

China International Marine Containers (Group) Co., Ltd.



Environmental, Social and Governance Report 2016

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Our Mission

To provide the logistics and energy industries with quality and reliable equipment and services so as to provide good returns for its shareholders and staff and to create sustainable value for the society.

Our Vision

To become a leading enterprise globally in whatever industry it enters





SUSTAINABILITY HIGHLIGHTS OF THE GROUP IN 2016

<p>Currently</p> <p>5 research institutes and</p> <p>21 technical sub-centres established in total</p>	<p>RMB</p> <p><i>R&D investments of</i></p> <p>563,792 thousand</p> <p><i>in 2016</i></p>				
<p>Participating in the development of</p> <p>over 140</p> <p><i>international, national and industry standards in total as at the end of 2016</i></p>	<table> <tr> <td data-bbox="566 625 1045 1078"> <p>RMB</p> <p><i>Environmental protection expenditure of</i></p> <p>92,000 thousand</p> <p><i>in 2016</i></p> </td><td data-bbox="1045 625 1465 1078"> <p>RMB</p> <p><i>Social donations of</i></p> <p>1,301 thousand</p> <p><i>in 2016</i></p> </td></tr> <tr> <td data-bbox="566 1078 1045 1388"> <p><i>Invention patents of</i></p> <p>282</p> <p><i>applied for in 2016</i></p> </td><td data-bbox="1045 1078 1465 1388"> <p><i>Accumulated number of inventions</i></p> <p>776</p> <p><i>authorised as at 31 December 2016</i></p> </td></tr> </table>	<p>RMB</p> <p><i>Environmental protection expenditure of</i></p> <p>92,000 thousand</p> <p><i>in 2016</i></p>	<p>RMB</p> <p><i>Social donations of</i></p> <p>1,301 thousand</p> <p><i>in 2016</i></p>	<p><i>Invention patents of</i></p> <p>282</p> <p><i>applied for in 2016</i></p>	<p><i>Accumulated number of inventions</i></p> <p>776</p> <p><i>authorised as at 31 December 2016</i></p>
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MAJOR SUSTAINABILITY MILESTONES OF THE GROUP IN 2016



The Company was awarded as the "Five-star Enterprises in Discharging Social Responsibility among Industrial Sector in China"



The refined safety 9+8 system of the Company was awarded the "Excellent Practice Award of Sustainability of Enterprises in Guangdong for 2015"



The Company and 15 industry peers in China jointly signed the "China Container Industry Association's VOCs Governance Self-Discipline Convention"



About the Report

This report is the first stand-alone Environmental, Social and Governance Report (the “**Report**”) of China International Marine Containers (Group) Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”). The board of directors of the Company has reviewed and approved the Report and takes full responsibility for the Group’s environmental, social and governance strategies and reporting.

Reporting Period and Scope

The Report supplements the 2016 Annual Report of the Company and discloses the Company’s performance in respect of management approaches and some aspects of the environmental, social and governance from 1 January 2016 to 31 December 2016 (“**during the year**”). It covers all main business segments and members of the Company. For details of corporate governance, please refer to Pages 139 to 172 of the 2016 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 2016 Environmental, Social and Governance Report of CIMC Enric Holdings Limited (Stock code: 3899, “**CIMC Enric**”), a non-wholly-owned subsidiary of the Company.

Main Reporting Guidelines

The Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) included in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and by reference to the Global Reporting Initiative G4 Sustainability Reporting Guidelines.

Publication

The Report is published online in both Chinese and English. 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 “**Company**” and “**CIMC**” in the Report; the Company and its subsidiaries are abbreviated as the “**Group**” and “**we**” 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. However, considering the objective factors, the contents of the Report may not be entirely satisfactory to all 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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About the Group

Our vision is to become a leading enterprise globally in whichever industry sector it enters. Our mission is to provide the logistics and energy industries with quality and reliable equipment and services so as to provide good returns for its shareholders and staff and to create sustainable value for the society.

The Group is a world leading equipment and solutions provider in the logistics and energy industries. We are principally engaged in the manufacture of containers, vehicles, energy, chemical and liquid food equipment, offshore engineering and airport facilities equipment as well as provision of the relevant services, logistics services, real estate development and finance businesses etc. The Group is headquartered in Shenzhen, China. As at 31 December 2016, a total of approximately 605 companies were consolidated into the Group, and its production bases cover Asia, Europe, North America and Australia and its sales and services are distributed in over 100 countries and regions in the world, already forming a global business network. Currently, the Group ranks No. 1 in the world in terms of output and sales of standard dry containers, reefer containers and tank containers, and is a leading manufacturer of road transportation vehicles in the world and one of the leading high-end offshore engineering equipment enterprises in China.

Main Business Segments

Containers Business



Road Transportation Vehicle Business



Energy, Chemical & Liquid Food Equipment Business



Offshore Engineering Business



Logistics Service Business



Heavy Truck Business



Airport Facilities Equipment Business



Real Estate Development Business



Financial Business





About the Group

Principal Business Profile

Container Business

The Group's container business mainly deals with standard dry containers, reefer containers, and special reefers manufacturing business. We have the capacity to produce a full series of container products with independent intellectual property rights and have a logistics system covering North America, Europe, Asia and other major areas in the world. We have dozens of production bases located in all important ports in mainland China. As an industry leader, we are committed to promoting container products to develop towards the "safe, green, intelligent and environment-friendly" direction.

Road Transportation Vehicle Business

CIMC Vehicle, a subsidiary of the Company, is a globally leading road vehicles manufacturing group, providing global customers special vehicle products, key parts of special vehicles and after sales services. Its business products include a full series of semi-trailers and various special vehicles, including reefer transport vehicles, concrete mixer trucks and sanitation trucks. We have established 25 production and research and development bases in China, Northern America, Europe and emerging markets.

Energy, Chemical and Liquid Food Equipment Business

CIMC Enric, a subsidiary of the Company, is principally engaged in design, development, manufacturing, engineering and sale of various transportation, storage and processing equipment used in three sectors, namely, energy, chemical and liquid food equipment, as well as provision of the relevant technical and maintenance services. Its energy and chemical equipment products and services are supplied throughout China and exported to Southeast Asia, Europe and North and South Americas; and from its production base in Europe, its liquid food equipment products and services are offered worldwide.

Offshore Engineering Business

CIMC Raffles Offshore (Singapore) Limited, a subsidiary of the Company, has the capability of constructing high-end offshore engineering equipment and other special vessels as a contractor. It is also one of the leading contractors manufacturing high-end engineering equipment for offshore industries in China. We have three research and development centres in Sweden, Shanghai and Yantai and three construction bases in Yantai, Haiyang and Longkou. Our business covers a majority of offshore engineering products, including deepwater semi-submersible platforms, jack-up platforms and other high-end offshore engineering special vessels. The deepwater semi-submersible drilling platforms delivered by us have served the main marine oil and gas production areas globally such as the North Sea of Norway, South China Sea, Gulf of Mexico and Brazilian waters.

Logistics Services Business

With the development of the idea of "equipment changes logistics", the Group's logistics services business is currently divided into four business lines, namely container services, project logistics, equipment logistics and industry logistics. The container business line includes four major products, namely full-life circle services, leasing and sale of second-hand containers, rail-water transport and sea transport platform. In respect of the project logistics business, the "engineering project logistics" and "cross-border multimodal transport" are the core products, and "Zhenhua Logistics (振华物流)" and "Sino-Worlink (中世运)", two industry-renowned brands, are strengthened. In respect of the equipment logistics business, we focus on automobile, food, chemical and other industries to provide "equipment changes logistics" solutions; in respect of the industry logistics business, we foster and develop logistics value-added business, explore the multimodal transport model for logistics services related to automobiles before production and design the entire logistics clearing solution.



About the Group

Heavy Truck Business

The Group operates the heavy truck business through its member 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-use vehicles. It possesses five major production lines, i.e. stamping and welding, coating, chassis, general assembly and commissioning, and has established cooperation with 11 enterprises in the Group's road transportation vehicle segment with products as the basis for cooperation to proactively promote collaborations.

Airport Facilities Equipment Business

The Group operates its airport facilities equipment business through its non-wholly-owned subsidiaries Pteris Global Limited, Shenzhen CIMC-Tianda Airport Support Co., Ltd. and Albert Ziegler GmbH. The Group also integrates and achieves synergy with its associated company China Fire Safety Enterprise Group Limited ("CFSE") to capture the possible advantages of resources, of which principal business includes boarding bridge business, stereo garage business, fire truck and rescue vehicles business, automated logistics systems and ground support equipment (GSE) in Asia, Europe and America covering over 110 countries and regions, forming a global network of production, marketing and services.

Real Estate Development Business

The Group's real estate development business is operated mainly by our controlling subsidiary Shenzhen CIMC Skyspace Real Estate Development Co., Ltd and its subsidiaries and CIMC Shenfa Development Co., Ltd. The main operations include the development of complexes in industrial cities, development and operation of industrial parks and development of traditional real estate.

Financial Business

The Group's financial business is carried out by CIMC Finance Co., Ltd. and CIMC Financial Leasing Co., Ltd. and is devoted to establishing a financial services system which matches the Group's strategic role as a leading manufacturer in the world, to enhance the efficiency and effectiveness of the Group's capital utilisation.

Business Performance

Unit: RMB thousand

2016		
Revenue	Net profits attributable to shareholders and other equity holders of the Company	Equity attributable to shareholders and other equity holders of the Company
51,111,652	539,660	29,285,970
R&D investment	Number of R&D staff	Expenditure in environmental protection
563,792	3,385	92,000

During the year, the Group established the "technology-driven" science and technology innovation mechanism with "value growth promoted by innovation" as the dominant theme, and created new products, technologies and processes through science and technological innovation to boost technology improvement and value enhancement of the entire industry, striving to promote sustainable development of the industry while maintaining its profit.



About the Group

Corporate Honours

In the light of market competitiveness and good results, the Group has been constantly trusted and recognised by the Chinese government, international rating organisations, industry associations and authoritative media. Some of the honours and awards bestowed upon “CIMC Group” and “CIMC Brand” in 2016 are set out below.

Award	Issued by
President and CEO Mai Boliang was elected as one of China's 50 Most Influential Business Leaders	Fortune China
Fortune China 500 enterprises (the Group ranked 104th)	Fortune China
Top 500 Enterprises in Guangdong (the Group ranked 25th)	Guangdong Provincial Enterprise Confederation
Top 100 enterprises in Shenzhen (the Group ranked 11th)	Federation of Shenzhen Industries
The Group was honored as the Five-star Enterprises in Discharging Social Responsibility among Industrial Sector in China	China Federation of Industrial Economics

Industry Organisations

As a leading global enterprise engaged in multi-industries, the Group has been actively participating in activities of associations and clubs at all levels. The Group and all members at each level have joined the following industry associations and chambers of commerce and acted as vice presidents, chairmen and directors, etc, promoting of sustainability of the industry.

Organisation name	Participant (positions)
International Accounting Standards Committee	The Company (member)
China Federation of Industrial Economics	The Company (vice president)
China Chamber of Commerce for Import and Export of Machinery and Electronic Products	The Company (vice president)
China Association of the National Shipbuilding Industry	The Company (vice president)
China Enterprise Confederation and China Enterprise Directors Association	The Company (vice president)
Patent Protection Association of China	The Company (vice president)
China Enterprise Anti-Fraud Alliance	The Company (vice president)
China Association for Public Companies	The Company (standing director)
Ship Engineering Council of China Society of Naval Architects and Marine Engineers	The Company (standing director)
Sustainability Industry and Commerce Committee of China Enterprise Confederation	The Company (director)
China Steel Construction Society	The Company (director)
China Association for Standardization	The Company (member)
China Institute of Internal Audit	The Company (member)
National Association of Financial Market Institutional Investors	The Company (member)
National Technical Committee on Road Transport of Standardization Administration of China	The Company (member)
China Forex Management Magazine	The Company (director)
Guangdong Enterprise Institute for Internal Controls	The Company (vice president)
Shenzhen Enterprise Confederation	The Company (director)
Shenzhen Association of Standardization	The Company (director)
Shenzhen Association of Listed Companies	The Company (vice president)
Shenzhen Patent Association	The Company (vice president)
China Container Industry Association	CIMC Containers (chairman)
China Association of Automobile Manufacturers	CIMC Vehicle (vice president)
National Technical Committee of Auto Standardization	CIMC Vehicle (deputy secretary-general)
China Gas Association	CIMC Enric (standing director)
China Industrial Gases Industry Association	CIMC Enric (director)
China Chemical Industrial Equipment Association	CIMC Enric (director)
Professional Committee of Compressed Natural Gas of Gas Branch of China Civil Engineering Society	CIMC Enric (member)
Henan Casting & Forging Industrial Association	CIMC Vehicle (vice chairman)
Guangdong Oil & Gas Association	CIMC Enric (vice president)



CEO Statement

To Stakeholders,

CIMC Group strives to be an enterprise capable of coordinating its work to ensure the development of all stakeholders in a balanced manner. Since 2008, the Company has published social responsibility reports for nine consecutive years. As the stakeholders, including investors, staff, customers, partners, the government and non-governmental organisations, pay increasing attention to disclosure requirements of enterprises in respect of sustainability, we have prepared and published the first Environmental, Social and Governance Report in accordance with the Environmental, Social and Governance Reporting Guide of the Hong Kong Exchanges and Clearing Limited. The Report has also been prepared with reference to the relevant requirements under Global Reporting Initiative G4 Sustainability Reporting Guidelines, which is conducive to further improvement of the quality of disclosure of sustainability performance of the Group in the future.

As a large logistics and energy equipment manufacturer and solutions provider, we understand the impact of our operations on the environment and the society. The Group has been strictly in compliance with the triple bottom line of the society, the economy and the environment, integrating the concept of sustainability into its daily work and devoting itself to providing quality and safe products and services to the society. Through product innovation, optimisation of the industrial value chain for value creation and achievement of breakthroughs in bottlenecks such as labour force and energy consumption that restrict industrial development, the Group contributes to industrial sustainability while earning greater development opportunities and creating room for profit from the same.

In 2016, with “manufacturing + service + finance” as its strategic positioning, the Group has formed an industrial structure spanning two major areas, i.e. logistics and energy, and established its leading position in the main business sectors while proactively deploying its presence in emerging industries which will help us to exploit our

competitive advantages. In the opening year of China’s 13th Five-Year Plan, the Group responded actively to the State strategies, formulated “Made in China 2025 CIMC Action Planning”, and adopted the development objectives of “intelligent manufacturing, high-end manufacturing and green manufacturing”. Through automation technology and scientific research and innovation, we are making great efforts on building an industrial model of new industrialisation. In the light of the promotion of the refined ONE model, all group members have constantly improved product safety and reliability by upgrading of production lines so as to provide customers with quality products and services meeting international standards, by leveraging on outstanding customer services. During the year, the Group applied for a total of 534 patents, including 282 invention patents, exceeding the average level of 40% by invention patent applications among Chinese enterprises for three consecutive years. In particular, three inventions were awarded Chinese patents. As at 31 December 2016, the Group was granted with 3,573 authorised patents and 776 invention authorisations in aggregate.

The Group guides all its members to proactively build a green manufacturing system. We signed 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》) in March 2016 in response to the upgraded national regulations in respect of environmental protection. We have actively reacted to and implemented the transformation of water-based paint, which effectively reduces emissions of volatile organic compounds (VOCs), improves the working environment of the staff and constitutes a sound demonstration effect within and outside the Group. We continued to support the environmental improvement. During the year, the expenditure for environmental protection of the Group amounted to RMB92 million, mainly used for improving the environmental management model, and the environmental impact spanning the entire life cycles of its products was reduced through green product design, so as to achieve material savings for its products.



CEO Statement

"People-oriented and mutual business" is the talent management philosophy that the Group has always adhered to. In addition to respecting and safeguarding the legitimate interests of our staff and constructing harmonious labour relationships, we also keep implementing a comprehensive talent training system, including new employees training, general skills training, professional training, leadership training programmes and international talent training programmes. During the year, we focused on strengthening the enterprise leadership training.

In respect of production safety, we continued to carry out the "refined safety system of CIMC" with key tasks implemented during the year, including enhancement of hazard inspection quality, improvement of safety consciousness of the staff, and further reinforcement of equipment safety, with a view to guiding all members to achieve a safe and healthy work environment.

The efforts of the Group in respect of sustainability have been widely recognised by the society. During the year, we were selected to be among the "Five-star Enterprises in Discharging Social Responsibility among Industrial Sector in China" by the China Federation of Industrial Economics, and our "refined safety system of CIMC" was also awarded the "Excellent Practice Award of Sustainability of Enterprises in Guangdong for 2015".

Going forward, we will incorporate the sustainability philosophy into the Group's long-term development strategy, striving to achieve "quality growth" so as to create shared value in respect of product optimisation, environmental protection, occupational safety and health, talent cultivation and community construction. We will also endeavour to strengthen communication with all stakeholders and cooperate with all stakeholders so as to achieve coagulation of forces for sustainability of the Group and the society. The Group is committed to moving forward together with all customers, staff and other stakeholders in order to actively benefit our community.

MAI Boliang

Executive Director, CEO and President
Shenzhen, the PRC
30 June 2017



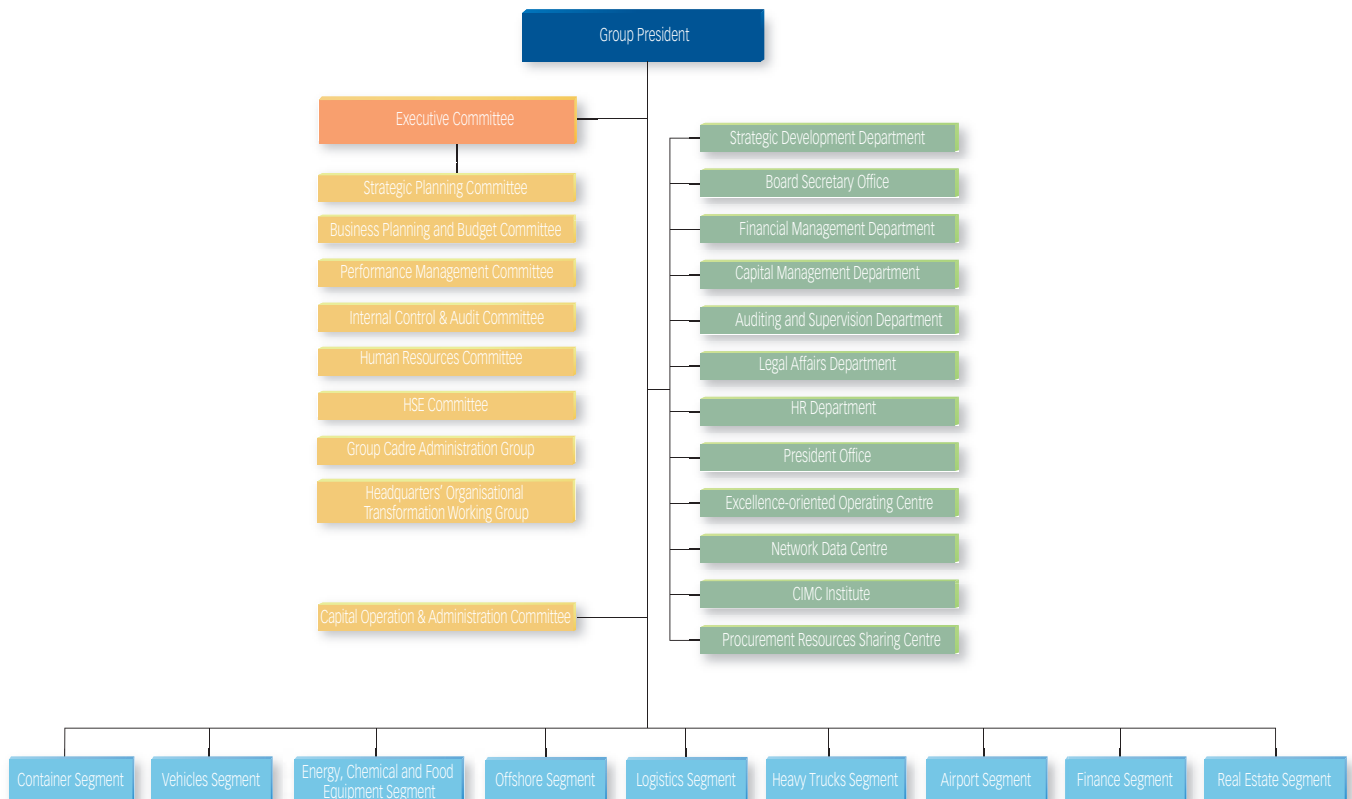
Sustainability Management

The Group gradually integrates sustainable development and social responsibility as a part of business development strategy, improves the work system for sustainable development strategy, set up a specialised management committee and establishes an integrated management mechanism.

Governance Structure of Sustainable Development and Social Responsibility

The Group has integrated sustainable development and social responsibility as a part of its business development strategy. It has improved the work system for discharging its social responsibility and sustainable development strategy under a new management and control mode, set up a specialised management committee focusing on strategic decision-making, technical innovation, green technologies, safe work environment, human resources management and internal control of risks, and established a management mechanism integrating systems, workflow, division of work and operations, all of which have laid a solid foundation for the management of promotion of enterprise social responsibility and sustainable development of the Group.

We have built a sound corporate management structure to meet modern enterprise management requirements and ensure adequate implementation of each function in a balanced manner. Directly guided by the CEO and President of the Group, coordinated by the Health, Safety and Environment Committee (“HSE Committee”) and with its daily operations under the cooperation among the Excellence-oriented Operating Centre, Auditing and Supervision Department, President Office, Board Secretary Office and HR Department, the sustainable corporate development aims to identify, measure, manage and report opportunities and risks related to sustainable development.





Sustainability Management

The Group believes that the most important aspect when undertaking social responsibilities is to uphold the scientific development philosophy, utilise corporate resources efficiently, integrate the notion of social responsibility into routine work and pursue corporate resources in a more scientific, transparent, moral and compliant way while strictly complying with the three baselines of society, economy and environment, so as to give full play of social effects of corporate resources. Set out below are the social responsibilities standards observed by the Group:





Sustainability Management

Communications with Stakeholders

The Group values its relationship with stakeholders. Our major stakeholders mainly include investors, regulatory authorities, employees, customers, suppliers and community. We maintain constant communications with stakeholders by means of announcements, annual reports, social responsibility reports, opinion surveys and meetings. The following table sets out a summary of the means of communication with stakeholders and the issues they concern.

Stakeholders	Means of communication	Issues
Investors	General meetings, annual reports, announcements, annual investment conferences held by securities brokers	Company operation and corporate governance
Customers	Satisfactory survey and complaints dealing agency	Product quality, product innovation and customer service
Suppliers	Regular meetings and supplier appraisal	Cooperation with integrity, fair competition and safe production
Employees	Employee cultural activities, employee training, employee talkfest and internal communication	Welfare benefits, safety and healthiness, training and development
Government and regulatory authorities	Regular meetings, policy promotion, cooperation and training	Compliance operation

Going forward, we will continue to pay attention to the opinion from all stakeholders, gradually enhance communication and response to the issues they concern. By doing this, we are able to review the management methods for sustainable development and roll out pertinent measures.

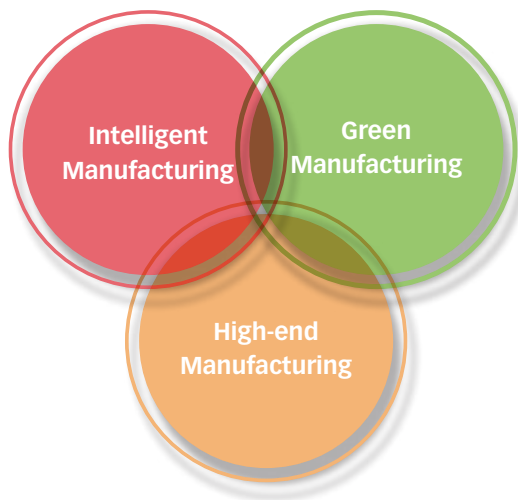


Constructing New Industrialisation

Following the national strategies and aiming at “intelligent manufacturing, high-end manufacturing and green manufacturing”, the Group puts its core values of “Integrity Foremost, Customer First” into practice and carries out measures in relation to product innovation, supplier management optimisation and customer service improvement in order to build an industry-wide model of new industrialisation.

The Target of “Three Core Manufacturing”

The Group is committed to innovation in and development of manufacturing technologies and takes “Deep Reform, Innovation-driven, Steady Progress and Quality Growth” as its strategic theme. Pursuant to the national strategy of “Made in China 2025”, we have prepared and implemented the “CIMC Action Plan for Made in China 2025”, which set the goal of developing three core strategies for manufacturing, namely “intelligent manufacturing, high-end manufacturing and green manufacturing”.



We strive to promote the use of intelligence and automation in manufacturing processes and speed up the application of technologies and equipment including intelligent human-machine interaction, industrial robots and intelligent monitoring management. During the year, subordinate manufacturing enterprises of the Group built several intelligent production lines including the new production line for side plates (Phase II) of CIMC Taicang Refrigeration Equipment Logistics Co., Ltd. (“TCCRC”), the KTL coating line of the “lighthouse plant” in Dongguan, Guangdong of CIMC Vehicle, and the “CryoEase (快易冷)” production line of “Nantong Energy”. Through the reform of the production lines, the production environment

and efficiency were improved and targets of new industrialisation, such as cost reduction and products upgrade, were achieved.



New Production Line for Side Plates (Phase II) of “TCCRC”



KTL Coating Line of the “Lighthouse Plant” in Dongguan

In respect of high-end manufacturing, we have vigorously developed high-end equipment including offshore engineering equipment and high-tech vessels, aerospace equipment and the third generation airport facilities equipment, new energy storage and transportation facilities, laser welding and cutting equipment, so as to enhance value addition in high-end products. During the year, the Group made breakthroughs in the manufacturing of offshore engineering high-end equipment, completed the concept design and basic design for the seventh generation super deepwater drilling platform and the drilling boat and obtained approval from the Classification



Constructing New Industrialisation

Society. At the beginning of 2017, the ninth deepwater semi-submersible drilling platform “Blue Whale No.1 (藍鯨1號)” delivered by CIMC Raffles under the Group in Yantai broke the world record for depth of drilling and operations, thereby becoming the most advanced semi-submersible drilling platform in the world.

We have put more efforts in research and development (“R&D”) of advanced energy conservation and environmental protection technologies, processes and equipment, actively promoted low-carbon and circulatory operations, strengthened green management that covers the whole life cycles of our products, with a view to building a new resource-conserving and environment-friendly industrial enterprise. During the year, we implemented several energy conservation and emission reduction measures and applied environment-friendly designs to products. Please refer to the section headed “Building a Green Manufacturing System” in the Report for details of achievements in relation to green manufacturing.



Deepwater Semi-Submersible Drilling Platform “Blue Whale No.1 (藍鯨1號)”

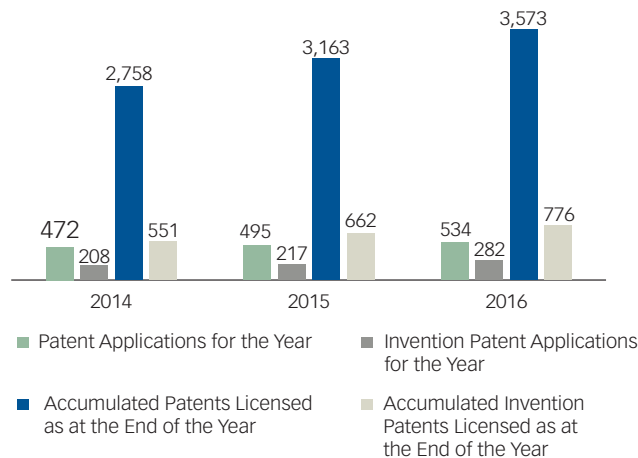
Innovation and Research

The Group made several innovation achievements under the guidance of the goal of “Three Core Manufacturing”. In order to protect the innovation achievements, we formulated the “White Papers for Intellectual Property Work of CIMC Group”, which is the first instance of white papers for intellectual property among Chinese enterprises and provides protection for patented technologies of the state and enterprises. During the year, we applied for a total of 534 patents, of which 282 were inventions, representing 52.8% of the total, which surpassed the average percentage of 40% of applications for invention patents by Chinese enterprises in three consecutive years. In particular, three inventions were awarded Chinese Patents. As at 31 December 2016, the Group

had cumulatively applied for 5,030 patents, including 408 abroad and 4,622 in China. A total of 3,573 items had been licensed, with accumulatively 776 invention patents licensed.

The Group’s technology centres are all national enterprise technology centres. Besides, the Group has set up five research institutes and 21 technical sub-centres. Capitalising on its strong R&D organisation, the Group converts its leading technologies into competitive advantages and protects the benefits of R&D through an all-round¹ mechanism for protection of its intellectual property rights.

Patent Application and Licensing



¹ Protecting, operating, safeguarding and preventing infringement of intellectual property rights



Constructing New Industrialisation

Customer First

Upholding the core values of “Integrity Foremost, Customer First”, the Group strives to provide customers from each business segment with products and services of quality, safety and high performance-price ratio and applies the Lean ONE (Optimization Never Ending) Mode of “Continuous Improvement, Relentless Determination” to industrial chains of products. During the year, the Group has complied with the requirements of relevant laws and regulations on health and safety, advertising, labeling and privacy issues involved in our products and services.

Case Study – The Lean ONE Mode

The Lean ONE Mode is a management mode developed by the Group through 10 years’ work, which is applicable to the standardising operation and management systems of all manufacturing businesses of the Group and consists of over 20 sub-modules including Safety, TPM, Standard Operation, Quality Control and Cost Control. The Lean ONE Mode is developed by summing up the Group’s successful experience over the past three decades and learning from advanced management practices such as TPS (Toyota Production System) of Toyota of Japan and ACE (Achieving Competitive Excellence) of United Technologies Corporation of the USA. The Lean ONE Mode provides a set of dedicated tools and methodology for our standardising operation and management and formulates an internal mechanism driving business improvement. During the year, the Lean ONE Mode continued to extend to both ends of the value chain from the manufacturing site, mainly focusing on the improvement of comprehensive index such as delivery cycle, inventory and efficiency.

Among the Group’s business segments, high requirements are imposed on safety and reliability of products including road transportation vehicles, energy, chemical and food equipment, airport facilities equipment, offshore engineering equipment and vessels. In order to ensure the safety and reliability of these products, each manufacturing enterprise under the Group takes the safety requirements into consideration early at the design stage, and conducts verification via sufficient calculations and tests to ensure product safety.

In respect of different standard requirements in different countries and regions, the manufacturing enterprises under the Group, within the licensed scope, implement the design and manufacture of products in strict compliance with international standards to ensure that all products are of high quality and meet the relevant standards and requirements. Certain manufacturing enterprises and products of the Group have obtained product quality and safety certifications including ISO9001, TS16949, Conformité Européenne (CE) and new fire protection standard of the USA (NFPA415). As a leading company in several industries, the Group not only complies with industrial standards and specifications, but also actively



Performance Test for Centre Axle Trailer Combination

participates in the formulation of more than 140 standards and specifications including over 60 officially issued national or industrial standards, which have contributed to product quality and safety of relevant industries.



Constructing New Industrialisation

Through strict control over product quality, members of the Group have earned recognition from the government and compliments from clients. Several members have received honorary titles such as "Chinese Quality Integrity Enterprise", "Provincial A-Level Quality and Credit Enterprise" and "Mayor Quality Award". In addition to ensuring product quality, customer service is a key part of implementation of "Customer First". We strive to provide information of products and services in an easily understandable way and provide best solutions to clients by standing in their shoes. In many cases, customers are invited to participate in the process of design of products and services involving engineering projects so that customers can make purchase decisions based on better understanding about the products and services. Through effective communications before sales, complaints and disputes arising from the gaps between expectations of clients and the actual situations after sales have been effectively reduced.



Each business segment and each enterprise of the Group has formulated targeted measures for customer management in respect of complaints and disputes from clients, which provides professional guidance and solutions for products related issues. They also set up special organisations for accepting clients' complaints in order to communicate with clients in a timely manner and provide feedback on clients' comments.

The risk of information leakage has become increasingly serious with the progress of information technology. We deeply understand that "information safety" involves clients' vital interests. The Group requires that each business segment and enterprise shall not only formulate a series of relevant systems and provisions for information management in relation to marketing activities, but also state specific provisions regarding clients' rights, privacy protection and utilisation of information in customer service contracts. We have continuously enhanced the trainings for business staff and require that they follow the operating procedures strictly and protect customer information with their best efforts.

Win-win Cooperation

Support from suppliers and partners is needed for the Group to realise its goal of new industrialisation. We categorise our relationships with suppliers into five types and maintain balance between fair competition and stable supplies. All enterprises with intention to be our suppliers may attempt to build trial cooperation relationship with the Group and we treat them all alike.

We are committed to building a business environment with fair competition and regulate purchasing activities by establishing the CIMC Group Purchasing Management System. In respect of raw materials procurement, the Group requires that quotations of at least three suppliers be compared before purchasing; while in respect of materials for projects, procurement shall be made by way of bidding, which ensures fair and open transactions to the largest extent. We enter into "Agreement on Good Faith Cooperation and Fair Competition" with the suppliers before cooperating with them and firmly oppose business opportunities gained through improper means.





Constructing New Industrialisation

In respect of supplier management, the Group has established the CIMC Group Suppliers Management System to regulate the criteria for supplier selection, which specifically states the requirements for suppliers including qualifications and the ability needed, with the special inclusion of environment protection, production

safety and occupational health of staff as criteria for supplier assessment. We convey to suppliers the management concept and requirements of the Group for social responsibilities so as to promote joint performance in terms of social responsibilities with suppliers, facilitate sustainable and healthy development of supply chains and reduce the environmental and social impact.

Building Clean and Honest Enterprises

The Group is committed to protecting the legitimate interests of all its stakeholders including investors, employees, clients and suppliers through continuous optimisation of internal controls, audit and monitoring systems. During the year, we deepened the work on "Governance by Laws", broadened the reporting channels and promoted the development of China Enterprise Anti-Fraud Alliance in order to build a clean and honest network from inside out. During the year, the Group has complied with the requirements of laws and regulations in relation to bribery, extortion, fraud and money laundering.



We put "Governance by Laws" into practice and carried out work in relation to three key aspects, namely, "improving the legal awareness of the Group's stakeholders, enhancing the construction of internal systems and strengthening the management of executives". Risk control seminars in relation to engineering and procurement were held so as to improve the awareness of need for integrity and protection against anti-fraud techniques of relevant personnel through specialist training and experience exchanges. In addition, we always keep eyes on changes in international standards for anti-fraud and national laws and regulations regarding anti-fraud. We amended and officially issued the "Administration Measures of Commission for Discipline Inspection of CIMC Group on Acceptance of Gifts and Payments" and the "Administration Measures of CIMC Group on Audit of Construction Project" in 2016. Pursuant to the provisions of the "Administration Policy on Key Management of CIMC Group" and the "Audit Measures on Economic Responsibility of CIMC Group", the Group

continued to carry out audits on economic responsibility of the relevant management personnel upon resignation and during the three-year terms of office, the results of which are considered as the major basis for assessment and appointment of management personnel during their terms of office.

The Group has established normalised channels for supervision, complaints and reports, including various approaches such as by email, telephone, petition and fax. During the year, we extended the reporting channels to mobile internet platform by opening a public WeChat account "CIMC Supervision" to accept anonymous and real-name reports. Reporting channels are managed by dedicated staff from the discipline inspection monitoring department to ensure confidentiality of the reported information. Matters involving breaches of rules and regulations are seriously investigated and handled and accountability is sought.

As the rotating chairing unit of the China Enterprise Anti-Fraud Alliance, the Group successfully held the 2016 annual meeting of China Enterprise Anti-Fraud Alliance. The mechanism for anti-fraud communication and cooperation among alliance members was optimised at the meeting to include not only employees but also suppliers in the dishonest list, which is of great practical significance for the construction of anti-fraud defense together by the society.





Building a Green Manufacturing System

The Group leads its subordinated manufacturing entities in environmental protection management affairs including preventing pollution, constantly improving and implementing energy-saving solutions, and addressing the entire life cycles of its products, with a view to building a green manufacturing system.

Environmental Management

The Group strictly follows the national and local requirements on environmental protection, and leads and supervises its subordinate entities in respect of environmental management affairs. We take the initiative to understand and timely follow up updates of national policies on environmental protection, formulate the Group's plan on implementation and require subordinate entities to follow national and local environmental management-related regulations and policies in letter and in spirit. During the year, the Group has substantially complied with relevant laws and regulations that have significant impacts on the Group's environmental management.

Under the leadership of the Group, subordinated entities carry out environmental protection-related trainings at all levels every year, including trainings organised by the Environmental Protection Bureau, trainings regarding

the ISO14001 Environmental Management System and internal environmental protection trainings. During the year, we signed 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》) initiated by the China Container Industry Association, in response to the introduction of the new Law on the Prevention and Control of Atmospheric Pollution. Under the guidelines of "Made in China 2025" issued by the State Council, we compiled the "Action Plan of CIMC in Response to Made in China 2025" and started to put it into operation, which included implementation of special technical innovation with regard to environmental protection and pursuit of the objectives of "Green Manufacturing".

Resources have been persistently invested to support environmental improvement and perfection of the environmental management model. During the year, our total expenditure on environmental protection amounted

Case Study – China Container Industry Association VOCs Governance Self-Discipline Convention





Building a Green Manufacturing System

to RMB92 million. With collaboration among all units of the entire Group, subordinated entities of the Group established their respective environmental management systems according to the international standards of ISO14001. Seven subsidiaries engaged in the container business have passed the ISO14001 certification of third parties. Going forward, we will continue to get ourselves certified for environmental management system in an active manner and constantly enlarge the scope of certification.

Prevention and Control of Pollution

The Group's business is developing fast, with more than 10 subordinate entities engaged in different levels of investments in project construction or reconstruction during the year. We carry out the environmental protection philosophy of "Pollution Prevention and Constant Improvement" and adhere to the principles of "three simultaneities" in the construction of environmental protection facilities and production facilities, in order to avoid the occurrence of non-compliant discharge of pollutants.

In respect of the waste water, waste gas and waste residue (the "three wastes") produced during the production process, we require the subordinated entities to ensure disposal or treatment is in strict compliance

with requirements of the national and local laws and regulations, so as to ensure that both the concentration and aggregate volume of the waste water, waste gas and waste residue meet the emission standards set by the environmental protection authorities and that hazardous wastes have been properly treated by qualified entities in accordance with relevant regulations.

Over the past dozen years or so, the Group has been actively promoting "Green Manufacturing" and has accomplished a series of demonstration projects embodying environmental protection and low-carbon technologies, with its major emission reduction indicators ranking at the top in the industry. During the year, production bases of the Group have invested an aggregate amount of over RMB12 million for treatment of the "three wastes". Several subordinated manufacturing entities have carried out multiple waste water and waste gas emission reduction programmes in order to further cut down the emission. With regard to solid waste treatment, two of our subordinated entities, engaged in the container business and the offshore engineering business respectively, have constructed a solid waste distribution centre and reconstructed the hazardous waste warehouse, respectively, equipped them with facilities to prevent wind dispersal, leakage and run-off, and realised collection by categories and compliant storage of hazardous wastes.

Type of pollution	Major emission reduction measures taken by the Group in 2016
Waste water	<ul style="list-style-type: none"> Adopting the separate drainage and sewerage systems, having sewerage flown into the sewage station via the sewage pipe network for concentrated treatment Perfecting the sewage treatment process and recycling the treated water
Waste gas	<ul style="list-style-type: none"> Renovating the existing or constructing new dust removing equipment Coal-to-gas, oil-to-gas and oil-to-electricity power generation projects Improving the spraying process, adopting electrostatic spray guns and replacing the solvent-based paints with water-based paints Adopting cotton filter and activated carbon in paint mist treatment

Case Study – Upgrade of Southern CIMC's Water-based Paint Production Lines

After the Group signed the "China Container Industry Association VOCs Governance Self-Discipline Convention", Shenzhen Southern CIMC Containers Manufacture Co., Ltd. (深圳南方中集集裝箱製造有限公司) ("Southern CIMC"), one of its subsidiaries engaged in the container business, took the initiative to comprehensively implement replacement of solvent-based paints with water-based paints during the year. As a pioneer in the Group to practice the early and pilot measures, Southern CIMC has successfully moved to use water-based paints and realised a VOCs elimination ratio of over 94%. The upgraded programme effectively reduced VOCs emissions and improved the operating environment of employees.



Building a Green Manufacturing System

Energy Saving and Reduction in Consumption

The Group actively promotes low-carbon, circulatory and intensive operations models, and strengthens the green management that covers the entire life cycles of its products, with a view to building a new resource-conserving and environment-friendly industrial enterprise. Under the organisation and leadership of the Group, subordinated manufacturing entities carried out multiple energy-saving and consumption-reducing programmes

during the year, which involved measures for equipment upgrade, energy recycling and new energy exploration, in order to reduce the consumption of traditional energy in an all-round manner. An amount of over RMB3.50 million has been invested in such energy-saving programmes, which are estimated to result in economic benefits of over RMB25 million.

Type	Major initiatives taken by the Group in 2016 to reduce energy consumption
Equipment upgrade	<ul style="list-style-type: none"> • Renovation in relation to circulation of hot water from air compressors for heating purposes • Replacing traditional halogen lamps with energy efficient LED and xenon lamps • Installing frequency conversion equipment • Replacing old drinking water boilers with fully automatic energy-saving drinking water boilers controlled by microcomputers
Energy recycling	<ul style="list-style-type: none"> • Application of heat recovery from air compressors for heating purposes in workshops
New energy exploration	<ul style="list-style-type: none"> • Programmes in relation to the roof solar photovoltaic power stations • Renovation for natural lighting purposes

Case Study – QDRV Solar Photovoltaic Power Stations

Qingdao Refrigeration Transport Equipment Co., Ltd. ("QDRV"), a subsidiary of the Group, constructs roof solar photovoltaic power stations by taking advantage of the idle roof areas of the steel-structured plants, with a solar energy capacity of 1.66 MW. During the year, the solar PV capacity amounted to 1,210,626 kWh; emission of carbon dioxide was reduced by 1,207 tonnes; emission of sulfur dioxide was reduced by 36.3 tonnes; dust emission was reduced by 329.3 tonnes and emission of nitrogen oxides was reduced by 18.2 tonnes.



Building a Green Manufacturing System

Green Products

The Group pays great attention to environment pollution and energy consumption issues caused during the production process, as well as the traces on environment left by products over their entire life cycles, so as to minimise the material impacts on the environment and natural resources. We have been altering products with green designs, minimising the impacts of their production and usage on the environment. In particular, semi-trailers of Huajun Vehicle, a subsidiary of the Group, adopts lightweight designs and achieves a weight reduction per vehicle of 0.3 tonne while maintaining the hardness of the body, by using high strength steel, punching and thinning etc. During the year, output of lightweight vehicles reached 5,500 units, saving 1,650 tonnes of steel in total. In addition, in response to the global campaign initiated to relieve global warming and ozone depletion, our reefer container manufacturing entities comprehensively adopted the environment-friendly cyclopentane (CP) blowing agent to replace the HCFC-141b blowing agent since 2015.

The modular building business of the Group is committed to realising a green building model that enables recycling, and to forming a full set of green building system covering design, manufacturing and construction of modular buildings. During the year, both A and B phases of “Shenzhen Qianhai Business Innovation Centre”, the largest modular building undertaken by us in China under the office category (in terms of volume) have been completed. This project has proved to be an exemplary application of modular building technologies.



A and B Phases of “Shenzhen Qianhai Business Innovation Centre”

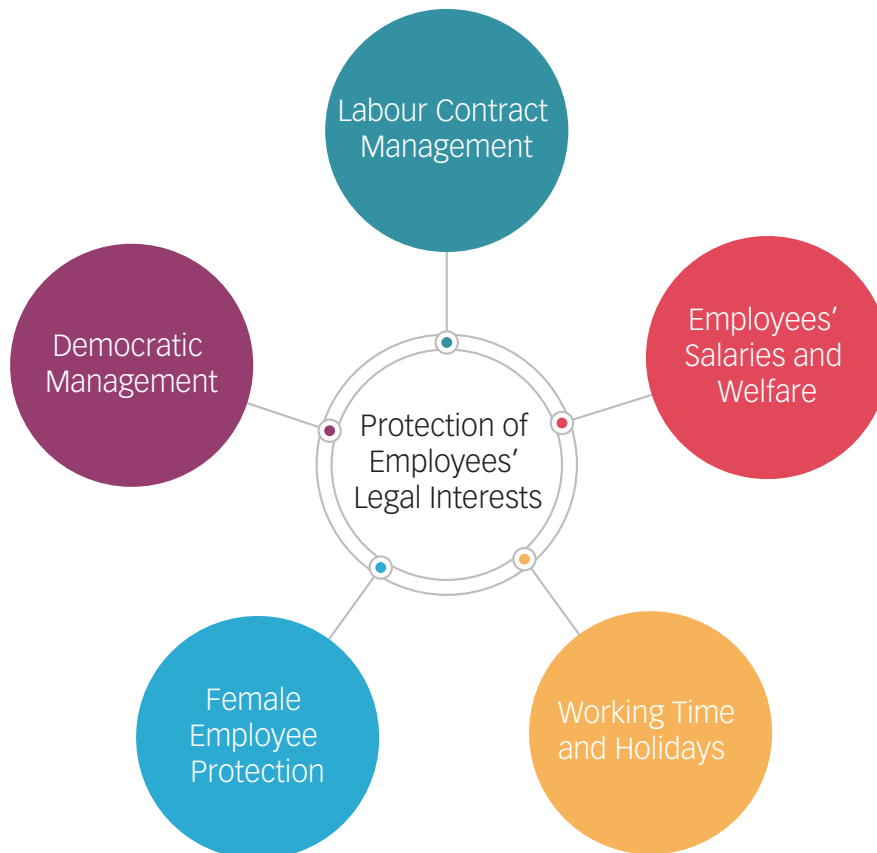


Realising Mutually Beneficial Business

The Group adheres to protecting its employees' interests, creating a harmonious working atmosphere and coaching its employees for progress to maintain a safe and healthy workplace, and upholds the people-oriented concept with a view to realising mutually beneficial business with the employees.

We adhere to its core human resources philosophy of "people-oriented and mutually beneficial business", secure the employees' legal interests and strive to create a sound working atmosphere. We implement the national

and local labour laws and regulations in respect of labour contract management, employees' salary and welfare, working time and holidays, female employee protection and democratic management etc.





Realising Mutually Beneficial Business

Employment

We value the important role labour unions play at various levels in corporate management. Labour unions at various levels actively communicate with managements of their respective enterprises and achieve a labour contract signing rate of 100%, securing the employees and companies' interests. We comply with the relevant laws and regulations, adopt domestic working time system and provide compensation to employees' working overtime according to the local laws and regulations. Apart from statutory welfare, we also provide extra paid holidays, education subsidies, birthday celebrations and physical

examination etc. In addition, we implement the Provisions on Female Employee Protection and its complementary policies throughout the country and effectively protect female employees' labour rights and interests during pregnancy, childbirth and lactation.

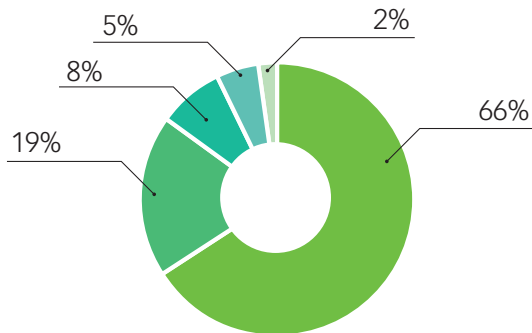
The Group observes international human rights and labour standards and resolutely eliminates child labour, forced labour and discriminatory practices of all kinds. During the year, the Group has complied with major laws and regulations in relation to staff employment.

Item	Major measures taken by the Group
Prohibition of child labour	In recruitment, the Group strictly checks the age of candidates
Equal employment	CIMC provides equal opportunity in employment and occupational development regardless of gender, age, race and religious belief
Prohibition of forced labour	CIMC resolutely ensures there are no restraints on employees' personal freedom or forced labour by means of charging deposit, seizing certificates or threat during the period of employment

As at 31 December 2016, the Group had 51,299 employees in mainland China, among which, the number of in-service employees at the headquarters of the Group was 279 and the number of in-service employees at principal subsidiaries was 51,020. In terms of functions, 66% of all employees were production personnel; 19% were technical personnel; sales, financial and administration personnel accounted for 5%, 2% and 8%, respectively.

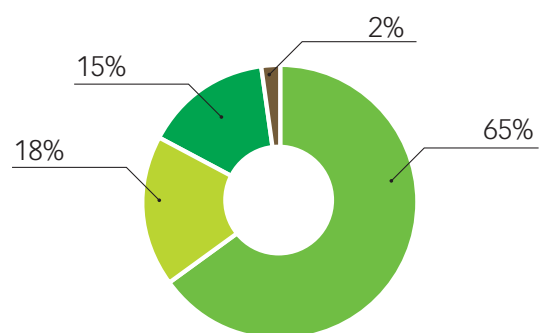
In terms of educational background, the number of employees with doctoral and master's degrees were 32 and 1,148, respectively, representing 2% of the total employees; the number of employees with bachelor's degree and college diploma accounted for 18% and 15%, respectively; while the number of employees graduating from high school or below reached 65%.

Functions Composition of Domestic Employees in Mainland China



- Production Personnel
- Sales Personnel
- Technical Personnel
- Financial Personnel
- Administration Personnel

Education Background



- Doctoral and Master
- Bachelor
- College
- High School or Below



Realising Mutually Beneficial Business

Harmonious Labour Relations

The Group is active in organising a variety of cultural activities so as to promote the communications and cultural integration among its members and their employees, boost the organisational climate and maintain harmonious labour relations. During the year, we held a

series of recreational activities for employees, such as "Family Day", badminton game, basketball game, tug-of-war, photography contest, matchmaking party, flower arranging and dancing party etc.



"Family Day" Campaign



Employees' Basketball Friendship Game for Autumn 2016

Talent Management

Talent is the most important asset and competitive edge for sustainable development of an enterprise. According to the talent requirement for strategic development, we have built employee career development channels, identified employee career development directions and improved employees' capability. During the year, a total of RMB9 million was invested by the Group (excluding its segments and subsidiaries) in improving the employees' knowledge and skills. We are constantly fostering excellent industry talents through the creation of a talent cultivation system with the unique CIMC characteristics. The Group's multi-level combined talent cultivation system comprises orientation training, general skills training, professional training, leadership development programmes and international talent cultivation programme.

We have built an I-Learning online platform and integrated a variety of online courses for new employee training, professional quality and general office skills, which makes it easier and more convenient for employees to learn.

In terms of professional training, we have established the professional ability development programme and specific training which matches with professional career

development channels and launched professional training courses, such as "Business Plan Facilitator Training" and "Lean Specialist Training Camp", to offer adequate resources for professional talents as well as promote professional talent exchange and development of CIMC.





Realising Mutually Beneficial Business

Leadership is the core driver of the Group's development. We allow cadres to develop diverse abilities through the "tenure system" and put the right person in the right position. The "leadership development programme" enables leadership talents to improve personal, team and organisational abilities and promotes team spirit. We set up "CIMC Leadership Development Programme A"¹ and "CIMC Leadership Development Programme BC"² for training targets, and launched "CIMC Leadership Development Programme A3"³ in 2016. We provided a series of leadership development programmes, e.g. "CIMC New Manager Training Programme", "Business Plan Action Learning Programme" and "CIMC School Open Class" for rapid upgradation of participants' abilities through learning and work practices.

Coping with the globalisation of business, the Group requires international talents as the backbone to become a world-class enterprise. Back in 2007, we co-launched an International MBA Programme with Indiana University. This programme has cultivated over 30 talents of international management so far and trainees sent to overseas enterprises or for international business jobs have made valuable contribution to the Group.

Production Safety

By complying with the core value of "Safe Environment, Green Operation", the Group together with its subsidiaries strictly implement the production safety guideline of "Safety First, Prevention Foremost and Comprehensive Control" in the course of operations and strive to achieve production safety. During the year, the Group has complied with major laws and regulations in relation to production safety.

set up the overall operation system of the HSE Committee, and implemented "CIMC Lean Security System" since 2008. During the year, the Group focused on promotion of the implementation of the responsibility of enterprise safety entity, promotion of the inspection of hidden dangers to safety, enhancement of safety awareness of cadres and employees as well as further improvement of the equipment safety.

The Group has established a HSE Committee, which meets regularly to assess the progress of research and arrangements in these contexts. 48 enterprises under four main business segments (containers business, energy, chemical and liquid food equipment business, offshore engineering business and logistics service business) have

The Group as a whole and each department in each enterprise have gradually enhanced the relevant safety system, revised and improved the management system, technical standards and working guidelines so as to clearly guide the implementation of all safety related work and well define the safety entity responsibility.



Key Safety Work of "CIMC Lean Security System" for 2016

¹ Launched in June 2010, the leadership training programme was intended to foster business segment/industry leaders.

² Launched in April 2011, the leadership training programme was designed to cultivate business managers and enterprise group functional managers.

³ Phase III of Programme A cultivated a group of business and functional leaders in line with the requirements of CIMC's culture, core values and leadership, so as to support the implementation of CIMC's four major strategies.



Realising Mutually Beneficial Business

Major business segments	Principal systems and standards of HSE revised by the Group in 2016
Group	<ul style="list-style-type: none"> Incident reports and investigation and handling Operating Rules for HSE Committee of the Group
Containers	<ul style="list-style-type: none"> Guidelines of production safety meeting Hazard control guideline and emergency plan Employee health examination procedure standard, allocation guideline for specialised safety administrative personnel
Road transportation vehicle	<ul style="list-style-type: none"> High-level operation safety standard, welding safety standard and machinery process safety standard
Energy, chemical and liquid food equipment	<ul style="list-style-type: none"> Remote operations safety management Adjustment to the organisation of HSE Committee
Offshore engineering	<ul style="list-style-type: none"> Production safety redline management Working guideline for production safety during holidays
Logistics	<ul style="list-style-type: none"> Production Safety Management System and Professional Health and Management Measures (Trial) Temporary power safety standard

We conduct on-site supervision and inspection to help enterprises effectively identify hidden dangers to safety and make rectification. In addition to the daily safety inspection of “3 Levels”, the Group’s top management also conducts regular on-site safety inspection and guidance at the premises of its member enterprises. During the year, the Group and each business segment organised compliance certification reviews and safety “Flight” inspections 64 times and inspected 54 enterprises in total. In addition, each enterprise actively carried out important hazard control and error proofing campaigns with a total of 1,037 enhancements during the year, in order to gradually improve equipment safety. As for the employees’ occupational health, we took multiple heatstroke preventive measures and other health measures and comprehensively promoted the occupational healthy examination work to secure employees’ safety and health.

The Group’s member enterprises continue to improve their systematization management and on-site safety management, and actively participate in the National Safety Standardisation Certification and OHSAS18001 System Certification. All containers manufacturing factories were certified with the Level 3 Safety Standardisation Certification in 2014. As at the end of 2016, six member enterprises under the Group were certified with the Level 2 National Safety Standardisation Certification; 10 other subsidiaries were certified with OHSAS18001 Certification from a third party.





Realising Mutually Beneficial Business

In the aspect of safety education and training, we require all subsidiaries to strictly implement the “3 Levels” safety education, especially attaching great importance to induction training for special operations positions, to ensure the employees pass through examinations to obtain a certificate before they can start working. Meanwhile, we also hold different levels and forms of safety education and training, including “CIMC HSE Instructor Training Program”, safety experiencing park, emergency drill, “Safety 100” and other activities, to create an atmosphere of “Learn Safety, Understand Safety and Secure Safety” among all employees.



Safety “Flight” Inspection Organised by the Logistics Segment

In the light of CIMC’s successful experience in respect of safety management over the years, “CIMC Lean Safety System” was awarded with “Distinguished Implementation Awards for Enterprise’s Sustainable Development of Guangdong Province for 2015” in 2016. The Group will continue to implement production safety measures and strive to maintain a safe working environment for its employees.



“Safety 100” Campaigns for 2016





Fulfilling Social Responsibility

The Group keeps focusing on the development of community public welfare, and is committed to fulfilling its social responsibility, with a view to building a harmonious society.

The Group and its members actively participate in community public services in places where they operate, and actively contribute to local communities through promoting local employment and participating in community and public welfare activities. Most of our members are large local manufacturing enterprises which not only contribute tax revenues to local governments, but also create jobs. They invest in the construction of local factories, boost community infrastructures and improve local living standards, thus making valuable contributions to the social and economic development of the places where they operate.

In addition, we encourage our members to actively participate in community activities, enhance the harmonious relationships between them and communities to achieve win-win situations. Some of our members have also set up volunteer teams which organise and take

part in local community activities periodically to care for vulnerable groups in the communities. We also devote ourselves to social and public welfare through assisting impoverished students and providing health care and disaster relief.

Community Investment

During the year, we donated over RMB1.3 million in total. Our members, through their volunteer teams and labour unions, organised and participated in various community and public welfare activities, including visiting poverty-stricken families and veterans, expressing sympathy during the Spring Festival, "Aiding Students in Golden Autumn" and blood donations without payment. We also participated in large-scale charitable walking activities to proactively integrate into local communities.

Case Study – "Walking for Love, Walking to Aid Students" Charitable Walking



In June 2016, "Qingdao Reefer Containers" and "Qingdao Special Containers" of the Group organised over 40 employees and their families to take part in the "Walking for Love, Walking to Aid Students", a large-scale charitable walking event organised by the Federation of Industry and Commerce of Jiaozhou City. Participants walked along the Shaohai park for an approximately 6 kilometers long journey. Co-organisers donated RMB200 to a special account for the charitable fund of Jiaozhou city named "Yuanmeng" for each participant who finished walking, and all donations were used to support underprivileged children to go to school.

Case Study – "Everyone Can Be An Environmental Activist" Activity



"Everyone Can Be An Environmental Activist" Promotion

Shenzhen CIMC Electricity Commerce and Logistics Technology Co., Ltd. of the Group and "MCF", an ecological and environmental protection institution, organised an online activity named "Everyone Can Be An Environmental Activist", through which millions of users of e Zhan (e栈) were mobilised to support environmental public welfare.



ESG Reporting Guide Content Index

The following ESG Reporting Guide Content Index also includes the relevant disclosures set out in the GRI G4 Sustainability Reporting Guidelines.

ESG Reporting Guide	GRI G4 Guidelines	ESG Reporting Guide Description	Page/Remark
A. Environmental			
Aspect A1: Emissions	General Disclosure	DMA Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P.18-19
	KPI A1.5	G4-EN19 Description of measures to mitigate emissions and results achieved.	P.18-19
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	P.19
Aspect A2: Use of Resources	General Disclosure	DMA Policies on the efficient use of resources, including energy, water and other raw materials.	P.18, 20
	KPI A2.3	G4-EN6 Description of energy use efficiency initiatives and results achieved.	P.20
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	P.19-20
Aspect A3: The Environment and Natural Resources	General Disclosure	DMA Policies on minimising the issuer's significant impact on the environment and natural resources.	P.18-21
	KPI A3.1	G4-EN27 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P.18-21
B. Social			
Employment and Labour Practices			
Aspect B1: Employment	General Disclosure	DMA Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P.22-24
	KPI B1.1	G4-10 Total workforce by gender, employment type, age group and geographical region.	P.23



ESG Reporting Guide Content Index

ESG Reporting Guide	GRI G4 Guidelines	ESG Reporting Guide Description	Page/Remark
Aspect B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P.25-27
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	P.26-27
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P.24-25
Aspect B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P.22-23
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	P.23
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P.16-17
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers to whom the practices are being implemented, how they are implemented and monitored.	P.16-17
Aspect B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P.15-16
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P.16
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	P.14
	KPI B6.4	Description of quality assurance process and recall procedures.	P.15-16
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P.16

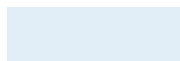


ESG Reporting Guide Content Index

ESG Reporting Guide		GRI G4 Guidelines	ESG Reporting Guide Description	Page/Remark
Aspect B7: Anti-corruption	General Disclosure	DMA	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P.17
	KPI B7.2		Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P.17
Community				
Aspect B8: Community Investment	General Disclosure	DMA	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P.28
	KPI B8.1	G4-SO1	Focus areas of contribution.	P.28
	KPI B8.2		Resources contributed to the focus area.	P.28



The "comply or explain" provisions under the ESG Reporting Guide



The recommended disclosures under the ESG Reporting Guide