



中国重汽
SINOTRUK

Sinotruk (Hong Kong) Limited

中國重汽(香港)有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 3808



2018 Environmental, Social
and Governance Report



中国重汽

智能 安全 经济 高效

HOWO

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INFORMATION ABOUT THIS REPORT

About the Report

The Company hereby issues the 2018 Environmental, Social and Governance Report of the Group to demonstrate the Group's concepts and practices in environmental, social and governance areas to its stakeholders.

For information regarding our corporate governance, please refer to the "Corporate Governance Report" contained in the Company's annual report for the year ended 31 December 2018.

Scope of reporting

This report includes the Group during the period from 1 January 2018 to 31 December 2018.

Based on the actual production and sales situations, the Group is establishing the data monitoring system of key environmental performance indicators and expanding it year by year. In the principles of materiality and representativeness, the Group selects ten major subsidiaries, which are engaged from components manufacturing to finished vehicle manufacturing, as the reporting scope of key environmental performance indicators in the report, including:

- Truck Company
- Axle Company
- Power Division
- Casting & Forging Center
- Gearbox Division
- Sinotruk Ji'nan Fuqiang Power Co., Ltd.
- Hangzhou Engines Company
- Chengdu Wangpai Company
- Ji'ning Commercial Truck Company
- Chongqing Fuel System Company

Compared with "Sinotruk (Hong Kong) Limited 2017 Environmental, Social and Governance Report" published on 25 July 2018, this report remains unchanged in the overall scope except that Chengdu Wangpai Company, Ji'ning Commercial Truck Company and Chongqing Fuel System Company have been included into the reporting scope of key environmental performance indicators.

INFORMATION ABOUT THIS REPORT

Reporting standards and principles

In line with the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) in Appendix 27 to the Listing Rules, this report is in strict compliance with the disclosure requirement of “comply or explain” in “ESG Guide”.

- **Materiality:** The Group should identify key ESG topics through stakeholder engagement and materiality assessment;
- **Quantitative:** The report should disclose the key environmental performance indicators in quantitative terms;
- **Balance:** The report should provide an unbiased picture of the Group’s environmental and social performance; and
- **Consistency:** Methodologies used in the report should be consistent with those used in the prior year in disclosing key environmental performance indicators, while three more subsidiaries have been included into the current reporting scope of key environmental performance indicators.

Publication of the report

This report is published in electronic edition that can be accessed in the Company’s website (www.sinotruk.com) and the Stock Exchange’s website (www.hkex.com.hk).

DEFINITIONS

In this report, the following expressions shall have the following meanings unless the context indicates:

“Axle Company”	Sinotruk Ji’nan Axle & Transmission Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company
“Board”	the board of Directors
“Casting & Forging Centre”	casting and forging centre of the Group
“China” or “PRC”	the People’s Republic of China, and for the purpose of this report, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Chengdu Wangpai Company”	Sinotruk Chengdu Wangpai Commercial Vehicles Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company.
“Commercial Truck Company”	Sinotruk Ji’nan Commercial Truck Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“Company”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and the securities of which are listed on the Main Board of the Stock Exchange (stock code: 3808)
“Components Manufacturing Division”	components manufacturing division of the Group
“Chongqing Fuel System Company”	Sinotruk Chongqing Fuel System Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company.
“CNHTC” or “Parent Company”	China National Heavy Duty Truck Group Company Limited, a state-owned enterprise organized under the laws of the PRC with limited liability, being the ultimate holding company of the Company and the controlling shareholder (as defined in the Listing Rules) of the Company
“ESG”	environmental , social and governance
“Fujian Haixi Company”	Sinotruk Fujian Haixi Vehicles Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company.
“Gearbox Division”	gearbox division of the Group
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hangzhou Engines Company”	Sinotruk Hangzhou Engines Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“HDT(s)”	heavy duty truck(s) and medium-heavy duty truck(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Ji’nan Power Company”	Sinotruk Ji’nan Power Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“Ji’ning Commercial Truck Company”	Sinotruk Ji’ning Commercial Vehicle Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“LDT(s)”	light duty truck(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power Division”	power division of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technical Center”	technical development center of Ji’nan Power Company
“Truck Company”	Sinotruk Ji’nan Truck Co., Ltd., a joint stock company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000951)

GROUP PROFILE

1.1. Introduction

Business

The Group is one of the leading trucks manufacturers in the PRC which specialises in the research, development and manufacture of HDTs, LDTs and related key parts and components. HDTs are the key products of the Group. Through our diversified product portfolio, we serve a wide range of customers from different major industries including infrastructure, construction, container transportation, logistics, mining, steel, chemical, etc.

The Group mainly manufactures trucks and also produces key parts and components such as engines, cabins, axles, steel frames, gearboxes, etc. The Group is a truck manufacturer which has its own research and development and production capability in trucks as well as the complete production chain. The Group sells truck engines and engines for use in industrial and construction machineries to independent third parties in addition to our own use. Our products are not only sold domestically but also exported to other countries and regions in the world.

Operations

The Group's businesses are classified into four operating segments according to the nature of products and services:

(i) Heavy Duty Trucks Segment

Sales of HDTs contribute the largest portion of the Group's revenue. Its major products series include SITRAK, HOWO-T7H, HOWO-A7, HOWO, Haoyun, Steyr and Hohan, each of which is further divided into various sub-series to target different sectors of the Group's product market. The key production bases are located at Ji'nan, PRC. In addition, the Group engages in truck refitting and manufactures specialty vehicles.

(ii) Light Duty Trucks Segment

The Group's LDT products mainly include HOWO, Huanghe, Fuluo, Haoman and Wangpai "7 series" products, which production bases are located at Ji'nan, Chengdu and Fujian, the PRC.

(iii) Engines Segment

The Group is one of the few truck manufacturers in PRC that has the ability to produce HDT and LDT engines. Although most of the engines produced by the Group are for internal usage, the Group also sells industrial and construction machinery engines to independent third parties. In addition, the Group produces other HDT key parts and components, such as gearboxes and various types of casting and forging. The engines production bases are located at Ji'nan and Hangzhou, the PRC.

GROUP PROFILE

(iv) Finance Segment

The finance segment of the Group provides financial services to those parties related to the production and sales of the Group's products and to the CNHTC Group. Financial services include deposits taking, borrowings, commercial notes and bank bills discounting, auto financing services and supply chain financing services. In addition to HOWO Auto Finance Company, it also cooperates with authorized financial institutions to provide auto financing services. It builds up an auto financing services network. At present, it has already set up 22 regional offices and extended its financing services to over 30 provinces, covering most areas in the PRC.

1.2. ESG strategy

The Group has a well-established ESG management system. The Board supports the Group's commitment to fulfilling its corporate environmental and social responsibility and assumes overall responsibility for the Group's environmental, social and government strategies and reporting. The Board regularly reviews the Group's ESG performance, and approves the Group's annual ESG report.

The senior management is responsible for evaluating and determining the Group's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management reports ESG-related risks and opportunities to the Board and has provided a confirmation on the effectiveness of these systems for the reporting period.

To deliver on ESG commitments, the Group has established an ESG working group (headquarter) as well as from working teams of each subsidiary, which are responsible for implementing the Board's ESG strategies and policies, carrying out ESG management and reporting, and reporting to senior management on the progress of ESG management and reporting.

GROUP PROFILE

1.3. Stakeholder engagement

The Group communicates with stakeholders such as governments, shareholders, employees, customers, community & society, partners and environment by various communication systems and actively responds to their expectations to the Group.

Stakeholder	Stakeholders' expectations	Communication system
Government	<ul style="list-style-type: none"> • Law compliance • Legal tax payment • Support local development 	<ul style="list-style-type: none"> • Daily management • Meeting • Supervision
Shareholders	<ul style="list-style-type: none"> • Sustainable development, returns to shareholders • Information disclosure, investor relationship • Corporate governance, risk control 	<ul style="list-style-type: none"> • General meeting of shareholders • Information disclosure • Investor relationship
Customers	<ul style="list-style-type: none"> • High-quality products • Superior service • Consumer rights protection 	<ul style="list-style-type: none"> • Smart Sinotruk (mobile application) • Product quality assurance • Customer satisfaction survey
Employees	<ul style="list-style-type: none"> • Salaries and welfare assurance • Good working environment and development platform • Equal opportunities of promotion and development 	<ul style="list-style-type: none"> • Compensation system • Performance management • Staff training
Partners	<ul style="list-style-type: none"> • Commitment fulfilment • Fair, open and righteous purchasing • Win-win development 	<ul style="list-style-type: none"> • Open tender • Spot approval • Suppliers' meeting
Society	<ul style="list-style-type: none"> • Contribution to urban development • Public notion improvement • Contribution to community harmony 	<ul style="list-style-type: none"> • Volunteer service • Support in cultural and sport undertakings • Blood donation
Environment	<ul style="list-style-type: none"> • Environment protection improvement • Ecological balance protection 	<ul style="list-style-type: none"> • Emission management • Resource consumption reduction • New energy vehicles

GROUP PROFILE

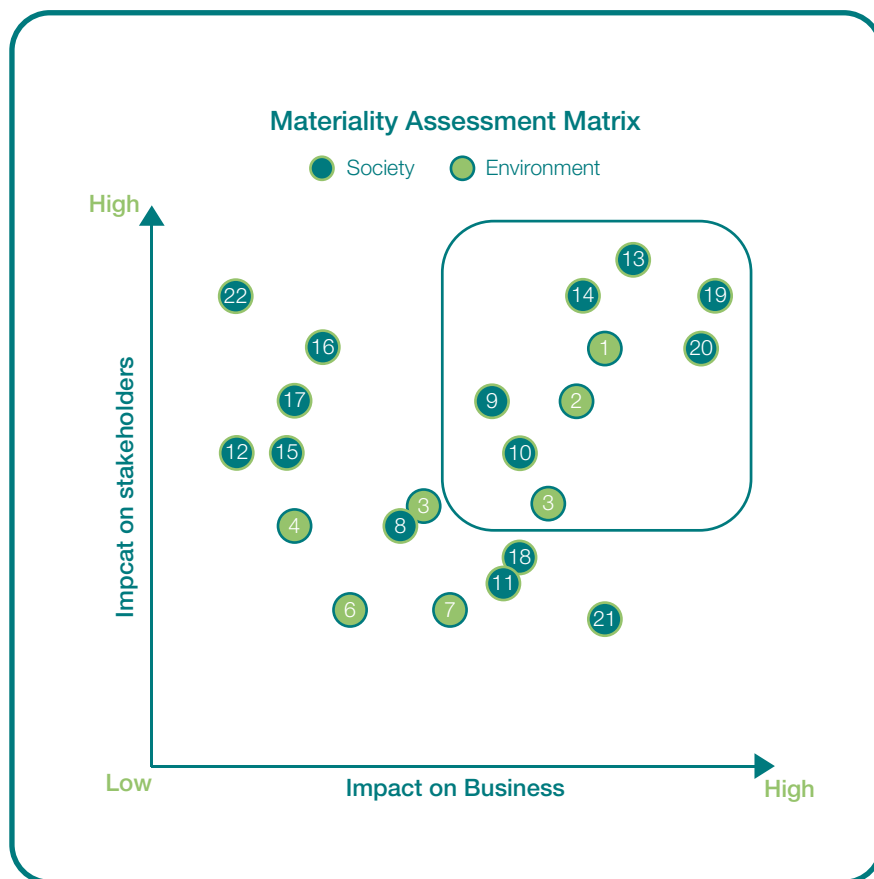
1.4. Materiality assessment

In accordance with the “ESG Guide”, the Group establishes the ESG materiality assessment model, identifies and determines the following twenty-two material topics suitable for the Group based on stakeholders’ concern:

Environmental, social and governance aspects listed in “ESG Guide”		Material issues suitable for the Group	
A. Environment	A1 Emissions	1. Waste gas treatment 2. Waste water treatment 3. Addressing climate change 4. Waste reduction	
	A2 Use of Resources	5. Energy saving 6. Water saving	
	A3 The environment and Natural Resources	7. Noise control 8. New energy vehicles	
B. Society	B1 Employment	9. Staff management 10. Compensation and benefits 11. Position system 12. Staff activities	
	B2 Health and safety	13. Safe production 14. Occupational health	
	B3 Development and Training	15. Staff training	
	B4 Labor Standards	16. Preventing child labour 17. Preventing forced labour	
	B5 Supply Chain Management	18. Supplier management	
	B6 Product Responsibility	19. Product quality 20. Customer service	
	B7 Anti-corruption	21. Combating corruption and promoting cleanness	
	B8 Community Investment	22. Charity	

GROUP PROFILE

Through identification, assessment and selection of issues regarding the required eleven aspects, the Group measures the impacts of these issues on stakeholders and its business development, determines issues of significance and makes disclosures and responses in this report.



PRODUCT AND SERVICES

The Group continuously develops new technologies and new products, strictly controls product quality, deeply understands customers' needs and provides customers with superior products and perfect after-sale service.

2.1. Product quality

The Group strictly complies with laws and regulations including the "Product Quality Law of the PRC" and establishes the "Quality Management Policy". Besides, CNHTC (including the Group) has been authenticated by ISO 9001:2015 Quality Management System and the subsidiaries are updating from TS16949 to IATF16949 according to the "Quality Management System of Auto Industry IATF 16949:2016", and gradually improve their own quality management systems and continuously increase the management level through this opportunity. The Group's subsidiaries have sequentially obtained the authentication certificates of IATF 16949:2016.

The Group carries out quality management through the Quality Department. At the beginning of each year, the Quality Department sets up quality objectives and assigns quality indicators to all subsidiaries. It also conducts regular quality assessment of all subsidiaries according to the "Product Quality Assessment Measures" and carries out all kinds of quality activities on a long-term basis to practically improve the subsidiaries' product quality.



Hangzhou Engine Company updated and audited the IATF 16949:2016 in 2018



In 2018, the Truck Company, aiming to build a new era of "International Sinotruk, Intelligent Sinotruk, Green Sinotruk and Shared Sinotruk", accelerated information-based development. In August 2018, "Manufacturing Execution System" (HMES) has been put into service, which updated, integrated and optimised the existing systems, eliminated the "information isolated island" and set up a unified information management platform for finished vehicle manufacturing. This system has adopted standardised, automatic and intelligent production processes with stricter improved management and control over the whole manufacturing process

through production planning management, control and management over production process, product quality management, technical craft management, logistics planning management, project kamban management and etc.

PRODUCT AND SERVICES



Smart Intelligent Connected Vehicle (ICV)

In April 2018, the world's first driveless electric truck, also an ICV, "HOWO-T5G" developed by the Group was put into trial operation in Tianjin Port, commercialising the conceptual L4 driverless electric truck. This truck, equipped with world leading driving system and mature and reliable central control system powered purely by electricity, was developed with an integration of innovative technologies such as artificial intelligence, internet of vehicles, cloud computing, new energy and new materials. The truck can travel up to 120 kilometres with full load, with the charging time less than 1 hour.



After seven-month trial operation, this truck, without any intervention, could accurately complete the specified actions such as road driving, container loading and unloading and roadblock response, achieving the automatic horizontal transportation of containers from the bank to the storage yard, and its safety, stability and reliability have been fully recognised. In October 2018, the Group obtained Ji'nan ICV road testing qualification jointly issued by Ji'nan Economic and Information Technology Committee, Ji'nan Urban and Rural Transportation Committee and Ji'nan Public Security Bureau and a test plate.

PRODUCT AND SERVICES

2.2. Customer service

The Group strives to provide customers perfect service. It has prepared “Qinren” Services Manual to build “Qinren” service brand. It has also set up a three-layer service system consisting of user service centers, local sales companies and special service stations. It has furnished the 24-hour service hotline and Smart Sinotruk (mobile application) to properly deal with customers’ complaints and feedbacks.

The Group has formulated the “Motor Vehicle Recall Control Process” pursuant to domestic and foreign laws and regulations pertaining to recalls of defective vehicles including the “Administrative Regulation on the Recall of Defective Motor Vehicles”, and established an adequate product recall process with the function of identifying, collecting, analyzing, delivering and maintaining information on quality issues, recalling (or ordering recalls) of defective products, and taking remedial and prevention measures, so as to preserve customers’ interests.

The Group follows the “Administrative Measures for Trade Secrets Protection”, which defines customer information as an important part of company trade secret, and it adopts a hierarchical approach to manage customer information to strictly protect customer privacy. The Group has formulated the “Customer Satisfaction Survey and Analysis Process”. The customer satisfaction survey is performed every year to deeply understand customers’ opinions, and a report of analysis and evaluation of customer satisfaction survey is finally prepared.

Components Manufacturing Division actively practices the quality concept of “doing our best to meet customers’ needs and expectations”, visits service stations frequently, collects customers’ feedback timely through field survey and enhances product quality and after-sale services to improve customers’ satisfaction.

- **Collect after-sale feedback and visit key service stations**

In the first half of 2018, Components Manufacturing Division visited a total of 16 service stations, involving 5 types of products. The visiting team composed of products designers, after-sale service personnel from technical quality office and field workers from production division carried out on-site visits to service stations, which solved product and service problems in a timely and accurate manner and communicated and handled emergencies and occasional problems on site.

- **Provide after-sale service instructions and strengthen technical guidance to service stations**

With customers’ feedback collected during the visits, Components Manufacturing Division actively carried out product quality improvement, and compiled work instructions on after-sale repair and maintenance for products with difficulties in maintenance and replacement. The production unit is responsible for providing regular technical training and operation instruction to service stations in each region to practically raise after-sale service level of service stations.

PRODUCT AND SERVICES

2.3. Supply chain management

Whilst learning from outstanding upstream and downstream companies along the supply chain, the Group sticks to the core company value of “We aim at our external/internal customers’ satisfaction”, conveys its concept of safety and corporate social responsibility to suppliers, and steers them towards continuous improvement, thus honoring the shared commitment to social responsibilities in environment, safety and health areas. The first supplier of every subsidiary is subject to review by the Supplier Access Office and subsequent suppliers are reviewed by subsidiaries respectively.

Under the “Auxiliary Product Supplier Access and Product Release Approval Procedures”, the Group establishes a set of strict supplier selection procedures for the purposes of ensuring that suppliers’ products/services meet relevant requirements of the Group and continuously improving the Group’s product quality.

Through different channels and ways, the Group conveys policies of environment and quality standards to suppliers and requests them to meet the requirements of the industry and environment protection. The Group also signs purchasing agreements with suppliers to request them to fulfil relevant social responsibilities.



Review on Suppliers

In August 2018, in order to ensure suppliers’ product quality, Fujian Haixi Company’s Purchasing and Outsourcing Department, together with Technical Centre, Craft Department, Quality Department, etc, carried out on-site reviews on five suppliers.

The review team conducted a comprehensive review on suppliers’ capabilities from 19 points in three aspects including raw materials analysis, production management and after-sale service, with the results meeting requirements in the “Second Party Review Control Program”.



PRODUCT AND SERVICES

2.4. New energy vehicles

The Group pays attention to the development of new energy vehicles and carries out self-development and innovation of technologies. After years of research and development, various series of products in different power types and vehicle types have been developed, which are not only in meeting the market demands but also effectively reducing the impact on environment.



Battery PACK

In 2018, energy-powered battery PACK jointly developed by the Group and CATL was successfully applied to vehicles such as 8-12-metre pure electric urban buses and 11-12-metre pure electric highway passenger vehicles. This type of battery PACK adopts a full range of multi-level safety, strength and thermal management designs and has undergone a series of rigorous functional, performance and safety tests. The charging and discharging equipment of this battery PACK has the function of discharging feedback, and the energy-saving rate is more than 80% with better energy-saving effect.



The Charging and Discharging Test



Battery Box

ENVIRONMENT

In strict compliance with the “Environmental Protection Law of the PRC” and various applicable national, provincial and local laws and regulations, the Group has formulated the “Environmental Protection Management Policy”, been accredited by ISO 14001 Environmental Management System and set up a perfect environmental management system. With strict control on its subsidiaries, the Group has effectively reduced pollutant emission and resource consumption arising from production and operations

Environment Management Organization



3.1. Pollution treatment

The Group’s subsidiaries follow the national and local pollutant discharge standards when treating and discharging pollutants arising from production and operations in conformity with the “Environmental Protection Law of the PRC” and other relevant laws and regulations.

3.1.1. Waste gas emissions

The Group’s waste gases include sulphur dioxide (“SO₂”), nitrogen oxide (“NO_x”), smoke, dust, particular matters and volatile organic compounds (“VOCs”) linked with spray-painting etc., mainly from production. The Group complies with applicable laws and regulations including the “Prevention and Control of Atmospheric Pollution Law of the PRC”, treats waste gases and discharges them after relevant standards are met. The Group regularly invites a qualified third-party institution to test waste gas emissions and ensures that waste gas emissions meet the requirements of the “GB 16297-1996 Emission Standards of Atmospheric Pollutant”.

ENVIRONMENT

The waste gas emissions in the reporting period are shown in the chart below:

A1.1 Emission – Waste Gases	Emissions
SO ₂	3 tons
NO _x	91 tons
Benzene	4 tons
Toluene	8 tons
Xylene	16 tons
non-methane hydrocarbon	13 tons
Dust	25 tons
Smoke	26 tons



Initial progress made in energy conservation and emission reduction by the Truck Company

In order to improve air quality in Jinan, the Truck Company invested more than RMB 30 million from 2017 to 2018 in transforming and upgrading VOCs emissions of vehicles' coating lines according to the "Emission Standard of Volatile Organic Compounds - Part 1: Automobile Manufacturing Industry DB37/2801.1-2016" issued by Shandong bureau. Waste gas treatment equipment was purchased and applied by the Department of Truck Body, together with existing environmental protection facilities of the first field branch of coating and the second field branch of coating, to which waste gas was treated via waste gas pre-treatment + zeolite roller adsorption concentration + regenerative combustion and discharged after meeting relevant standards. Such measures as increasing recovery of waste heat were taken to reduce energy consumption.



ENVIRONMENT



Notable improvement from technical transformation of intelligent environmental governance on VOCs by Chengdu Wangpai Company

Chengdu Wangpai Company upgraded and transformed the existing waste gas treatment equipment. After the upgrading, multiple means such as zeolite roller adsorption + regenerative combustion, activated carbon adsorption and desorption + catalytic combustion as well as waste gas incinerator were adopted to purify VOCs in all coating lines. After the project was completed, emission standards for VOCs of 6 coating lines could satisfy within the emission limits for automobile manufacture in Table 3 of Sichuan Emission Control Standard for Volatile Organic Compounds (DB51/2377—2017). Total VOCs emissions reached 23.664 tons per year, representing a decrease of 217.517 tons per year after the technical transformation, with significant environmental effects.



3.1.2. Wastewater discharge

The Group's wastewater mainly includes drainage associated with production activities and household wastewater from factories. In this regard, the Group set up effluent treatment plants in industrial parks and strictly conformed sewage discharge to applicable laws and regulations including "the Prevention and Control of Water Pollution Law of the PRC" and "Integrated Wastewater Discharge Standard GB 8978-1996" as well as national, provincial and local effluent emission standards. Online monitoring systems were installed at drain outlets of effluent treatment plants to keep track of chemical oxygen demand (COD) and ammonia nitrogen, which were networking with provincial and municipal environmental authorities so as to realize real-time monitoring of effluent emissions.

The wastewater discharges in the reporting period are shown in the chart below:

A1.1 Effluent - Wastewater	Emissions
Wastewater	1,348,729 tons
COD	58 tons
ammonia nitrogen	1 ton

ENVIRONMENT

**Transformation of effluent treatment plants of the Commercial Truck Company**

In 2018, the Commercial Truck Company reorganized all in-service equipments in effluent treatment plants, focusing on upgrading existing oil collectors.

The oil collectors in the plants, collecting used oil with large moisture content, worked in poor collection efficiency. Thereby, the Commercial Truck Company replaced such collectors, to create certain favourable conditions for oil separation, guarantee stable effect on wastewater treatment and obviate environmental risks arising from irregular operation of oil removers.



Pre-transformation



Post-transformation

3.1.3. Greenhouse gas

Greenhouse gas emissions of the Group mainly include Scope 1: direct emissions and Scope 2: energy indirect emissions. Direct emissions mainly include emissions from fuel used in boilers and emissions from vehicle diesel burning. Energy indirect emissions mainly include emissions from purchased electricity and heat. As the majority of the Group's greenhouse gas emissions is from energy consumption, the Group transformed all coal-fired boilers to natural gas boilers and took energy-saving measures to reduce power consumption. In this way, greenhouse gas emissions were reduced.

The greenhouse gas emissions in the reporting period are shown in the chart below.

A1.2 Greenhouse gas	Emissions
Scope 1: Direct emission	83,794 tCO ₂ e
Scope 2: Energy indirect emission	455,262 tCO ₂ e
Total emission of greenhouse gas	539,056 tCO ₂ e
Emission intensity of greenhouse gas	7.8 tCO ₂ e/revenue (RMB million)

ENVIRONMENT

3.1.4. Wastes

The Group's solid waste discharges basically include ordinary industrial wastes and hazard wastes arising from production, and domestic wastes arising from office work and living in the factories.

Iron, aluminum, paper wastes and other recyclable parts are sold to qualified enterprise for recycle and reuse; other non-recyclable parts (e.g. domestic rubbish) are collected and treated by municipal environmental units.

The Group's hazardous wastes mainly comprise used oil, paint slags, used mineral oil, used oil drums, sludge and used flaw detection solution arising from production. In compliance with laws and regulations including the "Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC" and the requirements of the "Standards for Pollution Control on Hazardous Waste Storage", the Group treats its hazardous wastes according to its "Environmental Protection Management Policy":

- Hazardous wastes produced shall be filed and registered;
- With regard to transferred hazardous wastes, the transfer manifest policies shall be executed in accordance with the "Measures for the Management of Hazardous Waste Transfer Manifest";
- The Group raises bids for hazardous wastes treatment on the Group level and hazardous wastes are entrusted to qualified entities for treatment;
- Specific places are arranged for concentrated storage of hazardous wastes and provided with relevant identification signs inside.



Discharge reduction in hazardous wastes by Hangzhou Engine Company

In 2018, with respect to large production of hazardous wastes, especially a higher moisture content of sewage sludge, Hangzhou Engine Company established sludge drying yards nearby the effluent treatment plants and drained off the produced sludge in the yards after fulfilment of "three proofings" as per environmental requirements. In the course of draining, sewage was returned to the sewage pool for re-treatment, and sludge was barrelled batch by batch based on the draining level and entrusted to qualified institutions for disposal. In addition, Hangzhou Engine Company also managed sources of pollution and controlled the discharge of wastewater from workshops in a strict manner. In 2018, the sludge production was about 266 tons, around 80 tons less than that in 2017, representing an enormous reduction in hazardous wastes.



ENVIRONMENT

The discharges of non-hazardous wastes and hazardous wastes in the reporting period are shown in the chart below:

A1.3 & A1.4 Hazard waste and non-hazard waste	Emissions
Discharge amount of hazard waste	5,456 tons
Discharge density of hazard waste	0.079 tons/revenue (RMB million)
Discharge amount of non-hazard waste	142,718 tons
Discharge intensity of non-hazard waste	2.075 tons/revenue (RMB million)

3.1.5. Noise control

The Group complies with applicable laws and regulations including the “Prevention and Control of Noise Pollution Regulations of the PRC” and strictly controls noise pollution. It regularly invites a qualified third-party institution to test the noises at boundary and ensures that the Group’s noise value is less than the limit stipulated in the “GB12348-2008 Emission Standard for Industrial Enterprises Noise at Boundary”.

3.2. Resource conservation

3.2.1. Reduction of energy consumption

The Group mainly utilizes such energy as electricity, natural gas, gasoline, diesel, LPG, acetylene, thermal power and steam.

The Group has constantly improved the energy efficiency and performance in stringent compliance with “Energy Conservation Law of the People’s Republic of China” and other applicable laws and regulations. According to laws and regulations, the Group has required its key energy-using subsidiaries to implement registration system of energy consumption and to annually submit the “Record of Energy Purchase, Consumption and Inventory” to the competent department.

The Group along with its subsidiaries has established respective energy management systems in line with the “Energy Management System (GB/T23001-2012)”. The Group annually reviews the energy consumption of each subsidiary, incorporating the energy consumption as an index in the “Assignment of Economic (Management) Responsibility System” while assessing operation so as to promote all subsidiaries to take the initiative to engage in energy conservation.

ENVIRONMENT

Energy consumption during the reporting period is shown in the below chart:

A2.1 Resource	Consumption
Direct energy consumption	Natural gas 254,603 MWh
	Gasoline 124,050 MWh
	Diesel 962 MWh
	LPG 167 MWh
	Kerosene 596 MWh
Total direct energy consumption	380,378 MWh
Indirect energy consumption	Electricity 502,770 MWh
	Steam 14,497 MWh
	Thermal 75,522 MWh
Total indirect energy consumption	592,788 MWh
Total energy consumption	973,166 MWh
Energy consumption intensity	14.1 MWh/ revenue (RMB million)



Lighting transformation of Axle Company

In 2018, Axle Company adopted such measures as replacing energy saving lamps in workshops with purchased LED luminaires and existing street lamps with solar ones for in-plant energy-saving lighting transformation, with remarkable achievements. Prior to the transformation, the annual power consumption of workshop lighting reached 2 million kWh while that after the transformation reduced to 1,346,800 kWh; the annual power consumption of street lamps before the transformation amounted to 55,000 kWh while no power was consumed after the transformation.



Transformation of LED in workshops



Transformation of solar street lamps

ENVIRONMENT


Transformation of normalising furnace chamber by Components Manufacturing Division

In 2018, Components Manufacturing Division transformed the existing two normalising furnaces by adopting steel frame to segregate Zone One and Zone Two, filling with insulated cotton and refractory bricks for the purpose of lessening half of the total chamber volume, and retrofitting control over electric appliance in the way of ceasing calefaction in Zone Two and backfiring spring pins in Zone One to reduce half of the power consumption. Due to the reduced power consumption of backfiring the pins without decreasing productivity, the annual saved power in 2018 totalled about 15,000 kWh.


3.2.2. Reduction of water consumption

In strict adherence to the “Water Law of the PRC”, the Group has formulated the “Procedures for Management of Corporate Water Usage” to regulate water usage in each subsidiary. The Group requires each subsidiary to plan and manage water usage, set out and submit annual and quarterly plans for water usage on a regular basis, and incorporates water consumption as an index in the “Assignment of Economic (Management) Responsibility System” during operation assessment.

With sound measurement, the Group records meters regularly and maintains water usage analysis registers so as to reinforce water usage management. Efforts have also been made to monitor water use in a real-time manner, break down monthly targets, conduct monitoring at intervals of ten days, perform month-end monitoring and assessment, reinforce dynamic supervision over water usage, and strictly implement rewards and punishment rules for water saving and excess usage. As a result, water consumption has been effectively reduced.

Water consumption during the reporting period is shown on the chart below.

A2.2 Water	Consumption
Total water consumption	3,500,799 tons
Water consumption intensity	50.9 tons/revenue (RMB million)

ENVIRONMENT

3.2.3. Packaging materials

The Group mainly uses iron boxes, woods, plastic and corrugated paper as the packaging materials for engines, and plastic as packaging materials for gearboxes. The Group used 5,637 tons of packaging materials within the reporting scope in 2018. Shown below are the quantities of major packaging materials consumed:

A2.5 Packaging materials	Consumption
Wood	1,711 tons
Paper	2,267 tons
Iron boxes	1,315 tons
Plastic	344 tons

EMPLOYEES

The Group has always regarded its employees as the most valuable asset. It provides employees with comprehensive channels for professional development and ample opportunities for growth, effectively guarantees the safety and health of employees, and conducts a series of training activities to align individual progress with business development.

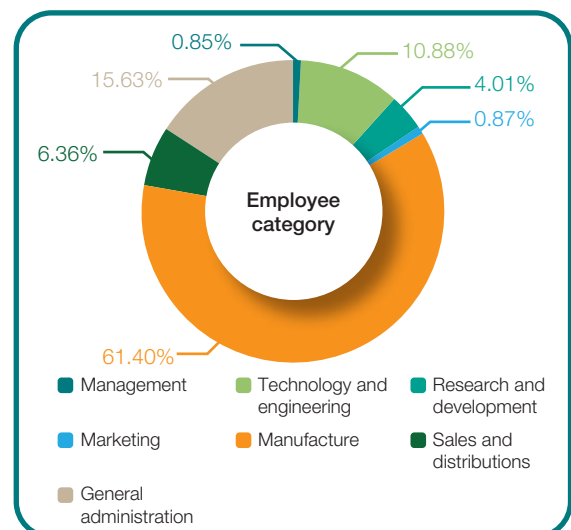
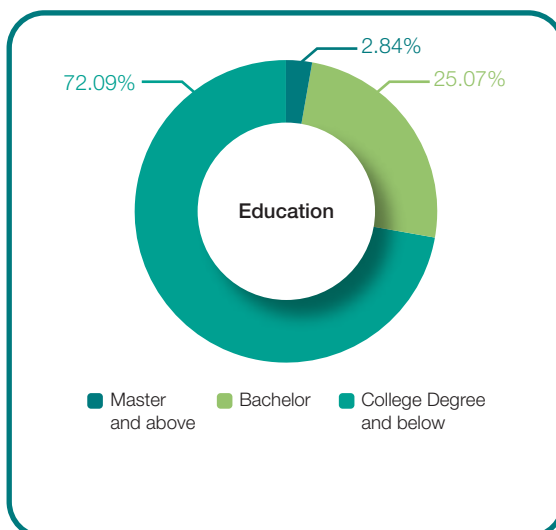
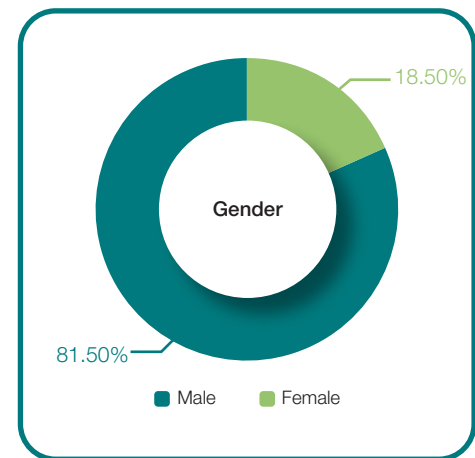
4.1. Employee management

4.1.1. Recruitment and dismissal

The Group has strictly abided by such laws and regulations as “Labour Law of the PRC”, “Labour Contract Law of the PRC” and “Regulation on the Implementation of the Employment Contract Law of the PRC”. It has laid down the “Measures for Open Recruitment”, “Measures of Recruiting Urgently Needed Talents”, “Measures for Employment and Management of Outsourced Laborers” and other management systems. Adherence to the principle of “equality, openness, fairness and selecting the best people on merit”, the Group has introduced required talents through social and campus recruitment.

The Group has also formulated “Measures for Implementation of the Labour Contract Management”, which specifies the rights and obligations of the employer and employees to labour contracts, and clarifies terms and procedures to terminate the labour contract. In addition, it has stated the conditions and measures on termination of contracts with employees who violate rules and disciplines in “Measures for Accountability, Discipline and Punishment Regarding Work of Employees”.

In the reporting period, the Group employed 25,148 people. To review a breakdown of employees according to gender, education and employee category, please view the below charts.



EMPLOYEES

4.1.2. Compensation and benefits

The Group has formulated the “Performance-related Salary System” which keeps to the principle of equal pay for equal work, efficiency and equity. Employees are rewarded with competitive remuneration which is closely linked with the Group’s economic performance and their individual contributions

The Group has set out “Administrative Rules for the Filing and Payment of Social Security Premiums” stating that the Group shall centralize to the filing for and contribution to social insurance for each employee, including the basic pension fund, medical insurance, unemployment insurance, work-related injury insurance and childbirth insurance. In addition, the Group provides a free orientation health check for newly recruited employees as well as high temperature and lunch allowances.

4.1.3. Post and promotion

In strict compliance with “Labour Law of the PRC”, the Group has set out “Implementation Measures on Post Regulation” to establish a sound post system, which defines the fundamental framework including categories and ranks of posts, so as to provide a robust post hierarchy and clear promotion channels for employees.

In accordance with “Administrative Measures for Recruitment of Supervisors”, the Group has adopted a combined selection method of open recruitment and organized investigation and managed supervisors in a dynamic manner. In addition, the Group follows the “Implementation Measures for the Promotion Management of Eight Levels of Non-leadership Positions and above” to offer another promotion channel for non-leadership employees.

Management	Posts engaged in production, operation, planning, statistics, finance, legal affairs, auditing, supply, marketing, human resources, capital operation and administration.
Engineering technology	Posts engaged in product design, development, technology, quality, science and technology translation, science and technology files, computer development and application, technical services, safety and environmental protection, quota, tools, equipment, power, energy, infrastructure, project planning and design, and other engineering technology.
Basic production	Posts engaged in production operations to change product geometry, quality, performance and internal organization.
Supporting service	Posts indirectly engaged in production activities and those supporting production activities.

EMPLOYEES

4.1.4. Working Hours and Holidays

In strict compliance with applicable laws and regulations of the state, the Group has established the “Attendance Management System” to regulate the working hours and holidays of employees. At the same time, the trade union signs a “Collective Contract” on behalf of employees with the Group, which specifies the adoption of a five-day (8 hours per day) working system.

Employees are entitled to statutory holidays including New Year’s Day, Spring Festival, Tomb Sweeping Day, International Labour Day, Dragon Boat Festival, Mid-Autumn Festival and National Day in accordance with relevant provisions of the State Council. According to the prevailing national and local policies and regulations, employees have been granted marriage leave, compassionate leave, home leave and maternity leave. Meanwhile, employees are entitled to paid annual leave as per the “Regulation on Paid Annual Leave” formulated by the Group.

4.1.5. Anti-discrimination

In strict compliance with national and local rules and regulations, the Group allows no bias on any employee based on personal characteristics such as race, gender, complexion, age, family background, ethical traditions, religions, physical status and original nationality, and treats employees fairly in every aspect such as recruitment, duty performing, remuneration, training, promotion, and compensation.

EMPLOYEES

4.2. Employee activities

The Group has always paid close attention to the needs of its employees, caring for their physical and mental health. A series of recreational, sport and cultural activities were held. Employees were organized to participate in various competitions and art performances, which greatly enriched their spare time.



EMPLOYEES

4.3. Health and Safety

4.3.1. Safe production

In strict compliance with “Labour Law of the PRC”, “Work Safety Law of the PRC” and the “Prevention and Treatment of Occupational Diseases Law of the PRC”, the Group commits itself to maintaining a healthy, safe and comfortable working environment for employees. It has obtained the GB/T28001-2011 OHSAS (Occupational Health and Safety Assessment System) certification, formulated the “Work Safety Management Policy” and set up a robust occupational health and safety management system. The Group formulates the “Implementation Opinions on Safety, Environmental Protection and Occupational Health” at the beginning of each year for the purpose of guiding safety work. In addition, the Group has established sound emergency measures in accordance with “Emergency Rescue Plan for Major Work Safety Accidents”, “Rules for Screening for and Elimination of Hidden Risks of Major Work Safety Accidents” and “Measures for Administration of Work Safety Statistics and Rapid Reporting”.

The Group has formulated “Administrative Measures for Fire Safety Management” and “Policy of Fire Prevention and Safety for Places with Flammable and Explosive Materials” and established a Fire Safety Office under the Department of Public Safety to take charge of fire prevention related work, including preparing monthly work plans, regularly organizing fire drills, performed unannounced inspections on each subsidiary’s fire safety work from time to time to reduce fire safety hazards.



Safety training and emergency exercise



Fire escape exercise of Hangzhou Engines Company



Safety production training of Ji'nan Power Company



Safety and fire training in the headquarters



Fire drill of Chengdu Wangpai Company



Building evacuation drill of the Group headquarters



Fire drill of Component Manufacturing Division

EMPLOYEES

4.3.2. Occupational health

The Group integrates the concept of “people-oriented” into all aspects of operation, attaches great importance to the occupational health of employees, and strives to prevent, control and eliminate occupational hazards from such three levels as construction of occupational health system, occupational hazard detection in the workplace and occupational health examination, for the purposes of preventing occupational diseases and poisoning and protecting employees’ health and safety.

In strict compliance with the “Prevention and Control of Occupational Diseases Law of the PRC” and other applicable laws and regulations, the Group has formulated “Occupational Health Management System and Procedures of Labour Protection and Prevention and Control of Occupational Disease”, strengthened the construction of occupational health and safety management system, and made efforts to prevent, control and eliminate occupational hazards, for the purposes of preventing occupational diseases and poisoning and protecting employees’ health and safety.



Practice on occupational health management

From July to December 2018, Chengdu Wangpai Company carried out the establishment of demonstration unit in accordance with requirements in the “Notice on the Establishment of Demonstration Unit for Occupational Health Management” by the Administration of Work Safety in Qingbaijiang District of Chengdu City. During this event, the Company reorganised its occupational health management, improved identification and emergency treatment for employees’ occupational health hazards on the production site, and further enhanced the Company’s environmental and occupational health and safety management. In the end, Chengdu Wangpai Company successfully passed the acceptance inspection and was granted the title of “Chengdu Demonstration Unit for Occupational Health Management”.



EMPLOYEES

- **Conducting the detection of occupational hazards in the workplace**

The Group has entrusted a qualified occupational health technical service institution to evaluate the current situation of occupational disease hazards every three years and implemented the suggestions and measures in the evaluation report according to “Provisions on the Supervision and Administration of Occupational Health at Work Sites”. In accordance with “Administrative Regulations on Periodic Testing of Occupational Hazards Factors by Employers”, the Group has conducted annually a comprehensive examination at the work sites where occupational hazards may present. Where the testing results indicate that concentration or intensity of the occupational hazards exceeds the occupational exposure limits, the Group will timely develop and execute rectification plans.

- **Fulfilling occupational health examination**

At the beginning of 2018, the Group issued the “Notice on Effectively and Comprehensively Improving Occupational Health in 2018”, arranged physical examinations, industrial injury prevention and trainings related to health knowledge for employees, and provided the results to them in a timely manner after the examination, so that they could gain a better understanding about their own occupational health.

**Occupational health examination**

Ji'ning Commercial Vehicle Company



Hangzhou Engine Company



Axle Company

EMPLOYEES

4.4. Employee training

The Group has attached great importance to the growth of personal qualification and professional competency of employees and has formulated the “Measures for Implementation of Employee Training”. With the support of the internal education and training center, all subsidiaries and departments, the Group provides training to its employees and has maintained records for employee training to improve the overall quality of its workforce.

The Group has established a three-level training system and provided training for middle and senior management personnel, high-level professionals, engineering technicians, marketing and management personnel, advanced technicians, on-site sub-department heads (sub-department heads directly under the Group), and workshop supervisors. The Group has cooperated with universities and made full use of their faculty and scientific research strength to train its high-level technicians. The Group has also accelerated the construction of network training institutes with the intent to achieve innovation of remote training mode by taking full advantage of network technology.



EMPLOYEES

In addition, the Group has also formulated the “Administrative Measures for Appointment of Full-time and Part-time Trainers” with the goal of fully pooling internal excellent talents and social educational resources to build a professional team of trainers, which meets the needs of development of both the enterprise and employees.



Diverse Training System



SOCIETY

5.1. Compliance management

5.1.1. Labour standards

In strict compliance with “Labour Law of the PRC” and “Provisions on Prohibition of Child Labour”, the Group prohibits forced labour and child labour.

The Group employs regular employees through open recruitment and verifies candidates’ ID cards, degree, diplomas and other certificates during their on-boarding process. Besides, it is stipulated in the “Measures of Employment and Management of Outsourced Laborers” that sourced laborers shall be aged over 17 years old (18 years old at least in case of positions involving heavy physical work or exposure to toxic and harmful work environment).

Overtime work is under stringent control of the Group and requires approval from supervisors. Where overtime work is required during statutory holidays, the Group pays employees or arrange compensatory leave of the same length in lieu. If the system of standard working hours is not applicable to any subsidiary due to characteristics of positions, the subsidiary could implement the system of flexible working hours. Prior to implementation, the applicable work system is examined and approved by the subsidiary and then submitted by the competent department for approval of the local labour administration department.

5.1.2. Advertisement and marks

In strict compliance with “Advertisement Law of the PRC” and other applicable laws and regulations, the Group implements the “Administrative Measures for Advertising” with the goal of reviewing advertisement to be released so as to ensure that all advertising and publicity the Group launches are legal and effective.

The Group has set out the “Detailed Rules for the Implementation of the Identification of Corporate Image”, “Brand Management System”, “Standards for Vehicle Product Marks” and “Standards for Vehicle Tagging and Labelling” to regulate the identification of corporate image, brand, vehicle product marks, labels and tags on a uniform basis.

SOCIETY

5.1.3. Intellectual property management

The Group has established a sound intellectual property management system in accordance with the “Enterprise Intellectual Property Management Standard (GB/T 29490-2013)”. Keeping to the principle of “Lead the industry with innovation and safeguard the century-old foundation with intellectual property”, the Group has uniformly managed its patents, trademarks and intellectual property.

The Group has formulated “Measures for Administration of Patents” and other applicable control procedures in accordance with “Patent Law of the PRC”, to regulate management of patents.

In compliance with “Trademark Law of the PRC”, “Detailed Rules for the Implementation of the Trademark Law of the PRC”, “Madrid Agreement Concerning the International Registration of Trademarks and Detailed Rules for the Implementation of the Madrid Agreement Concerning the International Registration of Trademarks”, the Group has formulated the Measures for Administration of Trademarks, which specifies the department in charge of trademark management and its responsibilities, as well as registration process, use, authorisation, protection, file management, and review.

5.1.4. Anti-corruption

In strict compliance with the “Company Law of the PRC”, “Tendering and Bidding Law of the PRC”, “Anti-Unfair Competition Law of the PRC”, “Interim Provisions on Banning Commercial Bribery” and “Anti-Money Laundering Law of the PRC” and other applicable national laws and regulations, the Group has formulated a series of management policies, to specify integrity of the management.

- “Regulations on the Executives of State-owned Enterprises for Performing Management Duties with Integrity”
- “Provisions on Improving Style of Work and Strengthening Honesty and Self-Discipline”
- “Implementing Opinions on Management of Risk Prevention and Control Concerning Corruption”
- “Provisions on Management of Integrity Files of Leading Cadres”
- “Provisions on Leading Cadres Reporting on Their Work and Efforts to Perform Duty Honestly”, etc.

SOCIETY

The Group has signed the “Agreement on Mutual Commitment to Honesty and Integrity” complementary to business contracts with the contracting party so as to regulate the activities of both parties, and prevent the act of seeking illegitimate gains in breach of laws and disciplines.

The Group has formulated the “Administrative Measures for International Trade Commissions”, which specifies in details the payment of compensations or service fees to intermediaries in international trade businesses, and stipulates that commission payment shall obtain approvals from all levels of authorities prior to execution in prevention of commission businesses related to terrorism, money-laundering, corruption, commercial bribery and unfair competition.



Anti-corruption trainings



Legal and regulatory trainings carried out by Chongqing Fuel System Company



Dynamic analysis meeting on anti-corruption held by Chengdu Wangpai Company



Lecture on clean governance held by the Commercial Truck Company



Speech contest themed “Open and Transparent Public Power” held by the Technical Centre

SOCIETY

5.2. Charitable activities

In close cooperation with Ji'nan Charity Association, the Group makes annual donations to the association. Ji'nan Charity Association has established a charity station in the Group and set up a relief fund. Both the station and the fund have been managed by the association on a uniform basis under the "Charity Station Management System". The Group has established the Employees' Mutual Aid Fund and the Employees' Mutual Aid Foundation so as to offer assistance to troubled members, and managed funds and members of the foundation pursuant to the "Administrative Measures for Employees' Mutual Aid Fund".

The Group has also been involved itself extensively in an assortment of social activities and contributed to the society by making donations in various forms for fulfilment of its corporate social responsibilities.



Social contribution

Voluntary service

In October 2018, the Fujian Haixi Company's Union Volunteer Service Team organised the volunteer service of "Cleaning of the Roads"..



In November 2018, Ji'ning Commercial Truck Company organised a volunteer team with its employees to carry out road maintenance and sanitation activities, for the purpose of assisting the City to create a national civilised city..



In March 2018, Hangzhou Engines Company organised young volunteers to pick up and classify litter around the Company.



Employees from each subsidiary actively participated in non-compensated blood donation



SOCIETY



Charitable activities

“One-to-One” Book Donation Activity:

The Components Manufacturing Division established the assistant mechanism named “One-to-One” with the Second Primary School of Shengjing Town, Zhangqiu District, aiming at donating extracurricular reference books and realia to the School on a regular basis, and helping two poor students to complete their studies. On 28 November 2018, the Components Manufacturing Division sent more than 300 extracurricular reference books to the School.

**Care for the aged:**

During the Spring Festival of 2018 and in September 2018, the Group's Gearbox Division Committee arranged volunteers to visit the senior in Jinan Elderly Rehabilitation and Nursing Centre, to care for and chat with them.



Before the Mid-Autumn Festival and the National Day, the Gearbox Division visited 10 lonely elderly people in Xisiyu Village, Caishi Town, Jinan City, asked about physical condition of their family members and family information with concern and sent them sympathy.



Social recognition

In 2018, due to the proactive support and participation in charitable activities, the Group won the titles of “Advanced Charity Workstation”, “Charitable Donation Unit”, and “Advanced Charity Unit” in the Jinan Charity Awards Selection Event and was granted the title of “Advanced Unit for Charitable Donation and Helping the Disable” by the Jinan Welfare Fund for the Handicapped.



APPENDIX I:

ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
A1	Emissions 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. <i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations</i>	3.1. Pollution treatment
KPI A1.1	The types of emissions and respective emissions data.	3.1.1. Waste gas emissions 3.1.2. Wastewater discharge
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.3. Greenhouse gas
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.4. Wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.4. Wastes
KPI A1.5	Description of measures to mitigate emissions and results achieved.	3.1.1. Waste gas emissions 3.1.2. Wastewater discharge
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1.4. Wastes
A2	Use of Resources Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	3.2 Resources conservation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.2.1. Reduction of energy consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2.2. Reduction of water consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	3.2.1. Reduction of energy consumption

APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2.2. Reduction of water consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.2.3 Packaging materials
A3	The Environment and Natural Resources Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.1.5. Noise control
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.4. New energy vehicles
B1	Employment 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.	4.1. Staff management 4.2. Staff activities
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Staff management
B2	Health and Safety 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.	4.3. Health and Safety
B3	Development and Training Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	4.4. Staff training
B4	Labour Standards 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.	5.1.1. Labour standards
B5	Supply Chain Management Policies on managing environmental and social risks of the supply chain.	2.3. Supply chain management

APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
B6	Product Responsibility 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.	2.1. Product quality 2.2. Customer service 5.1.2. Advertisement and marks 5.1.3. Intellectual property management
B7	Anti-corruption 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.	5.1.4. Anti-corruption
B8	Community Investment 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.	5.2. Charity



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