ternational Marine Containers (Group) Co., Ltd.

(a joint stock company in- Republic of China with limited liabili

Social Responsibility & Environmental, Social and Governance Report 2017

hare Stock Code: 2039

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Our Vision

To become a leading enterprise with global competitiveness

Our Mission

To create value for customers, develop talents for employees, create wealth for shareholders and contribute to the development of society

Sustainability Highlights of The Group in 2017

Currently

5 research institutes

and

21

technical sub-centres established in total

R&D investments of

approximately RMB

730 million

in 2017

Environmental protection investment of

approximately RMB

540 million

in 2017

Donations of

RMB

2,592 thousand

made by the Group in 2017

Participating in the development of

over 150

international, domestic and industry standards as at the end of 2017

Invention patents of

312

applied for in 2017

Accumulated invention patents

828

granted as at the end of 2017

Major Sustainability Milestones of The Group in 2017

State Scientific and Technological Progress Award

First pilot organisation of Shenzhen ISO37001

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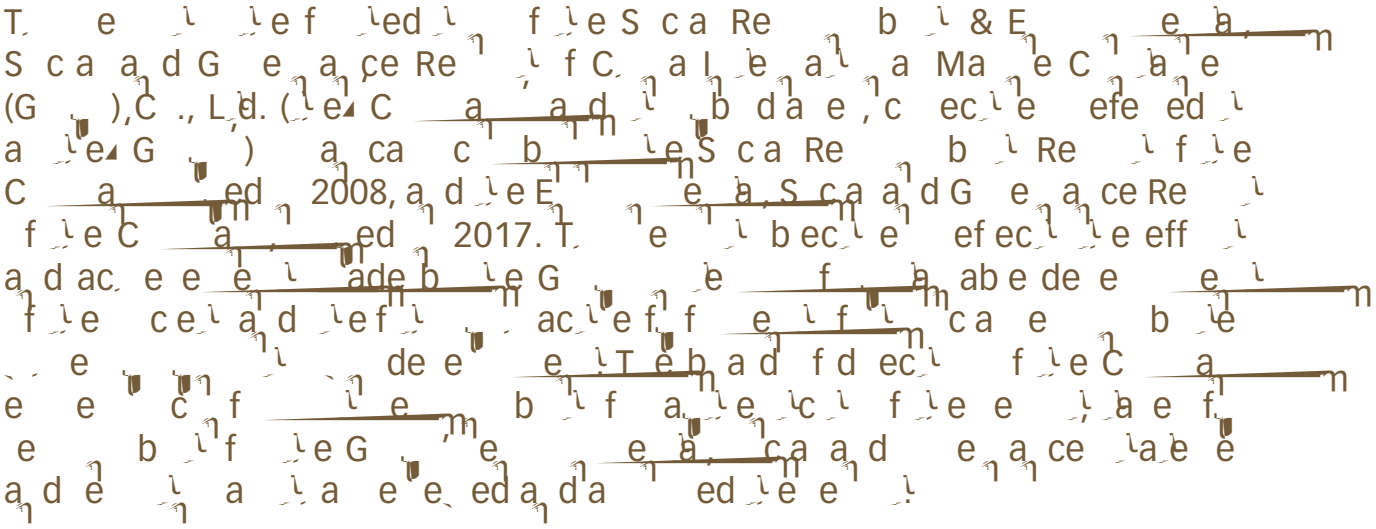
About the Report



Reporting Period and Scope

The Report supplements the 2017 Annual Report of the Company and discloses the Company's performance in respect of management approaches and other aspects of fulfilling its social responsibilities (Including environmental, social and governance) from 1 January 2017 to 31 December 2017 (the "Yea ", with some contents dating back to before 2017). It covers all business segments and members of the Company. For further details of corporate governance, please refer to the section headed "Corporate Governance and Corporate Governance Report" in the 2017 Annual Report of the Company. For details of the environmental, social and governance in relation to the Company's energy, chemical and liquid food equipment business, please refer to the 2017 Environmental, Social and Governance Report of CIMC Enric Holdings Limited (Stock code: 3899) to be issued by the end of June 2017.

Main Reporting Guidelines

This report following the framework of the Social Responsibility Guidelines for China's Industrial Enterprises and Industrial Associations (2.0), and in accordance with the Guidelines for Companies Listed on the Shenzhen Stock Exchange on Releasing Information on Corporate Social Responsibility, the Environmental, Social and Governance Reporting Guide ("ESG Re i G de") included in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and the "Core" compliance items of Global Reporting Initiative Sustainability Reporting Standards.

Publication Cycle

The report is published annually, specifically in March or April of each year.

About the Report

Publication

The Report is published online in both Chinese and English. Shareholders and all stakeholders can inspect the Report at Cninfo website (www.cninfo.com.cn) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk). Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

Remarks

For the purpose of presentation, "China International Marine Containers (Group) Co., Ltd." is abbreviated as the "CIMC Group", "CIMC" and "we" in the Report; and affiliated business segments of the Company are abbreviated as "CIMC Containers", "CIMC Vehicles", "CIMC Offshore", "CIMC Enric" and "CIMC Finance".

Feedback

When preparing the Report, we strove to make it plain, clear and understandable. In the Report, we disclose for the first time key performance indicators for environmental issues in accordance with the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange. Relevant work systems have been established to ensure that the disclosed data are as authentic and accurate as possible. However, considering the objective factors, as it is the first time that we have collected statistical data, there may be some imperfections, and the contents of the Report may also not be entirely satisfactory to stakeholders. The Company will continue to improve the Report and enhance its disclosure level in relation to sustainable development. We welcome your comments on the Report and your advice on its contents. Please feel free to contact us:

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Message from the CEO & President

To Stakeholders,

As "social civilisation" and "ecological civilisation" are officially written into the Constitution, being primary participants in the economic development, enterprises have to assume the major responsibility of appeasing the needs of the people and lead society to attain social civilisation and ecological civilisation.

2017 marks an important year for the Group in the context of its practices for sustainable development. During the year, we launched a stakeholder outreach program on sustainable development to understand their perception of the Group, so that we can more clearly respond to key stakeholders in the future, including investors, employees, customers, suppliers, government agencies and environmental groups. Only in this way can CIMC continue to be on the right track and become an enterprise capable of coordinating the benefits of all stakeholders. Besides meeting environmental, social and governance disclosure requirements of the two exchanges in Hong Kong and Shenzhen, this year we also formally move toward the Global Reporting Initiative Sustainability Reporting Standards in hope of meeting institutional investors' demand for sustainability data.

Establishing a common cause

"Common Cause" is our talent management philosophy. As China's economy arrives at the "new normal", competition among enterprises for top- and mid-level talents has become more and more fierce. CIMC Group has always been tasked with the duty of cultivating and developing the backbone talents for the CIMC business, and is committed to improving the capabilities of the talent team. During the year, we launched the third phase of the "Leadership Development Programme" focused on trainings for strategic thinking, coaching leadership and change management, through which we have cultivated a group of business and functional leaders meeting the CIMC culture, core values and leadership requirements for the long-term development of the Group.

Occupational safety and health are important components of the Group's sustainable development trajectory. We are continuously on the pursuit of a satisfactory performance when it comes to occupational safety. This year, apart from establishing technical standards and upgrading improvements in respect of some work processes prone to risks and accidents so as to vigorously reduce and root out these risks, we have also strengthened governance of the HSE Committee. This committee of the Group is responsible for formulating major policies and calling on all business segments to accept and follow such policies. Orders are passed down to every level of subordinate members of the Group, requiring them to achieve full compliance of HSE, and a scoring system facilitates continuous improvement.

Facilitating ecological civilisation

The environment concerns people's livelihood and the blue sky delivers happiness. There is no substitute for ecology and environment. In order to comply with the increasingly stricter national environmental compliance requirements, all business segments of the Group are thoroughly implementing the "corporate governance according to law" standard. This year, our investment in environmental protection exceeded RMB540 million. Since the signing of the China Container Industry Association VOCs Governance Self-Discipline Convention (《中國集裝箱行業協會VOCs治理自律公約》) I

Promoting social civilisation

CIMC attaches importance to industry ethics and is committed to serve the nation by developing the industry, and serving the people by offering safe, high quality and efficient products to the community. We promote social development and progress through continuous technological innovation, contributing our strengths for the establishment of social civilisation. Adhering to the strategic direction of "Made in China 2025", CMIC formulated the "Made in China 2025 CIMC Action Planning", pursuant to which we constantly increase our investment in technological upgrading of mature industries. This effort not only promotes technological progress in the industry and product quality, but also reduces environmental pollution, resources and energy consumption and labor intensity.

During the year, the first prototype of the world's first unmanned intelligent boarding bridge invested and developed by CIMC passed tests successfully. It is expected that the first batch of unmanned boarding bridges will be deployed in Amsterdam Airport at a large scale by the end of 2019. In addition, with the successful delivery of "Blue Whale No.1 (藍鯨1號)" , our "Blue Whale No.2 (藍鯨2號)", the second unit of the most advanced ultra-deepwater dual-rig semi-submersible drilling platform in the world also completed its trial voyage. In the future, CIMC will continue to assist mankind in the exploration of the deep-sea by providing more high-quality and advanced offshore engineering equipment.

Prospects

In recent years, CIMC has not only continued to strengthen its existing businesses through transformation and upgrading, but has also entered such new areas as boarding bridges business and logistics solutions, which expand its impact on the lives of ordinary people. In the future, while developing its business by leveraging its advantages and serving national strategies, it also needs to conduct its business in line with the overall development direction of human kind and society as well as future trends, as it is determined to become a group with a sense of mission.

My management team and I understand that sustainable development is not about preparing a report only. To continuously improve the governance of sustainable development, CIMC will deepen the practice of layered management with its headquarters setting sustainable development strategies and daily reports, internal control and performance appraisals being applied to ensure that subsidiaries meet the requirements imposed. Going forward, we will regularly notify the public about the Group's sustainable development endeavours through this type of reports and achieve progress in such aspects as environmental protection, personnel training, occupational safety, product liability and community building. We will also continue to strengthen communication and cooperation with stakeholders and make joint efforts to benefit the community.

MAI Boliang
CEO and President of CIMC
Shenzhen, the PRC
March 2018

Summary – Company Profile

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We a e a d ead e e a d de e c a d e e d e , c a e a ed e a fac e f de n a a e ce , e e , c e ca , d f d e e ff n e e ee e e a d a fac e e e a e a f e e e a e ce , c e ce , ea e a e de e e a d f a ce b e e e c.

Company Profile

The Group strives to provide high quality and reliable equipment and services for the logistics and energy industries and become a global leader in the industry. Headquartered in Shenzhen, China, we have approximately 620 member companies in the scope of consolidation. Our production bases are located in Asia, Europe, North America and Australia and our sales and service companies are located in more than 100 countries and regions, which form our global business network. Currently, we remain the largest producer and seller of standard dry containers, freezers, tank containers and boarding bridges in the world, the largest manufacturer of road transportation vehicles in China and one of the leading high-end offshore engineering equipment enterprises in China.

The Group has formed an industrial layout across two major areas, namely logistics and energy, and established major business segments with industry leading edge and good development prospects. Based on strong traditional industry advantages, we have extended our business from manufacturing to service according to customer needs by providing comprehensive solutions throughout the product life cycle, and have established a strategic positioning and industrial ecosystem of “manufacturing + service + finance.” Taking each business sector as platforms, we fully leverage our resources in all aspects to create sustainable value for the economy, society and environment.

Containers Business

CIMC is the only supplier in the world that can provide a full range of container products and has completely independent intellectual property rights. Currently, environment.

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Summary – Company Profile

Energy, Chemical & Liquid Food Equipment Business

CIMC Enric provides services in the design, development, manufacturing, engineering, sales and related technical maintenance of various types of transportation, storage and processing equipment, including CNG, LNG storage and transportation equipment, and ISO tank taking foothold on the energy, chemical and food equipment industries, and beer and other liquid food brewing and storage and transportation equipment. We have several manufacturing bases and R & D centers in China, Germany, the Netherlands and other European and American countries, forming an interactive and mutually supportive industrial pattern.

Adhering to the concept of "green energy, clean logistics and a better life," we are committed to making a better contribution to the industries technological progress and industrial development as well as to human life.

Offshore Engineering Business

CIMC Offshore is one of the leading contractors manufacturing high-end engineering equipment for offshore industries globally and its main business covers the design and construction of marine engineering products such as semi-submersibles, jack-up platforms and other high-end marine specialty vessels. The deepwater semi-submersible drilling platform we delivered has served major offshore oil and gas producing areas such as the Norwegian North Sea, South China Sea, Gulf of Mexico and Brazil.

We have a construction, assembly, commissioning and delivery base in Yantai, Shandong and two construction sites in Haiyang, Shandong and Longkou, Shangdong to establish a "one center and three bases" strategic business system. We also own three offshore engineering R & D centers in Sweden, Shanghai and Yantai.

Logistics Services Business

CIMC Logistics owns Zhenhua Logistics, Nanfang Logistics, Baijian International and other well-known domestic and overseas logistics brands. It is devoted to cross-border logistics, container services, multimodal transport and equipment logistics and provides services including logistics equipment manufacturing and service, container life cycle services, international freight forwarding, international shipping agency, project logistics, and industrial logistics, among other services.

We actively implement the Group's strategy of "manufacturing + service". Based on the Group's standardized equipment and logistics solution design and technological innovation capabilities, we have applied our advantages gained over the years in international maritime, land and air transport operations, as well as actively participated in and promoted the development of multimodal transport in China, thereby boosting the strategic implementation of China's Belt and Road Initiative.

Heavy Truck Business

The Group operates the heavy truck business through its subsidiary C&C Trucks Co., Ltd. Its key products cover two kinds, namely diesel and oil, and four series, namely tractors, mixer trucks, dump trucks and cargo and special vehicles. It possesses five major production lines — (i.e. stamping and welding), coating, chassis, general assembly and commissioning, and has established cooperation with several enterprises in the Group's road transportation vehicle segment with products as the basis for cooperation to proactively promote collaborations.

Summary – Company Profile

Airport Facilities Equipment Business

CIMC Airport has four major divisions, including the boarding bridge division, logistics system division, ground equipment (GSE) division, and the fire and rescue vehicles division. Our business extends across Asia, Europe and the Americas, covering more than 110 countries and regions and forming a global network of production, marketing and services. We are an industry leader in the segments where we are operating and the overall competitiveness of passenger boarding bridges we supply ranks first in the world.

Financial Business

CIMC is committed to providing its clients with competitive and innovative financial solutions globally through structuring supply chain financing, notes, foreign exchange and intermediary businesses, and conducting financial leasing, operating leasing and after-sales leasebacks. We focus on building a financial services system that matches the Group's strategic positioning in the world's manufacturing industry and continue to boost industrial development, transformation and upgrading, helping create new value for our customers both inside and outside the Group.

Industry & City Development Business

Our Industry & City Real Estate Development Business involves the development and operation of industrial parks, traditional real estate development, commercial operations, property services and many other fields. It has developed and owned several real estate projects in various cities such as the Yangtze River Delta, Pearl River Delta and Bohai Rim, including industrial park zones, ordinary residential buildings, villas, luxury apartments, 5A office buildings, five-star hotels and high-end shopping malls. We uphold the concept of "creating new value" of CIMC and, building on the extensive experiences of the Group, devote ourselves actively to the development and operation of industrial real estate. We strive to become a serious player in the development and operation of urban industrial real estate in China.

Financial Performance

In 2017, the global economy recovered continuously, and the growth of some regional markets in emerging economies picked up. Domestically, the overall economic performance in China showed a steady and favorable trend; the supply-side reform achieved remarkable results; the structural transformation of the old and new economic driving forces accelerated; and the stability and sustainability of economic development was gradually enhanced.

In 2017, benefiting from the recovery of the global container shipping industry, the improved operating conditions of shipping companies and the revived demand for containers in the market, our sales volume, revenue and profit of the container manufacturing business saw a sharp rebound. In addition, our road vehicles business also achieved good financial performance, thanks to the increased demand brought by favorable factors such as the persisting effects of China's policy against vehicle overloading.

During the Reporting Period, the Group achieved operating revenue of RMB76,299.930 million, a year-on-year increase of 49.28%.

Oeaie ei *Unit: RMB thousand*	2017	2016	2015 (Restated)
Oeaie eeie	76,299,930	51,111,652	58,685,804
Net profit attributable to shareholders of the listed company and other stakeholders	2,509,242	539,660	2,026,613
Net profit after non-recurring profit and loss attributable to shareholders of the listed company and other stakeholders	1,367,068	511,420	1,751,645
Net cash flow generated from operating activities	4,275,379	2,341,619	(3,610,223)
Basic earnings per share (RMB/share)	0.81	0.14	0.74
Diluted earnings per share (RMB/share)	0.81	0.14	0.73
Weighted average return on assets	8%	2%	8%
Total assets	130,604,379	124,614,748	107,057,065
Net assets attributable to shareholders of the listed company and other stakeholders	32,460,927	29,285,970	28,687,635

Our value creation model

We provide high-quality and reliable equipment and services to logistics and energy businesses, favourable returns to shareholders and employees, and sustainable value for society

Capitals

Financial capital
- Total shareholders' interest: RMB43,237.434 million
- Total debts: RMB87,366.945 million

Manufactured capital
- Major manufactured capabilities: containers, road transport vehicles, energy and chemical and food equipment, marine engineering platform, airport equipment
- Other Manufactured capabilities: large heavy duty trucks, modular construction, fire and rescue equipment

Intellectual capital
- 5 research institutes and 21 technical sub-centres
- R & D personnel: 3,389
- R & D investment: RMB725,386,000

Human capital
- Total number of employees in China: 50,689
- Total employee costs: approximately RMB7,402.385 million
- Total safety inspection business: over 31

Social and relationship capital
- Our stakeholders include customers, employees, suppliers, investors, local communities, and governments, etc.
- Participate in 30 industry organizations or associations

Natural capital
- Energy consumption: 208,000 tonnes of standard coal
- Water consumption: 6.208 million tonnes
- The main raw material is steel
- Environmental investment: approximately RMB540 million

Business

Manufacturing + Service + Finance

Mature business
- Containers Business
- Road Transportation Vehicle Business
- Energy, Chemical & Liquid Food Equipment Business
- Offshore Engineering Business
- Airport Facilities Equipment Business
- Heavy Truck Business
- Logistics Service Business
- Skyspace Real Estate Development Business
- Financial Business

Other business
- Modular building business
- Multimodal transport business

Outcome

- Operating revenue: RMB76,299.930 million
- Net profit: RMB3,158.415 million
- Diluted earnings per share: RMB0.81 per share
- Tax: RMB1,250.826 million

- Capable of producing a full range of container products with proprietary intellectual property rights
- Forming ten major series, and more than 1,000 varieties of special vehicle product line
- Offshore engineering business manufacturing capacity covers most of the offshore engineering products
- Heavy truck products include two fuel categories of diesel and natural gas and four vehicle series of tractors, mixers, dump trucks and cargo and special vehicles
- Accumulated sales: 130,890,000 TEU of dry cargo containers, 10,910,000 TEU of refrigerated containers, 16,300,000 road transport vehicles and 8,710 heavy trucks

- Patent applied in 2017: 608
- Invention patent applied in 2017: 312
- Accumulated patents granted: 3,878
- Accumulated invention patents granted: 828

- Safety improvement programs in 2017: 770
- All container plants have passed the third level of safety standardization certification
- 18 companies passed the second level of the national safety standardization certification
- 10 subsidiaries obtained third-party OHSAS18001 certification

- Participated in the formulation of more than 150 national or industrial standards and norms, and officially released more than 60 items

- Continued promotion of Standard Dry Containers Water soluble paint retrofitting as planned
- Use of over 514,000 kWh in solar power, equivalent to reducing greenhouse gas emissions of more than 360 tonnes of carbon dioxide equivalent

Summary – Business Philosophy

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Business Philosophy

Summary – Business Philosophy

Corporate Honors

In the light of market competitiveness and good performance, the Group has been constantly trusted and recognized by the Chinese government, international rating organizations, industry associations and authoritative media. Some of the honours and awards bestowed upon "CIMC Group" and "CIMC Brand" in the last three years are set out below.

Year awarded	Award	Issued by
2017	State Scientific and Technological Progress Award	The State Council
2017	Fortune China 500 Enterprises (130th)	Fortune (Chinese edition)
2017	Top 500 Enterprises in Guangdong (37th)	Guangdong Provincial Enterprise Confederation
2017	Top 100 Enterprises in Shenzhen (the Group ranked 14th)	Federation of Shenzhen Industries
2016	Five-star Enterprises in Discharging Social Responsibility among Industrial Sector in China	China Federation of Industrial Economics
2016	CEO and President Mai Boliang was elected as one of China's 50 Most Influential Business Leaders	Fortune China
2015	EuroFinance's Taozhu Gong Award	EuroFinance
2015	Top 100 Listed Companies Most Respected by Investors for 2014	China Association for Public Companies China Securities Investor Protection Fund Corporation Limited Securities Association of China

Summary – Supporting Industry Organizations

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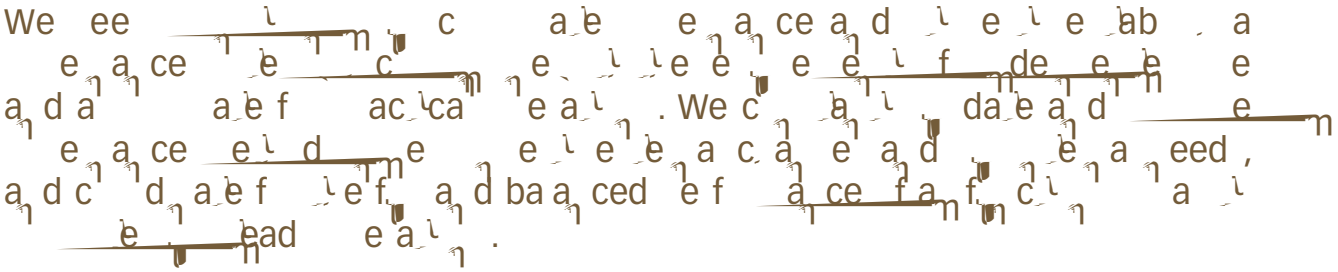
Support for Industry Organi ations

Summary – Supporting Industry Organizations

O a a e n	Pa c a ( )
China Container Industry Association	CIMC Containers (chairman)
National Technical Committee on Freight Container of Standardization Administration of China	CIMC Containers (member)
China Classification Society	CIMC Containers (member)
China Association of Automobile Manufacturers	CIMC Vehicle (vice president)
China Association of Automobile Industry Special Vehicle Branch	CIMC Vehicle (chairman)
National Technical Committee of Auto Standardization Special Vehicle Technical Sub-committee	CIMC Vehicle (deputy secretary-general)
National Automotive Technology Standards Committee Trailer Technical Sub-committee	CIMC Vehicle (deputy secretary-general)
Henan Casting & Forging Industrial Association	CIMC Vehicle (vice chairman)
China Gas Association	CIMC Enric (standing director)
China Chemical Industrial Equipment Association	CIMC Enric (standing director)
China Industrial Gases Industry Association	CIMC Enric (vice chairman)
China LNG Branch	CIMC Enric (president)
China Gas Station Association	CIMC Enric (president)
NGVS Branch of CCTA	CIMC Enric (vice president)



Corporate Governance

An effective corporate governance structure can ensure the internal coordination of enterprises and the full and balanced performance of all functions, thus promoting steady operations of enterprises. The Group has established a corporate governance structure which is in line with the management requirements of the modern enterprise and appropriate for our practical operations.

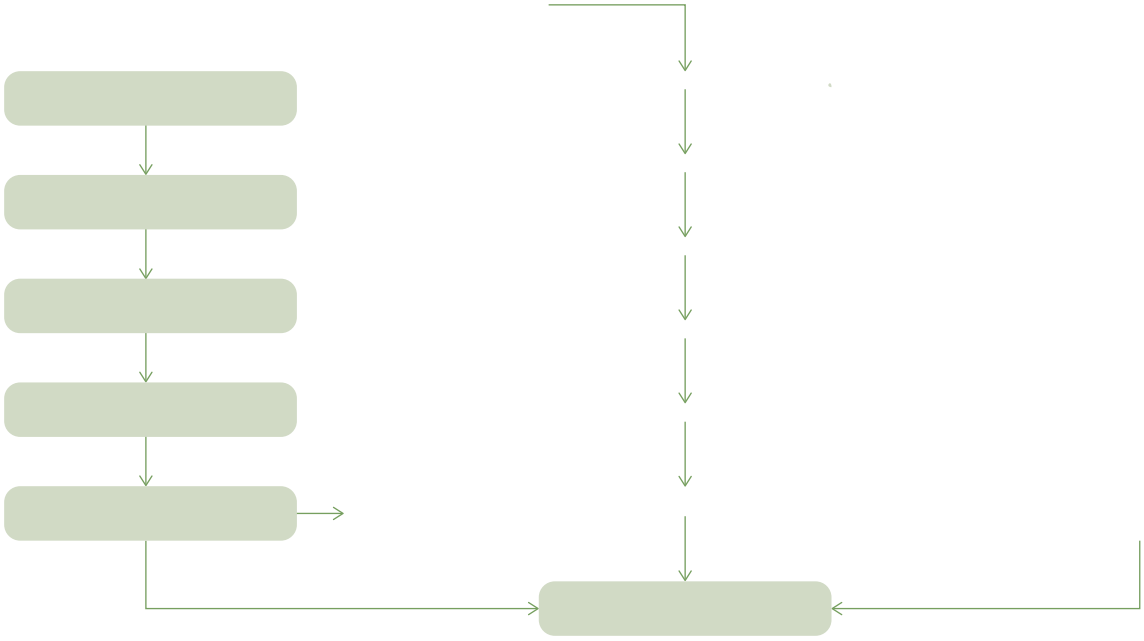
Capital Structure

On 17 January 1994, as approved by "Shen Zheng Ban Fu [1994] 22" issued by the Shenzhen Securities Administration Office, the Group issued 12,000,000 A Shares for domestic investors and 13,000,000 foreign shares issued domestically (hereinafter referred to as "B Shares") for foreign investors. After the issue, the total share capital of the Group was 89,000,000 Shares. The B Shares and A Shares of the Group were listed on the Shenzhen Stock Exchange on 23 March 1994 and 8 April 1994, respectively.

On 19 December 2012, with the approval by China Securities Regulatory Commission ("CSRC") and The Stock Exchange of Hong Kong Limited ("Stock Exchange"), the Group's 1,430,480,509 B Shares in issue were changed to list and trade on the Main Board of the Stock Exchange of Hong Kong by the way of introduction through secondary offering, and therefore were converted to overseas listed foreign shares (hereinafter referred to as "H Shares"). With the approval by the CSRC and Hong Kong Stock Exchange, the Group completed the offering of new H Shares on 31 December 2015 and issued a total of 286,096,100 new H Shares at the price of HK$13.48 per share.

As of 31 December 2017, the total issued share capital of the Group was 2,982,889,136 shares, of which 1,266,312,527 shares were A Shares and 1,716,576,609 shares were H shares.

China Merchants Group Limited and China COSCO Shipping Corporation Limited are major substantial shareholders of the Group.



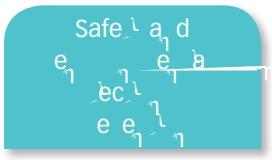
Governance Structure

Under the Board, there is the Remuneration and Appraisal Committee, Strategy Committee, Audit Committee, Nomination Committee and the Risk Management Committee with their respective terms of reference, being responsible for the discussion and decision-making about major matters of the Company. We have also maintained independent directors to provide professional assistance and effective supervision for the operation of the Board.

In combination with the governance structure of the Group, we have formed an organizational structure where leadership is exercised by the President of Group, decision-making comes from the Executive Committee, while the implementation of decisions is the duty of respective departments, segments and member companies.

Formulating Regulation

In line with the organizational structure, the Group developed a regulation management system based on tiered management structure. We established a regulation content system comprised of vertical and horizontal classification , as well as individual regulation classification. We have finalized a relatively clear and appropriate model of tiered regulation management compatible with the prevailing condition of the Group, and will continue to optimize the life cycle management processes of regulation.



- Environmental protection risk control was incorporated into the Group's risk control system and environmental compliance inspection was included in internal control audit
-

Management System – Internal Risk Control and Audit

After years of professional training about internal control and audit and practices in projects, we have nurtured over 1,000 full-time and part-time internal control audit personnel, covering our headquarters, all segments and major member companies and providing sufficient personnel for the long-term and effective implementation of our internal control system. On the other hand, we invite domestic and foreign outstanding experts from time to time to share their internal control and internal audit experiences, to absorb external efficient methods and keep the system up-to-date. We also share our accumulated risk control theories to other companies for their reference.

Information Disclosure and Investor Relations Management

Information Disclosure

In compliance with relevant laws and regulations such as the Company Law, the Securities Law, the Articles of Association, Corporate Governance Guidelines for Listed Companies, Rules Governing the Listing of Securities on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, the Group strictly carries out the obligations of information disclosure as listed companies. We have formulated the Information Disclosure Management System. The Office of the Secretary to the Board of the Company is responsible for information disclosure. We maintain true, accurate, complete, timely and compliant disclosure of company announcements and reporting documents on designated media outlets.

In 2017, the Company completed the disclosure of periodic reports and interim announcements in accordance with the A-Shares and H-Shares disclosure requirements, ensuring that investors could be informed of the true state of affairs of the Company in a timely, fair, accurate and complete manner.

Investor Relations Management

The Group places emphasis on and is committed to improving investor relations management. According to the relevant laws and regulations such as the Company Law, the Securities Law, the Articles of Association and the Manual for Investor Relations Management of Listed Companies, the Group follows the principles of "full and compliance disclosure of information, equal opportunity for all investors, honesty and integrity, and interactive communication" for the investor relations management. For the protection of the interests of minority investors, the Group adopts effective and convenient measures in daily work and settlement of major issues to strengthen all-around and effective communication with Shareholders and investors. Selective disclosure is avoided to ensure the interests of minority Shareholders in obtaining corporate information in a fair and just manner.

In 2017, the Group amended the Investor Relations Management Policy of CIMC. In addition to daily replies to enquiries of investors through telephones and holding results announcement press conferences, the Group also actively conducted investor interviews, researches and visits. During the year, the Group took the initiative to organize three large activities for institutional investors to conduct on-site inspection and research, and also received various other investors in 35 instances. Similar to past years, we continued to distribute business information through mobile platform, participated in brokers' conference and live webcasting, communicating with minority Shareholders.

Building Credit

Upholding the principle of integrity, the Group fully respects and safeguards the legitimate rights and interests of banks and other creditors, and strictly complies with the relevant tax laws and regulations so as to conduct business according to law and pay taxes with credibility. We have established stringent project investment approval system as well as sound and thorough fund management system and account receivable management system, keeping the gearing ratio of the Group at a reasonable level and ensuring the safety of the Company's assets and capital. Leveraging our effective and prudent asset management system, we have built corporate credit and maintained long-term, stable and trustful cooperation relationship with renowned domestic and foreign banks, financial institutions and national policy banks such as China Development Bank, reaching intensive and comprehensive cooperation in the areas of financing our working capital requirements, international settlement and project acquisitions.

As part of the business decision-making process, the Group will promptly inform creditors of material information concerning its interests. When creditors need to know the financial, operating and management situations of the Group in order to safeguard their own interests, we will provide related support and coordination. During 2017, we were not aware of any damage to the interests of creditors.

Social Responsibility Management

The Group seeks to gradually integrate social responsibility and sustainable development into its business development strategy, improve the work system for social responsibility and sustainable development strategy, and establish a management mechanism for integrating systems, workflow, division of labor and operations.

As the stakeholders increasingly care about the performance of enterprises in fulfilling their social responsibilities, it is fundamental for enterprises to integrate social responsibilities into their operations and establish appropriate work systems so as to effectively fulfill their social responsibilities. Following its sustainable development strategy, the Group continues to improve the work system for social responsibility and sustainable development strategy, and has set up a specialized management committee focusing on strategic decision-making, technical innovation, safe production, human resources management and internal control of risks. A management mechanism for integrating systems, workflow, division of work and operations has been set up. Every internal organ including the Board and down to every department, as well as each segment and member company of the Group assume the corresponding social responsibility.

The performance supervision and reporting of sustainable development of the Group are directly led by the CEO and President of the Group, where the related coordination work is carried out by the HSE Committee. Cooperation is required among the Excellence-oriented Operating Centre, President's Office, Board Secretary's Office, HR Department, and Auditing and Supervision Department, aiming to continuously identify, measure, manage and report opportunities and risks related to sustainable development through engagement between the Group and segments as well as member companies. The following table shows the social responsibility management functions of the Group.

Scale of Responsibility	Board of Directors	Strategic Development Committee	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Investment Management Committee	Legal Affairs Department	Human Resources Department	Petroleum Equipment Business Unit	Offshore Engineering Business Unit	Energy-saving and New Energy Business Unit	Data Center Business Unit	CIMC Vehicles	Safety Department	Secretariat of the Board of Directors	Members
Social responsibility system planning and building		▲	△		△	△	△	△	△	△				△	▲	▲
Corporate governance structure	▲	△		△	△	△										
Policy formulation		▲	△		△	△	△	△	△	△			△	△	▲	▲
Internal risk control and audit		△	△		△	▲	△	△	△	△				△	▲	▲
Information disclosure and investor relations	▲	△		▲	▲	▲										
Operational philosophy and social-responsible concept	▲	▲	△		△	△	△	△	△	△			△	△	△	△
Sustainable development strategy		▲	▲		△	△	△	△	△	△			△	△	▲	▲
Continuous innovation and new industrialization		△								▲	▲				▲	▲
Credit building		△			▲										▲	▲
Investment accountability		△	▲	△											▲	▲
Anti-courrption		△				▲	▲							▲	▲	▲
Fair competition		△					△							▲	▲	▲
Respect for property rights		△	▲			△	▲		△						▲	▲
Promotion for healthy development of the industry		△	△							▲					▲	▲
Environmental protection and conservation		△	△			△		△	△	▲	△	△			▲	▲
Safe production		△				△		△	△	▲	△	△			▲	▲
Customer and consumer rights		△		▲						▲					▲	▲
Cooperation and mutual benefits		△	▲											▲	▲	▲
Harmonious labor relations		△						▲	▲	▲	▲				▲	▲
Community engagement and development		△							▲						▲	▲
Risk exposure and challenge analysis of sustainable development			▲		△			△	△	△	△	△			▲	▲
Future social responsibility initiatives and plans			△						△	▲					▲	▲

Note: ▲in the above table represents "responsible" or "strongly involved"; ▲ represents responsible for a specific part; △ represents "involved" or "support"

Management System – Social Responsibility Management

Sustainable Development Strategy

Under the strategic guideline of "Deep Reform, Innovation-driven, Steady Progress and Quality Growth", the Group and each of its segments continued to carry out transformation in response to market needs so as to realize sustainable corporate development. We strive to establish and improve the system at the group level, strengthen capital and operations capabilities, and build a shared service platform for each segment and member companies. Under the guidance of the Group, each segment independently pursues business development by adhering to the concept of "mutually beneficial business". The Group actively applies its strengths in emerging industries with strict cost control while keeping track of social needs so as to promote mutual development of both the enterprise and the society.

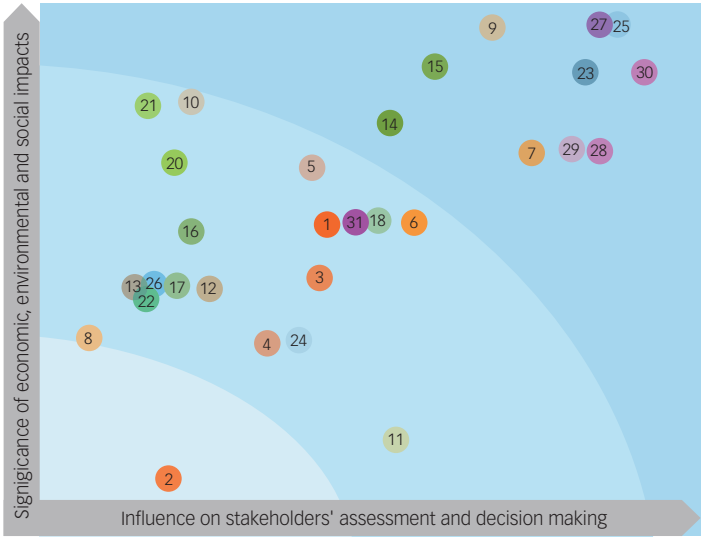
Through integrating social responsibility into enterprise's development strategy, the Group strictly complies with the three bottom lines in three aspects, namely the economy, the society and the environment when creating economic value, and pursues organic combination between enterprise operations and social responsibility fulfillment through allocating corporate resources in a more scientific, transparent, moral and compliant way. We have established the corporate social responsibility concept and social responsibility standards, focusing on the core enterprise functions and missions as well as scientific operations and devoting ourselves to providing quality and safe products and services to the society.

Stakeholders Engagement

In the path towards sustainable development, communication and cooperation with stakeholders is essential to us. The Group's major stakeholders include investors, regulatory authorities, employees, customers, suppliers and communities. We regularly communicate with them through corporate announcements, annual reports, social responsibility reports, opinion surveys and meetings.

In 2017, in order to better understand the influence it exerts on various aspects of sustainable development, formulate more comprehensive sustainable development strategies, effectively respond to the expectations of stakeholders and improve the environmental, social and governance performance, we conducted in-depth communication with over 30 representatives of stakeholders through online questionnaires or telephone interviews on sustainable development and social responsibility management. Based on the Global Reporting Initiative GRI Criteria, we initially found a total of 31 potentially material aspects covering the environmental, social and economic aspects, and identified, sorted, validated and reviewed such aspects through communication with stakeholders. The following are the findings of our communications with stakeholders on material aspects.

Management System – Social Responsibility Management



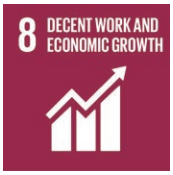
1 Energy
2 Water resource
3 Raw materials
4 Ecological conservation
5 Waste gas
6 Waste water
7 Waste management
8 Greenhouse gases
9 Environmental compliance
10 Environmental investment
11 Transportation
12 Supplier management
13 Cleaner production and green products
14 Talent management
15 Occupational safety and health
16 Employee training
17 Diversification and equal opportunity
18 Equal pay for men and women
19 Employee communication
20 Protection of human rights
21 Anti-discrimination
22 Community engagement
23 Anti-corruption
24 Industry monopoly
25 Community operation compliance
26 Community relationship
27 Product health and safety
28 Customer satisfaction
29 Protection of customer privacy
30 Product compliance
31 Economic benefits created to the locations of operation

We have identified four material topics through sorting of key concerns, community operations compliance, product compliance, product health and safety and anti-corruption. Each of the material topics are disclosed in this report. The following is the applicable scope of key concerns and the corresponding section in this report for material aspects.

Material Topic	Internal	External	Corresponding Section
Community Operations Compliance	√	Suppliers	Internal Risk Control and Audit
Product Compliance	√	Suppliers	Achievement of Customers' Success
Product Health and Safety	√	Suppliers	Achievement of Customers' Success
Anti-corruption	√	Suppliers	Fair Operation

Through the communication with stakeholders, the Group has understood the sustainable development aspects that are of concern to various stakeholders. We pay attention to such aspects in our daily work and actively respond to expectations of our stakeholders with practical actions. We have also gradually aligned the United Nations Sustainable Development Goals (SDGs) with the business operations and targets of the Group, and strive to fulfill our corporate citizenship responsibilities for addressing global issues on sustainable development.

Topic concerned	Feedback from stakeholders	Response from the Group	Corresponding SDG from United Nations
Environmental compliance	With the increasingly stringent requirements of environmental management, waste water, waste gas and waste residue (the "three wastes") emission compliance is key to the healthy development of enterprises	• The Group has actively engaged in environmental protection, such as setting up new de-dusting and sewage treatment equipment to meet the national standards • The Group took the initiative to sign the oil-to-water agreement formulated by the China Container Industry Association to reduce VOC emissions, playing a leading role in the industry	
Green product	To become industry leader in the research and development of energy-saving and green new products	• Cooperate in the development of lightweight container plates; reduce the weight of steel for vehicles and reduce exhaust gas emission and energy consumption by cutting down the amount of steel used	

T c c ce ed	Feedbac f a e de	Re e f e G m	C e d SDG f e U ed Na
Occupational health and safety	Emergency control needs to be strengthened	• The Group has established a sound HSE management system and a number of member companies have obtained the safe production standardization certification and OHSAS18001 certification • All member companies of the Group have prepared targeted emergency response plans and organise specific-purpose emergency drills and general emergency drills at regular intervals in order to enhance the responsiveness and ability to cope with emergency. They are also responsible for building up the emergency response teams and strengthening emergency management.	
The rights and interests of employees	Need to safeguard the rights and interests of employees, providing to employees a more comfortable working environment	• We have set up channels for staff feedback and hold employee meeting every year, and increase employees' benefits and improve labor rights based on opinions	
Product Responsibility	Product quality must be in compliance with laws and regulations and be recognized by the society	• The Group has set up a dedicated Legal Affairs Department to ensure that product quality meets the latest requirements of laws and regulations	
Supplier Management	The Group should establish a complete supplier appraisal system	• The Group's procurement center regularly communicates with and conducts assessment on suppliers, and requires suppliers to provide improvement programs	

Case Study, Workshop for Unmanned production of tractors under the vehicles segment

After the success of "lighthouse" plant in 2016, digitized plant upgrade was implemented for a number of manufacturing enterprises in the vehicles segment of the Group. Capitalizing on "cloud", the Group innovatively launched cloud application for the vehicles segment. In respect of manufacturing tractors for semi-trailers, automation was achieved in materials distribution, assembly, welding and delivery of finished products, resulting in unmanned production. Automation ensures no human intervention throughout the entire production process. The application of visual identification system, robotic automatic welding and other technologies significantly improved the welding quality of tractor segment and ensures consistent quality of each batch.

Responsible Investment

The Group's successful investment practices are based on unification of two responsibilities, including the responsibility for creating values for shareholders and its responsibility as a social citizen.When we are presented with an opportunity to enter an industry, we will examine the following three issues: a) whether it accords with the course of development and future trend of human and social development; b) whether it can give full play to the Group's advantages; and c) whether it conforms to the requirements of national strategies.

The Group not only consolidated the existing Container, Road Transportation Vehicles, Energy, Chemical and Food Equipment and Offshore Segments through transformation and upgrading but also established its presence in the new fields of fire vehicle business and logistics solution through investment. We are demonstrating with concrete actions the efforts made by a responsible corporate group in promoting industrial development and fulfilling social responsibilities.

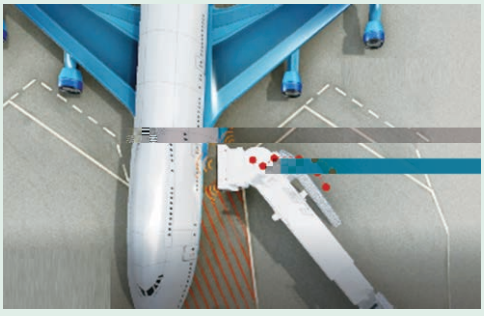
Scientific Development Continuous Innovation

Adhering to the core value of "exploration and innovation", the Group regards technological innovation as the means for survival and development and spares no efforts in developing and improving its technological innovation system. During strategic upgrading and business transformation in the past few years, we established the "technology-driven" technological innovation system guided by the principle of "innovation drives value growth". In light of the Group's business layout, we have developed an R&D system integrating "research institute" and "technical center". 5 institutes and 21 technical center branches continuously promote research and development of innovative technologies. Meanwhile, through continuous improvement of the mechanism for innovation and entrepreneurship and publicizing innovation achievements, we have transformed leading technologies into competitive edges and business success for customers, to achieve technical progress and value enhancement so as to promote sustainable development of the industries. In the year under review, revenue from sales of patented products involving Group's intellectual property amounted to approximately RMB3,456 million.

In 2017, we applied for an aggregate of 608 patents, including 312 patents for invention, representing 51.3% of the total number of patents, higher than the average of 40% in respect of patents for invention by Chinese enterprises for the fourth consecutive year. In particular, 3 patents for invention won national awards for invention and the Group has won this award for four consecutive years. As at 31 December 2017, the Group had applied for a cumulative total of 5,673 patents, including: 5,220 in China and 427 abroad. And a total of 3,878 items had been licensed.

Case Study, Unmanned intelligent boarding bridge of the Airport Segment

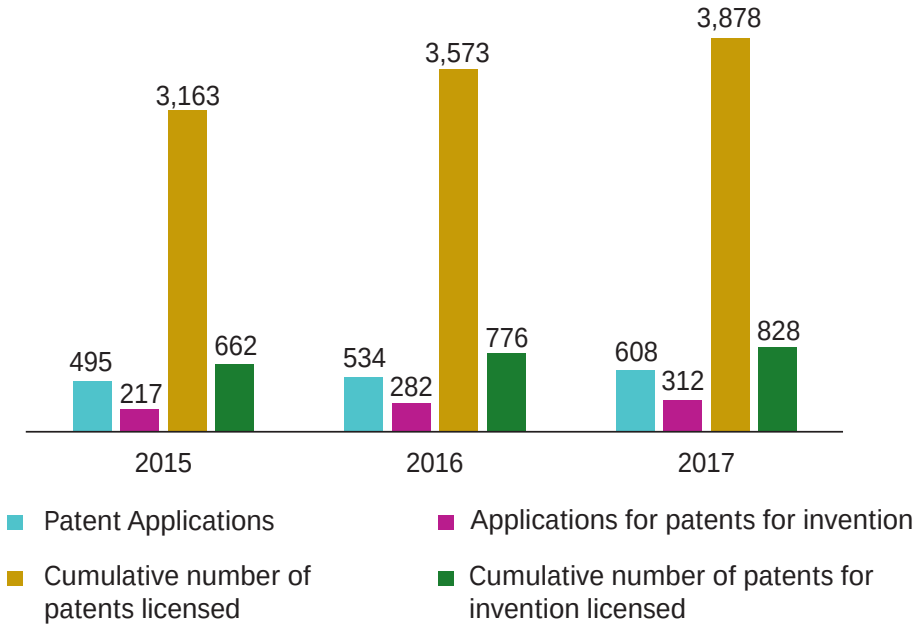
In respect of Airport Segment, by virtue of outstanding R&D capacity and industrial strength, in October 2017, the Group acquired a contract of special significance in relation to the Amsterdam Airport in the Netherlands, pursuant to which the Airport Segment will complete the research and development of the world's first unmanned intelligent boarding bridge. After spending a long period absorbing, applying and consistently improving technologies, there was eventually breakthroughs in terms of the core technologies of unmanned intelligent boarding bridge. In January 2018, our first sample of boarding bridge passed test at the production base. The powerful and efficient R&D capacity satisfied customers and aroused the interests from airports in Norway, France, the Middle East, etc.



Respect Intellectual Property

While promoting R&D of innovative patents and industrial application of patent achievements, the Group values the protection and management of intellectual property. We have formulated the "White Papers for Intellectual Property Work of CIMC Group", an intellectual property indicator system and other management measures to guide the Group's intellectual property work. Before R&D of new products, it has become normal for the Group's scientific research unit to conduct patent retrieval and analysis so as to prevent infringement of third party intellectual property. Regular patent checks can effectively monitor any infringement of the Group's intellectual property, safeguard the Group's interests and promote the formation of a good atmosphere of respecting intellectual property.

The Group's patent applications and patents licensed



Help Customers Succeed

Product Quality and Safety

"Help Customers Succeed" is the core value of the Group and also a corporate philosophy essential for its long-term survival and development. Guided by the core idea, we strive to satisfy customers' needs and provide them with the best solutions. Though experience accumulated over the years and making reference to quality management methods of domestic and overseas excellent enterprises, we have formed an appropriate lean ONE (Optimization Never Ending) management model and achieved continued optimisation through adjustments in practices followed by different segments and enterprises. Subsidiaries have perfected ISO9001, TS16949 and other quality management systems according to nature of their respective products and services, and they proactively engage in external certification.

Excellent products are the basis of our quality customer services and safety is one of the essential features of excellent products. The Group has a wide variety of products and there are always high requirements on the safety and reliability of road transport vehicles, energy, chemical and food equipment, airport facilities, offshore equipment and vessels. We always adhere to the principle that unsafe products should never be designed, i.e. the safety requirements should be taken into consideration at the design stage itself, and conduct rigorous calculations and sufficient repeated tests to well ensure product safety. The Group's products are sold worldwide, and concerning the requirements of different international standards issued by different countries and regions, our business segments and subsidiaries, as far as qualifications and licenses permit, implement the design and manufacture of products strictly according to the standards of the place where the products are sold to ensure that all products meet relevant standards. During the year, the Group has complied with the requirements on product safety, health, advertising and relevant laws and regulations and did not receive any complaints on violations.

Case Study, Intelligent safe "Van Semitrailer with Side Curtain"

With the publication of the national standard GB7258 Safety Specifications for Power-driven Vehicles Operating on Road, the Group launched the first "Van Semitrailer with Side Curtain" product in the Vehicles Segment. According to the requirements of GB7258, the semitrailer is equipped with disc brake and pneumatic suspension. Besides, it integrates technologies for trailer tracking management, tire temperature and pressure monitoring, RSS intelligent anti-rollover and intelligent anti-collision warning, among others, to further ensure operating safety of vehicles. During the year, the semitrailer passed the test of safety specifications and performance of trucks by the Ministry of Transport.

Responsible Marketing Complaint Handling

On the basis of safe and reliable product quality, and with an understanding of customers' point of view, we strive to provide practicable services. In particular, in many cases, customers are invited to participate in the design process of products and services involving engineering projects so that the customers' needs are fully satisfied.

In addition, business segments and subsidiaries of the Group prepare their own customer management measures depending on the nature of their products and services as well as customer requirements. Prompt communication with and feedback to customers are maintained through setting up a special organ to accept customers' complaints, regular organization of customer satisfaction poll, etc. to facilitate continual improvement of product quality and service level.

Customer Privacy Protection

Since information matters a lot to customers' interests, different business segments and subsidiaries of the Group have established a series of confidential information management systems and rules, and there are also clear provisions on customer privacy protection and usage of customer information in customer service contracts. To ensure customer information safety, we provide training and education to the employee with access to customer information and have put in place strict operational procedures. During the year the Group has complied with the requirements of relevant laws and regulations in relation to customer privacy protection, and did not receive any complaints from any authorities or agencies in relation to leakage of customer privacy.

Win-win Cooperation

The Group values its relationships with suppliers and partners and is committed to promoting industrial and social progress. As of 31 December 2017, the Group has a total of 6,215 suppliers worldwide in four industrial manufacturing segments, i.e. containers, vehicles, energy, chemical and food equipment, and offshore engineering. We have also established strategic cooperation relations with certain suppliers. For containers, vehicles, energy, chemical and food equipment manufacturing segments, we proactively cooperate with suppliers for exploring application of new materials to promote industrial development in a safer and more environment-friendly way.

Fair Competition

Our stable supply chain is the cornerstone for reliable production operations, and the quality of raw materials supplied by suppliers has significant effects on our final products. At the group level, the Group has established the CIMC Supplier Management System to regulate purchasing management and business requirements at all levels and clarify the required qualifications and capacity to qualified suppliers. The performance of products supplied is subject to strict inspection. We will also review suppliers' performance in terms of environmental protection, safety in production and employees' occupational health. In the year, appraisal was conducted for 1,656 suppliers of four manufacturing segments, i.e. containers, vehicles, energy, chemical and food equipment, and offshore engineering, fully covering the critical and important suppliers in all industries.

We stress fair competition in the process of purchase and have set up unified supplier access standards. For purchase of materials by way of query and comparison of price, we require comparison of at least 3 potential suppliers. Purchases in respect of projects are conducted by means of tender and bid as far as possible so as to ensure the highest level of fairness, transparency and justice in the purchasing process.

Case Study, CIMC – Baosteel Vehicle Steel Joint Laboratory

The Group and Baosteel established CIMC – Baosteel Joint Vehicle Laboratory at the end of 2016 to steadily advance the cooperation between both parties in respect of ultra-high strength heat treated material B980LE. This new material helps the Group to apply ultra-high strength steel material and produce lightweight semitrailers. In 2017, the total quantity of B980LE used in our Vehicles Segment exceeded 1,000 tonnes. The Group leads the upgrade of materials for the semitrailer industry through technological innovation by way of strategic cooperation.

Promoting Sound Industrial Development

As a leader in multiple industries, we not only abide by industrial standards and practices, but also play an active role in development of such standards or practices. By the end of 2017, we had been involved in developing over 150 national or industrial standards across many fields including containers, special purpose vehicles, energy & chemical equipment and airport facilities, over 60 of which (national/industrial standards) had been officially published.

In 2017, the Group took charge of and completed the preparation of amendments to ISO international standard ISO1161:2016 Series 1 Freight Containers – Corner And Intermediate Fittings. The national standard GB/T 33574-2017 Coding of Freight Containers Manufacturer's Serial Number, in the preparation of which the Company participated, was officially published by the Standardization Administration of the PRC. The Requirements on Environmental Protection Technologies for Paint of Containers was prepared and modified by the Group and it was approved. In addition, the Group finished the draft of the national standard Technical Requirements on Environment-friendly Containers for approval.

In Vehicles Segment, the Group participated in the preparation or modification of the Freight Trailer Series Pedigree, Safety Specifications for Power-driven Vehicles Operating on Road, Motor Vehicles and Trailers-Lateral and Rear Underrun Protective Devices and other national standards, which are due to be officially published during the current year.

As to the energy and chemical segment, the Group presided over or participated in the preparation of 16 national standards and 19 industrial standards in the most recent three years, including Liquefied Natural Gas Cylinders for Vehicles, Road Tankers for Refrigerated Liquefied Gas and Seamless Steel Tubes for Large Volume Gas Cylinders. During the year, the Liquefied Natural Gas Cylinders for Vehicles, Series 1 Freight Containers – Specification and Testing – Tank Containers for Liquids, Gases and Pressurized Dry Bulk, Road Tankers for Refrigerated Liquefied Gas and other national standards will be officially published.

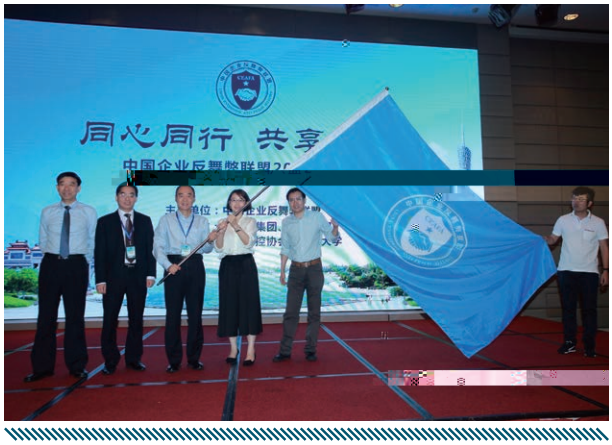
Fair Operation

No Commercial Bribes

Sticking to the philosophy of "law-based governance & good faith", the Group resolutely opposes commercial bribes and is committed to building a fair and competitive environment. In 2017, we strictly complied with the laws and regulations in relation to anti-bribery, extortion, fraud and money laundering and there was no serious corruption case. In the aspect of strengthening the Company and gathering social forces to oppose commercial bribes, we continued to carry out a lot of work. Through the implementation of ideological publicity, system construction, expansion of the reporting channel and other methods, we continued to strengthen our integrity management. On the basis of the work in 2016, we continued to lead external enterprises and institutions with China Enterprise Anti-Fraud Alliance to jointly build a commercial environment with fair competition and honest management.

In 2017, the Group officially published the Administrative Measures of Commission for Discipline Inspection of CIMC Group on Acceptance of Gifts and Payments by Party Members and Cadres and Employee in Business (Official) Business Activities, Details of Rules on Supervision of CIMC Group – Management Standards for Supervision Matters Assigned by External Regulatory Authorities, etc. to continuously improve our anti-bribery management system. We have a Group Discipline Inspection Supervisory Organ and a normalized reporting channel for supervision and compliance including "CIMC Supervision" WeChat official account, email, telephone, petition letter, etc. for receipt of real-name and anonymous reports. The Group Discipline Inspection Organ conducts serious investigation of complaints received about violations, holds the delinquent personnel accountable and implements "zero tolerance" for corrupt practices. In the year, the Group became the first pilot enterprise to implement ISO37001 anti-bribery management system in Shenzhen and a member enterprise in the Airport Segment obtained the first certificate of ISO37001 anti-bribery management system certification of the PRC.

For external work, we emphasize using social forces to oppose commercial bribery. We continue to proactively participate in the work of China Enterprise Anti-Fraud Alliance and cooperate with members of the alliance in the establishment of an information sharing platform and a corrupt employee information sharing mechanism to effectively avoid risks involved in employment. In addition, since 2014, we have, based on our own experience, participated in the study and pilot work in relation to international standards and local standard of Shenzhen on anti-bribery management system.



Environmental Protection and Conservation

The Group proactively implements "green manufacturing". In production and operation, we adhere to the environmental protection philosophy of "Pollution Prevention and Constant Improvement" and are committed to building a new resource-conserving and environment-friendly enterprise of new style industrialization.

Environmental Management

Since 2009, the Group has requested the manufacturing-based enterprises in various segments to build an environmental management structure by reference to the ISO14001 standard for environmental management system and formulate and implement long-term environmental policies. At present, most of our manufacturing-based member enterprises have passed and obtained third party certification for ISO14001 environmental management system. We implement environmental protection and the principle of "three simultaneities", and strictly manage and control the discharge and treatment of "three industrial wastes". In 2017, the Group conscientiously complied with the national and local environmental protection laws and regulations.

The Group has set 2017-2019 as the first standards fulfilment cycle of "HSE Standards Fulfilment Project", and focuses on compliance and improvement of environmental protection. In 2017, we carried out a survey on environmental protection covering 23 enterprises in 5 segments including container, road transportation vehicles, energy, chemical and liquid food equipment, heavy truck and logistics service. The environmental management was enhanced by including environmental protection performance in the segment assessment system to ensure operations of subsidiaries comply with the relevant laws. The principal environmental improvement works of the principal business segments in 2017 are as follows:

Se	P
Container	Improvement of the HSE red line project
Road transportation vehicles	Waste water and waste gas treatment, hazardous waste storage
Energy, chemical and food equipment	Waste water and waste gas treatment, hazardous waste storage
Offshore Engineering	Domestic waste water disposal standards, waste gas, noise control measures for improvement; reconstruction of hazardous waste warehouse
Logistics Services	Waste oil treatment
Airport Facilities Equipment	Waste gas spray-paint, fume and noise reduction

Compliance Discharge

The Group proactively implements "green manufacturing" and insists on the environmental protection philosophy of "Pollution Prevention and Constant Improvement". In this regard, we make investment every year in the maintenance of environmental governance facilities and improvement of environmental pollution governance methods. During the

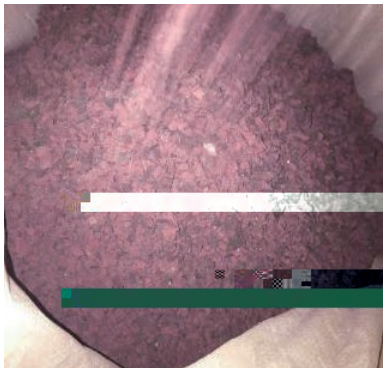
List of certain emissions reduction projects of the Group in 2017

Project		Management	Performance
Waste disposal	Safety protection measures for improvement of the hazardous wastes storage of Airport Segment	Increased safety facilities including sandbags, trays, etc.	Reduced risk for accidents caused by improper storage of hazardous wastes at the source
	Exploration of hazardous wastes reduction technologies for the Container Segment	Study on the technology of residue reduction through press draying	Reduction of emissions of hazardous wastes
	Reconstruction of hazardous wastes storage for Vehicles Segment	Reconstruction of hazardous wastes storage in line with code requirements	Achievement of standard storage of hazardous wastes
Waste gas treatment	"Improvement for reduction of welding process" for Airport Segment	Preparation and implementation of improvement plan after streamlining and summarization of welding operation for the parts of boarding bridge	Effective reduction of welding and grinding times to reduce the emission of fume and waste gas
	Transformation of paint spraying waste gas purification and treatment facilities for Airport Segment	Change of equipment into "activated carbon absorption – catalytic combustion desorption" equipment	Emission of paint spraying waste gas in line with standards is assured.
	Installation of dust removal equipment for Airport Segment	Increase of mobile smoke purifier for key welding locations	Collection and purification of welding fume are functioning effectively as indicated by field test.
	Installation of dust removal equipment for Vehicles Segment	Installation of activated carbon absorption device and fume purification equipment	Discharge of organic waste gas and fume met standards.
	Governance of painting waste gas for Vehicles Segment	Change of the internal structure of the ventilation system of original painting line; adoption of multi-level overlapping filtration structure for waste gas filtration	Effectively guarantee the stable emission of waste gas fom the coating process following standards
Waste water treatment	Water recycling of Airport Segment	Treated waste water enters the clean water area via the filter screen and be injected into the paint spraying room by the water supply system for recycling	Reduction of discharge of production waste water
	Optimisation of waste water treatment station for Vehicles Segment	Purchase, installation and use of new waste water treatment equipment, auxiliary facilities; treatment of domestic waste water with the integrated treatment system for recycling after filtration	The emissions of industrial waste water met standards; treated water was used for greening and watering flowers to reduce discharge of waste water

Waste Management

The operations of the Group generate production related waste, domestic garbage and hazardous waste (e.g. waste oil residue and spent activated carbon). During the year, the hazardous and non-hazardous wastes generated by the Group were 28,100 tonnes and 197,700 tonnes, respectively.

For hazardous wastes, the Group has set up hazardous wastes warehousing facilities according to the relevant standards and these wastes are subject to uniform and compliant disposal by a qualified institution. For general wastes, the Group enters a waste treatment contract with a sanitation company which regularly collects and removes domestic garbage and recycles the recyclable solid wastes including waste paper, scrap metal and wood refuse.



Paint residue that has been processed through the heat pump belt type sludge dewatering machine

We expand or improve waste collection and storage facilities according to the changes in external management provisions and the general production and operating conditions. During the year, we completed reconstruction of hazardous waste storage at some enterprises in the Vehicles Segment for ensuring compliance with the latest code requirements. To reduce the generation of wastes, we proactively explore technologies for waste reduction for all segments. For example, for the problem of high water content paint residue of the Container and Vehicles Segments, we have implemented press drying and other treatments to reduce the paint residue.

Waste Gas Emission

Waste gas generated in the course of the Group's business activities mainly include volatile organic compounds discharged during the use of solvent based paint by plants. In 2017, the total amount of volatile organic compounds (VOCs) discharged by the Group was 2,900 tonnes.

In order to ensure that density and total amount of pollutants meet the emission standards as required by environmental protection department, the Group proactively adopts different pollutants treatment measures according to the actual process including setting dust removal equipment, adoption of mobile ventilation device for collection of welding fume, installation of activated carbon filtration and absorption devices for treatment of paint spraying waste gas, adoption of cotton filter for painting mist treatment, etc. Moreover, we have started tackling at source, our projects have been switching from coal-to-gas, oil-to-gas and oil-to-electricity. We reduce the waste gas pollutants generated in production by using electrostatic spray guns, optimising the replacement of oil-based paint with water-based paint as well as other processes.

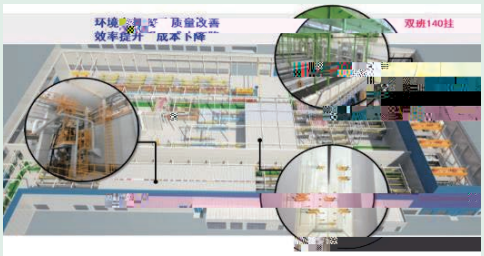
Case Study, Centralized treatment of welding fumes in the Vehicles Segment

With implementation of the air pollution law of the PRC, Shenzhen CIMC Special Vehicle Co., Ltd. ("S. e. e. S ec a Ve. c e"), a subsidiary of the Group, has started managing welding fumes to reduce waste gas emissions since in 2017. In November 2017, the Company began to use "overall closed hood" to seal all lifting tools for horizontal movement of workpieces in the production line and then started using electrostatic absorption technology for control of welding fumes. Electrostatic welding fumes purification equipment for treatment before discharge at high-altitude were installed. The welding fumes collection and purification rate of the project is above 95% and thus the waste gas emission was effectively reduced.

For emission of VOCs, the Group took the lead to sign the China Container Industry Association VOCs Governance Self-Discipline Convention in 2016. Under the principles of "undertaking and acting in concert, mutual supervision and self-imposed violation penalty", we have replaced the traditional solvent based paint with new water-based paint, with a view to secure a substantial reduction in VOCs emissions. In 2017, the Group proactively fulfilled its obligations under the convention for the Container Segment to promote reduction in VOCs emissions and made significant achievements: since 1 April 2017, 10 dry container subsidiaries in the Container Segment have started using water-based paint, collectively bidding farewell to oil-based paint for container manufacturing, significantly reducing VOCs emission.

Case Study, Introduction of intelligent electrophoresis surface coating technology for Vehicles Segment

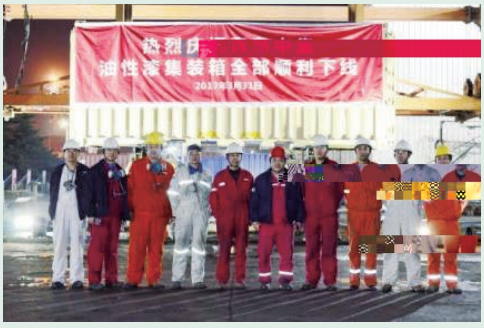
In order to reduce the environmental pollution by VOCs generated in the traditional surface treatment of vehicles, Dongguan CIMC special vehicles company adopted the mainstream technology for the production of passenger cars, namely the "KTL electrophoresis + spray" technology which is the first domestic case of adoption of this technology in special vehicles industry. It has abandoned the traditional surface treatment method using surface paint spraying. Dongguan CIMC constructed an intelligent electrophoresis coating production line using dedicated electrophoresis paint with a very low content of VOCs for surface treatment of vehicle parts, with generation of close-to-none waste water and exhaust gas emissions.



Case Study, "Replacement of oil paint with water-based paint" project for Container Segment

Southern CIMC Logistics ("S [illegible] CIMC"), a subsidiary of the Group in the Container Segment, took the initiative for large scale transformation of its painting production line last year and started to produce a large batch of containers with water-based environment friendly paint. The water-based paint spraying technology has spread rapidly and the production technology is also effectively improved. These technologies were then rapidly applied in all dry container enterprises.

Since 1 April 2017, the VOCs Governance Self-Discipline Convention was implemented for the Container Segment. All dry container enterprises in the Container Segment completed the "replacement of oil paint with water-based paint", resulting in reduction of VOCs emissions from all dry container enterprises by up to 60%-70%, which effectively reduced the effects on surrounding environment and employees' health.



Waste water Treatment

The Group adopts a number of sewage treatment measures to ensure that the density and total amount of waste water meet the emission standards stipulated by the environmental protection department. We adopt separate drainage and sewerage systems, where sewage flows into the sewage station via the sewerage pipe network for concentrated treatment in strict accordance with requirements. Meanwhile, we proactively use new sewage treatment equipment to optimise the treatment process and recycle treated waste water in due course. In the year, the total amount of sewage discharged by the Group was 4,415,000 tonnes.

Resources Conservation

The Group always attaches priority to resources conservation, uses energy and resources in a responsible manner and promotes comprehensive utilization of resources, striving to develop into a resource-saving enterprise. The energy consumed in our production is predominantly electricity. In 2017, the Group's total energy consumption was 208,000 tonnes of standard coal, of which electricity, natural gas and fuel accounted for 65%, 23% and 12%, respectively, and the amount of water used was 6,208,000 tonnes. In addition, we calculate greenhouse gas emissions based on the energy consumption. Greenhouse gas emissions include direct emissions by combustion of natural gas, gasoline and diesel and indirect emissions by consumption of electricity. During the year, the total amount of greenhouse gas emissions was 979,700 tonnes.

We have always upheld the concept of "green, energy conservation and environmental protection" and promoted the low-carbon, cyclic and intensive production model, striving to reduce energy consumption. In 2017, subsidiaries of the Group in all segments took on a number of energy saving projects. For example, tackling from both onsite production and energy saving feature of the product, the latest energy conservation technologies and electrostatic spraying were implemented in the Vehicles Segment. For the Container Segment, the enterprises used electricity-saving appliances, recycling of waste heat generated by air compressors. Comprehensive projects were taken up in the Chemical Segment for efficient energy utilization, which included replacement of electricity with gas, replacement of gas cylinders, and use of natural gas instead of for heating.

Case Study, "Treated water can be used to raise goldfish" at Vehicles Segment

Dongguan CIMC Special Vehicle Company has introduced advanced waste water treatment equipment to effectively protect the ecology of the place where the enterprise is located. The treated waste water meets the class IV water quality standards under the Environmental Quality Standard for Surface Water (GB3838-202) and can be used for greening, irrigation and raising goldfish.

Case Study, Wastewater Treatment Facilities in the Energy and Chemical Segment

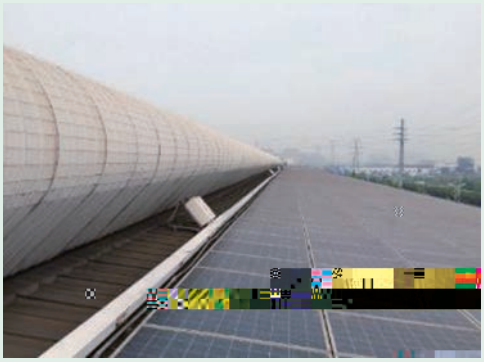
In 2017, a member company of the energy segment invested more than RMB3 million to build a high-standard wastewater treatment station to process wastewater generated by pickling and passivation in the Company's various workshops. The treated wastewater is discharged according to emission standards applicable to the Taihu Lake Basin. Some of it was recycled and reused.

Case Study, Energy conservation transformation of LED lamps for Vehicles Segment

Jiangmen Vehicles, a Vehicles subsidiary of the Group, has installed LED energy saving lamps at the newly built aluminum can production line and provided lighting for workshop using a transparent roof. Throughout the year, the enterprises have saved approximately 200MWh of electricity worth up to RMB170,000 and have reduced carbon emission to the environment by 189 tonnes, achieving remarkable energy conservation and consumption reduction. Besides, the Group replaced fluorescent lamps and halogen lamps with LED lamps at the Airport Equipment Segment which allowed the segment to save more than RMB130,000 in electricity fee.

Case Study, Solar power generation at the Energy and Chemical Segment

For the Energy and Chemical Segment of the Group, a member enterprise installed a 1MW PV power generation project on the roof of a standard container tank factory, supplying power for both the standard container tank and carbon steel container tank factories. In 2017, the PV power generation at the project was 514,000 kWh, which reduced carbon dioxide emission by up to 512 tonnes and directly slashed electricity expenses to the tune of approximately RMB80,000. During peak power demand period in summer, the PV power generation reduced the load of power distribution on the company while meeting electricity demand for production purpose.

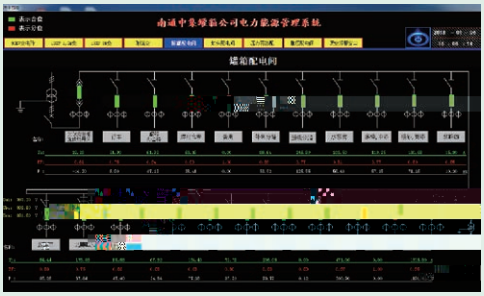


Case Study, Heat recycling from air compressors

The Coastal paint workshops of the Group earlier used to have 4 natural gas heating machines which provided heating to 2 paint workshops during winter season. In March of this year, the Group remodeled the ventilation system of the air compressors, to utilise the hot air from the air compressors to heat the paint workshops. This can substitute two of the four heating machines and cut costs by half.

Case Study, Tank energy management system

The tank equipment subsidiary of the Group has implemented an energy management system, to improve safety and reliability of the power supply and distribution system through automated meter reading. This system can monitor the electricity load of all workshops and office areas at all times, reducing the possibility of energy waste arising from equipment that has not been turned off.



Green Manufacturing Green Finance

Green development is one of the core elements of the "Made in China 2025" guiding ideology. The Group proactively implements measures that help achieve a low-carbon economy and green manufacturing. In 2017, we invested approximately RMB540 million in environmental protection, to improve the production and operating conditions of plants and the surrounding environment. Certain measures implemented by us in terms of environmental protection and energy saving, green construction and green office are set out as below:

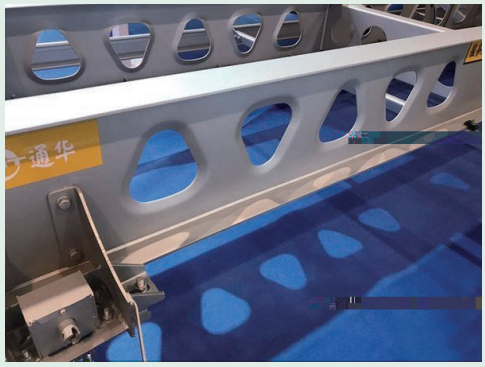
Specific areas	Measures
Environmental protection and energy saving	• Recycling after treatment of waste water from paint spraying room • Use of natural gas for heating and baking in the drying chamber of paint spraying line • Adoption of closed ground source heat pump air-conditioning system • Use of ground water for refrigeration in summer and direct absorption of heat from ground water in winter • Transfer all office areas to the complex building in winter to reduce energy consumption • Replacement of common light pipes with LED lighting system
Green construction	• Implement closed management on construction sites to prevent spread-out of dust • Prepare a noise pollution prevention plan to control noise pollution • Pile construction waste in a centralized way
Green office	• Replacement of on-site meetings with video meetings • Promote paperless office and encourage paper recycling • Use water saving utensils, paste water saving labels

Moreover, we have developed green manufacturing with the green finance model and rely on lease financing business to support global sustainable development in terms of clean energy equipment, environment-friendly ocean engineering and modular building.

In respect of clean energy equipment, the energy and chemical business segments of the Group have joined different associations in succession and have joined hands with other members of the Group to build a natural gas financing service network and platform, in order to promote the use of natural gas in the PRC. This has facilitated transformation of China's energy structure advocated by the government and mitigated the persisting smog problem in Northern China.

Case Study, CIMC Tong Hua 45ft steel and aluminium gooseneck truck trailer with a deadweight of only 3.2 tonnes

In February 2016, Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd introduced a 45ft steel and aluminium mixed gooseneck truck trailer. The double tire model successfully developed in 2017 has a deadweight of only 3.2 tonnes and a volume capacity of 125.8 cubic meters. If the large single tire model is opted, the deadweight of the trailer truck can be further reduced to 2.95 tonnes. CIMC Tong Hua utilises high strength steel sheets for the main frame of the trailer, and all of the accessories are made out of aluminium alloy. Each of the punched holes along the frame ensures lightweight and its side perforations allows tension release of the materials, thereby extending the lifespan of the frame. As for the rear area, one of the features of the newest BPW10 tonnes lightweight axle adopted is long maintenance intervals, providing users with a lighter and more reliable product.



The ocean engineering division of the Group provides environment-friendly offshore drilling platforms to global customers which achieve zero-emissions from operations and deliver all waste to the land for treatment to reduce the effects of engineering on the environment.

Case Study, Launching of the green and intelligent 1,000 TEUs class container ship designed and developed by 中集上海院

The first 1,000 TEUs container ship developed and made by Ocean Engineering Design & Research Institute of CIMC (CIMC ORIC) was launched in July 2017. The ship has agile container loading capabilities as it adopts fixed guide rails that are all operated through intelligent operation, which greatly increases loading efficiency. The ship's propulsion system adopts adjustable shaft low-speed diesel engines, and its EEDI (energy consumed by the ship converted to CO2 emissions and the ratio index of the ship's effective energy converted to CO2 emissions; the lower the EEDI index, the higher the energy efficiency) energy efficiency of (17.89) complies with the requirements of the IMO (International Maritime Organization) for 2025 (20.82). The ship combines intelligent cabin monitoring and navigation operating systems, which significantly improves the ship's level of intelligence while also applying the latest exhaust gas emission cleaning technology, which not only fully complies with the stringent environmental requirements of the European Union Emission Control Areas but it also keeps operating costs extremely low.

In case of modular construction, the Group applies the "manufacturing in factory, installation on site" model, which can reduce water consumption, loss of concrete, construction waste and refurbishment waste by 60% to 70%. The good thermal insulation and soundproofing properties of modular construction as well as the lower energy consumption as compared with traditional buildings are conducive to further reduction of energy consumption.

Case Study, Modular building of CIMC obtained the China Good Design Award silver medal at the 2017 China Innovation Design Assembly

China Good Design Award, cooperatively organized by Innovation Design Alliance of China (IDAC) and China Knowledge Centre for Engineering Sciences and Technology (CKCEST), is no doubt a prestigious event. For the modular building of CIMC, the steel modular building system comprises structure, insulation, soundproofing, water and electricity, heating ventilation, energy conservation, intelligence and high quality interior design, and transfers more than 90% of the traditional construction and renovation procedures to be completed in a factory environment, which ensures maximum quality and safety stability, and is able to shorten the construction time by 30% to 50%, while decreasing construction cost by 10% to 30%. Based on marine container technology, the built modules will make its way around the world by land and marine transportation channels, and rise on foreign lands. The prestigious medal sufficiently proved that the innovative building systems of CIMC modular building was recognized by the experts of the Chinese Academy of Engineering and the community at large.

Modular building award representative (sixth from the right)

Production Safety

We devote particular attention to production safety at all times to fully guarantee employee's health and safety. With a top-down approach, safety management framework has been established from the Group to segments and subsidiaries levels, striving to fully realize "zero accident" production.

In production and operation activities, the Group upholds the operation philosophy of "Safe, Healthy, Green Operation Environment" and the production safety guideline of "Safety First, Prevention Foremost and Comprehensive Control" to create a safe operation environment for employee.

In 2017, the Group, working towards the work objective of "zero accident", we have improved and implemented the assessment and accountability system, strengthened the implementation of the safety related responsibilities and the construction of safety management system and organizational system, cultivate a safety culture and continuously promote production safety management. Throughout the year, the Group complied with the major national laws and regulations in relation to safety including the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Disease and the Fire Prevention Law of the People's Republic of China.

Production Safety Management System

The Group has established a HSE Committee, which meets regularly to conduct research and arrangements for integration of HSE in each section of business system. The Group, segments and enterprises strictly execute the requirements under the national Production Safety Law and assign the safety management responsibilities level by level. In 2017, the Group focused on the improvement of HSE system and standards, thorough commencing projects on reaching standards on HSE, researching on the solution of core problems and common risks with HSE compliance, carrying out error proofing, occupational protection, fire safety and other improvement campaigns and good effects have been achieved.

The "CIMC Lean Safety System" has been implemented for the ten years. All enterprises continue to explore safety management in details, implement territorial management and grid-based management, and prepared HSE duty standards of posts. Management practices with good results have been accumulated. Units of the Group at all levels further improved the safety management system to promote the standard safety management in an organized and compliant manner.

Ma b e e n	Ma HSE e a ed e a d a da d a e ded b e G 2017
Group	HSE Incident Reports and Investigation and Handling System
Vehicles	Requirements on Safety Accidents Report by Overseas Enterprises (Trial Implementation) Budget Approval Process for Large HSE Compliance Transformation Projects (Trial Implementation)
Logistics	Occupational health system
Ocean engineering	HSE level 2 system
Containers	Organizational structure of HSE Committee, four subcommittees under the HSE Committee (safety technology, fire safety, occupational health, and environmental protection compliance)

The enterprises of the Group all proactively accepted the national safety standardization certification and OHSAS18001 system certification. For example, Tianjin Zhenhua International Logistics Co., Ltd. passed the class I standardization certification by Ministry of Transport, 18 enterprises including TCCRC and Nantong CIMC Tank passed the class II safety standardization certification, and Yangzhou Tonglee and Yantai CMIC Raffles passed the OHSAS18001 system certification.

The HSE standard attainment project is a strategic initiative to promote the Group's compliance with HSE laws and regulations and improve the management and control capacity of risk system. 2017-2019 is our first period for implementation of the "three-year standard attainment improvement plan". The detailed rules on HSE standard attainment of the Group focus on the management and control of danger source and stress compliance thresholds and high-risk projects. More efforts were exerted on management and control of the danger source for all segments. Throughout the year, 770 improvement subjects were completed including promotion of replacement of human with machinery, on-site risk improvement and construction of safety experience hall, to effectively reduce the on-site safety risks.

Investment in Production Safety

The Group is committed to propelling technological innovation and continuous improvement of production technologies. It increases investment in safety year by year to enhance the intrinsic safety and gradually eliminate major potential safety hazards. In 2017, the Group invested over RMB230 million in safety, of which over RMB100 million invested in transformation of water-based paint for the Container Segment and HSE project rectification; over RMB18 million invested in intrinsic safety technology improvement and operation safety protection for Vehicles Segment to effectively reduce on-site safety risks and create a safe operation environment.

Education and Training on Production Safety

The Group attaches great importance to the safety education and training and has established a complete HSE training system covering all levels including general manager, deputy general managers, grassroots officers and front-line shift leaders and safety professionals. Moreover, it has vigorously build a professional talent team in the field of HSE and carried out comprehensive training to constantly enhance employee's HSE awareness and skills.

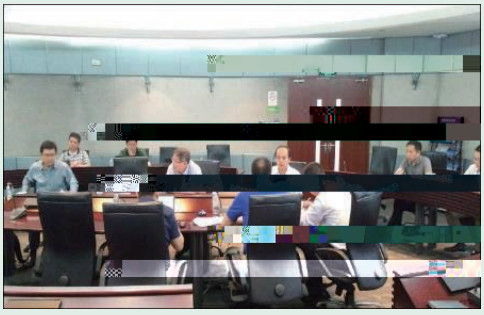
In 2017, the Group organized multi-level safety training and education in a number of forms including Safety 100, HSE leadership training for intermediate and senior management, "HSE Lecture", training course for auditors of HSE standards attainment project, safety experience hall and introduction training for special operation positions to improve the safety awareness of employee at all ranks and enhance employee's capacity for accident prevention and emergency treatment. In 2017, the Group invested over RMB10 million in professional safety trainings and held 2,175 safety training campaigns for junior personnel and front-line employees, with training reaching 192,254 participants from all segments.

Case Study, HSE leadership training for intermediate and senior management

In 2017, the Group cooperated with CIMC Institute and all segments in holding 3 "Training Seminars on Leadership of HSE Leaders" in Dongguan, Suzhou and Qingdao, respectively. Over 120 general managers and deputy general managers from 65 enterprises in 8 segments of the Group attended the 2-day training. The training seminar further clarified implementation of the Group's operation philosophy "Safe, Healthy, and Green Operation Environment" and set out policy study and judgement and clear requirements on "Governance by Laws, Compliance Operation" and also further helped the senior management of the company to foster a suitable HSE leadership and enhance the capacity to fulfil HSE vision and goals.

Case Study, HSE Lecture "Sharing Session on Intrinsic Safety"

In June 2017, the HSE Committee of the Group held a sharing session with the theme of "HSE Lecture" and invited external experts of the Technical Inspection Association (TUV) from Germany for experience-sharing. In the end, Vice President Wu Fapei, a member of the HSE Committee, and Vice President Li Yinhui, the director of the HSE Committee, made the concluding remarks and gave instructions. The heads of HSE departments of all segments of the Group, manufacturing companies and other related companies participated through online video conference. The activity strengthened safety awareness of employees, promoted internalization of safety actions by employees, and enhanced safety capabilities on the part of employees.



Case Study, CIMC Tianda Built a Safety Experience Hall

In 2017, each of our Group companies further enriched the safety training experience, strengthened the effectiveness of safety training through regularized paractices. The companies also arranged experiential training for employees in the form of exchanges and games, emphasizing on-site participation of employees. Taking CIMC Tianda for example, it built a fire-fighting experience hall, simulated fire scenes on site and carried out somatosensory exercises to improve the fire safety awareness and emergency response capabilities of employees.

Production Safety Inspection

The Group implements overall safety inspection and special safety inspection. In addition to the daily "3-level" safety inspection, leaders at all levels also carry out survey and supervision at the front line of enterprises to promote the identification and rectification of potential safety hazards.

In 2017, the Group organized pilot examination of HSE standards attainment for 12 enterprises and examination of HSE standards attainment certification for 3 enterprises. In the meantime, cross-examination was launched for enterprises in the Container Segment; in the Vehicles Segment, the Group organized flight examination for 16 member enterprises; for the Energy and Chemical Segment, the Group innovatively commissioned an external safety expert team to conduct flight examination. As for the Ocean Engineering Segment, the Group has carried out monthly flight examination at the bases under its operation since 2016. Due to the efficient and professional safety examination and follow-up rectification of problems by the Group and segments, the on-site safety management has been elevated.

Emergency Response Treatment for Safety Accidents

The Group devoted itself to improve the emergency management system and continuously improve the emergency response plan. We regularly organize special emergency and comprehensive drills to enhance emergency response treatment capacity and reinforce the building of an emergency rescue team and a fire fighting team. Throughout the year, a number of safety emergency drills were performed in all segments including fire explosion emergency drill, emergency rescue drill for production safety accidents, and fire fight drills.

Case Study, Yantai CIMC Raffles Launched Emergency Drill on Fire and Explosion

Yantai CIMC Raffles, Yantai City Administration of Work Safety Bureau, Haigang Fire Brigade, and Beidao Border Police Station jointly held Emergency Drill on Fire and Explosion.

Case Study, CIMC Sanctum Held Emergency Drill on Accidents in Rizhao City of Shandong Province

Personnel of the CIMC Sanctum Project and the owner jointly held an emergency drill on electric shock at the LNG storage tank project site.

Occupational Health Management

The Group provides a safe operating environment for employees and also pays more attention to their occupational health. All enterprises have comprehensively improved their occupation health and safety management through improvement of occupational health management system, normalization of occupational health documents management as well as reporting on projects with occupational hazards, improvement of occupational hazard identification and monitoring, transformation of processes with occupational hazard, strengthened occupational hazard prevention, normalization of the usage of personal protective devices, performance of employee health monitoring and educational propaganda in a standardized manner and other works.

Regular Promotion of Occupational Health

In order to disseminate information on occupational disease prevention and raise employees' capabilities and awareness of self-protection, CIMC companies regularly carry out occupational health promotion activities.

Case Study, TLC "Inauguration Ceremony for On-Site Training on Interactive and Continuous Improvement of Work Injury Prevention in Yangzhou City"

In November 2017, Yangzhou City Bureau of Human Resources and Social Security, Yangzhou City Administration of Work Safety Bureau, Yangzhou City Federation of Trade Unions, Yangzhou City Health and Family Planning Commission, and Yangzhou City Center for Disease Control jointly held "Yangzhou City Inauguration Ceremony for On-Site Training on Interactive and Continuous Improvement of Work Injury Prevention". The ceremony was held at CIMC Yangzhou Tonglee Reefer Container Co., Ltd. The activity raised workers' awareness and capability of self-protection and ensured the protection of workers' occupational health rights.

Addressing Problems at the Source: Reducing On-Site Occupational Ha ards

The Group and its member companies have continued to invest in transformation and improvement activities such as upgrading of processes, technology, and protection, and strengthened management and control and addressed various occupational hazards in production environment. Member enterprises remain committed to creating a safe and healthy working environment for their employees.

Case Study, Improvement of Plasma Cutting Machine Dedusting System at CIMC Sanctum

The company's introduction of a dry modular dust removal device resulted in a dedusting efficiency of over 98% and no pungent odor within 1 meter.

Case Study, Improvement of Noise Control in Tank Head Assembly Process in Nantong

The apparatus is equipped with shock absorbers to improve noise control and reduce occupational hearing loss.

Building a Safety Culture

Throughout the year, the Group carried out safety themed campaigns including "Safety 100" (safety 1st, 0 violation and 0 accident) and "Safe Production Month" and advocated the healthy way of life for employee and their families, striving to create a safety culture atmosphere with participation and improvement by all employee and enhance their safety awareness to prevent safety accidents and occupational diseases.

Case Study, Jingmen Hongtu Launches Employee KYT Competition

In October 2017, Jingmen Hongtu held the first KYT competition for its employees. The event took place in the form of presentation contest. By presenting typical cases on the spot, everyone collectively carried out analysis and proposed improvement measures. Nearly 100 people participated in the event, of which comprised mainly front-line production employees and management. The large-scale KYT competition started in early August and 610 attendances were recorded during the trainings.

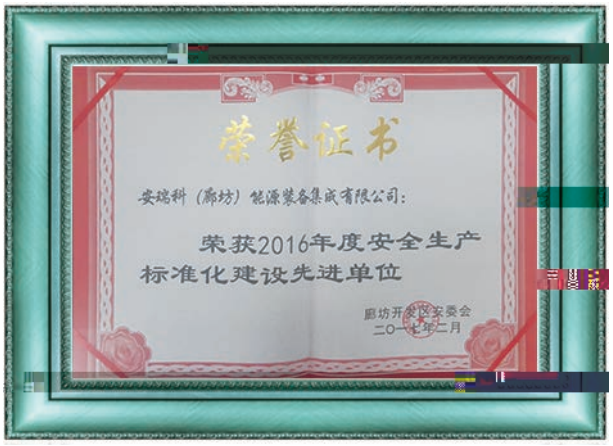
Case Study, C&C Truck Joint "Safety Production Month Activity" – Comprehensive Implementation of Principal Responsibilities on Safe Corporate Production

Focusing on the theme of 2017 National Safety Month – "Comprehensive Implementation of Principal Responsibilities on Safe Corporate Production", in accordance with the company's annual safety work plan, C&C Trucks organized the seventh "Safe Production Month" in June 2017.

Production Safety Performance

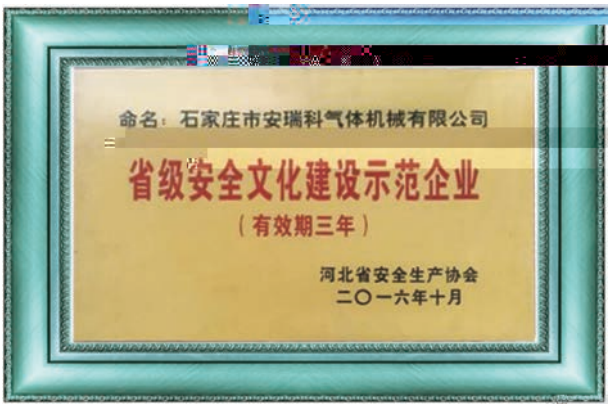
In 2017, the light injury rate per 1,000 people, serious injury rate per 1,000 people and damage rate per 1,000 people of the Group continued to drop and the accident rate per 1,000 people was far lower than the level of the machinery industry of the PRC, which ensures that production safety is stable and controllable. All enterprises continued to deepen the "CIMC Refined Safety 9+8" management system and develop innovative methods for safety management, which were highly recognized by the wider society.

Honour certificates in 2017 (partial)



廊坊集成公司won the title of Advanced Unit of Standardised Production Safety awarded by Langfang Development Area

Yantai CIMC Raffles won the title of Advanced Unit of Safe Production awarded by Yantai City in 2017



Shijiazhuang Enric Gas Equipment won the title of "Provincial Demonstration Enterprise of Safety Culture Construction" of Hebei Province

CIMC Tianda Industrial Park won the title of Safety Standard Compliant Industrial Park of Fuhai Street, Bao'an District, Shenzhen

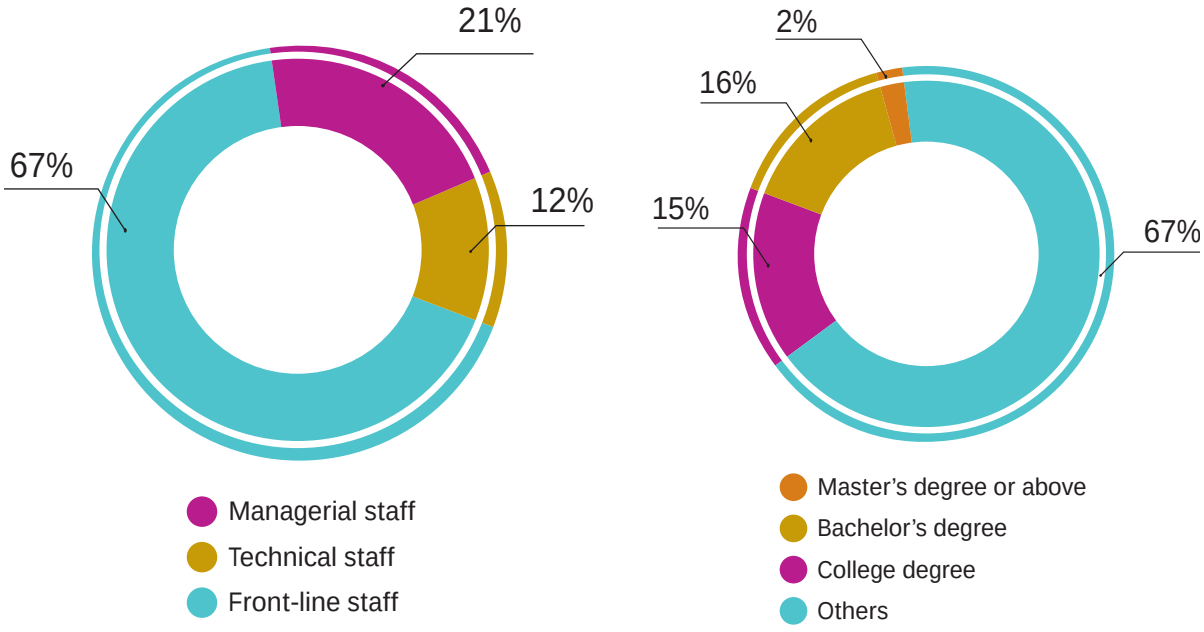
Harmonious Labour Relations

We adhere to the people-oriented philosophy and insist on guaranteeing employee's interests, creation of a harmonious work atmosphere and leading employee's progress to ensure a safe and healthy work environment and achieve the common cause with employee.

We believe that employee's wisdom, creation and contribution are the greatest assets and driving force as the Group moves forward. Upholding the core cultural concept of "People-oriented & Common Cause", we pledge to create a good cultural atmosphere, protecting employee's lawful rights interests, showing trust and respect to employee and provide a work environment allowing them to utilize their talents to the fullest with challenging working opportunities, eventually building a business entity that "shares achievements and risks".

Employee Overview

As at 31 December 2017, the total number of the Group's employee in Mainland China was 50,689. Function distribution indicates that front-line, technical and managerial employee accounted for 67%, 12% and 21% of the total number of employee respectively. In respect of education background, 2% of employee possess a master's degree or above, 16% employee have a bachelor's degree and 15% employee hold a college diploma; while employee with other qualifications account for 67% employee.



Respect Human Rights

The Group respects international human rights and labour standards and strictly complies with relevant laws and regulations in provision of fair and legal job opportunities. The Group has implemented relevant policies and measures to prevent child and forced labour. We are committed to protection of basic human rights, respecting employee's diversity and diversified culture, and prohibition of any behaviours prejudicial to others' dignity in any forms including discrimination and bullying, striving to let all employee work with respect in an equal and harmonious work environment.

Prohibition of child labour	Strict execution of recruitment procedures, accurate identity verification of the person to be employed through informationalized means
Prohibition of forced labour	Strict prohibition of restraining personal freedom by means of collecting deposit, confiscation of ID card or coercing employee to work
Equal employment	Strict prohibition of any discrimination on remuneration, welfare and job opportunity on the ground of gender, ethnical background, age, education, religion, and disability
Secure Employees' Legal Interests	Provision of employee benefit according to law, protecting employees' employee rights to join trade unions and express opinions

Secure Employees' Legal Interests

The Group obeys national and local laws and regulations to secure employees' legal interests. We have formulated management methods, strengthened regulations regarding contracts, remuneration and benefit, monitoring the implementation of the Group's labour policy to guarantee employees' interests.

Fulfilling Social Responsibility – Harmonious Labour Relations

Labour contract management

The Group enters into a labour contract with each employee in strict accordance with the Labour Law and Labour Contract Law. We constantly reinforces the management of execution and termination of labour contract with clearly specified job position, working hours, remuneration and welfare, etc. to ensure compliance with the labour standards. Any overtime arrangements must be carried out under the consensus between the company, employee and the labour union, following the principle of employee's willingness. Compensation for overtime work must be paid according to law. During the Year, the Group complied with the requirements of relevant laws and regulations in relation to employment of the place where its operations are located.

Female employee protection

The Group cares about the physical and mental health of female employees and provides prenatal check-up leave, maternity leave and breastfeeding leave for female employees. Female employees are arranged to take up reasonable positions. The Group proactively implements the Special Provisions on Labour Protection for Female Employee published by the State Council to guarantee their rights and to meet their needs. Certain enterprises also set up a nursing room to provide special services for pregnant female employees and organizes female and parents-child campaigns on the "Women's Day" and "International Children's Day".

Employees' remuneration and welfare

We endeavour to provide fair and competitive remuneration and welfare for employees and our employees' wage is above local minimum wage standard for the same period. The Group conducts regular review of its remuneration strategy and adjusts the remuneration policy according to the changes in external remuneration market and internal situation.

The Group pays premiums for social insurances of employees including basic endowment insurance, basic medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance as well as housing fund in accordance with national and local laws and regulations. Moreover, the Group also offers annual leave, annual health examination, study subsidy and other welfare. Some enterprises also have dormitories, canteen and shuttle buses which provide accommodation, high-quality diet and convenient traffic services. We conduct employee satisfaction survey on a yearly basis to listen to the opinions of employees on these back-up services, so as to improve employees' satisfaction in terms of food, accommodation and travel and their working and living environment. We also care about disabled employees and those suffering from serious illnesses as well as their families by providing them with necessary assistance for overcoming difficulties.

To support employees for a healthy and leisure life, the enterprises regularly hold various cultural and entertainment activities and encourage employees to participate in these activities, building satisfatory corporate cultures promoting harmony and unity among employees. The activities held during the year include green charity walk, family day, football match, mountaineering, singing and dancing show, and outing etc. In particular, 22 September 2017 was the 35th anniversary of the Group's commencement of production. Over 50,000 employees in all segments of the Group celebrated the anniversary through organizing flag-raising ceremony, happy run and other campaigns and thus growing stronger sense of belonging.

Employee Training & Development

We firmly believe that "Talents build the future of CIMC". The Group proactively establishes school-like organisations, cultivates talents for future business needs and allowing employees utilize their talents and discover their potentials, providing support for self-enhancement and career development. The occupational development channels established by the Group for employees covers areas of management, engineering technology, refinement and finance, allowing employees in all disciplines to gain knowledge and skills. We also established an academic promotion award mechanism to issue scholarship for qualified employees in support for their further pursuit of relevant disciplines. We encourage employees to improve their business capacity through learning, so to prepare for better career development in the future.

The Group replenishes talent reserves through campus recruitment and optimises the talent pool management with the information sharing system. The Group has a multi-level talent cultivation system to facilitate all-rounded employee cultivation employee including

Fulfilling Social Responsibility – Harmonious Labour Relations

Our corporate university "CIMC Institute" has always been planning to promote the Group's training strategy. Following the "Leadership Development Program A1" in 2010 and "Program A2" in 2012, the Group carried out the "Program A3" in 2016-17 Within two years, we planned to cultivate a batch of business and functional leaders who are in line with the culture, core values and leadership requirements for CIMC to support the implementation of the Group's four great strategic initiatives. The participants of A3 conducted three collective learning sessions and two organized transboundary travel-based learning. The training contents centered on strategic thinking, coaching leadership and reform management. Besides, the "Group New Manager Training Program" and "Team Leader Training Program" were implemented to cultivate junior to middle-level manaigerial talents. The "International MBA Program" and "I-Learning Online Platform" were also put into continuous operation to cultivate international talents for the Group and provide a convenient online platform and wide-range of resources for learners, respectively.

In 2017, CIMC Institute cooperated with the Group's business plan project team in cultivating the core backbone of our business planning for the container service business department of the Modern Logistics Segment to enable better undertake of strategic plan of the segment and promote enterprises' strategic consensus and implementation. Over ten member enterprises from 8 business segments were engaged in the workshop held to discuss business planning. Training programs were also prepared for the segments of the Group based on needs including training of front-line production workers, technical grade assessment and enhancement, and leadership development for officers and junior management.

Case Study, "Shift Leader Training Program"

The Team Leader Training Camp Program was carried out by CIMC Institute. Through the systematic research and course development in the early stage, the management capacity of the team leader team was enhanced in terms of subordinate management, communication and public engagement based on the daily work scenarios of team leaders. The face-to-face courses are designed to be easy to understand, with focus on-site practices and learning transformation which achieved satisfactory results. The collective intelligence was utilized based on the social network group platform to solve the actual management problems through mutual assistance.

Case Study, "Group New Manager Training Program"

To assist new managers to cope with the challenges attached to their new roles, the New Manager Training Program is designed on the basis of cascade leadership development system and the Group's requirements on the leadership of new managers. It enhanced the required capacity and accelerated the role shift from "individual contributor" to "manager" through systematic and targeted mixed learning. In 2017, the Group organized 3 collective training courses for 90 new managers from 22 enterprises in 7 segments to promote new manager participants to change their working mindset and enhance their management capacity.

Communication with and Care for Employees

The Group attaches great importance to the communication with employees, especially front-line employees. We have established diversified ways and channels for communication to maintain two-way dialogue for prompt feedback and effective response from management. We set common goals with employees to promote good working environment of the Company. The communication channels established are summarized in the table below:

Face-to-face meeting	Certain enterpriases have parepared the Guidline on Communication with New Comers and Life Guidance for New Comers to ensure considerate guidance and care for new comers and let them have comprehensive understanding of the Comopany and adapt to the new environemnt as early as possible.
Face-to-face meeting	Effective face-to-face meeting will be conducted at conversion into a full-time employee, change of post and dismissal to understand employees' real thoughts and needs and help employees to solve their actual difficulties and find out the aspects for improvement of the Company.
E	A meeting is convened for the shift contacts on a monthly basis to convey the Company's policies to employees, listen to the feedback from employees and solve the relevant problems.
C	The Group has a mechanism allowing employees to subimt complaint or report any unfair

Community Engagement and Development

CIMC and its member enterprises provide a large number of job opportunities for the areas where their businesses are located, and hence promote the local economic development. As a responsible corporate citizen, CIMC always focuses on development of community public utilities and its member enterprises proactively participate in the charity activities of the areas where they operate. While maintaining the rapid development of enterprises, we never forget to repay the society and are committed to build harmonious communities. In 2017, the Group donated RMB2,592 thousand in total in the fields of poverty alleviation, education, medical treatment, disaster relief, and environmental protection.

Poverty alleviation is one of key community investments promoted by the Group. During the year, we intensively provided assistance to villagers of exceptional poverty. Some of our enterprises set up a poverty alleviation team for activities such as funds raising, donation of goods and materials, and visits etc.. In respect of education, we held charity walk to mobilize employees and their families to make donations in helping underprivileged children to have access to education through support for classroom transformation, donation of books, and subsidy for teachers. We also held charitible student sponsorship event, in which employees visit the school to expressed warmth and affection in person.

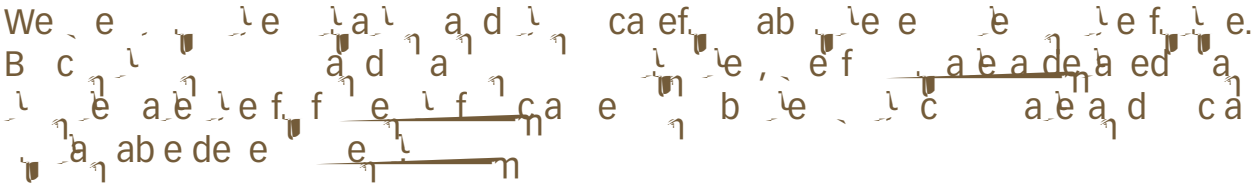
Case Study, Culture Poverty Alleviation, Boundless Kindness

In July 2017, Yantai CIMC Raffles Offshore Ltd., a subsidiary of the Group, carried out poverty alleviation through culture for Wenquan Village, Liangqiu Town, Feixian County, Linyi. Hoping to lift the villagers out of poverty and become prosperous through supporting the construction of cultural facilities, we donated RMB30,000, 4 computers and 300 books to support the construction of Confucius Classroom, Culture Bookstore, etc.. The activity aims at promoting popularizing the outstanding Chinese traditional culture, enriching the spiritual and cultural life in the poor villages and solve the practical problem of shortage of cultural infrastructures.

Fulfilling Social Responsibility – Community Engagement and Development

In 2017, Qingdao Reefer, a member enterprise of the Group, participated in the "Tongxinyuan Psychological Assistance" activity held by the local Red Cross to provide psychological counselling for the elderly. It also participated in the family education public service organized by the municipal Women's Federation to provide public lecture for communities, kindergartens, schools and parents to popularize psychological knowledge and promote mental health. Other community engagement activities included blood donation, tree planting and pure water charitable donations, which received enthusiastic response.

The Group has always been enthusiastic in helping employees with difficulties to reflect the "people-oriented" philosophy and provided necessary help to the disabled employees and those suffering from serious illnesses and their families, e.g. provision of subsidy and endowment drives, to help them pull through. Moreover, the employees of our subsidiaries went to communities to visit retired senior leaders and senior comerades, expressing our care and blessing, which reflected the exemplary Chinese tradition of respecting and loving the elderly.



Risks and Challenges

The global political and economic scenario remain ha y in the early stage

One year into Trump's presidency of the United States, the situation of the Korean Peninsula has been very unstable and the Brexit continues to ferment. As the tax cut program of Trump is a foregone conclusion, the interest rate hike by the Federal Reserve and the appreciation of the US dollar have become a consensus and their effects on the trend of global economy is beyond estimation. The European economy will recover and improve slowly. There has been obvious divergence among emerging marketing economies in their development and overall economic growth continues to slow down, while South Asia and Southeast Asia will still be the economically most vibrant regions. Complicated political and economic situation including the geopolitical issues concerning the Middle East and Korean Peninsula will add uncertainties to the global trade situation in 2018.

China has entered the stage of high quality growth, making it imperative to upgrade the conventional manufacturing

At the 19th National Congress of the Communist Party of China, it was clearly proposed that China has evolved from the stage of high speed growth into the state of high quality growth and the L-shaped growth of the Chinese economy has become the consensus of all walks of life. To maintain stable growth of the Chinese economy, it is important to focus on five tasks, i.e. "eliminating overcapacity, de-stocking, de-leverage, cost reduction and improving weaklinks" and emerging industry of strategic significance, service industry and high-end manufacturing industry have become the three strategic directions of industrial upgrade in the PRC. It is imperative to conduct overall upgrade for the traditional logistics equipment and energy equipment manufacturing industry.

The contradictions between industrial development and environmental protection and energy conservation are still challenges and opportunities confronted in the development of traditional manufacturing industry

The national 13th Five-year Plan for Industrial Energy Conservation specifies that, by 2020, energy consumption per 10,000 yuan of GDP in China will have fallen by 15% compared with 2015, and total energy consumption will be controlled within 5 billion tonnes of standard coal. The total amount of volatile organic compounds released in the country will fall by more than 10% as compared to 2015.

The 13th Five-Year Plan of China Construction Machinery Association proposes that the entire industry adheres to the principles of "innovation-driven, quality-first, structural optimization, and green development", actively promoting the green transformation of traditional manufacturing industries, vigorously supporting the development of energy-saving and environmental protection industries, and improving industrial efficiency as well as clean production levels; the 13th Five-year Development Plan for Transportation also proposes specific indicators for green traffic and safety emergency response. In a new historical period, new policies and requirements will pose new challenges and opportunities for the development of traditional manufacturing industry and the industrial transformation and upgrade have become extremely urgent.

The shortage of human resources has become one of the bottlenecks for enterprise development

As the Chinese economy has entered into a "New Normal" development stage, the transformation and upgrade of traditional industries is imminent. Demand for mid- and high- end talents is robust and competition among enterprises for talents has been stiff. In the meantime, China is in a critical watershed period when demographic dividend is fading and aging of population quickens, which has unprecedented and profound effects on the manufacturing industry of the PRC. The implementation of the "One Belt One Road" development strategy and the gradual rise of economy in central and western China aggravated the "labour shortage" and "recruitment difficulty" in the developed regions in eastern China. Meanwhile, with the continuous improvement of national laws and regulations on labour employment and increasing concern from the government and society for rural migrant workers, enterprises will be plagued by more labour disputes, increased legal risks and labour costs.

Future Initiatives and Plan

In 2018, the Group will continue to follow the established strategic guideline of "transformation and upgrade, quality growth" and constantly enhance income and quality of industrial operations. CIMC will adjust and optimise existing business structure on the one hand, and will keep itself informed about intelligent logistics, foster and develop

Outlook – Future Initiatives and Plan

Practise the cultural idea of People-oriented & Common Cause, build a harmonious enterprise

Upholding the corporate cultural idea of "People-oriented & Common Cause", the Group will stress talent development, improve career development channel and welfare system and vigorously implement a "fair, just and open" mechanism applied in the competition for talents, allowing excellent talents to stand out rapidly and making them better meet the demands of corporate development. Going forward, the Group will carry out the "Hundred Persons Program", aiming at growing a certain number of new businesses and new companies as well as cultivating a group of talent and young people who are enterprising, capable and result-oriented. With this program, the "common cause"platform will be further enhanced.

Promote environmental protection and energy saving through innovation and refinement

Innovation, research and development efforts are directed toward new product development, applications of new technologies, new materials and new techniques, in order to improve the environmental impact of products. The environmental protection awareness of the employee will be stressed in the course of management by taking various environmental protection initiatives and monitoring environmental indicators.

Strengthen risk control and ensuring the vigorous corporate growth

The Group strives to keep up the good work of internal control and refine the relevant internal control systems, respective segments and member companies. The internal work of systemization is further propelled and risk prevention ability of the Group, respective segments and member companies is enhanced.

Content Index and Relevant Rules of the Report

T e e a bee e a ed a e C e a ac f e GRI S ab Re , e ESG Re G de f e H K S c E c a e, e S c a Re b Re G de f S e S c E c a e a d e G de e S c a Re b e f d e (《工業協會社會責任指南》). T e f ec e de e e c e d ed c e e e

Ma e a A ec	GRI d ca	De c	ESG G de	S e e S c E c a e G de	GSRI-CHINA 2.0	Pa e/Re a n
Ge e a d c e						
O a a a P f e	102-1	Name of the organization				P.3
	102-2	Activities, brands, products and services				p.7-9
	102-3	Location of headquarters				p.7
	102-4	Location of operations				p.7-9
	102-5	Ownership and legal form				p.17
	102-6	Markets served				p.7-9
	102-7	Scale of the organization				p.7-9
	102-8	Information on employees and other workers	B1.1			p.60
	102-9	Supply Chain	B5.1			p.37
	102-10	Significant changes to the organization and its supply chain				No significant changes
	102-11	Precautionary Principles or approach				p.40
	102-12	External Initiatives				p.43
	102-13	Memberships of associations				p.15
S a e	102-14	Statement from senior decision-maker				p.5-6
E c a d e	102-16	Values, principles, standards, and norms of behavior			Core values	p.12-13
G e a ce	102-18	Governance structure				p.19-22
	102-19	Delegating authority				p.18-19
	102-20	Executive-level responsibility for economic, environmental, and social topics			Scientific planning	p.19
	102-28	Evaluating the highest governance body's performance				p.25
S a e de E a e n	102-41	Collective bargaining agreements				p.66
	102-42	Identifying and selecting stakeholders				p.23,27
	102-43	Approach to stakeholder engagement		Protection of rights and interests of shareholders and creditors		p.23,27
	102-44	Key topics and concerns raised				p.28-30

Material Aspect	GRI Indicator	Description	ESG Guide	Sector Specific Economic Aspect Guide	GSRI-CHINA 2.0	Page/Remark
Reporting Practice	102-45	Entities included in the consolidated financial statements				Set out in the Annual Report
	102-46	Defining report content and topic Boundaries				p.29
	102-47	List of material topics				p.28-29
	102-48	Restatements of information				No significant restatements
	102-49	Changes in reporting				No significant changes
	102-50	Reporting period				p.3
	102-51	Date of most recent report				2017/06/30
	102-52	Reporting cycle				p.3
	102-53	Contact point for questions regarding the report				p.4
	102-54	Claims of reporting in accordance with the GRI Standards				p.3
	102-55	GRI content Index				p.73-79
	102-56	External assurance				No external audits at this stage
Performance Indicators						
1. Economic						
Economic Performance	201-1	Direct economic value generated and distributed	B8.2			p.10
2. Environmental						
Materials	103	Report how the organization manages the material aspect or its impacts	A2 A3	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Utilization, Ecological Protection	Packing materials are used on an on-demand basis
	301-1	Materials used by weight or volume	A2.5			We are identifying packing material data collection methods, which will be disclosed in next year's report

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Material Aspect	GRI Indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remark
Energy	103	Report how the organization manages the material aspect or its impacts	A2 A3	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Utilization, Ecological Protection	p.44
	302-1	Energy consumption within the organization	A2.1			p.49
	302-4	Reduction of energy consumption	A2.3			p.44-46
Water	103	Report how the organization manages the material aspect or its impacts	A2 A3 A2.2	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Utilization, Ecological Protection	p.44
	303-1	Water withdrawal by source	A2.4			p.44
Emissions	103	Report how the organization manages the material aspect or its impacts	A1 A3	Environmental Protection and Sustainable Development	Environmental Management, Emission Reduction, Ecological Protection	p.44
	305-1	Direct (Scope 1) GHG emissions	A1.1, A1.2			p.44
	305-2	Energy indirect (Scope 2) GHG emissions	A1.1, A1.2			p.44
	305-4	GHG emissions intensity	A1.2			
	305-5	Reduction of GHG emissions	A1.5		New Industrialization	
Effluents and Waste	103	Report how the organization manages the material aspect or its impacts.	A1, A3	Environmental Protection and Sustainable Development	Environmental Management, Pollution and Emission Reduction	p.40-44
	306-2	Waste by type and disposal method	A1.3, A1.4, A1.6			.41-42
Environmental Compliance	103	Report how the organization manages the material aspect or its impacts.	A1(b)	Environmental Protection and Sustainable Development	Environmental Management	p.40
	307-1	Non-compliance with environmental laws and regulations	A1(b)			p.40
	103	Report how the organization manages the material aspect or its impacts.	A3	Environmental Protection and Sustainable Development	Environmental Management, New Industrialization, Ecological Protection, Resource Conservation and Comprehensive Utilization	p.40

Material Aspects	GRI Indicators	Description	ESG Guide	Sensitive Sector Extra Guide	GSRI-CHINA 2.0	Page/Remarks
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	B5.2		Cooperation for Mutual Benefits	p.37
3. Safe Labor Practices and Decent Work						
Employment	103	Report how the organization manages the material aspect or its impacts.	B1	Protecting rights of suppliers, customers and consumers	Respect for human rights, labor contracts and remuneration, social security and welfare, democratic management, employee communication and care	p.59-62
Occupational Health and Safety	103	Report how the organization manages the material aspect or its impacts.	B2	Protection of employees' rights and interests	material aspect or its impacts.	

B2 Prote em and

Content Index and Relevant Rules of the Report

Material Aspect	GRI Indicator	Description	ESG Guide	Sector Specific Economic Guide	GSRI-CHINA 2.0	Page/Remark
Forced Labor	103	Report how the organization manages the material aspect or its impacts	B4	Protection of employees' rights and interests		p.60
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	B4.2			p.60
Supplier Assessment	103	Report how the organization manages the material aspect or its impacts	B5	Protecting rights of suppliers, customers and consumers		p.37
	414-1	New suppliers that were screened using social criteria	B5.2			p.37
5. Social Sector						
Local Community	103	Report how the organization manages the material aspect or its impacts	B8	Public relations and social welfare undertakings, Accurate poverty alleviation	Community engagement and development	p.67-68
	413-1	Operations with local community engagement, impact assessments, and development programs	B8.1			p.67-68
Anti-Corruption	103 205-3	Report how the organization manages the material aspect or its impacts Identified incidents of corruption and actions taken	B7	Protecting rights of suppliers, customers and consumers	Anti-commercial bribery, Credit building	p.39
	205-3	Confirmed incidents of corruption and actions taken	B7(b), B7.1			p.39
Anti-competitive Behavior	103 206-1	Report how the organization manages the material aspect or its impacts Legal actions for anti- competitive behavior, anti-trust, and monopoly practices		Protecting rights of suppliers, customers and consumers	Fair Competition	p.37 .37
Supplier-category-assessment	103	Report how the organization manages the material aspect or its impacts.	B5	Protecting rights of suppliers, customers and consumers		p.37
	414-1	New suppliers selected using social criteria	B5.2			p.37

Material Aspects	GRI Indicators	Description	ESG Guide	Sensible Economic Guide	GSRI-CHINA 2.0	Page/Remarks
6. Scale Product Responsibility						
Customer Health and Safety	103	Report how the organization manages the material aspect or its impacts.	B6	Protecting rights of suppliers, customers and consumers	Promote the healthy and sustainable development of the industry, Product quality and safety, Responsible marketing, Advocate responsible consumption	p.35
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				p.35
			B6.3	Protecting rights of suppliers, customers and consumers	Continuous innovation, Respect for property rights	p.34
			B6.4	Protecting rights of suppliers, customers and consumers	Product quality and safety	p.35
Marketing and Labeling	103	Report how the organization manages the material aspect or its impacts.	B6	Protecting rights of suppliers, customers and consumers		p.35
	417-2	Incidents of non-compliance concerning product and service information and labeling				p.35
	417-3	Incidents of non-compliance concerning marketing communications				p.35
Customer Privacy	103	Report how the organization manages the material aspect or its impacts.	B6	Protecting rights of suppliers, customers and consumers	Privacy Protection	p.36
	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data				.36
	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	B6.2		Complaints and dispute handling	

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Material Aspects	GRI Indicators	Description	ESG Guide	Sector Specific Environmental Guide	GSRI-CHINA 2.0	Page/Remarks
			B6.5	Protecting rights of suppliers, customers and consumers	Privacy Protection	P.36
Socio-economic compliance	103	Report how the organization manages the material aspect or its impacts.	B6	Protecting rights of suppliers, customers and consumers		P.35-36
	419-1	Non-compliance with laws and regulations in the social and economic fields	B7			p.39
Protection of Intellectual Property Rights		Description of practices relating to safeguarding and protecting intellectual property rights	B6.3		Respect for property rights	p.34

The "comply or explain" provisions under Appendix 27 to the Main Board Listing Rules of Hong Kong Stock Exchange

The recommended disclosures under Appendix 27 to the Main Board Listing Rules of Hong Kong Stock Exchange

Feedback

Dear readers:

Thank you for reading this report. In order to continuously enhance and improve our performance of social responsibility, we sincerely hope to hear opinions and suggestions from you on this report. Please share your comments by completing the below:

1. What is your opinion of this whole report?

   ☐ Good ☐ Not bad ☐ Normal

2. Do you think the information, data and indicators disclosed in this report are clear, accurate and complete?

   ☐ Yes ☐ Not quite ☐ Rarely

3. Do you think this report reflects the significant influence of the Group to the economy, society and environment?

   ☐ Yes ☐ Not exactly ☐ No

4. How do you think of the Group's performance in safeguarding the interests of stakeholders?

   ☐ Great ☐ Moderate ☐ Poor

5. Your opinions and suggestions on the social responsibility work of the Group and this report:

   _____

   _____

   _____

Your information

Name:		Occupation:		Name of organization you work in:	
Post Code:		E-mail:		Tel:	
Contact address:					

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