, Tanhengxi Expressway 85.00	\
Average clearing time for hindrance clearance	minute	Huaihua: Xuhuai Expressway 50.00, Huaizhi Expressway 46.60 Changsha: Changyong and Changtan Expressway 29.32, Changsha - Shaoshan - Loudi Expressway 39.52, Tanhengxi Ex- pressway 43.57	\
Number of highway hindrance clearance points	\	15	\
Annual hindrance clearance	\	5,220	\
Length of highway landscape greenbelt	km	206.40	\
Pavement Quality Index (PQI)	\	Huaihua: Xuhuai Expressway 93.96, Huaizhi Expressway 94.89 Changsha: Changshao Expressway 93.94, Tanhengxi Expressway 93.00, Changtan Expressway 93.30, Changyong Expressway 93.01	\
Maintenance Quality Index (MQI)	\	Huaihua: Xuhuai Expressway 95.58, Huaizhi Expressway 96.35 Changsha: Changshao Expressway 95.63, Tanheng Expressway 95.09, Changtan Expressway 94.36, Changyong Expressway 94.33	\
Road excellence rate	%	100	\
Proportion of Class I and Class II bridges	%	100	\
Financial knowledge activities	session	147	112
Individuals covered by financial knowledge activities	\	49,521	18,16
Online financial knowledge promotion works		122	105

Environmental performance

Category	Unit	2024	2023
Energy mar	nagement		
Total energy consumption	ton of standard coal	114,501.34	3,934.00
Energy consumption intensity	ton of standard coal\CNY million revenue	13.97	4.00
Non-renewable energy consumption			
-Gasoline (92#)	liter	214,937.48	222,311.00
-Gasoline (95#)	liter	63,094.33	34,426.00
Biomass fuel*	ton	408,264.06	2128.00
-Coal	ton	3.25	\
-Liquefied petroleum gas	kg	21,175.00	25,995.00
- Diesel*	liter	774,179.62	394,593.00
Non-transportation fuel energy - natural gas	m ³	199,356.64	172,818.00
Purchased electricity consumption	kWh	16,570,897.67	23,712,181.0
Renewable energy consumption	kWh	826,581.00	\
-Installed capacity of photovoltaic power plants	MW	5.50	4.04
-Annual power generation of photovoltaic power plants	GWh	4.82	1.07
-Standard coal saved by photovoltaic power plants	ton	1,926.70	1,396.00
-Carbon dioxide emissions reduced by photovoltaic power plants	ton	2,287.98	1,648.00
Water resource	management		
Water intake	ton	1,069,974.61	\
Recycled water consumption	ton	79,007.61	47,179.00
Fresh water usage	ton	1,054,387.00	597,447.00
Total water consumption	ton	1,133,394.61	644,626.00
Addressing cli	mate change		
Direct (Scope 1) GHG emissions	tCO₂e	6,312.84	1,888.00
Indirect (Scope 2) GHG emissions*	tCO₂e	8,891.94	13,523.00
Greenhouse gas emission intensity (by income)	tCO₂e\CNY mil- lion revenue	1.86	1.82
Greenhouse gas emission reduction	tCO₂e	724.99	1,004.00
Pollution	control		
Exhaust gas emissions			
-Particulate matter (PM)	ton	9.31	7.00
-Nitrogen oxide (NOx)	ton	212.01	121.00
-Sulphur oxides (SOx)	ton	44.48	28.00
Wastewater			
-Displacement	ton	163,860.86	143,476.00
-Industrial wastewater discharged	ton	69,049.36	\
-Domestic wastewater discharged	ton	94,811.50	\
-Chemical Oxygen Demand (COD) discharged	ton	3.85	1.83
-Ammonia nitrogen discharged	ton	3.20	0.70
-Five day Biochemical Oxygen Demand (BOD5)	ton	0.88	0.09
-Suspended Solids (SS) discharged	ton	0.97	0.13
Waste			
-Total solid waste discharged	ton	93,500.42	94228.74
-General industrial solid waste disposed	ton	79,567.22	\
-Hazardous waste disposed	ton	25,147.54	\
-Total hazardous waste generated	ton	5,969.85	

^{*} Due to the official commencement of operations of the Huaihua subsidiary (waste-to-energy project) in 2024, a large amount of waste has been in cinerated, leading to a significant increase in diesel consumption and biomass fuel consumption.

^{*} The main reason for the reduction in Scope 2 is the adoption of the latest carbon emission factors.

Social performance

	Category	Unit	2024	2023
	Product safety	and quality		
Percentage of product a safety impacts	nd service categories assessed for the health and	%	0	0
Health and safety incide	nts related to products and services	case	0	0
Number of incidents pur	nished due to violations	case	0	0
Number of incidents rec	eiving warnings due to violations	case	0	0
Number of incidents vio	lating voluntary guidelines	case	0	0
	Customer service	e and rights		
Customer satisfaction pe	ercentage	%	100	100
Customers claims		\	287	360
Number of customer cor	mplaints resolved	case	287	360
R&D investment		CNY million	26.37	26.48
Proportion of R&D inves	tment to business revenue	%	0.35	\
Number of R&D personn	roportion of R&D investment to business revenue umber of R&D personnel roportion of R&D personnel otal number of invention patents umber of newly added invention patents umber of trademarks, software copyrights, and other intellectual property rights umber of newly added intellectual property rights such as trademarks		295	278
Proportion of R&D perso	umber of customer complaints resolved D investment oportion of R&D investment to business revenue umber of R&D personnel oportion of R&D personnel tal number of invention patents umber of newly added invention patents umber of trademarks, software copyrights, and other intellectual property rights umber of newly added intellectual property rights such as trademarks disoftware copyrights Empl tal number of employees umber of labor dispatch personnel		10.28	10.40
Total number of invention	Number of newly added invention patents		123	153
Number of newly added	Total number of invention patents Number of newly added invention patents		18	8
	software copyrights, and other intellectual prop-	case	70*	57
Number of newly added		case	13	\
and software copyrights				
T. I. C. I.	Employr	nent	2.424	2.672
		\	2,434	2,673
-Number of labor dispat		\	435	\
-By gender		\	1,303	1,432
	Female	\	1,131	1,241
-By employment type	Full-time employees	\	2,434	
				2,672
	Part-time employees	\	0	2,672 1
	Number of senior managers	\		
-By grade		\	0	
-By grade	Number of senior managers Number of middle-level and primary-level	\ \	0 10	
-By grade	Number of senior managers Number of middle-level and primary-level managers	\	0 10 74	
-By grade	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees	\ \ \ \ \ \ \	0 10 74 2,350	1 \
	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below	\ \ \ \ \	0 10 74 2,350 343	1 \ \ \ \ 412
	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old	\ \ \ \ \	0 10 74 2,350 343 1,805	1 \ \ \ \ 412 1,940
-By age group	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old 50 years old or above	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	0 10 74 2,350 343 1,805 286	1 \ \ \ \ 412 1,940 291
	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old 50 years old or above Master's degree Bachelor's degree	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	0 10 74 2,350 343 1,805 286 136	1 \ \ \ \ 412 1,940 291 148
-By age group -By educational back-	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old 50 years old or above Master's degree	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	0 10 74 2,350 343 1,805 286 136 1,367	1 \ \ \ 412 1,940 291 148 1,374
-By age group -By educational back- ground	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old 50 years old or above Master's degree Bachelor's degree College degree	\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \	0 10 74 2,350 343 1,805 286 136 1,367 617	1 \ \ \ \ 412 1,940 291 148 1,374 713
-By age group -By educational back- ground Number of employees w	Number of senior managers Number of middle-level and primary-level managers Number of front-line employees 30 years old or below 30-50 years old 50 years old or above Master's degree Bachelor's degree College degree Other educational qualifications		0 10 74 2,350 343 1,805 286 136 1,367 617	1 \ \ \ 412 1,940 291 148 1,374 713 438

^{*} Note: Including 51 software copyrights and 19 trademarks

	Category	Unit	2024	2023
Number of veterans	in service	\	110	79
Total new employee	S	\	80	153
D d	Male	\	44	89
-By gender	Female	\	36	64
	30 years old or below	\	42	70
-By age group	30-50 years old	\	38	58
	50 years old or above	\	0	25
Total new employme	ent rate	%	3.29	5.70
December	Male	%	3.38	6.20
-By gender	Female	%	3.18	5.20
	30 years old or below	%	12.24	17.00
- By age	30-50 years old	%	2.11	3.00
	50 years old or above	%	0	8.60
Total employee turn	over	\	229	294
Diseased	Male	\	116	\
-By gender	Female	\	113	\
	30 years old or below	\	39	\
-By age group	30-50 years old	\	132	\
	50 years old or above	\	58	\
Overall employee tu	rnover rate	%	9.41	11.00
Dugandar	Male	%	8.90	\
-By gender	Female	%	9.99	\
	30 years old or below	%	11.37	\
-By age group	30 years old or below	%	7.31	\
	50 years old or above	%	20.28	\
	Comp	ensation and benefits		
Labor contract signi	ng rate	%	100	100
Social insurance cov	verage	%	100	100
Beneficiaries of emp	loyee care and assistance	\	293	\
Investment in emplo	yee care and assistance	CNY	329,000	240,000
Employee Seminar		session	123	\
	Occupationa	l development and training		
Annual training expe	enditure	CNY million	1.65	1.75
Employee training c	overage rate	%	100	100
Total training session	ns	\	1,232	\
Total training hours		hour	161062.50	147,156.0
Total employees trai	ined	\	2,434	2,673

	Category	Unit	2024	2023
Pugander	Male	\	1,303	1,432
-By gender	Female	\	1,131	1,241
	Senior managers	\	10	\
-By rank	Middle-level and primary-level managers	\	74	86
	Front-line employees	\	2,350	2,587
Total training hours	s per employee	hour	66.20	55.00
Diversed	Male	hour	63.80	53.00
-By gender	Female	hour	68.60	57.00
	Senior managers	hour	174.00	\
-By rank	Middle-level and primary-level managers	hour	75.00	90.00
	Front-line employees	hour	65.00	54.00
	Occupational he	alth and safety		
Work safety investr	ment	CNY million	165	149.66
-Investment in wor	k safety liability insurance	CNY million	2.33	\
-Investment in wor	k safety liability insurance	%	100	\
-Investment in wor	k-related injury insurance	CNY million	2.46	\
-Coverage rate of w	ork-related injury insurance	%	100	\
-Investment in occu	upational injury insurance	CNY million	4.29	\
Number of emerge	ncy drills conducted	\	98	\
Number of regular and irregular safety inspections		\	792	\
-Hidden dangers inspected		case	1,511	\
-Hidden danger red	ctification rate	%	100	\
Safety training		session	408	379
Participants of safe	ety training	\	2,869	3,119
Number of work-re	lated fatalities	\	0	\
Number of all trace	eable work-related health problem cases	\	0	\
	Supply chain n	nanagement		
Number of supplie	rs within Hunan Province	\	478	555
Number of supplie	rs outside Hunan Province	\	247	330
	Social con	tribution		
Total social welfare	expenditure	CNY million	1.53	7.36
Participants of soci	al welfare activities	\	1,205	\
Number of social w	velfare activities	session	108	\
Total hours of socia	al welfare activities	hour	343	\
	National strate	gic response		
Total investment in	rural vitalization	CNY million	31.99	\
Beneficiaries of run	alvitalization	\	616	\

Report Indicator Index

Instructions	Xiandai Investment is in accordance with GRI standards from January 1, 2024, to December 31, 2024 for reports preparation.
GRI 1	GRI 1: Foundation 2021

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2-3	Reporting period, frequency and contact point	About This Report	1 - 2
2-4	Restatements of information	This report does not require information restatement.	\
2-5	External assurance	This report does conduct external assurance.	\
2-6	Activities, value chain and other business relationships	About Us	5
2-7	Employees	Protecting Employee's Rights and Interests	53 - 55
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2-12	Role of the highest governance body in overseeing the management of impacts	See the Annual Report	\
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability reporting	ESG Governance	8 - 10
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2-16	Communication of critical concerns	See the Annual Report	\
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2-18	Evaluation of the performance of the highest governance body	ESG Governance	
2-19	Remuneration policies		
2-20	Process to determine remuneration	See the Annual Report	\
2-21	Annual total compensation ratio		
2-22	Statement on sustainable development strategy	Not formulated	\
2-23	Policy commitments	ESG Governance	8 - 10
2-24	Embedding policy commitments	No related actions	\
2-25	Processes to remediate negative impacts	NO related actions	\
2-26	Mechanisms for seeking advice and raising concerns	ESG Governance	8 - 10
2-27	Compliance with laws and regulations	Comply with all laws and regulations	\
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GRI3-3	Management of material topics	\	\
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403-1	Occupational health and safety management system		
403-2	Hazard identification, risk assessment, and incident investigation		
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11-1	Incidents of violations involving rights of indigenous peoples	N\A	\
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114-2	Negative social impacts in the supply chain and actions taken	Building a Responsible Supply Chain	61 - 62
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116-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None	\
GRI 417: Marketing	and Labeling 2016		
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117-3	Incidents of non-compliance concerning marketing communications		
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418-1	Substantiated complaints concerning breaches of customer privacy	None	\

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