



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

(a joint stock company incorporated in the People's Republic of China with limited liability)

H Share Stock Code : 2039

A Share Stock Code : 000039

Corporate Social Responsibility & Environmental, Social and Governance Report

2019





The Chinese version of the report is used as an example only, and does not represent other versions of the report in the current year.

(CIMC has been releasing the CSR&ESG report for 11 consecutive years since 2008)

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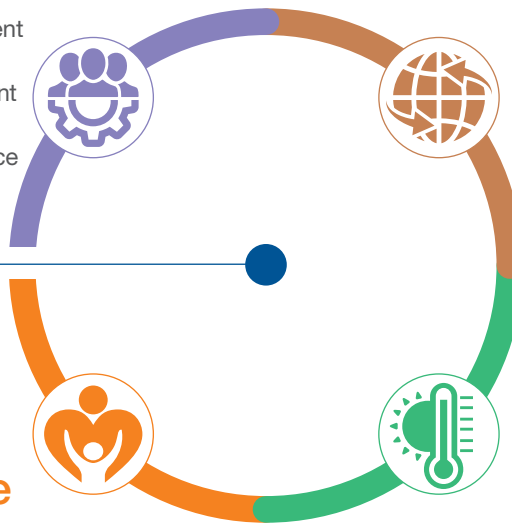
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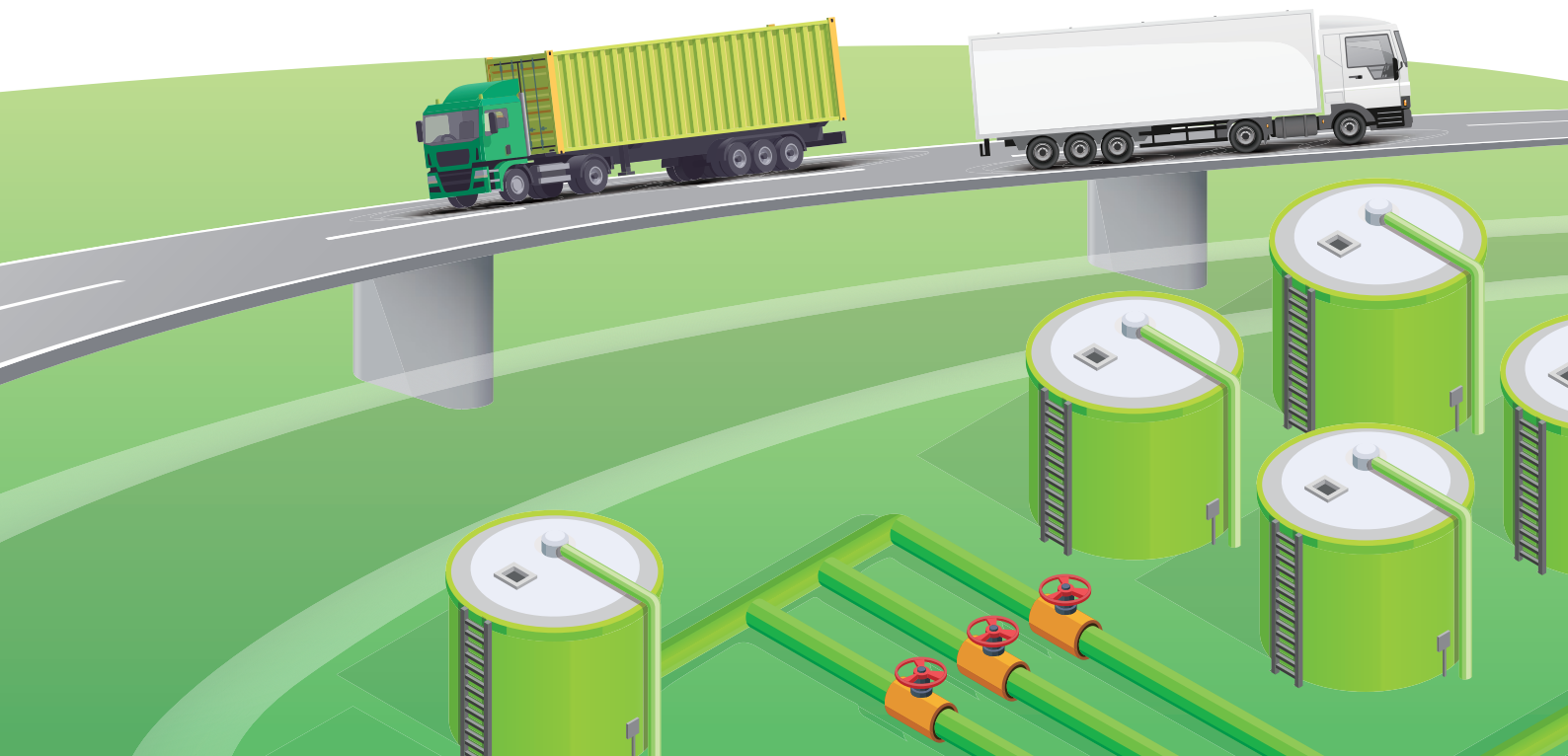
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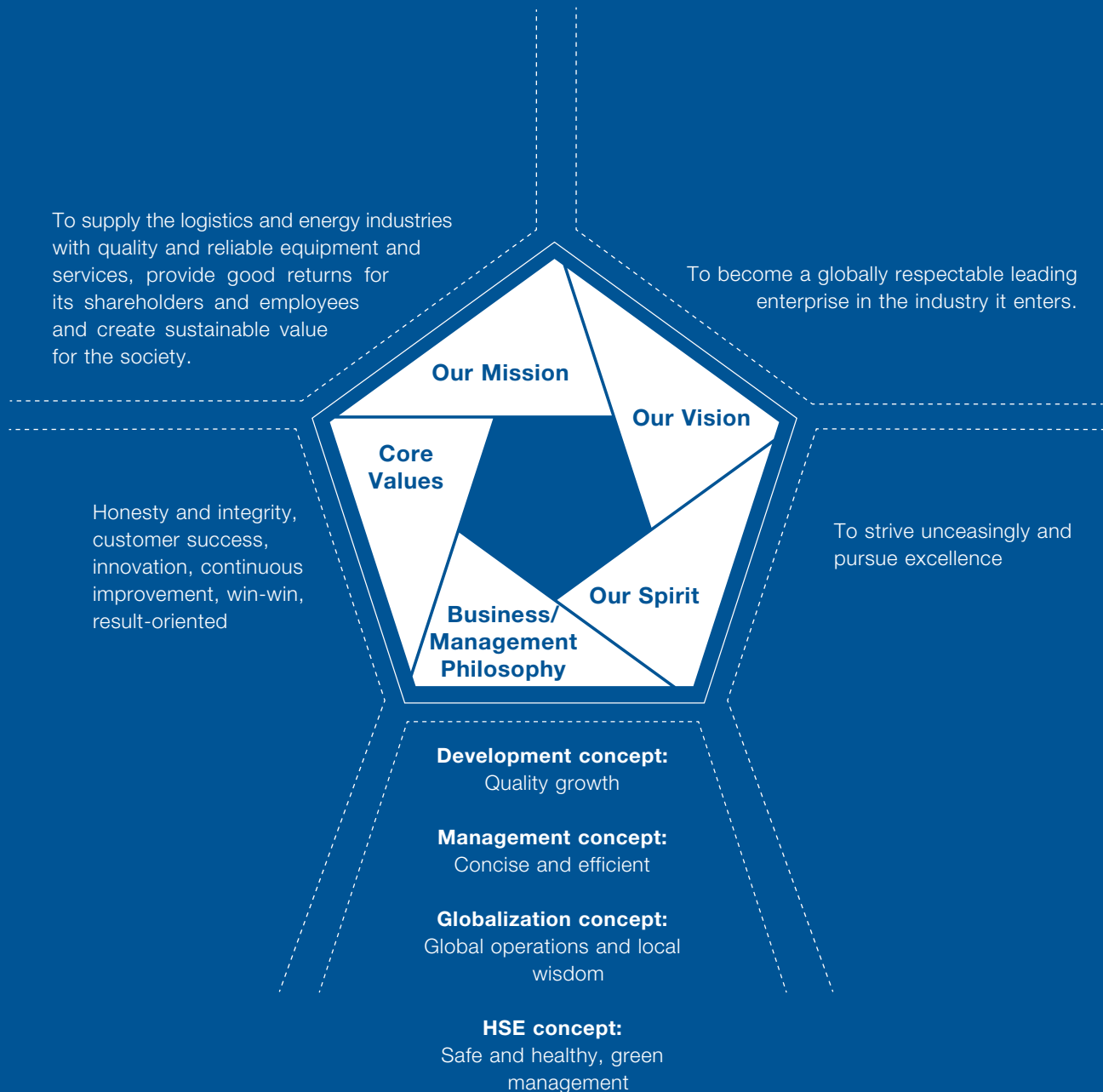


Sustainability Achievements in 2019





Business Philosophy



About the Report

This report is the third Corporate Social Responsibility & Environmental, Social and Governance Report of China International Marine Containers (Group) Co., Ltd. (the “Company” and its subsidiaries). The board of directors of the Group expressly knows its responsibility for authenticity of the report, takes full responsibility for the Group’s environmental, social and governance strategies and reporting as it has reviewed and approved the report.

Reporting Scope

The Report supplements the 2019 Annual Report of the Group and discloses the Group’s management approaches, measures and performance in environmental, social and governance) from 1 January 2019 to 31 December 2019 (with some contents looking forward to the beginning of 2020). For the definitions of all abbreviations shown in the report, please refer to the definition index in the appendix. For further details of corporate governance, please refer to the section headed “Corporate Governance and Corporate Governance Report” in the 2019 Annual Report of the Group.

The coverage of the text disclosed in the Report is the same as that of the 2019 annual report of the Group. The data in the environmental category covers: (1) domestic manufacturing enterprises (including all key pollutant discharge companies) under the five major segments of Containers, Vehicles, Energy, Offshore Engineering and Airport (2) manufacturing subsidiaries under CIMC Modular; (3) Other companies with revenues exceeding RMB1 billion (including C&C Trucks, Kaitong Company (凯通公司) under the Logistics segment); (4) 6 overseas companies under the Vehicle, Energy and Airport segments. Compared with the 2018 CSR & ESG report, CIMC Modular and four overseas companies are newly added in the disclosure scope of environmental category for the Year.

Preparation Basis

The Report was prepared in accordance with the Appendix 27 the Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited, the Guidelines for Companies Listed on the Shenzhen Stock Exchange on Releasing Information on Corporate Social Responsibility and the “Core” items of the GRI Standards. The currencies involved in the Report are measured in Renminbi (“RMB”) unless otherwise stated.

2019



2018



2017



Publication Cycle

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

Publication

The Report is published in Simplified Chinese, Traditional Chinese, and English. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail. Readers and all stakeholders can inspect the Report at the Company's official website (www.cimc.com), Cninfo website (www.cninfo.com.cn) and the website of the Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

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Message from the CEO & President



2019 is a difficult year for CIMC since the global economic recovery in 2017, during which the growth of global economic including major economies slowed down, Sino-US trade friction continued, and the downward pressure on the Chinese economy mounted. These factors have given rise to a certain degree of impact and challenges to CIMC's global businesses. Nevertheless, CIMC Group still followed the idea of sustainable development and the corporate spirit of "pursuit of self-improvement and excellence", continuously improving its performance in various indicators, such as emissions, energy saving and environmental protection, as well as the corporate governance structure, so as to consolidate and enhance its leading position within the industry, and create new value for all stakeholders.



Communications

In the past year, CIMC Group set up sustainable development management goals. By focusing on the core issues of common interest to all stakeholders, including "deepening responsibility governance", "driving global logistics", "responding to climate change", and "extending care", it brought together the strength of all employees and relevant parties to actively assume social responsibilities, hoping to achieve the harmonious and sustainable development of the economy, environment, and society. In 2019, CIMC Group was successfully incorporated into the Hang Seng A-share Sustainability Benchmark Index, has maintained a good rating of the MSCI ESG Index, and won a number of external awards for its social responsibility work, demonstrating the recognition of the Group from the capital market and society. We also attached great importance to stakeholder communication by holding ESG news conferences and ESG salons, cooperating with external professional institutions to conduct stakeholder surveys, listening to relevant parties' demands, and establishing normalized communication channels. In addition, we also played an active role in industry association activities, making "CIMC Voice" heard at various summits on social responsibility.

Objectives

We can never stop pursuing sustainable development once starting it. "Creating sustainable value for society" is the original intention and ultimate objective of CIMC people. Keeping this in mind, CIMC Group will continue to take the lead in the industry to unswervingly advance its sustainable development strategy and pursue high-quality development. In terms of business development strategy, in response to the requirements of the Sustainable Development Goals of United Nations, such as "industry, innovation and infrastructure", "responsible consumption and production", and "climate action", CIMC has exerted lots of efforts in cultivating smart logistics business in order to provide global customers with more efficient, more low energy consuming, more environmental-friendly, and more intelligent logistics equipment and service solutions, and in developing the natural gas storage, transportation and processing equipment and EPC engineering, in order to provide customers around the world with more extensive use of clean energy-natural gas and continuously optimized products and services. In the manufacturing process, according to the requirements of "responsible consumption and production" and "climate action", CIMC has made the construction of



green factories and green supply chains the goal of the Group's subsidiaries in their work and encouraged them to continue energy conservation and emission reduction through technological progress and lean improvement. In terms of corporate governance, as a company listed on the Hong Kong and Shenzhen Stock Exchanges, in order to follow the requirements of being a "peace, justice and strong institutions", CIMC has taken the best practices of the world in corporate governance as examples and specifications of regulatory agencies as guidelines to continuously improve its corporate governance. As a listed company founded at a time when China's reform and opening up was introduced, CIMC has responded to the requirements of contributing to "good health and well-being", "decent work and economic growth", and strongly encouraged its subsidiaries located around the world to implement the core strategy of human resources of "partnerships for the goals", i.e. to earnestly respect and protect the legitimate rights and interests of employees, actively fulfill social responsibilities, strengthen community interaction, advance targeted poverty alleviation, and promote community prosperity.

Actions

In 2019, CIMC Group unswervingly advanced its sustainable development strategy, and achieved fruitful results upon taking effective actions in the four key areas of "deepening responsibility governance", "driving global logistics", "responding to climate change" and "extending care". The 2019 Corporate Social Responsibility & Environmental, Social and Governance Report published by CIMC Group this year will present a comprehensive, detailed and lively picture of CIMC's sustainable development practices to stakeholders. CIMC people not only hope to record their every progress on the road of sustainable development with this report, but also look forward to the feedback from various stakeholders on this report, so that they can improve our management by reporting, and continue to improve the sustainable development management of CIMC Group.

At the beginning of 2020, the outbreak of a new coronavirus has caught the attention of hundreds of millions of people. In this regard, CIMC Group has seriously implemented national deployment and arrangements to ensure scientific epidemic prevention and orderly resumption of work for the entire Group, and actively supported the frontline of epidemic controlling and prevention by giving full play to its professional advantages and the ability to integrate global resources to provide quality products and services and organize a number of related activities. The joint fight against the epidemic is a perfect reflection of CIMC's political character to serve the country and the people, virtues of hard working, and spirit of selfless dedication.

Outlook

In the coming year, despite the changing global economic situation, CIMC Group will keep following its

sustainable development strategy, march on with the ultimate objective in mind and seize the time to work harder to reward our shareholders, stakeholders and the community. Specifically, we will:

- Develop and implement an action plan in response to the new rules of the Hong Kong Stock Exchange on ESG guidelines.
- Strengthen the role of ESG in leading the board of directors of the Group and its subsidiaries, and deepen their joint responsibilities.
- Integrate sustainable development strategies and goals into the 5S management system, and make them a consensus for the development of the entire group.
- Exert more efforts in the implementation of champion product strategy, and drive global logistics with more and better products and services through technological development.
- Deepen the implementation of the "CIMC Green Development Plan" and build and improve more green factories and green supply chains. Dramatically reduce emissions of all kinds and work with global partners to tackle climate change.
- Advance the implementation of the core strategy of human resources of "partnerships for the goals", and strictly ensure the occupational safety and health of employees, especially the occupational health of employees returning to work after new coronavirus epidemic.
- Strongly encourage subsidiaries around the world to actively fulfill their social responsibilities and promote community prosperity. Encourage and motivate domestic subsidiaries to respond to the central government's call for "building a moderately prosperous society in all respects", working together as one to win the battle against poverty alleviation.

CIMC Group will always uphold its corporate spirit of "the pursuit of self-improvement and excellence", implement its business philosophy of "operating according to law and regulation and in a safe and green way", with an aim to contribute more to the building of a moderately prosperous society in all respects, and sustainable development of human society. We believe that, we will make countless progresses in the future of sustainable development.

MAI Boliang
Executive Director, CEO and President
March 2020

About Us

Company Profile

CIMC Group is a world leading equipment and solution provider in the logistics and energy industries and is principally engaged in the manufacture of containers, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering equipment, heavy trucks and airport, fire service and automated logistics equipment as well as the provision of relevant services, and also engaged in logistics service, industry & city development business, financial and other businesses. As a diversified multinational industry group serving the global market, CIMC has over 300 member companies and 4 listed companies in Asia, North America, Europe, Australia and other regions. Its customers and sales network covered more than 100 countries and regions around the world.

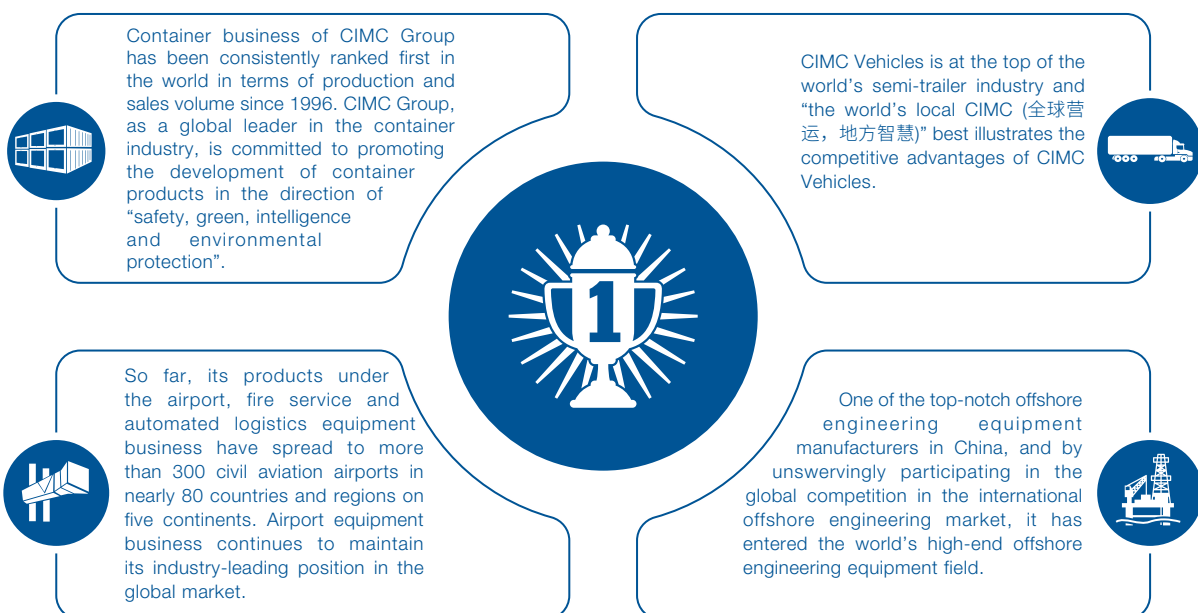


Four listed companies

CIMC 中集 000039.SZ/02039.HK	CIMC 中集车辆 01839.HK	CIMC 中集安瑞科 03899.HK	CIMC 中集天达 00445.HK
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Business Segments





Business Segment



CIMC Containers Holdings Co., Limited, a subsidiary of the Group, is the largest business segment of CIMC with the longest history, currently including such main businesses as standard dry containers manufacturing, reefer containers manufacturing and special-purpose containers manufacturing, and has the capacity to produce a full range of container products with independent intellectual property rights. Its members are spread all over China's coastal and inland ports, Europe, Australia, South America and other places, and its products are sold to North America, Europe, Asia and other major global logistics systems. As a leader in the global container industry, since recent years, CIMC has been extending its container business into other industries and fields such as cold chain, small and medium-sized logistics equipment, and innovative business with new materials as the core, and with concentrating on the innovative business of "container as main business" and "manufacturing+service+finance", it is committed to building a two-wheel driven development strategy.



CIMC Vehicles (Group) Co., Ltd., a subsidiary of the Group, was listed on the Hong Kong Stock Exchange in July 2019. CIMC Vehicles is a global leader in the semi-trailer industry, mainly engaged in the manufacture and sale of seven main categories of semi-trailers in the global market, and its products are sold to more than 40 countries on five continents.

Leveraging on its advantages in cross-border design, cross-ocean manufacturing and global supply chain, CIMC Vehicles have formed a cross-border operation structure with core competitiveness.

About Us



CIMC Enric Holding Limited, a subsidiary of the Group, is a leading company of energy, chemical and liquid food equipment sector, and is based on energy, chemical and food equipment industries and provides services in the design, development, manufacturing, engineering, sales and related technical maintenance of various types of transportation, storage and processing equipment, including CNG, LNG storage and transportation equipment, and ISO tank, and beer and other liquid food brewing and storage and transportation equipment. CIMC Enric has more than 20 manufacture bases and R&D centers in China, Germany, Holland and so on, and its marketing network covers Europe, South America, Central Asia, Southeast Asia and other regions and countries, and extends to other regions such as North America.



CIMC Raffles Offshore Ltd., a subsidiary of the Group, has 4 R&D and design companies, 3 construction bases and 3 operation and management companies, whose integrated operation model comprises design, procurement, manufacture, construction, commission and operation, and possesses the capability of mass and industrialised construction of high-end offshore engineering equipment and other special vessels. They are also one of the leading contractors of high-end offshore engineering equipment in China and have always participated in international competitions within the offshore engineering market. Their major businesses include the design and construction of semi-submersible drilling platforms, semi-submersible accommodation platforms, jack-up drilling platforms, jack-up accommodation platforms, FPSO, liftboats, crane vessels, fall pipe vessels, offshore support vessels (OSV), ocean tugs, mid-to-high-end yachts and other vessels with its products covering a majority of offshore engineering products.



The Group's main businesses of airport facilities, fire, automated logistics equipment principally include airport facilities equipment business (including ground support equipment (GSE) business), fire and rescue vehicle business, automated logistics systems business and smart parking business. The Company is mainly engaged in research and development, manufacture and sales of boarding bridges for airport passengers, boarding bridges for port passengers, aircraft air conditioners, baggage handling systems for airport passengers, aircraft guidance systems, monitoring systems, special vehicles at airport stations (airport shuttle buses, aircraft catering vehicles, aircraft deicer, container/pallet loaders, etc.), fire and rescue equipment (conventional fire engines, special fire trucks, firefighting equipment, fire stations, etc.), air cargo handling systems, automated warehousing and logistics systems, automated three-dimensional parking systems, and other series of products. Going through more than 20 years' development, several members have grown into leading enterprises in their business fields.



C&C Trucks Co., Ltd, a subsidiary of the Group, operates the heavy truck business. C&C Trucks positions its main products in the mid-end to high-end heavy truck market with the product development strategy of "leading domestic techniques and following foreign techniques" and the development strategy of "making high-end products, providing quality services, and creating first-class brands". Its key products cover two kinds, namely diesel and oil, and four series, namely tractors, mixer trucks, dump trucks, cargo trucks and special-use vehicles.



Logistics Services Business

The Group's logistics service business focuses on the channel network layout of major domestic seaports, the Yangtze River ports, the railway center stations and major international routes, and builds a comprehensive development model combining containers, cargos, and stations with the stations as the cornerstone, equipment as supporters and cargo control as the core. Through conducting equipment leasing and sales business, station operation business, freight service business, and ecological support services such as shipping agency, customs declaration, barges, and fleets, we are committed to becoming the leader of China's multimodal transport featuring "equipment + services". We continued to steadily promote the development of our business, and our container operation volume continued to keep the leading position in China.



Industry & City Development Business

Shenzhen CIMC Skyspace Real Estate Development Co., Ltd., a subsidiary of the Group, is mainly engaged in the development of complexes in industrial cities, development and operation of industrial parks and development of traditional real estate. CIMC Skyspace Real Estate has developed and owned several real estate projects in various cities such as the Yangtze River Delta, Pearl River Delta and Bohai Rim, including industrial park zones, ordinary residential buildings, villas, luxury apartments, 5A office buildings, five-star hotels and high-end shopping malls. It has devoted itself actively to the development and operation of industrial real estate. Taking the integration of industry and city as the leading goal and taking the needs of enterprises as the core, CIMC Skyspace Real Estate strives to become a serious player in the development and operation of urban industrial real estate in China.



Financial and Asset Management Business

The Group is devoted to establishing a financial service system which matches the Group's strategic role as a global leading manufacturer, to enhance the efficiency and effectiveness of the Group's internal capital utilisation, and to provide various financial measures for the Group's strategy extension, business model innovation, industrial structure optimization and overall competitiveness enhancement. The main operating entities consist of CIMC Financial Leasing Company, CIMC Finance Company and Offshore Asset Pool Management Platform Company (海工资产池管理平台公司).

Other Businesses

Modular Building: CIMC Modular Building Systems Holding Co., Ltd., a subsidiary of the Group, operates modular building business, and has developed a one-stop service model of "Manufacturing + Finance + Service" integrating industry and finance. In 2019, in the international markets, the modular building business of the Company has fully expanded in developed countries and regions including the United Kingdom, Australia, New Zealand, the United States and Northern Europe. In the domestic markets, CIMC Modular actively responded to the requirements of the national building assembly industry policies and grasped the market opportunity of cloud data center construction in the "5G" era. CIMC Modular also established strategic cooperation partner relationship with well-known technology groups to capture opportunities in domestic and foreign markets. The modular building technology is highly recognized by the Hong Kong government. The first modular building of Hong Kong's first permanent high-end high-rise talent apartment project has been delivered to the Hong Kong government, marking a solid step for the Group in the Guangdong-Hong Kong-Macao Greater Bay Area.

Multimodal Transport Business: In 2019, guided by the strategic thinking of "procuring equipment, building channels, entering stations and establishing platforms", the Group maintained ongoing development of the multimodal Transport business, continuously expanded its network coverage, strengthened its internal management, constantly optimized its operations and consolidated its capabilities. Important progress are made in the initiatives. As for equipment, the rolled steel containerized loading and transportation solution has passed the railway review and the integrated operation of packaging and transportation was carried out by using small and medium-sized vehicles; as for network layout, the network layout of road-rail transport covered 11 railway bureaus. The volume of railway container shipment exceeded 40,000 TEU with over 200,000 tons of bulk materials delivered and over 10,000 trips were sent by road; as for entering stations, one railway station was contracted in the South China region; as for establishing platforms, CIMC • UPIN platform operated smoothly. While realizing the digital operation of existing road-rail transport business, it has also expanded its LTL business.

About Us

Table of Key Performance Indicators

Financial Performance Indicators

In 2019, the Group's revenue amounted to RMB85.815 billion (2018: RMB93.498 billion), representing a year-on-year decrease of 8.22%.

Indicators	Units	2019	2018
Operating revenue	RMB thousand	85,815,341	93,497,622
Operating costs	RMB thousand	73,355,605	79,586,408
Total assets	RMB thousand	172,107,521	158,883,963

Environmental Key Performance Indicators

Indicators	Units	2019 ^{1 2}	2018	2019/2018 Change	2019 data Intensity (Revenue per RMB100 million)
Total amount of sewage discharged	thousand tonnes	3,885.66	3,771.55	103.0%	4.53
Total gas emissions: VOCs	tonnes	1,609.05	1,838.95	87.5%	1.88
Total greenhouse gas emissions	tonnes of carbon dioxide equivalent ("CO ₂ e")	902,402.05	981,285.86	92.0%	1,051.75
Direct greenhouse gas emissions ³	tonnes of CO ₂ e	150,133.57	N/A	N/A	174.98
Indirect greenhouse gas emissions	tonnes of CO ₂ e	752,268.48	N/A	N/A	876.77
Total amount of hazardous waste generated	tonnes	31,301.89	35,130.56	89.1%	36.48
Total amount of non-hazardous waste generated	tonnes	224,883.92	208,310.95	108.0%	262.10
Total energy consumption	tonnes of coal	200,533.79	201,213.14	99.7%	233.72
Electricity consumption ⁴	MWh	96,213.86	96,052.49	100.2%	112.19
Gas consumption	thousand cubic meters	48,950.63	50,084.58	97.7%	57.05
Oil consumption ⁵	kiloliter	15,827.48	15,233.45	103.9%	18.45
Total water consumption	thousand cubic meters	6,995.85	6,183.55	113.1%	8.15

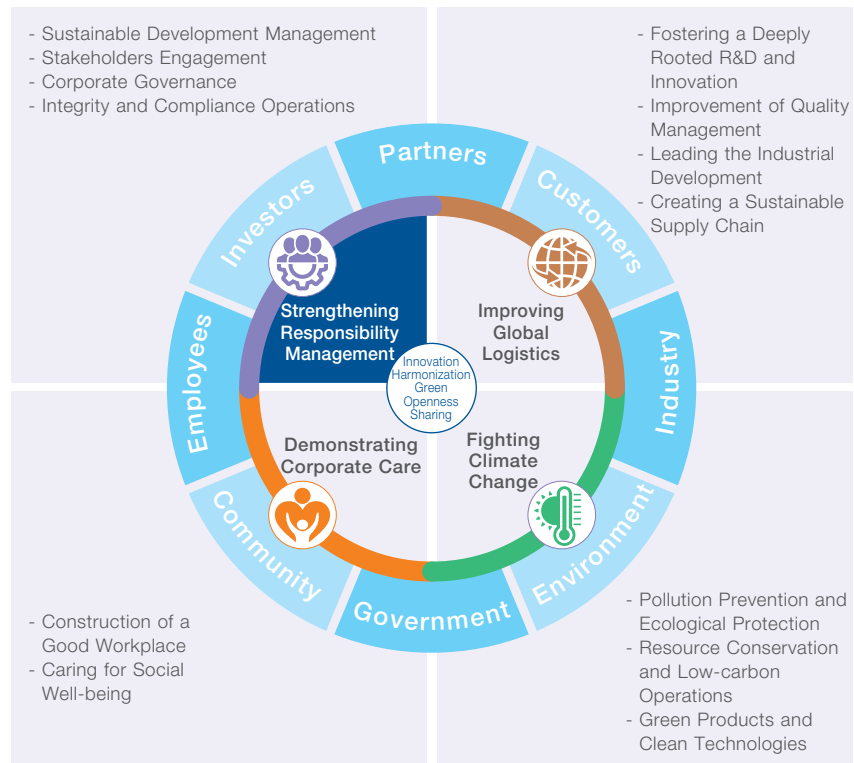
¹ The statistical calculation method for data in 2019 is consistent with 2018: calculating the data of five major segments based on the proportion of revenue of all the enterprises included in the statistics to these major segments, and then calculating the data of the Group based on the proportion of revenue of segments to the Group.

² For the reasons for the changes in the indicator data, please see the chapters "Pollution control and ecological protection" and "Resource conservation and low-carbon operation".

³ We have disclosed direct greenhouse gas emissions and indirect greenhouse gas emissions from 2019.

⁴ Starting from 2019, we have adopted the international unit system in the calculation of the "electricity consumption", "gas consumption" and "oil consumption". For convenience of comparison, we have converted the data of 2018.

⁵ Oil consumption includes gasoline and diesel consumption.



An efficient and sound social responsibility management system is an important prerequisite for the implementation of sustainable development strategies. To achieve sustainable development, the Company is required to continuously strengthen responsibility management and improve ESG standards. To this end, CIMC has been striving to improve its internal governance structure by strengthening communication with stakeholders, observing the laws and regulations and advocating business ethics, with aims to provide shareholders good returns and maintain its sustainable development with more efficient organizational management and control, more comprehensive risk management, and a cleaner internal environment.

Our actions:

- Enhancing “management with report” and strengthening ESG training and publicity;
- improving the communication mechanism, communicating with professional organizations, and strengthening information disclosure and media interaction;
- promoting special management of major risks and building a risk control information platform;
- Placing importance on the publicity of a clean work style and further implementing accountability system

Our achievements:

- The Group’s overall ESG awareness has been enhanced.
- Communication with stakeholder become broader and more diverse.
- Selected as “Top Ten Enterprises” in anti-fraud by the Anti-Fraud Alliance of Chinese Enterprises;
- Awarded for 2018 Chinese “Outstanding Responsible Enterprise” by Southern Weekly;
- Won investor relations awards such as “Best Investor Relations Pioneer Award” in China’s Best IR Awards

Our efforts:

- To formulate and implement corresponding actions and plans for the new ESG guides of the Hong Kong Stock Exchange;
- To incorporate ESG&CSR reports into CIMC’s 5S management system and comprehensive risk management so as to continuously improve ESG management level;
- To strengthen the ESG leadership role of the board of directors of the Group and its subsidiaries, so as to establish and achieve strategic goal of sustainable development

Strengthening Responsibility Management

Sustainable Development Management

Sustainable Development Strategy and Objective Management

As the internal and external environment changes, the risks and challenges faced by CIMC Group in achieving the sustainable development goals include:

▶ The external development environment is undergoing significant and profound changes

On the one hand, the globalization process of the world economy will shift from a “honeymoon period” to a “rough period”, and Chinese companies shall be ready for facing a less favorable international environment. On the other hand, the 19th National Congress of the Communist Party of China put forward the new concept of development for a new era, and material changes in the growth pattern of Chinese economy is also undergoing: in the past and the next 2 to 3 years, the main tasks of China in economy are to resolve risks and strive for stability while progressing; in the long run, the national strategies or initiatives such as transformation and upgrading of Made-in-China, Guangdong-Hong Kong-Macao Bay Area, Internet +, “Belt and Road” initiative, reform of state-owned enterprises will bring new development opportunities, and CIMC needs to deepen its strategy of “Using wisdom to go global”.

▶ China is entering the stage of high-quality growth, and it is imperative for upgrading the traditional manufacturing

The 19th National Congress of the Communist Party of China clearly stated that China is entering a stage of high-quality growth from a period of rapid growth, and that the overall L-shaped growth of China’s economy has become a consensus of community in China. Five major tasks of “cutting overcapacity, destocking, deleveraging, reducing cost and identifying growth areas” shall be performed well for maintaining steady growth of Chinese economy. Strategic emerging industries, service industries, and high-end manufacturing industries have become the three strategic directions for industrial upgrading in China

▶ Health, safety and environmental protection are important issues that companies shall constantly focus on and improve

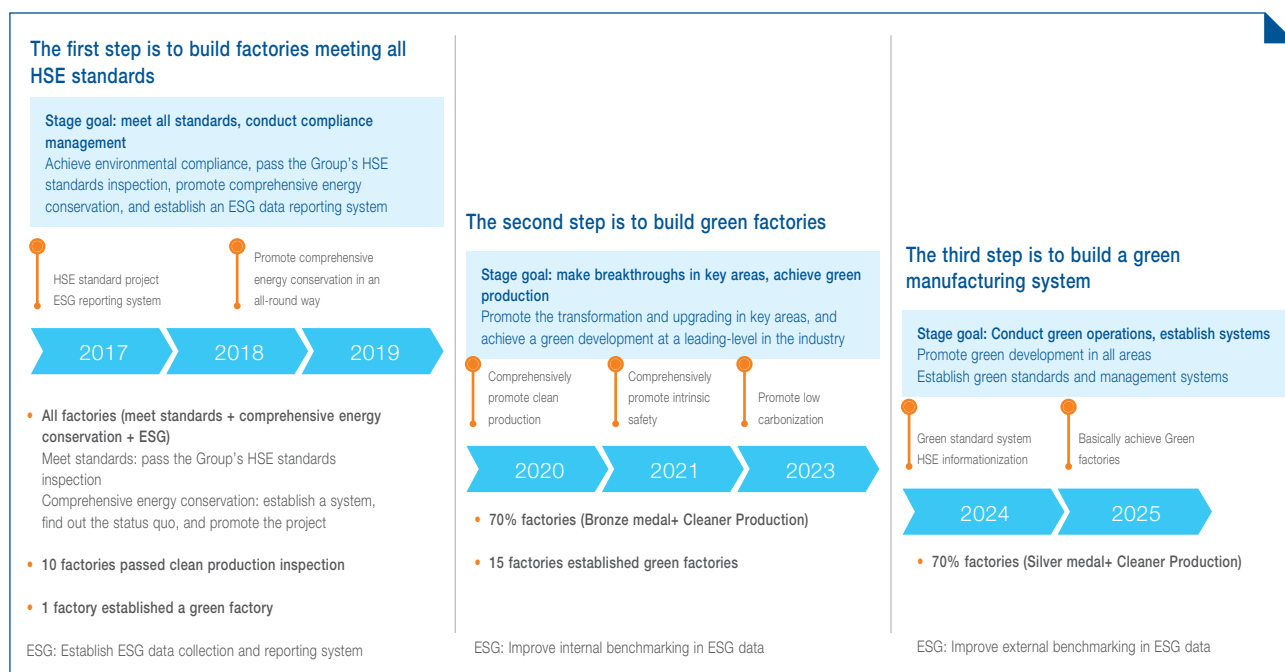
On the one hand, green production, energy conservation and emission reduction are important issues that need to be faced in the transformation and upgrading of traditional manufacturing industries. On the other hand, China is in the stage of reduced demographic dividend and accelerating population aging. Enterprises increasingly demand for mid-senior talents, competition for talents is becoming increasingly intense, and human resource constraints may become the bottleneck of enterprise development. To this end, employee health, production safety and environmental protection shall be sustained constant attention.

The sense of social responsibility of CIMC focuses on its core functions and mission, and provides high-quality and safe products and services to society through scientific operations. Our mission is to “to supply the logistics and energy industries with quality and reliable equipment and services, provide good returns for its shareholders and employees and create sustainable value for the society”. Confronted with the complex and tough situation, under the guidance of the strategic vision of “Manufacturing + Service + Finance”, and based on the working principle of “quality growth”, we optimized our business portfolio for transformation and upgrading by adopting four core strategic initiatives, with aims to build six core competences and maintain the overall dynamic and quality growth of the Group.



We strictly comply with the three bottom lines in three aspects, namely the economy, the society and the environment when creating economic value, and pursues the operation in a scientific, transparent, ethical and compliant manner, and strives to contribute to the improvement of the industry's ecology and the sustainable development of society. At the same time, we continue to implement the ESG&HSE strategy including "improving the ESG indicator system and promoting green development", and integrated the establishment of the ESG indicator system with HSE development goals and planning as an important part of the Group's sustainable development strategy. Centering on the "Green Development Plan of CIMC Group", we conduct examinations on the compliance of HSE standards on a regular basis, promote green demonstration projects, establish ESG data reporting and analysis systems, facilitate the comprehensive improvement of HSE indicators, basically achieving the objectives at the first stage. So far, six green factories have been established, several factories have passed the examination in respect of HSE standards the Group and each segment, and some factories have been approved in clean production.

In the future, we will further strengthen the construction of the ESG management structure, facilitate the integration of ESG into comprehensive risk management, continuously optimize the ESG indicator system and ESG data management, and establish sustainable development strategies and goals at the group level.

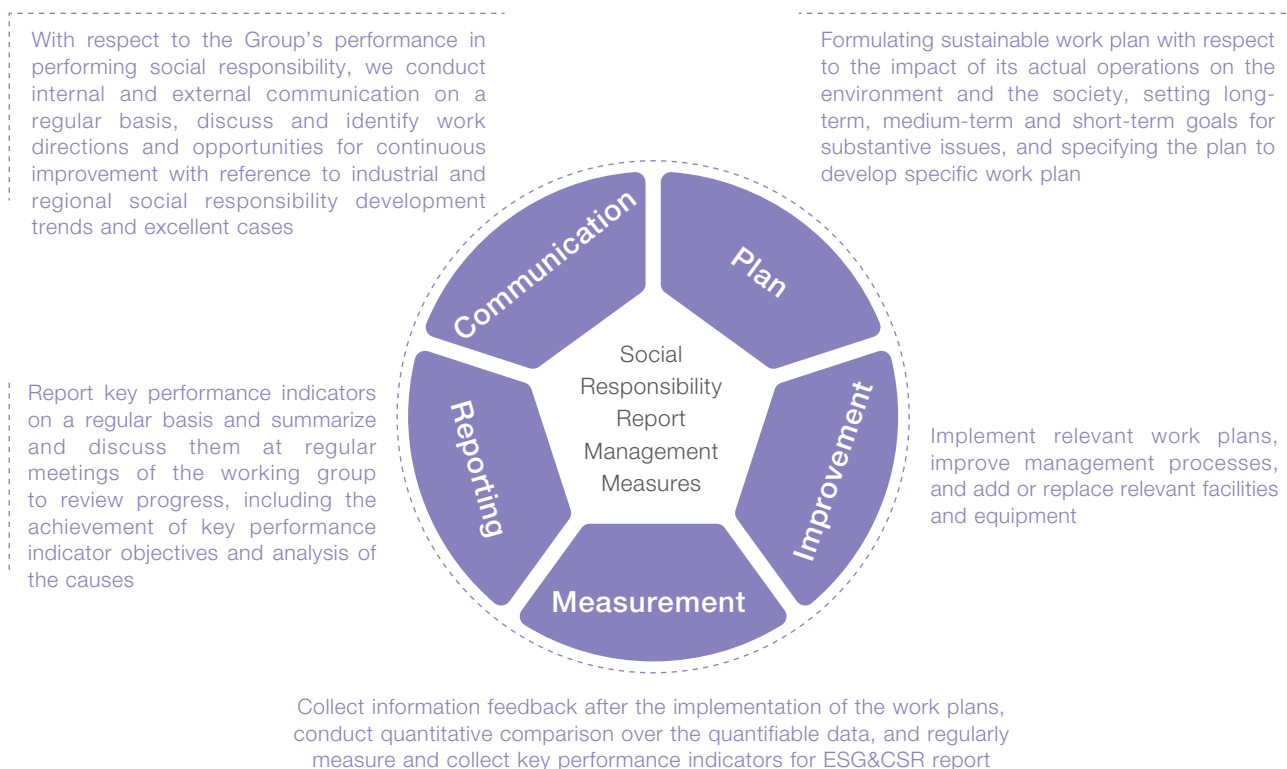


HSE development goals and planning (CIMC Group Green Development Plan)

Strengthening Responsibility Management

Corporate Social Responsibility Management

In 2019, we continued to uphold the "Promoting Management through Reporting" approach to take the ESG&CSR report as an important tool for improving management, focused on the two main lines of "improving report quality and enhancing governance" and implemented the relevant rules including Social Responsibility Report Management Measures of CIMC Group. We further facilitated the integration of ESG&CSR management with CIMC 5S system (a system for strategic planning, business planning, management report, internal control auditing, evaluation and appraisal), and promoted substantial improvements in ESG&CSR performance by formulating relevant budgets and incorporating ESG&CSR into the specific function management.



Almanac of 2019 Meeting of Sustainable Development Reporting Panel of the Group



We continuously review problems in social responsibility management, identify shortcomings and gaps, feed back them to functional management and reflect the improvement measures and achievements in the next annual report, so as to continuously improve the social responsibility work system. For the purpose of the preparation of the 2018 report, we improved the social responsibility management mechanism in three aspects for the Year, and the Secretariat of Group Sustainability Report Leading Panel proposed 7 management improvement suggestions to the Group's management. In response to these improvement suggestions, the Group and the business segments have carried out several trainings or other ESG related work during the Year, which has improved the overall ESG awareness of the Group from the two levels of the board of directors and daily management.

At board of directors level: training and compliance work are gradually being carried out

- In 2019, the board of directors studied the requirements of the ESG guides;
- Corresponding management improvements, such as the addition of female directors, as required by the Stock Exchange was carried out;
- Management process of ESG work was gradually clarified, and how to increase the engagement of the board of director is gradually being facilitated.

At daily management level: communication mechanism and training are continuously strengthened

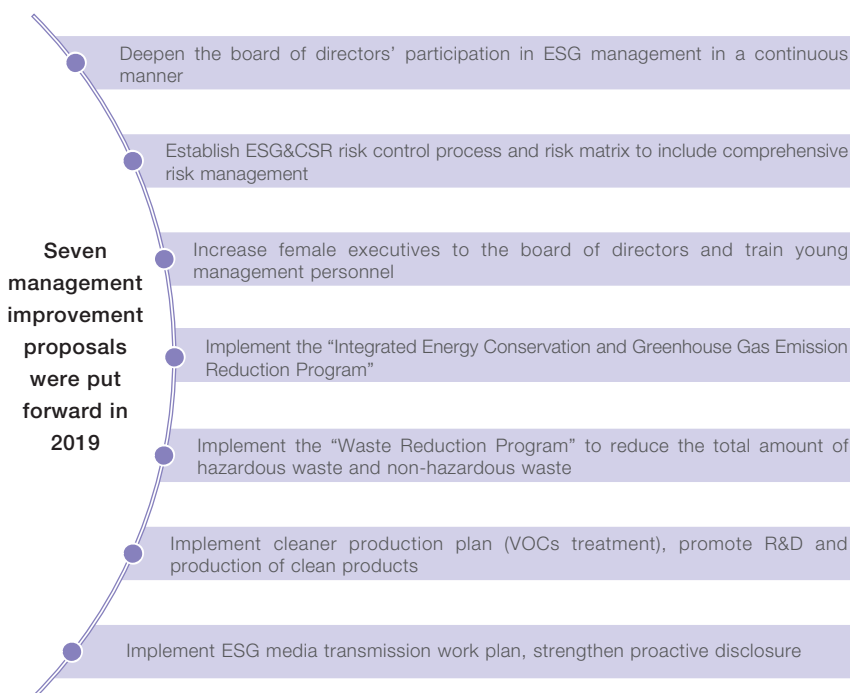
- Communication based on report preparation;
- The scope of communication among stakeholder is expanded, more frequent and in-depth connections is made among investors, and employee training is strengthened;
- The Group took the lead in training and conveyed the latest information to the business segment;
- The degree of recognition by every business segment has been strengthened. For example, the Airport segment added the ESG special report at the Group's monthly meeting, and the Energy segment has carried out many work on hazardous waste discharge, supplier management, and anti-corruption.

Management reporting is an important part of the 5S system. We have clarified the reporting management mechanism of the three major reporting systems: financial reporting, ESG & CSR reporting and operating reporting, and make ESG reporting come into play from the governance mechanism



Strengthen the analysis of ESG & CSR reports and MSCI and other external rating agencies on the ESG performance of the Group, and distribute the analysis results to management

Feedback the external stakeholders' analysis results and summary reports to and discussion them with management, identify shortcomings, further deepen management's understanding of the importance of ESG work, and strengthen training and promotion of personnel at different levels



Strengthening Responsibility Management

In addition, we also responded quickly to the new ESG guides issued by the Hong Kong Stock Exchange on 18 December 2019. The Secretariat of the Group Sustainability Reporting Leading Panel organized the promotion and interpretation of the updates to executives, headquarters, and business segments, and commenced the formulation of a response work plan starting from the first quarter of 2020. In the future, we will evaluate the implementation of various improvement recommendations on an on-going basis to continuously improve the ESG governance and social responsibility management of the Group.

In respect of functional management, the supervision and reporting of the Group's sustainable development performance for the Year is still directly led by the CEO & President of Group, and all functions of the Group are deeply involved in social responsibility management; each business segments and subsidiaries takes responsible for and implements the requirements of the Group, continue to identify, measure, manage and report on risks and opportunities related to sustainable development; Excellence-oriented Operating and HSE Centre and the Board Secretary Office of the Group continue to be the lead responsible departments for ESG reporting to promote the establishment and operation of the ESG reporting system throughout the Group and integrate sustainable development into daily management and operations.

Table of the social responsibility report management functions of the Group in 2019⁶

Social Responsibility Projects	Responsible Department													
	The Board	Operating Management	Board Secretary Office	Strategic Development Department	Finance Department	Audit and Supervision Department	Legal affairs Department	Human Resources Department	President's Office	Excellence-oriented Operating and HSE Centre	Data Network Center	CIMC Institute	Industries	Member Companies
Sustainable Development Management	▲	▲	▲	▲	△	△	△	△	△	▲		△	▲	▲
Stakeholders Engagement		△	△	△				△	△	▲			△	△
Corporate Governance		▲	▲		△	▲	△	△	△	△		△	▲	▲
Integrity and Compliance Operations		△			▲	▲	▲	△	△	▲	△		▲	▲
Fostering a Deeply Rooted R&D and Innovation innovation		△		△						▲	△		▲	▲
Improvement of Quality Management		△								△			▲	▲
Leading the Industrial Development		△		△									▲	▲
Creating a sustainable supply chain		△		▲		△				▲			▲	▲
Pollution Prevention and Ecological Protection		△				△				▲	△		▲	▲
Resource Conservation and Low-carbon Operations		△		△		△				▲	△		▲	▲
Green Products and Clean Technologies		△		△						▲			▲	▲
Construction of a Good Workplace		△				△		▲	▲	▲		△	▲	▲
Caring for Social Well-being		△						▲	▲	△			▲	▲
Looking forward		△		▲				△	△	▲	△	△	▲	▲

⁶ Note: ▲ in the above table represents "responsible" or "strongly involved"; ▲ represents "responsible for a specific part"; △ represents "involved" or "support"



External communication

In 2019, we held a press conference on the sustainability report, added a sustainability column to the official website of the Group, and added social responsibility related content to the album of the Group to strengthen internal and external publicizing and demonstrate the efforts and achievements of CIMC in the sustainable development for enhancing its responsible corporate image. In addition, by deepening communication and interaction with professional consulting institutions, we learn about policies and trends related to sustainable development, and discuss the improvement directions for ESG reports and management to further improve the quality of ESG work.



Sustainability column added on the website of the Group



Annual ESG training

Case

Hosted ESG seminar

On 25 December 2019, the seminar themed “Starting Point of Responsible Investment: ESG Information Disclosure” held at the Group headquarters. The seminar was co-hosted by CIMC and Southern Weekly. more than 20 experts from regulatory authorities, capital markets, consulting companies, investment institutions, and Colleges and Universities were invited to the Company and shared and exchanged new trends in ESG investment and information disclosure with representatives from all departments and business segments of the headquarters of the Group from different perspectives.

Thanks to the joint cooperation and good coordination of the Group, the business segments and its subsidiaries, in 2019, we not only received many external recognitions (see awards and recognitions in the Appendix for details), but also were invited to participate in influential external forums to exchange and share the sustainable development of CIMC with external outstanding companies, which affirms CIMC's long-term practice in the ESG and social responsibility, and encourage and inspire CIMC to continue to implement sustainable development in the future.



Participated in the 11th China Corporate Social Responsibility Annual Conference hosted by Southern Weekly



Participation in the 15th Reporting Meeting of New Trends in Sustainable Development

Strengthening Responsibility Management

Stakeholders Engagement

Stakeholder Communication Mechanism

The sustainable and healthy development of CIMC relies on the long-term support and trust of stakeholders. We actively build a good internal and external communication platform, focus on establishing a smooth and transparent communication mechanism with stakeholders, listen to the voices of stakeholders, and integrate them into our decisions. For the Year, we continued to establish close relationships with stakeholders through diversified channels to proactively understand and actively respond to the expectations and needs of various stakeholders.

Stakeholder Communication Channels

Stakeholders	Communication Channels	Expectations	Response Measures and Achievements
Staff	<ul style="list-style-type: none"> Congress of workers and staff Employee training Employee activity Internal magazine and intranet Customer satisfaction survey ESG survey questionnaire 	<ul style="list-style-type: none"> Employees' rights and interest Salary and benefits Career Development Occupational health and safety 	<ul style="list-style-type: none"> Enter into labor contracts according to law and give play to the role of labor unions Review and improve the compensation and benefits system Carry out various trainings to facilitate talent development Strengthen occupational safety management and improve production and office environment Conduct employee satisfaction surveys
Governments and regulatory authorities	<ul style="list-style-type: none"> Regular information submission Supervision and check Paper reports (annual reports, ESG & CSR reports, etc.) mailed by the Group ESG survey questionnaire 	<ul style="list-style-type: none"> Compliance-based Operations Paying taxes according to law Promoting local development Job creation 	<ul style="list-style-type: none"> Compliance with laws and regulations Strengthen HSE management and reduce risks of safety and environmental protection Help people with financial difficulties be employed
Investment institutions/ shareholders	<ul style="list-style-type: none"> Shareholders' meeting Company website and announcement Investor meeting Strategy meeting of securities firm Visiting the factory Paper reports (annual reports, ESG & CSR reports, etc.) mailed by the Group ESG survey questionnaire 	<ul style="list-style-type: none"> Operating results Corporate Governance Shareholder s' rights and interests Information disclosure 	<ul style="list-style-type: none"> Secure high-quality growth to create value for shareholders Disclose information in a timely and accurate manner to ensure information transparency Organize visiting, research and other investor activities
Suppliers/contractors/ service contractors	<ul style="list-style-type: none"> Review and evaluation meeting Supplier portal website Regular communication ESG survey questionnaire 	<ul style="list-style-type: none"> Long-term and stable cooperation Honesty and trustworthiness Mutual benefit and win-win situation 	<ul style="list-style-type: none"> Promote transparent procurement Enter into long-term strategic cooperation agreement Attend suppliers' meeting of exchanges Supplier Assistance Program



Strengthening Responsibility Management

Stakeholders	Communication Channels	Expectations	Response Measures and Achievements
Clients	<ul style="list-style-type: none"> Customer service center and hotline Customer visiting Customer satisfaction survey ESG survey questionnaire 	<ul style="list-style-type: none"> Brand influence Product quality and safety Service standard customer feedback 	<ul style="list-style-type: none"> Improve quality management to ensure product quality Enter into after-sales service agreements Conduct customer satisfaction surveys on a regular basis
Research institutions	<ul style="list-style-type: none"> Company website and social media Company announcement Visiting the Group Investigation and survey ESG survey questionnaire 	<ul style="list-style-type: none"> Operating results Information disclosure 	<ul style="list-style-type: none"> Organize strategy meetings and open days of securities firms Disclose information in a timely and accurate manner to ensure information transparency
Industry associations	<ul style="list-style-type: none"> Industry forums and exchange meetings Visiting the Group Investigation and survey ESG survey questionnaire 	<ul style="list-style-type: none"> Complying with industry norms Promoting industry development Driving industry reform 	<ul style="list-style-type: none"> Participate in industry exchange meetings Organize trade fairs exhibitions Set industry standards
Media	<ul style="list-style-type: none"> Media open day Interviews and special reports ESG survey questionnaire 	<ul style="list-style-type: none"> Information disclosure Interacting with the media Social contribution 	<ul style="list-style-type: none"> Organize media open events Release promotional materials to invite media to visit the Company
Local communities	<ul style="list-style-type: none"> Company website and social media Charity events ESG survey questionnaire 	<ul style="list-style-type: none"> Impact on community Supporting community development 	<ul style="list-style-type: none"> Respond to targeted poverty alleviation Participate in public welfare Full support the fight against COVID-19

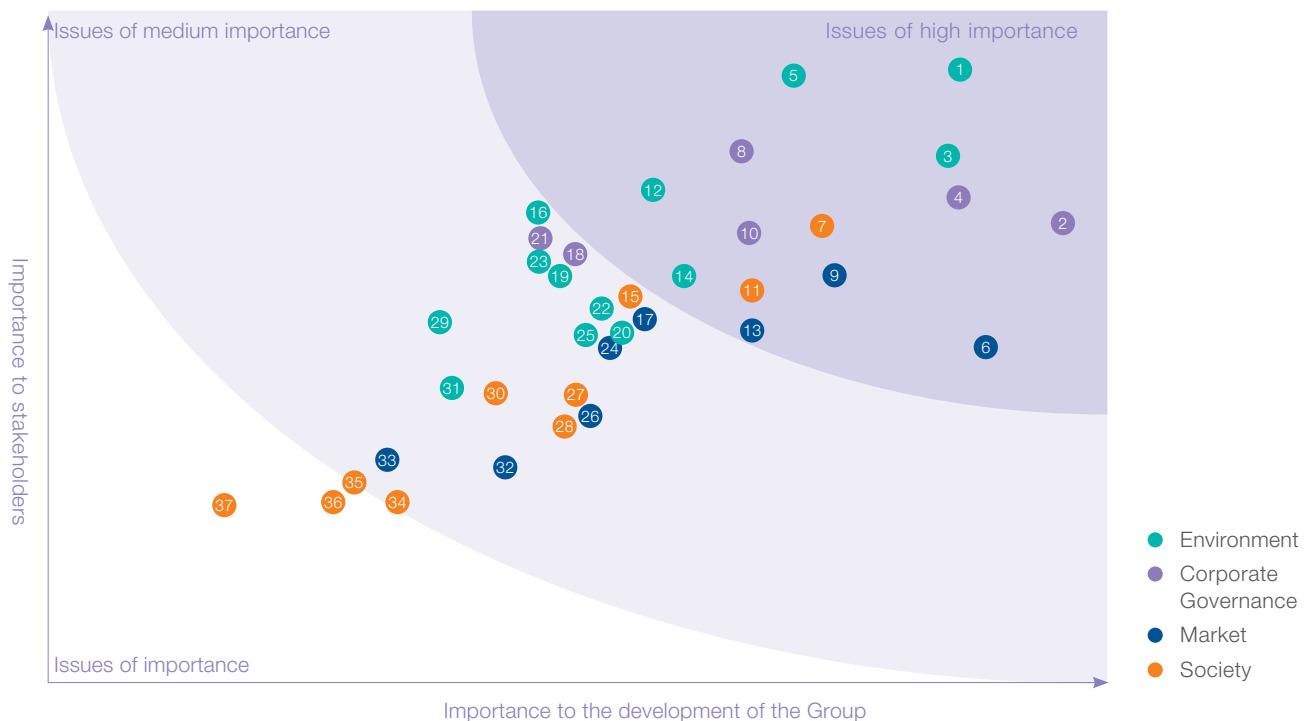
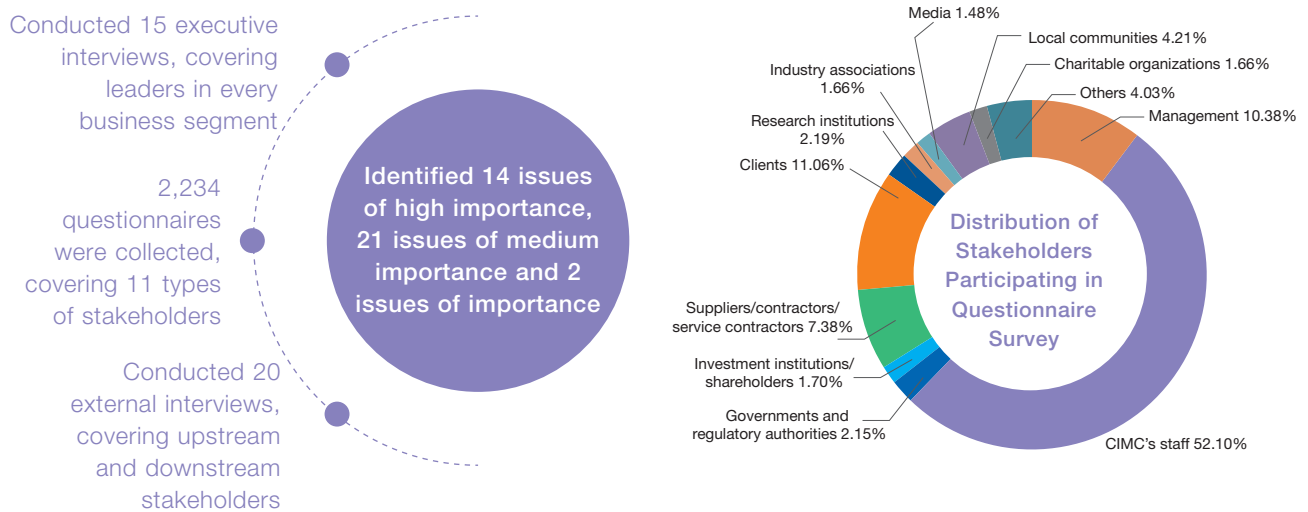


Shenzhen Public Companies Association visited Dongguan Southern CIMC for exchanging views

Strengthening Responsibility Management

Materiality assessment and management

We further updated the ESG issue database on the basis of 2018 for the Year, and identified 37 issues including 6 corporate governance issues, 13 environmental issues, 10 social issues and 8 market issues taking into consideration of national macro policy guidance, capital market focus, sustainable development report related standards and excellent peer analysis. We continued to engage independent third-party agencies to obtain different stakeholders' ratings on the importance of ESG issues, as well as opinions and views and suggestions on the sustainable development of the Group, through the Group's executive interviews, online survey questionnaires and external stakeholder interviews.



Matrix of importance of ESG issues of CIMC Group in 2019

Materiality assessment results and corresponding sections in the Report

Ranking	Importance	Issue	Issue boundary			Focus of external stakeholders	Corresponding section
			Category	Internal	External		
1	High importance	Air pollutant emission management	Environment	√	√	√	Air pollutant emission management
2		Compliance operation and risk control	Corporate Governance	√	√		Compliance and risk control
3		Waste management	Environment	√	√		Waste management
4		Sustainable development strategy	Corporate Governance	√	√	√	Sustainable Development Strategy and Objective Management
5		Sewage treatment	Environment	√	√	√	Sewage treatment
6		Technology innovation and intellectual property protection	Market	√	√		R&D innovation platform Intellectual property management
7		Employee safety and health	Society	√			Occupational safety and health
8		Honesty and Integrity Operations	Corporate Governance	√	√	√	Honesty and Integrity Operations
9		Product quality and safety	Market	√	√		Product quality and safety
10		Sustainable development objective management	Corporate Governance	√	√	√	Sustainable Development Strategy and Objective Management
11	Medium importance	Employee rights and interests protection	Society	√			Employee rights and interests protection
12		Energy conservation and consumption reduction	Environment	√	√	√	Energy conservation and consumption reduction
13		Customer service and satisfaction	Market	√	√		Customer Service and Satisfaction
14		Noise management	Environment	√	√		Noise management
15		Employee compensation and benefits	Society	√			Employee compensation and benefits
16		Water consumption and water conservation	Environment	√	√	√	Water resource management
17		Customer privacy protection	Market	√	√		Customer Privacy Protection
18		Corporate Social Responsibility Management	Corporate Governance	√	√		Corporate Social Responsibility Management
19		Ecological environment and biodiversity protection	Environment	√	√		Biodiversity protection
20		Increasing the recognition of the Group's environmental brands	Environment	√	√		Green product
21	Importance	Industrial development promotion	Corporate Governance	√	√	√	Leading the Industrial Development
22		Green factory	Environment	√	√		Green manufacturing
23		R&D of clean and environmentally friendly production technology	Environment	√	√	√	Green product
24		Green supply chain and green procurement	Market	√	√		Responsibility procurement
25		Product lifecycle management	Environment	√	√		Green product
26		Supply chain management	Market	√	√		Optimization of supply chain management system
27		Staff training and team building	Society	√			Staff growth and development
28		Addressing labor shortage through automated production	Market	√	√		Leading the Industrial Development
29		Climate change and greenhouse gas emissions	Environment	√	√		Greenhouse gas emissions management
30		Localized operation	Society	√	√		Promoting employment
31	Importance	Green office and environmental protection promotion	Environment	√	√		Green office and environmental protection promotion
32		The economic benefits created by the Group in the place where the Group operates	Society	√	√		Promoting employment
33		Trade and shipping	Market	√	√		Leading the Industrial Development
34		Diversity and equal participation	Society	√			Employee rights and interests protection
35		Employee communication and complaint mechanism	Society	√			Employee communication and caring
36		Local community communication	Society	√	√		Community charity activities
37		Community charity activities and reducing the impact of operations on the community	Society	√	√		Community charity activities

Strengthening Responsibility Management

Based on the analysis of material issues, we have made detailed disclosures of issues that are of high importance, in response to internal and external concerns. We assigned material issues to different responsible entities for management and improvement according to the focus of internal stakeholders at different levels.



The main suggestions and expectations to CIMC from external stakeholders include:



Corporate Governance

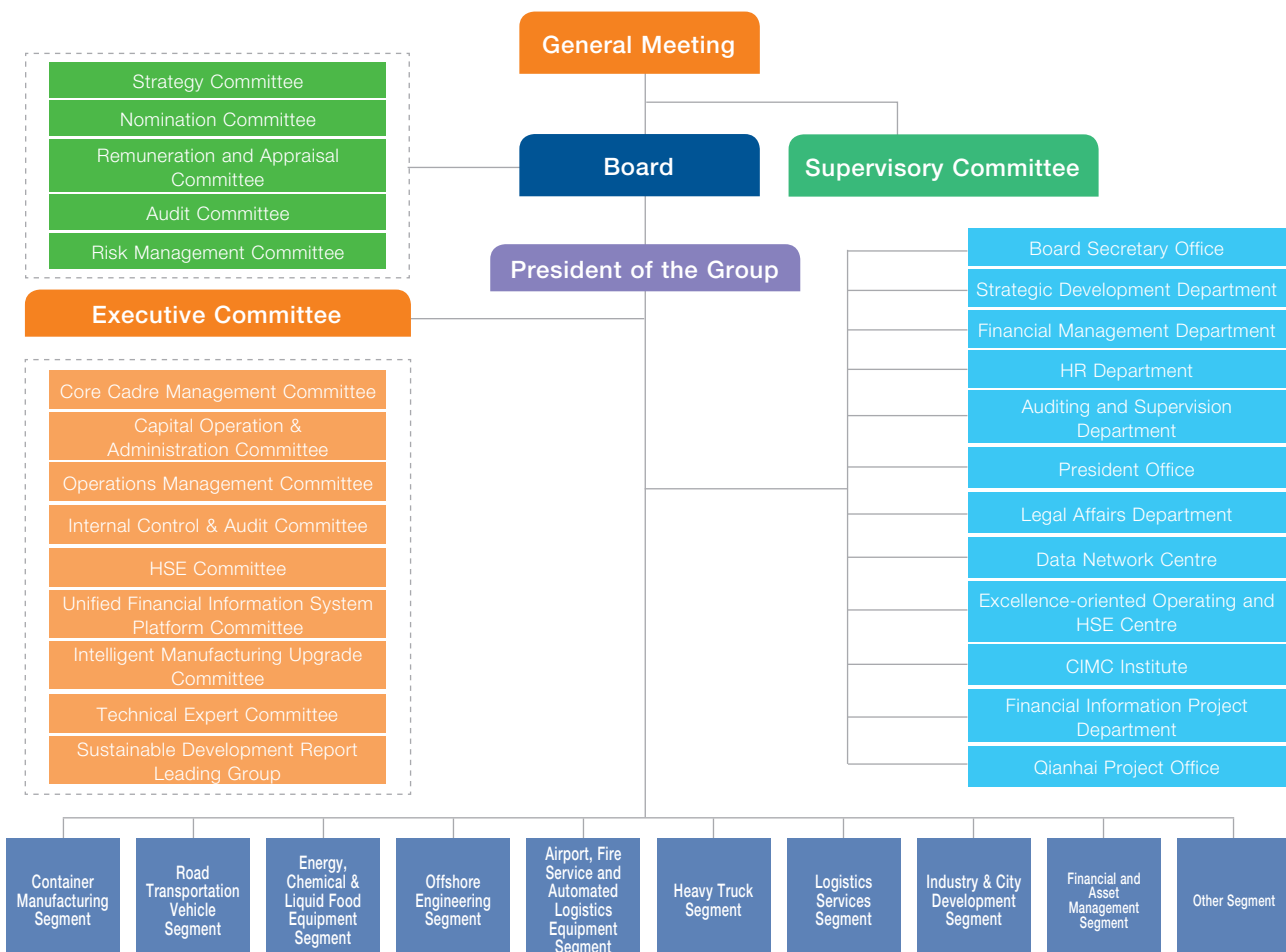
Capital Structure

As of 31 December 2019, the total issued share capital of the Group was 3,584,504,382 shares, of which 1,524,612,452 shares were A Shares and 2,059,891,930 shares were H shares. China Merchants Group Limited and China COSCO Shipping Corporation Limited are major substantial shareholders of the Group. Please refer to the 2019 annual report for the Group's shareholding structure in 2019.

The Group has strictly complied with the requirements of the Rules of General Meetings of Listed Companies issued by the CSRC and established the Rules of Procedures for General Meetings of China International Marine Containers (Group) Co., Ltd.. The general meeting of shareholders has the supreme power of the Company to ensure that all shareholders, especially minority shareholders, can enjoy equal rights and exercise their rights effectively. For the convening of the annual general meeting, please refer to the annual report. At the general meeting,

the Group usually arranges for directors and management to communicate on-site with the minority shareholders present at the meeting. On the other hand, the balanced ownership structure of the Group and the reasonable balance of power in the Board's decision-making mechanism can effectively ensure a clear boundary between the Group's ownership and management rights.

According to the amendments of the Company Law of the People's Republic of China and the Corporate Governance Guidelines for Listed Companies, on 15 January 2019, the new Articles of Association, the Rules of Procedures for General Meetings of the Company, the Rules of Procedures for the Board of the Company and the Rules of Procedure for the Supervisory Committee of the Company were considered and approved at the general meeting.

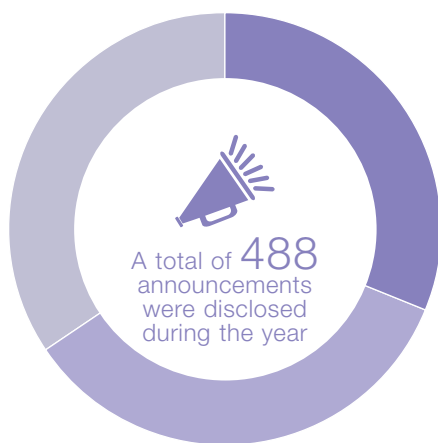


The organizational structure of the Group for 2019

Strengthening Responsibility Management

Information Disclosure

In compliance with relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Articles of Association, Corporate Governance Guidelines for Listed Companies, Rules Governing the Listing of Securities on the Shenzhen Stock Exchange and the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, the Group strictly carries out the obligations of information disclosure as listed companies. In 2019, the Office of the Secretary to the Board formulated and improved the Measures for Strengthening the Management on Information Disclosure Affairs of CIMC Group, the Measures for the Daily Management on Related Party Transactions of CIMC Group, and the Financial Support Management System of CIMC Group. We maintain true, accurate, complete, timely and compliant disclosure of company announcements and reporting documents on designated media outlets. In 2019, the Group completed the disclosure of periodic reports and interim announcements especially for major or unexpected events of concern to shareholders and investors, in accordance with the A-Shares and H-Shares disclosure requirements, ensuring that investors could be informed of the true state of affairs of the Group in a timely, fair, accurate and complete manner.



(Including announcements in relation to A shares and H shares)

Investor Relations

In 2019, CIMC Group continued to place emphasis on and be committed to improving investor relations management. In strict accordance with the relevant laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Articles of Association and the Manual for Investor Relations Management of Listed Companies as well as internal systems such as the Investor Relations Management Policy of CIMC Group, we followed the principles of "full and compliance disclosure of information, equal opportunity for all investors, honesty and integrity, and interactive communication" for the investor relations management.

For the protection of the interests of minority investors, the Group adopted effective and convenient measures in daily work and settlement of major issues to strengthen all-around and effective communication with Shareholders and investors. Selective disclosure is avoided to ensure the interests of minority Shareholders in obtaining corporate information in a fair and just manner. We continued to distribute the latest business information through the mobile micro-journal platform, with a view to enrich information sources for medium and small investors.



received a total of **15** visits, surveys and factory visits from various institutions and individual investors



participated in **38** brokerage strategy conferences

Integrity and Compliance Operations

Compliance and Risk Control

In 2019, the Group continued to stick to the risk control positioning of “serving the strategy, boosting the operation, and becoming a group value creator”, enhance cadres’ risk control awareness and performance capabilities, and improve closed-loop risk management and the implementation of rectification measures. The Group conducted special governance actions on major risks, established a risk control information platform, and adhered to the risk control principles of risk prevention and sticking to the bottom line, providing strong support for its high-quality development. Such specific measures include:

Launch of core talent certification to improve the core team’s risk control awareness and performance capabilities

- Following the introduction of the personnel accountability exam in 2018, the Group also launched a performance exam for directors, supervisors and senior management on risk control at all levels of the Group in 2019.
- In response to the Group’s weak areas of risk control, a series of risk control guidelines such as “engineering/procurement/sales/EPC/overseas operations” have been prepared and issued, and related case sets and test question bank have been introduced.
- The Group issued the Notice on Certification Management Regulations for Core Talents, which requires core talents to complete learning and certification.

Promotion of closed-loop risk management and the implementation of issue rectification

- The Group monitored the external risk control situation on a quarterly basis, arranged in-depth interpretation on new regulations and related punishment cases, sorted out internal audit findings, and issued the “Quarterly Audit Summaries” to reveal important risk points on areas of concern in this quarter.
- The Group developed supporting risk-control promotion teaching materials, and introduced the “Table for Self-inspection and Rectification in Issues” to promote the organization of studying and promotion, and the implementation of self-inspection and rectification at all levels.

Promotion of special rectification on major risk

In the course of promoting internal control to comprehensive risk management, the Group adhered to the idea of “focusing on major risks, pilots first and promoting phase by phase”.

- Pursuant to external regulatory requirements, laws and regulations, and with reference to punishment cases, the Group drew up a list of major risks and control and management standards.
- The Group focused on major risks through organizing and promoting the special treatment of two major risks; conducted strategic review and project review on the acquired and merged companies; completed the preparation of the “Group Management Outline”, “Management Methods of Segment Properties” and other improvement advice based on the analysis of the management of pilot segments and current business situation.

In addition to the aforesaid key tasks, during the year, we also continued to monitor the implementation of the risk control system through daily monitoring methods such as compliance rate inspection, unannounced inspection, internal control self-assessment, risk assessment, auditing and supervision to promote the effective operation of risk management and internal control systems of the Group.

Establishment of a risk control information platform

- The Group established a basic database for risk control platform to distribute internal and external major risk information in a timely manner, and established risk control highlights and major risk display mechanism.
- The Group dynamically launched various types of risk control billboards to stimulate independent management of risk control at all levels of organizations.



Exam platform for directors
and supervisors

Strengthening Responsibility Management

Honesty and Integrity Operations

Sticking to the philosophy of “law-based governance & good faith”, the Group strictly complied with the laws and regulations of the place where it operates in relation to anti-bribery, extortion, fraud and money laundering and continued to carry out anti-corruption work according to the Inspection System for Cadres and Sensitive Personnel of CIMC Group (《中集集团干部及敏感岗位人员监察制度》), the Regulations for the Integrity of Cadres and Sensitive Personnel of CIMC Group (《中集集团干部及敏感岗位人员廉洁从业规定》), the Management Measures for the Complaint and Reporting of Supervision of CIMC Group (《中集集团监察投诉举报管理办法》), the Administrative Measures

Continue to promote the integrity in operations, educate staff first, prevent dishonest conducts, and combine internal and external measures

- We required cadres and sensitive personnel in core positions to sign a statement on integrity to clarify the requirements for honesty and self-discipline. We opened the “CIMC Supervision (中集监察)” WeChat official account and IWORK mobile office platform application to push new developments in anti-corruption work to the whole group. We also used channels including the Group’s risk control annual meeting, segment operation analysis meeting to publicize the regulatory situation of “investigating the behaviors of taking or offering a bribe” of the Government, and informed the public of the investigation and punishment of typical fraud cases, giving a long-lasting warm to all employees.
- Externally, we promoted the signing of an apparent procurement agreement with suppliers to prevent and resist all kinds of commercial fraud and violations of fair competition, and punished partners who have seized business cooperation opportunities through bribery and colluding behavior in bidding. They will be included in the “blacklist” and given financial penalties if their fraud is confirmed.

Continue to promote the development of China Enterprise Anti-Fraud Alliance, and unite social forces against commercial bribery

- As one of the main sponsors of China Enterprise Anti-Fraud Alliance, CIMC Group has actively participated in the construction of anti-fraud management system of the Alliance and recommended outstanding companies to join it, so as to strengthen the sharing and co-construction with member enterprise.



The energy chemical segment signed the Procurement Transparency Commitment Letter

In 2019, the energy chemical segment unified the form and signing standards of the Procurement Transparency Commitment Letter (hereinafter referred to as the “Commitment Letter”), requiring all domestic suppliers with a single procurement amount of over RMB200,000 or annual procurement amount of over RMB500,000 to sign the Commitment Letter and as the basis for payment of procurement by the finance department. In 2019, 2,153 suppliers have signed Commitment Letter, with a completion rate of 99%.

of Commission for Discipline Inspection of CIMC Group on Acceptance of Gifts and Payments by Party Members and Cadres and Employee in Business (Official) Business Activities and the Accountability Measures for Responsibility Incidents of CIMC Group (《中集集团责任事件问责办法》).

We were committed to maintaining and safeguarding the legitimate rights and interests of stakeholders such as investors, employees, clients and suppliers by continuously improving our internal control, auditing and monitoring systems to create a level playing field. In 2019, we continued to carry out a lot of work, including:

Implement the accountability system to improve the compliance awareness of cadres

- The “Notice on Further Implementation of Accountability” issued in 2019 requires that all types of internal control and audits and investigations are required to specify whether there are responsibility incidents that would touch the red line of accountability. All responsibility incidents that touched the red line shall be accountable.

Broaden reporting channels and strictly investigate reporting matters

- The Group has established normalized reporting and complaint channels for supervision, which are managed under a special person to ensure that all complaints and whistle-blowing information are kept strictly confidential.
- The Group has “zero tolerance” for fraud, and the results of audit and supervision are an important basis for the evaluation and appointment of cadres.

In 2019, the Group did not have any lawsuits involving significant corruption.

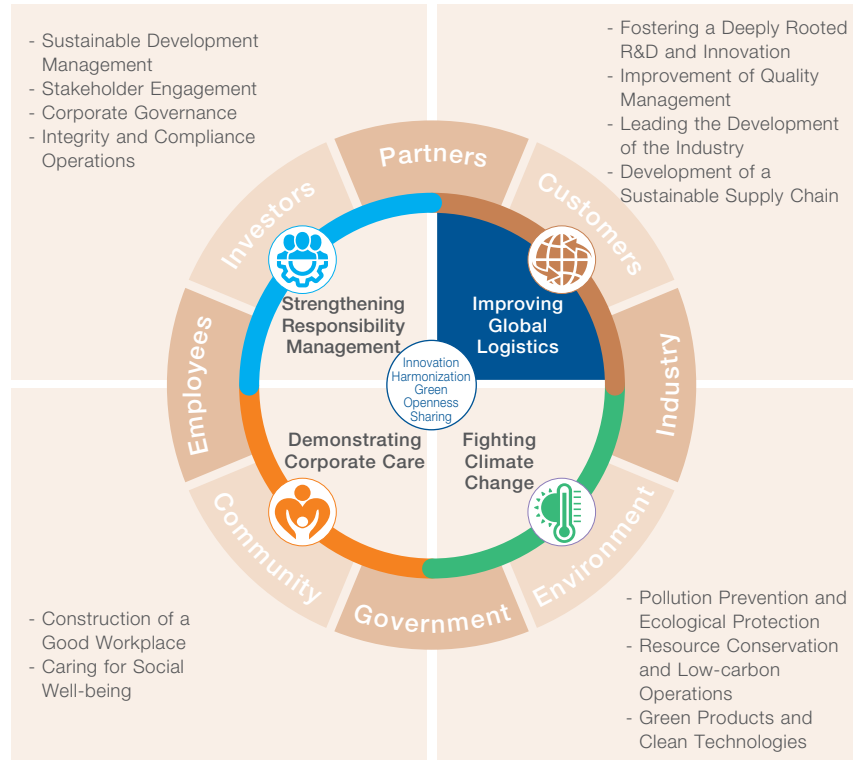


In the evaluation organized by China Enterprise Anti-Fraud Alliance, the Group was awarded the first of the “Top Ten Companies” in enterprise anti-fraud work.





Improving Global Logistics



With the mission of “to supply the logistics and energy industries with quality and reliable equipment and services”, CIMC is committed to becoming an important leader in the standardization of the logistics industry. In the course of over 30 years of development, CIMC has always explored and practiced that how to lead the transformation and upgrading of logistics industry through continuous innovation of products and technologies, continuous improvement of quality and services, and collaboration of upstream and downstream industry chains from a global and international perspective, thereby providing more convenient, safe, quality and efficient products and services for global customers.

Actions we have taken

- Carried out industry-university-research/industry-chain technology cooperation and exchanges, moved forward the plan for leading talents in scientific and technological innovation and the “Hundred-Person Entrepreneurship Plan”, and started the building of CIMC’s open technological innovation platform;
- Accelerated the transformation and upgrading of intelligent manufacturing, explored the integration of informatization and industrialization, and commercialized the progresses achieved by pilot projects;
- Participated in the formulation of standards and specifications, played a role in leading exchanges within the industry and the commercialization, so as to promote the transformation and upgrading of the global logistics and energy industry;
- Deepened strategic cooperation with suppliers, and worked together with other companies in the value chain to fulfill social responsibilities

Results we achieved:

- The Group has a total of 30 national high-tech companies, 9 certified enterprises with integrated management system, and has accumulatively obtained 4,433 authorized patents;
- Received honors such as “Champion Product” for a certain single category, “Champion Demonstration Enterprise” for a certain single category and “China Excellent Patent Award” from the Ministry of Industry and Information Technology;
- Launched the world’s first unmanned intelligent boarding bridge at a Dutch airport, helping global airports transform into smart ones;
- Started the world’s largest LNG transport bunkering ship project with a capacity of 20,000m³;
- Formally put into production the “Longteng Plan”, setting a new benchmark for green and safe development in the container industry

Measures we will take:

- Promote new-type industrialization and realize the transformation and upgrading of CIMC manufacturing industry through comprehensive deployment and pilot promotion
- Strengthen industry exchanges and the commercialization of innovation results, and continuously improve the capacity, efficiency and convenience of logistics;
- Encourage enterprises to implement green supply chain certification and cooperate with suppliers to develop more technologies and products that are beneficial to society and the industry.

Improving Global Logistics

Fostering a Deeply Rooted R&D and Innovation

R&D and Innovation Platform

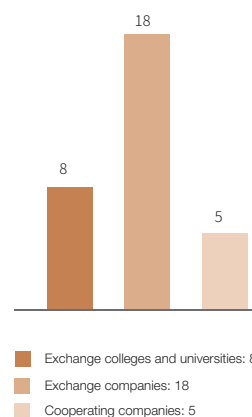
CIMC Group implemented the “technology-driven” technological innovation system guided by the principle of “innovation drives value growth”. We continued to promote the research and development of new products, new technologies, new processes and equipment, as well as the introduction and incubation of major scientific and technological projects in line with industrial development. In light of the Group’s business layout, we have developed an R&D system integrating “research institute” and “technical center”. 5 institutes and 21 technical center branches continuously promote research and development of innovative technologies.

In order to improve the technological innovation capacity and product profitability of each demonstration enterprise and key manufacturing enterprise for champion products of the Group, and make full use of the internal and external superior resources of the Group to jointly solve key technical problems and cultivate talents required by the enterprise/society, the Group organized and carried out a series of industry-university-institute/industry chain technology cooperation and exchanges, developing nearly a hundred established projects and intentions for product innovation and manufacturing upgrades, and initially determined 5 cooperative research and development institutions. Industry-university-research / industrial chain cooperation research topics include: research and development of high-strength steel for logistics equipment, development and application research of lightweight composite materials for logistics equipment, research on new welding technologies and their applications, research on the strength and thermal insulation performance of refrigerated truck, and research and application of coatings with high seawater corrosion resistance, intelligent upgrade of logistics equipment.



Seminar Conferences with Tianjin University

31 external exchange institutes in 2019



List of Other Industry-University-Institute Cooperation Projects

Technology
Roadmap Planning
for New Product
Development
– Training and
Consulting

Global Market
Development and
Pricing Strategy –
Consulting

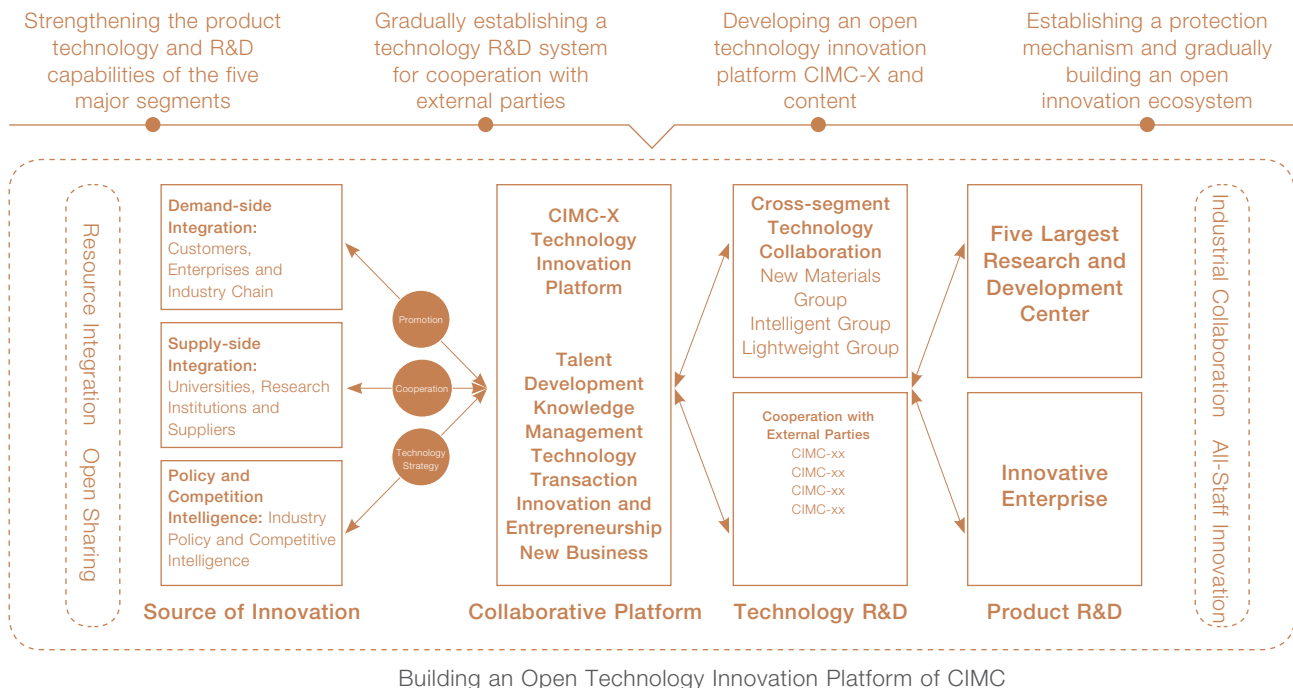
Product and
Technology R&D
Cooperation

Excellent Case
Study of Enterprise
Technology
Innovation



Improving Global Logistics

In 2019, we continued to advance the first-phase training program for leading talents in technological innovation, and achieve the goal of “building a more efficient and dynamic R&D and innovation management system for enterprises” to help build champion products for the Group through improving the R&D management and leadership capabilities of leading talents in technological innovation. In order to cope with the complex and innovative competition environment full of uncertainty in the new era and new stage, during the year, we also cooperated with the Research Center for Technological Innovation, Tsinghua University to kick off the construction of the “Science and Technology Innovation Ecosystem” project of CIMC. We will develop an open innovation platform of “comprehensive sharing with one network coverage”, an innovative full-cycle service platform from creativity, design, research, development to after-sales service.



Building an Open Technology Innovation Platform of CIMC

During the year, we continued to promote the “Entrepreneurial Program for 100 People”, incubating and developing 11 internal entrepreneurship and innovation projects, and carried out a series of project roadshows and industry convergence activities, investing in 1 external entrepreneurship project. Based on the technology and champion products of the Group, we promoted to tackle the difficult problem in internal business technology innovation and facilitated its progress in industrialization, docking with 7 external cooperation projects with external entrepreneurial companies, 3 of which with technical solutions issued and 2 with prototype development completed. We reached cooperation with nearly 20 external institutions to deliver projects and cooperation for entrepreneurship and innovation of CIMC. In addition, we established systems and criterion, promulgated management measures for innovative enterprise and management measures for entrepreneurship and innovation cultivation and incentives of the Group, and enhanced the influence in the sectors of innovation and entrepreneurship of CIMC through corporate interaction and participation in power forums.



30 subsidiaries recognized as high-tech enterprises in China



5 post-doctoral research stations



The CIMC Technology Center is a state-level enterprise technology center



CIMC Institute of Marine Engineering is the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Center



Joint establishment of National Engineering Laboratory for Offshore Engineering Assembly R&D and Design with a number of enterprises



Addition of 7 world championship authority certifications

Improving Global Logistics



“CRC-II high-strength lightweight composite thermal insulation and refrigerated container” made a breakthrough in the restrictions of global transportation standards, elected as the 2019 “New Products for Special Purpose” of Jiangsu Province

Taichang CIMC innovatively adopted the non-trimming welding process for the side plates of the container, applied the mixed foaming technology of cyclopentane and 245fa foaming agent and added rapid mold discharging agent. The refrigerated container with a skeleton chassis replaced the traditional cross brace by uniform square tube, realizing the uniform load of underframe, with light weight and excellent performance. The generation of wastes was reduced and production efficiency was improved.



New route of LNG tank container multimodal transport service helped global LNG point-to-point supply to break through bottlenecks

As one of the first domestic logistics companies which carried out cross-border transportation of LNG tank containers, by relying on standardized tank container equipment and a mature container logistics system, Zhenhua Logistics developed a new route of LNG logistics with the following advantages:

No terminal is required, lowering the investment threshold

Connecting with global gas sources to develop more spot goods procurement route

Effectively supplementing the LNG supply gap in target market

The model was an important innovation and supplement of traditional bulk LNG transportation, in special market areas where resources such as LNG terminal and pipelines were scarce, it can take advantage of the flexibility, universality and standardization of LNG tanks to help solve the logistics bottlenecks of gas source end and demand end, creating more possibilities for global LNG points.



The 8th CIMC Science & Technology Festival

In response to the call of “Technology Superpower” by National Technology Week, the Group’s headquarters held the 8th Science and Technology Festival on 30 May 2019. The science and technology festival themed under “Ideas • Focus • CIMC • Science • Create • Future”, the activities include science and technology innovation exhibitions, special forums for champion products, youth science and technology forums, special forums for science and technology innovation ecosystem, special forums for science and technology innovation technology and awards ceremonies, displaying the common technical projects of the Group in an all-round manner in the form of videos, models, physical objects, display boards.





Intellectual Property Management

The Group respects and values the management and maintenance of intellectual property, and conducts all-round management over the creation, protection, application, management and risk prevention and control of intellectual property through strictly abiding by laws and regulations in which the Group operates such as the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, and effective implementation of the intellectual property management system documents.

In 2019, the Group focused on the intellectual property work policy of "building a high-quality patent bank and giving full play to the value of intellectual property rights" to continue to promote the management and maintenance of intellectual property, and make efforts for the Group's strategic development and market operations.

While mastering the intellectual property rights of key technologies in various fields, some segments have successively carried out a number of rights protection actions in accordance with international rules. For example, cases such as rights protection case of APC transportation platform (round 2), North American container series patent requests and other cases have achieved staged results, playing a positive role in guiding the industry to respect intellectual property rights, improve the standard of patent protection and utilization, and promote the healthy development of the industry. Some companies, such as CIMC Enric, has implemented effective work mechanisms such as patent radar early warning by conducting patent technology information retrieval, analysis, tracking and comparison, to avoid infringement of patent protection risks and improve R&D efficiency, thereby supporting the Company's strategic needs. In addition, we prepare and release patent information briefings in respect of the Group's key competitors and their industry sectors from time to time to master and understand the trend of patent technology development of the industry.



the Group applied for an aggregate of **633** patents, including 266 patents for invention, representing 42% of the total number of applied patents



2 patents for invention won the Chinese Excellent Patent Award



Obtained over **12** Chinese Excellent Patent Awards



Obtained **4,433** authorized patents, including 1,001 invention patents



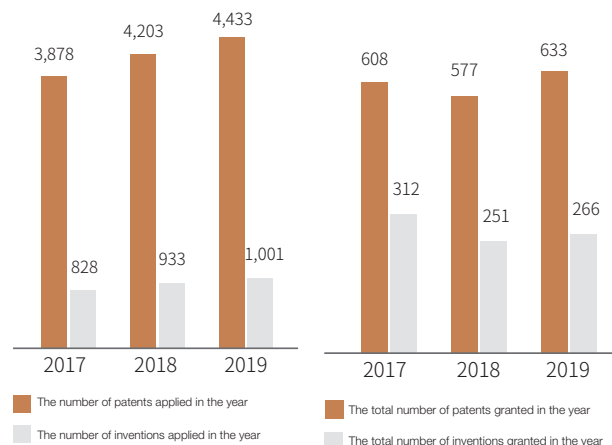
Registered **245** trademarks, including 128 in China and 117 in foreign countries

Preparation and optimization of the Group's intellectual property performance indicator system

The recently released white paper on the Group's intellectual property work indicated that in the Group's core intellectual property work performance index, intellectual property benefits and intellectual property influence increased significantly year-on-year

"CIMC" Trademark Management Layout

Continue to carry out relevant trademark rights protection actions to prevent and avoid the third party's squatting on or passing off our trademarks



Improving Global Logistics

New Industrialisation

We proactively support social and national development strategies by preparing action plans which take into account China's development conditions. Leveraging the trend of new industrialisation development, we have carried out new industrialization work in an all-round way through comprehensive deployment and pilot promotion to gradually realize the transformation and upgrading of the manufacturing industry.

In 2019, in accordance with the development path of intelligent manufacturing upgrades, targeting at the upgrading of manufacturing models, product generalization, standardization, and modularization, the Group focused on building three full product lifecycle improvement pilot projects.

In 2019, the Group accelerated the transformation and upgrading of intelligent manufacturing, and took "informatization construction through integration" as one of the Group's strategies, and actively explored the integration of informatization and industrialization by using Internet of Things, big data and artificial intelligence. During the year, we quickly copied the platform capability built by two successful pilots to 10 companies, and built a number of new capabilities such as "staff safety", "water-based paint key technologies", "robot management" and "predictive maintenance", exploring new paths for production enterprise with material costs reduced, production efficiency improved, and environmentally friendly and safety.

- The CIMC Containers' "Longteng Plan (龙腾计划)", CIMC Vehicles' "Super Magellan Plan" and the CIMC Enric's "Mengliu Plan", were promoted in an orderly manner, achieved staged results, and the overall intelligent manufacturing level of the segments was improved.
- The Group continued to build industry leading products to improve the quality of product, used technological innovation to achieve product upgrades and product intelligence.
- The Group made remarkable achievements in green manufacturing projects, significantly reduced three wastes, reduced positions that would cause occupational diseases in order to build an environmentally-friendly Company.



Nine enterprises have obtained the integration of informatization and industrialization management system standards certification in China

Case

Orderly Construction of the Sample Project of "Longteng Plan"

In February 2019, the first new production line built after the launch of the "Longteng Plan"-Dongguan Fenggang Plant was formally put into operation. The automation and digital equipment and environmental protection technology applied by the facility are obviously different from traditional factories. The Taicang underframe sample project has been completed and is now in commissioning; the Yangshan final assembly sample project has begun civil construction; the remaining sample projects are in the process of off-line installation and production. Such sample projects are going to be launched in 2020, and will be promoted and replicated according to the actual operating results.

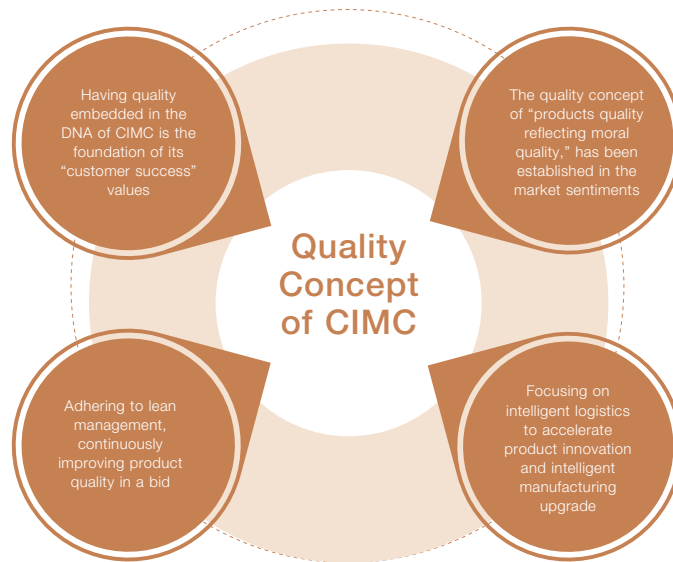




Improvement of Quality Management

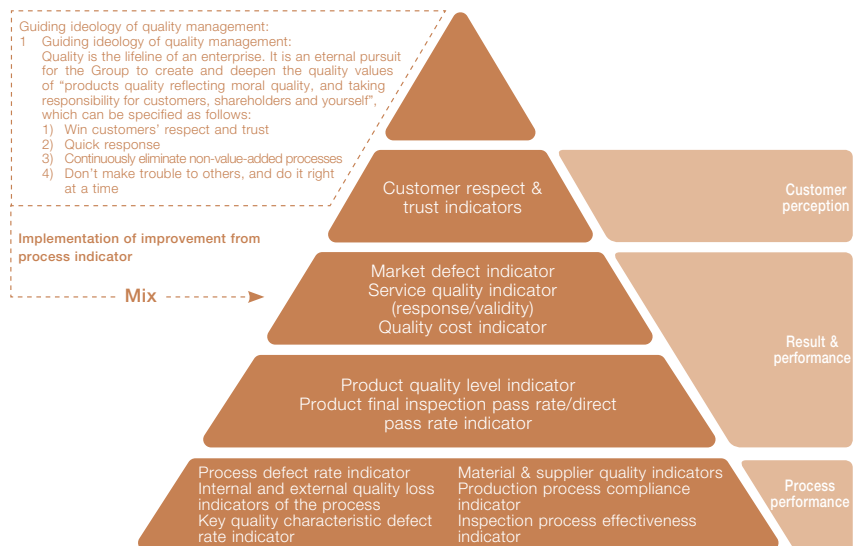
Product Quality and Safety

Product quality is the foundation of CIMC. For the 37 years since its establishment, CIMC has adopted a competitive strategy of creating global sales and quality champion products to establish, develop and strengthen its own business and operating capabilities at a steady pace, and formed a quality concept for CIMC.



Our products are diversified and served to the global market, and we have strict requirements on safety and reliability. To this regard, we always regard health and safety as the core of product liability, and manufacture products in accordance with international standards or technical standards of the countries or regions in which our customers locate. In addition, under the guidance of CIMC's quality concept, we are committed to implementing and applying quality management methods. During the year, all segments and enterprises have vigorously applied Lean ONE, and continuously optimized products and services through cost management, quality management, and lean general working methods.

Management Method for Ensuring Good Quality in the Process



In order to protect the interests of customers, all segments and enterprises of the Group have also formulated a product recall management system based on the nature of their products and services to conduct timely investigations on defective products, and to eliminate product defects in an open, transparent and rigorous manner, in a bid to minimize the harm or loss posed by products to customers. We have also established relevant marketing and promotion systems to achieve the goal of matching products and customer needs, and ensure that we promote an accurate brand image to the public.

During the year, the Group has complied with the requirements of laws and regulations in which it operates on product safety, health, advertising, and did not receive any complaints on violations. There have been no product recalls caused by health and safety issues.

Improving Global Logistics



Nantong Energy convene the kick-off meeting of “Quality Year 2019”: advocating “JR” spirit and creating champion quality

On March 8th, Nantong Energy held the kick-off meeting of the “Quality Year” themed by “advocating ‘JR’ spirit and creating champion quality” to take this as an opportunity to create a strong atmosphere to value, guarantee and improve quality by every employees, strictly control product quality and promote company quality with new achievements made.



10+ enterprises have won the Mayor Quality Award



More than 50 subsidiaries of the Group have passed ISO9000 certification currently



the Lean ONE models covered over 60 companies, increasing by 26 from 2018



Two lean projects won national lean project awards in 2019

Customer Service and Satisfaction

CIMC Group is committed to creating maximum value for its customers, and insisting on providing customers with the best solution from their perspectives, to constantly improve the customer service support system and feedback system. Each segment and its subordinate enterprises strictly abide by the Consumer Protection Law of the People's Republic of China and other the relevant laws and regulations in which it operated, communicated with customers in a timely manner, conducted regular

customer satisfaction surveys, identified deficiencies in all aspects of products and services and implemented improvements. CIMC Group also conduct national visit service activities CIMC Group, customer training and other methods to enhance customer satisfaction. We also attached great importance to customer complaints, established various channels to handle customer complaints, implemented customer complaint management methods and strengthened tracking and rectification.



On-schedule delivery service and customer satisfaction survey of C&C Trucks

In 2019, C&C Trucks released a dual service guarantee mechanism to users. For mid-and-long-distance cross-region customers, it adopted the “responsibility system for vehicle operation area + nanny system for sales area life long service”; also offered a 24-hour on-schedule delivery service to customers. In 2019, the number of customer complaints decreased by 75% year on year, and completion rate of on-schedule delivery service reached 97%, representing a year-on-year increase of 3%. In 2019, C&C Trucks carried out four satisfaction surveys for a total of 1,628 customers, and received numerous silk banners sent by end customers.





Customer privacy protection

Customer information is closely related to the vital interests of our customers. Protecting customer information and privacy is the basis for maintaining long-term sustainable cooperation. In the meantime, at the background of the deterioration of the global information security environment, the promulgation of national information security-related laws and regulations, and the promotion of the integration of informatization and industrialization by the Group, the establishment of a comprehensive and effective information security management system has become the basic security for the business development CIMC Group.

In 2019, setting “zero major information security incident” as our target, we carried out all-round work concerning information security, and improved the information security management and protection capabilities.

Information Security Management

- Established a standardized information system to simplify management and reduce risks;
- Released 7 supporting management systems including the “Management Regulations on the CIMC Users of Office 365” to further standardize the Group’s informatization construction;
- Improve employees’ information security awareness through information security propaganda.

Information security technology

- In terms of the layered information security protection system, efforts of all manners have been made in network border security, internal network security, terminal server security, and user security;
- In terms of industrial network security, according to Purdue’s model, pilots were launched to test the safety of the industrial network in two companies, attaining significant results.

Information Security Operation

- Spotted and fixed potential risks in a timely manner through internal audits, regular vulnerability scanning, penetration testing, emergency drills and other methods, enhancing the response capacity to information security risks.



AI-based Information Security Platform

At the same time, in accordance with the requirements of the “Cyber Security Law of the People’s Republic of China” (中华人民共和国网络安全法), we vigorously conducted the evaluation of network security protection, scoring good results for four important application systems, and improving the comprehensive information security capabilities in an all-round manner. Besides, we continued to develop Office 365 to meet the EU’s General Data Protection Regulation (GDPR), personal information protection and other regulatory requirements, customer privacy information protection was furthered through the DLP (Data Loss Prevention) sensitive word interception of Office 365, and AIP (Azure Information Protection) data encryption and other capabilities.



SAP ERP Warrant on the Website of the Group

In addition to the above measures of information security construction, each sector and its subsidiaries continued to ensure that customer privacy is under rigorous protection through measures such as encrypted management of device files, adoption of hierarchical information authorization, signing of “confidentiality agreements” and protection provisions, and relevant training and education.

During the year, the management and use of customer information of the Group strictly complied with the laws and regulations applicable to the place of operation, and received no complaints about leakage of customer privacy.

Improving Global Logistics

Leading the Industrial Development

During the Year, a number of segments made multiple breakthroughs in their respective lines of business. With high-quality and reliable equipment and services, it has brought more and more possibilities to the global logistics and energy industry.



49 member companies of the Group joined the industry association



Participated in the formulation of 165 international, national and industry standards, with 70 national or industry standards officially issued



Served as directors, vice presidents, presidents and director generals of 26 associations



Container Segment: set new benchmarks for green and safe containers

- As the first production line built at Fenggang, Dongguan after the launch of “Longteng Plan”, it is the benchmark of technical excellence in the industry, as it embraces the cutting-edge technologies and has made positive explorations in green manufacturing, environmental protection, health and safety.
- Data center business embraced explosive growth. In the meantime, the deeper and closer cooperation with the modular building company enables CIMC Container to extend its business to all links of the value chain.



Energy, Chemical Segment: accelerated the storage, transportation and dissemination of clean energy

- Played an active part in the implementation of National Yangtze River Green Development Plan, and cooperated with China Merchants Group and China National Offshore Oil Corporation to promote the eco-friendly program to fuel shippers with natural gas on the Yangtze River.
- Secured orders for 200 sets of hydrogen energy and air supply systems for the first time.
- Nantong CIMC Sino-pacific Offshore Engineering Co., Ltd., CIMC SOE began the building of a 200,000m³ LNG bunkering vessel, the largest of its kind in the world.
- Developed and manufactured LNG tank containers to serve for Indonesia's first large-scale island-island gas transportation and provided the customer with all solutions to the design and manufacture of the gas supply system of the 9000Nm³/h gas station.



Offshore Segment: achieved new breakthrough in offshore engineering

- Creatively designed and delivered China's first deep-sea intelligent bottom-supported net cage “Long Whale One”, taking domestic marine farming business from coastal water to deep sea.
- Exhibited Blue Whale One and other equipment of strategic importance to the nation at the 2019 China Marine Economy Expo, and provided solutions for building Shenzhen into a global center of marine-related industries.
- Delivered P71 FPSO to Petrobras, representing that the company has achieved new breakthroughs in the offshore oil and gas production platforms.
- With the establishment of CIMC Offshore New Growth Driver R&D Center and CIMC Offshore Oil and Gas R&D Center at Yantai, embarked on the study of the world's most advanced marine technologies.



Improving Global Logistics



Airport segment: contributed to the transformation and upgrade of global airports

- The world's first unmanned intelligent jet boarding bridges were put into formal operation at Netherlands.
- Helped with the successful operation of Beijing Daxing International Airport.
- Won the bid for the order of the largest single baggage handling system of Indian state-owned airport, becoming the largest baggage handling equipment integrator of Indian airports
- Won the bid for the order of the boarding bridge and aircraft air conditioner of Belgrade Airport, marking air conditioners being put into use in batches in a major airport in Europe for the first time
- Won the order from Frankfurt Airport, Germany, which was the largest purchase order for boarding bridges a Germany in the past decade.



C&C Truck Segment: took a lead in the high-end heavy-duty truck segment

- Formally launched the U+ vehicle model, possessing a leading position in technology, safety and intelligence and other aspects in the industry.



Logistics segment: unceasingly improved transport capacity and efficiency

- Continued to keep the leading position in terms of container handling quantity, its intermodal transportation with the ship owner containers exceeded 30,000 TEU, and the imported fruit cold chain logistics business went smoothly.
- Accessed to 15 railway stations, sites and container repair outlets, secured cargo sources, opened and operated 11 international and 4 national block container trains with the cumulative container handling quantity reaching 25,000 TEU. Innovatively established the channel of water-railway transportation of bulk cargo in containers to ensure the successfully transport imported cargo grain to Sichuan Province.
- Contributed to the successful maiden voyage of Tiankun – the largest heavy-duty and self-propelled cutter suction dredger in Asia.
- Contributed to the successful delivery of P70, the world's largest-tonnage EPSO unit.
- Strengthened cooperation with ship agencies. In particular, its strategic cooperation with CMA to establish a depot at Tianjin was successfully implemented.



Vehicle Segment: promoted the compliance and high-quality development of the trailer industry

- Took the lead to organize China Trailer High Quality Development Joint Conference so as to create an ecological cycle necessary for the healthy development of domestic trailer industry.



Improving Global Logistics

Case

World's First Unmanned Intelligent Jet Boarding Bridges Contribute to the Smart Transformation of Global Airports

In September 2019, the world's first unmanned intelligent jet boarding bridge developed by CIMC Tianda was officially put into formal operation at the Amsterdam Airport in the Netherlands, and it achieved intelligent, safe, accurate and stable docking with the door of an arriving flight within 48 seconds, improving work efficiency by 30%. This is an epoch-making product that can accelerate the operational efficiency of boarding bridges and the turnaround efficiency plane gates, which benefits the overall operation of the airport.



Case

Successful delivery of Nanjing North-Shymkent Central Asia customized train

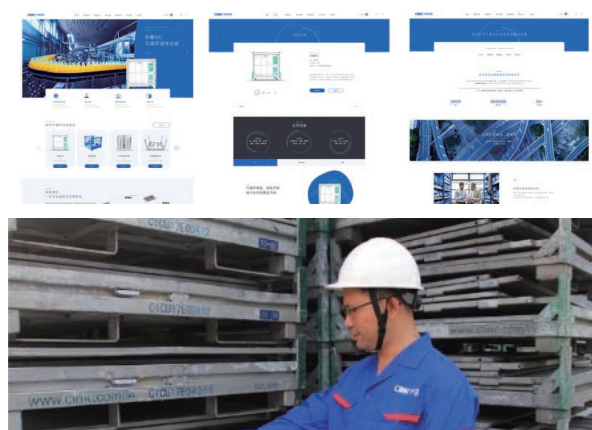
On March 8, 2019, with the support of the Nanjing Municipal Bureau of Commerce, Nanjing Customs and other units, the Kazakhstan Shymkent Block Container Train organized by CIMC Kaitong was successfully shipped from Nanjing North Station. This full-distance block container train for Central Asia is the first tailored for Nanjing for a single large customer. In the future, CIMC Kaitong will develop more customized and characteristic Sino-Eu and Sino-Central Asia trains.



Case

Opening a new era for green and intelligent logistics packaging industry The official launch of CIMC e-pallet recyclable package leasing platform

This platform was officially launched in September 2019. It is an important solution for the "high loss rate and low turnover rate" of the logistics recyclable package business of Southern CIMC Logistics. In order to improve the operating system, improve asset turnover efficiency, and enhance customer experience and satisfaction, it is established to lay the foundation for future business platform operation: it can realize the intelligent management of more than 1,000 customers and suppliers, and hundreds of recyclable package distributed by Southern Logistics nationwide, improve operational efficiency, and strengthen asset management and control, increase equipment leasing turnover, reduce manual management costs, effectively save logistics packaging costs for customers, and improve the efficiency of the supply chain.





Creating a Sustainable Supply Chain

Supply chain management system optimization

The Group has established and keeps perfecting its supply chain management system from three aspects. On the basis of the Group institution, each segment and its subordinate enterprises have formulated and implemented relevant bidding, procurement, and supplier management systems, which aims at clarifying the responsibilities of internal procurement personnel, and avoiding potential risks.

Concurrently, different segments and enterprises strengthened the communication and cooperation with suppliers and improved the efficiency of supply chain operations by regularly organizing procurement management meetings, introducing online bidding systems, upgrading procurement management platform, assist suppliers in improvement and exchanging visits with suppliers.

Layered institutional system design guarantees fair competition

The Group procurement system is designed as a three-layer structure. The Purchasing Management System of CIMC Group is established to standardize the procurement management and business operation requirements of the Group at all levels. Meanwhile, It requires procurement managers at all levels to enter into a corruption-free employment agreement with the supplier and compare the quotations from at least 3 suppliers.

Uniform supplier admission standards reflect fair competition

The Group provides suppliers with a fair and open access platform. Moreover, we specially set up the requirements for suppliers to comply with laws and regulations, protect the environment, operate with integrity, protect the environment, produce in safety, and emphasis on occupational health of employees.

Diversified procurement methods promote fair competition

The Group always advocates promoting fair competition and honest cooperation in procurement and sourcing process through diversified procurement methods, builds up a cooperation platform of fair competition, and adopts tendering, inquiry and parity, competitive negotiation and many other procurement methods to promote fair competition among suppliers.



Launching the Container Transparent Procurement Platform EPS

In order to address the disadvantages of traditional procurement, improve procurement efficiency, and effectively link up with the "Longteng Plan", in 2019, all companies under the container segment officially launched the use of EPS to achieve the docking of EPS and upper-level management ERP systems.



CIMC promoted its ONE model to suppliers to help them improve management

In 2019, CIMC Xinhui was invited to implement fixed-point supplier empowerment services for Jiangmen Guangjin Casting Co., Ltd. and Guangdong Shaozhu Group Co., Ltd. to provide empowerment services in stages. Through empowerment, both the safety management level and product quality of suppliers have been improved, and manufacturing costs were reduced to achieve win-win results.

While optimizing the supply chain management system, we have also continued to deepen our strategic cooperation with suppliers and collaboratively develop technologies and products that are more beneficial to society and the industry. On the basis of establishing strategic partnerships with core suppliers such as China Baowu, Angang Group, Shougang Group, Nanshan Group, and Han's Laser in the early stage, in 2019, we entered into comprehensive strategic cooperation agreements with Hegang Group and the chemical business department of Sinochem Group, carrying out comprehensive cooperation with various strategic cooperation suppliers.

Improving Global Logistics

Responsible Procurement

The Group is committed to establishing a good partnership with suppliers, extending the concept of sustainability to the supply chain, and working together with suppliers to promote the value chain to fulfill its social responsibilities. At the group level, we have formulated a series of procurement policies to convey responsible business concepts to upstream and downstream enterprises. The Purchasing Management System of CIMC Group (中集集团采购管理制度) stipulates that in certifying the suppliers with greater influence, the fulfilling of HSE, anti-commercial bribery and other social responsibility should be considered in the assessment, and this assessment shall be gradually extended to all suppliers. At the same time, the Group perfected the Code of Conduct for Purchasing Personnel of CIMC Group (中集集团采购人员行为守则) in 2019, further regulated procurement behavior, and advocated for its subsidiaries to implement green supply chain certification. During the Year, Wuhu

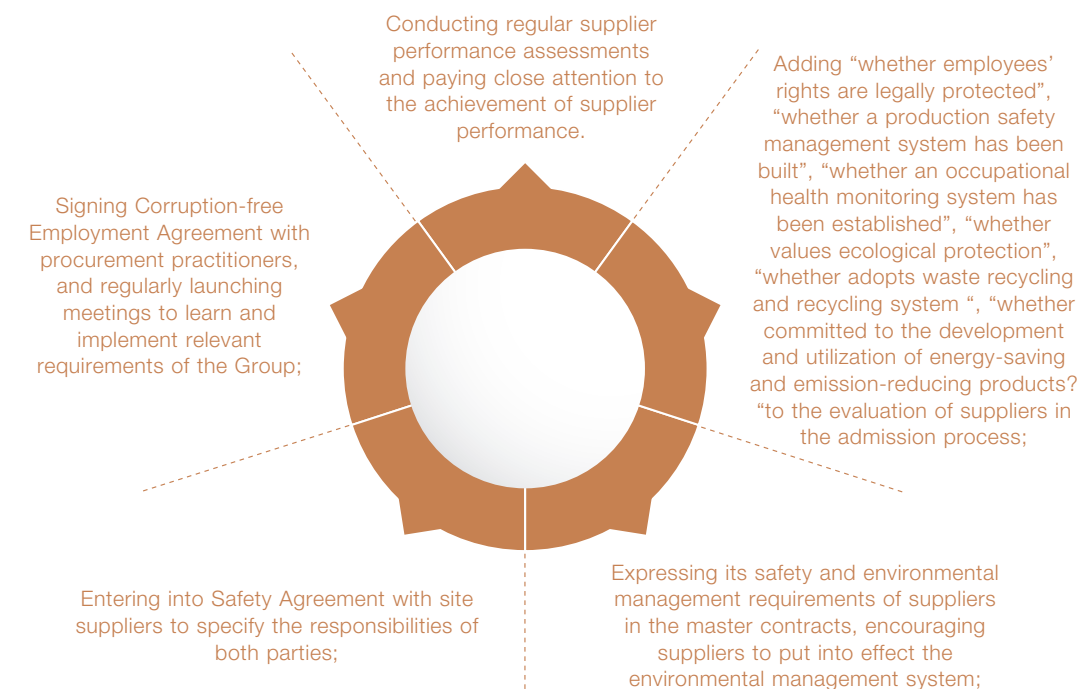
Ruijiang, a subsidiary of the vehicle segment, was identified as a national green supply chain management demonstration enterprise, becoming the first enterprise in Wuhu to receive this recognition.

All segments and affiliated enterprises have introduced constant effort to improve the responsible procurement mechanism based on their own business types and product characteristics. Certain segments have included factors such as whether the supplier has the EIA approval, whether the environmental protection is compliant, whether it invests in community charity, whether social insurance of employee is sufficiently covered and whether the safety production management is effective, in the supplier assessment (review) forms, procurement contracts or internal systems, so as to promote sustainable development of the supply chain.



The Container Segment has taken the first step to improve the HSE compliance evaluation standards for the supplier's admission stage, and has formulated different standards for different industries, including basic qualifications, environmental compliance evaluations, safety and occupational health compliance evaluation. At the same time, on the basis of the special requirements of the chemical industry, in accordance with the "Technical Requirements for Environmental Labeling Products" (《环境标志产品技术要求》) (HJ2537-2014) and the Water based Coatings for Freight Container" (《集装箱用水性涂料》) (JH/T E06-2015) released by the China Container Industry Association, a total of 22 core evaluation items were formulated for special products.

C&C trucks' practices on green supply chain mainly include:





Fighting Climate Change



Human activities are exacerbating climate changes and causing irreversible damage to global resources and ecosystems. The Chinese Government is actively participating in global environmental governance, promoting the green and low-carbon transformation of the economy, and unwaveringly fulfilling its international commitment to fighting climate changes. In response to the call of national policy, CIMC has earnestly implemented the green development strategy, accelerated the elimination of equipment with high energy consumption and high pollution, actively studied and introduced clean production technology and processes, and vigorously developed and promoted green and environment-friendly products and services, making positive contributions to tackling global climate changes and building ecological civilization.

We are in action:

- Upgrade and transform environmental protection facilities, promote the reduction, harmlessness and recycling of hazardous waste, and reduce "three wastes" and noise emissions;
- Implement comprehensive energy saving and greenhouse gas emission reduction plans to reduce greenhouse gas emissions and cope with global climate change;
- Adopt advanced clean production technology to promote the development of green manufacturing, green products, green finance and green building, so as to offer more green choices for the public

We achieve:

- The Group has 6 green factories and 1 national green supply chain management demonstration enterprise;
- more than 10 enterprises have obtained clean production certification, and 48 enterprises have obtained ISO 14001 environmental management system certification;
- The Xiong'an Citizen Service Center project participated in the construction was awarded the "China Construction Engineering Luban Award"

We will strive to:

- Improve the environmental management system and achieve the goal of emission reduction under the Green Development Plan of CIMC;
- Promoting energy conservation and emission reduction in the entire life cycle of product design, production and manufacturing, packaging and logistics;
- R & D, production and promotion of more green products and services to help the upstream and downstream to reduce carbon footprint and pollutant emissions;
- To draw on industry best practices to deepen the discussion, identification, assessment and management of climate change risks and opportunities

Fighting Climate Change

Pollution Control and Ecological Protection

Based on the strategic plan of CIMC Green Development Plan, CIMC has continuously improved its environmental management system and promoted the transformation of production and operation in six aspects:

Transformation in industrial directions	Transform from resources and energy dependent “high energy consumption, high emission and low yield” industries to “high value-added, intelligent, green and serviced” ones.
Transformation in production methods	Transform from elements driven production to innovation driven production, and from quantity-centric extensive expansion to refined management.
Transformation in pollution control methods	Introduce full lifecycle and clean production concept and transform from terminal pollution control to full-course prevention and control.
Transformation in resource utilization patterns	Adhere to saving resources and intensive utilization and transform from “Resources - Products - Pollutions” one-way flow to “Reduce - Reuse - Recycle” circulation flow.
Transformation in institutional orientation	Follow the guideline of economy-environment integration and transform decisions and systems from short-term benefits to long-term interests and from simple benefit drive to sustainable development.
Transformation in marketing methods	Put up green consumption concept and transform from traditional marketing to a green consumption chain, i.e., “green demand – green R&D – green production – green products – green prices – green market – green consumption”.

In strict compliance with the relevant local laws and regulations such as the Environmental Protection Law of People's Republic of China and the Law of the People's Republic of China on Environmental Impact Assessment, and, based on HSE policy and target management scheme, CIMC prepared Guideline to CIMC Environmental Protection, which stipulates requirements and regulations on compliance management of environmental protection, new project construction, pollution control and up-to-standard emission. In business segments, CIMC sets up HSE committee and establishes relevant pollutant emission management system in respective HSE management policies based on business nature; the subordinate enterprises of the business segments shall establish the environmental management organization structure and formulate the environmental management policy with reference to the ISO14001 environmental management system standard; in some business segments, the pollutant emission management shall also be included in the environmental protection performance assessment of the subordinate

enterprises and the pollutant emission management is linked with salary, performance and promotion of managements.

During the Year, CIMC continued to implement precise pollution control, rational waste recycling and safe disposal to minimize pollution emissions. By the end of 2019, 49 enterprises of CIMC passed ISO14001 Environmental Management System Certification, with a total investment in environmental protection of over RMB300 million. There was no environmental non-compliance which greatly influences the Group throughout the Year.



Total investment in environmental protection of more than
RMB300 million



Exhaust emission and management

The air pollutants emitted in the production and operation of CIMC mainly include particulate matters and volatile organic compounds (VOCs). Particulate matters are mainly produced in sanding, sandblasting, cutting, welding and other processes, and VOCs are mainly produced in painting, painting make-up and other processes.

With the release of the Three-Year Action Plan to Win the Blue Sky Defense War in 2018, local environmental protection departments have also successively issued air pollutant emission reduction systems and standards. CIMC attaches great importance to the emission and management of air pollutants and strictly abides by applicable laws, regulations and standards, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Atmospheric

Pollution and the Integrated Emission Standard of Air Pollutants. All business segments and their subordinate enterprises have established corresponding exhaust emission management system, strictly monitor the operation and maintenance of exhaust treatment facilities, ensure that the concentration and total amount of exhaust emission meet the national or local standards, and meet the requirements of emission permits. Each business segment shall regularly track the emission of each enterprise by formulating HSE objectives, conducting HSE inspection on subordinate enterprises and HSE compliance review.

In order to reduce the emission of air pollutants, various business segments and subordinate enterprises carried out a number of upgrading and transformation of environmental protection facilities in 2019, such as:

Business segment	Improvement measures
Container Segment	<ul style="list-style-type: none"> • Work with suppliers to improve the environmental protection quality of water paint, control the content of VOCs, benzenes and other harmful substances in water paint, and control pollutants from the source. • Advanced molecular sieve concentration runner + high temperature oxidation process is adopted by Xinhui TEU, XHCIMCS, Dongguan Southern, Yangzhou Runyang, Qingdao CIMC and other enterprises to treat organic waste gas, realizing more efficient, stable and reliable standard treatment.
Vehicle Segment	<ul style="list-style-type: none"> • Continue to promote the upgrading of production line. Shenzhen CIMC Vehicle, Wuhu Ruijiang and Luoyang Lingyu have carried out technical upgrading and transformation. QCIMCSV, Huajun Vehicle have carried out upgrading and transformation of coating exhaust treatment facilities, greatly reducing exhaust emissions. • Improvement of vehicle painting process: replacing traditional paint spraying with "KTL electrophoresis + powder spraying" is an environmentally-friendly painting process to realize a significant reduction in VOCs from the source.
Energy, Chemical Segment	<ul style="list-style-type: none"> • Add VOCs treatment facilities: Nantong Tank Container, CIMC Sanctum and Nantong Food have added painting exhaust treatment facilities to reduce the VOCs emissions. Nantong Tank Container and SOE have set up exhaust gas collection devices in hazardous waste warehouses to conduct centralized treatment of exhaust gas, reduce VOCs emissions and achieve good environmental improvement effect. • Control unorganized emissions: Nantong Energy has set up gas cylinder pipe cutting and spinning smoke control facilities, and cyclone dust removal facilities to achieve organized emissions and reduce the emission of particulate matters; Nantong Food has built painting foaming room to intensively collect and treat pollution sources, and effectively capture and treat the pollutants to ensure that the exhaust gas meet the emission standards.
Airport Segment	<ul style="list-style-type: none"> • CIMC Tianda has purchased 6 forklifts that meet the national emission standards, whose exhaust emissions all meet the requirements of the national exhaust emission standards, and which can reduce the waste of paint and VOCs emissions through optimizing the paint mixing process.

Fighting Climate Change



Breakthrough in Water Paint Replacement Technology

- The environmentally-friendly painting process of “KTL electrophoresis + powder spraying” was used for the road transportation vehicles manufactured by CIMC, achieving nearly zero VOCs emission at the source and greatly reducing the generation of hazardous paint slags, improving the operating environment on the site and guaranteeing the coating quality of products. The wastewater containing heavy metal generated by electrophoretic coating is reused after deep treatment to achieve zero emissions. At present, it has been mass-produced in Dongguan, Yangzhou and Zhumadian.
- The water-based paint technology was widely used in the manufacturing of containers. In view of the current inadequacy of water-based paint in terms of quality, environmental protection, cost and customer acceptance, staged results were achieved in the application of NOCS coatings and full powder spraying processes in the container segment: NOCS, a new environmentally-friendly coatings, developed in cooperation with suppliers was initially tested on 2,000 products to achieve R&D goals.

In 2019, CIMC emitted 1,609.05 tons of VOCs with an emission intensity of 1.88 tons/RMB100 million revenue, and its total emissions were 12.5% lower than in 2018. In 2019, we achieved the staged emission reduction target of VOCs as stipulated in the “Green Development Planning of CIMC”.



Emission of VOCs reduced by 12.5% over 2018
12.5%

Waste management

The hazardous wastes generated in the production and operation of CIMC mainly include waste paint slag, waste paint bucket, waste engine oil, waste chemical reagent, waste activated carbon and filter cotton, waste battery, waste oily rag and sludge from sewage treatment station. The harmless wastes mainly include waste metal, waste wood and domestic garbage.

All business segments and their subordinate enterprises of CIMC strictly abide by national or local laws and regulations and standards, such as the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and Measures for the Administration of Duplicate Vouchers for Transfer

of Hazardous Wastes, and establish the corresponding waste management system to clarify the requirements of waste storage, transportation and disposal. For hazardous wastes, hazardous waste storage warehouses shall be set up according to the specifications, and they shall be transferred in strict accordance with the duplicate voucher system, and uniformly handed over to qualified units for compliant disposal; meanwhile, waste collection and storage facilities shall be added or improved according to the changes of external policies and regulations as well as the production and operation of enterprises. General wastes are mainly recycled. Other wastes (i.e. Household waste) will be regularly treated and transported by local environmental sanitation departments.





In 2019, CIMC discharged 31,301.89 tons of hazardous waste with a total discharge intensity of 36.48 tons/RMB100 million revenue, and its total discharge were 10.9% lower than in 2018; CIMC discharged 224,883.92 tons of harmless waste with a total discharge intensity of 262.10 tons/RMB100 million revenue, and its total discharge were 8.0% higher than in 2018. In 2019, through the upgrade of production line and process improvements, the Group promoted the use of recycled barrel package to reduce paint bucket waste, water content reduction due to sludge drying, upgrade of sewage treatment facilities and other green demonstration projects, with satisfactory results achieved in the reduction of hazardous waste.



Total discharge of hazardous waste reduced by
10.9% over 2018

In order to reduce the risk and harm of hazardous waste leakage, realize standardized collection, management and control combination and compliance emission, we conduct strict and comprehensive research, assessment and supervision on the compliance storage and treatment of hazardous waste of each enterprise, including: regularly follow up the production, inventory and disposal of hazardous wastes of each enterprise, and guide each enterprise to formulate source improvement measures and supervise their implementation by analyzing the types, sources and production of wastes; require enterprises to establish emergency plans and accountability mechanisms for hazardous waste accidents, and strengthen environmental emergency management capabilities; establish HSE indexes and conduct assessment; all segments also require enterprises to establish a red line for hazardous waste inventory. Before the hazardous waste inventory reaches the red line, outsourcing disposal must be arranged.

According to the business and product characteristics, all business segments and their subordinate enterprises actively explore the methods of hazardous waste reduction, innocuity and recycling, and continue to promote relevant projects:

Business segment	Improvement measures
Container Segment	<ul style="list-style-type: none"> The coating technology group of the container segment actively explores advanced coating technologies such as electrostatic spraying to improve the coating efficiency and reduce the amount of hazardous wastes from the source. Replacing traditional paint buckets with recyclable packaging barrels is put into force in the whole container segment, eliminating the generation link of waste paint buckets from the source, which is expected to reduce hazardous waste by more than 20%. In 2019, the amount of hazardous waste of the project was accumulatively reduced by 1,297 tons. Paint slag drying project is carried out to reduce the weight of paint slag by more than 50% and realize the reduction of hazardous waste.
Vehicle Segment	<ul style="list-style-type: none"> Eliminate the waste oil paint slag from the original paint coating fundamentally by upgrading the coating line, and only a small amount of sludge from wastewater treatment is produced. For example, the upgrade of the coating line Shenzhen Special Vehicles was completed in 2019. The traditional paint coating was replaced by silane + powder injection coating. Prior to the upgrade, the company generated an average of more than 100 tons of hazardous waste such as waste paint slag every year. Upon the completion of the upgrade, waste paint slag was completely eliminated and only about 2 tons sludge was produced by sewage treatment every year, with obvious effects achieved in the reduction of hazardous waste.
Energy, Chemical Segment	<ul style="list-style-type: none"> Nantong Tank Container adopts plate and frame type high pressure diaphragm filter press. After putting into operation, the sludge with water content less than 50% is formed by primary pressure filtration. The annual sludge reduction is about 360 tons, effectively reducing hazardous waste.

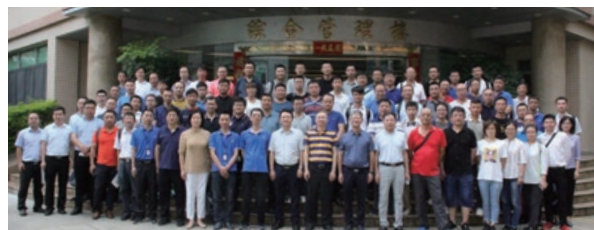
Fighting Climate Change

Business segment	Improvement measures
Offshore Segment	<ul style="list-style-type: none"> Yantai CIMC Raffles, Haiyang CIMC Raffles and Longkou CIMC Raffles have initially established the main hazardous waste units, and are currently promoting the improvement of the subject. During the Year, we are committed to reducing the number of waste paint buckets by increasing the use of single bucket paint. The oil regeneration work is well under operation. The oil products that do not meet the requirements after washing are recovered through the regeneration process to reach the washing standard. Besides the loss of the washing oil, it can basically be recycled and reused, reducing the generation of hazardous oil waste.
Airport Segment	<ul style="list-style-type: none"> CIMC Tianda has reduced the generation of waste paint containers by replacing original disposable metal small capacity containers with recyclable IBC holding tanks; reduced the waste of paint and the generation of paint slag by optimizing the paint spraying operation method and spraying process from manual spraying to online paint proportioning, with an annual reduction of hazardous waste of about 53 tons; optimized the glass facade gluing process to reduce the amount of hazardous waste disposal in excess sealant.



Special Training and Discussion on “Environmental Three Wastes Treatment”

On August 6, 2019, CIMC held a special training and discussion on “Environmental three wastes treatment” in Shenzhen, with more than 70 participants from CIMC’s eight major segments. The meeting focused on the treatment and improvement of three wastes (especially hazardous wastes) in CIMC.

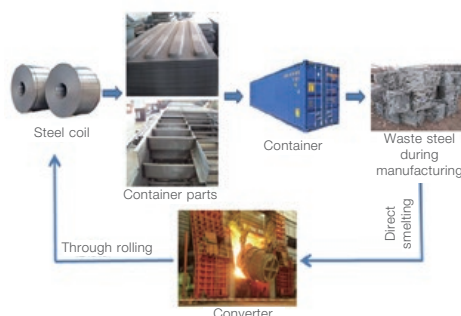


At the same time, CIMC takes “less new materials, more recycled materials and no waste” as its objective and actively explores and promotes the method of reduction of harmless wastes for all employees. For example, at the beginning of 2019, the Headquarter of CIMC held the “Red envelope recovery” activity, which encourages employees to recover the used red envelope and distributes them to employees for free secondary use in the future through E-red envelope lottery draw. The airport and other segments further improve the utilization rate of waste steel and reduce the generation of waste through the secondary selection and reuse of large waste steel.



Smelting Production and Recycling Project of Same Waste Steel

Since 2010, CIMC has cooperated with Baosteel Group to promote the smelting production and recycling project of same waste steel. In the past ten years, nearly 180,000 tons of waste steel has been sold to Baosteel Group by CIMC, all of which have been used for same steel smelting. The solid waste discharge has been directly reduced by about 34,375 tons and the exhaust gas by 17.5 million standard m³. The precious metals in the container waste steel have been fully recovered and remarkable economic and social benefits have been achieved.



Waste Steel Recycling Diagram



Sewage treatment

Sewage discharged by CIMC during production and operation mainly includes industrial waste water, such as waste water from cutting waste steel in pre-treatment workshop, oily waste water generated during component machining, terminal outfitting and ship trial, washing waste water generated during ship trial, and domestic sewage generated from office and living areas.

CIMC strictly follows the applicable laws, regulations and standards such as Law of the People's Republic of China on the Prevention and Control of Water Pollution and Action Plan for Prevention and Control of Water Pollution. All business segments and their subordinate enterprises have established corresponding sewage discharge management system, strictly monitor the operation and maintenance of sewage treatment facilities, and actively promote online monitoring technology for water quality to ensure that the

concentration and total amount of pollutant discharge meet the national or local standards, and meet the requirements of emission permits. All 35 key pollutant discharge subsidiaries have applied for EIA and obtained approval. Among them, 21 have obtained national discharge permits, 7 have local discharge permits, and 7 are in the process of applying for national discharge permits.

In order to reduce the discharge of water pollutants, all business segments and their subordinate enterprises actively adopt new sewage treatment equipment, optimize sewage treatment process and where practicable, recycle the production waste water after treatment in the factory area for zero discharge. In terms of domestic sewage treatment and emission reduction, we should start from the source to enhance the water saving awareness of employees.

Business sector	Improvement measures
Container Segment	Actively explore the coating waste water treatment process, most enterprises have achieved zero discharge of industrial waste water at present; at the same time, some enterprises are also researching and developing processes for the treatment and recycling of domestic sewage. For example, Tianjin CIMC used the domestic sewage (reclaimed water) treated by the domestic sewage treatment station for paint mixing production, water tightness test and greening, achieving zero discharge of domestic sewage.
Energy, Chemical Segment	Shijiazhuang Enric saves about 1,000 tons of water by recycling the deionized water, steel cylinder grinding water and pickling water. SOE processes and reuses cleaning waste water, saving 120 tons of water every year.
C&C Trucks	Perfect the online monitoring equipment of water quality, add on-line monitoring equipment of PH and phosphate and improve the aeration tank in sewage treatment station.



Sewage Treatment Improvement of Tianjin CIMC

By improving the quality of sewage treatment, the treated sewage can be recycled without external discharge. Sewage after strict treatment is clear and transparent, and the COD has reached below 50 mg/L through test.



In 2019, the Group totally discharged 3,885,660m³ sewage with the discharge intensity of 4,530m³/RMB100 million revenue. Total sewage discharge in this year was 3.0% higher than 2018. In the future, we will continue to strengthen the sewage treatment and reduction emission.

Fighting Climate Change

Noise management

The processes of hoisting, cutting, grinding, air compressor operation, power generation (the site isn't supplied with power), earthwork and vehicle operation during the production and operation by CIMC will generate certain industrial noise to the surrounding environment.

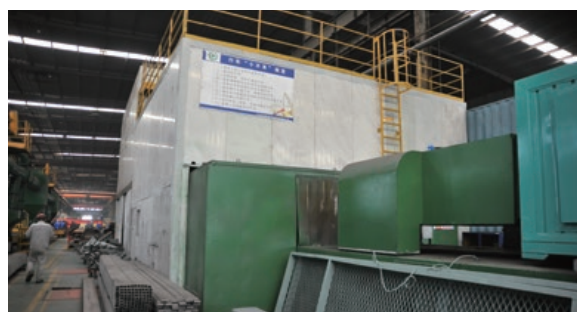
All business segments and their subordinate enterprises of CIMC strictly follows the Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution and Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008) and many other national or local laws and regulations and standards, and regularly entrusts external mechanism for noise monitoring. Meanwhile, by implementing the corresponding noise management regulations, systematically identify and list the noise sources, formulate rectification measures for identified noise sources and reduce the noise emissions by rationalized layout, sound insulation and vibration reduction facilities as well as design or process improvement.

CIMC Raffles has formulated the Management Regulations for the Prevention and Control of Noise Pollution, which states that the measures such as replacing the old and used fans, centralizing the grinding operations in the factory area and temporarily erecting enclosures, and strictly controlling noise generation activities including sand blasting, grinding, carbon planing and hoisting in the open space at night, shall be adopted to reduce noise. In the future, the Company will intend to develop long-term factory planning, endeavor to upgrade the noise-producing operation areas and factories into enclosed spaces, and attempt to relocate them to the east factory area, maintain a distance of at least 500 meters from surrounding enterprises and residential buildings, and introduce advanced AI-powered equipment to replace existing centralized manual operation mode. Meanwhile, the Company will increase the frequency of monitoring, especially strengthening strict control of occasional noise.



Noise reduction in the soundproof room of Yangzhou Runyang

Yangzhou Runyang has set up a soundproof room at the workstation of the shape-steel sand beating machine. In the soundproof room, rock wool was used to absorb and isolate noise, and a comprehensive overhaul of the fans and pipes of the sand beating machine was carried out to effectively reduce the noise emission of the workshop and ensure that no dust was dispersed to the external environment. The noise level before the improvement was 100dB, and the noise level after the improvement was about 80db.



NTCIMCS retrofitting the equipment for noise reduction

Through the renovation of the discharging and blanking of the steel plate shearer at the rear, NTCIMCS adopted a follow-up belt to deliver the leftover materials, which narrows the difference of height and effectively reduces the noise caused by the crash. The noise level before the improvement was 115dB and the noise level after the improvement was 81dB.





Biodiversity conservation

Based on its own characteristics, the Group combines the protection of biodiversity with its business operations, and operates businesses within the scope of business influence to explore a green development path that not only protects biodiversity, but also improves economic benefits and promotes social equity.

- Environmental assessment is required in site selection to take into consideration of environmental impacts.
- CIMC Modular Building vigorously promotes modular buildings to reduce the impact of construction and use of buildings on the environment.
- CIMC Raffles is committed to becoming a world-class integrated marine service provider to strive for the sustainable development of the marine industry.

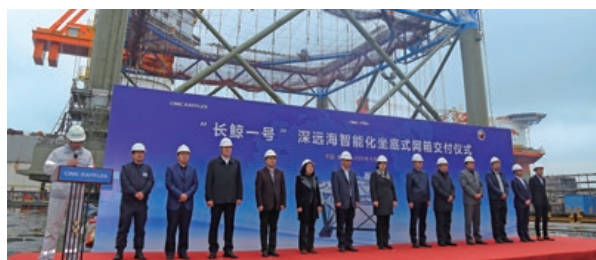
CIMC Raffles has set up a number of R & D centers and is committed to developing and designing products with full consideration of the protection of marine organism to reduce the impact on the ocean and the surrounding environment; the Group also integrated the “offshore wind farm + offshore pasture” to develop innovative offshore wind power equipment; at the same time, during the process of “transformation from the oil industry to the fishery industry”, the Group actively expanded its intelligent marine fishery services, conducted in-depth research and development and construction of the marine pasture platform and intelligent aquaculture cages, so as to reduce and improve the impact of over-fishing on the marine ecosystem while meeting the demand of the society for fishery products.



Case

Delivery of China's first far-reaching sea intelligent bottom-supported aquaculture cage

In 2019, CIMC Raffles delivered China's first far-reaching sea intelligent bottom-supported aquaculture cage, newly built H457 Havfarm1 deep-water breeding ship projects and 2 intelligent aquaculture cages. As of 2019, a total of 22 marine pasture platforms and 1 intelligent aquaculture cages have been delivered.



Case

Britain's largest modular student apartment has been officially opened

The general contractor of the student apartment project at Newcastle University in the UK was designated to use CIMC Modular Building System to build six accommodation blocks. The part using modular building includes 1,261 independent en-suite bedrooms with a total module area of 37,000 square meters. Modules provided by CIMC Modular Building was completed in only six months, taking only 110 weeks in total at the construction site, which saved construction period and reduced the impact of the construction on the environment. In addition to being extremely economical and comfortable, what is more important is that it meets the customer's requirement for the sustainability of the apartment. Park View Student Village (园景学生村) was awarded the most innovative project in 2018 and was awarded the Special Praise in the category of large-scale projects of Northern county Institution of Structural Engineers Award.



Fighting Climate Change

Resource Conservation and Low-carbon Operation

CIMC actively responds to the call of the state to build a resource-saving enterprise, puts resource conservation at an important position in the development of the enterprise and endeavors to promote a low-carbon, recycling and intensive production mode to maximize resource utilization. In business operation, we strictly follows Water Law of the People's Republic of China, Energy Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China and other relevant laws and regulations of the operation place. Driven by CIMC Green Development Plan, we continue to promote the utilization of advanced energy conservation and environmental friendly technologies and equipment, and organize to implement the technology upgrade in traditional industry such as energy efficiency improvement and clean production.

Energy conservation and consumption reduction

The energy required for the production and operation of CIMC includes electricity, natural gas, gasoline and diesel. In 2019, CIMC's comprehensive energy consumed was 200,533.79 tce with the comprehensive energy consumption intensity of 233.72 tce/RMB100 million revenue, and its total consumption was 0.3% lower than in 2018; of which, 96,213.86 tce for power energy, 48,950.63 tce for natural gas and 15,827.48 tce for oil accounted. In the future, we will continue to advance the work on energy conservation and consumption reduction.

In order to cope with global climate change and reduce greenhouse gas emissions, we have incorporated energy consumption into management indicators to continuously promote the establishment of energy management system, and implement energy conservation appraisal and energy audit. At the same time, encouraged enterprises to continuously seek room for energy-saving improvement through various energy-saving measures such as replacing old ones with new ones, improving energy efficiency, improving techniques, exploring potentials and increasing efficiency, strengthening maintenance, reducing wastage, and using energy in a scientific way; widely shared cases of energy-saving improvement and gave play to the demonstration effect of outstanding energy-saving enterprises; and increased efforts to develop new energy products. All segments actively responded to the call of energy conservation and emission reduction, promoted key energy-saving projects, and actively explored new energy-saving processes such as operation of air compressors, elimination of high-energy-consuming processes and replacement of raw materials; optimized energy structure, strengthened energy structure adjustment, and introduced clean energy such as natural gas; and by practicing green office and advocating low-carbon lifestyle, it raised employees' awareness of resource conservation and environmental protection.

In the future, CIMC will continue to focus on resource conservation in all aspects of production and operation, and actively promote energy conservation and emission reduction in all stages of the life cycle of product design, production and manufacturing, packaging and logistics, so as to improve the essential management level of energy conservation and environmental protection.

Examples of energy conservation improvement issues in the business segments

- Enterprises in the Energy, Chemical Segment carried out 32 energy- conservation projects and 14 green development projects. By setting indicators, giving instruction and guidance on site and share achievement, the actual value of energy conserved amounted to RMB7.83 million for the Year.
- The Offshore Segment saved a total of 1,060 tce. Yantai CIMC Raffles carried out 21 energy improvement projects, saving a total of 1.71 million kWh of electricity and 10 tons of diesel oil.
- Yantai CIMC Raffles completed the energy-saving renovation of four air compressors, reducing energy consumption by 360,000 KWh per annum and carbon dioxide emissions by 253 tons per annum. This project has been approved by Shanghai government in the promotion and application of energy conservation and emission reduction.



The Group's total energy consumption was 200,533.79 tons of standard coal, representing a decrease of **0.3%** as compared with 2018.



Water resources management

The water resources consumed in the production and operation of CIMC mainly include production water, domestic water for employees' daily office, catering and bathing as well as water for greening and fire fighting. All business segments and their subordinate enterprises of Group strictly follows national and local regulations in relation of water resources management, and have established corresponding water resource management measures to standardize the water use of enterprises and reasonably develop, utilize and protect water resources.

In 2019, the Group's total water consumption was 6,995.85 kilosteres, with a water intensity of 8.15 thousand kilosteres per RMB100 million of revenue, representing an increase of 13.1% as compared with 2018. In the future, we will strengthen water management, improve water efficiency and reduce water consumption.

We continued to actively explore innovative methods to achieve planned water-using, scientific water-using and water conservation during the Year, for example:

- The recycling water utilization rate in demonstration project of green factory of Dongguan CIMC Vehicle was 65%;
- The annual water saving of green design optimization and improvement project of Jingmen Hongtu's LPG product was about 696 m³.
- Yantai CIMC Raffles continued to strengthen water consumption, establish management methods and inspection standards. The actual water consumption for the year decreased to 4.27 tons per person, representing a year-on-year decrease of 30%.
- About 1,400 m³ of rainwater was collected and utilized by Ningbo CIMC through the establishment of water management system and water network diagram, organizing regular energy management meeting to find improvement points. At the same time, the idle water storage tanks were regularly used to collect rainwater for toilet or environmental protection spray tower.

During the Year, CIMC didn't cause major risk of water resource shortage in obtaining applicable water sources.

Case

Fostering water-saving culture and advocating full participation

- Yantai CIMC Raffles: Putting up the slogan of paying attention to minutiae and advocating water conservation starting from "every drop of water"
- C&C Trucks (联合重卡): Held thematic activities of environmental protection to raise staff's awareness of water saving and protection



Fighting Climate Change

Greenhouse gas emissions management

The greenhouse gas emissions in the production and operation of CIMC mainly sourced from the direct greenhouse gas emissions caused by the combustion of natural gas, gasoline and diesel, as well as the indirect greenhouse gas emissions caused by the purchased power. In 2019, CIMC totally emitted 902,402.05 tons of CO₂e greenhouse gases with the emission intensity of 1,051.75 tons CO₂e/RMB 100 million revenue, and its emissions were 8% lower than in 2018; among them, the direct emissions of greenhouse gases was 150,133.57 tons CO₂e and the indirect emission of greenhouse gases was 752,268.48 tons CO₂e.

We are committed to reducing greenhouse gas emissions in production and operation by reducing energy consumption and promoting green production, and promoting the transformation of enterprises to low-carbon operation. For specific measures and performance, please refer to the section “Energy conservation and consumption reduction”, “Green products and clean technologies” in the Report.

Green office and environmental protection publicity

CIMC actively carries out environmental publicity and vigorously advocate green office. We actively respond to the green environmental protection actions and organize theme activities regarding environmental protection publicity on April 22, the Earth Day, and on June 5, the World Environment Day. We also encourage and support employees to take part in various environmental protection actions such as tree planting and garbage collection. We also improve employees’ awareness of energy conservation and environmental protection by posting water-saving and electricity-saving slogans and carrying out environmental protection training for all employees, and practice the concept of green and low-carbon, by purchasing energy-efficient equipment, gradually implementing paperless office and advocating green travel.



Leaders and employees of the Group actively participated in “June 5” World Environment Day theme event



The Group organized “June 5” World Environment Day theme event





Green Products and Clean Technologies

Based on the business characteristics of each segment, CIMC actively explores the development opportunities brought by green and clean technologies, integrates the concepts of green, low-carbon and recycling into the design, research, development, production and promotion of its own products and services, and assists customers and upstream and downstream partners in reducing carbon footprint and pollutant emissions so as to contribute to the efforts of China and overseas operations to address climate change and achieve the commitments about energy conservation and emissions reduction.

Green manufacturing

- Green factory is a factory that has realized intensive land-use, harmless raw materials, clean production, waste recycling and low-carbon energy. It is a production unit of manufacturing industry, and the main body of green manufacturing. In fact, the factory is the core support unit of green manufacturing system, and an important mean to realize transformation and upgrading of manufacturing industry in China. The selection of “National Green Factory” was started in 2017 by the MIIT.

By the end of 2019, CIMC has 6 green factories, 1 national green supply chain management demonstration enterprise, more than 10 clean production certified enterprises and 48 enterprises which have passed the ISO14001 environmental management system certification. At present, we are comprehensively promoting intelligent manufacturing and green manufacturing, and actively adopting advanced clean production processes and technologies. Driven by a series of important measures, CIMC will set up more green factories in the future and make contributions to the green development commitments of the country.

Company name	Title
Dongguan CIMC Special Automobile Co., Ltd.	National Green Factory
Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.	National Green Factory
Zhumadian CIMC Huajun Vehicle Co., Ltd.	National Green Factory
Wuhu CIMC RJST Automobile Co., Ltd.	Provincial Green Factory in Anhui
Tianjin CIMC Container Co., Ltd.	Green Factory in Tianjin
Enric (Bengbu) Compressor Company Limited	Provincial Green Factory in Anhui (2018)
Wuhu CIMC RJST Automobile Co., Ltd.	National Green Supply Chain Management Demonstration Enterprise
Taicang CIMC Containers Co., Ltd.	“Blue Rating Enterprise” of local environmental credit evaluation
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	“Green Rating Enterprise” of local environmental credit evaluation

Fighting Climate Change

Green products

CIMC continued to deepen its green environmental protection business to enhance the environmental protection benefits and market competitiveness of its products and services. See the following table for related products and the environmental protection performance:

Product type	Product category	Environmental protection characteristics of product	Environmental protection performance of product
Environment-friendly container	Standard dry container with water-based paint	Be able to reduce VOCs emissions by about 70%	In 2019, standard dry containers produced with water-based paint accounted for over 80% of the total production of the container segment.
LNG products CNG products LPG products	Self-unloading bulk truck, coal tractor, lightweight coal truck, Xinguoji mixer truck, cargo truck, heavy-duty truck	The exhaust emissions of vehicles can be reduced greatly by using clean energy as vehicle fuel. (Note: LNG, CNG, and LPG refer to liquefied natural gas, compressed natural gas and liquefied petroleum gas, respectively)	In 2019, CIMC Enric manufactured over 2,000 LNG trucks, CNG trucks and LPG trucks in total. In 2019, the turnover of LNG products sold by C&C Trucks was RMB1 billion. Each LNG truck emits about 60 tons less carbon dioxide per year than petrol and diesel trucks, and, in a period of 8 years, the CO ₂ emissions per truck will drop by 480 tons.
New energy electric truck	4x2 port tractor, 8x4 urban bulk truck, electric ferry bus for airport	Replacing gasoline and diesel with new energies will greatly reduce the dependence of vehicles on non-renewable energies and reduce the exhaust emissions of vehicles.	In 2019, CIMC sold 22 electric trucks. As of the end of 2019, CIMC has sold 39 electric ferry buses, reducing the carbon emissions by 534.23 tons per year.
Bamboo-wood composite floor board	New bamboo-wood composite floor board for containers	The use of 5-year-old moso bamboo in place of hardwood will reduce the cutting of and dependence upon tropical rainforest and surface painting is not necessary, the VOCs emissions is also reduced.	In 2019, the Company produced about 200,000 m ³ bamboo-wood composite floor board, of which the proportion of consumption of bamboos was about 60% with a total consumption of 12 m ³ , reducing the deforestation by 1,700 hectares and VOCs emissions by about 310,000 kg. Meanwhile, the 20 million pieces of bamboo consumed will fix about 424,000 tons of carbon in 5 years.
Recyclable package	New pass box of CIMC Intelligent Tray	If traditional disposable wooden box are used for packing, a wooden box consumes 0.21 m ³ wood. However, if 10,000 new pass boxes are used, it could be able to save 12,600 m ³ while being calculate by annual turnover of 6 times and prevent 12,600 wood from being cut down, i.e. the damage to 2,500 mu of eucalyptus forest can be reduced.	In 2019, CIMC Carrier used 2,240 new pass boxes in total for its lease cloud business and reduced the destruction of 94 mu eucalyptus forest.



Product type	Product category	Environmental protection characteristics of product	Environmental protection performance of product
Light-weight products	Liquid semi-trailer, aluminum alloy flammable liquid tank semi-trailer, lightweight concrete mixer truck, lightweight dump truck, lightweight reefer truck, lightweight bulk truck, lightweight 45-foot gooseneck chassis trailer, ultra-lightweight North American 40-foot container chassis trailer, lightweight North American 20-foot container chassis trailer, lightweight North American reefer semi-trailer, lifting dry bulk tank semi-trailer, lightweight stainless steel tank for ash semi-trailer, aluminum tank	Through the optimization of materials and the application of new materials, the use of lightweight materials such as high-strength wear-resistant boards and low-alloy high-strength wear-resistant steels and the application of frame structure bearing structure design and process optimization, weight of a single unit was reduced by 300KG to 1,300KG. For the above models, the use of raw materials, fuel consumption and exhaust emissions are reduced.	In 2019, the total sales of Vehicle Segment and C&C Trucks were more than 21,000 light-weight products.
Intelligent environment-friendly products	Intelligent environmental protection bulk truck	The intelligent monitoring equipment installed on the sealing cover can effectively prevent "throwing, littering and leaking" of the bulk truck during transportation. Compared with traditional diesel bulk trucks, carbon dioxide emissions of this intelligent vehicle can be reduced by 90%, hydrocarbons and nitrogen oxides generated after fuel combustion are rarely found, and no particulate discharge.	In 2019, the total sales of the intelligent environmental-friendly products under Vehicle Segment reached 17,000 units.
Other Environmental Protection Products	Green refrigerated trucks	In 2019, Qingdao Reefer completed the switching of LBA foaming agent, a more environmentally friendly foaming agent, and took the leading step in the upgrading of the environmental foaming agent technology in the industry. Compared with HFC-245fa, the fourth-generation LBA foaming agent inherits the advantages of the former, and has better thermal insulation performance, lower thermal conductivity, lower GWP index, and is safer and more environmentally friendly.	Qingdao Reefer manufactured over 800 refrigerated trucks using LBA foaming agent since 2019



New intelligent bulk truck



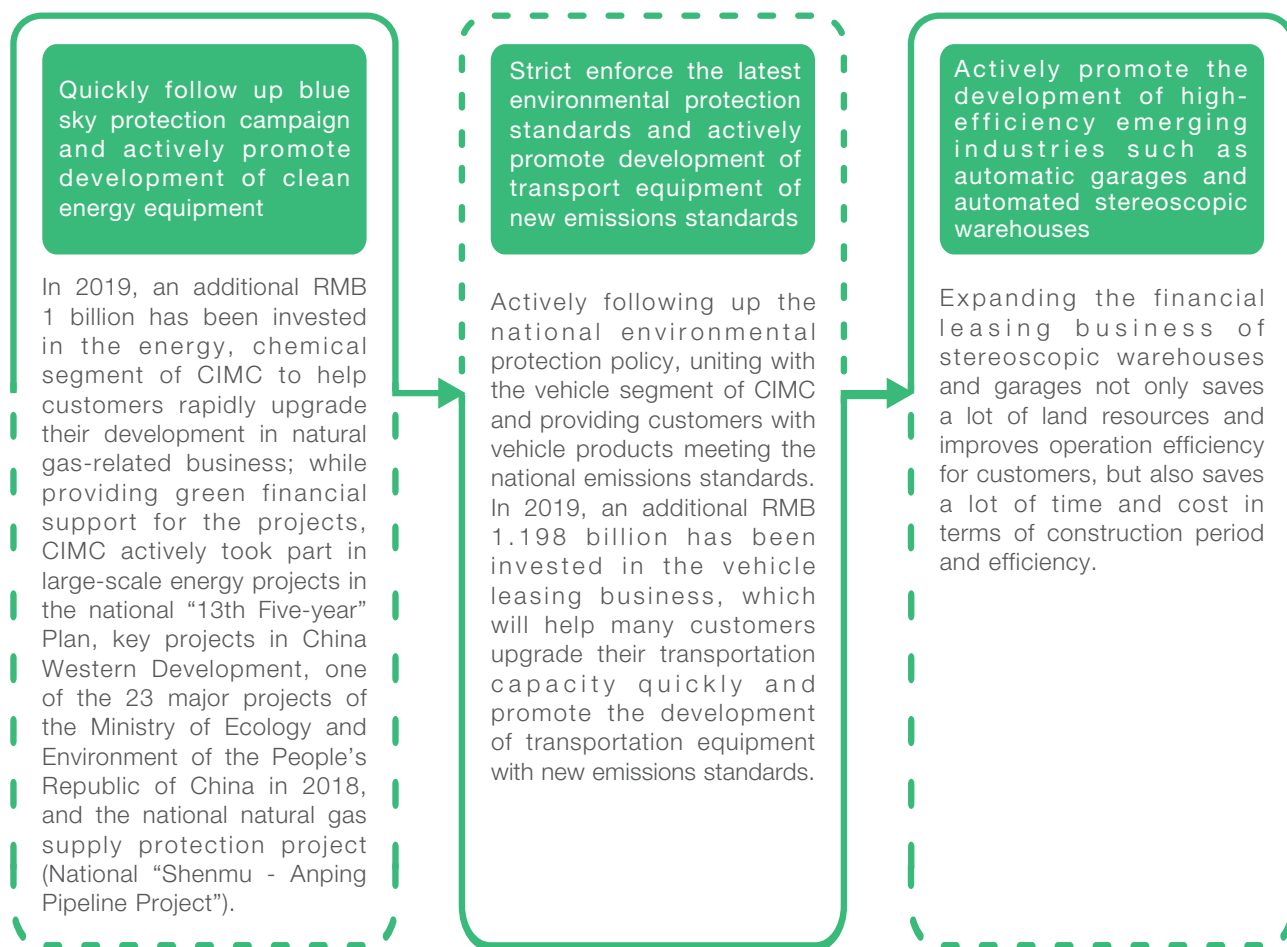
Green refrigerated trucks

Fighting Climate Change

Green finance

In recent years, the Chinese government attaches great importance to the balance between economic development and environmental protection. Green finance has become a national strategy and one way to promote green development. CIMC has been practicing the concept of “green finance” through its finance segment.

Through the optimization and adjustment of financial leasing business, CIMC Financial Leasing Company strongly supports the industrial development of new energy, new technology and low-emission, continuously promotes the green development of clean energy equipment, new standard transportation equipment, modular equipment and new logistics equipment in its own development, and provides financial support for key green financial projects, innovation, transformation and upgrading of green industries and construction of regional green ecological environment. In 2019, CIMC Financial Leasing Company strengthened dual-drive approach of industry-finance coordination and independent development, and focused on domestic railway container and seed container, and attempted to expand new industries and new markets such as fire fighting, environmental sanitation and environmental protection, new energy vehicles and provided support in the following 3 aspects.



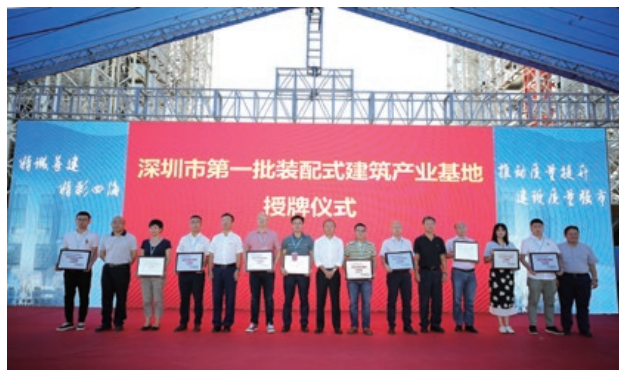
The green loans provided by CIMC Finance Company are mainly concentrated in the energy sector with clean energy CNG and LNG storage and transportation equipment as key products. As of the end of the fourth quarter of 2019, CIMC Finance Company approved a credit of approximately RMB3.5 billion for the energy sector, with a green credit balance of approximately RMB130 million. The loan will be used for resource recycling projects and renewable energy and clean energy projects.



Green building

CIMC Modular

Modular building system is a new type of building with steel structure as the main body, combined with heat preservation, water, electricity, heating, ventilation, interior fine decoration and intelligent system. It transfers more than 90% of the workload in traditional buildings to the factory environment for completion while ensuring the stability of quality and safety to the greatest extent, shortening the construction period by 50% and reducing construction waste by more than 50%. Over the past ten years, CIMC Modular has developed into a world-renowned service provider for modular building system solution. In Britain, the United States, Australia, New Zealand, Japan and so on, CIMC has successfully delivered over 30,000 suites with a total floor area of over 1 million square meters and exported “Made in China” worldwide.



Awarded as the Comprehensive Modular Building Industry Base in Shenzhen



CIMC Modular Assists in Hong Kong Construction Industry

In November 2018, the first modular project in Hong Kong built by CIMC Modular for Hong Kong Construction Industry Council (CIC) landed in Zero Carbon Building Park. In May 2019, the first permanent modular building project in Hong Kong, i.e. InnoCell Project in Hong Kong Science Park, has been awarded to CIMC Modular by virtue of its professional modular building company. With the characteristics of green, environmental protection, high efficiency and in line with the trend of the times, CIMC Modular has made positive contributions in solving the pain points in Hong Kong and the contradiction between human and habitation, and has taken a solid step in Guangdong-Hong Kong-Macao Greater Bay Area.



CIMC Skyspace Real Estate

CIMC Skyspace Real Estate actively integrates the concept of green building into its real estate development projects. A number of green environmental protection policies and measures have been applied in the design, construction, operation and follow-up development of the project, such as:

- Use BIM technology in optimizing design quality;
- Use highly efficient shading facades;
- Apply colored glass or double-layer low-radiation glass;
- Improve community green space.

Demonstrating Corporate Care



Corporate care includes care for employees and care for society. The development of CIMC so far has been inseparable from the participation and dedication of every employee, as well as the attention and support of all sectors of society. While adhering to the core concept of “People-oriented & Common Cause” for human resources, striving to build a beautiful workplace, providing good returns for employees, and enabling them to share the achievements of enterprise development, CIMC regards employees as valuable assets of the enterprise. CIMC also keeps the obligation of social citizenship in mind, and is concerned about the people’s livelihood. It spares no effort to support local economic development and community public utilities, and creates sustainable value for the society with its own professional advantages.

We are in action:

- Improve and implement HSE management mechanism and measures to reduce occupational hazards through production process improvement and manufacturing upgrade;
- Safeguard the rights and interests of employees in accordance with the law and attach importance to talent cultivation and communication and care;
- Support the development of community public services through voluntary blood donation, volunteer team building, and donation;
- Respond to the call of the State and implement targeted poverty alleviation policies;
- Leverage on professional advantages to fully support anti-epidemic work

We achieve:

- A total of 43 enterprises of the Group have passed the occupational health and safety certification and damage rate per 1,000 people continued to drop;
- 545 online courses with 11,936 hours of online learning;
- its subsidiaries were awarded the “Advanced Enterprise in Corporate Culture Construction in Guangdong Province”;
- Up to now, we have carried out 11 targeted poverty alleviation projects, with about RMB3,000,000 invested in funds and materials, to directly help 106 poor people and support 38 poor students.

We will strive to:

- Continuously improve the level of equipment automation, improve the operating environment, and pursue intrinsic safety;
- Improve the remuneration and welfare system to provide employees with more fair competitive and development opportunities;
- Create more job opportunities, helping local economic development and improving people’s livelihood;
- Participate in more social welfare activities and improve the management mechanism



Building a Happy Workplace

Employee overview

As of December 31, 2019, the total number of employees in CIMC was 54,753 worldwide. Among them, the number of employees in mainland China was 49,715 and the number of employees outside China was 5,038. The proportion of female managers in CIMC has long been higher than the average level in domestic manufacturing industry and remained at 15% above for the year. In the future, we will draw up relevant plans to keep encouraging the implementation of the proportion of female managers in management teams at all levels.



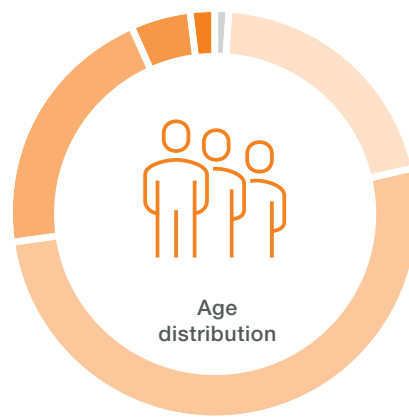
Management staff	8,742	Technical staff	8,863
Front-line staff	32,110		



Master's degree or above	1,267	Bachelor's degree	9,972
Junior college	8,436	Others	30,040



Male employees	42,656	Female employees	7,059
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20 years old or below	331	21 – 30 years old	12,172
31 – 40 years old	20,860	41 – 50 years old	12,458
51 – 55 years old	2,842	56 years old or above	1,052

Demonstrating Corporate Care

Occupational Health and Safety

The health and safety of all employees are fundamental factors in ensuring the normal production and operation of CIMC Group. Pursuant to the requirements of the Safety Production Law of the PRC and the Occupational Disease Prevention and Control Law of the PRC and other relevant local regulations, based on the HSE concept of “safe environment and green management”, CIMC Group implements the production safety principles of “safety foremost with prevention-oriented and comprehensive management”, and work unceasingly for the safety of all employees.

CIMC Group did not incur any safety violations during the year which would have significantly impacted on the Group’s activities.

Headquarters of the Group and each business segment established HSE Committee, primarily responsible for overall planning, coordination and guidance of the Group’s production safety, environmental protection and occupational health management, including formulating HSE annual policy and target management plan, studying the Group’s HSE matters and making major deployment. During the Year, we continued to strengthen corporate responsibility and improve the level of HSE that corporate leaders should know. At the same time, we strengthened the standard construction and release three operating standards or manuals, so that the work can be followed by rules.



Relying on the Group’s HSE policy, all business segments and subordinate enterprises have kept improving the HSE management mechanism, strengthening HSE capacity building and cultural development, and implementing HSE measures. In detail, technological innovation, equipment upgrading and process substitution were implemented to lower the concentration or intensity of occupational hazard factors such as dust, toxic substances, noise and vibration at workshops, and reduce the chance for employees to contact occupational hazards. All the employees were provided with personal protective equipment conforming to safety and health standards and granted special job allowance. Besides, they have established employee occupational health files, regularly performed occupational health checks, timely adjust jobs, paste warning and publicity signs, and minimize the occurrence of occupational diseases.

<p>Certified safety production standard enterprise: 59 companies</p>	<p>Certified occupational safety and health enterprise: 43 companies</p>	<p>83 manufacturing enterprises of CIMC Group have 513 full-time HSE specialists in total</p>	<p>The quantity of HSE training is 110,000 person-times.</p>
<p>Enterprises under inspections 79 enterprises (times)</p>	<p>Problem rectification rate 94%</p>	<p>Emergency drills Over 170 times</p>	<p>Total number of research subjects 758</p>
<p>Major hazards decreased compared with 2018 312</p>	<p>Participants in Safety Month & Environment Day special events More than 20,000</p>		



Case

2019 HSE Training for General Manager

► Three sessions of training courses

- 120 enterprises
- 180 participants (general manager, executive deputy general manager, the head of each division)



Case

Subject on Relieving Major Risks Arising from Pulling a Container in the Container Segment

A subject study group comprised of technical and safety experts in the container segment was established to be especially responsible for the subject on relieving major risks arising from pulling a container. A total amount of RMB8,833,300 was expected to be invested in 106 renovation projects in the whole segment. In the early stage, the company carried out a comprehensive survey of all container pulling operations of all container manufacturing factories, and developed special plans to improve the container pulling operations in response to every risk. By adopting technology and management measures, the hidden danger in container pulling operations was eliminated. As of the end of 2019, Seven container factories have accomplished all the corrective actions against the risks caused by container pulling. The subject won the First Prize of CIMC Group for the Annual Most Valuable HSE Subject.



Protecting Rights and Interests of Employees

CIMC Group strictly abides by the relevant local laws and regulations such as the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, respects and protects the legitimate rights and interests of all employees, so as to make them work with better assured safety and dignity.

We are committed to protecting the fundamental human rights of our employees. In detail, we adhere to the principle of fair, open and impartial recruitment, strictly abide by the local labor laws on working hours, holidays and remunerations, resolutely avoid all forced labors and child labors and establish a special mechanism for complaint acceptance and accountability. Moreover, we respect and recognize employees' freedom of association, the right to join trade unions, the right to demand representation and the right to join labor associations. In addition, we persevere in the localized management model featuring global operation but local wisdom, respect the diversity of employees and the differences among countries, nationalities, races, skin colors and cultures, and prohibit any discrimination on gender, ethnic background, age, educational background, religious belief and disability. We are also active in deepening the strategic transformation of "intelligent manufacturing" and developing technological innovation in major manufacturing sectors, aiming at simplifying production, reducing labor intensity of employees, improving production environment and eliminating potential safety hazards.

In 2019, the proportion of employees signing labor contract with CIMC Group was 100%. With the participation of trade unions, some segments have signed Collective Contract and Special Collective Agreement on the Protection of Rights and Interests for Female Employees with all employees. No case of child labor, forced labor or other violations of employment and labor standards has occurred in CIMC Group for the Year.

- Strict prohibition of restraining the personal freedom of employees or coerce employees to work by means of, among others, collecting deposit, confiscation of ID card or threatening.
- Ensure child labor will not be hired by strictly following the recruitment procedures and verifying and reviewing the ID document through informationalized means.
- Set up various complaint channels for employees; in case of non-compliant issues, the stop order will be issued immediately and such issues will be dealt with timely in a proper way, and the accountability measures against the decision-makers and responsible person will be taken in respect of the noncompliance afterwards; in case of child labor, the employment relationship will be terminated immediately and proper arrangement of child labor will be made.

Demonstrating Corporate Care

Employees' remuneration package and welfare

Our remuneration management system complies with the principle of external competitiveness and internal fairness. We offer our employees competitive remuneration packages. The overall salary of our employees is competitive in the industry and region. CIMC Group and subordinate enterprises pay social insurance and housing provident fund for all the employees in accordance with relevant laws, and provide diversified benefits, including statutory benefits such as legal holidays and high temperature subsidies, additional benefits health check and study subsidy program.

We play an active role in building the CIMC community of a shared outcomes and risks. We have widely performed the performance-based remuneration package, in which employees' remuneration is associated with their personal performance and the corporate performance. Some segments have formulated the equity incentive mechanism. Moreover, we review the remuneration policy on a regular basis and adjust the policy based on the result of review.

We are actively exploring and advancing targeted incentive policy. In 2019, CIMC Group has issued an official document on the reform plan for incentive sources and completed the communication with all employees at the headquarters and the general managers of all subordinate enterprises. All departments at the headquarters are formulating specific incentive plans, which are expected to be implemented in 2020.



High-end Talent Introduction Policy in the Offshore Segment

In the past three years, CIMC Raffles has introduced 2 provincial talent engineering experts, 2 national science and technology award experts, and 1 municipal talent engineering expert; 64 experts with deputy senior titles or above in various fields, and 286 engineering technicians with intermediate titles. In terms of the treatment of high-level talents, the Company provides free 3 years of accommodation for newly recruited graduates of offshore engineering, and pays special attention to salary adjustment and talent training. A one-time settlement fee will be given to the introduced Doctors, and appropriate compensation will be given in terms of salary and benefits. At the same time, it will give special attention to imported government-recognized talent engineering experts, provide housing subsidies, car subsidies, meal subsidies, communication subsidies, etc. for high-level talent experts, and provide employees with various types of living guarantees such as health examinations, visa assistance, and daily life guidelines.

Personal Growth and Development

Talents build the future of CIMC. The endeavor and growth of each employee are indispensable for the growth and development of CIMC. We give top priority to the selection and training of talents and work hard to create a talent training system with the characteristics of CIMC. On one hand, we keep improving the talent selection mechanism, provide our employees with management path and professional path for career development, encourage them to take jobs across functions and departments and offer more opportunities to the ambitious, competent and successful employees for greater promotion and development.

On the other hand, we provide targeted training programs and learning plans and enrich training resources through CIMC Institute, CIMC I-Learning Online Platform, external training and internal training with external trainers to help the employees acquire professional knowledge and skills and promote the leadership. We continue implementing Training Management Procedures of CIMC Group and other training management regulations. The functional training for the staff at the headquarters shall be arranged by each department according to professional needs. New employee training, intern development, new manager training, leadership training and other training programs are organized and planned by the Group's human resources department, with some training programs relying on the resources and supports of CIMC Institute. At business segment level, each company has formulated annual training plan according to its annual business objectives and improvement priorities, and promoted the training in an orderly manner according to its internal training management regulations.



Management path

Provides employees development path for management positions, human resources departments at all levels led by Headquarter of the Group organize annual promotion of management positions every year, and provide promotion opportunity for willing and competent employees through a series of standardized operation process (including recommendation, selection, evaluation and inspection), which enables them to take greater responsibilities and challenges and encourages them to create more value to the Group.

Professional path

Provides career development path for various technical talents, including engineering technology, audit and risk control and finance management. The Group will make regular assessment in this regard every year and engages employees in relevant positions based on the assessment level.

Others

Some of sectors design internal career development path based on corporate organizational scale and department organizational structure, clarify the criteria for level promotion and regularly review it.

In order to promote the rejuvenation of the cadre team and form a talent echelon, the Human Resources Department of the Group formulated and issued the Work Plan for Youth Promotion of Cadres of CIMC in 2019. The plan has presented the overall goals and proposed relevant rules and strategies. All enterprises will work out detailed plans according to the overall arrangement and implement the plan level by level. "cadres rejuvenation" is reflected in the Group's 2020 strategic theme "Key Projects and Actions".

Case

CIMC College launched and promoted the activity of "Keynote Sharing by Honorary Lecturers of CIMC" Passing on excellent management experience and assembling CIMC's outstanding wisdom



Demonstrating Corporate Care



Enterprise lecturer

The Group's lecturers include a total of **135** honorary lecturers, internal lecturers and college lecturers, mainly specialized in "management wisdom", corporate culture, general management, general skills, leadership, audit and supervision, security series, lean series.



Number of online courses

There are a total of **545** online courses on the iLearning platform and mobile learning platform of CIMC College, of which **457** online courses were provided on the iLearning platform and **88** online courses were provided on the mobile learning platform

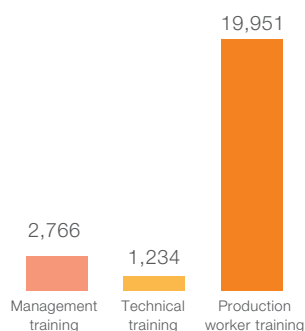


Online learning hours

A total of over **11,936** online learning hours

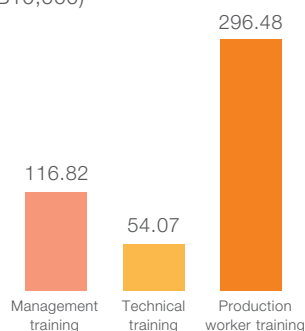
Throughout the year of 2019, more than 200,000 hours of training have been completed. The training data of some segment are listed as follows:

Person-times of training of Container Segment



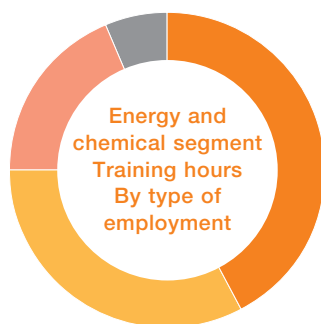
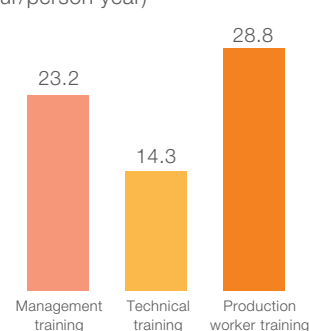
Training expenses of Container Segment

(RMB10,000)



Training time per capita of Container Segment

(hour/person-year)



- Senior management 41
- Middle management 32
- Basic clerk 18
- Staff at the production line 5 (hours)



CIMC Raffles organized **2,500** training events and **70,000** person-times of various training activities, with the

annual training budget increasing by nearly

10%

over the previous year.



Case

We are well-positioned to ride on the new journey of CIMC Blue

On 20 December 2019, the “Deep Blue Action” training program for senior management of CIMC Enric was launched and the first training was gathered. The project aims to reserve and transport the enterprise's reserve of senior management, and will help cadres with ideal, willingness, ability and certain management and practice foundation to achieve more long-term career development on CIMC Enric's business platform, which is of great strategic significance, and will continue to be held and promoted as needed in the future.



Case

Helping Industrial Workers Become “Technical Experts” – The Second Welding Skills Competition of Dongguan Lighthouse Factory in 2019

Dongguan Municipal Human Resources and Social Security Bureau Wangniudun Branch, Dongguan Wangniudun Town Federation of Trade Unions, together with Dongguan CIMC Vehicle, organized the second welding skills competition. The Company was issued a license by the Town Human Resources Bureau to establish the first technician workstation. Since its establishment, the workstation has trained more than 70 qualified welding technicians and 10 electricians for Dongguan. In the future, it will also train forklift technicians and provides more professional technicians.



Staff Communication and Care

The Group actively promotes democratic management, encourages open communication, and strives to build diversified and multi-level effective communication channels and platforms. We have formed trade union organizations at all levels within the Group. We have followed the Law of the People's Republic of China on Trade Unions and other relevant requirements to carry out democratic procedures and safeguard employees' rights to know, express, participate and supervise. We encourage employees to make suggestions, ensure smooth communication channels and platforms between management and grass-roots employees, actively listen to employees' expressions and management suggestions on the corporate development, and let employees know the major decisions and development trend of the Group at any time.



Demonstrating Corporate Care



Communication and Improvement of Employee Satisfaction Survey – Strategy Publicity and Communication Meeting of CIMC Group Headquarters

In response to the outstanding problems collected during the staff survey of CIMC Group Headquarters at the end of 2018, more staff expressed their expectation of “clear strategy” and hoped to know the development trend of the Group in the next few years and how departments and individuals can better execute the Group’s strategy. Co-sponsored by CIMC Institute, the Human Resources Department and the Strategic Development Department jointly organized a strategy promotion and communication meeting of the Group headquarters, explaining the Group’s five-year strategic plan and orientation to the headquarters staff and helping every member to deeply understand the meaning of value-based headquarters. The questionnaire after the meeting shows that 76% of the employees have expressed that the communication was very valuable and clearly described the logic and connotation of the group’s current strategy, and also had a clearer understanding towards the Group’s future development trend. In the future, we will keep promoting employee satisfaction surveys, listen to suggestions, improve labor management and enhance enterprise cohesion.



Let Employees Work Decently and Have Higher Income – Staff (Members) Congress of Huajun Vehicle

On January 5, 2019, Huajun Vehicle held the second meeting of the second staff (member) congress and the 2018 summary conference. The delegates discussed in groups and contributed many constructive suggestions on the amendments to the Agreement on Collective Negotiations of Remunerations, Collective Contract and Remuneration Management Regulations. After a show of hands by all staff (member) representatives for voting, all regulation amendments were passed by a unanimous vote. The congress has not only substantially improved the remuneration package of employees, safeguarded the legitimate rights and interests of employees, but also played a positive role in increasing the enthusiasm, initiative and creativity of employees in production, and enhancing employees’ sense of ownership in the enterprise.



In respect of caring for employees, we offer various welfares and carrying diverse activities and implement the people oriented concept to improve their subjective sense of well-being. Meanwhile, we pay close attention to the needs of particular employees, continuously improve various humanized management, support and protect the professional development and life needs of disabled employees, and provide the necessary help and support to the employees suffering from major diseases and their families. For some employees with relatively concentrated work and under high work pressure, apart from paying attention to the physical condition of employees, we also attach importance to their psychological health and provide various training and psychological counseling services in enterprises to help them relieve work pressure.

We care for and protect the physical and mental health of female employees, actively implement various laws and regulations on the protection of female employees, prevent female employees from engaging in the jobs banned by laws and regulations, and adapt their work intensity to their physiological characteristics. The trade unions of some enterprises have also established female staff committee and these enterprises will sign a special collective agreement on protecting the rights and interests of female staff with trade unions every year. We also organize diversified group activities during Women’s Day and Children’s Day, or provide special services and benefits for female employees, for example purchasing health and mutual insurance.



CIMC Xinhui Helping its Staff

In 2019, CIMC Xinhui conducted a series of employee assistance activities in collaboration with Xinhui Federation of Trade Unions, which have helped 79 employees throughout the Year. By cooperating with Xinhui Federation of Trade Unions to carry out a comprehensive mutual assistance and guarantee scheme for inpatient medical care, the employees were helped to reimburse medical expenses for hospitalization due to diseases and accidents, thus reducing the burden on employees. In 2019, 48 employees have successfully reimbursed medical expenses in total. Furthermore, activities such as helping needy workers, assisting students in the golden autumn and paying visits during the Spring Festival have helped 31 needy workers.





Case

Happy Family Day of Nantong Tank

On June 1, 2019, the Happy Family Day of Nantong Tank welcomed more than 150 employees' family members and children. Under the guidance of parents, their children took part in interesting parent-child interactive games and got their favorite gifts. Under the contact of the company's HSE department, all families visited Nantong Tiansheng Port Fire Brigade. The neat bedding, strict discipline and demonstration of the basic knowledge on fire fighting and emergency rescue have deeply impressed the children. While paying tribute to the firefighters and soldiers, they have also built the personal awareness of fire safety.



Focusing on People's Welfare

Growth and prosperity with local communities are significant factors for the steady development of CIMC. Over the past 30 years since its establishment, CIMC has always stayed true to its original missions and made great efforts to combine the expertise of enterprises to benefit local communities and make contribution to the society. All segments and subordinate enterprises actively use their own strengths to conduct public welfare activities rooted in the local communities, and promote the harmonious integration of enterprises and communities.

During the Year, we continued to carry on local economic development with stable tax revenue and employment opportunities, participated in social welfare, vigorously supported the education, culture, health and other public utilities of local communities, and influenced the community construction in a positive way. Moreover, we actively implemented targeted poverty alleviation policy to help the poor and the needy with our own strength.

Employment Promotion

CIMC Group has paid tax of RMB3,104 million in 2019. We will continuously improve people's well-being and energize local economic development with steady performance growth.

With respect to employment, all segments of the Group and its subordinate enterprises continue implementing open recruitment, encourage the introduction of local employees and strictly abide by local policies and provide various types of training and welfare for employees while providing a large number of local jobs. At the same time, the employees of overseas enterprises subordinate to CIMC are all local employees, accounting for 95% of the total number of overseas employees. Local talents are selected and employed through job competition, and the CIMC's business philosophy "Global Operation, Local Wisdom" is implemented through practical actions.

Community Charity

While making contribution to the society with economic growth, we also conscientiously fulfill the corporate citizenship and wholeheartedly help those in need. By organizing employees to donate blood without compensation, forming volunteer teams, donating money and materials and taking other actions, we will spread the warmth and care of all our employees to every corner of the community and strive to achieve the harmony between enterprises and communities.



CIMC Group has paid tax of
RMB3,104 million
in 2019



CIMC Group Headquarters donated
RMB200,000
to the Education Development
Foundation of South China University
of Technology
(donation of RMB600,000 in total
since 2018 by RMB200,000 each
year)



CIMC Vehicles provided
scholarships of
RMB200,000
to University of Jiangsu

Demonstrating Corporate Care



Assist universities to create second class and cultivate welding talents

In the afternoon of 4 April 2019, the welding technology and engineering specialty of Jiangsu University of Science and Technology organized 70 students from the school to visit CIMC Sanctum for study. Through the introduction of the exhibition hall, the welding process lecture and the workshop site visit, the college students were given the practical experience of land gas connection, explained the expertise of product welding process and manufacturing, and combined with the vivid image of the production process of the Company's storage tank products to connect the calligraphy knowledge and actual products. For college students, they can make up for the deficiency of teaching theories and enrich the resources of teaching practice; For the Company, it not only actively fulfills its social responsibilities, but also plays a positive role in building the Company's brand.



Volunteer Services at the Local Science and Technology Museum

In December 2019, Dongjiang Company, a subsidiary of Zhenhua Logistics, organized its employees to provide volunteer services at Binhai Science and Technology Museum. They enthusiastically and patiently provided guide services to all visitors that day. The whole team worked based on the division of labor and carried out their respective duties, completing one-day volunteer service and making contribution to building a city of spiritual civilization.





Targeted Poverty Alleviation

All segments and subordinate enterprises actively responded to the call of the Chinese government to win the battle against poverty and carried forward the spirit of unity and mutual help for poverty alleviation. In 2019, all segments of the Group and its subordinate enterprises have implemented a total of 11 targeted poverty alleviation projects, with a total of more than RMB2.55 million of capital and RMB360,000 of materials, directly benefiting 106 people with financial difficulty and 38 students from impoverished households.



CIMC Financial Leasing Company keeps helping impoverished students and enlightening impoverished people as the priority of targeted poverty alleviation. In December 2019, the Company successfully launched the second "Mangrove Scholarship" public welfare activity at the central primary school of Miao township of Zubie Yao and Miao Town Central Primary School, Xilin County, Baise City, Guangxi Zhuang Autonomous Region, supporting 30 poor students with outstanding achievements and donating RMB18,600.



Hunan CIMC Wood & Bamboo Development Co., Ltd. actively responded to the call of local government for targeted poverty alleviation. In 2019, the Company created files for 42 poor households, and built three poverty alleviation workshops in towns, providing more than 200 impoverished local residents with jobs. The Company has been honored as an enterprise of "employment-oriented poverty alleviation base" at the levels of province, city and county for three consecutive years.



CIMC Finance Company completed the donation of 35 idle desktop computers in September 2019. Due to the lack of display screens for these computers, the Company launched an internal poverty alleviation donation campaign, mobilizing all employees to donate about RMB10,000 to buy display screens. After cleaning these computers and installing OS, the Company's information development department donated these computers to Liutang Primary School in Chengjun Town, Fumian District, Yulin City, Guangxi to support educational development with practical actions.



On 20 July 2019, the members of Xinhui CIMC Party Branch visited the poor households in Daao Dongsheng Village. In 2019, the Company visited poverty-stricken households for three times. Since 2017, the Company has helped 5 poor households (16 people) to get rid of poverty through employment. The Company was awarded the title of 2019 Xinhui District Advanced Grassroots Party Organization.



On 23 December 2019, the donation ceremony for poverty alleviation of CIMC Huajun Vehicle Company was held at Penglou Village Committee of Ant-Feng Town. The relevant leaders of Yicheng District, the leaders of CIMC Huajun Vehicle Co., Ltd. and more than 200 village representatives from Penglou Village Committee attended the donation ceremony. At the donation ceremony, CIMC Huajun donated over RMB100,000 worth of charity materials to Penglou Village Committee and the majority of villagers.



13 Projects; funds and supplies totaling
RMB2.91 million



Number of registered impoverished individuals who were having cast off poverty

106 persons

Demonstrating Corporate Care

Working Together to Fight against COVID-19

At the beginning of 2020, the outbreak of COVID-19 weighed on the hearts and minds of hundreds of millions of people. During the special period when the whole country made concerted effort to fight the epidemic, people from all walks of life did their utmost to give their helping hands. As a global company, fully leveraging its own professional advantages, CIMC Group rapidly used its capacity to integrate global resources, collaborated with various parties to help prevent and control the epidemic and responded to social needs with high-efficiency and excellent actions, which demonstrated CIMC's commitments and undertakings. We jointly fight against the COVID-19 epidemic through donation of funds and materials. While donating cash and materials, all segment of the Group and its subsidiaries have taken actions to provide support to the epidemic areas in their respective professional fields.



On 3 March, the Group's headquarters donated 70,000 face masks to the Shenzhen Charity Federation, of which 20,000 were donated to relevant designated institutions, and the remaining 50,000 were specially dedicated to the "love package" of Shenzhen epidemic prevention and control and distributed to the vulnerable groups in Shenzhen on a free basis.



On 2-3 March, nearly 400 CPC members from the Group's headquarters donated approximately RMB47,000.



462 CPC members from 11 companies under CIMC Vehicles donated more than RMB100,000; Liangshan CIMC Dongyue Vehicle Co., Ltd. and Shandong Wanshida Special Vehicle Manufacturing Co., Ltd. donated RMB100,000 to Liangshan Charity Federation.



Lingyu Vehicle purchased foods worth of RMB20,000 to donate to the medical staff of the designated hospital for the treatment of COVID-19 pneumonia in Luoyang.



Tianda Airport donated a total of 3,000 masks and 10 thermometers to the Management Department of Wenzhou Airport Terminal, the Power and Energy Security Department of Hohhot Airport and Wuhan Airport Industry Company.



Jingmen Hongtu donated RMB150,000 to the Duodao District Branch of the Red Cross Society, Jingmen City.



Nantong Tank donated more than 300 boxes of disinfectant (5,000 bottles 84-disinfectant in number and 5 tons in weight) to the Gangzha Economic Development Zone.



SOE donated about disinfectant worth of RMB60,000 to Qidong Epidemic Prevention Headquarters and Qidong Offshore Engineering Industry and Marine Industrial Park Management Committee.



Yangzhou Taili sped up the production of cabin and participated in the construction of multiple sets of mobile CT cabin to support Hubei Province.



CIMC Cold Chain sped up the construction and successfully completed the construction of a cold storage with a capacity of 500 tons in 7 Days in Shandong.



CIMC Logistics provided 33 items of free logistics services for social anti-epidemic materials and anti-epidemic materials transport services; it donated a total of 40,000 masks, more than 3,000 sets of protective suits and 100 barrels of disinfectant worth of RMB750,000 to 5 hospitals in Hubei and 1 hospital in Tianjin; donated 15 used containers to Kunming for using as the lounge of traffic police checkpoint.

Only support and assistance of part of units of the Group in fighting against the epidemic were listed above



Case

CIMC Logistics provided charitable support for prevention and control the epidemic (logistic services and material donation) Providing free logistics services (some cases)



On 31 January, Tianjin Zhenhua Customs Broker assisted CCCC-FHEC to deliver 50,000 masks through effective customs clearance to Hubei;



On 5 February, Tianjin Zhenhua Ship Agency provided supporting services for container ships carrying 240 tons of anti-epidemic materials;



On 13 February, Zhenhua Group provided full-course logistics services for anti-epidemic materials from Greece and delivered them to Wuhan No. 7 Hospital;

Case

CIMC Modular constructed apartments for the front-line medical staff who participated in fighting the epidemic

On 24 February, the medical staff apartment of the makeshift hospital in the phase II of Shenzhen Third People's Hospital was completed and delivered. The apartment was undertaken by China Construction Science and Industry Corporation, the general contractor, and was constructed by CIMC Modular. Leveraging on its advantage in the coordination, the company urgently invoked existing modules from outside the province, and went all out to construct the apartment. The project was capped within 24 hours and was delivered within 20 days. The unique advantages of CIMC's integrated steel structure building was demonstrated again under the high efficiency requirement, helping fight the epidemic in Shenzhen.



Case

CIMC Cold Cloud transported nearly 100 tons of medical supplies for Hubei

CIMC Cold Cloud, as a professional logistics company focusing on drug transport, played a key role in the transport of front-line medical supplies such as virus test kits. As of 5 March, CIMC Cold Cloud Huazhong Branch has delivered more than 200 times of medical supplies to medical institutions at all levels in Hubei, Huanggang and Shiyan, with a total weight of 95.4 tons, more than 1,000 m³ and 76 trips of medical supplies, to support the medical supplies in Hubei



Case

Case: CIMC Sanctum rushed to manufacture liquid oxygen storage tanks to help Hubei Hospital fight against epidemics

Since the end of January 2020, CIMC Sanctum has successively received urgent needs for liquid oxygen storage tanks in hospitals across Hubei, such as Wuhan Jinyintan Hospital, Huoshenshan Hospital and Huanggang Central Hospital. The Company urgently negotiated and invoked existing standard tanks and set up a "emergency support team" to safely and orderly carry out production, and the lead time was shortened to 3 days. At present, a total of 31 liquid oxygen storage tanks have been manufactured and delivered to various hospitals in Hubei to help provide support for the medical oxygen equipment.





CIMC Group will keep following its sustainable development strategy, strive for high-quality development, take an industry lead and seize the time to work harder to reward our shareholders, stakeholders and the community. With the vigorous vision of “Becoming a respected global leader in the industries where we operate”, CIMC people will contribute more value to the building of a moderately prosperous society in all respects and the sustainable development of the human society.



1

Improve the governance mechanism and give full play to the leadership role of the Board

2

Deepen the working philosophy of "Promoting Management through Reporting" and continuously improve the sustainable development management

3

Deepen communication with and management of stakeholders, respond to and put forward important topics

4

Incorporate sustainable development strategies and goals into the 5S management system, determine medium- and long-term quantifiable goals and include them into daily management

5

Strengthen risk control and risk management and internal governance in an uncertain environment

6

Deepen the implementation of green manufacturing, energy conservation and emissions reduction, provide green products and services, and jointly address climate change

7

Deepen the implementation of champion product strategy, and contribute to global logistics with more and better products and services

8

Deepen the implementation of the core human resources philosophy of "people-oriented and common cause"

9

Actively fulfill social responsibilities and contribute to building of a moderately prosperous society in all respects

Appendix

Content Index of Reporting Standards

Topics	GRI indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remarks
General disclosure						
Organizational Profile	102-1	Name of the organization				6
	102-2	Activities, brands, products and services				10-13
	102-3	Location of headquarters				7
	102-4	Location of operations				11-13
	102-5	Ownership and legal form				18-19
	102-6	Markets served				10-13
	102-7	Scale of the organization				10
	102-8	Information on employees and other workers	B1.1			63
	102-9	Supply chain	B5.1			43-44
	102-10	Significant changes to the organization and its supply chain				No significant
	102-11	Precautionary Principles or approach				15-30
	102-12	External Initiatives				15-30
	102-13	Memberships of associations				84-86
Strategy	102-14	Statement from chief decision-maker				8-9
Ethics and Integrity	102-16	Values, principles, standards, and norms of Behaviour			Core values	5
Governance	102-18	Governance structure			Scientific planning	27
	102-19	Delegating authority				27-28
	102-20	Executive-level responsibility for economic, environmental, and social subjects				28
	102-28	Evaluating the highest governance body's performance				14
Stakeholder Engagement	102-40	Stakeholder with whom the company engages		Protection of rights and interests of shareholders and creditors		22-23
	102-41	Percentage of total number of staff covered by collective bargaining agreements				66
	102-42	Basis of identifying and selecting stakeholders				22-23
	102-43	Approach to stakeholder engagement				22-23
	102-44	Key topics and concerns raised after stakeholder engagement				24-25



Topics	GRI indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remarks
Reporting Practice	102-45	Entities included in the consolidated financial statements or equivalent documents				6
	102-46	Defining report content and topic boundaries				6
	102-47	List material topics identified in defining report content				25
	102-48	Reasons and impacts of restatements of any information previously reported				No restatements
	102-49	Significant changes in material topics and topic boundaries as compared with last reports				24-26
	102-50	Reporting period				6
	102-51	Date of most recent report (if applicable)				7
	102-52	Reporting cycle				7
	102-53	Contact person for questions regarding the report and its contents				7
	102-54	The report is prepared in accordance with the "core options" of the GRI Standards				Core compliance scheme
	102-55	Content index of GRI's Sustainability Reporting Guide				78-82
	102-56	External assurance				No external audits at this stage
Material topics						
1. Economic Standards						
Economic Performance	103-1	Explanation of the material topic and its boundary				10-26
	103-2	The management approach and its components				10-26
	103-3	Evaluation of the management approach				10-26
	201-1	Direct economic value generated and distributed	B8.2			14
Anti-corruption (material topics: corruption-free and integrity management)	103-1	Explanation of the material topic and its boundary	B7		Anti-commercial bribery, credit building	22-26
	103-2	The management approach and its components				29-30
	103-3	Evaluation of the management approach				29-30
	205-3	Confirmed incidents of corruption and actions taken	B7(b),B7.1			29-30
Anti-competition Behavior	103-1	Explanation of the material topic and its boundary	Fair competition			22-26
	103-2	The management approach and its components				29-30
	103-3	Evaluation of the management approach				29-30
	206-1	Legal actions for anti – competitive behavior, antitrust, and monopoly practices				29-30

Appendix

Topics	GRI indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remarks	
2. Environmental Standards							
Materials	103-1	Explanation of the material topic and its boundary	A2, A3	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Ecological Protection	22-26	
	103-2	The management approach and its components				54	
	103-3	Evaluation of the management approach				54	
	301-1	Materials used by weight or volume	A2.5			No disclosure due to very low usage of packages of the Group	
Energy (material topic: reduction of energy consumption)	103-1	Explanation of the material topic and its boundary	A2, A3	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Utilization Ecological Protection	22-26	
	103-2	The management approach and its components				54	
	103-3	Evaluation of the management approach				54	
	302-1	Energy consumption within the organization	A2.1			54	
	302-4	Reduction of energy consumption	A2.3			54	
Water	103-1	Explanation of the material topic and its boundary	A2, A3	Environmental Protection and Sustainable Development	Environmental Management, Resource Conservation and Comprehensive Utilization Ecological Protection	22-26	
	103-2	The management approach and its components				55	
	103-3	Evaluation of the management approach				55	
	303-1	Water withdrawal by source	A2.2			55	
	303-3	Recycled input water used	A2.4			55	
Emissions (material topic: air pollutant emission management)	103-1	Explanation of the material topic and its boundary	A1, A3	Environmental Protection and Sustainable Development	Environmental Management, Production and Emission Reduction, Ecological Protection	22-26	
	103-2	The management approach and its components				47-48 56	
	103-3	Evaluation of the management approach				47-48 56	
	305-1	Direct (Scope 1) GHG emissions	A1.1, A1.2			56	
	305-2	Energy indirect (Scope 2) GHG emissions				56	
	305-4	GHG emissions intensity	A1.2			56	
	305-5	Reduction of GHG emissions	A1.5		New Industrialization	56	
Effluents and Waste (material topic: sewage treatment and waste management)	103-1	Explanation of the material topic and its boundary	A1, A3	Environmental Protection and Sustainable Development	Environmental Management, Pollution and Emission Reduction	22-26	
	103-2	The management approach and its components				48-51	
	103-3	Evaluation of the management approach				48-51	
	306-1	Discharge volume by water quality and discharge destination	A1.1			48-51	
	306-2	Waste by type and disposal method	A1.3, A1.4, A1.6			48-51	
Environmental Compliance	103-1	Explanation of the material topic and its boundary	A1(b), A3	Environmental Protection and Sustainable Development	Environmental Management, New Industrialization, Ecological Protection, Resource Conservation and Comprehensive Utilization	22-26	
	103-2	The management approach and its components				45-61	
	103-3	Evaluation of the management approach				45-61	
	307-1	Non-compliance with environmental laws and regulations	A1(b)			46	



Topics	GRI indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remarks
Supplier Environmental Assessment	103-1	Explanation of the material topic and its boundary	B5		Cooperation for Mutual Benefits	22-26
	103-2	The management approach and its components				43-44
	103-3	Evaluation of the management approach				43-44
	308-1	New suppliers that were screened using environmental criteria	B5.2			43-44
3. Social Standards						
Employment (material topic: protection of employee rights and interests, employee remuneration and welfares)	103-1	Explanation of the material topic and its boundary	B1	Protecting rights of suppliers, customers and consumers	Respect for human rights, labor contracts and remuneration, social security and welfare, democratic management, employee communication and care	22-26
	103-2	The management approach and its components	B1.2			65-66
	103-3	Evaluation of the management approach				65-66
	401-1	New employee hires and employee turnover				65-66
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	B1			65-66
	401-3	Parental leave				65-66
Occupational Health and Safety (material topic: employee safety and health)	103-1	Explanation of the material topic and its boundary	B2	Protection of employees' rights and interests	Safety management, Safety expenditure, Occupational health and safety	22-26
	103-2	The management approach and its components				64-65
	103-3	Evaluation of the management approach				64-65
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	B2.3		Safety management, Safety inspection, Safety accident handling	64-65
Training and Education	103-1	Explanation of the material topic and its boundary	B3	Protection of employees' rights and interests	Employee training and development	22-26
	103-2	The management approach and its components				66-69
	103-3	Evaluation of the management approach				66-69
	404-1	Average hours of training per year per employee	B3.2			66-69
Diversity and Equal Opportunity	103-1	Explanation of the material topic and its boundary	B1		Cooperation for Mutual benefits	22-26
	103-2	The management approach and its components				63-65
	103-3	Evaluation of the management approach				63-65
	405-1	Diversity of governance bodies and employees				63-65
Child Labor (material topic: protection of employees' rights and interests)	103-1	Explanation of the material topic and its boundary	B4	Protection of employees' rights and interests	Responsibility for Supervision	22-26
	103-2	The management approach and its components				65
	103-3	Evaluation of the management approach				65
	408-1	Operations and suppliers at significant risk for incidents of child labor	B4.1, B4.2			65
Forced or Compulsory Labor (material topic: protection of employees' rights and interests)	103-1	Explanation of the material topic and its boundary	B4	Protection of employees' rights and interests		22-26
	103-2	The management approach and its components				65
	103-3	Evaluation of the management approach				65
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	B4.1, B4.2			65

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Topics	GRI indicator	Description	ESG Guide	Shenzhen Stock Exchange Guide	GSRI-CHINA 2.0	Page/Remarks
Local Communities	103-1	Explanation of the material topic and its boundary	B8	Public relations and social welfare undertakings, Targeted poverty alleviation	Community engagement and development	22-26
	103-2	The management approach and its components				71-75
	103-3	Evaluation of the management approach				71-75
	413-1	Operations with local community engagement, impact assessments, and development programs	B8.1			71-75
Supplier-social assessment	103-1	Explanation of the material topic and its boundary	B5	Protecting rights of suppliers, customers and consumers		22-26
	103-2	The management approach and its components				43-44
	103-3	Evaluation of the management approach				43-44
	414-1	New suppliers selected using social criteria	B5.2			43-44
Customer Health and Safety (material topic: customer service and satisfaction)	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers	Promote the healthy and sustainable development of the industry, Product quality and safety, Responsible marketing, Advocate responsible consumption	22-26
	103-2	The management approach and its components				31-44
	103-3	Evaluation of the management approach				31-44
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				37
Marketing and Labeling (material topic: customer service and satisfaction)	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers		22-26
	103-2	The management approach and its components				31-44
	103-3	Evaluation of the management approach				31-44
	417-2	Incidents of non-compliance concerning product and service information and labeling				31-44
	417-3	Incidents of non-compliance concerning marketing communications				31-44
Customer Privacy (material topic: customer service and satisfaction)	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers	Privacy Protection	22-26
	103-2	The management approach and its components				39
	103-3	Evaluation of the management approach				39
	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	B6.2		Privacy protection, Complaints and dispute handling	39
Socioeconomic compliance	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers		22-26
	103-2	The management approach and its components				31-44
	103-3	Evaluation of the management approach				31-44
	419-1	Non-compliance with laws and regulations in the social and economic fields	B7			31-44
Protecting Intellectual Property Rights (material topics: technological innovation and intellectual property protection)		Description of practices relating to safeguarding and protecting intellectual property rights	B6.3		Respect for property rights	35-36



Definition Index

Glossary	Definition
Company	China International Marine Containers (Group) Co., Ltd. (中國國際海運集裝箱 (集團) 股份有限公司)
CIMC, CIMC Group, Group, we, our and us	the Company and its subsidiaries.
ESG&CSR Report, Report	2019 Corporate Social Responsibility & Environmental, Social and Governance Report of CIMC Group
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited.
ESG Guide	Environmental, Social and Governance Reporting Guide
CIMC Container	CIMC Container Holdings Co., Ltd. (中集集團集裝箱控股有限公司)
CIMC Vehicles	CIMC Vehicles (Group) Co., Ltd. (中集車輛 (集團) 股份有限公司)
CIMC Enric	CIMC Enric Holdings Limited (中集安瑞科控股有限公司)
CIMC Raffles	CIMC Raffles Offshore Limited
CIMC Logistics	CIMC Modern Logistics Development Co., Ltd. (中集現代物流發展有限公司)
C&C Trucks	C&C Trucks Co., Ltd. (集瑞聯合重工有限公司)
CIMC TianDa	CIMC-Tianda Holdings Company Limited (中集天達控股有限公司)
Ziegler	Albert Ziegler GmbH (德國齊格勒消防及救援車輛 (集團) 有限責任公司)
CIMC Financial Leasing Company	CIMC Financial Leasing Co., Ltd. (中集融資租賃有限公司)
CIMC Finance Company	CIMC Finance Co., Ltd. (中集集團財務有限公司)
CIMC Skyspace Real Estate	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd. (深圳市中集產城發展集團有限公司)
CIMC Modular	CIMC Modular Building Investment Company Limited (中集模塊化建築投資有限公司)
Taichang Reefer	Taichang CIMC Reefer Logistics Equipment Co., Ltd. (太倉中集冷藏物流裝備有限公司)
Zhenhua Logistics	Zhenhua Logistics Group Co., Ltd.* (振華物流集團有限公司)
Longkou CIMC Raffles	Longkou CIMC Raffles Offshore Engineering Co., Ltd. (龍口中集來福士海洋工程有限公司)
Yantai CIMC Raffles	Yantai CIMC Raffles Offshore Engineering Co., Ltd. (煙台中集來福士海洋工程有限公司)
SOE	Sinopacific Offshore & Engineering Co., Ltd. (南通中集太平洋海洋工程有限公司)
CIMC Kaitong	CIMC Kaitong Logistics Development Co., Ltd. (中集凱通物流發展有限公司)
Qingdao CIMC	Qingdao CIMC Container Manufacture Co., Ltd. (青島中集集裝箱製造有限公司)
Dongguan CIMC Vehicle	Dongguan CIMC Vehicle Co., Ltd. (東莞中集專用車有限公司)
Yangzhou Tonghua	Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. (揚州中集通華專用車有限公司)
Huajun Vehicle	Zhumadian CIMC Huajun Vehicle Co., Ltd. (駐馬店中集華駿車輛有限公司)
Wuhu Ruijiang	Wuhu CIMC Ruijiang Automobile Co., Ltd. (蕪湖中集瑞江汽車有限公司)
Shenzhen CIMC Vehicle	Shenzhen CIMC Vehicle Co., Ltd. (深圳中集專用車有限公司)
Nantong CIMC	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. (南通中集特種運輸設備製造有限公司)
Qingdao Reefer Container	Qingdao CIMC Reefer Container Manufacture Co., Ltd. (青島中集冷藏箱製造有限公司)
CIMC Yangshan	Shanghai CIMC Yangshan Container Service Co., Ltd. (上海中集洋山集裝箱服務有限公司)
Haiyang CIMC	Haiyang CIMC Raffles Offshore Ltd. (海陽中集來福士海洋工程有限公司)
Nantong Food	Enric (Nantong) CIMC Food Equipment Co., Ltd. (南通中集安瑞科食品裝備有限公司)

Appendix

Glossary	Definition
Nantong Tank	Nantong CIMC Tank Equipment Co., Ltd. (南通中集罐式儲運設備製造有限公司)
Tianjin CIMC	Tianjin CIMC Container Co., Ltd. (天津中集集裝箱有限公司)
Ningbo CIMC	Ningbo CIMC Container Service Co., Ltd. (寧波中集集裝箱服務有限公司)
CIMC Sanctum	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd. (張家港中集聖達因低溫裝備有限公司)
Xinhui CIMC	Xinhui CIMC Container Co., Ltd. (新會中集集裝箱有限公司)
United Feicai	Anhui United Feicai Vehicle Co., Ltd. (安徽聯合飛彩車輛有限公司)
Nantong Energy	Nantong CIMC Energy Equipment Co., Ltd. (南通中集能源裝備有限公司)
CIMC Cold Cloud	CIMC Cold Cloud Supply Chain Management (Beijing) Co., Ltd. (中集冷雲(北京)供應鏈管理有限公司)
CIMC Cold Chain	CIMC Cold Chain Development Co. Ltd. (中集冷鏈發展有限公司)
CIMC Eco Material Supply	CIMC Eco Material Supply Co., Ltd. (中集新型環保材料股份有限公司)
Xinhui TEU	Xinhui CIMC Container Co., Ltd. (新會中集集裝箱有限公司)
XHCIMCS	Xinhui CIMC Special Transportation Equipment Co., Ltd. (廣東新會中集特種運輸設備有限公司)
Southern CIMC	Southern CIMC Logistics Co., Ltd. (深圳南方中集物流有限公司)
Dongguan Southern	Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. (東莞南方中集物流裝備製造有限公司)
Yangzhou Runyang	Yangzhou Runyang Logistic Equipment Co., Ltd. (揚州潤揚物流裝備有限公司)
Yangzhou Tonglee	Yangzhou Tonglee Reefer Container Co., Ltd. (揚州通利冷藏集裝箱有限公司)
Luoyang Lingyu	Luoyang CIMC Lingyu Automobile Co., Ltd. (洛陽中集凌宇汽車有限公司)
CIMC Raffles Haiyang	Haiyang CIMC Raffles Offshore Ltd. (海陽中集來福士海洋工程有限公司)
DLCIMC	Dalian CIMC Containers Co., Ltd. (大連中集特種物流裝備有限公司)
CIMC Lvjian	CIMC Lvjian Environmental Protection Technology Co., Ltd. (中集綠建環保科技有限公司)
TAS	Shenzhen CIMC- TianDa Airport Support Ltd. (深圳中集天達空港設備有限公司)

Industry Organizations

Organization name	Participant (positions)
China Enterprise Anti-Fraud Alliance	The Company (rotating chairman, standing director)
China Institute of Internal Audit	The Company (director)
Patent Protection Association of China	The Company (vice president)
China Intellectual Property Society	The Company (member)
China Association for Standardization	The Company (member)
China Steel Construction Society	The Company (director)
China Association for Public Companies	The Company (standing director)
China Association of Communication Enterprise Management	The Company (vice president)



Organization name	Participant (positions)
IFRS Association	The Company (member)
National Association of Financial Market Institutional Investors	The Company (member)
China Federation of Industrial Economics	The Company (vice president)
China Communications and Transportation Association	The Company (member)
China Chamber of Commerce for Import & Export of Machinery & Electronic Products The Company	The Company (vice president)
China Enterprise Confederation and China Enterprise Directors Association	The Company (vice president)
China Association of the National Shipbuilding Industry	The Company (vice president)
China International Public Relations Association	The Company (member)
Sustainability Industry and Commerce Committee of China Enterprise Confederation	The Company (director)
China Association for Quality	The Company (director)
China Container Industry Association	CIMC Container (chairman)
National Technical Committee on Freight Container of Standardization Administration of China	CIMC Container (member)
Cold Chain Logistics Committee of China Federation of Logistics & Purchasing	CIMC Container (rotating president)
China Classification Society	CIMC Container (member)
China Association of Automobile Manufacturers	CIMC Vehicles (vice president)
Hazardous Chemicals Logistics Branch of China Federation of Logistics & Purchasing	CIMC Vehicles (vice president)
China Association of Automobile Industry Special Vehicle Branch	CIMC Vehicles (chairman)
National Technical Committee of Auto Standardization Special Vehicle Technical Sub-committee	CIMC Vehicles (deputy secretary general)
National Automotive Technology Standards Committee Trailer Technical Sub-committee	CIMC Vehicles (deputy secretary general)
Ready-mixed Concrete Branch of China Concrete & Cement-based Products Association	CIMC Vehicles (vice chairman)
China Foundry Association	CIMC Vehicles (member)
China Gas Association	CIMC Enric (standing director)
China Chemical Industrial Equipment Association	CIMC Enric (standing director)
China Industrial Gases Industry Association	CIMC Enric (vice chairman)
China LNG Branch	CIMC Enric (president)
China Gas Station Association	CIMC Enric (president)
NGVS Branch of CCTA	CIMC Enric (vice president)
Ecological Building Ceramics Branch of China Building Ceramics & Sanitaryware Association	CIMC Lvjian (chairman)

Appendix

Awards and Honors

Selected Relevant ESG Index

Rating agency	Rating
MSCI	ESG BBB
Hang Seng	Hang Seng (China A) Corporate Sustainability Benchmark Index
SynTao Green Finance	ESG B+
Sina Finance	Shanghai-Shenzhen ESG 100 Select Index

In 2019, the main honors granted to the Group in social responsibility and investor relations are as follows:

Awarding Body	Award
Southern Weekly	2019 China “Outstanding Responsible Enterprise”
Shanghai Securities News	2019 Listed Companies “Gold Quality-Social Responsibility Award”
China Business Council for Sustainable Development and China Enterprise Confederation	2019 Top 100 Chinese Enterprises for Sustainable Development
Sina Finance	2019 Chinese Enterprises ESG Golden Responsibility Award “Outstanding Responsible Enterprise”
Alaya Consulting, organiser of HERA	2019 Hong Kong ESG Reporting Award
China Sustainability Tribune	2019 Golden Bee-Supplier Responsibility Information Disclosure Award
China Forum of Environmental Journalists and Beijing University of Chemical Technology	“Pioneer Lists” of Environmental Information Disclosure Evaluation of Listed Companies in 2018
Zhitong Finance and RoyalFlush Finance	4th “Gold Hong Kong Stocks” Listed Company with Most Social Responsibility
JRJC	2019 “Golden Wisdom Award”-2019 Environmental Contribution Award for Chinese Listed Companies
Golonghui	2019 Most Social Responsibility Award for Hong Kong Listed Companies in Greater China;
	2019 Most Social Responsibility Award for A-share Listed Companies in Greater China;
	“2019 Best CEO of Hong Kong-listed Company in Greater China” conferred on Mai Boliang, CEO and President of the Group
Shenzhen Research Association of Corporate Governance	2019 Shenzhen Listed Companies “Top Ten Green Governance”
Cross-border Roadshow Platform for Listed Companies	3rd “China Outstanding IR-Best Investor Relations Frontier Award”
New Fortune	2nd “New Fortune Best IR Hong Kong-listed Company”



In 2019, the main honors granted to various segments of the Group and its subsidiaries in innovation, products and services are as follows:

Awardee	Award
Qingdao Reefer Container(53-feet multi-modal transport insulated container)	"A Champion Product in Manufacturing" by the MIIT
CIMC-SHAC (Xi'an)	Industrial Enterprise with High-quality Development and Growth
Gansu Huajun	China Chemical Logistics Industry 2019 "Best Vehicle Brand" of "Gold Tank Award" "Gansu Customer Satisfaction Products"
Shenzhen CIMC Vehicle Industry Garden	2019 "Excellent Service Provider of the Year" of "Golden Transport Award" of China Highway Freight Industry
CIMC Vehicles	2019 Chinese Enterprise Elite Most Core Competitiveness Award MIIT "Single Champion Product"
CIMC Raffles	"Merit Collective Award" of Shandong Association of Shipbuilding Industry Association
CIMC Financial Leasing Co., Ltd.	"China Financial Leasing Company of the Year 2019" awarded by Leasing Industry Working Committee of China Association of Enterprises with Foreign Investment
CIMC Raffles "R&D of Key Technologies for Jack-up Gas Compression and Application Thereof"	Second Prize of Shandong Science and Technology Progress Award
CIMC Raffles "ZL201010122201.0 A Building Method of Offshore Platform"	21st China Patent Excellence Award
CIMC Raffles "Ultra-deepwater semi-submersible drilling platform (Blue Whale 2)"	Gold Medal of the First "Mayor's Cup" Industrial Design Competition in Yantai
Nantong CIMC "201110174221.7 Tank temperature Control System and Tank-type Container"	21st China Patent Excellence Award
Qingdao CIMC Container Manufacture Co., Ltd. - "Integrated Energy Saving Project of Compressed Air for Air Compressors"	"Qingdao Golden Idea Honorary Title on Suggestions for Rationalization of Energy Conservation and Emission Reduction of Employees"
CICM Group	National Intellectual Property Demonstration Enterprise
CICM Huajun	National Intellectual Property Demonstration Enterprise
Nantong Tank	National Intellectual Property Demonstration Enterprise
NTCIMCS	National Intellectual Property Demonstration Enterprise
CICM Tianda	Chinese Enterprise with Intellectual Property Advantage
CIMC Offshore Engineering Institute Research Center Co., Ltd.	Chinese Enterprise with Intellectual Property Advantage
CICM Group	"Second Prize of CSM Metallurgical Science and Technology Award" issued by The Chinese Society for Metals
Mai Boliang, the President	2018 Shenzhen Business Leaders Affecting China 2019 Forbes China Outstanding Leader of Multi-national Enterprise

Appendix

Awardee	Award
CICM Group	Ranking 52nd in the China Daily "China Brand Development (Enterprise) Index 100 List"
CICM Logistics	"Gold Flying Horse Award" 2018 China Top Ten Logistics Enterprises "Gold Flying Horse Award" 2018 Top 100 Brand Value of Chinese Logistics Enterprises
Nantong Energy "New Intelligent, Lightweight, International LNG Tank Container" Project	Second prize of 2019 CFLP "Science and Technology Progress Award" of Science and Technology Award
CIMC Intelligent Valley Phase III Architectural Design Scheme (Project Drawings Phase 5-8)	First prize of "Shenzhen Architecture Design Award"
CIMC Intelligence Park	WGDC 2019 Most Growing Industrial Park Award
Shijiazhuang Enric Gas Equipment Co., Ltd.	"Enterprise with Outstanding Contribution" to China's Chemical Equipment Industry
C&C Trucks Co., Ltd.	"Top 100 High-tech Enterprises in Anhui Province" by Anhui Science and Technology Department "2019 Technical equipment-CIMC C&C Truck + by Logistics Customer satisfaction in the Logistics Industry" China Transportation Industry Association
Jingmen Hongtu	"Unit with Outstanding Contributions" of China Chemical Equipment Industry
Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.	"Four-star Cloud Enterprise" of Jiangsu Province in 2019

In 2019, the main honors granted to various segments of the Group and its subsidiaries in labor management are as follows:

Awardee	Award
Liaoning CIMC Vehicles	National Worker Pioneer
CIMC Vehicles	2019 Guangdong Provincial Advanced Entities for Corporate Culture Construction
Lingyu Vehicle	"Luoyang May 1st Labor Medal"
Dongguan CIMC Vehicle	"Guangdong Provincial May 1st Labor Medal"
CIMC Tonghua	Yangzhou "Worker Pioneer"
CIMC – SHAC (Xi'an)	Xi'an Municipal "Worker Pioneer"
Gansu CIMC Vehicle	Baiyin Municipal "Double Innovation Award" (Gao Bin Labor Model Innovation Studio; Innovation Team, Assembly Division, Manufacturing Department)
Jingmen Hongtu	National Model Labor Relations Harmonious Enterprise Hubei Labor Security Integrity Unit
Shijiazhuang Enric Gas Equipment Co., Ltd.	Provincial Safety Culture Construction Demonstration Unit



Organization Structure for Report Preparation

Leading Panel

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Members:	Li Yinhui, Yu Yuqun, Wang Jinghua, Chen Yanang, Wu Sanqiang, He Jin

Preparation Team

Chief:	Chen Yanang
Deputy chief:	Li Zhuwen

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Vehicle Segment	Hong Huiqing, Jiang Bo	CIMC Huijie	Ge Le
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Feedback

Dear readers:

Thank you for reading this report. In order to continuously enhance and improve our management of sustainable development, we sincerely hope to hear your valuable opinions and suggestions. Please complete the content of this page and choose the following channels to give us feedback.

Facsimile: 0755-26692707

Address: Board Secretary Office, Excellence-oriented Operating and HSE Centre of CIMC Group, No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, PRC

1. What is your opinion of this whole report?

☐ Good ☐ Not bad ☐ Normal

2. How do you think of the clearness, accuracy and completeness of the information and data disclosed in this report?

☐ Good ☐ Not bad ☐ Normal

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

☐ Good ☐ Not bad ☐ Normal

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

☐ Good ☐ Normal ☐ Bad

5. Your opinions and suggestions on the sustainable development management of the Group:

Please leave your contact information if possible:

Name:

Occupation:

Name of organization you work in:

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You can also choose to scan the QR code on the right to complete the online questionnaire. We will conduct a random draw for readers who complete the online questionnaire at the end of 2020. The specific draw plan is subject to the interpretation of the Group.

We will fully consider your opinions and suggestions and undertake to keep properly your information.





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