



**HHI**  
HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED  
Corporate Social  
Responsibility Report



**HHI**  
Hopewell Highway Infrastructure Limited  
Corporate Social Responsibility Report  
<http://www.hopewellhighway.com/CSR>

## Introduction

This is our first Corporate Social Responsibility ("CSR") Report, demonstrating our commitment to transparency and accountability to stakeholders. Since 2009, we have made disclosure of our CSR activities in our annual reports. In order to provide more in-depth coverage of our sustainability initiatives and performance, we have decided to publish an annual CSR Report starting in 2012.

We focus on the initiation, promotion, development, investment and operation of expressway projects in the thriving economy of the PRD region. Our expressway projects include the 122.8 km GS Superhighway and the 98.2 km Western Delta Route, which is being developed in 3 phases. Over the past decade, our high-quality and well-connected expressways have contributed to urbanization and boost the economic growth of nearby cities. The GS Superhighway is the main artery in the expressway network of the eastern bank of the PRD. Upon completion of all 3 phases of Western Delta Route, Guangzhou, Foshan, Zhongshan, Zhuhai on the western bank of the PRD will be directly linked and it will directly connect to Macau and Hong Kong-Zhuhai-Macau Bridge. The regional transportation efficiency will be greatly enhanced.

Our early efforts in sustainable development can be traced back to the design and construction stages of our first expressway project in early 90s, the GS Superhighway. From the outset, we anticipated the growing demand for operational efficiency; we thus built and managed the superhighway accordingly:

### Durability

The thickness of the road surface is 110 cm, compared to the standard of 70 to 80 cm for expressways in the PRC. This increases road durability and helps avoid congestion resulting from frequent maintenance works.

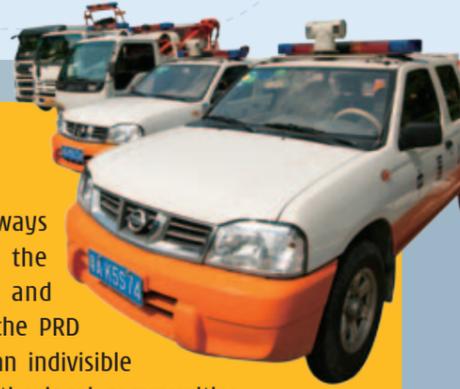
### Efficiency

The expressway design comes with 6 lanes rather than 4 lanes in both directions to ensure smooth traffic and cater for the anticipated growing traffic demand.

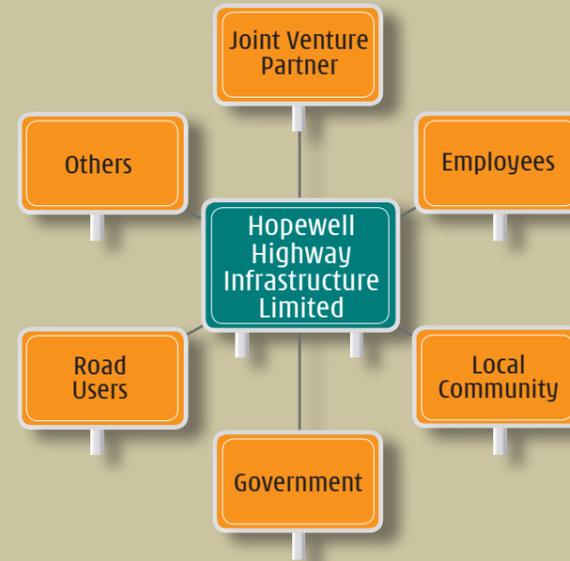
### Responsibility

At the planning stage, we worked with the governments and local communities to address the needs of people living in close proximity to the expressway, including the addition of interchanges. Thus, it has facilitated the socio-economic growth along the expressway corridor.

With our expressways passing through the most populous and affluent cities in the PRD region, we have an indivisible relationship with the local communities and all of our stakeholders in the wide geographical coverage of our expressways. We strongly believe that sustainable operations and development are just as important as achieving long-term business growth. This has driven our commitment to corporate social responsibility, which is one of our strategic focuses. Over the past few years, we have already made significant efforts to engage key stakeholders in order to prioritize and respond to relevant issues. We have also made progress in promoting traffic safety to the public, actions to support environmental protection and cooperation with the local community.



## Our Stakeholders:



## Sustained Effort in Promoting Traffic Safety

Ensuring traffic safety on our expressways is always our top priority. The Company and its JV companies deployed ample resources in enhancing traffic safety on our expressways.

The GS Superhighway is one of the busiest expressways in China. The total quantity of surveillance cameras installed along the GS Superhighway increased from 34 at its opening in 1997 to 167 at present, thus ensuring that traffic conditions at every road section, especially the busier sections, are covered and monitored by the enhanced surveillance system. The well-trained patrol and rescue team has also been expanded from a few dozens to over 200 professionals in the past

few years. Furthermore, the entire GS Superhighway is covered by high-quality and efficient rescue and towing services. The professional patrol team, together with the enhanced surveillance system, enables the GS Superhighway JV to closely monitor the road condition and discover accidents in the shortest time and provide assistance to those involved or quickly handle accidents. An amount of around RMB9 million was invested in the purchase of new patrol and towing vehicles in FY12 to support such services. In addition, messages on road safety and traffic conditions are displayed on changeable message signboards installed along the expressway, which increased from 12 location in 1997 to a total of 75 at present, to keep road users informed about the traffic conditions ahead and draw their attention to road safety.

In the past few years, we organized various campaigns and activities to educate the public on traffic safety and invited the local police to be involved in our campaigns. Early in July 2008, together with the GS Superhighway JV, we co-organized a large-scale traffic safety education campaign with the Traffic Management Department of Guangdong Provincial Public Security Bureau ("TMD"). A total of 110,000 copies of the Chinese literature "Analects of Confucius", which combines lessons of Confucius and road safety tips, were distributed to drivers and the public free of charge.

The GS Superhighway JV also collaborates closely with the traffic police to adopt effective measures to handle traffic accidents efficiently and combat offending driving that pose risks to road safety.



One of these measures includes the installation of "Electronic Police", i.e. the CCTVs installed along the expressway main route capturing offending vehicles. In January 2012, the GS Superhighway JV collaborated with the Guangdong Provincial Communications and Transportation Bureau ("GDCTB") and the TMD in a joint public campaign aiming at enhancing traffic safety, traffic management and service standards. Through the campaign, the GS Superhighway JV cooperated closely with the TMD to reduce the number and increase the handling efficiency of traffic accidents. During the period of the campaign from January to May 2012, the number of traffic accidents along the GS Superhighway recorded a substantial drop and reduced the average time for handling of accidents. Thus a smoother flow of traffic can be maintained. These achievements and the enhancement in the overall service standard have been well recognized by the abovementioned official bodies and the public. GS Superhighway became only and the first expressway in Guangdong awarded the title of "Model Highway of Civilized Traffic Management" ("文明交通示範公路"), and has taken up the exemplary role in promoting traffic safety and enhancing the management and service standards among the expressway industry in Guangdong. The Group will continue to make every effort to ensure the safety and comfort of road users, which has always been our top priority.



The busier Taiping-Wudianmei and Fuyong-Hezhou sections of the GS Superhighway have been widened to maintain smooth traffic all along the expressway. Since the completion of the above expansion works, there has been a substantial decline in the number of traffic accidents along the two sections, and a smoother flow of traffic can be maintained along the GS Superhighway. This does not only help to prevent traffic congestion and in turn reduce carbon emissions, it also enhances the efficiency of the regional road network.

### Quality Management

The GS Superhighway joined the Asia Network for Quality ("ANQ") Congress 2012 themed "Striving for Excellence through Product and Service Quality" organized by the ANQ from 31 July 2012 to 3 August 2012. The Congress attracted numerous delegates and quality professionals from different countries in the Asian region to showcase their philosophies and best practices in quality enhancement during operations. 2 papers submitted by the GS Superhighway JV, namely "Improving 15-Minute Arrival Rate for Highway Administration and Rescue Personnel" ("提高路政、拯救人員15分鐘到場率") and "Reducing the Lost Rate of Password Card between Two Non-Networking Sites on the GS Superhighway" ("降低廣深高速公路非聯網站點間通行卡流失率"), respectively won the Best Paper Award and the Outstanding Poster Award in the Congress, indicating that the GS Superhighway JV's corporate image of outstanding quality management and the pursuit of excellence was well recognized by external independent professional bodies.

### Energy Reduction Initiatives

With the impact on climate change in mind and in response to the policy direction to save energy consumption and reduce emissions, both JV companies have been actively promoting low-carbon operating concepts and have adopted various methods to reduce their energy consumption.

Following the energy audit conducted for GS Superhighway in 2009, both JV companies have adopted and implemented different energy-reduction initiatives.

As lighting is the main source of energy consumption in operations, both JV companies have installed energy-efficient lighting systems to promote low-carbon operations. For instance, all T8 fluorescent tubes at the management centre and staff living areas of the GS Superhighway have been replaced with more energy-efficient T5 tubes since 2010, with around 30% of electricity saved. Energy-saving lights including LED lights have also been installed at all toll plazas of the GS Superhighway, which can save approximately 70% of electricity consumed. The installation of LED lights will be further promoted along the entire main route of the GS Superhighway in 2012. At present, the design and tendering for installing LED lights have been completed, and LED lights have been installed at a 10-kilometre test section before installation along the whole alignment. Moreover, GS Superhighway JV planned to redesign

all high masked lights along the main alignment and replace them with energy-saving sodium lights in FY13. For the Western Delta Route, LED lights and energy-saving sodium lights are going to be installed at the tunnel sections and toll plazas of Phase III West to reduce consumption of energy.

In 2011, the first petrol-electric hybrid vehicle was introduced into the car fleet of the GS Superhighway JV. This represents the JV's first-step progress in adopting the use of more fuel-efficient vehicles that result in cleaner air and reduced energy consumption. The JV also actively studies the feasibility of installing charging facilities for electric vehicles. Two test charging points have already been installed along the GS Superhighway for internal use. In Hong Kong, our staff are encouraged to use electric vehicles during local and cross-border business trips to promote green driving.

### Environmental Performance Table

Indicator <sup>(1)</sup>	Unit	2010/11	2011/12
<b>Energy use</b>			
Purchased electricity (non-renewable)	MWh	32,615	32,460
	GJ	117,414	116,856
Renewable energy <sup>(2)</sup>	MWh	13.49	13.49
	GJ	48.56	48.56
Diesel	Litres	398,544	394,339
	GJ	14,292	14,141
Petrol	Litres	746,588	724,188
	GJ	24,025	23,304
<b>CO<sub>2</sub>e emissions<sup>(3)</sup></b>			
Direct CO <sub>2</sub> e emissions	Tonnes	3,127	3,054
Electricity indirect CO <sub>2</sub> emissions	Tonnes	31,839	31,687
<b>Water</b>			
Fresh water used	m <sup>3</sup>	570,088	591,970
<b>Materials used<sup>(4)</sup></b>			
Cement	Tonnes	1,116,799	676,745
Steel	Tonnes	46,188	90,439
Steel strand	Tonnes	1,268	7,261
Bitumen	m <sup>3</sup>	14,223	33,240

(1) The table includes data for the GS Superhighway and Phases I, II and III of the Western Delta Route unless otherwise specified.

(2) Estimated data based on the energy consumption of 22 surveillance cameras powered by micro wind and solar power on the Western Delta Route.

(3) Calculation based on the purchased electricity figures applying the default Mainland China Southern Grid emission factor of 976.2 gCO<sub>2</sub>/kWh.

(4) Include the consumption of materials for major repair and maintenance works in GS Superhighway and construction work in Phase II and Phase III of the Western Delta Route.

### Caring for Users and the Community

The JV companies have been making great efforts to enhance their service standards. Firstly, operational efficiency has been raised via the installation of automated equipment. ETC lanes are installed at nearly all of the entrances and exits of the Group's expressways, which reduce the average length of time vehicles spend there. As of 30 June 2012, the GS Superhighway had 68 ETC lanes on it, the highest number of ETC lanes on any expressways in Guangdong Province. Moreover, automatic card-issuing machines are in operation at most of the entrances of the GS Superhighway and the Western Delta Route, which further raises operational efficiency. The GS Superhighway JV has also expanded the toll plazas at Fuyong and Huocun in 2011 to enhance the traffic capacity and standards of toll station management to provide quality services for road users.

To provide road users with a more comfortable driving environment, the interchanges and main alignment of the Group's expressways are fully covered by greenery. During the year under review, additional greenery works were done along the main alignment of the Guangzhou and Dongguan sections of the GS Superhighway. This will not only improve the air quality along the expressways, but it also creates a more scenic route. Besides, the GS Superhighway JV regularly inspects the conditions of the vacant spaces underneath the bridges of the expressway and cleans up any unallowed wastes disposed there with a focus on those spots affecting the nearby households in order to improve the environment of the local community. The drainage system at Xinqiao interchange was also upgraded to prevent flooding caused by the development of the neighboring local counties.



In addition to the investment in equipment and facilities, maintaining customer satisfaction and good customer relations are also the Group's key focuses. A yearly large-scale company campaign (named "文明服務月" in Chinese) has been held at the GS Superhighway JV and the West Route JV to enhance the service standard and staff morale. Staff are trained and encouraged to proactively approach our customers to understand more about their needs and comments towards our services. Moreover, assistance will be provided to road users such as responding to road queries and provision of simple repair tools. Regular training is provided for all toll collectors to equip them with the etiquette and skills required to deliver professional services. Internal contests are also held to promote the corporate culture and spirit in pursuing excellence. Both JV companies are well recognized and have received positive feedbacks from the customers and public.

Volunteer teams have been established at both JV companies, and they closely collaborate with local voluntary service associations to organize a wide range of community services. These include visiting people in need, such as disabled children and the elderly, and serving in large-scale social events like the Shenzhen Universiade held in August 2011. In 2011, several thousand man hours have been devoted to various community services, with participation from over 350 staff. We focus on communities in close proximity to our expressways as we believe that this will contribute to their socio-economic growth. We will continue to work together with our communities for a sustainable future.

### Highlight for a Sustainable Future

To further enhance our communications with stakeholders in all aspects, an official website for the GS Superhighway JV will be established in FY13 to provide the most up-to-date information about the traffic conditions along the expressway, especially when abnormal occasions occur. The website will provide advance notices on the major repair and maintenance plans of the expressway, as well as features to support better trip planning for road users. These features aim to strengthen our communication with the local community and promote our corporate culture and values



A close relationship and effective communication with our stakeholders are crucial for the long-term sustainable development of our business. Thus we will take their interests and opinions into consideration while formulating future development plans. This year, in order to further understand the needs and feedbacks of various stakeholders, an independent CSR consultant is appointed to conduct interviews with our JV partner, road users and employees. This also allows us to better identify the issues to be disclosed in the this/upcoming CSR report(s) and shape our future CSR strategies.

Sustainable development is one of the Group's key strategic focuses. In order to further raise the awareness of sustainability and corporate social responsibility among our stakeholders, the GS Superhighway JV is working to introduce national or international CSR standards as guidelines for formulating its own sustainability initiatives in the future. We believe that the values of sustainability and CSR will gradually permeate all levels of our management and staff. Moving forward, we will continue to identify opportunities to promote CSR and will endeavour to work together with all stakeholders for sustainable business and community development.

