



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 2021



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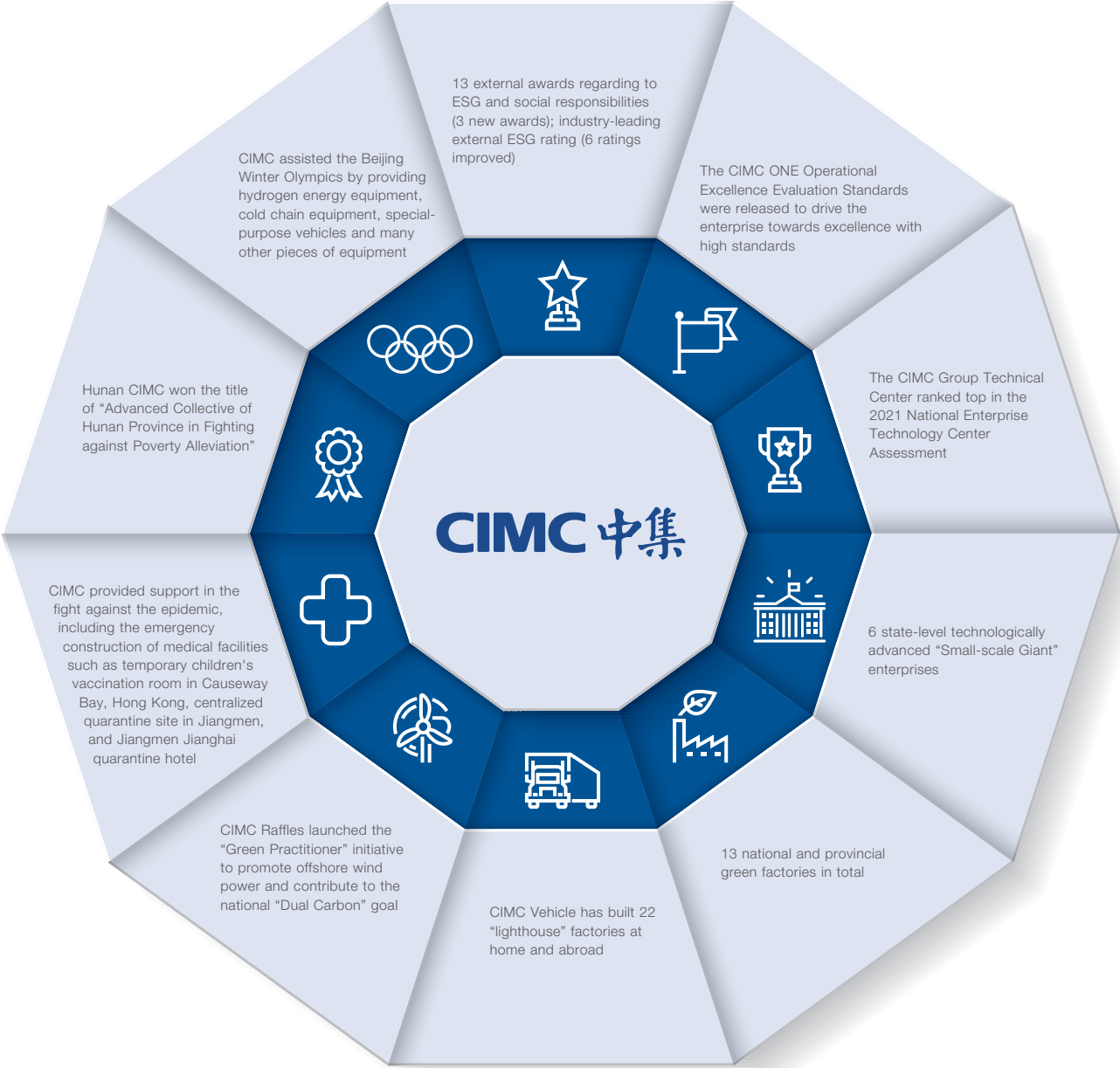
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Sustainability Achievements in 2021



Business Philosophy



Enterprise Spirit

Unremitting Striving, Pursuing Excellence

Core Human Resources Idea

People Oriented, Common Cause

Operation/Management Ideas

Development Idea: Quality Growth

Management Idea: Conciseness & Efficiency

Globalization Idea: Global Operation, Local Wisdom

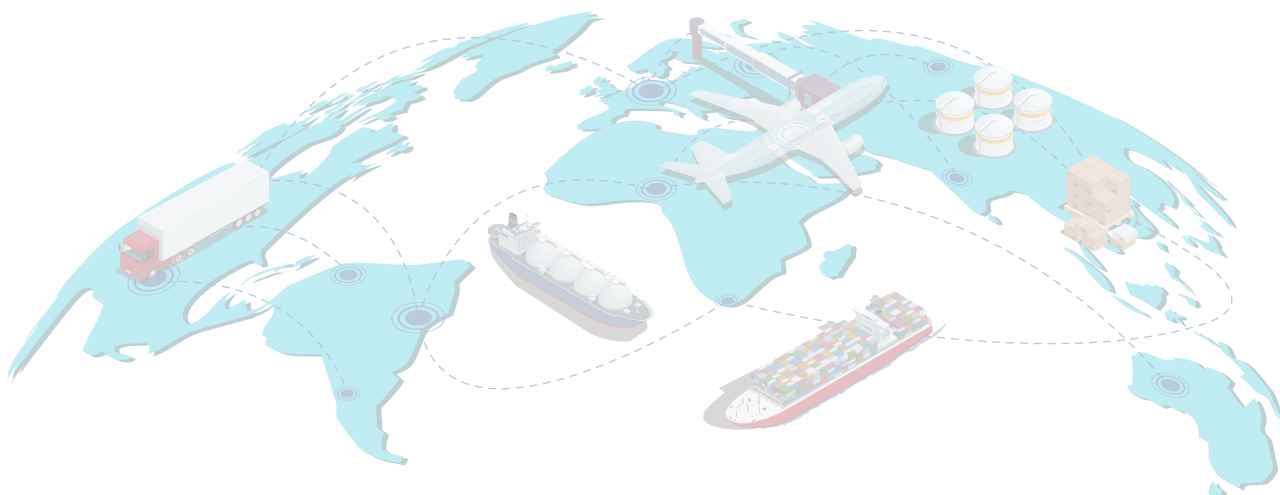
HSE Idea: Safety and Health, Green Operation

Statement of the Board of Directors

The Board of Directors is pleased to present to you the 2021 Corporate Social Responsibility & Environmental, Social and Governance Report of CIMC Group. In order to standardize the ESG management mechanism and enhance the quality of ESG management, CIMC Group has established an ESG governance structure with the Board of Directors having the highest responsibility and decision-making authority for ESG matters, bearing full responsibilities for the Company's ESG strategy, target management and information disclosure, and approving ESG improvement proposals. As the committee assuming the primary responsibility, the Strategy Committee of the Board of Directors takes on the work to study the sustainable development strategy, supervise the formulation and implementation of the ESG policies, and conduct the identification, assessment and management of important ESG issues, and the risks and opportunities associated with green, safe and sustainable development. The Strategy Committee also assumes the responsibility to review and approve ESG management objectives, approve and publish reports, and assist the Board of Directors in performing ESG governance functions departments. The CIMC Group Executive Committee is composed of senior management of CIMC Group, including leaders of each of its functional department. The CIMC Group Executive Committee shall periodically submit the ESG report to the Strategy Committee of the Board of Directors, review ESG issues, supervise the implementation and execution of decisions made by the Board of Directors on environmental, social and governance matters related to sustainable development, and ensure the resources earmarked for the ESG field. The Steering Group for the ESG report is responsible for promoting and building the "sustainable development report" management system and providing regular reports to support the Group Executive Committee, Strategy Committee and the Board of Directors.

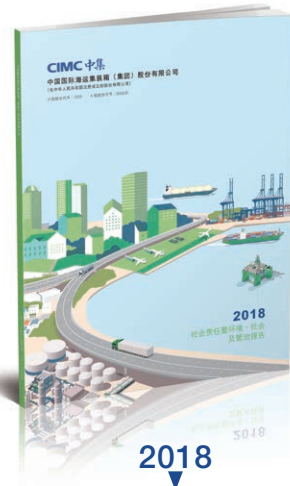
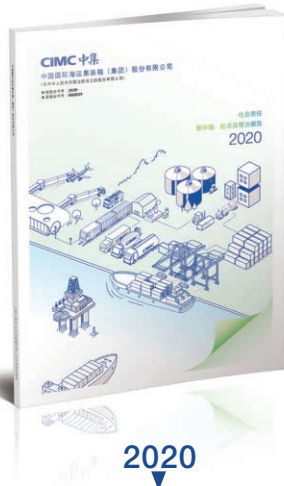
Based on the external environment and the development strategy of CIMC Group, CIMC Group has identified 7 key ESG agendas through investigation of internal and external stakeholders during the reporting period and thus clarified its key tasks, including employee safety and health, implementation of sustainable development strategy, product quality and safety, energy conservation and consumption reduction, green products and services, integrity management philosophy, and air pollutant emission management. The above issues have been examined and the performance has been improved in routine work, and target-oriented management has been carried out accordingly. In the future, we will continue to regulate our sustainable development management strategy and promotion methods according to the expectations of stakeholders and the actual operation of the Group, in an effort to continuously improve the level of sustainable development.

The Report provides detailed information on the progress and effectiveness regarding CIMC's ESG efforts in 2021 and has obtained approval from the Board of Directors on 28 March, 2022. The Board of Directors and all directors of CIMC hereby guarantee that the information presented in this Report is free from any false records, misleading statements or material omissions, and undertake joint and several liabilities for the authenticity, accuracy and completeness of the information.



Reports of Previous Years

CIMC Group has published sustainable development reports for 13 consecutive years since 2008.



About the Report

The Report is the fifth Corporate Social Responsibility & Environmental, Social and Governance Report (the “CSR&ESG Report” or “Report”) of China International Marine Containers (Group) Co., Ltd. (the “Company” and its subsidiaries) and its subsidiaries (together the “CIMC”, “CIMC Group”, “Group” or “us”) since 2017.

Reporting Scope

The Report supplements the 2021 Annual Report of the Group and discloses the Group's management approaches, measures and performances in environmental, social and governance from January 1, 2021 to December 31, 2021 (the “current year”) (with some contents dating back to the prior years or looking forward to the date of release of the Report). For further details of corporate governance, please refer to the section headed “Corporate Governance and Corporate Governance Report” in the 2021 Annual Report of the Group. The coverage of the text disclosed in the Report is the same as that of the 2021 Annual Report of the Group. The data in the environmental category covers: (1) domestic manufacturing enterprises under the segments of container, vehicle, energy and chemical, offshore engineering, airport, and recycled load business, Heavy Trucks and Tongchuang, fully covering domestic manufacturing enterprises; (2) four enterprises under logistics segment and offshore engineering institutes; (3) 9 overseas enterprises under the segments of vehicle, energy and chemical, and airport, with the revenue accounting for over 75% of total overseas revenue.



Reporting Standard

The Report was prepared in accordance with the Appendix 27 *The Environmental, Social and Governance Reporting Guide (“ESG Guide”) to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”), the Rules Governing the Listing of Shares on Shenzhen Stock Exchange (revised in 2022), the Self-regulatory Rules of Companies Listed on Shenzhen Stock Exchange No. 1 – Guidelines for Standardized Operation of Companies Listed on the Main Board, the “Core” Items of the Global Reporting Initiative Standards (GRI Standards), the CSR Guide for China’s Industrial Enterprises and Industrial Associations (GSRI-CHINA 2.0) and the CASS-CSR 4.0 Guidelines of Chinese Academy of Social Sciences*. Unless otherwise stated, the currencies involved in the Report are measured in Renminbi (“RMB”).

Preparation Process

Preparation kick-off meeting and ESG training, stakeholder investigation, report preparation, in-house discussion and revision, report design, management review, and report release

Source of Information

The information disclosed in the Report is derived from official documents, reports or relevant public data of the Group and its subsidiaries. The Board of Directors is responsible for the authenticity, accuracy and completeness of the information presented in the Report.

Statement on Reliability

The Board of Directors and all directors guarantee that the Report is free from false records, misleading representations, or material omissions.

Publication Cycle

The Report is released annually, specifically in March of each year.

Publication

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

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Chairman & CEO's Statement

The year 2021 was a milestone year in the history of China International Marine Containers (CIMC). In the face of the complicated situations caused by the intertwining effect of global changes and the COVID-19 pandemic, CIMC firmly focused on the strategic direction of “becoming a globally respectable leading enterprise in its industries”, adhered to the strategic theme of “operating prudently and pursuing quality growth”, rose to the challenge, forged ahead with determination, and achieved progress. As a result, CIMC’s operating income exceeded RMB100 billion for the first time, net profit hit a new record-high, the Group’s comprehensive strength was further improved, and the winwin development of the economy, environment and society was promoted, creating new value for all stakeholders.



Over the past year, we have systematically improved CIMC’s ESG governance and reporting system, and have established a working mechanism for duties and responsibilities at different levels. The Board of Directors and the subordinate Strategy Committee have been briefed about the Group’s ESG work report on a regular basis. Both the Group and its listed subsidiaries have been performing their respective duties according to the ESG work operation mechanism, effectively identifying and managing substantive issues in sustainable development, and achieving ESG improvements through the implementation of the Group’s strategic themes. We have continuously pushed forward the implementation of the Group’s 2025 green development goals, established and improved incentive and restraint mechanisms, and made continuous improvements to effectively enhance our capacity for sustainable development.

Over the past year, we have maintained operational resilience under the intertwining impact of the pandemic and global changes, and have steadily pushed forward operational work in all areas. We have fully leveraged the competitive advantages of CIMC accumulated over the years, and have actively responded to the expectations and needs of various stakeholders. We have thoroughly implemented our high-quality development strategies, continuously attached importance to R&D innovation, and successively launched green and low-carbon products in the market, so as to support national strategies and shore up industry weakness. We have steadily promoted the transformation and upgrading of industrial digitalization and intelligentization, with “lighthouse factory” construction in full swing. At all times, we regard the health and safety of products as the core of product responsibility, and regard product quality as the foundation of CIMC Group.

Over the past year, faced with the risks and challenges brought about by climate change, we have earnestly promoted the implementation of our green development plan. Through accelerating the elimination of high-energy-consumption and high-polluting equipment, we have actively researched and introduced cleaner production technologies and processes, and have vigorously developed and promoted green environment-friendly products and services. In response to the national policy requirements for the “3060” carbon emissions peak and carbon neutrality target, we have conducted special studies on energy conservation, carbon reduction, photovoltaic energy, etc., carried out carbon footprint examinations of typical products on a pilot basis, and made plans to fully promote the application of rooftop photovoltaic, energy storage and other projects across the Group. In 2021, the total energy consumption and carbon emissions of CIMC Group increased slightly along with its scale of operation, while the total emission intensity significantly decreased.

Over the past year, we have maintained close communication and cooperation with our stakeholders such as shareholders, customers, employees, government bodies and communities to achieve shared growth. We insisted on advocating the core human resource management philosophy of “People Oriented, Common Cause”, focused on the protection of employees’ rights and interests, and vigorously promoted the establishment of mechanisms including review, succession planning, post training and precise incentives for backbone staff. We comprehensively strengthened HSE management and solidly advanced the construction of green factories. With our obligations as social citizens firmly in mind, we also truly cared for the society and people’s livelihoods, strived to create a sound operating environment for enterprises, and supported the development of local economy and social welfare activities. While guarding our own frontier of pandemic prevention and control, we also have actively contributed our efforts to the anti-epidemic work for the society and communities.

Over the past year, we have actively responded to the requirements of the United Nations’ Sustainable Development Goals and China’s new development philosophy, and have made all-around exploration and efforts in sustainable development, which has promoted the harmony and unity of economic, environmental, and social performance. In 2021, the Group’s performance in ESG has been recognized by external institutions and organizations. During the year, the Group received 13 external awards in terms of social responsibility, including “2021 GoldenBee Leading Enterprise” and “Top 100 Chinese Enterprises for Sustainable Development” from the China Business Council for Sustainable Development, and was selected to be included in the “ESG practice cases of listed companies of China Association for Public Companies” and two other external casebooks, which greatly enhances the Group’s social responsibility influence and brand reputation.

Entering the “14th Five-Year Plan” period, the Party and the national government have put forward new missions and new requirements for enterprise development, with high-quality development expected to become the theme of China’s economic and social development. CIMC will continue to follow our original aspirations and shoulder our original mission bestowed by China’s reform and opening up, actively fulfill our social responsibility, keep up with the times, and strive to head towards the goal of becoming a globally respectable high-quality enterprise.

In terms of business development, in the face of increasing external risks and challenges and growing downward pressure on the economy, we must fully tap into the opportunities arising from China’s adherence to the policy of expanding domestic demands and the in-depth implementation of sustainable development strategies, firmly promote the implementation of strategic themes with focus on cold chain, clean energy, rural revitalization, and clear waters and green mountains, and build a new development pattern for the future.

In terms of sustainable development, we must resolutely implement the requirements of the new national development concept, unswervingly integrate the principles and concepts of sustainable development into the corporate development strategy, and continuously push forward green development plans. We must further clarify the responsibilities and targets of green development, steadily reduce energy consumption and emission intensity of major pollutants, form a regular communication and reporting mechanism on the progress of key issues, and continue to build a solid foundation for enterprise risk management. We must effectively assess the risks and opportunities in response to climate change and the “dual carbon” policies, take 2-3 years to effectively advance the work of energy saving and carbon reduction in the dimensions of manufacturing processes and product life cycles, and launch the CIMC “dual carbon” roadmap in due course. We must insist on innovation-driven development, extend the green and low-carbon concepts in “champion products,” and explore to build a new track of “champion products.” We must further improve the employee rights protection system, enhance the first distribution of common wealth, formulate the medium and long-term public welfare strategies, prepare to launch the corporate public welfare foundation, expand the employee volunteer team, and continuously carry out scholarships and grants and rural revitalization projects.

Our dream continues to move forward with time. In 2022, we are celebrating the 40th anniversary of CIMC Group’s operation. Let’s bring with us our 40 years of history and cultural genes, unite our efforts to forge ahead, uphold the corporate spirit of “Unremitting Striving, Pursuing Excellence”, adhere to the philosophy of high-quality and sustainable development, achieve long-term growth with stability, build an everlasting enterprise, and make more valuable contributions to the sustainable development of human society.

Chairman & CEO
Mai Boliang
March 2022

About Us

Profile of the Group

Headquartered in Shenzhen, China, China International Marine Containers (Group) Co., Ltd. (the "CIMC Group" or "CIMC") is a world leading logistics, energy equipment and service supplier. CIMC Group is dedicated to the following major businesses: containers manufacturing, road transportation vehicles, energy, chemical and liquid food equipment, offshore engineering, airport facilities and logistics equipment, fire safety and rescue equipment, logistics services and recycled load, etc., providing high-quality and reliable equipment and services. The booming development of these businesses is supported by: financial companies that provide professional capital management, and financial leasing companies that provide financial solutions. As a diversified multinational industry group serving the global market, CIMC has over 300 member companies in Asia, North America, Europe, Australia and other regions and 3 listed companies. Its customers and sales network covered more than 100 countries and regions around the world. In 2021, CIMC achieved sales revenue of about RMB163.696 billion and net profit of about RMB8.36 billion.

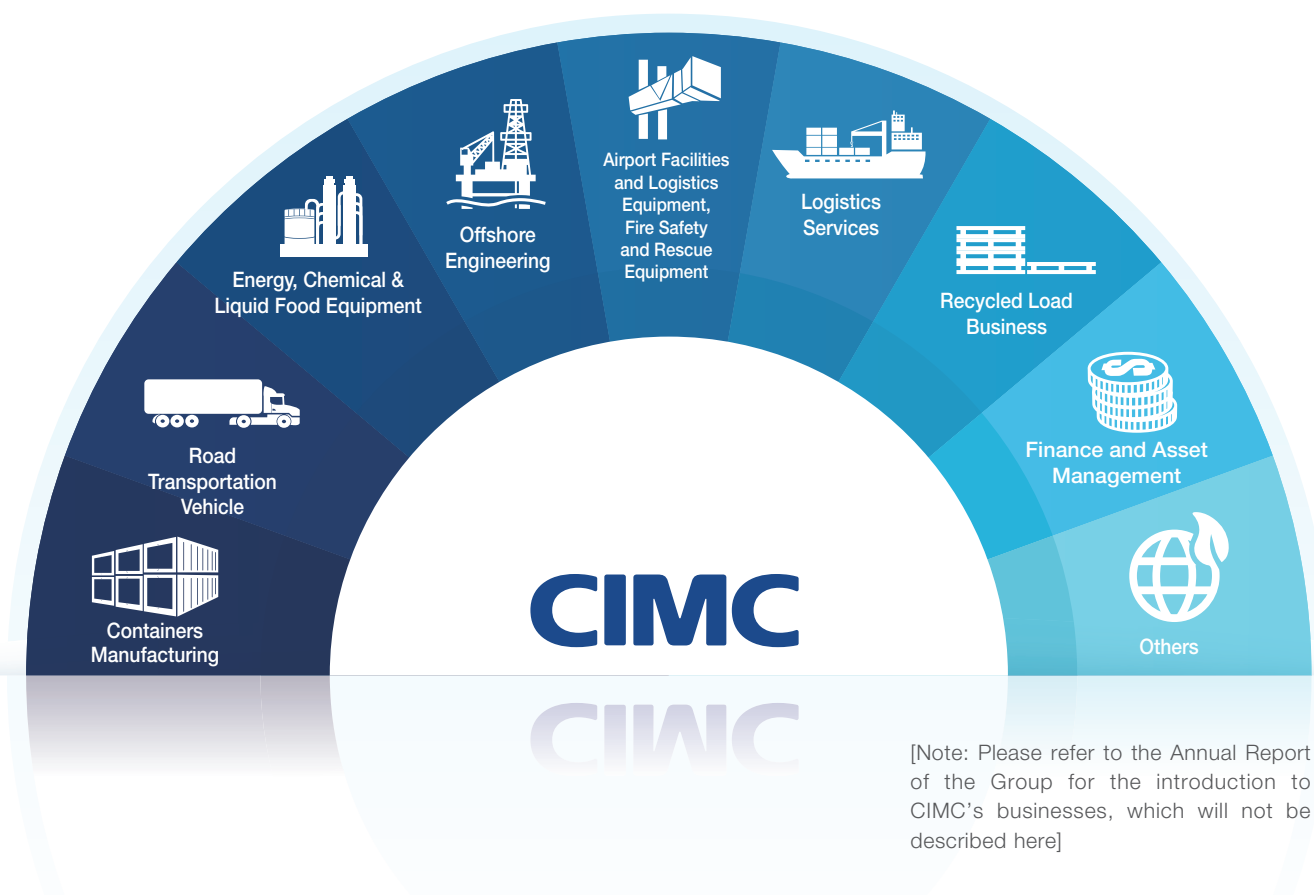
CIMC was founded in January 1980 as a joint venture invested by China Merchants Group and East Asiatic Company in Shenzhen and was initially managed by EAC executives. It came to be listed in Shenzhen Stock Exchange in 1994 and listed in the Stock Exchange of Hong Kong Ltd. in December 2012. Currently, CIMC is a public A+H share listed company, whose main shareholders are Shenzhen Capital Holdings and China Merchants Group. Stimulated by the deep-seated international genes since its establishment, supported by the outstanding governance structure and propelled by the endless pursuit of technological innovation and management efficiency, CIMC has rapidly grown into a leader in many global industries.

3 Listed Companies

CIMC 中集
000039.SZ/02039.HK

CIMC | 中集车辆
301039.SZ/01839.HK

CIMC | 中集安瑞科
03899.HK



[Note: Please refer to the Annual Report of the Group for the introduction to CIMC's businesses, which will not be described here]

Summary of ESG Efforts

Overview of ESG Work in 2021

In 2021, the Group adhered to the principle of “operating prudently and pursuing quality growth”, forged ahead and constantly innovated, making its operating income and net profit hit a record high. It also adhered to all principles and concepts of sustainable development in its corporate strategy and took “Strengthening Responsibility Management, Tackling Climate Change, Improving Global Logistics, and Developing with Joint Efforts” as the main themes of ESG work, in order to enhance the mutual development of the economy, the environment and the society and create new value for all stakeholders. In the past year, we have implemented the following work related to the ESG governance and management:

1. Further refine ESG governance to perform our duties responsibly based on hierarchical principles

The ESG governance framework under the leadership of the Board of Directors as the highest official and decision maker for ESG work has been further improved in accordance with the ESG Reporting Guide issued by the Hong Kong Stock Exchange. The ESG work report has been routinely heard, approved and released by the Board of Directors and its subordinate Strategy Committee of the Group. Responsibilities within the Group have been performed hierarchically according to the ESG working mechanism. The fifth ESG report has been prepared and released in collaboration with the Group and its subordinate sections. According to the requirements of sustainable development strategy, we handled issues that attract the attention of stakeholders through the implementation of group strategy themes and promoted functional management improvements. The Steering Group Meeting for Sustainable Development Report has been held regularly to review ESG data and listen to key work reports. We have carried out studies on all specific issues, and have promoted the implementation of all suggestions to the Executive Committee. The mechanism of the Group Decision-making Committee for the Special Period was extended to the end of 2021. The series of risk management and control measures adopted have been effectively implemented, so that business risks can be effectively managed and controlled, and business operations can continue to improve.

2. Further improve data integrity and quality for routine analysis reports

We have further improved the ESG KPI system under hierarchical management system, implemented data responsibility and designed an accountability mechanism for data accuracy and objectivity. A total of 80 secondary indicators of type A and B have been collected by the information system, and the indicator results have been routinely analyzed every quarter to identify sustainable development risks and opportunities; and accordingly, the issues and suggestions that need attention have been proposed, which are then compiled into quarterly ESG management reports and annual management reports. Based on routine data analysis, specific research issues such as energy saving and carbon emissions reduction that require to be confirmed and promoted by the Executive Committee have been proposed. We have implemented the benchmark management mechanism and promoted the Group and segments to develop and implement an action plan to improve the ESG work and eliminate the gap over the new guideline of Hong Kong Stock Exchange.

3. Conduct normal stakeholder surveys and scientifically identify key issues

The Group has regularly implemented the communication and survey work of stakeholders for four consecutive years. We have identified a total of 35 issues in consideration of the guide of the macroeconomic policy of the state, major concern of the capital market, related standard for the sustainable development report and benchmark analysis of excellent peers, and fully listened to the needs and priorities of all stakeholders in 2021. We have analyzed the results of 19,385 questionnaires and interviews to effectively identify key issues related to sustainable development. The identification process and related results of these substantive issues have been finalized after the Group's internal audit and report to the Board of Directors, and we have put in place measures to address substantive issues that are of common concern to stakeholders in ESG reporting and group operations.

4. Establish a promotion mechanism for the study of key issues to improve operations

In line with the “reporting promotes management” guideline, we have successively carried out policy analysis and current-situation surveys on key issues, e.g. energy saving, double carbon, common prosperity, corporate welfare funds, photovoltaic and power rationing. Our projects in areas such as carbon footprint verification, corporate welfare funds, and photovoltaic have also gradually been implemented.

In response to the policy requirements about “3060” carbon dioxide emissions peak and carbon neutrality, on the one hand, we have organized many external research projects and seniors seminars. Through the specific analysis report on energy saving and carbon emissions reduction submitted to the Executive Committee, we have basically clarified the current situation of energy consumption and carbon emissions in the manufacturing process, and estimated the challenges we will face in the future. At the same time, we have piloted the carbon footprint verification in the entire life cycle from dry standard container, reefer container to recyclable and transportable packaging products. Therefore,

the Group has a basic understanding of current carbon emissions status in the entire life cycle of its own manufacturing process and pilot products, creating conditions to establish an improvement road map for carbon dioxide emissions peak and carbon neutrality in the next step. On the other hand, in order to reduce carbon emissions for the whole society, we have also actively exerted our advantages in logistics and energy equipment, and carried out many practical activities, such as the conversion of petrol to natural gas for inland water transport ships, and the promotion of hydrogen energy equipment.

In October 2021, we specially established a “Project Team for Rooftop Photovoltaic Power Generation Coordinated by the Group” to research and promote the rooftop photovoltaic power generation projects engaged by subsidiaries under the background of the implementation of energy “dual control” policy in the country and power rationing strategy in some regions. By the end of 2021, 10 subsidiaries within the Group had applied rooftop photovoltaic power generation, and the power generation during the year was 37.27 million kWh, equivalent to a reduction in consumption of about 21,653 tons of carbon dioxide. The Group will continue to vigorously promote the rooftop photovoltaic power generation, and the carbon emissions reduction effect will be more significant.

In response to national call for common prosperity, we have invited leading experts to give relevant policy advocacies and survey on corporate welfare foundations. In the next step, we will start to establish a corporate welfare foundation in order to expand the volunteer employee team in the corporate and promote public welfare activities.

We avoid the sustainable development risks and capture the business opportunities in the process of sustainable development by these research and promotion practices of specific ESG issues. In order to promote the overall improvement of operational excellence, technological innovation, digitalization and green development, we have officially released the “CIMC’s ONE Evaluation Standard of Operational Excellence” to maintain physical health, enhance corporate resilience, and improve the operational excellence level of the Group.

5. Externally recognized ESG performance comes from focusing on external communication and advocacy

We have followed the principle of “Full compliance of information disclosure, equal opportunity for investors, honesty and credibility and interactive communication” in the investor relations management, and strengthened publicity by various channels for all-round and effective communication with shareholders and other relevant parties. In 2021, the ESG working performance of the Group has been recognized by external agencies and organizations. CIMC Group won 13 external awards for social responsibility, including “2021 GoldenBee Leading Enterprise”, “Outstanding Responsible Enterprise of 2020” issued by Southern Weekend, “Top 100 Sustainable Enterprises in China” issued by China Business Council for Sustainable Development, etc., and was selected into 3 external case collections including “ESG practice cases of listed companies of China Association for Listed Companies”, and has 6 improved external ratings or scores, which effectively enhanced CIMC’s responsibility influence and brand reputation.

In the past year, we have actively responded to the United Nations Sustainable Development Goals and new national development concept, and our all-round surveys and efforts in sustainable development have enabled us to achieve a balance of economic, environmental and social performance.

In terms of economic performance (see the Improving Global Logistics section for details), we took the global logistics improvement and energy upgrades as the responsibility, and the technological innovation and digital transformation as the main instrument. In order to improve the harmonious development of economy, environment and society, we also actively developed new green and low-carbon businesses while realizing the rapid growth of traditional business. Faced with the shortage of container, CIMC has made contribution in stabilizing foreign trade of the state and guaranteeing the supply of containers for export, and its Container Segment has contributed much to the stability of foreign trade by giving full play to the maximum capacity of container factories. CIMC promoted the logistics and transportation methods transform of Xijiang cement and LNG, and helped local industries transform towards sustainable development; CIMC Enric continued to improve the entire industrial chain layout of natural gas storage and transportation equipment, and developed the storage and transportation equipment for hydrogen energy to promote the national “dual carbon” policy; CIMC Raffles vigorously developed the new energy industry of marine wind power equipment to embark on a greener development path; CIMC Transportation followed the concept of green circular economy and promoted the application of circular packaging in batches in various fields. In response to the national strategy of rural revitalization, CIMC Cold Chain participated in the construction of cold chain backbone network in Guangdong Province; CIMC IOT started to construct the world’s largest intelligent robot parking lot in Hong Kong to promote the interconnection of infrastructures in the Guangdong-Hong Kong-Macao Greater Bay Area; CIMC Offshore completed the transformation from

traditional fishery to mechanization, intelligence, low-carbon and environmental protection by developing the modern aquaculture cages project in the marine pasture platform. In 2021, CIMC continued to implement technological innovation strategies, and focused on promoting the implementation of technical plans for more than 20 key products in various sectors. The technology research and development center of CIMC ranks 91st among national technology centers, and is in the top 5%. The Group constantly refined the CIMC Intelligent Manufacturing Action Plan (the "Action Plan"), and carried out the transformation and upgrading toward new industrialization work and intelligent manufacturing, building 22 "Lighthouse" Plants for the production of semi-trailers at home and abroad. The Group respects and values the management and maintenance of intellectual property (IP), focusing on the protection and application of high-value patents. During the year, we received 75 licensed invention patents, 397 licensed patents and 13 Chinese patent awards. In 2021, we recorded operating revenue of RMB163.696 billion and net profit of approximately RMB8.36 billion (see Table of Financial Performance Indicators for detail).

In terms of environmental performance (see the Tackling Climate Change section for details), CIMC executed the "CIMC Green Development Plan" and continuously improved the environmental protection management system. Based on the business characteristics of each segment, CIMC actively explored the green development opportunities brought by green and clean technologies, and integrated the concepts of green, low-carbon and recycling into the design, research, development, production and promotion of its own products and services. The Group achieved rapid business growth, with more emphasis on environmental protection, energy saving and emission reduction, as well as occupational health and safety in production. In accordance with the strategic orientation of "high-quality development" in the Group, the Group carried out HSE work in an orderly manner, gradually improved the basic institutions and management mechanisms, and also continuously refined HSE practice. In recent years, there are 56, 66, 60 and 22 enterprises in the Group that have passed occupational health and safety management system certification, environmental management system certification, safety standardization certification and clean production certification, respectively. 13 enterprises have obtained the national and provincial green factories certification. In 2021, the HSE risks accompanied by high business growth were effectively responded to through the powerful HSE work implemented by the Group, segments and enterprises, ensuring the active development of HSE work toward a smooth and orderly path in 2021. In terms of environmental performance, when the total energy consumption increased by 26.46%, the energy consumption intensity decreased by 26.2%, although the total emission will increase with the expansion of operation scale. In addition to hazardous waste, the emission intensity of other pollutants has also been significantly reduced (see Table of Environmental Key Performance Indicators for details). We extended the philosophy of sustainable development to the supply chain and worked hand in hand to promote the fulfillment of social responsibilities throughout the industrial value chain. 3 enterprises in the Group were recognized as national and provincial model enterprises for green supply chain management.

In terms of social performance (see the Developing with Joint Efforts section for details), we advocated the core human resources concept of "People Oriented, Common Cause", and sought to achieve a common undertaking featuring risk-sharing and results-sharing with employees who have the aspiration, ability and capability to make a difference and grow alongside the Group.. We focused on the rights and interests protection of employees, and established a targeted incentive system with attractive salaries and benefits and extensive development channels for employees. As of December 31, 2021, the Group had recorded a total of 46,327 trainees. The training coverage rate is 89.53%. The per capita training time is 20.02 hours. The Group kept in mind its obligations of social citizenship, and cared about people's livelihood. We supported local economic development, actively participated in public welfare activities, and aimed to create benefits for the regions where we operate. In 2021, the Group generated significant tax revenue of RMB5.71 billion for the places where it operated. To revitalize the rural industry, CIMC has taken some measures by leveraging business advantages, including the production capacity increase project of bamboo production lines in Hunan and other regions, and the processing bases construction for bamboo curtain. The processing industry chain of local bamboo resource has been effectively strengthened by these measures, solving rural employment and improving the income of local bamboo farmers. In April 2021, Hunan CIMC New Materials Technology Co., Ltd. was awarded the "Advanced Group for Poverty Alleviation in Hunan Province". At the same time, some businesses actively developed by the Group are playing a stronger role in the rural revitalization strategy, such as the application of micro-pipeline network for rural clean energy, the deployment of mobile cold storage in the fields, and the intelligent upgrade of marine fishery facilities. We implemented our epidemic combat and prevention works and actively contributed to the anti-epidemic efforts for the society and community. In 2021, the Group's Headquarters and business segments have carried out 25 public welfare activities. The total donation is RMB9.573 million. The number of volunteers involved is 405. The total service hours of volunteers are 6,325 hours (see Table of Social Key Performance Indicators for details).

**2021 Review of CIMC:
riding the winds and
breaking the waves,
operating income
breaking through
RMB100 billion**



Scan QR Code on WeChat to
watch the video

The 2021 Corporate Social Responsibility & Environmental, Social and Governance Report published by CIMC Group details CIMC Group's results in the fight against COVID-19 as well as its operating results, reflecting the Group's pursuit of sustainable development and its effort to bring its business performance to a new high during the "special period".

Table of Key Performance Indicators

In 2021, the Group's revenue amounted to RMB163.696 billion (2020: RMB94.159 billion), representing a year-on-year increase of 73.85%.

Table of Financial Performance Indicators

Indicators	Units	2021	2020
Operating revenue	RMB thousand	163,695,980	94,159,083
Operating cost	RMB thousand	134,175,949	80,714,871
Operating profit	RMB thousand	13,471,549	7,439,627
Total assets	RMB thousand	154,322,501	146,211,511
Net assets	RMB thousand	56,980,090	53,853,844
Net profit	RMB thousand	8,360,768	6,011,740
Total tax	RMB thousand	5,712,171	2,848,622

Note: The total tax amount is the actual taxes and surcharges paid by the Group

Table of Environmental Key Performance Indicators

Indicators	Units	2021	2020	2021/2020 change	2021 data intensity (per RMB100 million operating revenue)	2020 data intensity (per RMB100 million operating revenue)	2021 /2020 data intensity comparison
Total amount of sewage discharged	thousand cubic meters	3,563.04	3,473.72	102.57%	2.18	3.69	58.99%
Total gas emissions: VOCs	tonnes	376.46	365.89	102.89%	0.23	0.39	58.97%
Total greenhouse gas emissions	tonnes of carbon dioxide equivalent ("CO ₂ e")	1,139,131.93	887,296.41	128.38%	695.87	942.93	73.80%
Direct greenhouse gas emissions	tonnes of CO ₂ e	206,638.80	180,957.98	114.19%	126.23	192.3	65.64%
Indirect greenhouse gas emissions	tonnes of CO ₂ e	932,493.13	706,338.02	132.02%	569.64	750.62	75.89%
Total amount of hazardous waste generated	tonnes	48,029.41	26,839.02	178.95%	29.34	28.52	102.87%
Total amount of nonhazardous waste generated	tonnes	284,836.40	211,473.14	134.69%	174.00	224.73	77.43%
Total energy consumption	tonnes of standard coal	269,250.00	212,906.77	126.46%	164.48	226.26	72.69%
Electricity consumption	MWh	1,327,124.21	961,845.57	137.98%	810.71	1,022.15	79.31%
Gas consumption	thousand cubic meters	63,538.58	51,538.89	123.28%	38.81	54.78	70.85%
Oil consumption	kiloliter	18,003.32	21,703.96	82.95%	11.00	23.06	47.69%
Gasoline consumption	kiloliter	1,388.74	1,354.61	102.52%	0.85	1.44	58.91%
Diesel consumption	kiloliter	16,614.58	20,349.35	81.65%	10.15	21.63	46.92%
Total water consumption	thousand cubic meters	7,126.42	6,198.11	114.98%	4.35	6.59	66.06%

- (1) The statistical accounting methodologies applied to data in 2021 were largely the same as those in 2020, differing in the following ways: full coverage of the domestic manufacturing industry was achieved, thus the total emissions of the Group includes the sum of the actual total emissions of the seven major segments and enterprises (energy and chemical, vehicle, airport, logistics, heavy trucks, IoT, and Tongchuang) and the total domestic emissions of the remaining segments (container, offshore engineering, and load business). Among them, the estimated total emissions of each segment is calculated by attributing the proportion of revenue of the actual total emissions of the enterprises included in the statistics to the segment to which they belong.
- (2) In 2021, the latest emissions factors were updated and adopted according to changes in national and local accounting factors and other coefficients for electricity carbon emissions.

Table of Social Key Performance Indicators (The data disclosed by the Group is derived from the aggregated data of the following subordinated segments)

Aspects	KPI of ESG Guide	Specified KPIs	2021
B1 Employment	B1.1	Total workforce (person)	72,736
		– Total workforce by employment type	Contract employees: 51,746, Non-contract employees: 20,990
		– Total workforce by gender (contract employees)	Male employees: 43,684 Female employees: 8,062
		– Total workforce by geographical region (contract employees)	Within China: 46,583 Overseas (including Hong Kong SAR, Macau SAR and Taiwan region): 5,163
		– Total workforce by age group (contract employees)	Aged under 30: 9,135, Aged 30-49: 36,021, Aged 50 and above: 6,590
		– Percentage of female employee (contract employees) (%)	16%
	B1.2	Total number of contract employee turnover (person), contract employee turnover rate (%)	8,240, 15.92%
		– Contract employee turnover rate by gender (%)	Male: 15.79% Female: 16.67%
		– Contract employee turnover rate by age group (%)	Aged 16-30: 33.09%; Aged 31-50: 13.24%; Aged 50 and above: 6.78%
		– Contract employee turnover rate by geographical region (%)	Within China: 17.07% Overseas (including Hong Kong SAR, Macau SAR and Taiwan region): 5.54%
B2 Health and Safety	B2.1	Number of work-related fatalities, rate of work-related fatalities (per 1,000 persons) in the past three years (for global employees)	2019: 4; 0.0643 2020: 3; 0.0466 2021: 0; 0 ¹
	B2.2	Lost days due to work injury of domestic employees (day)	2021: 14,603 ²
B3 Development and Training	B3.1	Training coverage rate of contract employees (%)	89.53%
		– By gender	Male: 90.37%; Female: 84.98%
		– By employee category (such as senior management, middle management, etc.)	Senior Management: 75.95% Middle Management: 72.47% Employees: 90.53%
	B3.2	Average training hours of contract employees (hour)	20.02 hours
		– By gender	Male: 20.05 hours; Female: 19.92 hours
B5 Supply Chain Management	B5.1	Total suppliers, geographical distribution of suppliers	Senior Management: 41.11 hours; Middle Management: 30.78 hours; Employees: 19.64 hours
			Total: 2,485; Within China (including Hong Kong SAR, Macau SAR and Taiwan region): 2,319; Overseas: 166
	B5.2	Number and proportion of suppliers that have passed quality management system certification	1,351, 54%
		Number and proportion of suppliers that have passed occupational health and safety management system certification	738, 30%

Note

1. The number of work-related fatalities disclosed up to 31 December 2021 is based on the government's determination of production safety liability.
2. The number of work days lost in 2019 and 2020 is not counted as it was not required by the original policy.

Strengthening Responsibility Management		Tackling Climate Change	Improving Global Logistics	Developing with Joint Efforts
Aspects	KPI of ESG Guide	Specified KPIs	2021	
		Number and proportion of suppliers that have passed environmental management system certification	787, 32%	
		Number and proportion of suppliers that have signed the Sunshine Cooperation Agreement (or Commitment)	1,982, 80%	
		Number and proportion of suppliers that have accepted assessment	2,010, 81%	
		– Number and proportion of suppliers that have accepted assessment covering environmental and social issues	1,087, 54%	
	B5.3	Number and proportion of new suppliers added during the year	94, 4%	
		– Number and proportion of new suppliers that accepted assessment covering environmental and social issues during the year	56, 60%	
		Number and proportion of existing suppliers that accepted reassessment during the year	607, 24%	
		– Number and proportion of existing suppliers that accepted reassessment covering environmental and social issues during the year	544, 90%	
		Number of suppliers whose cooperation was terminated during the year	2	
		– Number of suppliers whose cooperation was terminated due to environmental and social issues during the year	0	
		Number and proportion of suppliers that were trained due to environmental and social issues during the year	919, 37%	
	B5.4	Proportion of purchase amount on the electronic platform	66%	
		Proportion of purchase amount from strategic cooperative suppliers	35%	
B6 Product Responsibility	B6.1	Percentage of product recall	Vehicle segment: 0.0445%, Others: 0	
	B6.2	Number of customer complaints	Container segment: 11, Vehicle segment: 1, Others: 0	
		Customer satisfaction rate	See the “Customer Service and Satisfaction” section for details	
	B6.3	Number of authorized invention patents during the year (item)	75	
		Number of authorized patents during the year (item)	397	
		Total number of authorized patents (item)	4,883	
		Total number of trademark applications (item)	221	
		Total number of trademark registrations (item)	186	
		Total number of Chinese patent awards (item)	13	
	B6.5	Number of complaints received for leaking information on consumers	0	
		Information security incidents	0	
B7 Anti-corruption	B7.1	Total number of legal cases regarding corrupt practices	0	
		Number of concluded legal cases and outcome of the cases	0	
	B7.2	Number and processing rate of effective whistle-blowing	Reports: 13; Processing: 13	
	B7.3	Participants of anti-corruption training	4,017	
		Anti-corruption training coverage among directors and supervisors	97.19%	
B8 Community Investment	B8.1	Number of public welfare activities (times)	25	
	B8.2	Donation amount (RMB ten thousands)	RMB9.573 million	
		Volunteer service (hours)	6,325	
		Volunteer service (participants)	405	

Strengthening Responsibility Management



Being highly attentive to the sustainable development, CIMC management and those charged with governance have established the green development plan and action plan and strengthened the corporate social responsibility management by adhering to the compliance management concept of “governing the enterprises by law, honesty and integrity”. We have incessantly refined the governance and management mechanisms, actively echoed the No.16 sustainable development goal set by the United Nations, handled the sustainable development risk and captured business opportunities that arose alongside risks.



Actions:

- Strengthened and supported the ESG leadership role of the Group and its subsidiaries;
- Integrated and promoted the substantive agendas of concern to stakeholders into the Group's operational management strategy theme;
- Collected and managed the class B social indicators as stipulated in the new ESG guidelines of the Stock Exchange of Hong Kong Limited;
- Explored digital risk controls, strengthened special risk governance, and promoted the construction of independent risk control environment;
- Made sustained efforts in the improvement of communication mechanism, and strengthened information disclosure and external interaction;
- Strengthened ESG training, publicity and implementation, and enhanced ESG awareness of all staff.

Achievements:

- Realized the effective implementation of “compliance management and managing enterprises according to law”;
- Implemented digital risk control modeling pilot and risk control transformation and upgrading;
- The ESG governance system worked effectively, and “management through reporting” was further deepened;
- Won 13 external awards regarding to social responsibilities;
- Industry-leading external ESG rating; selected into the Hang Seng A-share sustainable development index for 3 consecutive years;
- Obtained a grade A assessment in the 2020 annual information disclosure assessment of Shenzhen Stock Exchange;
- Selected into “ESG practice cases of listed companies” and “Best practice cases of directors' offices of listed companies” by the China Association for Public Companies.

Efforts:

- Implement the sustainable development strategy and improve and achieve the sustainable development goals;
- Continue to optimize ESG data and reporting systems;
- Promote the inclusion of ESG report into CIMC 5S management system, and promote substantive agenda improvement;
- Build a practical and effective risk control system that can proactively prevent and control risks;
- Continuously improve the depth, breadth and strength of regular communication with stakeholders.



Hang Seng Corporate Sustainability Index Series Member 2021-2022



Corporate Governance and Interactive Communication

Capital Structure



Total Share Capital Issued
by the Group

3,595,013,590 Shares

Including:

1,535,121,660 A Shares

2,059,891,930 H Shares

As at December 31, 2021, the Group recorded the total share capital of 3,595,013,590 shares, including 1,535,121,660 A-shares and 2,059,891,930 H-shares. Shenzhen Capital Holdings and China Merchants Group are two major shareholders of the Group. The equity structure chart of the Group in 2021 can be checked in the 2021 Annual Report.

Strictly in accordance with the requirements of the *Rules for the General Meetings of Shareholders of Listed Companies* issued by the China Securities Regulatory Commission, the Group has established the *Procedural Rules for General Meetings of Shareholders of China International Marine Containers (Group) Co., Ltd.*, specifying that the General Meeting of Shareholders is the supreme authority of the Group, and ensuring all shareholders, particularly small and medium shareholders, enjoy equal status and fully exercise their power. When holding the General Meeting of Shareholders, the Group will usually arrange the directors and management members to communicate on-site with the small and medium shareholders present at the meeting. The Group maintains a balanced equity structure, with the decision-making mechanism of the Board of Directors being subject to reasonable checks and balances, which can effectively ensure that the boundary between the Group's ownership rights and management rights is clear. For further information on the shareholding structure and corporate governance, please refer to the section titled "Corporate Governance Report" in the Group's Annual Report 2021.

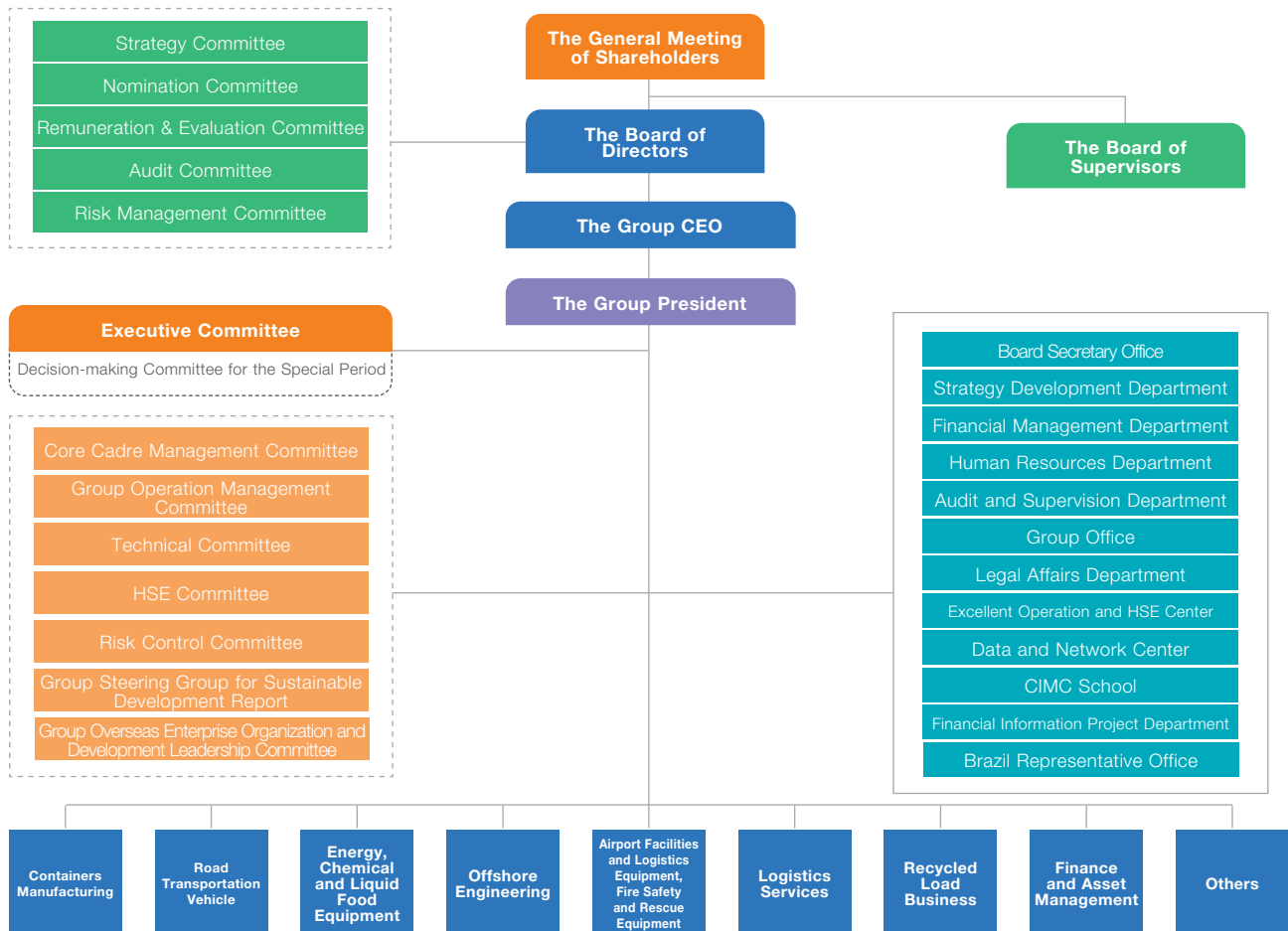
The implementation rules of the Nomination Committee of the Group stipulate the policy that the members of the Board of Directors should be diversified, that is, the candidates for the Board of Directors will be selected based on a series of diversified factors, including but not limited to gender, age, cultural and educational background, professional expertise, skill and knowledge. On this basis, the decision will be made based on the candidates' comprehensive value for the business and development of the Group, value created for the Board of Directors and objective conditions that can assure the diversification of the members of the Board of Directors of the Group. The Board of Directors thinks that the current practices of the Group satisfy the diversification requirements defined by the *Listing Rules of Hong Kong Exchanges and Clearing Limited* for the members of the Board of Directors.

Among the incumbent directors, four non-executive directors have extensive and rich business and management experience, and three independent non-executive directors take pride in profound academic/professional qualifications and rich industrial experience in shipping, financial, legal, management and other fields. In particular, the independent non-executive director Mr. He Jiale has appropriate accounting and financial management expertise; the independent non-executive director Mr. Pan Zhengqi has appropriate shipping management expertise; and the independent non-executive director Ms. LUI FUNG Mei Yee, MABEL has appropriate legal affair management expertise. The professional expertise and rich experience of the incumbent directors help the Board of Directors strictly review and control the management procedures, and ensure the interests of all shareholders, including small and medium shareholders.

In 2021, the Group amended the systems at the Group governance level as required in the Company Law, including the *Articles of Association of China International Marine Containers (Group) Co., Ltd.* and the *Procedural Rules for General Meetings of Shareholders of China International Marine Containers (Group) Co., Ltd.* In order to make improvement for the honor system of the Group, the Group has established and revised a series of group-level honor systems in 2021, including the revised *Management Measures for Honor Commendations of CIMC*, the newly established *Evaluation Rules for Historical Contribution Awards of CIMC* and the *Evaluation Rules for Outstanding Performance Contribution Awards of CIMC*. During the year, the Group made special revisions to some systems, annulled some systems and decided to revise some systems comprehensively in respect of the changes in rights and obligations of Chairman, CEO and President after adjustment made to these positions, changes in department names and certain systems that may not reflect current situations in 2020. In 2022, we will implement the systems that have been specially revised in an effort to improve the effectiveness of the group systems and further promote the institutionalized process of management.

Holding of the General Meeting of Shareholders in 2021

Session of the General Meeting of Shareholders	Represented shares	Proportion in the total number of issued shares of the Company
First Extraordinary General Meeting of Shareholders in 2021	2,173,603,473	60.46%
Second Extraordinary General Meeting of Shareholders in 2021	2,168,365,211	60.32%
Third Extraordinary General Meeting of Shareholders in 2021	2,128,011,450	59.19%
Fourth Extraordinary General Meeting of Shareholders in 2021	1,426,114,685	39.67%
Fifth Extraordinary General Meeting of Shareholders in 2021	1,068,777,847	29.73%
Annual General Meeting of Shareholders in 2020	2,120,876,454	58.99%



Remarks: The Decision-making Committee for the Special Period had temporarily replaced the Group Executive Committee to serve as the supreme decision-making body of the Group as of December 31, 2021.

Organizational structure of CIMC in 2021

Information Disclosure



Announcements made
during 2021

524

Including:
Announcements (A Share)

162

Announcements (H Share)
(English and Chinese
Versions In Total)

362

As a listed company, the Group has performed the information disclosure obligation in strict accordance with related laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Guidelines on the Governance of Listed Companies*, the *Listing Rules of the Shenzhen Stock Exchange*, the *Listing Rules of the Hong Kong Exchanges and Clearing Limited*, and the *Articles of Association*. In 2021, the Group revised the *Articles of Association of China International Marine Containers (Group) Co., Ltd.*, the *Procedural Rules for General Meeting of Shareholders of China International Marine Containers (Group) Co., Ltd.*, the *Information Disclosure Management System of China International Marine Containers (Group) Co., Ltd.*, and the *Registration and Management System for Insiders with Access to Insider Information*. Adhering to the concept of authenticity, accuracy, integrity, timeliness and compliance, the Group disclosed corporate announcements, circulars and documents on designated media. In 2021, the Group obtained the A-level information disclosure assessment of the Shenzhen Stock Exchange. The Group completed the disclosure of regular reports and extraordinary announcements, particularly material or unexpected events of concern to shareholders and investors, in accordance with the requirements of the information disclosure laws and regulations for A-shares and H-shares to ensure the investors can understand the true status of the Company in a timely, fair, accurate and integral manner in 2021. A total of 524 announcements were disclosed in 2021.

Investor Relations



Telephone conferences, research
visits and factory visits from various
institutional and individual investors

More than 100 times

Attendance of strategy meetings
with securities companies

23 times

In 2021, CIMC Group as usual paid attention to and dedicated itself to improving investor relations management. We have strictly observed related laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Investor Relations Management Manual of Listed Companies* as well as internal policy documents including the *Articles of Association* and the *Investor Relations Management Policy of CIMC*. We have followed the principle of "full compliance of information disclosure, equal opportunity for investors, honesty and credibility and interactive communication in the management of investor relations. To protect the interests of small and medium investors, the Group has strengthened all-round effective communication with shareholders and investors, avoided selective disclosure, and ensured the right of small and medium shareholders to obtain Company information in a fair and open manner. We made persisting efforts to optimize our investor relations, holding regular performance conferences and ensuring seamless communication with investors to the greatest extent possible through phone calls and in-person meetings.

The Group was recognized for its efforts in investor relations with a number of awards and honors, such as:

- "Best Practice Case of Office of Board of Directors of Public Companies in 2021" of the China Association for Public Companies
- Outstanding Practice Case of "2020 Annual Report Performance Briefing of Public Companies" of the China Association for Public Companies
- Best IR Team Award by Gelonghui
- Best Industrial Manufacturing Company and Best IR Team at the 5th Golden Hong Kong Stock Awards Jointly Organized by ZhiTong Financial Information Technology and HiThink Royal Flush Information Network





Sustainable Development Management

Adhering to the mission of “providing high-quality and reliable equipment and services for logistics and energy industries, bringing good returns to shareholders and employees, and creating sustainable value for society”, CIMC used its international vision and standards to blaze a path to becoming a strong industrial enterprise, and made continuous efforts to optimize its sustainable development management.

Implementing
the Concept
of Sustainable
Development

Regarding sustainable development as a vital component of driving the growth, progress and core competitiveness of the Group, as well as the gene of high-quality development and long-lasting business of the Group, CIMC has integrated sustainability into the Group's mission, culture and values, and incorporated sustainable development practices into the routine operation and management activities of the Group and its subsidiaries and in the communication with stakeholders.

CIMC has pursued the realization of the Sustainable Development Goals (SDGs) of the United Nations, and considered the impact of its activities on society and resolved the social issues from a long-term perspective. We have made contribution to social development by taking tangible action and working with all stakeholders. Therefore, CIMC will devote a long-term commitment to strengthening and promoting rich, diversified and effective sustainable development practices in E (environment), S (social responsibility) and G (corporate governance), and strive to achieve the organic unity of economic, environmental and social responsibilities, so as to build a sustainable business and bring about better times. In 2021, CIMC obtained industry-leading external ESG ratings, with six ratings moved up during the year. It has been selected into the Hang Seng A-share sustainable development index for the third consecutive year.



Implementing
the Sustainable
Development
Strategy

CIMC has formulated and implemented its sustainable development strategy unswervingly, ensuring clear planning and arrangements in the areas of E (environment), S (society) and G (governance), while fully considering the risks and challenges of sustainable development.

- Strategic themes: Firmly grasp the strategic themes of “steady operation, high-quality growth”, while focusing on two major industries, namely logistics and energy
- Strategic initiatives:
 - 1) Optimize the quality of business portfolio through equity optimization, asset liquidation and other initiatives, and build the business portfolio characterized by cycle resistance and stable profit
 - 2) Maintain the leading character of products, strengthen scientific and technological innovation, promote intelligent manufacturing, and deepen the excellent operation capacity

To help realize the “Dual Carbon” Goal, CIMC is taking actions.



Scan QR Code on WeChat to watch the video



66

(with an addition of 6) enterprises that are accredited with the ISO14001 Environmental Management standard

- 3) Create intelligent products, excavate and increase the value contribution to customers; focus on customer demand and expand value chain to the service link; carry out the dual-circulation strategy of the state and strengthen the expansion of the domestic market, while taking into account the development of globalization
- 4) Optimize the system and mechanism, and enrich and improve 5S control to create common cause
- 5) Strengthen risk management, implement ESG-related control requirements, and prevent material risks to ensure sustainable development
- 6) Give great impetus to the green and low-carbon development, and gradually move towards the goal of “emission peak and carbon neutrality”

Strategic support: operational excellence, digital transformation, human resources, risk management, capital and resources

Strategy implementation:

CIMC has gradually integrated the core theories and standards regarding ESG (environmental, social and corporate governance) into corporate management, effectively managing ESG risks and identifying corresponding business opportunities. We have integrated ESG risks into the comprehensive risk management system, and established the corresponding risk matrix and self-assessment among other risk control processes.

Through the implementation of the Group’s strategic theme and the proper operation of the 5S system (policy and plan, budget, assessment, management report, etc.), we have effectively guaranteed and achieved ESG improvement.

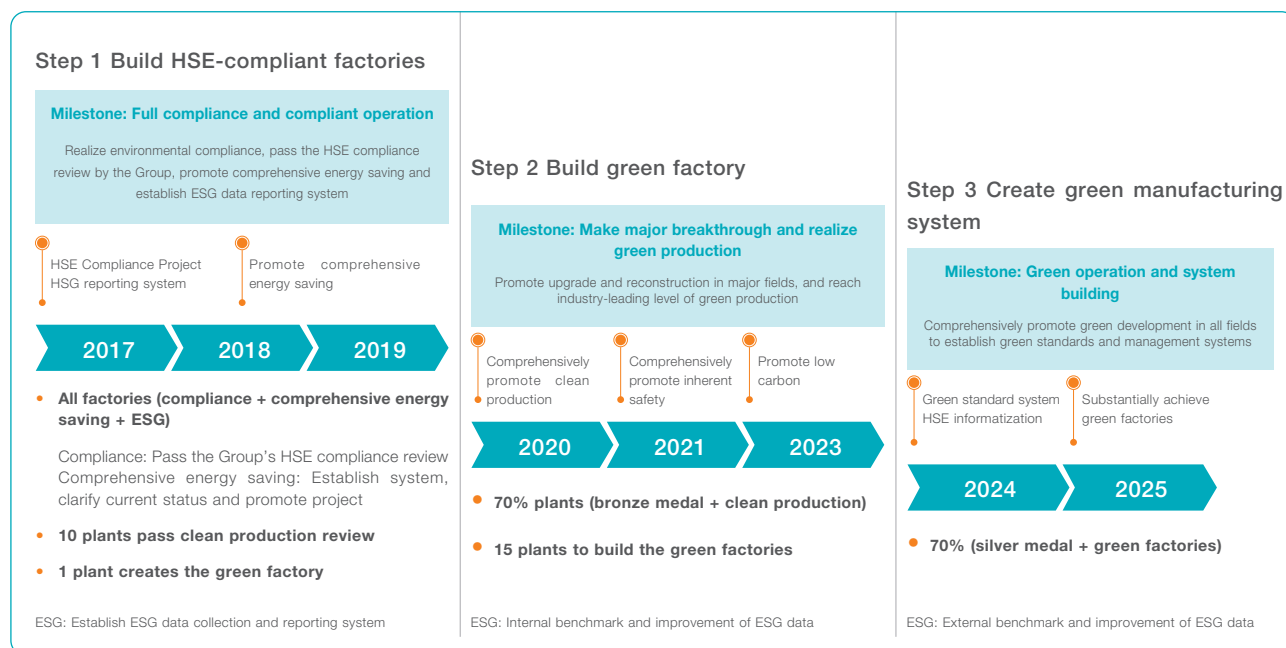
In terms of response to climate change:

- Strategy: We recognize that climate change brings various risks and opportunities to CIMC, pay close attention to the impact of climate change on business, strategy, finance and operation, and provide support for global climate actions.

Considerations are given to the impact of regional climate in the layout of operating assets, and subordinate enterprises are required to formulate climate change emergency plans and measures to avoid and minimize the operational impact or asset losses.

We are vigorously promoting green and low-carbon efforts, establishing energy conservation and emission reduction targets, and implementing various energy conservation and carbon reduction measures to minimize carbon emissions within range 1 and 2; we have strengthened R&D and technological innovation to create “champion products” and provide more low-carbon services and products with a view to reducing carbon emissions within range 3.

In terms of green development, CIMC formulates the HSE Annual Management Policy and Objectives annually, continuously promotes the Green Development Plan of CIMC Group, and regards the improvement of HSE indicators as the core element and task of sustainable development. By the end of February 2022, the Group had 66 enterprises (including 6 newly added companies) certified with ISO14001 environmental management system and the Group had established 13 national and provincial green factories (including 5 newly added factories).



Green Development Plan of CIMC

		Percentage decrease from 2016		
Segment	Objective of management and control	2019 goal	2023 goal	2025 goal
Minimization of pollutant emissions	Reduction of sewage discharged per RMB10,000 output value	10%	20%	30%
	Reduction of VOC emissions per RMB10,000 output value	30%	40%	50%
	Reduction of non-hazardous waste amount per RMB10,000 output value	10%	15%	20%
	Reduction of hazardous waste generation per RMB10,000 output value	15%	25%	30%
Safety and health	Number of work-related deaths	0	0	0
	Number of working days lost due to work-related injuries	10%	20%	30%
	Number of new occupational diseases	0	0	0
Minimization of carbon emissions	Reduction of total energy consumption per RMB10,000 output value	15%	25%	30%
	Reduction of greenhouse gases per RMB10,000 output value	18%	30%	40%
	Increase in green energy usage	10%	13%	15%
Minimization of resource consumption	Reduction of total water consumption per RMB10,000 output value	15%	20%	25%
	Reduction of packaging material usage per RMB10,000 output value	10%	15%	20%

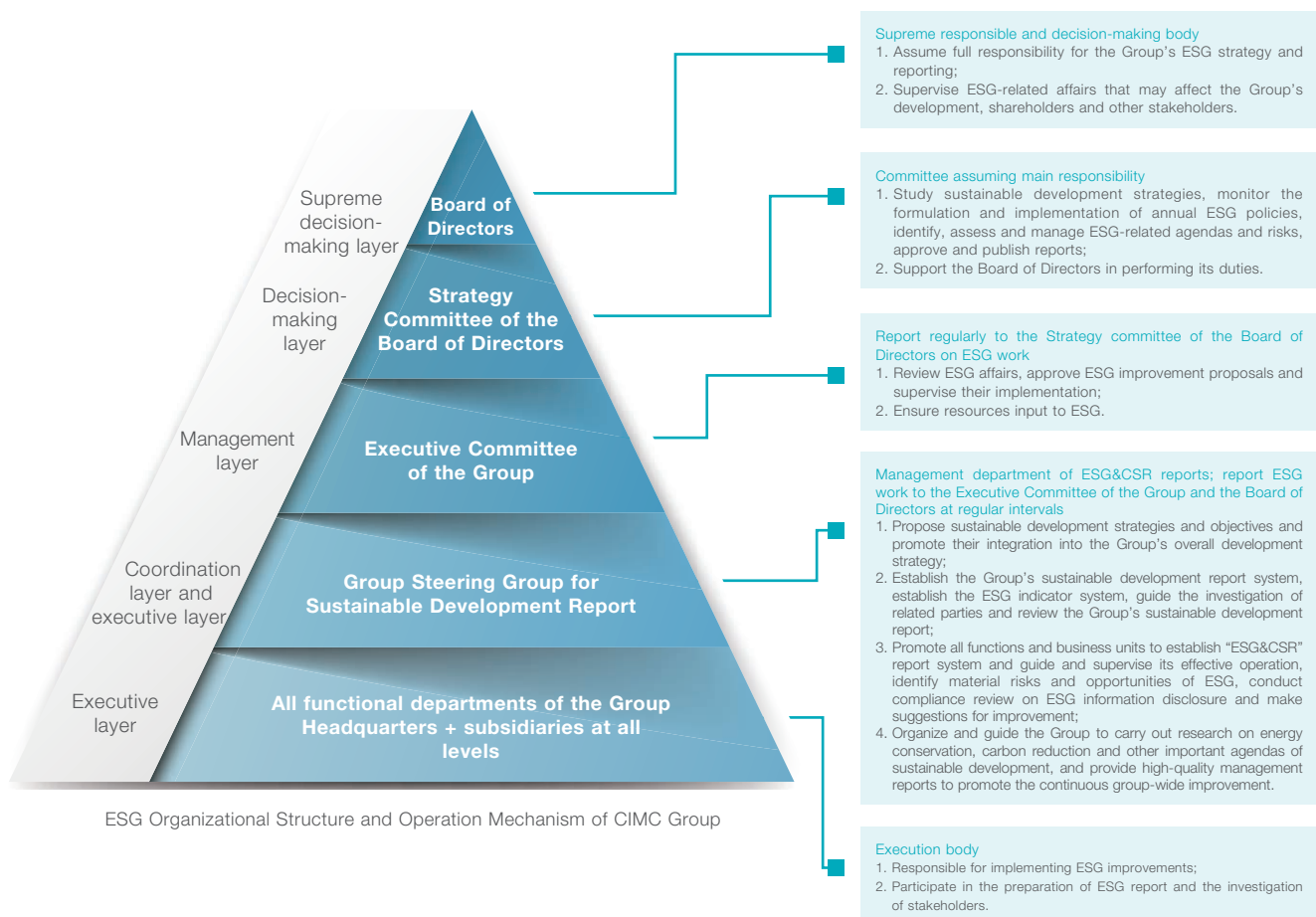
Green Development Goals Indicators of CIMC

Continuously Improving Sustainable Development Management

Established a clear ESG management structure to ensure that the sustainable development efforts are carried out in a consistent and all- round way

CIMC takes a positive attitude to improve sustainable development management for contributing to the realization of high-quality development. In effect, “ESG report for management” is an institutional arrangement for CIMC to promote its sustainable development. We have promoted the continuous improvement of CIMC’s sustainable development management level by taking the strong ESG management structure as the cornerstone, the sound sustainable development management system as the system, the promotion of management improvement and the promotion of ESG performance as the goal, and the cultivation of talents and the shaping of culture as the foundation.

We persistently improve the ESG management structure, and, starting from the clarification of functions, integrate ESG management into the Group’s existing organizational structure, making the ESG management an organic part of the Group’s management system. CIMC has established a mature and efficient ESG organization system and operation system characterized by up-down linkage. The Board of Directors of the Group is the supreme authority of ESG affairs. The Strategy Committee of the Board of Directors acts as the committee assuming main responsibility. The Executive Committee of the Group regularly reports ESG work to the Strategy Committee of the Board of Directors, and manages and reviews ESG affairs. The Group Steering Group for Sustainable Development Report works as the ESG&CSR reporting management department. The Group and its main sectors have established the “Secretariat of the Steering Group for Sustainable Development Report” to be responsible for daily specific management and promotion efforts. All functional departments of the Group Headquarters and subsidiaries at all levels carry out and implement ESG efforts.



List of social responsibility management functions of the Group in 2021

Social Responsibility Items	Responsible Organizations													
	Board of Directors	Operation team	Board Office	Strategy Development Department	Financial Management Department	Audit and Supervision Department	Legal Affairs Department	Human Resources Department	Group Office	Excellent Operation and HSE Center	Data & Network Center	CIMC School	Industry	Member Enterprise
Corporate Governance & Interactive Communication		●	●		○	●	○	○	○	●			●	●
Sustainable Development Management	●	●	●	●	○	○	○	○	○	●		○	●	●
Stakeholder Communication		○	●	○				○	○	●			○	○
Integrity and Compliance		○			●	●	●	○	○	○	●		●	●
Creation of Green Brand through Green Development		○								●			●	●
Shouldering Responsibility and Mission of Low-Carbon Operation		○		○						●	○		●	●
Energy Saving & Emission Reduction and Environmental Friendliness		○				○				●	○		●	●
Cherishing Resources and Protecting Ecology		○								●	○		●	●
Leading Innovation and Value Growth		○		○						●	●		●	●
Creation of Brand Power with High Quality		○								●			●	●
Leading the Industry for Common Development		○								●			●	●
Strategic Cooperation to Build the Future		○		●						●			●	●
People-Oriented Common Cause		○				○		●	○	●		●	●	●
Immediately Taking Actions to Combat the COVID-19		○						●	●	○			●	●
Caring for the People's Livelihood		○						○	●	○			●	●
Future Prospect		○		●				○	○	●	○	○	●	●

● means "playing a role of responsible organization or major participants"; ● means "playing a role of organization responsible for a specific part"; ○ means "playing a role of participant" or "supporter"



Established a comparatively perfect “four implementation” management system for promotion and improvement of routine work

Implementing the “reporting for management.”

We have fully implemented the principles of the PDCA. The Group establishes a clear annual work plan and budget and “promotes management through preparation”. The process of report preparation is regarded as a process of checking and evaluating the operation of sustainable development, and therefore puts forward suggestions for management improvement. In 2021, the Group completed various efforts centering on the main line of “the ESG reporting system and promoting the improvement of functional work”; we strengthened the thematic research on the material ESG agendas, and promoted the implementation of projects such as carbon footprint, rooftop PV and public welfare funds. For the third consecutive year, the Group implemented the “Key improvement project of ESG information disclosure gap”, organized the benchmarking of external regulations and external rating gap in an effort to promote targeted improvement of the Group and the sectors.

Implementing the “management system”, consolidating the management foundation and improving the standardization, seriousness and efficiency.

We ensure standardized operation by persistently implementing and timely updating the existing Measures for the Management of CIMC’s Social Responsibility Report. We have also gradually established the ESG accountability system, and in 2021 took the lead in incorporating “ESG information disclosure” into the Group’s accountability system and forming a supervision mechanism. We continuously improve the “social responsibility performance evaluation” and realize the combination of AB indicators and assessment.

Implementing “data-driven improvement” and establishing ESG data statistics, management and analysis.

According to the requirements of the new ESG guidelines of the Stock Exchange of Hong Kong Limited, we have established a data system covering all ESG A+B indicators, and all of them have realized informationized submission. We have established a management dashboard for regularly inspecting, analyzing and making recommendations on the operation of each indicator. In 2021, the Group’s in-depth analysis of energy consumption and carbon emission data uncovered the improvement direction and opportunity of energy conservation and carbon reduction in the whole group, with good results achieved.

Implementing “capacity building for all staff” to improve ESG knowledge and skills of the staff at all levels.

ESG special training and study are organized for the Board of Directors of the Group and listed sector every year. In 2021, the certification of “ESG required skills for general managers” was implemented in the whole group, with the coverage reaching 100%, and training reaching 821 person-times. In addition, the Group regularly organizes ESG specialists at all levels to participate in internal and external training on ESG and CSR every year. In 2021, 13 online special studies were organized, and the “2020 ESG Report Review Seminar” was held in the middle of the year.

We have reasonably selected advanced enterprises that excel in promoting sustainable development management at home and abroad to carry out benchmarking research, and organized three on-site visits to Baowu Steel Group, BP and CRRC in 2021.



External Social Responsibility Awards
2019

2020

2021

10_{awards}

10_{awards}

13_{awards}

Established all-around communication of responsibilities

CIMC has built a sound internal and external communication platform for stakeholders. We maintain regular communication with stakeholders through various forms such as CIMC official website, CIMC official WeChat, CIMC official video account and CIMC Brand Brochure. CIMC and its subsidiaries release 5 sustainable development reports every year.

Focusing on special publicity of the practical achievements of sustainable development, we communicate internally through the Group's OA, internal magazine, WeChat work group and other means. Externally, we communicate through two means: First, we communicate through mainstream media; second, we communicate by making full use of the communication platform of industry associations and actively participating in various activities organized by China Business Council for Sustainable Development (CBCSD), China Association for Public Companies, Shenzhen Association of Listed Companies, Shenzhen Quality Association and other associations. In 2021, CIMC won 13 external awards regarding social responsibility and was selected into 3 excellent case collections, and was also invited to deliver keynote speeches at International Financial Forum, Shenzhen Sustainable Development Summit and other external summits. (Please refer to the Appendix for the list of external social responsibility awards won by CIMC Group.)



China Association for Public Companies – ESG Practice Cases of Listed Companies

The Power of Governance of Shenzhen Corporate Governance Research Association and China Association for Corporate Governance

"2021 GoldenBee Responsible Competitiveness Best Practices" of GoldenBee Think Tank and China Sustainability Tribune

Stakeholder Communication

Stakeholder Communication Mechanism

Strengthening communication with stakeholders is an important part of CIMC's transparent operation responsibility to stakeholders from all walks of life and a critical path for CIMC to build a high-quality and respected industry-leading enterprise.

We actively build an appropriate internal and external communication platform, focus on the establishment of a smooth and transparent communication mechanism with stakeholders, listen to the voice of stakeholders, and have them integrated into the business decisions. In 2021, we made sustained efforts in building close ties with stakeholders through diversified channels, proactively understanding and responding to the expectations and needs of stakeholders. Meanwhile, CIMC further consolidated the foundation of stakeholder communication, and built a systematic, standardized, structured and institutionalized communication system.

Stakeholders	Communication methods	Their expectations	CIMC's response and results
Employees	<ul style="list-style-type: none"> Online exchange mechanism Staff conference Employee training Employee activities The Company's internal publications and Intranet Employee satisfaction survey ESG survey questionnaire 	<ul style="list-style-type: none"> Employees' rights and interests Salary and fringe benefits Occupational development Occupational Health & Safety 	<ul style="list-style-type: none"> Quickly refine online communication platform Sign labor contracts in accordance with laws and support the role played by the Trade Union Review and refine salary and fringe benefit system Organize various trainings and promote professional development Strengthen occupational safety management and improve production and office environment Conduct employee satisfaction survey
Government and supervisory authorities	<ul style="list-style-type: none"> Regular information reporting Supervision and check Written reports (annual report, CSR & ESG reports, etc.) mailed by the Group ESG survey questionnaire 	<ul style="list-style-type: none"> Compliant operation Tax payment according to law Promote local development Create employment Information disclosure 	<ul style="list-style-type: none"> Comply with laws and regulations Strengthen HSE management and reduce safety and environmental risks Help impoverished households get employed
Investment institutions/ shareholders	<ul style="list-style-type: none"> General Meeting of Shareholders Corporate website and announcements Investors' meetings Strategy meetings with securities companies Plant visits Written reports (annual report, CSR & ESG reports, etc.) mailed by the Group ESG survey questionnaire 	<ul style="list-style-type: none"> Operating performance Corporate governance Shareholders' equity Information disclosure Expand business Improve productivity Improve asset quality 	<ul style="list-style-type: none"> Adhere to high-quality growth and create value for shareholders Timely and accurate disclosure of information to ensure transparency Organize visits, surveys and other investor activities
Suppliers/ contractors/ service providers	<ul style="list-style-type: none"> Review and assessment meetings Suppliers' portal website Regular communication and exchange ESG survey questionnaire 	<ul style="list-style-type: none"> Improve product quality Coordinate industrial development Green development Strengthen energy consumption management Product research and development 	<ul style="list-style-type: none"> Implement sunshine procurement Sign long-term strategic cooperation agreements Attend supplier exchange meetings

Stakeholders	Communication methods	Their expectations	CIMC's response and results
Customers	<ul style="list-style-type: none"> Online exchange and communication Customer service centers and hotlines Customer visits Customer satisfaction surveys ESG survey questionnaire 	<ul style="list-style-type: none"> Product innovation Coordinate industrial development Respond to common prosperity Environment-friendly production 	<ul style="list-style-type: none"> Respond to customer demand online Refine quality management and assure product quality Sign after-sales service agreements Conduct customer satisfaction surveys periodically
Research institutions	<ul style="list-style-type: none"> The Company's website and social media The Company's announcements Visit the Group Surveys ESG survey questionnaire 	<ul style="list-style-type: none"> Operating performance Information disclosure 	<ul style="list-style-type: none"> Organize strategy meetings with securities companies and open day events Timely and accurate disclosure of information to ensure transparency
Industry associations	<ul style="list-style-type: none"> Industry forums and exchange meetings Visit the Group Surveys ESG survey questionnaire 	<ul style="list-style-type: none"> Observe industry regulations Promote industry development Promote industrial reform Rural revitalization Collective prosperity 	<ul style="list-style-type: none"> Attend industry exchange meetings Hold exhibitions Establish industrial standards
Media	<ul style="list-style-type: none"> Media opening day Interviews and special reports ESG survey questionnaire 	<ul style="list-style-type: none"> Information disclosure Media interaction Common prosperity Rural revitalization 	<ul style="list-style-type: none"> Organize media opening events Distribute promotional materials and invite media to visit
Local community	<ul style="list-style-type: none"> The Company's website and social media Organize philanthropic events ESG survey questionnaire 	<ul style="list-style-type: none"> Community influence Support community development Strengthen links among the Group, the community and the masses Actively carry out cooperation and communication between enterprises 	<ul style="list-style-type: none"> Respond to rural revitalization Participate in philanthropic causes Fully support the fight against the epidemic
Partner institutions	<ul style="list-style-type: none"> University promotional activities Industry-university-research cooperation and talent training 	<ul style="list-style-type: none"> School-enterprise cooperation project Provide more on-campus training classes 	

Substantive Agenda Identification and Management

We have appointed independent third parties to conduct surveys of stakeholders for four consecutive years. In the current year, after further refining the CSR & ESG agenda library in 2021 and in consideration of the guide of the macroeconomic policy of the state, major concern of the capital market, related standard for the sustainable development report and benchmark analysis of excellent peers, we added 2 new agendas related to the 14th Five-Year Plan (rural revitalization and promotion of industrial development) and 3 new CSR & ESG rating topics (responsible supply chain, intellectual property protection and accountable marketing), and identified a total of 35 agendas, including 3 corporate governance agendas, 13 environmental agendas, 11 social agendas and 8 market agendas. As usual, we appointed an independent third-party to collect different stakeholders' scores for the importance of these CSR & ESG agendas as well as their opinions and suggestions regarding the sustainable development of the Group through interviews with the senior executives of the Group, online survey questionnaires and interviews with external stakeholders. In the current year, the scope of our interviews was further expanded and investigation of the Group's directors was added in internal interviews, achieving the full coverage of the whole chain including "the Board of Directors of the Group, Group executives (Executive Committee of the Group and executives of the segments), general managers of first-line enterprises and first-line excellent employees"; as for the external interviews, we continuously increased the number of participants, and strived for full coverage of longitudinal and horizontal chains of investigation.

01

Identifying agendas and generating the agenda library

- The work focus of the Group's sustainable development and feedback from stakeholders were comprehensively organized, and the scope of the agendas was delineated by benchmarking industry focus and leading practices;
- By referring to the "14th Five-Year Plan", ESG rating of the capital market (e.g., MSCI, S&P DJSI, CDP and Morningstar) and other relevant evaluation factors, the key concerns of the industry in the field of sustainable development were identified by taking into account GRI (Global Reporting Initiative) standards, UN SDGs (Sustainable Development Goals), SASB (Sustainability Accounting Standards Board) and other international standards and goals related to sustainable development management.

02

Communication with and investigation of stakeholders

- Through interviews with stakeholders, feedback and suggestions from stakeholders on our sustainable development practices and their views on future sustainable development strategies were collected;
- Online questionnaire for the evaluation of CSR & ESG substantive agendas was developed and stakeholders were invited to rate the substantiality of the corresponding ESG agendas.

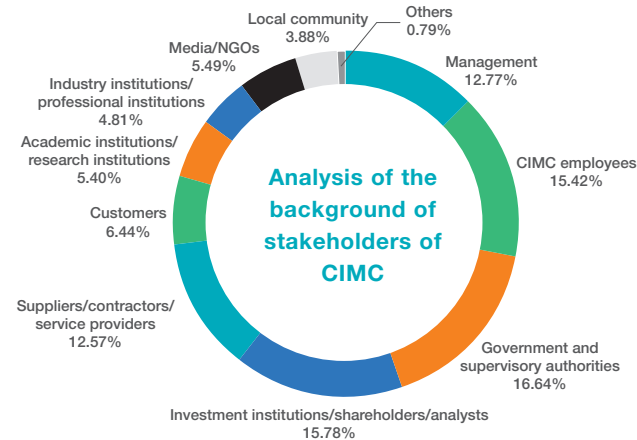
03

Evaluating substantive agenda

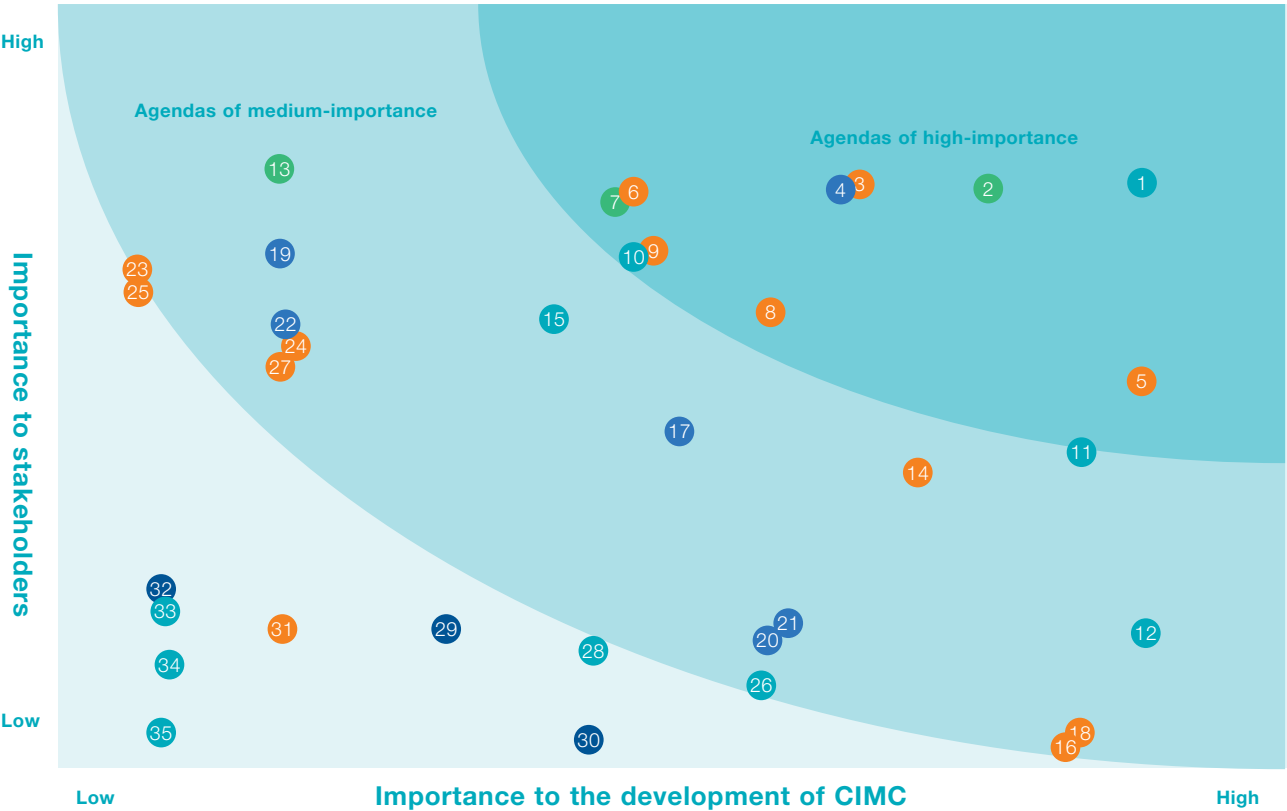
- Based on the results of the questionnaire for stakeholders and the development of the enterprise, the substantive agendas were evaluated from the two dimensions of "importance to stakeholders" and "importance to operating management", and the substantive nature of each agenda was ranked according to the score and the matrix graph was generated.

Finally, we identified a total of 11 agenda items of high-importance, 16 agenda items of medium-importance and 8 agenda items of low-importance

- Investigation of the Group's directors was added in internal interviews, achieving full coverage of the whole chain including "the Board of Directors of the Group, Group executives (Executive Committee of the Group and executives of the segments), general managers of first-line enterprises and first-line excellent employees"
- Collected 19,385 valid questionnaires, a rise of 147.29% year on year, which cover 10 types of stakeholders and 13 business segments
- The external interviews covered 9 types of stakeholders as usual and the number of participants increased from the previous years.



Stakeholder Group Distribution of CIMC in 2021



Importance Matrix of CSR&ESG Agendas of CIMC in 2021

Statement and response to the relevant importance assessment results in the Report

Categories	Agendas	Ranking in 2021	Level of Importance	Changes in Ranking	Ranking in 2020	Responses in the Report	Page
Society	Employee safety and health	1	High importance	↑ 2	3	People-Oriented Common Cause	70
Governance	Establish and implement sustainable development strategy	2		↑ 10	12	Sustainable Development Management	20
Market	Product quality and safety	3		↑ 27	30	Creation of Brand Power with High Quality	58
Environment	Energy saving and consumption reduction	4		↑ 2	6	Cherishing Resources and Protecting Ecology	37
Environment	Green products and services	5		New agenda	/	Green Products and Services	45
Governance	Integrity management philosophy	6		↑ 4	10	Integrity and Compliance	33
Environment	Atmospheric pollutant emission management	7		↑ 1	8	Energy Saving & Emission Reduction and Environmental Friendliness	40
Society	Employment risk response mechanism	8		↑ 12	20	People-Oriented Common Cause	68
Society	Employee diversity and rights protection	9		↑ 16	25	People-Oriented Common Cause	67
Society	Employee training and team building	10		↑ 12	22	People-Oriented Common Cause	74
Environment	Clean and environmentally friendly production technology	11		↓ 9	2	Creation of Green Brand through Green Development	44
Governance	Compliance operation and risk control	12	Medium importance	↓ 11	1	Integrity and Compliance	33
Environment	Sewage disposal	13		↑ 15	28	Energy Saving & Emission Reduction and Environmental Friendliness	42
Society	Minimize the impact of operation on the community	14		↓ 1	13	Caring for the People's Livelihood	80
Environment	Noise management	15		↑ 1	16	Energy Saving & Emission Reduction and Environmental Friendliness	42
Market	Intelligent operation	16		↓ 5	11	Leading Innovation and Value Growth	54
Environment	Green supply chain	17		↓ 8	9	Strategic Cooperation to Build the Future	64
Market	R&D and innovation	18		↓ 7	11	Leading Innovation and Value Growth	54
Market	Protection of customer privacy	19		↑ 10	29	Creation of Brand Power with High Quality	61
Society	Decent salary for employees	20		↓ 13	7	People-Oriented Common Cause	69
Environment	Waste management	21		↓ 17	4	Energy Saving & Emission Reduction and Environmental Friendliness	39
Market	Intellectual property protection	22		New agenda	/	Leading Innovation and Value Growth	55
Environment	Greenhouse gas emissions	23		↓ 9	14	Shouldering Responsibility and Mission of Low-Carbon Operation	52
Environment	Strengthen environmental awareness and brand promotion	24		↓ 9	15	Cherishing Resources and Protecting Ecology	39
Environment	Ecological environment and biodiversity conservation	25		↓ 7	18	Cherishing Resources and Protecting Ecology	38
Society	Responsible supply chain	26		New agenda	/	Strategic Cooperation to Build the Future	64
Environment	Climate change risks and opportunities	27		↓ 13	14	Shouldering Responsibility and Mission of Low-Carbon Operation	49
Society	Rural revitalization	28	Low importance	New agenda	/	Caring for the People's Livelihood	83
Market	Customer service enhancement	29		↓ 3	26	Creation of Brand Power with High Quality	60
Market	Promotion of industrial development	30		New agenda	/	Leading the Industry for Common Development	62
Environment	Water resource consumption and water conservation	31		↓ 12	19	Cherishing Resources and Protecting Ecology	38
Market	Responsible marketing	32		New agenda	/	Creation of Brand Power with High Quality	60
Society	Employee communication and complaint mechanism	33		↓ 6	27	People-Oriented Common Cause	76
Society	Community public welfare activities	34		↓ 21	13	Caring for the People's Livelihood	81
Society	Local operation	35		↓ 18	17	Caring for the People's Livelihood	80

Based on the analyzed results of substantive agendas, the Report will disclose the agendas with high importance in detail in response to major internal and external concerns. In the coming year, the Board of Directors will require the Company to focus on assigning responsible leadership to manage and improve upon seven key issues, namely employee safety and health, implementation of sustainable development strategies, product quality and safety, energy conservation and consumption reduction, green products and services, integrity management philosophy, and air pollution emissions management.

External Exchange and Communication

CIMC Group pays much attention to the communication with stakeholders from different circles.

We, through the active “bringing in” strategy, continuously refine the normal external communication channels to encourage and support relevant departments to organize investor representatives to visit CIMC. The preparation of the annual sustainable development report and the holding of the press conference regarding the sustainable development report enable stakeholders from all circles to have a clear and full understanding of CIMC.

We, through the active “going out” strategy, have strengthened the communication and interaction with external professional consulting companies, external benchmark companies, universities, well-known media, famous associations and many other influential organizations in the field of sustainable development. At the same time, CIMC is actively sharing its sustainable development approach with the outside world, hoping to jointly promote the sustainable development of the whole society.

Case: No. 1

CCTV's “Visit to State-owned Enterprises in the Opening Year” conducted an exclusive interview with Mai Boliang, CIMC's Chairman and CEO

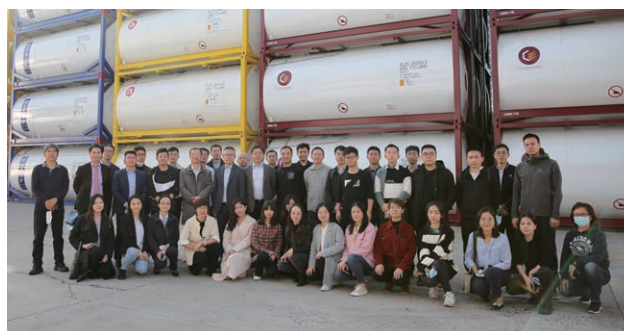
In 2021, CIMC's Chairman and CEO Mai Boliang was invited for an interview by CCTV for a series of special reports entitled “Visit to State-Owned Enterprises in the Opening Year”, in which he talked about CIMC's structure and layout and steady development in the opening year of the “14th Five-year Plan”.



Case: No. 2

Investors visited CIMC enterprises in Nantong, focusing on “dual carbon” related businesses

On November 19, 2021, the activity day of listed companies with the theme of “CIMC Family Carbon Road New Future” was held in Nantong, Jiangsu Province, in which investor representatives from UBS, Merchants Securities, GF Securities and other institutions visited several CIMC subsidiaries in Nantong.



Case: No. 3

The first in-depth research project of the “2021 Shenzhen Corporate Social Responsibility Conference” was conducted in CIMC

On the morning of August 26, 2021, a senior research group composed of researchers from Southern Metropolis Daily, Shenzhen Federation of Industry and Commerce, Shenzhen Charity Federation and other staff members of the organizing committee visited CIMC.



Case: No. 4

CIMC participated in the Entrepreneurs Round-table of the 18th Global Annual Conference of the International Finance Forum and delivered a keynote speech

On December 5, 2021, the Entrepreneurs Round-table of the 18th Global Annual Conference of the International Finance Forum (IFF) was held in Guangzhou. CIMC was invited to appear at the conference and Wu Fapei, director of the Sustainable Development Report Steering Group of CIMC, delivered a keynote speech.



Integrity and Compliance

Compliance and Risk Control

The Company's risk management and internal control systems are designed, implemented and monitored based on the requirements of the Corporate Governance Code and the Corporate Governance Report in the Application Guidelines and the *Listing Rules of Hong Kong Exchanges and Clearing Limited*, and with reference to guidance documents such as COSO's Enterprise Risk Management – Integrated Framework and ISO31000: Principles and Implementation Guidelines of Enterprise Risk Management.

In 2021, with the vision of “building a practical and effective risk control system that can proactively prevent and control risks” and the objective of integrating “control and service”, the Company strengthened special risk management, vigorously promoted digital risk control, and carried out a series of risk control tasks.

Strengthened special risk management

The Company established a joint prevention and control mechanism between the Group Headquarters and front-line businesses, and coordinated the advancement of special risk management on the organizational, mechanism and process levels to increase the horizontal expansion of risk control achievements.

Explored and implemented digital risk control

By focusing on the critical business risk areas of “high risk, high value, high frequency and big data”, the pilot project of digital risk control modeling and the horizontal expansion of its achievements have been implemented to build a risk control platform manifested as pre-warning and in-process control.

Strengthened the formulation of risk control systems

A series of risk control requirements were launched, such as Accountability 2.0, Requirements for Further Implementation of Corporate Governance-Related Risk Control, and Strengthening the Risk Control of Financing Trade/Services; the Guidelines on Relevant Persons in Key Positions and the Declaration of Conflicts of Interest were also released.

Promoted the construction of independent risk control environment

The Company formulated educational risk control materials and supporting cases, carried out multi-dimensional training, and implemented a multi-sequence risk control certificate appointment mechanism.

In addition, the Quarterly Audit Summary, Quarterly Overseas Risk Control Information Feature, Risk Control Newsletter and Risk Control Dashboard were regularly released.

In 2022, CIMC Group will continue to promote the special management of key risks, deepen digital risk control, and build on its achievements in these areas. In addition, it will explore and carry out evaluation of the effectiveness of risk control work, consolidate the responsibilities of the three lines of defense for risk control, and promote the transformation and upgrading of the overall risk control efforts of the Group.



WeChat official account
of CIMC Monitoring

Integrity Management Philosophy

CIMC always holds fast to the operating concept of corporate governance according to law, honesty and credibility, firmly opposes commercial bribery and strictly observes the requirements of laws and regulations combating bribery, blackmail, fraud and money laundering. We continuously combat corruption and advocate clean practice in accordance with the CIMC Code of Conduct for Staff, the CIMC Supervision System for Cadres and Sensitive Position Personnel, the CIMC Clean Practices for Cadres and Sensitive Position Personnel, the Measures for the Administration of Supervision, Complaint and Reporting of CIMC, the Measures for the Discipline Inspection Commission of CIMC on the Management of Gifts and Cash Received by Party Members, Cadres and Employees in Business (Public) Activities and the CIMC Accountability Procedure for Responsibility Events. We are devoted to continuously refining the internal control, audit and supervision system to safeguard and assure legitimate rights and interests of investors, employees, customers and suppliers and establishing an operating environment with fair play. In 2021, we continued to take many steps to combat commercial bribery by strengthening our enterprises and rallying social forces:



Create a clean working environment through internal and external integration and by taking a two-pronged approach

Internally, we organized cadres and employees in sensitive positions to sign a statement of honest practice and clarified the requirements for honesty and self-discipline; we pushed new developments of anti-fraud work to all employees of the Group via "CIMC Monitoring" WeChat official account and I WORK mobile office platform and sent warm reminders of honest practice before major festivals including Spring Festival and Mid-Autumn Festival, in an effort to guard against bribery in the form of gifts. Furthermore, we publicized and followed the national regulatory trend of adhering to the dual investigations of offering and accepting bribes through the group-wide risk control meeting and other channels, and reported the investigation and handling of typical fraud cases, so as to keep the alarm ringing. Externally, we promoted the signing of sunshine procurement agreements with suppliers, prevented and resisted all kinds of commercial frauds and acts that violated fair competition, and punished partners who sought business cooperation opportunities through bribery, bid-rigging, and illegal bidding.

Focus on the principle of education orientation and prevention in advance, continue to promote the publicity and implementation of clean practice

The Group has made sustained efforts in the promotion of the employment certification mechanism of "red line" rules for core talents, and organized directors and supervisors of enterprises at all levels to participate in special activities of learning and certification. In 2021, 66 newly-added directors and supervisors of the Group and its subordinate enterprises passed the certification, and the number of key members of sensitive businesses such as sales, procurement and engineering who passed the risk control examination stood at 2,346.



Passing the risk control examination

2,346 persons



Participating in anti-corruption training

4,017 persons

The Group has introduced three key performance indicators (KPIs) to encourage enterprises at all levels to strengthen anti-corruption publicity and education training for directors and employees in sensitive positions. In 2021, the Group carried out anti-corruption training, involving 4,017 persons and covering 97.19% of directors and supervisors.

We have further implemented and improved the conflict of interest reporting mechanism for middle and senior management cadres and sensitive positions, with a view to maintaining a level playing field and preventing the transfer of improper benefits. In 2021, we launched the declaration of employee affiliates and potential conflicts of interest, and 1,840 persons, including middle and senior management cadres and people in sensitive positions, completed the declaration.

Implement the accountability system and enhance the compliance awareness of cadres

In 2021, the Group revised the Accountability Measures for Liability Events of CIMC Group, adhering to the principle of comprehensiveness and strictness to further improve the accountability situation and standardize the scope and scale of accountability. We have implemented the accountability system to ensure that those who fail to fulfill their responsibilities are held accountable.

Broaden reporting channels and strictly investigate reported matters

The Group established a number of normalized monitoring and complaint reporting channels to accept anonymous and real-name reports, including "CIMC Monitoring" WeChat official account, email and telephone. The channels are managed by dedicated personnel to ensure that all effective reports are followed up and handled. Also, in addition to strictly keeping all complaints and reports confidential, the Group clearly stipulated "preventing confidential information from being leaked and complainants from being retaliated against". The Group has "zero tolerance" for corrupt conduct. The audit and supervision results are used as an important basis for the evaluation and appointment of cadres. We implement the "negation by one vote" for any identified serious violations of discipline and regulations and deal with them seriously. In 2021, there were no corruption lawsuits filed against the Group's companies and employees.

Continue to promote the development of China Enterprise Anti-fraud Alliance and gather social forces to oppose commercial bribery

As one of the main sponsors of China Enterprise Anti-fraud Alliance, CIMC actively participates and recommends excellent enterprises to participate in the construction of the alliance's anti-fraud management system, and strengthens sharing and co-construction with other alliance members. On the occasion of International Anti-corruption Day on December 9, 2021, CIMC actively participated in the "International Anti-Corruption Day" theme activity initiated by the alliance and united alliance members to jointly issue an initiative of doing business honestly to the society and work together to create an honest and clean corporate culture.



Tackling Climate Change



Human activities are exacerbating climate change and causing an irreversible impact on global resources and ecosystems. The Chinese government is actively participating in the governance of the global environment, pushing forward the green and low-carbon transition, and unwaveringly fulfilling its international commitments on climate change. For this purpose, CIMC has earnestly implemented its green development strategy, accelerated the elimination of equipment with high energy consumption and high pollution, actively studied and introduced clean production technology and processes, vigorously developed and promoted environment-friendly products and services, and actively aligned itself with the No. 6, No. 7, No. 12 and No. 13 Sustainable Development Goals of the United Nations, so as to make positive contributions to tackling global climate change, promote low-carbon development and build an ecological civilization.

Actions:

- Upgraded and transformed environmental protection facilities; reduced, detoxified and recycled hazardous waste; and reduced “three wastes” and noise emissions;
- Implemented comprehensive energy conservation 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.

Achievements:

- Total energy consumption increased by 26%, the intensity fell by 27%, and the carbon emission intensity decreased by 26%;
- The Group has 13 green factories (including 5 newly added factories), and 3 national and provincial demonstration enterprises for green supply chain management;
- 22 enterprises have obtained clean production certifications (including 4 newly added enterprises), and 66 enterprises have obtained the ISO14001 environmental management system certification (including 6 newly added enterprises).

Efforts:

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



Cherishing Resources and Ecological Protection

In an active response to the call of the state to build a resource-saving enterprise, the Group has identified resource saving as an important element in the corporate development, dedicated itself to promoting the low-carbon, circular and intensive production mode and sought to maximize the resource utilization. In business operation, considerations are given to reducing the consumption of resources, minimizing the impact on the ecological environment and protecting the stability of the ecosystem in all aspects of the whole life cycle, such as product design, manufacturing, packaging and logistics. We strictly observe related laws and regulations in our place of business, including the *Water Law of the People's Republic of China*, the *Energy Law of the People's Republic of China* and the *Energy Conservation Law of the People's Republic of China*. Moreover, guided by the *CIMC Green Development Plan*, we have continued applying advanced energy-saving and environment-friendly technologies and equipment and taken a series of technical upgrade measures, including energy efficiency enhancement and clean production, in traditional manufacturing sectors.

Energy Saving and Consumption Reduction



Energy Conservation and
Consumption Reduction Projects
Implemented by the Group in 2021

174 projects

The Group has integrated resource and energy consumption into the management system, directed its member enterprises to prioritize the use of environment-friendly materials, renewable resources, clean energy and energy-saving equipment. At the same time, we have inspired our member enterprises to continuously identify the space for energy saving improvement and build resource-saving and environment-friendly enterprises by taking multiple measures, including phasing out of the old, introduction of the new, enhancement of energy efficiency, process improvement, tap of potential for benefit increase, consumption reduction and scientific energy use.

In 2021, the Group recorded a total energy consumption of 269,250.00 tonnes of standard coal, a comprehensive energy consumption intensity of 164.48 tonnes of standard coal/RMB100 million operating revenue and a total consumption increase of 26% from the previous year, but an intensity reduction of 27%. In detail, the Group consumed 1,327,124.21 MWh of electric power, 63,538.58 thousand cubic meters of natural gas and 18,003.32 kiloliters of fuel.



Passing the Certification of Energy
Management System

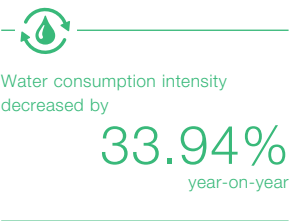
13 enterprises

The member enterprises of the Group actively respond to the call of energy conservation and emission reduction, promote the development of key energy conservation projects, and actively explore the use of air compressor in operation, elimination of high-energy-consumption process, raw material replacement and other energy-saving new processes. In 2021, 174 energy conservation and consumption reduction projects were implemented in the whole group, and 13 enterprises passed the certification of energy management system.

The Group has exerted the demonstrative effect of excellent energy saving enterprises and widely shared excellent energy saving improvement cases. Various segments have actively implemented major energy saving campaigns such as utilization of residual heat from air compressor, oil-to-power change and oil-to-gas change in a move to reduce resource consumption and practice the concept of low carbon development.

Business segment	Improvement measures
Vehicle Segment	The light guide lighting system is installed in the tank car plant of CIMC Tonghua, and the conventional sodium lighting is upgraded to LED light guide lighting, which not only increases the brightness of the workshop, but also reduces the energy consumption.
Energy and Chemical Segment	The electricity consumption is reduced through the control of air conditioning temperature, time, office power consumption, etc., and the release of office power consumption control notice.
Container Segment	The most advanced "MAXON direct-fired furnace" is adopted in the drying room of Qingleng Base and other stations with high energy consumption. Compared with the traditional furnace, the furnace can save 30% energy as a whole, and the standard container can save about 600,000 m ³ of natural gas per year on average. Xinhui CIMC's intensive box-type intelligent fish-farming project (crispy tilapia case) provides three-dimensional farming equipment that can save the use of land.

Water Resources Management



The Group has deeply acknowledged the concept that it is the common responsibility of the entire society to conserve water resources and placed the conservation of water resources in an important position of enterprise development. The Group consumes water resources in production process, routine office activity of employees and living activities such as catering and bathing, landscaping and fire extinction. The segments and affiliates under the flag of the Group have strictly observed laws and regulations of the state and local regions pertaining to water resources management procedures to ensure compliant use of water as well as reasonable development, utilization, recycling and conservation of water resources. We continue to actively explore innovative methods to achieve planned water use, scientific water use, water conservation and recycling. In 2021, the Group recorded a total water consumption of 7.12642 million cubic meters, a water consumption intensity of 4,350 cubic meters/RMB100 million operating revenue. In the current year, the Group found no material risks related to the shortage of water resources in seeking applicable water sources.

Biodiversity Conservation

The Group has paid much attention to the interactive relationships between the enterprises and the ecological environment in the place of business. By combining biodiversity protection with enterprise operation, we are exploring a green development path that can not only protect biodiversity, but also improve economic benefits and promote social equity. For example, CIMC’s modular building promotes the generalization of modular building to reduce the impact of building operations and service procedures on the environment.

Case: No. 5

CIMC’s Smart Fishery contributes to biodiversity conservation

By providing high-quality, intelligent and environmentally-friendly fishery equipment, CIMC Raffles helps the industry reduce overfishing of natural fishery resources and improve the environmental protection and safety of the breeding process, thus reducing the impact on the marine environment, promoting the biodiversity protection, and giving a strong impetus to the high-quality development of far-reaching marine aquaculture.



Jinghai No. 001 Cage Project

Green Office Program

The Group inspires employees to practice the code of ecological environment conduct for citizens and energetically advocates green office.



Promote Paperless Office

The Group has gradually carried forward paperless office scenarios, including online approval, online attendance check, online briefing, online mobility and online learning, based on the internal OA system and the CIMC I WORK Application. For example, the “CIMC Mobile I WORK” system had 17,921 active users as at the end of 2021; from opening date to present, there have been 5.75 million pieces of usage logs and 940,000 pieces of approval logs.



Promote Remote Office

The Group has promoted the Umeet, an online video conferencing service. Throughout the year, there were 13,750 remote video conferences with 132,978 participants and a total length of 8,113,521 minutes, with maximum number of participants in an online conference reaching 341.



Carrying out Environmental Protection Activities

We actively respond to all kinds of green environmental protection actions and organize regular theme activities of environmental protection publicity every year to improve all staff's awareness of environmental protection and conservation. For instance, on March 12, 2021, 30 representatives of CIMC carried out Tree - Planting Day activities in Songshan Lake, Dongguan. On July 24, 2021, more than 20 representatives of CIMC Raffles carried out "Environmental Purification and Beach Protection" activities.



Ecological Protection and Emission Reduction

The Group attaches great importance to the red line of "compliance with emissions and environmental protection requirements". The Group takes a scientific and professional approach to environmental protection work, ensuring that it is "rooted in thought, founded on initiatives, and implemented through actions", and will continue to enhance its compliance with environmental protection regulations to vigorously promote emissions reduction and build an environmentally-friendly enterprise. We encourage enterprises to utilize eco-friendly raw materials and clean production technologies, or upgrade pollution control facilities and improve pollution control effectiveness to continuously reduce emissions.

The Group has constructed a three-level HSE management system of "Group, business segments, and enterprises": Adhering to the core HSE values of "Safety and Health, Green Operation", the Group is responsible for the direction of HSE strategy, business segments are responsible for operation and supervision, and enterprises are responsible for fulfilling their respective duties. In accordance with relevant management requirements, management at all levels are tasked with establishing and improving the organizational structure of HSE management, improving management systems and institutional standards, formulating and implementing policies, objectives and action plans that conform to the characteristics of each industry, and ensuring that all tasks are implemented with the full involvement of leadership at all levels.

As a large-sized production enterprise, CIMC Group attaches great importance to and strictly abides by the laws, regulations and standards of environmental protection and pollution control in the places where it operates, including but not limited to the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*. All business segments and their subordinate enterprises, based on actual operating conditions, formulate relevant systems for environmental protection and develop emergency plans for environmental incidents. In 2021, the Group had no significant environmental violations throughout the year.

Waste Management

All business segments and their subordinate enterprises of CIMC have established the management measures for solid wastes to clarify the requirements for waste storage, transportation and disposal.

The harmless wastes generated in the production and operation of CIMC mainly include waste metal, waste wood and domestic garbage. Household waste is uniformly responsible, regularly treated and transported by local environmental sanitation departments. Other harmless wastes are mostly reused in the factory or handed over to suppliers and professional recycling units for recycling.

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, filter cotton, waste oily rag and sludge from sewage treatment station. The Group has established storage warehouses for hazardous wastes in accordance with the requirements of the state and the place of business, and the hazardous wastes are transferred strictly according to the transfer joint form system and uniformly handed over to qualified units for compliant disposal. The Group regularly reviews the qualifications and treatment capabilities of the units.

The generation intensity
of harmless wastes
decreased by

22.57%
year-on-year

CIMC conducts strict and comprehensive research and supervision on the compliant storage and disposal of hazardous wastes in its subordinate enterprises, and carries out special actions, including: regularly follow up the production, inventory and disposal of hazardous wastes in various subordinate enterprises, and direct them to develop source improvement measures and supervise their implementation; require the enterprises to establish emergency plans and accountability mechanisms for hazardous waste accidents, and to establish a red line for hazardous waste inventory in storage warehouse, and arrange the follow-up work before the inventory reaches the red line.

In 2021, CIMC emitted 48,029.41 tonnes of hazardous waste with an emission intensity of 29.34 tonnes/RMB100 million operating revenue; CIMC emitted 284,836.40 tonnes of harmless wastes with an emission intensity of 174.00 tonnes/RMB100 million operating revenue.

The Group actively explores and promotes the recycling of wastes in order to reduce the generation and discharge of wastes. All business segments and their subordinate enterprises actively explore the methods of hazardous waste reduction, innocuity and recycling, and continue to promote research on relevant projects.

Air Pollutant Emission and Management

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

According to the air pollutant emission management system established by all business segments and their subordinate enterprises of CIMC, requirements for and responsibilities of the relevant departments and management personnel are clarified in terms of air pollutant monitoring, operation and maintenance management of air pollutant treatment facilities, and control over source of air pollutant emissions. Subordinate enterprises regularly invite professional organizations to conduct inspections on air pollutant emissions in accordance with pollution permit management and regulatory requirements of the place the subordinate enterprises operate, and regularly maintain and inspect air pollutant control facilities and equipment to ensure that the concentration and total amount of air pollutants are in line with the standards of the state and the place the subordinate enterprises operate. Some subordinate enterprises have installed online monitoring systems at the discharge outlets of VOCs. The headquarters of CIMC and headquarters of the segments subordinate to CIMC are also regularly track the pollutant emissions through the data reporting system and inspections at all levels.

The emission intensity of
VOCs decreased by

41.03%
year-on-year

In 2021, each business segment of the Group and its subordinate enterprises conducted 65 projects on atmospheric environment protection and improvement. The Group's VOCs emissions amounted to 376.46 tons, with an emission intensity of 0.23 tons/RMB100 million operating revenue, representing a 41.03% reduction in the total emission from the previous year. In 2021, we reached the phased emission reduction target of VOCs as stipulated in the CIMC Green Development Plan.

CIMC adopted a combination of source control and terminal treatment, and actively developed and introduced clean production technology and efficient waste gas treatment technology. CIMC encouraged enterprises to reduce air pollutant emissions. In 2021, the main measures for reducing air pollutant emissions carried out by various business segments and subordinate enterprises include:

Business segment	Improvement measures
Energy and Chemical Segment	Through the implementation of VOCs emission reduction in the source reduction, process control, terminal governance and monitoring, the VOCs emissions/RMB10,000 operating revenue achieved a more significant decline.
Container Segment	The Container Segment of CIMC strictly abides by the self-discipline convention of the industry association on VOCs governance. By 2021, the achievements of “changing oil-based paint to water-based paint” have covered standard dry containers (from 2017), 53-foot North American inland containers (from 2020) and refrigerated containers (from 2021). After the implementation of “changing oil-based paint to water-based paint” in refrigerated containers, the products made of water-based paint accounted for more than 85%. Yangzhou Tonglee uses powder spraying process instead of painting process for container parts, reducing almost all VOC emissions.

The Group has required its subordinate enterprises to strictly implement all measures during the period of heavily polluted weather control. After fully understanding the significance of the emergency management of heavily polluted weather, and attaching great importance to the emergency management of heavily polluted weather, the affiliated enterprises of the Group have formulated the Implementation Plan of Emergency Response to Heavy Pollution Weather as needed, and set up special emergency response team to ensure rapid response, early warning and response, and organize internal themed publicity and implementation, emphasizing the implementation in place.

The efforts of CIMC enterprises have been recognized by the local environmental protection authorities, among which Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. was awarded with “Exempted Enterprises for Emergency Control of Heavily Polluted Weather in Autumn and Winter of Nantong City 2021-2022”, and Taicang CIMC Special Logistics Equipment Co., Ltd. was awarded with “A-level Enterprises for Performance Management of Heavily Polluted Weather”.

企业名称	洛陽中集凌宇汽車有限公司	所在县（市、区）	洛龍區
所属行业类型	工業塗裝	行业分支	其他工業塗裝
管控类型		B級	
企业法人代表及电话	李貴平 0379-65937666	应急措施落实责任人及电话	裴欣 15565354642
预警级别	黃色預警（III級）	橙色預警（II級）	紅色預警（I級）
减排措施	停止使用國四及以下重型載貨車輛（含燃氣）進行	停止使用國四及以下重型載貨車輛（含燃氣）進行	噴塗、烘乾、塗PVC膠、拋丸、打磨等塗裝生產單元停

Luoyang Lingyu: Billboard of Emergency Emission Reduction Measures in Heavily Polluted Weather posted outside the factory

Case: No. 6

Taicang Reefer reduces VOCs emission through technical transformation

In 2021, we implemented the technical transformation from oil-based paint to water-based paint. As for the zinc-rich primer, middle coat and top coat of the whole container, and the middle coat and top coat of the steel door panel, we changed the original oil-based paint to water-based paint. The original oil-based paint on the inner and outer side plates, floors and top plates of the standard container was changed to hot melt adhesives without VOCs, and the asphalt paint on the underframe was cancelled. It is estimated that the annual emission of VOCs will be reduced by more than 70%.



Construction site of changing oil-based paint to water-based paint in coating line

Sewage Management

The discharge intensity of sewage decreased by

41.01%

year-on-year

All business segments and their subordinate enterprises formulate sewage discharge management systems, monitor the operation and maintenance of sewage treatment facilities, and actively promote smart wastewater treatment equipment and online monitoring technology for water quality to ensure that the concentration and total amount of pollutant discharge meet national and local standards.

Sewage discharged by CIMC during production and operation mainly includes industrial waste water, such as waste water from cutting waste steel in pretreatment 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. In 2021, the Group totally discharged 3.56304 million m³ sewage with the discharge intensity of 2,180 m³/RMB100 million operating revenue, representing a 41.01% reduction in discharge intensity from the previous year.

In order to reduce sewage discharge, the Group encourages subordinate enterprises to carry out sewage recycling or reuse after treatment; introduce new sewage treatment equipment, optimize sewage treatment processes, and gradually explore the adoption of intelligent and digital sewage treatment systems. In 2021, the main measures implemented by the Group for reducing sewage discharge and results achieved include:

Business segment	Improvement measures
Vehicle Segment	CIMC Ruijiang upgraded the pre-treatment sewage station of tank truck, reducing the water consumed for pickling a single truck from 6.7 tons to 2.9 tons.
Energy and Chemical Segment	The acid pickling wastewater treatment process was upgraded (the regulation of water hardness was added at the front end and the high-pressure reverse osmosis system was upgraded at the back end) to improve water production and reduce operating time.
Container Segment	Hunan CIMC has upgraded its environmental protection facilities. The bag-type dust collector which is old, worn and produces cleaning wastewater during maintenance of the boiler is replaced with the dry-type electrostatic dust collector, eliminating the generation of cleaning wastewater.
Other segments	The sewage treatment station was maintained and reformed during the production gap to ensure the legal, compliant and standard discharge of sewage. The sewage outlet was optimized and adjusted, and online equipment and facilities were added to meet the latest requirements of relevant laws and regulations.

Noise Management



Noise pollutant sources at the Group mainly include lifting, cutting, grinding, air compressor operation, power generator operation (while the site is not accessible to power supply) and civil work in the production process, and also include motor vehicle operation, operation of fans and water pumps at the sewage treatment station, and other processes. To address the noise from different sources, the affiliates of the Group have taken different control measures and actively pilot and promote various feasible improvement measures.

Creation of Green Brand through Green Development

Green Development Plan

Environmental protection is the basis of sustainable development, and protecting the environment is in essence to protect productivity. The Group adheres to the five new development concepts of “innovation, coordination, green, openness and sharing”, executes the CIMC Green Development Plan, continuously improves the environmental protection management system, integrates the concepts of green, low-carbon and circular economy into the design, research and development, production and promotion of its products and services by combining the business characteristics of each segment, and actively explores and practices green development.

Green Manufacturing

We strictly abide by the Environmental Protection Law of People’s Republic of China, the Law of the People’s Republic of China on Promoting Clean Production, and relevant laws and regulations at the place of business, and implement the CIMC Green Development Plan and the CIMC Environmental Protection Work Guide, in an effort to promote the subordinate companies to continuously improve the environmental compliance management system per the industry characteristics and actual operating conditions, meet the requirements and regulations of new project construction, pollution control and up-to-standard discharge, green and clean production, energy saving and consumption reduction, and promote the green and low-carbon development of the enterprises.

Management of key pollutant discharge enterprises

As of December 31, 2021, the Group had 40 key pollutant discharge enterprises, two fewer than the previous year. CIMC has attached great importance to the management of key pollutant discharge enterprises, and promoted the special work of “double-strengthening”: Firstly, we have strengthened the tracking and management of environmental information, continuously optimized the information platform for data collection, and established an analysis dashboard for timely warning and intervention together with the business segments; Secondly, we have strengthened supervision and training, and included the inspection of key pollutant discharge enterprises into one of the priorities of group audit and segment unannounced inspection, and organized all kinds of environmental protection training (for example, on October 29, 2021, the Group organized a special training course on environmental protection management, requiring the participation of major subordinate segments and enterprises). All key pollutant discharge units have further improved the management system of key pollutant discharge enterprises, formulated clear processes in terms of environmental accounts, risk assessment and routine management, and increased resource input to promote improvement in the upgrading of wastewater system, the construction of environmental monitoring system and the construction of green factories. The 40 key pollutant discharge enterprises in the Group invested more than RMB450 million in environmental protection in 2021.

Contents of Management	Achievements
Environmental impact assessment and reply	The 40 subordinate key pollutant discharge enterprises have declared the environmental impact assessment report as required and obtained the reply
Pollutant discharge license	The 40 subordinate key pollutant discharge enterprises have obtained pollutant discharge permits as required
Emergency plan for environmental emergencies	The 40 subordinate key pollutant discharge enterprises have worked out emergency plans for environmental emergencies and applied to relevant competent departments for record. These enterprises make emergency drill plans and conduct drills every year
Environmental self-monitoring program	The 40 key pollutant discharge enterprises have carried out and implemented environmental monitoring, while appointing qualified testing units to conduct regular tests on waste gas, waste water and noise
Environmental information disclosure	The 40 key pollutant discharge enterprises have disclosed their environmental information through relevant government or enterprise websites, company bulletin boards and other channels
Environmental management system certification (ISO14001)	Among the 40 key pollutant discharge enterprises, 35 have passed the certification, representing a certification rate of 87.5% (other enterprises that have not been certified will continue to seek for the certification)

In respect of information disclosure, the Group discloses the information of its key pollutant discharge subsidiaries every year in the Group's semi-annual financial reports and annual financial reports as required, while all key pollutant discharge enterprises fulfill their responsibility for environmental protection information disclosure in multiple ways, such as the information platform of local environmental protection authorities, their official websites, their WeChat official accounts, and their display boards at the entrance.

Construction of green factories

The Group is comprehensively promoting intelligent manufacturing and green manufacturing, and proactively adopting advanced clean production processes and technologies, and environment-friendly raw materials, or improving pollutant treatment efficiency and continuously minimizing pollutant emissions. Driven by a series of significant actions, CIMC encourages its enterprises to promote clean production by taking "green factory" as the standard, and carry out green manufacturing and upgrading.

To date, 22 enterprises of the Group have passed the clean production audit certification, 13 enterprises have passed the national and provincial "green factory" certification, and 3 enterprises were recognized as national and provincial green supply chain management demonstration enterprises. 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 Vehicle	National Green Factory
JingmenHongtu Special Vehicle Manufacturing Co., Ltd.	National Green Factory
Zhumadian CIMC Huajun Vehicle Co., Ltd.	National Green Factory
	Provincial Green Supply Chain Management Demonstration Enterprise in Henan
Shijiazhuang Enric Gas Equipment Co., Ltd.	National Green Factory
CIMC Slack (Xi'an) Special Purpose Vehicle Co., Ltd.	National Green Factory
	National Green Factory
Wuhu CIMC Ruijiang Automobile Co., Ltd.	National Green Supply Chain Management Demonstration Enterprise
	National Green Factory
Tianjin CIMC Container Co., Ltd.	National Green Supply Chain Management Demonstration Enterprise
Enric (Bengbu) Compressor Co., Ltd.	Anhui Provincial Green Factory
Gansu CIMC Huajun Vehicle Co., Ltd.	Gansu Provincial Green Factory
Yang Zhou Taili Special Equipment Co., Ltd.	Jiangsu Provincial Green Factory
Nantong CIMC Energy Equipment Co, Ltd.	Jiangsu Provincial Green Factory
Yangzhou CIMC Tonghua Special Vehicles Co., Ltd.	Jiangsu Provincial Green Factory
Ningbo CIMC Logistics Equipment Co., Ltd.	Ningbo Municipal Green Factory

Environmental Management System

The Group is gradually improving the ecological and environmental protection management system by reference to the ISO14001 environmental management system and based on its own practical experiences. We, through “target assessment, process control and strict accountability”, fulfill the responsibility of enterprises as the main body of ecological environmental protection, and ensure compliance operation of enterprises, so as to achieve continuous improvement of environmental performance.

Through the compilation of the HSE Management Manual and the construction of HSE data and information dashboard platform, the Group has improved the HSE appraisal program and accountability system, promoted the intelligent management means of environmental protection, and promoted the enterprises for standardized management of the environment. The Group's subordinate segments and enterprises, combined with the environmental management system and practical experience, fulfill their responsibilities as environmental protection subjects, and establish environmental management organizational structure and formulate environmental management policies and actions as per relevant management requirements, so as to systematically identify and evaluate environmental impacts and risks, and continuously improve the level of environmental management, thereby guaranteeing compliant operation and achieving continuous improvement of environmental performance. In 2021, the Group implemented 179 environmental protection improvement projects.

The Group adopts tiered management at the level of the Group and business segments. The headquarters of the Group and the manufacturing segment establish HSE Committee, responsible for overall planning and coordination for HSE works, and include the goals of energy conservation and environmental protection management and action plans appropriate to the nature of its business in the HSE annual policy, and urge enterprises to improve continuously the level of environmental protection management through publicity and education, counseling support, supervision, inspection and other measures. Pollutant discharge management has been included in the environmental protection performance assessment of subordinate enterprises in some segments, and linked to the salary, performance and promotion of their management.



Environmental Protection
Improvement Projects Implemented
by the Group in 2021

179 projects

Green Products and Services

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. Meanwhile, the Group also continued to promote the cooperation with well-known enterprises at home and abroad. For example, CIMC Sanctum, a subsidiary of the Group, entered into strategic cooperation with automotive manufacturers, such as Foton Daimler and Dongfeng Liuzhou Motor, to promote energy-efficient and environmentally friendly LNG vehicle-mounted cylinders with high economy and high reliability and help the domestic heavy truck industry use gas instead of oil to save energy and reduce emissions. See the following table for related products and the environmental protection performance of the Group:

Green products	Model	Environmental protection characteristics	Environmental protection performance
Environment-friendly container	Standard dry container with water-based paint	Be able to reduce VOCs emissions by about 70%	In 2021, green dry containers produced with water-based paint accounted for over 85% of the total production of the container segment, and environment-friendly green North American inland containers of 53-foot accounted for 2.68% of the production of the container segment.
Hydrogen energy transportation and storage equipment	Hydrogen cylinder unit, industrial gas tube bundle	Used for hydrogen transportation, storage, etc.	In 2021, the sales volume of relevant equipment was 400 units/set.
LNG, CNG and LPG products	Marine LNG fuel tank	Replacing the fuel oil system of the vessels, reducing the carbon emission and pollutant emission in transportation	In 2021, a total of 27 marine tanks were sold.

Green products	Model	Environmental protection characteristics	Environmental protection performance
	LNG truck, CNG truck, LPG truck	Transporting LNG, CNG and LPG fuels, promoting the popularization and application of clean energy	In 2021, 1,342 LNG trucks, 363 CNG trucks and 1,546 LPG trucks were sold.
	LNG on-board cylinder, CNG on-board cylinder, on-board hydrogen cylinder	Replacing the fuel oil system of the trucks, reducing the carbon emission and pollutant emission in transportation	In 2021, 5,578 LNG on-board cylinders, 344 CNG on-board cylinders and 53 on-board hydrogen cylinders were sold. By using alternative fuels as power for all on-board cylinder applications, it is expected to reduce carbon emissions by 250,000 tons per year.
	C&C Trucks G6 LNG coal tractor	Compared with traditional diesel trucks, LNG models can greatly reduce emissions of various pollutants, reducing carbon monoxide emissions by 90%, carbon oxide emissions by more than 70%, nitrogen oxide emissions by more than 35%, and realizing zero PM2.5 emissions.	In 2021, C&C Trucks sold 393 trucks. Each LNG truck reduced carbon dioxide emissions by about 60 tons per year compared to gasoline and diesel trucks.
New energy electric truck	Pure electric fire-fighting truck specific for airport KG-B6300EVA electric airport ferry vehicles C&C Trucks electro-traction, pure electric environmental protection slag truck, pure electric urban concrete mixer, pure electric dump truck (pure electric urban slag truck, pure electric road gravel truck, pure electric off-road mine truck, pure electric special truck for steel works)	The whole truck (including chassis driving, top-mounted fire-fighting system, etc.) is driven by pure electricity, realizing zero exhaust emission. The technical route of pure electric drive is adopted, and the power system and air conditioning system are all driven by pure electricity, realizing zero emission of the whole truck. Pure electric trucks can reduce carbon emissions by about 40%.	In 2021, 20 Xiefaelectric ferry vehicles were sold, each of which reduced 21.26 tons of carbon dioxide, reducing 425 tons of carbon dioxide emissions in total. 70 new energy electric trucks were sold in 2021, and each pure electric truck could reduce carbon dioxide emission by 42 tons/year compared with diesel trucks (estimated annual driving distance of 100,000 kilometers).
Lightweight products	Four models of lightweight dry container: 20'GP, 40'GP, 40'HC and 45'HC C&C TrucksUXtractor	Using high-strength steel instead of ordinary Corten steel, the weight of a single container is reduced by 140KG, 380KG, 400KG and 490KG, respectively Lightweight design is adopted in the whole truck, with dead weight as low as 7.8 tons, which can save more fuel consumption and reduce pollutant emissions.	A total of 96 UX tractors were produced in 2021.
Intelligent environment friendly products	Aircraft ground air conditioning unit C&C Trucks intelligent green slag truck	The aircraft ground air conditioning unit, installed under the corridor bridge, is a special air conditioning equipment to replace the aircraft's own APU and provide cooling and heating for the aircraft cabin parked on the apron. It can replace the APU powered by aviation kerosene, reducing exhaust gas and noise emissions. Intelligent green slag truck: The adoption of fully-closed flat electric folding rigid top cover/fully-closed rocker arm hydraulic integral top cover effectively ensures the full sealing of the unloading process, which can eliminate spills in the transportation process and is cleaner and more environmentally friendly.	In 2021, CIMC-Tianda Jirong sold 304 aircraft ground air conditioning units, reducing carbon monoxide emissions by 91.2 tons, carbides by 22.8 tons, hydrides by 4.56 tons and sulfide emissions by 4.1 tons. In 2021, C&C Trucks produced a total of 374 lightweight/intelligent green slag trucks.



Pure electric airport firetruck



C&C Trucks pure electric green slag truck

Green Logistics

Since 2017, CIMC Wetrans, the Logistics Segment of the Group has actively implemented national policies such as multimodal transportation and “road-to-railway shift”, focusing on railway-related multimodal transportation businesses including sea-railway combined transportation, road-railway combined transportation, and railway-sea combined transportation, taking green logistics as the driving force for quality improvement and upgrading, and contributing to the implementation of the national dual-carbon policy.

Type of railway-related multimodal transportation businesses	Carbon reduction advantages	Environmental achievements
Sea-railway combined transportation	Sea-railway combined transportation can fully harness the linkage advantages of railway transportation and sea transportation, improve cargo efficiency and income through optimization and adjustment, and realize the effect of carbon and emission reduction.	In 2021, CIMC Wetrans transported about 61,000 TEU containers through sea-railway combined transportation, representing a year-on-year growth of more than 96%.
Road-railway combined transportation	Road-railway combined transportation can effectively improve the organization level of transportation, minimize the risk of time loss and cargo damage in transportation, and reduce energy consumption, urban traffic congestion and traffic accidents.	In 2021, CIMC Wetrans transported about 97,000 TEU containers through road-railway combined transportation, representing a year-on-year growth of about 45%.
Railway-sea combined transportation	The railway-sea combined transportation can significantly reduce road transportation and transfer more long-haul bulk cargo transportation to sea and railway transportation, presenting obvious advantages in the comprehensive transportation system.	In 2021, CIMC Wetrans transported about 24,000 TEU containers through railway-sea combined transportation, representing a year-on-year growth of about 149%.



Reduction of Carbon Emissions

340,000 tons

According to the estimates of the energy consumption types of railway, road and sea transportation, the railway-related multimodal transportation businesses of CIMC Wetrans in 2021 have achieved significant carbon and emission reduction effects, and the carbon emissions were reduced by about 340,000 tons compared with the road transportation of the same mileage.

Green Finance

The finance segment of the Group has been practicing the concept of “green finance”. As a diversified multinational industrial group serving the global market, the Group owns strong scale advantage and market competitiveness. Diversified management is conducive to resist the risks brought by market fluctuations. The listing plan of several subsidiaries is continuously advancing, and unimpeded financing channels and other factors play a supporting role in the Company’s credit level. Our strategic cooperation and close communication with large domestic and foreign financial institutions, adequate external credit and smooth equity financing channels can provide strong support to the overall liquidity of funds.

The Group practices the core values of “Integrity & Honesty, Customer Success, Exploration & Innovation, Continuous Improvement, Win-win Cooperation, Results Orientation”. As one of the members of the Green Finance Association, the financial team of the Group organizes institutions such as China Development Bank, Export-Import Bank, Bank of China, Agricultural Bank of China, China Construction Bank, Bank of Communications, CITIC Securities, CICC, and green finance rating and evaluation institutions, to conduct in-depth discussion and study the development of policies and systems in terms of green finance cooperation around various green bond products in domestic and foreign direct financing markets, indirect financing market banks, funds and other green products, and has laid a solid foundation for promoting the further development of green products and green projects of the Group through green finance in combination with the needs of green products and green projects of containers, trucks, Enric, logistics, vehicles, marine engineering and other segments.

Green Modular Building

The modular building system of the Group 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%. The project materials used in the modular building of CIMC are carefully selected. While improving product quality and manufacturing efficiency, the high prefabrication rate can greatly reduce material loss and carbon emissions, and minimize the impact of noise and dust on the surrounding community and environment. Over the past ten years, the modular building of CIMC 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 the “Made in China” worldwide.

Comprehensive Utilization of Solid Waste Resources

CIMC Lvjian Environmental Protection Technology Co., Ltd. is an innovative enterprise in environmental protection based on the comprehensive utilization of solid waste resources under CIMC Group. The company and its subsidiary, CIMC Lvjian Environmental Protection New Materials (Lianyungang) Co., Ltd., have built advanced technology and automatic assembly line capable of producing environmental friendly new inorganic building and decoration materials characterized by lightweight, high strength, fire prevention and heat insulation, non-toxicity and corrosion resistance, energy saving and noise reduction. The company has currently invested in the development of inorganic artificial stone projects and insulated decorative sintered integrated board projects. After put into operation, it may reduce the pressure on the society for solid waste disposal. CIMC Lvjian has been awarded honorary titles by government departments and industry associations successively, such as “Small-and-medium-sized Scientific and Technological Enterprise” and “Industry-university-research Cooperative Enterprise for Comprehensive Utilization of Solid Waste of National Scientific Research Institutes”.



Mixing production line

Shouldering Responsibility and Mission of Low-Carbon Operation

Human activities are exacerbating climate changes and causing irreversible damage to global resources and ecosystem. In response to global climate change and the call of the Paris Agreement, we have promoted energy conservation, emission reduction and low-carbon development.

Actively Fighting Against Carbon Neutrality

General Secretary Xi Jinping's strong statement of China's goal of "peak carbon dioxide emissions and carbon neutrality" draws the blueprint and points out the direction for China's response to climate change. The Group resolutely implements the decisions and arrangements of the CPC Central Committee and the State Council, unswervingly follows the path of green, low-carbon and high-quality development, and actively deploys peak carbon dioxide emissions and carbon neutrality actions in an effort to contribute to the realization of China's "dual carbon" goal.

The Group has incorporated the management and control of ESG risks into its risk management and control system, as well as into the risk matrix and supervision management, explicitly added the agenda of "tackling climate change" to the original 8 corporate risk management agendas, and has carried out in-depth identification of risks and worked with specialized institutions to investigate the risks and opportunities of carbon neutrality.

The Group takes the initiative to shoulder the responsibility of the times and seize the opportunity of dual carbon. The Group and its affiliated key enterprises have initiated to explore and contrive the transformation path of green development. While continuously promoting energy saving and carbon reduction in its own operations, we also provide safe, environmentally friendly, efficient and intelligent equipment and services for global customers and society, provide support to customers and society in carbon reduction efforts, strive to achieve sustainable development of enterprises, and make positive contributions to the realization of national dual carbon goals and the response to global climate change. CIMC is taking steps to achieve the following goals around the dual carbon target:

1

Strengthen the direction of goals and indicators.

2

Actively respond, carry out themed exploration, organize publicity and learning, and implement carbon footprint and other pilot projects.

3

Support the work of the associations and provide centralized experience of CIMC for the government and society.

4

Play a leading part in promoting the low-carbon development of the industry.

5

Solidly carry out a number of energy conservation and carbon reduction projects.

6

Step up and accelerate innovation, and embrace and tap the "dual carbon" opportunities.

In order to cope with global climate change and minimize greenhouse gas emissions, we have included energy consumption into our management indicators, constantly promoted enterprises in establishing energy management systems and implement energy-saving assessment and energy audit, popularized energy-saving improvement cases, and devoted greater effort to the development of new energy products.

Case: No. 7

The Decision-making Committee for the Special Period of the Group held an expanded learning seminar on "peak carbon dioxide emissions and carbon neutrality"

On the afternoon of April 16, 2021, the 13th regular meeting of the Decision-making Committee for the Special Period of the Group was held with the theme of "peak carbon dioxide emissions and carbon neutrality", and the special study session agenda was established. Professor Zhang Xiliang, director of the Institute of Energy, Environment and Economy of Tsinghua University, delivered a special report in video form in Beijing. About 80 members of the Decision-making Committee for the Special Period of the Group and members present, as well as those related to strategy and ESG functions from the headquarters, various segments and directly managed enterprises of the Group attended the seminar.

Case: No. 8

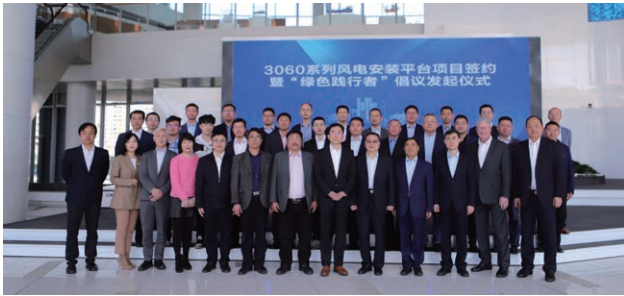
The Decision-making Committee for the Special Period of the Group heard the special report on “energy consumption and carbon emissions” and made decisions

On November 24, 2021, the Decision-making Committee for the Special Period of the Group heard the special report of the Group ESG Report Secretariat on the energy consumption and carbon emissions of the Group, and made important decisions: Energy conservation and carbon reduction is the general orientation of global development and the Group cannot lag behind in this regard, and first of all, the Group should make solid progress in our current efforts. We should pay attention to energy conservation and carbon reduction and encourage enterprises to perform research and implementation through various methods. CIMC Group should take full advantage of cheap electricity and roof top PV. CIMC is expected to focus on two types of enterprises: champion product enterprises and enterprises with greater room for improvement. The energy conservation and carbon reduction efforts were incorporated into the monthly management report and at least quarterly reporting was required.

Case: No. 9

CIMC Raffles launched the “Green Practitioner” initiative to promote fair-price offshore wind power and contribute to the “Dual Carbon” goal

CIMC Raffles, HuaDian Heavy Industries and Boqiang Heavy Industry pioneered the initiative of “Green Practitioner” to invite upstream and downstream partners of the offshore wind power industry chain for jointly building new order of offshore wind power cooperation, and jointly agree to promote fair-price offshore wind power through concrete actions, contributing to the early realization of the national dual-carbon goal of “3060”.SPIC, Shanghai Electric, General Electric, Huashang International, American Bureau of Shipping, NOV and many other units attended the launching ceremony and signed their names to support the initiative. The “Green Practitioner” initiative is the first voluntary and open industry initiative committed to achieving carbon neutrality in China’s private offshore wind power field.



Support the Development of Clean Energy

CIMC provided support to Beijing Winter Olympics with hydrogen energy equipment



Scan QR Code on WeChat to watch the video

Hydrogen energy, as a kind of clean energy that can be stored and burned and can generate electricity, is an important strategic direction of the world’s energy transformation. Recently, China has released a series of incentive policies to guide the development of hydrogen energy industry. The Group has taken clean energy as a key strategic development direction. CIMC Enric has more than 10 years of experience in hydrogen storage and transportation based on clean energy, with products covering gaseous high-pressure hydrogen storage, high-pressure hydrogen transport truck and hydrogen refueling station equipment. The company is one of the major domestic key equipment providers for hydrogen storage and transportation, and the only domestic enterprise in China that realizes all production and manufacturing of hydrogen transportation, storage and hydrogenation equipment in the field of hydrogenation station equipment, contributing to the rapid development of hydrogen energy of the state. At present, CIMC Enric has completed the layout of production bases and R&D centers of hydrogen energy equipment in Langfang and Shijiazhuang of Hebei Province, Nantong and Zhangjiagang of Jiangsu Province.

Of the Group’s Energy and Chemical Segment, CIMC Enric’s subordinate enterprise cooperated with Zhangjiagang Industrial Technology Research Institute of Dalian Institute of Chemical Physics to promote hydrogen production and hydrogenation in green methanol station, jointly push the application of liquid sunlight hydrogen production and hydrogenation equipment (including hydrogenation station and carbon dioxide capture and synthesis equipment) in the hydrogen energy industry chain, and work together to carry out the liquid sunshine hydrogenation demonstration station for Olympic Winter Games Beijing 2022. This provides safe, reliable, economical, efficient, green and low-carbon hydrogen energy production, storage and key technologies and equipment support on the supply side for the realization of the state dual carbon goal and the innovation and spanning development of the hydrogen energy industry.

Yangzhou Tonglee, a subsidiary of CIMC group, and Vestas Wind Systems A/S (hereinafter referred to as Vestas), the world's largest wind power producer, held a ceremony to roll off the production line of the first modular offshore wind turbine side cabin. Vestas is working hard to incorporate containerization and modularization into the design of its wind power cabins to accommodate the worldwide multimodal transport and lifting of large-scale wind turbines. Yangzhou Tonglee, as a well-known enterprise in the field of containerization and modular manufacturing, has advantages in containerization and modular integrated design and production. Based on the advantages and complementary needs of both parties, Yangzhou Tonglee and Vestas have reached a consensus on strategy for alliance between giants. The cooperation between the two parties mainly involves the modular wind turbine cabin, as well as the integration of internal electrical equipment.



Low-carbon Products

In recent years, the Group has increasingly focused on the research, development, production and promotion of low-carbon products to help the Group itself and its customers tackle climate change. The Group continues to launch new-type low-carbon products in multiple business segments by combining the characteristics of respective products with clean technologies.

Offshore wind power construction equipment

The 3060 series of offshore wind installation vessels are equipped with large-capacity methanol storage tanks and methanol dual-fuel engines, reducing carbon dioxide emissions by 78% and nitrogen oxide emissions to an absolute minimum.

Marine ranching platform

In the "Taowan No. 1" modern ocean ranch cage project built by CIMC Raffles in Yantai, the wind power is used as the supplement of power supply in the cage, and the mechanization and intelligence of cage culture are realized through automatic feeding, underwater monitoring, underwater washing and other equipment. Wind power, solar power and diesel power are used as power sources in the cage for low carbon and environmental protection.

Offshore wind power platform

CIMC Raffles proactively promotes the innovative utilization of traditional offshore platforms in the field of offshore wind power. It has completed the deployment and utilization of offshore wind power on three offshore platforms, and has jointly built a new order of offshore wind power by cooperating with upstream and downstream partners of the industrial chain, contributing to the early realization of the "3060" goal.



Case: No. 10

First batch of ship tanks of Southern China ship-to-gas projects of Jingmen Hongtu successfully shipped

The Guangdong Provincial Government has vigorously promoted the green development of inland water transportation and the application of liquefied natural gas (LNG) powered ships. CIMC proactively promotes the transformation of LNG power of inland ships, builds demonstration projects of LNG application in inland ships, and promotes the green development of national inland water transportation. On December 24, the first batch of 5m³ LNG marine tanks of the “LNG Power Transformation for Ships of Guangdong Province Inland Shipping Green Development Demonstration Project”, which was implemented under the responsibility of Jingmen Hongtu, was successfully delivered, helping the state to build new energy ships and stimulate the “green” power of inland water transportation.



Greenhouse Gas Emission Management

Greenhouse gas emission intensity decreased by

26.20%
year-on-year



Rooftop PV Power Enterprises

10 enterprises

Total Power Generation during the Year

37.27 million KWH

Reduction of CO2 Emissions

21,653 tons

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 2021, CIMC totally emitted 1,139,131.93 tonnes of CO₂e greenhouse gases with an emission intensity of 695.87 tonnes of CO₂e/RMB100 million operating revenue, representing 26.20% reduction in emission intensity from the previous year; among them, the direct emissions of greenhouse gases was 206,638.80 tonnes of CO₂e and the indirect emission of greenhouse gases was 932,493.13 tonnes of CO₂e.

Based on the sources of greenhouse gases, the Group takes corresponding measures to reduce emissions. The main greenhouse gas emissions of the Group come from indirect greenhouse gas emission caused by purchased power, reducing the use of purchased power capable of indirectly reducing greenhouse gas emissions. The measures taken by the Group for reducing the consumption of purchased power mainly include the formulation of energy consumption management indicators, the introduction of energy-saving equipment, the implementation of technical transformation, and the self-construction of clean energy power stations (for detailed information concerning formulation of energy consumption management indicators, the introduction of energy-saving equipment and the implementation of technical transformation, please refer to the sections titled “Energy saving and consumption reduction” and “Shouldering Responsibility and Mission of Low-Carbon Operation” of the Report). In addition, its subsidiaries actively reduce energy consumption in raw material transportation and product production through the innovation of process technology, so as to reduce greenhouse gas emissions. Typical cases include the lightweight and saving of raw materials (the amount of steel used can be reduced by the high-strength-steel standard container project), and the substitution of raw materials (glass fiber composite plate instead of steel floor center sill).

The Group has established a number of production factories and workshops at home and abroad, and the roof space of some factory buildings can be available as a carrier for PV generation projects. Since 2014, a number of enterprises affiliated to the Group have initiated to carry out rooftop PV power generation projects. By the end of 2021, 10 subsidiaries within the Group have applied rooftop photovoltaic power generation, and the power generation during the year was 37.27 million KWh, equivalent to a reduction in consumption of about 21,653 tons of carbon dioxide. The Group will continue to vigorously promote the rooftop photovoltaic power generation, and the carbon emissions reduction effect will be more significant.

CIMC believes that afforestation for carbon sink is an effective and sustainable approach to reduce emissions and an important action to address climate change, a potent testimony of the concept that “green mountains and clear water are equal to mountains of gold and silver”. The action for consolidating and enhancing carbon sink is one of the “10 national actions for reaching peak carbon emissions”. CIMC has performed beneficial exploration on carbon sink and encouraged its subordinate enterprises to initiate the pilot of CCER methodology, laying a foundation for gradually establishing a reasonable channel for carbon sink and economic benefits. In 2022, CIMC schedules to carry out carbon sink as one of the key projects of “dual carbon”: focus on forestry carbon sink and marine carbon sink in combination with industrial characteristics; strengthen policy and scientific research on improving carbon sink capacity by connecting with external professional institutions; encourage exploration of CCER methodology pilots; carry out special publicity on carbon sink and encourage tree planting activities.

Improving Global Logistics



Upholding the core value of “Exploration & Innovation”, CIMC Group understands that its survival and development depends on technological innovations. We have actively responded to Sustainable Development Goals No. 9, No. 12 and No. 17 proposed by the United Nations, continued to develop and improve the scientific and technological innovation system, stepped up patent R&D and commercialization of research findings, ramped up intellectual property protection and management, and sought to use innovation to facilitate the long-term sustainable development of enterprises and industries.



Actions:

- Continuously engaged in cooperation and exchanges with industrial, academic, and research organizations, strengthened external technical cooperation, and started building an open scientific and technical innovation platform for CIMC;
- Accelerated intelligent manufacturing transformation and upgrading, explored the integration of industrialization and informatization, and expanded the scope of pilot projects;
- Participated in establishing standards and specifications, participated in and led industrial exchanges and the commercialization of results, and promoted the transformation and upgrading of the global logistics and energy segments;
- Strengthened strategic cooperation with suppliers and joined hands to promote the performance of social responsibilities along the value chain.

Achievements:

- CIMC Group Technical Center is a national corporate technical center; and the Group owns a total of 40 national hi-tech enterprises, 6 post-doctoral research stations and 6 technologically advanced small and medium-sized enterprises, and has cumulatively won 4,883 patents;
- 4 enterprises have won the title of “National Demonstration Enterprise for Intellectual Property Rights” conferred by the State Intellectual Property Office, and 2 enterprises have won the title of “National Advantaged Enterprise of Intellectual Property Rights”;
- Started building digital plants based on the Longteng Project and the “Lighthouse Plant”;
- CIMC has made a significant contribution to the global fight against the COVID-19 pandemic with its advanced logistical equipment and services.

Efforts:

- Adhere to the strategic direction of intelligent manufacturing upgrading, vigorously advance new industrialization by combining the comprehensive roadmap with pilot promotion, and realize the transformation and upgrading of manufacturing;
- Adhere to the champion product strategy, strengthen scientific and technical innovation, and boost global logistics by providing more high-quality products and services;
- Strengthen industrial exchange and the commercialization of innovation results and continuously enhance logistical transportation capabilities and efficiency;
- Obtain green supply chain certifications and collaborate with suppliers to develop more technologies and products that benefit the industry and society.



Leading Innovation and Value Growth

Products Diversification and Innovation



R&D Investment in 2021

2,240,779 (RMB'000)



In the process of strategic upgrading and business transformation in recent years, we have established a “technology-driven” technological innovation mechanism focusing on “innovation-driven value growth”, and continued to step up R&D operations related to new products, new technologies, new processes and equipment, introduced and incubated major technology projects that dovetail with our business development directions. CIMC established a R&D system that integrates the “Research Institute” with the “Technology Center” based on its structural business planning.

In 2021, CIMC continued to implement technological innovation strategies, and focused on promoting the implementation of technical plans for more than 20 key products in various segments, as illustrated by the following: (1) The Group took the products that have implemented technology planning as the benchmark for the core products and star products of the whole Group; (2) The Group reorganized the direction of product and technology upgrading in the next 3-5 years, improved product competitiveness and corporate profitability, and strived to achieve the high-quality growth goal of the Group.

CIMC Group has devised a fully integrated scientific and technological innovation ecosystem, as well as a “unified and three-layer synergistic” technological innovation management system and a swift and collaborative innovation mechanism and plans to set up an open innovation platform of “comprehensive sharing with one network coverage”. On the basis of the existing partnerships established by CIMC Group with higher education institutions and research institutes and industrial chain technology partnerships, we stepped up international cooperation, and established a joint research and development platform with top-tier Chinese universities and strategic partners, with research projects launched on new material applications, intelligent product development, etc. Six Group-level collaborative R&D platforms have been established. In the face of the COVID-19 outbreak, CIMC Group managed to maintain continuous output of production capacity through technological R&D and manufacturing upgrades. With unrivaled container production capacity, we made due contributions to the Chinese economy in terms of stabilizing foreign trade, economic growth and the global industrial chain.

In 2021, we continued to push forward the T2 phase training program for leading talents in technological innovation. Four offline training and multiple online courses have been completed, with the aim of cultivating double chief engineers for the Group to promote technological innovation and product upgrade.

Furthermore, we hosted “Online Technology Festival – Innovation Forum” and invited industry well-known experts to share their insights on the innovative technologies and theories related to green product design, product innovation, and innovation strategies, and actively heard suggestions on the applications of the new technologies and theories among CIMC manufacturing affiliates and business transformation, assisting in the implementation of the strategy “ramping up technological innovations, and promoting product upgrades”.

As a State-level Technology Center for Enterprises, the CIMC Technology R&D Center is home to the Offshore Construction R&D National Engineering Laboratory and the National Energy Offshore Oil Drilling Platform Research and Development (Experiment) Center. In 2021, the score of CIMC Technology R&D Center appraised by the National Enterprise Technology Center was 89 points. Among the 1,728 participating enterprises, CIMC Technology R&D Center ranked 91st, included in top 5%.

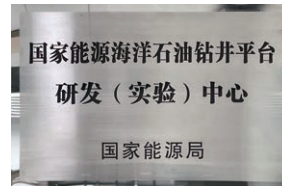
- 6 National Specialized Special New “Little Giant” Enterprises
- 2 products of boarding bridges, cargo trailers and semi-trailers selected as single champion products of manufacturing industry by the State Ministry of Industry and Information Technology
- 3 enterprises awarded as single champion demonstration enterprises by the State Ministry of Industry and Information Technology (CIMC Safeway Technologies Co., Ltd., Yantai CIMC Raffles Offshore Limited and Qingdao CIMC Reefer Container Manufacture Co., Ltd.)



State-level Technology
Center for Enterprises



Offshore Construction
R&D National Engineering
Laboratory



National Energy Offshore
Oil Drilling Platform
Research and Development
(Experiment) Center



Postdoctoral Programme

Case: No. 11

CIMC Mobile Cold Storage won the third prize in the finals of the Global Innovation and Entrepreneurship Competition

As one of the key events of the 2021 National Innovation and Entrepreneurship Week and the 7th International Maker Week in Shenzhen, the finals of 2021 Global Innovation and Entrepreneurship Competition held by Peking University HSBC-Cambridge Judge in Shenzhen attracted more than 3,000 entrepreneurial observers and audiences specially invited. Through fierce competition, the "R&D and Industrialization Project of Modular Intelligent Combination Mobile Cold Storage" from the CIMC Cold Chain successfully made a run to the finals and won the third prize. CIMC Mobile Cold Storage is transforming and upgrading the traditional cold chain industry through technological revolution.

Case: No. 12

The key technologies applied in the "Technology and Application of Efficient and Intelligent Storage and Transportation of LNG Tank Containers" have reached the international advanced level

At the Science and Technology Achievement Appraisal Meeting of China Petroleum and Chemical Industry Association held on August 5, 2021, the key technologies applied in the "Technology and Application of Efficient and Intelligent Storage and Transportation of LNG Tank Containers" jointly developed by Nantong Energy and China National Offshore Oil Corporation have reached the international advanced level after the appraisal committee (including 11 experts in the LNG field) inquired and discussed.



Intellectual Property Management

The Group respects and values the management and maintenance of intellectual property (IP), especially the protection and utilization of high-value patents, and conducts all-round management of the creation, protection, application, management and risk prevention and control of intellectual property through strictly abiding the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Copyright Law of the People's Republic of China and the Law of the People's Republic of China Against Unfair Competition and other IP-related laws and regulations during production and business operations, through effective implementation of the intellectual property management system documents and amendment to the Measures of CIMC Group on Patent Management, which stipulates CIMC Group's various departments and subsidiaries shall report major patent-related events, e.g. patent infringement and protection, involving technology, patent or business operations to the Group, such that macro-level resolutions can be developed from the vantage point of CIMC Group and from the long-term perspective, with assistance and support provided by relevant departments where necessary. Before a new product, new material, new technique or new process is designed, developed or launched on the market by a unit within the Group, a patent search and analysis must be performed regarding the

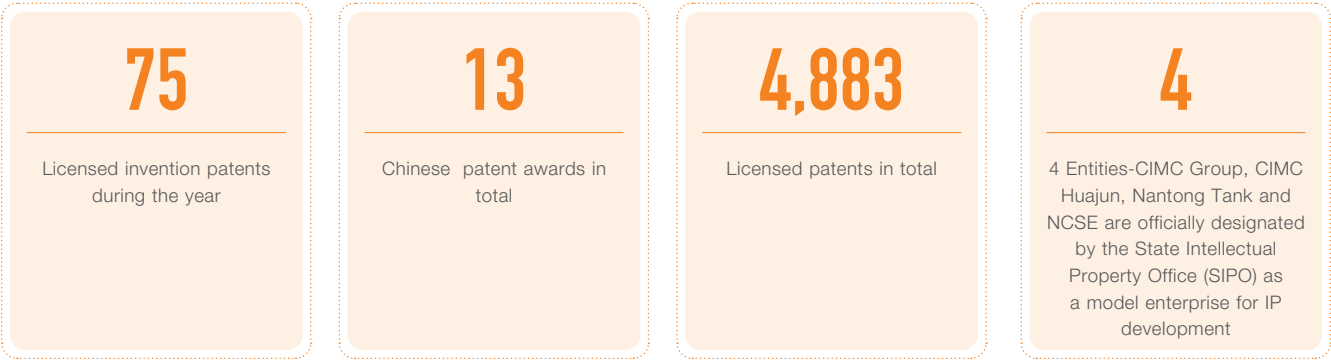
proposed improvement in the existing technique with a search report generated, which should be assessed and archived as a project initiation review material, to avoid the risk of patent infringement. A comprehensive patent information analysis must be conducted on CIMC Group’s flagship products or champion products at least once every three years. The foregoing management systems and procedures have been effectively enforced and implemented in the routine management of enterprises within the Group. The intellectual property rights have been effectively maintained to avoid adverse effects on the Group due to infringement of third-party intellectual property rights.

In 2021, 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; 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, including key cases such as the Chongqing-Xinjiang-Europe patent case and the UNI45 patent nullification case, in which a final judgment was entered by the Supreme People’s Court in favor of the Group, respectively, after more than 3 years, playing a positive role in guiding the industry to respect intellectual property rights, improving the standard of patent protection and utilization, and promoting the healthy development of the industry. Some companies, e.g. CIMC TianDa etc., have 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 and improve R&D efficiency. 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.

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’ cybersquatting on or passing off our trademarks, effectively safeguarding the Group’s reputation

— Case: No. 13 —

Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. won the Silver Award of the 22nd China Patent Award



New Industrialization

We proactively support social and national development strategies by preparing action plans that dovetail with China's development conditions based on the actual situation at CIMC Group. Leveraging the trend of new industrialization 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. Adhering to the strategic orientation toward intelligent manufacturing, we continued to improve the CIMC Intelligent Manufacturing Action Plan (the "Action Plan"), and carried out top-down planning of overall business upgrade and development within the Group, mapping out the Group's blueprint for innovation-driven growth.

Achievements in New Industrialization-related Businesses

Vehicles	CIMC Vehicles deeply implemented the high-end manufacturing system strategy and began to develop and establish a "high-end manufacturing system" in 2014. At present, CIMC Vehicles has built 13 "Lighthouse" plants of semi-trailer production, 7 "Lighthouse" plants of truck body production for specialty vehicles, and 2 "Lighthouse" plants of light van body production at home and abroad, and set up "product modules" for several series of semi-trailer products to realize digital transformation and upgrade.
Energy and chemical	The standard tank plant at CIMC Safeway Technologies has undergone production line upgrade and transformation, and developed a number of high-standard production equipment with major technological breakthroughs. They mainly included tank production and welding automation intelligent systems and equipment, production line logistics systems and equipment, and special machine for plant operation process automation. Most of equipments developed in the process of the production line upgrade are pioneering products in the industry that has reached the advanced technical level.
Containers	On the basis of the technology in the previous two years, a large number of robots are used in the main container production processes of CIMC Container, such as stamping, front end, rear end, bottom frame, top plate, side plate, final assembly, sanding and painting process. In 2021, CIMC Container quickly copied and promoted various robot operation schemes with a total of nearly 1,000 robots used, propelling the intelligent manufacturing level of CIMC Container Factories to a new level. In the process of upgrading intelligent manufacturing process based on the Longteng Project, CIMC Container continued to research and develop the advanced manufacturing technology and process equipment, such as the intelligent welding workstations and a variety of new coating processes.

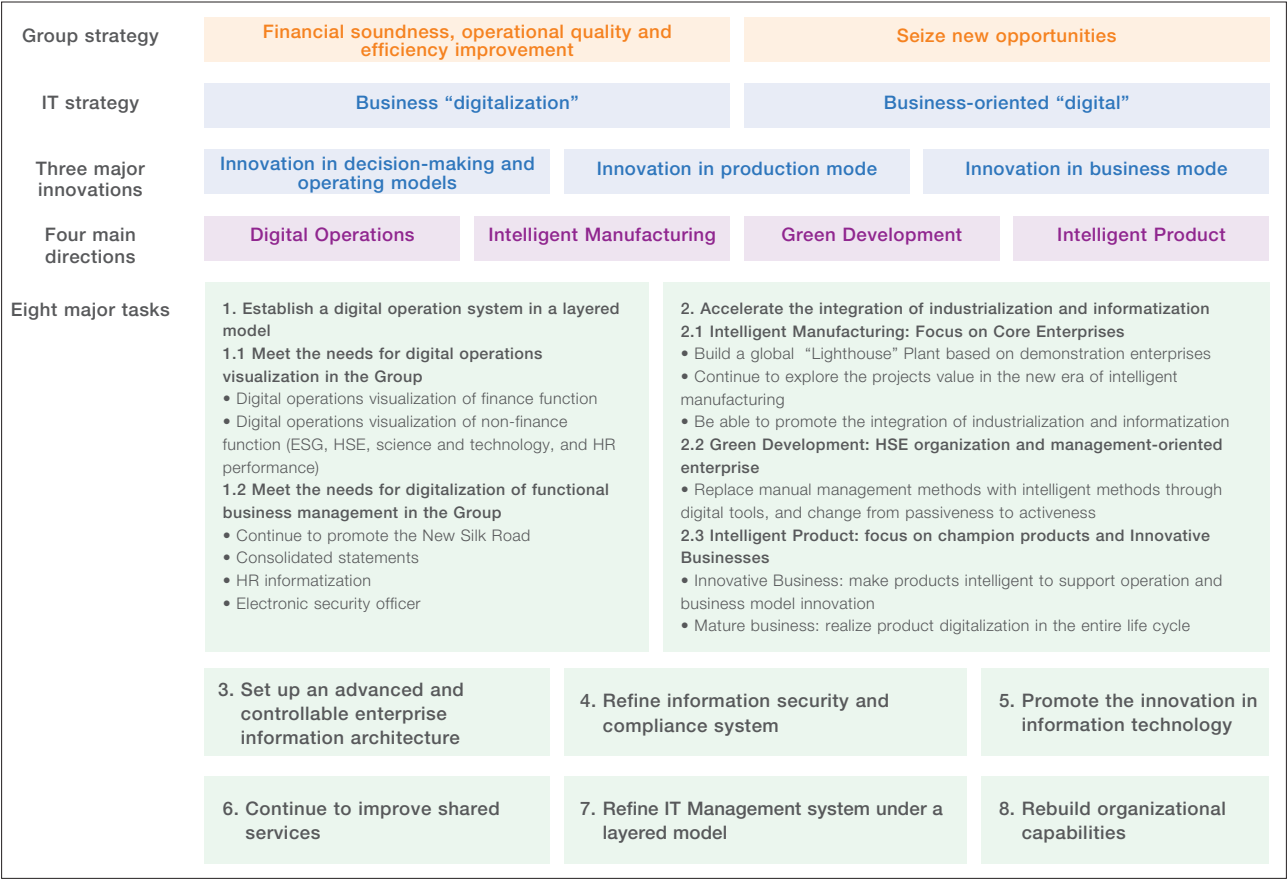
Case: No. 14

Digital CIMC accelerated the integration of industrialization and informatization

CIMC Group has actively embraced the surge of digital transformation, proposing the framework of "Digital CIMC" based on the national policy of "Digital China" and "New Infrastructure" to guide the digital transformation work of the Group as a whole. Among which, "accelerating the integration of industrialization and informatization" is one of the eight major tasks of the "Digital CIMC" initiative, which focuses on using information technology to enhance the competitiveness of core enterprises group wide.



General Framework of “Digital CIMC”



Creation of Brand Power with High Quality

Product Quality and Safety

CIMC’s products are highly diversified and angled at the global markets. Committed to the mission “providing high-quality and reliable equipment and services for logistics and energy industries”, we always regard the health and safety standards of our products as the top priority for responsible product development; adhering to the idea of “continuous and constant improvement”, we seek to provide clients with secure, high-quality and highly efficient products and services. CIMC Group owes its success to its effective quality management system, as well as its employees’ enterprising spirit of “Unremitting Striving, Pursuing Excellence” and their quality concept.

Product quality is the foundation of CIMC. We strive to achieve organized, standardized, methodical and step- by-step implementation of applied quality management methods, continuously optimize application procedures, promote LEAN ONE (Optimization Never Ending) application, improve product quality through process planning, and build high-quality LEAN manufacturing capabilities. CIMC won the Shenzhen Mayor Quality Award, and a total of 13 subsidiaries won the quality award from the local government.

13₊

enterprises won quality awards
granted by local governments



RMB 240

million of
improved revenue was earned
across the LEAN ONE model
research topics



2021 Jiangsu Province Enterprise
Modernization Management
Innovation Award
"Construction of Lean Operation System for
Energy Equipment Enterprises to Achieve
Quality Growth" of Nantong Energy

Focusing on
intelligent
logistics to
accelerate
product
innovation
and intelligent
manufacturing
upgrade

Having quality
embedded in
the DNA of
CIMC is the
foundation of
its "customer
success"
values

Quality Con- cept of CIMC

The quality
concept of
"products
quality
reflecting
moral quality,"
has been
established in
the market
sentiments

Adhering to
LEAN
management,
continuously
improving
product
quality without
ending

With the support and guidance provided by the Group, segments and companies in the Group have set out quality management policies and targets covering all levels (company, department and team), enforced relevant management systems such as change point management, exception handling, non-conforming product management, quality information collection and standardization of reoccurrence prevention practices based on the actual situation to standardize their respective quality management systems, and set up teams of quality specialists for the major business segments, covering more than 40 companies of which 28 companies registered operating revenue of more than RMB1 billion.

In 2020, CIMC Group identified "Building a Demonstration Enterprise of Operational Excellence" as the strategic topics for 2021, and will continue to follow the topics in 2022. The CIMC will focus on core enterprises, and more enterprises of CIMC Group will move towards excellence through the promotion of excellent performance standard. The core principles of high performance assessment criteria are to identify causal relationships, and to produce excellent results from excellent processes. In the future, a "long-term scoring plan" of the enterprise will be developed through assessment in order to promote the evolution of organizational capabilities and continuous improvement of performance. In 2021, we developed and released the "CIMC Operational Excellence Assessment Criteria of ONE Model". We have made a plan to create demonstration enterprise in about three years starting from 2021.

Case: No. 15

Passing Down the Culture of Quality: CIMC Safeway Technologies Launches Quality Month Activities – Advancing the Spirit of Craftsmanship

On October 22nd, the Company held a press conference commencing Quality Month 2021, during which it held a variety of learning and enrichment activities for departments and workshops in the spirit of promoting quality.



Customer Service
and Satisfaction

During product and service promotions, the Group pays due attention to the authenticity of the publicity materials, and strictly prohibits false or misleading publicity. We rigorously prohibit the use of words like “most”, “top-level”, “first-rate”, etc. in the publicity materials, and ensure that the products are displayed objectively and fairly. The promo videos usually feature product line managers who have a thorough understanding of the products. The video copy is adopted only after confirmation by multiple professional engineers.

With a view to ensuring effective customer protection, each segment and company in the Group has formulated a product recall management system based on the nature of their respective products and services, and eliminated product defects transparently and rigorously so as to minimize the negative effects on clients and losses caused to them. Furthermore, we have also established a marketing and promotion management system to ensure that accurate brand information is disseminated externally.

In the current year, the Group complied with relevant laws and regulations on product safety and health, advertising, etc. The number of customer complaints in the current year was 12, including 11 in the container segment, 1 in the vehicle segment and 0 in the others. The percentage of product recall of the Group was 0.0445% for the vehicle segment and 0 for the others.

“Customer Success” is the core value of CIMC that all subsidiaries of the Group continue to practice. Each segment and its subordinate enterprises strictly abide by the relevant laws and regulations of the country and places where they operate, establish relevant processes for customer support and service, and continue to implement key tasks, such as improving customer satisfaction, optimizing the complaint handling mechanism, and providing special services, etc.. Several projects carried out by some enterprises of CIMC have been highly recognized by the government and customers. At the same time, the Group organized normal special trainings on marketing and customer service, so as to continuously improve the quality of products and services. The Group’s average customer satisfaction rate across all segments was 93.48%, of which the circulating load segment enjoyed the highest rate at 96.2%.

Customer Service	Adding Values for Customer	Customer-focused Results
<ul style="list-style-type: none">Customer IdentificationKnow Your CustomerService Improvement	<ul style="list-style-type: none">Customer CultureValue RecognitionValue DevelopmentValue Promotion	<ul style="list-style-type: none">Customer MaintenanceCustomer EngagementMarket DevelopmentMarket Recognition

Service System

Case: No. 16

CIMC TianDa provides high-quality services

The airport service center of CIMC TianDa currently owns a professional technical support and field operation team with more than 700 technicians who have 30 years of experience in after-sales service of airport facilities, and has established 26 domestic service outlets and 5 overseas service outlets that can provide engineering and technical services to more than 300 airports, ports and freight depot customers around the world. The service center has a sophisticated management system and a comprehensive mechanism for user information processing and after-sales service. It has won more than 20 written commendations for providing services that are widely praised by customers.



Silk banner (satisfactory on-site services) – Construction Management Department of Yantai International Airport Group Co., Ltd.

— Case: No. 17 —

CIMC Sanctum Remotely Assists Tanker of Nigerian Customer After Rear-end Collision

On March 19, 2021, a semi-trailer truck transporting liquid natural gas of Nigeria-based company GREEN VILLE was involved in a rear-end collision. The driver had never been involved in such a situation before, so he contacted CIMC Sanctum's customer service for assistance. CIMC Sanctum's service staff immediately organized a remote incident resolution team. After six hours of remote guidance, the tanker's load of LNG was successfully transferred from the vehicle, which eliminated the safety risk and ultimately solved the customer's issue.

**Customer Privacy Protection**

CIMC Group attaches great importance to the protection of customer information and privacy, and carried out all-round information security promotion based on national laws and regulations on information security, taking into account the latest global trends in information security, and against the internal and external backdrop of integration of industrialization and informatization; and sets up a complete and effective information security management system, which serves as the fundamental guarantee for the business development of the Group.

During the reporting period, the Group carried out all-round information security promotion to achieve business information security targets, and no serious information security events have occurred. It did not receive any complaints on customer information leakage from any official organizations.

Information security management

- Established a standardized information system to simplify management and reduce risks.
- Updated and released 27 sets of supporting administrative systems to further standardize IT applications.
- Employees' awareness of the importance of information security has been improved on a comprehensive scale, through continuous information security promotions and training and IT exams.

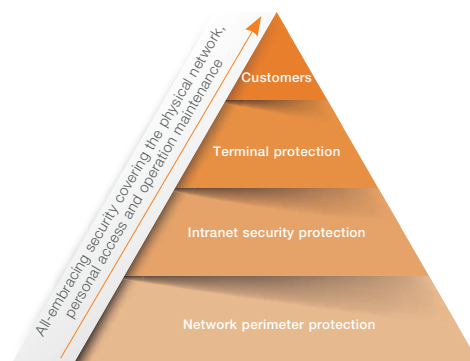
Information security technology

- The hierarchical information security protection system with 20 major information security capabilities has been further improved.

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, improving information security risk response capabilities.

Our overall information security capabilities have been enhanced on a comprehensive scale. During the reporting period, CIMC Group actively carried out network security protection assessment in accordance with relevant provisions of the Cybersecurity Law of the People's Republic of China, and three important application systems passed the security certification with high score achieved. The Group conducted cyber protection rehearsals across the Group to identify and fix the risks in a timely manner.



Hierarchical information security protection system

Sharing Experience for Common Development

As a leading player in multiple industries, CIMC Group has been actively involved in the formulation of industry standards and regulations, actively promoted the commercialization of research findings and the healthy and sustainable development of the industries to which its business segments belong. As of the end of 2021, the Group had participated in the formulation of approximately 170 sets of international, national and industry standards for containers, special vehicles, energy and chemical equipment and airport equipment, and had officially released more than 70 sets of national or industry standards; The Group and its subsidiaries have joined in 57 associations and served as a director general, director, president and vice president in 45 associations, making positive contributions to the development of the industry associations and the industries.

In 2021, CIMC promoted the national strategy and solved industry weakness through actively leveraging its business advantages. We promoted the innovation of Xijiang cement and LNG transportation methods, and helped local industries transform towards sustainable development; CIMC Enric continued to improve the entire industrial chain layout of natural gas storage and transportation equipment, and developed the storage and transportation equipment for hydrogen energy to promote the national “double carbon” strategy; CIMC Raffles vigorously developed the new energy industry of marine wind power equipment to embark on a greener development path; CIMC Transportation followed the concept of green circular economy and promoted the use of circular packaging in batches in various fields; In response to the national strategy of rural revitalization, CIMC Cold Chain participated in the construction of cold chain backbone network in Guangdong Province; CIMC IOT started to construct the world’s largest intelligent robot parking lot in Hong Kong to promote the interconnection of infrastructure in the Guangdong-Hong Kong-Macao Greater Bay Area.

➤ Containers

- o We presided over the formulation and revision of seven sets of ISO, etc. related international, national industry standards for the container segment, including the revision of international practices standards such as ISO 1161 “Series 1 freight containers; Corner fittings; Specification”, ISO 668 “Series 1 freight containers--Classification, dimensions and ratings”, ISO 1496-1 “Series 1 freight containers--Specification and testing--Part 1: General cargo containers for general purposes”, ISO 6346 “Freight containers-Coding, identification and marking” and ISO 1496-4 “Series 1 freight containers--Specification and testing--Part 4: Non-pressurized containers of dry bulk” etc.

➤ Vehicles

- o CIMC Vehicles began to develop and establish a “high-end manufacturing system” in 2014. At present, it has built 13 “Lighthouse” plant of semi-trailer production, 6 “Lighthouse” plant of truck body production for specialty vehicles, and 2 “Lighthouse” plant of van body production around the world. In the process from design concept to manufacturing, the “Lighthouse” Plant of CIMC Vehicles continuously provided products to relay the green concept of “saving energy consumption and reducing pollution”, and led the semi-trailer and specialty vehicles industry towards the green and sustainable development road, by constantly adhering to the intelligent construction and the national work strategy of “double-carbon”.

➤ Offshore engineering

- o In 2021, the segment of offshore engineering prepared the national standards on marine pasture platforms: “Technical Guidelines for Functional Layout of Jack-Up Marine Pasture Platforms”. On April 15, 2021, CIMC Raffles was re-appointed as the president unit of Shandong Association of the Shipbuilding Industry, and constantly sought to develop the industry together with all association members and industry units.

➤ Logistics

- o The logistics segment is committed to becoming the leader of China’s multimodal transport featuring “equipment + technology”, implementing the network layout of multimodal transport around major domestic seaports, Yangtze River ports, railway central stations and major international routes. By carrying out multimodal transport, professional logistics, depot operation, and ecological support, it has built a development model of multimodal transport that combines container, cargo, and freight yard with the philosophy of taking the depot as the basis, equipment as the support, cargo control as the core and technology as the enabler.

Case: No. 18

CIMC Group and its several subsidiaries were selected into the list of “Front-runner” of national corporate standards

CIMC and its several subsidiaries have been selected into the 2021 list of “Front-runner” of national corporate standards by virtue of strict standards implemented in the field of “folding container” products. In the current year, CIMC Group and its subsidiaries, e.g. CIMC Container Holdings, Xinhui CIMC, Nantong CIMC, etc., were selected into the list of “Front-runner” of national corporate standards by virtue of technical requirements for folding containers numbered Q/XCSE2-2020 and “folding containers” products. With stricter corporate standards than national standards, our container products have led the development of the entire industry.

Case: No. 19

CIMC Vehicles and the Research Institute of Highway of the Ministry of Communications jointly developed a double-trailer train to facilitate the efficient long-distance logistics transportation

The double-trailer train project, a cooperative research project between CIMC Vehicles and the Research Institute of Highway of the Ministry of Communications, won the “2021 Green and Efficient Transportation Award” with its advanced modular double-trailer train mode and high-efficiency and energy-saving transportation form. Compared with general heavy trucks, semi-trailer trains equipped with a highly flexible system are not only safer, but also can improve the transportation efficiency and economic benefits, and promote energy saving and emission reduction in the industry. In line with the “double- carbon” strategy, CIMC Vehicles and the Research Institute of Highway of the Ministry of Communications jointly developed a double-trailer train to facilitate the efficient long-distance logistics transportation based on this general atmosphere.



Case: No. 20

A subsidiary of CIMC IOT was appointed as the drafter of the group standard of “Technical Specifications for Integration of Parking and Charging for Mechanical Garage”

On November 21, 2021, CIMC Intelligent Parking, a subsidiary of CIMC IOT, was appointed as the drafter of the Group standard of “Technical Specifications for Integration of Parking and Charging for Mechanical Garage” at the relevant conference for the Group standard held by the “3rd China City Static Traffic Forum”.



Strategic Cooperation for Joint Establishment of Future

Supply Chain System

The Group has established the “Procurement Management System of CIMC Group” to manage the environmental and social risk policies of the supply chain, and requires the procurement management departments of all dominant parent management subsidiaries and innovative companies to actively cooperate with CIMC in implementing supplier environmental and social risk management and control, and participate in the construction and management of the Group’s green supply chain. The procurement management department of a subsidiary shall classify suppliers based on the impact of their materials on the subsidiary. If a supplier delivers a major impact, the subsidiary shall assess the supplier as to the performance of environmental and social responsibilities and gradually extend the assessment of social responsibility performance to cover all suppliers.

The Group has established and continuously improved its supply chain management system by focusing on three areas. All segments and affiliated enterprises have formulated and implemented relevant bidding, procurement, and supplier management systems based on the Group’s internal policies. In the meantime, they have strengthened communications and cooperation with suppliers to improve the efficiency of supply chain operations by organizing regular procurement management meetings, introducing bidding systems, upgrading procurement management platforms, assisting suppliers in making improvements, conducting visits and exchanges with suppliers.

Layered institutional system design guarantees fair competition	Uniform supplier admission standards reflect fair competition	Diversified procurement methods promote fair competition
The procurement system of the Group is designed as a three-layer structure. The Purchasing Management System of CIMC Group has been 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.	The Group provides suppliers with a fair and open access platform, and designed requirements for suppliers in compliance with laws and regulations, environmental protection, operation with integrity, safe production and employee occupational health.	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.

Continuous Green Supply Chain Development

The Group is committed to establishing good partnerships with suppliers, extending the philosophy of sustainable development across the supply chain, and working hand in hand with them to promote the fulfillment of social responsibilities throughout the industrial value chain. At the Group level, we introduced a series of procurement policies to disseminate the responsible management ideals to upstream and downstream companies. The Purchasing Management System of CIMC Group 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. All segments and affiliated enterprises have introduced constant effort to improve the responsible procurement mechanism based on their own business types and product characteristics.

Green supply chain management practices in each section:

- **Containers:** We entered into Sunshine Cooperation Agreement with suppliers on a regular basis, which specifies our attitude towards anti-commercial bribery. The framework agreement we entered into with our suppliers also clearly defines our supplier’s responsibility in environmental protection. We have formulated quality enhancement plan for suppliers to build our Know-how base. The usage of environmental-friendly materials is encouraged and, for knowing, we aggressively push forward the “changing oil-based paint to water-based paint” in refrigerated containers, and for Taicang Reefer promoted the technique that replaces paint used on stainless steel plate with hot melt adhesives, which greatly reduced the emission of VOCs. For steel procurement, we promoted the usage of lightweight high-strength materials, such as using glass fiber composite plate instead of steel floor center sill, to meet the carbon emission reduction target.
- **Energy and chemical:** We have added review items related to HSE management provisions in the supplier review process; Suppliers involved in HSE management have been required to complete the “Questionnaire of Environmental and Occupational Health and Safety of Related Parties” and the letter of commitment according to HSE management requirements; The qualification and HSE investigation of suppliers have been conducted at the same time.
- **Offshore engineering:** In the process of materials purchase, the green, environmental protection and clean energy products with low energy consumption have been given priority; we have conducted social responsibility surveys on cooperative suppliers, and implemented “one vote veto” system for social responsibility performance (including 9 items specified in SA8000:2014: child labor, health and safety, discrimination).

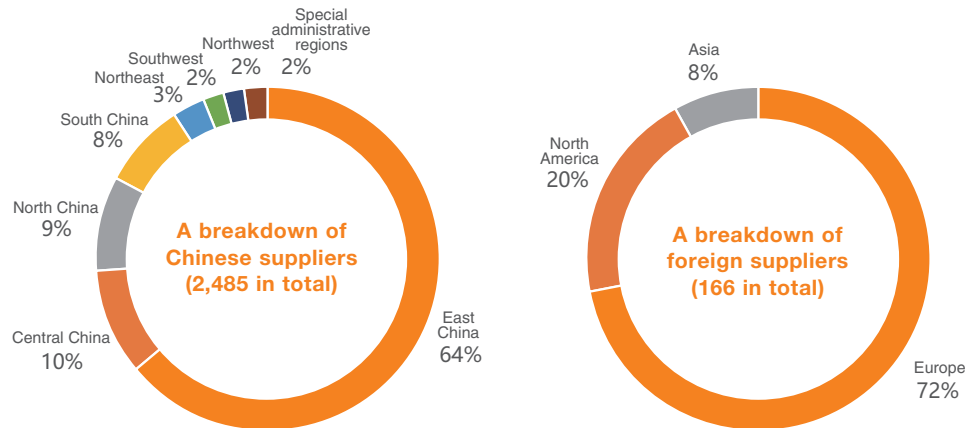
— Case: No. 21 —

The digital supply chain of CIMC Container won the “Dingge Award”

In November 2021, the digital supply chain transformation project of CIMC Container won the “Dingge Award – Annual Example Award for Supply Chain Transformation”. The digitalization level across the end-to-end supply chain of CIMC Container has been improved through digital transformation, which effectively helps enterprises to enhance their core competitiveness.



The Group has 2,485 suppliers in total, including 2,319 domestic suppliers, accounting for 93% of the total; and 166 foreign suppliers, accounting for 7%. These suppliers cover all the key production materials required for the Containers, Vehicles, Energy and Chemical, Load Business, Offshore, TianDa, Heavy trucks and the modular construction segment, as well as external trading materials of Tongchuang, accounting for 74% of the total purchase cost of production materials. A breakdown of the suppliers by region is as follows:



No. & proportion to total of certified/accredited suppliers

	Certified for quality management system	Certified for occupational health/safety management system	Certified for environmental management system	Entered into the Sunshine Cooperation Agreement (or Letter of Commitment)	Annual supplier performance assessment	Annual performance assessment covering environmental and social responsibility matters
Number of suppliers (Unit)	1,351	738	787	1,982	2,010	1,087
Proportion in total suppliers (%)	54%	30%	32%	80%	81%	54%

No. & proportion of new/existing/removed suppliers in 2021

	New suppliers accepted	Environmental & social responsibility review of newly accepted suppliers	Annual assessment of existing suppliers	Assessment of existing suppliers on environmental & social responsibility	Suppliers removed in 2021	Suppliers removed for environmental and social responsibility matters
Number of suppliers (Unit)	94	56	607	544	2	0
Proportion in total suppliers (%)	4%	3%	24%	21%	0.001%	0%

In addition, 919 suppliers received training on environmental and social issues in 2021, accounting for 37% of the total number of suppliers; E-platform procurement suppliers make up 66% of the total, and strategic cooperation suppliers make up 35%.

With a view to promoting local economic development in the regions where we operate, the segments and their subsidiaries adopted policies in favor of local suppliers, while ensuring compliance with the supplier management policy, in view of the fact that it is relatively easier to keep track of production progress, manage processes and product quality with local suppliers.

Developing with Joint Efforts



Corporate development requires the efforts of every employee. CIMC Group advocates the core human resources concept of “People Oriented, Common Cause”, and seeks to achieve a common undertaking featuring risk-sharing and results-sharing with employees who have the aspiration, ability and capability to make a difference. We promote the spirit of “Unremitting Striving, Pursuing Excellence” by combining enterprise development with the goals of employees, so as to achieve growth together with our employees. We strive to realize the No. 1, No. 3, No. 4, No. 5 and No. 8 Sustainable Development Goals proposed by the United Nations. The Group keeps in mind its obligations with respect to social citizenship, and cares about people’s livelihood. We support local economic development, actively participate in public welfare activities, and aim to create benefits for the regions where we operate.



Actions:

- Rigorously safeguarded the rights and interests of employees in accordance with laws and regulations, and attached importance to talent development, communication and care;
- Strictly protected the health and safety of all employees during the normalized anti-pandemic period;
- Continuously improved the HSE management system, strengthened HSE risk management and control, and strived to create a safe and healthy working environment;
- Combated the pandemic as a community, and actively participated in public welfare and rural revitalization initiatives.

Achievements:

- Guaranteed the safety of all employees and engaged in orderly manufacturing activities;
- Combated the pandemic as a community, contributing CIMC’s advanced logistics equipment and services to the cause;
- Made an annual HSE investment of approximately RMB500 million, tackling 1,767 key issues and promoting a safe and healthy working environment;
- Cultivated CIMC’s business community based on the concept of “People Oriented, Common Cause”;
- Achieved a training coverage rate for contract workers of 89.53%, with per capita training hours exceeding 20 hours;
- Donated approximately RMB9.57 million, with RMB1 million donated to Shenzhen Children’s Hospital to promote the game-based CT medical procedure and care for critically ill children;
- Implemented several rural revitalization projects, with Hunan CIMC being awarded the “Hunan Advanced Collective for Poverty Alleviation”.

Efforts:

- Deepen the implementation of the core human resources concept “People Oriented, Common Cause”, and further safeguard employees’ rights and interests;
- Prudently implement pandemic prevention and HSE work;
- Build a high-standard and high-level HSE management system and establish a safe and healthy working environment;
- Improve the well-being of local communities, actively carry out social welfare activities, and actively support rural revitalization.

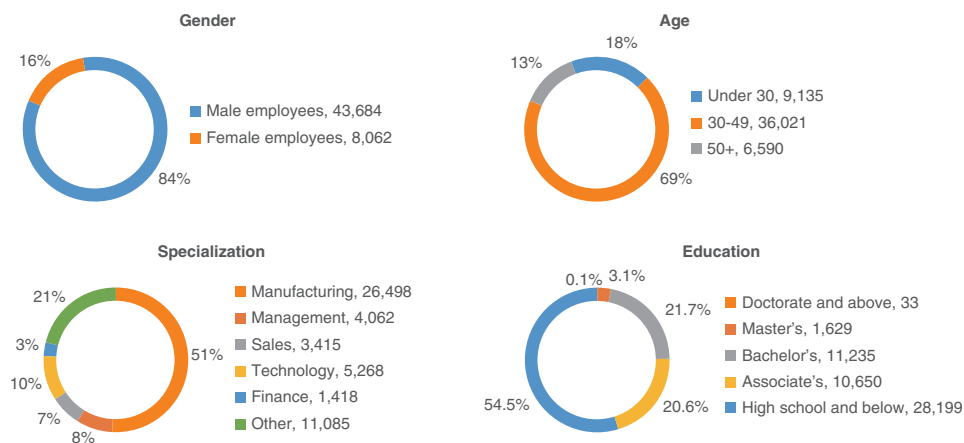
People-oriented Common Cause

Employee Overview

As of December 31, 2021, the Group's total number of employees worldwide, including contract employees and non-contractual employees, was 72,736.

As of December 31, 2021, the Group had 51,746 contract employees across the globe, of which 5,163 were located outside of mainland China (including Hong Kong, Macau and Taiwan). The percentage of female staff this year was higher than previous years. We will continue to encourage the employment of female staff.

Breakdown of contract employees by the category is as follows:



Protecting the rights and interests of employees

The Group strictly complies with the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, and other relevant laws and regulations in the regions where we operate, and respect and protect the legitimate rights and interests of our employees. The Group adheres to the principle of equal employment and combating against forced labor, and contributes social insurance premiums for all of its employees in accordance with laws.

We are committed to protecting the fundamental human rights of employees and clarifying the minimum age of employment through the recruitment system, and conduct accurate audit with the support of information technology to eliminate the use of child labor and juvenile workers; We respect and recognize employees' freedom of association, the right to join trade unions, and have established trade union organizations at all levels in accordance with the Trade Union Law of the People's Republic of China, and regularly hold employee representative meetings to review various systems and regulations involving employee interests, and make democratic communication.

Equal employment

The Group adheres to the recruitment principles of fairness, openness and justice, and respects the diversity of employees and strictly prohibits discrimination based on the gender, ethnic background, age, educational background, religious belief and disability.

Labor contract

The Group strictly complies with the Labor Contract Law of the People's Republic of China, and signs labor contracts with all employees in accordance with the relevant regulations.

Social insurance contribution

The Group contributes social insurance premiums for all employees, including basic pensions, basic health insurance, unemployment insurance, work injury insurance and maternity insurance, in accordance with national policies and regulations as well as relevant rules in the regions where we operate.

Working hours and vacation

The Group sets standard working hours and implements the paid vacation system in accordance with national policies and regulations as well as relevant rules in the regions where we operate. Upon the approval of the local governments, some of our affiliates and subsidiaries implement the comprehensive working hour system with respect to specific positions based on the characteristics of the manufacturing industry and the positions, while ensuring that the employee's average daily working hours and average weekly working hours are consistent with the legal standards. Enterprises arrange employees to work overtime based on actual orders, and pay overtime in accordance with local regulations and policies, provided that enterprises have negotiated with employee representatives and the labor unions and that employees work overtime voluntarily.

The Group pays its employee salaries strictly in a timely manner and observes the legal provisions on statutory working hours and vacations, and prohibits forced labor. In 2021, in line with the "Regulations on Population and Family Planning" successively published by various provinces, some subsidiaries researched and introduced relevant corresponding systems in a timely manner to update the length of maternity leave and add parental leave. In addition, the Group has also developed human-oriented measures including additional annual leave with regard to working hours and vacation systems.

Privacy protection

The Group attaches great importance to protecting employees' privacy during recruitment and routine work. During the recruitment process, we protect the information of employees and job candidates, and require that the relevant personnel shall not arbitrarily disclose information about the Company or employees, shall save the resumes of job candidates in a timely manner or destroy them in batches, and shall not dispose of them arbitrarily or leak their privacy information. In terms of assessment, we respect the sense of experience of employees, attach great importance to protecting their privacy, and do not mandatorily make public the assessment results of employees with low performance ratings. In the meantime, the Group has formulated relevant reward and punishment management rules, under which those who disclose an employee's personal information to others without his/her consent and cause the employee or other related persons to suffer economic or personal damage will be punished, and the Group will provide assistance to the victims in filing a lawsuit. All subsidiaries under the Group have continually enhanced the personal information security management system. For example, personal information about the employees and job applicants is managed via the HRMS system. Only authorized personnel are able to access such information, and they all have signed the relevant confidentiality agreements.

Labor standards

The Group observes the international labor and human rights standards that China has signed, and prohibits child labor, forced labor or employment discrimination at both policy and operation level. In 2021, the proportion of employees signing a labor contract with CIMC Group was 100%. No child labor, forced labor or other violations of employment and labor standards has occurred in CIMC Group during the current year.



Prohibiting child labor:

The Group specifies the minimum age for employment in recruitment policies and rules, and accurately checks the identity of potential employees by applying information technology during recruitment.



Prohibiting forced labor:

When signing the labor contract with an employee, the Group states clearly his/her position, working hours, labor protection and remuneration, among others. The Group respects the employees' freedom of employment, and resolutely prohibits practices that restrict the personal liberties of employees or force them to work by charging security deposits, seizing identification documents, threatening or using other means; When employees leave, the Group does not restrict their choice of new jobs using any reasons or means; for those who know our business secrets, we sign a non-compete agreement with them and provide them with corresponding economic compensations.



Reducing physical labor intensity:

The Group further deepened the concept of "Technological Innovation and Transformation" and vigorously promoted technological innovation to reduce the physical labor intensity of employees. For example, CIMC Containers has launched simplify production process and reduce the physical labor intensity of employees with the transformation of automation equipment.



Protecting female employees:

The Group states clearly the rights and interests of female employees in company policies, and signs contracts on protection with female employees to clarify labor protection they are entitled to during menstruation, pregnancy, breastfeeding and the period of childbirth. The Group strictly follows regulations on prenatal check-up leave, maternity leave and breastfeeding leave, and makes appropriate work adjustments where necessary. The Group makes reasonable arrangement of positions for female employees, actively implements the Special Provisions on Labor Protection for Female Employees issued by the State Council, and makes sure that female employees do not hold positions banned by the state.

Employee remuneration and benefits

The Group adheres to the core human resources concept of “Human oriented and common cause”, and seeks to create a common undertaking featuring risk-sharing and results-sharing with employees who have the aspiration, ability and capability to make a difference. The Group adheres to the principle of “being competitive externally and equitable internally and providing incentives”. Under the framework of remuneration system, the accurate assessment and multiple incentives have been carried out to improve the risk-sharing and results-sharing incentive system. We conduct regular review and assessment of competitiveness, fairness and incentive power of employee remuneration based on the Company’s internal actual circumstances, and adjust and optimize relevant assessment and incentive plans accordingly.

The Group pays social, work-related injury, medical, unemployment, maternity insurance and housing provident fund for all employees strictly in accordance with the Social Insurance Law of the People’s Republic of China and the Regulations on Management of Housing Provident Fund; provides employees with statutory welfare, such as statutory holidays, high temperature subsidies and other statutory provisions in accordance with the relevant law. The Group provides an overall remuneration management system with reasonable guarantees and incentives to attract, retain and motivate talents for making greater contributions to CIMC’s business.

During the reporting period, all business segments and subsidiaries of the Group were committed to optimizing remuneration management system to provide better remuneration and benefits to employees.

Vehicles:



We actively explored long-term incentives system, and wished to attract and retain key high-end talents with remuneration by the combination of matching business strategies and talent positioning, provided the targeted incentives to core talents with “high value”, “high performance” and “high potential”.

CIMC IOT:



The salary structure of sales staff has been adjusted in the CIMC Intelligent Parking. The original salary structure (low basic salary + four quarterly bonus + year-end bonus) has been adjusted to a structure that reflects more external competitiveness and internal fairness and takes into account the characteristics of positions in various departments.

Heavy Trucks:



We formulated a subsidy program for the stable core team of C&C Trucks through salary review and the comparison of salary levels of local auto industry, and also revised the “Pilot Scheme of Revenue Incentive System Improvement”.



HSE management system



Approximately

500 million
RMB of annual accumulative
HSE investments

In compliance with the Production Safety Law of the People's Republic of China and the Prevention and Control of Occupational Diseases Law of the People's Republic of China and other relevant laws and regulations, adhering to the human resources concept of "being people-centric", the Group has established core HSE values of "compliance with laws and regulations, safety and health, and green operations", and integrated HSE into every phase of production and operations management. With the Group and business segments adopting tiered management, each business segment and enterprise take on HSE responsibilities as an operating entity, work to ensure compliant operations, and continually improve HSE performance. During the current year, there were no incidents of non-compliance with safety regulations that have a significant impact on the Group.

While meeting the domestically and internationally recognized environment, occupational health, and safety management standards, we learn from the best practices of companies with HSE benchmark performance globally, and continually improve our HSE management system by leveraging experience we have accumulated over years of development.

1. Strengthening organizational leadership, and holding the relevant employees responsible

Within the Group, enterprises at all levels have set up an HSE committee responsible for the planning, coordination and guidance of HSE work, including developing annual HSE policy and target management plan, listening to the reports on HSE work, surveying the HSE issues and making major arrangement. In line with the principle of "those who are in charge shall take responsibility", each enterprise strictly holds its head responsible for the relevant work, improves its organizational structure, enhances human resources, ramps up input, holds the relevant employees responsible level by level, and carries out rigorous assessment.

For enterprises at all levels within the Group, an enterprise's safety and health performance is assessed by the superior unit with reference to the annual HSE performance assessment plan. In the event of a material incident, the responsible employees will be fined, publicly criticized, demoted or fired or take a pay cut in accordance with the Event Accountability Measures of the CIMC Group and the Health, Safety and Environmental Incident Reporting, Investigation and Handling Policy of the CIMC Group.

Case: No. 22

Organized Safety Training

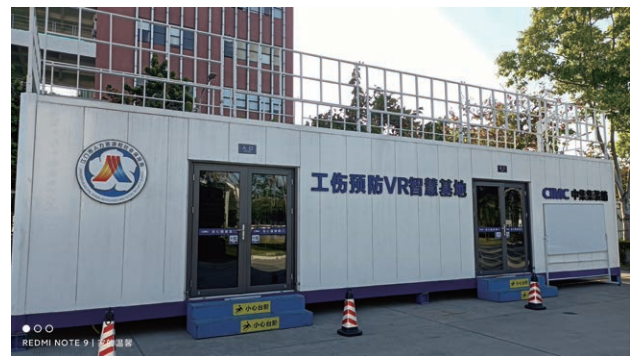
The Group Headquarters organized a showing of the feature film *General Secretary's Xi Jinping's Important Exposition on Production Safety* with 104 member enterprises.



Case: No. 23

XHCIMCS developed a VR experience hall for work-related injury prevention

The company has established the first VR intelligent base for work-related injury prevention (which is 36m², divided into 8 function areas equipped with VR technology and moveable containers) in the Guangdong province. As of the end of the report, we have completed internal trainings for more than 2,600 staff members and received about 250 guests in 17 external individual and group visits.





91 % of enterprises have implemented the "Commitment to Safety and Life-saving" activities



89 % of enterprises have implemented the "STOP 5 Seconds" activities



Member enterprises of the Group and segments inspected in 2021

97 enterprises (times)



Initiated a total of

1,767 research projects addressing various hazard sources



Improving the working conditions through upgrading the production line technology to mitigate occupational hazards and in comparison with that of beginning of 2021 reduce the number of injuries by

498 persons

2. Carrying out publicity and educational activities to raise safety and health awareness

Leveraging on events such as "Safety Awareness Month", "Firefighting Awareness Month" and "Occupational Health Week" as well as the activity dubbed "First Lesson for General Manager" held at the beginning of the year, the Group has organized enterprises at all levels to carry out a variety of publicity and educational activities to build a good atmosphere with a focus on health and safety. The Group conducted "Commitment to Safety and Lifesaving" and "STOP 5 Seconds" activities.

In order to further enhance the safety and health awareness, and improve the risk prevention capability of all employees, the Group urges enterprises to make sure that their key leaders have the knowledge of and the ability to handle HSE matters and offer professional managers training sessions to help them enhance capabilities, and organize all employees to participate in the three-level safety education course.

3. Strengthening supervision, inspection and risk control

The Group facilitates the inspection and management of underlying risks by carrying out supervision, reviews, unannounced inspections and special checks in addition to routine inspections, thus improving its ability to control risks. To implement China's three-year action plan of cracking down on non-compliances with production safety regulations, Mr. Mai Boliang, the president of the Group, issued the Notice on Implementing Work and Arrangements in Relation to China's Three-year Action Plan of Cracking Down on Non-Compliances with Production Safety Regulations in a timely manner. The Group and its all segments organized to research, study and develop relevant requirements and action plans, and each enterprise implemented the benchmarks to prepare a list of potential risks and action plans.

- In 2021, 97 member enterprises (times) of the Group and all its segments have been inspected, of which a total of 2,500 problems have been found, and 96% of the problems have been rectified in the current year.

4. Strengthening emergency management and improving the ability to deal with accidents

The Group attaches great importance to emergency management, and urges enterprises at all levels to establish and improve the emergency management system, improve emergency management organization, formulate emergency plans and file with the authorities in the regions where they operate in accordance with the requirements, organize various types of emergency training sessions and drills, and do a good job in preparing emergency supplies and equipment and team building, among others.

5. Continuous Improvement

To implement the production safety guidelines focusing on prevention, going forward, the Group will study and analyze all accidents that may cause serious injuries, and avoid the expansion of injury risks by controlling the development of precursor events; and actively push forward with the improvement of processes involving high risks to achieve intrinsic safety and a healthy and safe working environment for employees.

Once a major injury incident occurs, the Group will set up an incident investigation team, and handle it in accordance with the Health, Safety and Environmental (HSE) Incident Reporting, Investigation and Handling Policy of the CIMC Group and the principles of seeking truth from facts, respecting science and "Four 'will not let it pass'" (i.e. we will not let the incident pass if its cause has not been identified, we will not let the incident pass if the responsible person has not been held accountable, we will not let the incident pass if the corrective measures have not been implemented, and we will not let the incident pass if the lessons have not been learned). The Group will share information about the accident internally, hold a meeting on safety participated by all employees of the Group in the meantime, learn the lessons and experience, and resolutely avoid the re-occurrence of similar accidents.

Employee health and safety

Combating the COVID-19 – a special topic on safety: refining epidemic prevention and control measures, and ensuring employee safety

In 2021, in order to provide employees with a safe and comfortable workplace, the Group continued to make every effort to refine the epidemic prevention works, and take various measures to ensure the safety of employees:



- We established an epidemic prevention and control team, formulated a standardized work rules for epidemic prevention and control, and strictly implemented relevant work in accordance with the rules;
- We raised employees’ awareness of epidemic prevention, and our headquarters issued nearly 30 emails on strengthening prevention and control measures based on the changes in medium and high-risk regions and epidemic regions;
- In response to the national call for “ensuring all people eligible for vaccination have access to it”, we collected the vaccinations information of employees many times, and coordinated and organized employees to be vaccinated;
- We enhanced the management system of office space, actively responded to prevention and control requirements of government, regularly implemented disinfection work, and strictly checked the “double code” of employees;
- We developed flexible office solutions for employees and implemented a peak-shift commuting system; in response to local

epidemic prevention requirements, some member enterprises strictly implemented the self-isolation management and control policies such as the nucleic acid testing for all employees, fully closed operation measures for front-line employees, and online work at the home offices for second-line employees to ensure a balance between production and epidemic control;

• We had sufficient stock of anti-epidemic materials, and some member enterprises also distributed food materials to employees working at home in compliance with the requirements of epidemic prevention and control.



Employee development and training

The Group is committed to selecting and cultivating talent. It encourages employees to acquire professional knowledge and skills from practical work and improve their leadership ability, and offers promotion opportunities to ambitious and competent employees.

Employee development

In line with the “Work Plan for Youth Promotion of Cadres of CIMC” released by the Group, we value the identification and training of high-potential young people through on-job practice. In addition, the Human Resources Department of the Group issues the guidelines of on-job practice and implements a series of relevant specific actions. In 2021, the Group received the following outstanding achievements related to the on-job practice:

1. Building mechanisms

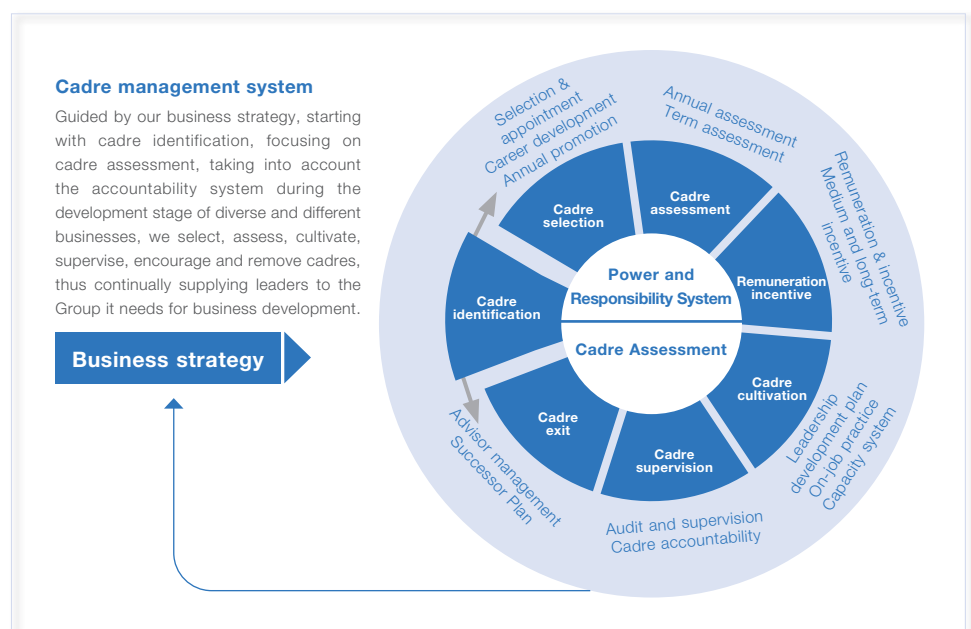
On January 5, 2021, the Group released the initial guidelines of on-job practice with the aim of building a high-quality reserve employee team, making the employees passionate and the organization full of vitality, and meeting business development needs.

2. Professional action line for on-job practice (Finance Function Route Case)

Finance Function Route of Group		
Values and Goals		
Provide a platform for talent delivery for various segments	Enrich the Group's pool of financial talent	Thorough understanding of the business of all segments and subsidiaries
Provide a group of key talents who have experience and expertise in the professional financial field and are familiar with the Group's financial management system and requirements for each segment.	Expand and cultivate the pool of financial management talent prioritized by the Group for appointments, promotions and compensation adjustments.	The opportunity of engaging in the business of all segments and subsidiaries has been provided to the financial team in the Group, so that they may have a better understanding of segments and corporate financial management needs.
Implementation roadmap		
1. Officially launch the demand activity for collecting and releasing practice positions across the financial function line	2. Make public the demands of practice positions in the Group and all segments, and make open recruitment	3. Organize and held on-the-job communication meetings for practice positions across the financial function line
Implementation cases		
There are 4 practice employees in the first batch; 3 practice employees in the second batch		

Looking forward to 2022, the Group will gradually develop a normalized mechanism for on-job practice, and continue to carry out pilot actions in the professional and business lines of the Group and each segment. We will expand the cultivation from professional lines to more functional lines, and continue to intensively and extensively improve the cultivation of financial functional lines. The Group shall also continue to build a good platform that can be used to organize exchange meetings, replicate mature models and promote excellent experience.

In addition, the Group builds a strategic supply chain of talent by focusing on the establishment of core talent teams, and vigorously promotes the establishment of mechanisms related to cadre identification, successor plan, on-job practice and targeted incentives. The implementation framework is as follows:

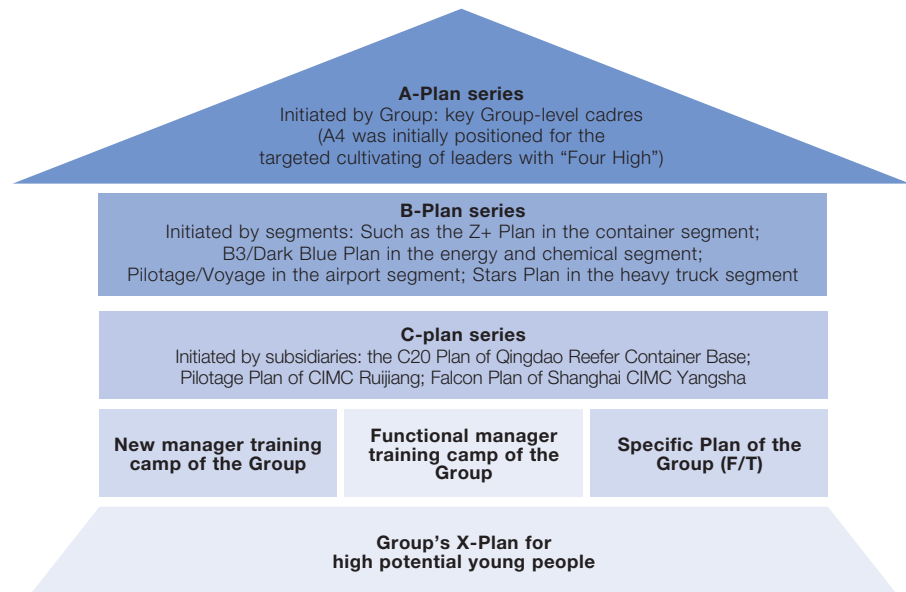


Employee training

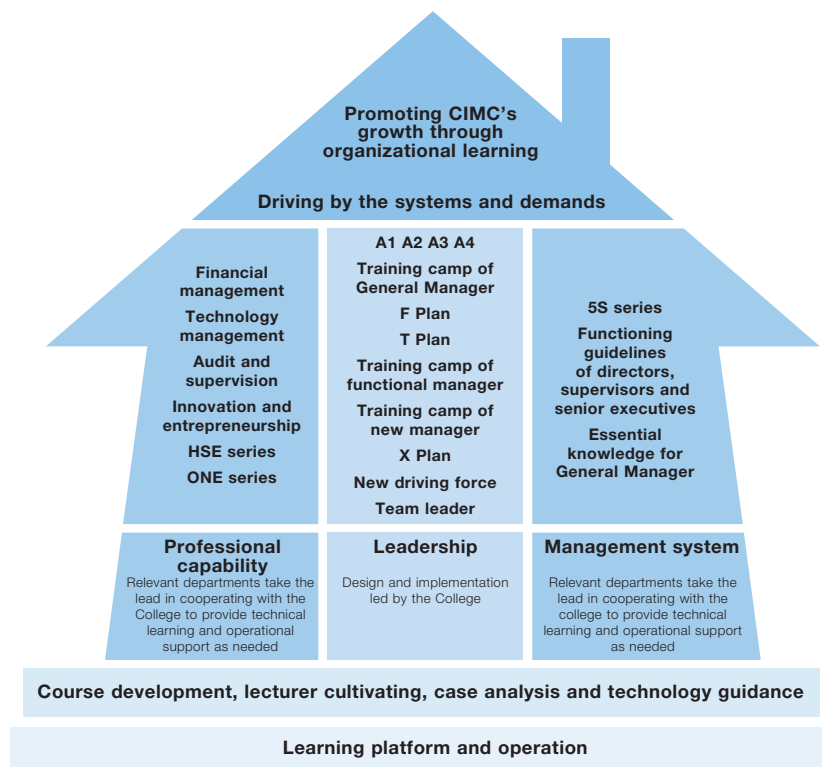
CIMC College (CIMC Enterprise College), and training departments of all segments and subsidiaries integrate the external resources and use the mobile learning platform to develop a comprehensive and multi-channel talent training plan for employees at all levels, building gradually an all-round talent cultivating system and a strategic talent supply chain for the organizational development of CIMC. Every employee is thus able to learn as needed, improve their working ability, and give full play to their talent in the suitable position and achieve business results.

Group-level employee training

At the Group level, the leadership learning programs developed and provided for managers at all levels:



In the meantime, CIMC College has organized a total of **143** face-to-face courses related to leadership, management ability and professional capability driven by the relevant system and demands in the Group; developed **197** online courses; and integrated **3,858** courses for operator. All learning resources are open to all staffs.



We have implemented the “CIMC Group's On-job Certification Management Regulations of Core Talents”, organized online courses for General Managers in the whole Group, and carried out online learning and certification, with a pass rate of 100%.

As of December 31, 2021, the Group had trained a total of 46,327 employees, with the training coverage rate reaching 89.53% and the per capita training hours reaching 20.02 hours.



Training coverage rate

89.53%



Per capita training time

20.02 hrs

Classification of employees trained by gender:	Number of employees trained (person)	Proportion in total employees (%)	Average training hours (hours)
Male employees	39,476	90.37	20.05
Female employees	6,851	84.98	19.92

Classification of employees trained by category:	Number of employees trained (person)	Proportion in total employees (%)	Average training hours (hours)
Senior management members	507	75.95	41.11
Middle-level management members	1,695	72.47	30.78
Grassroots employees	44,125	90.53	19.64

Employees training of all segments

We attach great importance to the competence improvement and training of employees at all levels from the Group to each business segment. We have developed the “Training Management System” for employee training, and based on the business characteristics of each business segment, implemented annual training plan on an annual basis to collect, assess and implement training needs.

Case: No. 24

CIMC Container started the project “Phase Z+3 Executive Talent Development of CIMC Container” to cultivate outstanding business leaders

In August 2021, CIMC Container officially started the project “Phase Z+3 Executive Talent Development of CIMC Container” with the aim of helping 21 participants become excellent business leaders within 1.5 years.



— Case: No. 25 —

Case: We organized the competence development training for each team

We organized competence improvement training for all teams by means of online learning, face-to-face learning and case teaching, with the course content covering safety, quality, production, equipment, cost, and talent cultivation. A total of 15 internal training courses and 3 activities have been organized from May to October 2021.



— Case: No. 26 —

The “Rear Wave Plan” for fresh graduates has started to enable them to adapt to their jobs quickly

CIMC Offshore has implemented a one-year “Rear Wave Plan” (including two parts, i.e. corporate integration and rotation practices) for all new graduates to assist offshore engineering students in knowing well the business and taking root in the enterprise smoothly.

**Staff Care and Communication****Effective Communication**

The Group encourages the effective communication between employees and management, and attaches great importance to the communication with employees, especially with front-line production workers. Enterprises in China Mainland have established trade union organizations at all levels in accordance with the Trade Union Law of the People's Republic of China, and regularly held employee representative meetings to review various systems and regulations involving employee interests, and make democratic communication.

— Case: No. 27 —

CIMC Vehicles (Group) Completed New Employee Representative Election (September 2021)

— Case: No. 28 —

CIMC Sanctum Held the 4th Employee Representative Meeting of the 5th Session of the Trade Union (December 2021)

The Group made management know what was going on at lower levels by means of developing diversified communication methods and channels, and established shared goal with them, thus promoting the formation of a good working atmosphere in the enterprise.

Staff care and support

The Group attaches great importance to the sense of happiness, gain and security of employees. We:

- establish a flexible attendance mechanism;
- provide annual physical examinations/medical examination for special types of work;
- care for the mental health of employees;
- organize “CIMC Day” and various festival celebrations;
- care for female employees, organize women’s and parent-child activities; some enterprises established a cafeteria window with the title of “Mother’s Home” and nursing room.

Striking a balance between work and life

The Group not only focuses on improving the production environment but also focuses on improving employees’ living conditions. Enterprises under the Group have set up dedicated committees to learn about employees’ needs in a timely manner and meet their basic life needs in terms of catering, accommodation, transportation and leisure, thus alleviating their concerns.

Case: No. 31

CIMC Container & CIMC New Materials Headquarters Held Inaugural Ceremony of Staff’s Home

On March 6, 2021, CIMC Container and CIMC New Materials Headquarters held the inaugural ceremony of the ten clubs of the Staff’s Home, which aim to carry out various group activities through the Employee Home platform, and advocate for “enjoying Songhu, a healthy life, and endless possibilities”.

Case: No. 29

CIMC Transportation Held the 2021 Goddess Festival Oil Painting Activity



The Company carefully curates joyful and inviting holiday activities for its female employees, organizing an oil painting creation experience for female employees based in Shenzhen, infusing some beauty and joy into springtime.

Case: No. 30

Fuyong Base of CIMC TianDa Held the “Enjoy Summer Break With Friends” Summer Camp for Children of Employees



Employees brought their children to the two-day summer camp from August 16 to 17, jointly hosted by CIMC TianDa and the Zhancheng community.





Immediately Taking Actions to Combat COVID-19

In the context of regular epidemic prevention and control, the Group's epidemic response leading team continued to remain operational and maintain dynamic monitoring of epidemic changes in 2021, gave due consideration to the development trend of the pandemic at home and abroad immediately required the enterprises under the Group in the regions where the epidemic occurred to respond and strengthen prevention and control measures, and actively organized employees to participate in epidemic prevention work together, in order to help the government win the battle against the epidemic.

Contributing to anti-epidemic efforts by leveraging our expertise

Case: No. 32

CIMC Cold Cloud delivered 1 million doses of China's COVID-19 vaccines to Uzbekistan

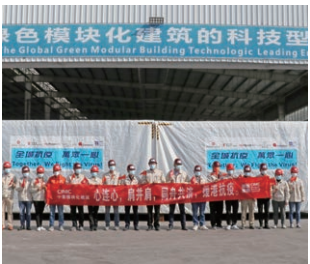
On March 27, 2021, CIMC Cold Cloud was responsible for transporting 1 million doses of COVID-19 vaccines from Shanghai Pudong International Airport to Tashkent, the capital of Uzbekistan. The entire vaccine transportation service includes packaging design for cold chain, packing, inland transportation, airport customs, airport operation and other logistics management.



Case: No. 33

CIMC Modular assisted Hong Kong in building a lot of modular quarantine facilities and vaccination rooms

In February 2022, CIMC Modular urgently assisted Hong Kong in building 5 temporary modular children vaccination rooms in Caroline Hill Road, Causeway Bay, Hong Kong for emergency use by medical staffs to vaccinate Hong Kong citizens. In addition, as of February 2022, the Hong Kong SAR government has built nearly 5,200 units with CIMC modular building system, including the Penny's Bay Quarantine Center and Temporary Quarantine Center for Junior Police Call in Pat Heung.



The kick-off ceremony of the pop-up Children Vaccination Room at Caroline Hill Road, Causeway Bay, Hong Kong



3A Project of Penny's Bay Quarantine Center constructed by CIMC Modular in Hong Kong

Case: No. 34

Yangzhou Taili Special Equipment was responsible for the construction of fever clinic of Xixian Central Hospital in Xinyang, Henan

In December 2021, Yangzhou Taili Special Equipment Co., Ltd. built a modular fever clinic for Xixian Central Medical Center in Xinyang, Henan, with a total of 66 modular units and a construction area of about 1,100 square meters. The duration from production to delivery, completion and acceptance was 35 days. It played an important role in fighting against the epidemic at the most critical stage for Xixian regions in Xinyang, Henan.



Exterior Photos of Project



Interior Photos of Project

The epidemic is cruel but the enterprise is kind

In the face of repeated COVID-19 outbreaks, several subsidiaries under the Group participated in the volunteer work for local anti-epidemic activities in the regions where they operate:

Case: No. 35

In 2021, Yangzhou CIMC set up a "Volunteer Service Team for Anti-epidemic Base", which provided local communities with assistance in epidemic prevention and control works for more than 220 person-times;



Case: No. 36

In 2021, CIMC Raffles actively supported epidemic prevention and anti-epidemic works for communities;



Case: No. 37

In March 2022, representatives of Tianda Airport Equipment Company visited the front-line anti-epidemic fighters of Zhancheng Community, Fuhai Street, Baoan District, Shenzhen;

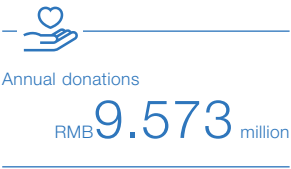


Case: No. 38

In 2021, Dalian CIMC volunteered twice to fully assist the communities in conducting centralized nucleic acid testing, and completed more than 5,000 nucleic acid tests in total;



Caring for the People’s Livelihood



Promoting development in the regions where we operate

CIMC keeps in mind the obligations that shall be performed as a social citizen, cares for the society and people’s livelihood, actively support public undertakings such as education, culture and health in the regions where we operate, and promote the local economic development and give back to society by leveraging our expertise. In 2021, the Group donated RMB9.573 million in total and carried out 25 public welfare activities, with the number of volunteers involved reaching 405 persontimes and the service hours of volunteers reaching 6,325 hours.

In 2021, the Group continued to contribute significant tax revenue of RMB5.71 billion to the place where it operates and inject impetus into local economic development with solid earnings growth. The Group, its segments and subsidiaries continued to promote “talent localization”, providing vast number of local employment opportunities. All the permanent personnel of our overseas enterprises are local employees (accounting for 90% of the total number of overseas employees).

Case: No. 39

CIMC Modular implemented the large-scale Modular transitional housing construction project to improve the people s livelihood in Hong Kong

In 2021, with the goal of improving housing and people’s livelihood in Hong Kong, CIMC Modular implemented the transitional housing project of “Tong Tau Village” in Yueng Long, Hong Kong, and shipped the first batch of building materials to Hong Kong. The project consists of 2,076 building modules with a construction area of 37,221 square meters, and can provide about 5,000 families and 10,000 citizens at the grass-roots level with suitable temporary residence.



Blessing and Groundbreaking Ceremony for the Transitional Housing Project “Tongxin Village”

Case: No. 40

Firefighting companies under the CIMC Group participated in the national earthquake relief exercise and supported the building of local emergency response capacity

In May 2021, the Office of the State Council Earthquake Relief Headquarters, the Ministry of Emergency Management, and the People’s Government of Sichuan Province jointly held the earthquake relief exercise with the title of “Emergency Mission 2021”. Several fire and rescue equipment companies such as Shenyang Jietong, Sichuan Chuanxiao, Shanghai Jindun and CIMC Tianda Fire Services provided support to the exercise.



Healthcare Business

Case: No. 41

CIMC made a contribution of RMB one million to Shenzhen Children's Hospital for promoting the Game-based CT medical procedure and caring for critically ill child

In September 2021, CIMC Group made a contribution of RMB1 million to Shenzhen Children's Hospital by means of the Shenzhen Charity Federation for the construction of child-friendly public welfare projects such as "Game-based CT Medical Procedure" and "Caring for Critically Ill Child". The CT examination process is "gamified" in the "Game-based CT Medical Procedure" to help children aged 3-6 receive the CT examinations. The "Caring for Critically Ill Child" project aimed to arrange a specialized social worker and build a hospice in the Pediatric Intensive Care Unit of Shenzhen Children's Hospital by CIMC to provide various assistance to children and families in need.



Community charity

The Group conscientiously fulfills its corporate citizenship and wholeheartedly helps those in need. By organizing employees to donate blood without compensation, setting up volunteer teams, donating money and materials, caring about the elderly people to show our love and respect, giving assistance to disaster area, and organizing other activities, we spread the warmth and care of CIMC employees to every corner of the communities, and strive to promote the harmonious development of both enterprises and communities.

Case: No. 42

CIMC organized its employees to participate in the voluntary blood donation activity of Shenzhen Shekou Federation of Trade Unions

On October 12, the voluntary blood donation activity sponsored by China Merchants Shekou Federation of Trade Unions and China Merchants Shekou Youth League Committee was held in Shekou, among which the Trade Union of CIMC Headquarters, the Trade Union of CIMC Vehicle, the Trade Union of CIMC Epooling and the Youth League Committee of CIMC Group actively responded and organized some employees to participate in the activity.



Case: No. 43

Zhangzhou CIMC held the "Double Ninth Festival, Respect and Love the Elderly" activity

On October 14, 2021, Zhangzhou CIMC visited the elderly in Daqi community and donated grains and oils, hoping to send them festival greetings and wishes.



Case: No. 44

Social welfare activities of the Group's segments and subsidiaries (excerpts only)

Container Segment	<ul style="list-style-type: none">Dongguan Southern CIMC invested in a new 95m-long concrete walkway for Guanjingtou village.On October 14, Zhangzhou CIMC visited the elderly in Daqi community and donated grains and oils.Xinhui CIMC organized party members to participate in "night market volunteer service" activities for 3 times (23 person-time in total), and organized volunteers of the volunteer service team (45 person-time in total) to participate in the relocation of Daao Hospital.
Vehicle Segment	<ul style="list-style-type: none">Three volunteers from CIMC Shanqi provided volunteer service for 14 days in the 14th Sports Meeting, the 11th National Games of Disabled Persons and the 8th Special Olympics World Games held in Xi 'an.Huajun Casting organized employees to participate in the Fire Publicity Month and Civilization and Health Creation activities in Zhumadian City for about 100 person-times.
Energy and Chemical Segment	<ul style="list-style-type: none">Shijiazhuang Gas Equipment and Hebei Provincial Blood Center jointly organized the 2021 voluntary blood donation activity, in which more than 140 employees participated in the activity, with accumulated blood donation amount totaling 38,200 mL.Safeway Technologies launched a one-day charity donation activity, in which the employees of the enterprise participated in the activity, donating a total of about RMB60,000.

Helping students access education resources

As the foundation of people’s wellbeing, education has always been a key area that’s close to government’s heart. The Group cares about the healthy development of young people. We are clearly aware of our huge responsibility and actively carry out activities to promote the development of education after paying attention to the resource constraints faced in some regions. For example, CIMC Modular Building has leveraged its expertise to deliver 6 high-tech prefabricated schools in Shenzhen and Jiangxi, with a total floor area of 54,156 sq.m., providing nearly 8,000 degrees.

Case: No. 45

High-tech prefabricated school in Luohu built by CIMC Architectural Design Institute came into operation



The primary school section of Shenzhen Luohu District Zhuanggang Secondary School, with a total building area of approximately 4,451 sq.m. and a total of 18 classes providing 810 school places, was constructed by CIMC Architectural Design Institute, a subsidiary of CIMC Group. The school has been put into operation in September 2021, which has greatly relieved the pressure of supply and demand of school places in Luohu District.

Case: No. 46

Dongguan Southern CIMC invested in the installation of air conditioners for Guanjingtou Primary School to improve its teaching environment



Dongguan Southern CIMC has invested in the installation of 27 air conditioners for 13 classrooms and 3 teachers’ offices in the Guanjingtou Primary School, improving teaching conditions of the Primary School.

Rural Revitalization

The year 2021 marks the first year for the implementation of the “14th Five-Year Plan”, expanding achievements of poverty alleviation and establishing effective connection between it and rural revitalization. Based on its own strategic transformation and industrial characteristics, and in active response to the national call for “Consolidating Achievements of Poverty Alleviation and Promoting Rural revitalization”, CIMC Group carried out solid work in multiple areas such as revitalization of rural industries, talents, culture, ecology and organizations, with the goal of “five revitalizations” through the combination of the enterprise’s current situation and the actual local situation, assisting in opening a new chapter of “Three Rural” for the local governments.

I. Leveraging the advantages of the industrial chain to boost industrial revitalization

— Case: No. 47 —

Hunan CIMC continued to vigorously promote the development of the bamboo industry

Hunan CIMC is a leading enterprise in the agriculture and forestry industries, and an advanced collective on poverty alleviation in Hunan Province. In 2021, Hunan CIMC continued to take advantage of the bamboo industry and invested more than RMB3.07 million in the project of “upgrading the production line to increase production capacity of bamboos”, helping 225 registered poor households get rid of poverty.

— Case: No. 48 —

CIMC Eco Material established a bamboo curtain production and processing base in Jinzhai County

In 2021, CIMC Eco Material invested the construction of production base in Jinzhai County, Lu'an City, Anhui Province, with 52,000 tons of annual consumption of bamboo. By December 2021, CIMC Eco Material had built 12 local production and processing bases of radial bamboo curtain in Jinzhai County, and purchased 982,600 bamboo curtains locally, with a tax-included amount of RMB9.21 million, effectively promoting the industry chain of local bamboo processing and solving rural employment.

II. Relying on energy equipment and cold chain equipment to support rural infrastructure construction

— Case: No. 49 —

CIMC Hongtu undertook to get through the “last mile” of countryside gas

CIMC Hongtu is working closely with external partners to take the lead in exploring and arranging the construction of rural micro-irrigation pipe network, and jointly promoting the policy of “Gas to Countryside”. “Gas to Countryside” is an important part of rural public infrastructure, and its establishment and development has great practical significance to the rural energy revolution and environmental protection, construction of beautiful countryside and rural revitalization strategy, and the realization of carbon dioxide emissions peak and integrated urban-rural development in China. CIMC Hongtu has developed the first batch of small LPG (liquefied petroleum gas) storage tanks and dedicated tank trucks with pumps based on safety and digital operation management system. In the first half of 2021, such storage tanks and tank trucks with pumps started to put into use in Qinghai, Yunnan and Hubei etc.



Case: No. 50

CIMC Cold Chain participated in the construction of cold chain backbone network in Guangdong Province

In 2021, CIMC Cold Chain, in cooperation with Tianye Cold Chain under Guangdong Provincial Supply and Marketing Cooperative, built more than 30 mobile warehouses distributed in Jiangmen, Zhaoqing, Maoming, Zengcheng, Huizhou and other places for Guangdong Tiantou cold chain system. Compared with the litchi preserved in the traditional pre-cooling mode, the preservation period of litchi in the pre-cooling container of CIMC can be prolonged by 8-15 days. CIMC Cold Chain supported Zhaoqing to build its featured product asparagus. The mobile cold warehouse extended the shelf life of asparagus by 3-5 days, raising the purchasing price from RMB1.5 to RMB3.5. Similar cases include the pear project in Pingdingshan and oyster project in Taishan that we participated in the early stage.



III. Participate in rural revitalization in various forms through practical actions.

Social welfare activities of business segments and enterprises under CIMC (excerpts only)



- Jingmen Hong Tu provided a special donation of RMB100,000 to Quanwa Village in Zhanghe New District, Jingmen City.
- Nanjing Yangzi Design provided a special donation of RMB10,000 to Aheqi Village in Halaqi Township, Aheqi County.
- Haiyang Raffles provided a special donation of RMB10,000 to a poor village in Wushan County, Sichuan Province.
- CIMC Financial Leasing has completed 7 sessions of “Red Tree Scholarship”, helping more than 200 students in total, and donated RMB18,600 to the Central Primary School of Zubie Yao Ethnic Township, Xilin County, Guangxi in 2021.
- CIMC Zhenhua Logistics purchased about RMB60,000 of coarse grain foods for poverty alleviation from Huangnan Prefecture in Qinghai Province and Gannan Prefecture in Gansu Province.

Case: No. 51

CIMC Financial Leasing's 7 sessions of scholarship has helped more than 200 students

As at the end of 2021, CIMC Financial Leasing has completed 7 sessions of “Red Tree Scholarship”, helping more than 200 students, which has achieved remarkable results and received good social response.



Future Prospect

During the “14th Five-Year Plan” period, CIMC will continue to pursue its original vision, align with China’s reform and opening-up, actively fulfill social responsibilities, keep pace with the times, and strive to become a “high-quality respectable world-class enterprise”:

- With respect to business development, we will fully explore the opportunities arising from the national policy of expanding domestic demand and the in-depth implementation of the sustainable development strategy, firmly promote the implementation of strategies focusing on cold chain, clean energy, rural revitalization and environmental protection, and lay the foundation for future-oriented development.
- In terms of responsibility governance, we will continue to implement the green development plan, identify detailed management objectives and responsibilities, establish a normalized communication and reporting mechanism for progress on key issues, and continue to strengthen comprehensive risk management.
- With respect to climate change, we will expand the proportion of green energy in operational energy consumption, continuously evaluate and respond to the risks and opportunities in business development arising from the double-carbon policy, steadily promote energy efficiency and carbon emissions reduction over the next 2-3 years, and launch CIMC’s double-carbon road map for the manufacturing process life cycle and the product life cycle, and vigorously promote the development and application of new energy such as hydrogen energy and wind energy.
- To improve global logistics, we will continue to implement the innovation-driven strategy for development, refine the green and low-carbon concept of “best-in-class products”, and develop new channels for “best-in-class products”.
- To develop with joint efforts, we will refine the system for protecting employee rights, strengthen the first distribution mechanism for common prosperity, develop medium and long-term public welfare strategies for philanthropy, establish corporate public welfare foundations, expand employee volunteer teams, continue to promote grant-in-aid and poverty alleviation strategies, and further promote rural revitalization projects such as micro-pipeline networks for clean energy, rural cold storage and marine fisheries.

Times may change, but we will always pursue our goals. 2022 will mark the 40th anniversary of CIMC. During the year, CIMC will continue to work diligently and build on its 40-year history and cultural genes. We will adhere to the enterprise spirit of “Unremitting Striving, Pursuing Excellence”, as well as the concept of high-quality, long-term sustainable development, with the goal of making CIMC into a greener business and making a more valuable contribution to the sustainable development of human society.



Appendix

Content Index of Reporting Standards

Topics	GRI indicators	Description	ESG Guides	Shenzhen Stock Exchange Guides	GSRI-CHINA 2.0	Report Content/Remarks
General disclosure						
Organizational Profile	102-1	Name of the organization				About the Report
	102-2	Activities, brands, products and services				Company Profile
	102-3	Location of headquarters				About the Report
	102-4	Location of operations				Company Profile
	102-5	Ownership and legal form				Corporate Governance
	102-6	Markets served				Company Profile
	102-7	Scale of the organization				Company Profile
	102-8	Information on employees and other workers	B1.1			Employee Overview
	102-9	Supply chain	B5.1			Strategic Cooperation for Joint Establishment of Future
	102-10	Significant changes to the organization and its supply chain				No significant changes
	102-11	Precautionary principles or approach				Strengthening Responsibility Management
	102-12	External Initiatives				Strengthening Responsibility Management
	102-13	Membership of associations				Industry Organizations
Strategy	102-14	Statement from senior decision-maker				Chairman & CEO's Statement
Ethics and Integrity	102-16	Values, principles, standards, and code and conduct			Core Values	Business Philosophy
Governance	102-18	Governance structure			Scientific planning	Capital Structure
	102-19	Delegating authority				Corporate Governance
	102-20	Executive-level responsibility for economic, environmental, and social topics				Corporate Governance
	102-28	Assessing the highest governance body's performance				Table of Financial Performance Indicators
Stakeholder Communication	102-40	List of stakeholder groups		Protection of rights and interests of shareholders and creditors		Stakeholder Communication
	102-41	% of total employees covered by collective bargaining agreements				Protecting Rights and Interests of Employees
	102-42	Identifying and selecting stakeholders				Stakeholder Communication
	102-43	Approach to stakeholder engagement				Stakeholder Communication
	102-44	Key topics and concerns raised from communication with stakeholders				Stakeholder Communication
Reporting Practice	102-45	Entities included in the consolidated financial statements or equivalent documents				About the Report
	102-46	Defining report content and topic Boundaries				About the Report
	102-47	List of material topics identified in the defining report				Stakeholder Communication
	102-48	Restatements of information				No Restatements
	102-49	Changes in reporting				Stakeholder Communication
	102-50	Reporting period				About the Report
	102-51	Date of most recent report				About the Report
	102-52	Reporting cycle				About the Report
	102-53	Contact point for questions regarding the report				About the Report
	102-54	Claims of reporting in accordance with the GRI Standards				Core Compliance Scheme
	102-55	GRI content index				Content Index of Reporting Standards
	102-56	External assurance				No external audits at this stage

Topics	GRI indicators	Description	ESG Guides	Shenzhen Stock Exchange Guides	GSRI-CHINA 2.0	Report Content/Remarks	
Material topics							
1. Economic Standards							
Economic Performance	103-1	Explanation of the material topic and its boundary				About Us	
	103-2	The management approach and its components				Sustainable Development Management	
	103-3	Evaluation of the management approach				Stakeholder Communication	
	201-1	Direct economic value generated and distributed	B8.2			Table of Financial Performance Indicators	
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	Stakeholder Communication	
	103-2	The management approach and its components				Integrity and Compliance	
	103-3	Evaluation of the management approach				Integrity and Compliance	
	205-3	Confirmed incidents of corruption and actions taken	B7(b),B7.1			Integrity and Compliance	
Anti-competition Behavior	103-1	Explanation of the material topic and its boundary			Corruption-free and integrity management	Stakeholder Communication	
	103-2	The management approach and its components				Integrity and Compliance	
	103-3	Evaluation of the management approach				Integrity and Compliance	
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices				Integrity and Compliance	
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	Stakeholder Communication	
	103-2	The management approach and its components				Energy Saving and Consumption Reduction	
	103-3	Evaluation of the management approach				Energy Saving and Consumption Reduction	
	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 Ecological Protection	Stakeholder Communication	
	103-2	The management approach and its components				Energy Saving and Consumption Reduction	
	103-3	Evaluation of the management approach				Energy Saving and Consumption Reduction	
	302-1	Energy consumption within the organization	A2.1			Energy Saving and Consumption Reduction	
	302-4	Reduction of energy consumption	A2.3			Energy Saving and Consumption Reduction	
Water	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	Stakeholder Communication	
	103-2	The management approach and its components				Water Resources Management	
	103-3	Evaluation of the management approach				Water Resources Management	
	303-1	Water withdrawal by source	A2.2			Water Resources Management	
	303-3	Recycled input water used	A2.4			Water Resources Management	
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	Stakeholder Communication	
	103-2	The management approach and its components				Air Pollutant Emission and Management	
	103-3	Evaluation of the management approach				Air Pollutant Emission and Management	
	305-1	Direct (Scope 1) GHG emissions	A1.1, A1.2			Greenhouse Gas Emissions and Management	
	305-2	Energy indirect (Scope 2) GHG emissions				Greenhouse Gas Emissions and Management	
	305-4	GHG emissions intensity	A1.2			Greenhouse Gas Emissions and Management	
	305-5	Reduction of GHG emissions	A1.5		New Industrialization	Greenhouse Gas Emissions and Management	
Effluents and Waste	103-1	Explanation of the material topic and its boundary	A1, A3	Environmental Protection and Sustainable Development	Environmental Management, Pollution and Emission Reduction	Stakeholder Communication	
	103-2	The management approach and its components				Waste Management; Sewage Management	
	103-3	Evaluation of the management approach				Waste Management; Sewage Management	
	306-1	Water discharge by quality and discharge	A1.1			Waste Management; Sewage Management	
	306-2	Waste by type and disposal method	A1.3, A1.4, A1.6			Waste Management; Sewage Management	

Appendix

Topics	GRI indicators	Description	ESG Guides	Shenzhen Stock Exchange Guides	GSRI-CHINA 2.0	Report Content/Remarks
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	Stakeholder Communication
	103-2	The management approach and its components				Tackling Climate Change
	103-3	Evaluation of the management approach				Tackling Climate Change
	307-1	Non-compliance with environmental laws and regulations	A1(b)			Tackling Climate Change
Supplier Environmental Assessment	103-1	Explanation of the material topic and its boundary	B5		Win-win	Stakeholder Communication
	103-2	The management approach and its components				Strategic Cooperation for Joint Establishment of Future
	103-3	Evaluation of the management approach				Strategic Cooperation for Joint Establishment of Future
	308-1	New suppliers that were screened using environmental criteria	B5.2			Strategic Cooperation for Joint Establishment of Future
3. Social Standards						
Employment (material topic: employment risks and coping mechanisms)	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	Stakeholder Communication
	103-2	The management approach and its components				Protecting Rights and Interests of Employees; Employee Remuneration and Benefits
	103-3	Evaluation of the management approach				Protecting Rights and Interests of Employees; Employee Remuneration and Benefits
	401-1	New employee hires and employee turnover	B1.2			Protecting Rights and Interests of Employees; Employee Remuneration and Benefits
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	B1			Protecting Rights and Interests of Employees; Employee Remuneration and Benefits
	401-3	Parental leave				Protecting Rights and Interests of Employees; Employee Remuneration and Benefits
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	Stakeholder Communication
	103-2	The management approach and its components				Employee Health and Safety
	103-3	Evaluation of the management approach				Employee Health and Safety
	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	Employee Health and Safety
Training and Education (material topic: employee training and team building)	103-1	Explanation of the material topic and its boundary	B3	Protection of employees' rights and interests	Employee training and development	Stakeholder Communication
	103-2	The management approach and its components				Employee Development Training
	103-3	Evaluation of the management approach				Employee Development Training
	404-1	Average hours of training per year per employee	B3.2			Employee Development Training
Diversity and Equal Opportunity (material topic: employee diversification and protection of rights and interests)	103-1	Explanation of the material topic and its boundary	B1		Win-win	Stakeholder Communication
	103-2	The management approach and its components				Protecting Rights and Interests of Employees
	103-3	Evaluation of the management approach				Protecting Rights and Interests of Employees
	405-1	Diversity of governance bodies and employees				Protecting Rights and Interests of Employees
Child Labor	103-1	Explanation of the material topic and its boundary	B4	Protection of employees' rights and interests	Responsibility for Supervision	Stakeholder Communication
	103-2	The management approach and its components				Protecting Rights and Interests of Employees
	103-3	Evaluation of the management approach				Protecting Rights and Interests of Employees
	408-1	Operations and suppliers at significant risk for incidents of child labor	B4.1, B4.2			Protecting Rights and Interests of Employees
Forced or Compulsory Labor	103-1	Explanation of the material topic and its boundary	B4	Protection of employees' rights and interests		Stakeholder Communication
	103-2	The management approach and its components				Protecting Rights and Interests of Employees
	103-3	Evaluation of the management approach				Protecting Rights and Interests of Employees
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	B4.1, B4.2			Protecting Rights and Interests of Employees

Topics	GRI indicators	Description	ESG Guides	Shenzhen Stock Exchange Guides	GSRI-CHINA 2.0	Report Content/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	Stakeholder Communication
	103-2	The management approach and its components				Immediately Taking Actions to Combat the COVID-19; Caring for the People's Livelihood
	103-3	Evaluation of the management approach				Immediately Taking Actions to Combat the COVID-19; Caring for the People's Livelihood
	413-1	Operations with local community engagement, impact assessments, and development programs	B8.1			Immediately Taking Actions to Combat the COVID-19; Caring for the People's Livelihood
Supplier social assessment	103-1	Explanation of the material topic and its boundary	B5	Protecting rights of suppliers, customers and consumers		Stakeholder Communication
	103-2	The management approach and its components				Strategic Cooperation for Joint Establishment of Future
	103-3	Evaluation of the management approach				Strategic Cooperation for Joint Establishment of Future
	414-1	New suppliers that were screened using social criteria	B5.2			Strategic Cooperation for Joint Establishment of Future
Customer Health and Safety (material topic: product quality and safety, green products and services)	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	Stakeholder Communication
	103-2	The management approach and its components				Improving Global Logistics
	103-3	Evaluation of the management approach				Improving Global Logistics
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				Creation of Brand Power with High Quality
Marketing and Labeling	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers		Stakeholder Communication
	103-2	The management approach and its components				Improving Global Logistics
	103-3	Evaluation of the management approach				Improving Global Logistics
	417-2	Incidents of non-compliance concerning product and service information and labeling				Improving Global Logistics
	417-3	Incidents of non-compliance concerning marketing communications				Improving Global Logistics
Customer Privacy	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers	Privacy Protection	Stakeholder Communication
	103-2	The management approach and its components				Customer Privacy Protection
	103-3	Evaluation of the management approach				Customer Privacy Protection
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	B6.2		Privacy protection, Complaints and dispute handling	Customer Privacy Protection
Socioeconomic compliance	103-1	Explanation of the material topic and its boundary	B6	Protecting rights of suppliers, customers and consumers		Stakeholder Communication
	103-2	The management approach and its components				Improving Global Logistics
	103-3	Evaluation of the management approach				Improving Global Logistics
	419-1	Non-compliance with laws and regulations in the social and economic area	B7			Improving Global Logistics
Intellectual Property Protection		Description of practices relating to safeguarding and protecting intellectual property rights	B6.3		Respect for Property Rights	Improving Global Logistics



Appendix

Indicator Index of CASS-CSR 4.0 Guidelines

	No.	Description	Location of disclosure
Foreword	P1.1	Quality assurance	About the Report
	P1.2	Information description	About the Report
	P1.3	Reporting system	About the Report
	P2.1	Situation analysis and strategic consideration in fulfilling the social responsibilities	Sustainable Development Management
	P2.2	Progress of the annual social responsibilities	The entire Report
	P3.1	Major social responsibility events	Sustainability Achievements in 2021; Sustainable Development Management
	P3.2	Progress and achievements of key topics of social responsibilities	The entire Report
	P4.1	Corporate strategy and culture	Business Philosophy
	P4.2	Organizational structure and operation locations	Company Profile, Corporate Governance
	P4.3	Main products, services and brands	Company Profile
	P4.4	Corporate size and influence	Company Profile, Key Performance Indicators, Employee Overview
	P4.5	Significant changes in organizational size, structure, ownership or supply chain during reporting period	Capital Structure
Responsibility Management	G1.1	Corporate mission, vision and value	Business Philosophy
	G1.2	Corporate social responsibility philosophy or slogan	Corporate Social Responsibility Management
	G2.1	Identification and management of substantive social responsibility issues	Stakeholder Communication
	G2.2	Strategic planning and annual planning for social responsibility	Implementing Sustainable Development Strategy
	G2.3	Promoting the integration of social responsibilities into corporate development strategies and routine operations	Implementing Sustainable Development Strategy
	G2.4	Building an influential and sustainable responsible brand	Strengthening Responsibility Management
	G3.1	Senior management supports and promotes social responsibility work	Corporate Social Responsibility Management
	G3.2	Leadership structure and working mechanism of social responsibilities	Corporate Social Responsibility Management
	G3.3	Organization system and duty assignment of social responsibilities	Corporate Social Responsibility Management
	G4.1	Formulating social responsibility management system	Continuous Improvement of Sustainable Development Management
	G4.2	Establishing social responsibility index system	Table of Key Performance Indicators
	G4.3	Enriching social responsibility theory research	Stakeholder Communication
	G5.1	Organizing and carrying out social responsibility training	External Exchange and Communication
	G5.2	Carrying out social responsibility assessment or appraisal	Corporate Social Responsibility Management
	G6.1	Identifying and responding to stakeholder demands	Stakeholder Communication
	G6.2	Corporate-led social responsibility communication and participation activities	Continuous Improvement and Supplement
	G6.3	External economic, environmental, social conventions, principles or other initiatives that the organization participates in or supports	Industry Organizations Awards and Honors
Market performance	M1.1	Regulating corporate governance	Corporate Governance
	M1.2	The nomination and selection process for the highest governance organization and its committees	Capital Structure, Stakeholder Communication
	M1.3	Anti-corruption	Integrity and Compliance
	M1.4	Compliance information disclosure	Information Disclosure
	M1.5	Protecting the interests of small and medium-sized investors	Investor Relations
	M1.6	Growth	Financial Performance Indicators

	No.	Description	Location of disclosure
	M1.7	Profitability	Continuous Improvement and Supplement
	M1.8	Security	Continuous Improvement and Supplement
	M2.1	Enhancing product/service accessibility	Continuous Improvement and Supplement
	M2.2	Product/service quality management system	Product Quality and Safety
	M2.3	Qualification rate	Continuous Improvement and Supplement
	M2.4	Adhering to innovation-driven	Leading Innovation and Value Growth
	M2.5	Investment in R&D	Leading Innovation and Value Growth
	M2.6	Number of new patents	Intellectual Property Management
	M2.7	Industrialization of scientific and technological achievements	New Industrialization
	M2.8	Prohibiting false or misleading propaganda strictly	Product Quality and Safety
	M2.9	Popularization or customer training of product knowledge	Customer Service and Satisfaction
	M2.10	Potential risk warning	Product Quality and Safety
	M2.11	Fair trade	Continuous Improvement and Supplement
	M2.12	Advocating sustainable consumption	Continuous Improvement and Supplement
	M2.13	Customer information protection	Customer Privacy Protection
	M2.14	Proactive after-sales service system	Customer Service and Satisfaction
	M2.15	Responding to consumer complaints proactively	Customer Service and Satisfaction
	M2.16	Complaint resolution rate	Continuous Improvement and Supplement
	M2.17	Stopping loss and compensation	Continuous Improvement and Supplement
	M2.18	Customer satisfaction	Customer Service and Satisfaction
	M3.1	Integrity operation	Integrity Management Philosophy
	M3.2	Economic contract performance rate	Continuous Improvement and Supplement
	M3.3	Fair competition	Integrity Management Philosophy
	M3.4	Strategy sharing mechanism and platform	Leading Innovation and Value Growth
	M3.5	Respecting and protecting intellectual property	Intellectual Property Management
	M3.6	Assisting in industry development	Leading Innovation and Value Growth
	M3.7	Fair trade	Continuous Improvement and Supplement
	M3.8	Policies, initiatives and requirements for supplier social responsibilities	Strategic Cooperation for Joint Establishment of Future
	M3.9	Number of potential suppliers rejected due to social responsibility non-compliance	Supply Chain System
	M3.10	Routine management mechanism of supplier social responsibilities	Strategic Cooperation for Joint Establishment of Future
	M3.11	Process and method of reviewing supplier social responsibilities	Continuous Improvement and Supplement
	M3.12	Number of suppliers reviewed during the reporting period	Supply Chain System
	M3.13	Number of suppliers whose cooperation was suspended due to social responsibility non-compliance	Supply Chain System
	M3.14	Performance assessment and communication of social responsibility training for suppliers	Supply Chain System
	M3.15	Social responsibility training for suppliers	Continuous Improvement and Supplement
	M3.16	Performance of social responsibility training for suppliers	Continuous Improvement and Supplement

	No.	Description	Location of disclosure
Social performance	S1.1	Compliance system construction	Many References in the Entire Report
	S1.2	Compliance training	Compliance and Risk Control
	S1.3	Total tax payment	Promoting Development in the Place of Operation
	S1.4	Supporting and participating in comprehensive deepening reform	Continuous Improvement and Supplement
	S1.5	Promoting employment	Promoting Development in the Place of Operation
	S1.6	Number of employees during the reporting period	Promoting Development in the Place of Operation
	S2.1	Employee composition	Employee Overview
	S2.2	Equal employment	Protecting Rights and Interests of Employees
	S2.3	Labor contract signing rate	Protecting Rights and Interests of Employees
	S2.4	Democratic management	Protecting Rights and Interests of Employees
	S2.5	Proportion of female managers	Employee Overview
	S2.6	Employee privacy management	Protecting Rights and Interests of Employees
	S2.7	Anti-forced labor and harassment abuse	Protecting Rights and Interests of Employees
	S2.8	Diversity and equal opportunities	Protecting Rights and Interests of Employees
	S2.9	Number of paid annual leave days per capita per year	Protecting Rights and Interests of Employees
	S2.10	Remuneration and benefits system	Employee Remuneration and Benefits
	S2.11	Occupational health management	Employee Health and Safety
	S2.12	Work environment and condition protection	Protecting Rights and Interests of Employees, Employee Health and Safety, Staff Care and Communication
	S2.13	Employee mental health assistance	Protecting Rights and Interests of Employees
	S2.14	Employee training system	Employee Development Training
	S2.15	Annual training performance	Employee Development Training
	S2.16	Career development channel	Employee Development Training
	S2.17	Balance between life and work	Staff Care and Communication
	S2.18	Supporting employees with difficulties	Staff Care and Communication
	S2.19	Employee satisfaction	Continuous Improvement and Supplement
	S2.20	Employee turnover rate	Table of Social Key Performance Indicators
	S3.1	Safety production management system	Employee Health and Safety
	S3.2	Safety emergency management mechanism	Employee Health and Safety
	S3.3	Safety education and training	Employee Health and Safety
	S3.4	Safety training performance	Employee Health and Safety
	S3.5	Safety production investment	Continuous Improvement and Supplement
	S3.6	Number of safety production accidents	Table of Social Key Performance Indicators
	S3.7	Number of employee injuries and deaths	Table of Social Key Performance Indicators
	S4.1	Mechanism of community communication and engagement	Caring for the People's Livelihood
	S4.2	Employee localization policy	Promoting Development in the Place of Operation
	S4.3	Localized hiring ratio	Promoting Development in the Place of Operation
	S4.4	Localized procurement policy	Supply Chain System
	S4.5	Support the development of community women, indigenous people, farmers, pastoralists and fishermen	Continuous Improvement and Supplement
	S4.6	Charity policies or major charity areas	Caring for the People's Livelihood
	S4.7	Establishing corporate charity funds/foundation	Continuous Improvement and Supplement
	S4.8	Total amount of donation	Continuous Improvement and Supplement
	S4.9	Creating brand charity projects	Continuous Improvement and Supplement
	S4.10	Policies and measures for supporting volunteer activities	Caring for the People's Livelihood
	S4.11	Employee volunteer activities performance	Continuous Improvement and Supplement
	S4.12	Contributing to targeted poverty alleviation	Caring for the People's Livelihood
	S4.13	Investment of special funds for poverty alleviation	Caring for the People's Livelihood
	S4.14	Number of people getting rid of poverty	Caring for the People's Livelihood

	No.	Description	Location of disclosure
Environmental performance	E1.1	Environmental management system	Environmental Management
	E1.2	Environmental warning and emergency mechanism	Air Pollutant Emission and Management, Employee Health and Safety
	E1.3	Environmental protection technology R&D and application	Creation of Green Brand through Green Development, Shouldering Responsibility and Mission of Low-Carbon Operation
	E1.4	Methodology of environmental indicator statistics and accounting system	Key Performance Indicators
	E1.5	Environmental protection training and education	Creation of Green Brand through Green Development
	E1.6	Constructing Green Supply Chain	Continuous Green Supply Chain Development
	E1.7	Supporting the development of green and low-carbon industries	Creation of Green Brand through Green Development, Shouldering Responsibility and Mission of Low-Carbon Operation
	E1.8	Total investment in environmental protection	Environmental Management
	E1.9	Addressing climate change	Creation of Green Brand through Green Development
	E1.10	Carbon intensity	Key Performance Indicators
	E1.11	Proportion of non-fossil energy	Greenhouse Gas Emissions and Management
	E1.12	Carbon sink	Greenhouse Gas Emissions and Management
	E2.1	Green design	Creation of Green Brand through Green Development
	E2.2	Procuring and using environmentally friendly raw materials	Continuous Improvement and Supplement
	E2.3	Improve efficiency of energy using	Energy Saving and Consumption Reduction
	E2.4	Total amount of annual energy consumption and reduction	Key Performance Indicators
	E2.5	Comprehensive energy consumption per unit of production value	Key Performance Indicators
	E2.6	Policies and measures for the use of clean energy	Greenhouse Gas Emissions and Management
	E2.7	Amount of clean energy used	Greenhouse Gas Emissions and Management
	E2.8	Policies and measures to conserve water resources	Water Resources Management
	E2.9	Annual fresh water consumption amount	Key Performance Indicators
	E2.10	Fresh water consumption per unit of industrial added value	Key Performance Indicators
	E2.11	Policies, measures or technologies to reduce emissions of exhaust gases	Air Pollutant Emission and Management
	E2.12	Exhaust gas emissions and reductions	Key Performance Indicators
	E2.13	Systems, measures or technologies to reduce wastewater emissions	Sewage Management
	E2.14	Wastewater emissions and reductions	Key Performance Indicators
	E2.15	Systems, measures or technologies to reduce waste emissions	Waste Management
	E2.16	Waste emissions and reductions	Key Performance Indicators
	E2.17	Policies and measures for the development of circular economy	Green Logistics, Comprehensive Utilization of Solid Waste Resources
	E2.18	Performance of circular economy development	Green Logistics, Comprehensive Utilization of Solid Waste Resources
	E2.19	Green packaging	Uninvolved
	E2.20	Total amount of packaging materials used in finished goods (in tons) and (if applicable) the amount per unit	Uninvolved
	E2.21	Green transportation	Green Logistics
	E2.22	Environmental impact during products/personnel transportation	Green Logistics
	E2.23	Energy conservation policies and measures	Energy Saving and Consumption Reduction
	E2.24	Plans and actions for reduction of greenhouse gas emission	Greenhouse Gas Emissions and Management
	E2.25	Greenhouse gas emissions and reductions	Key Performance Indicators
	E3.1	Green office measures	Green Office Program
	E3.2	Green office performance	Green Office Program
	E3.3	Ecological restoration and governance	Biodiversity Conservation
	E3.4	Biodiversity conservation	Biodiversity Conservation
	E3.5	Zero deforestation	Continuous Improvement and Supplement
	E3.6	Environmental protection charity events	Green Office Program

Appendix

Definition Index

Glossary	Definition
Company	China International Marine Containers (Group) Co., Ltd. (中国国际海运集装箱(集团)股份有限公司)
CIMC, CIMC Group, Group, we, our and us	the Company and its subsidiaries
ESG&CSR Report, Report	2021 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 Guidelines
CIMC Container	CIMC Container Holdings Co., Ltd. (中集集团集装箱控股有限公司)
CIMC Vehicles	CIMC Vehicles (Group) Co., Ltd. (中集车辆(集团)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. (中集现代物流发展有限公司)
C&C Trucks	C&C Trucks Co., Ltd. (集瑞联合重工有限公司)
CIMC TianDa	CIMC-Tianda Holdings Company Limited (中集天达控股有限公司)
Ziegler	Albert Ziegler GmbH (德国齐格勒消防及救援车辆(集团)有限责任公司)
CIMC Financial Leasing Company	CIMC Financial Leasing Co., Ltd. (中集融资租赁有限公司)
CIMC Finance Company	CIMC Finance Co., Ltd. (中集集团财务有限公司)
CIMC Skyspace Real Estate	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd. (深圳市中集产城发展集团有限公司)
CIMC Modular	CIMC Modular Building Investment Company Limited (中集模块化建筑投资有限公司)
Taicang Reefer	Taicang CIMC Reefer Logistics Equipment Co., Ltd. (太仓中集冷藏物流装备有限公司)
Zhenhua Logistics	Zhenhua Logistics Group Co., Ltd. (振华物流集团有限公司)
Longkou CIMC Raffles	Longkou CIMC Raffles Offshore Engineering Co., Ltd. (龙口中集来福士海洋工程有限公司)
Yantai CIMC Raffles	Yantai CIMC Raffles Offshore Engineering Co., Ltd. (烟台中集来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. (中集凯通物流发展有限公司)
Qingdao CIMC	Qingdao CIMC Container Manufacture Co., Ltd. (青岛中集集装箱制造有限公司)
Dongguan CIMC Vehicle	Dongguan CIMC Vehicle Co., Ltd. (东莞中集专用车有限公司)
Yangzhou Tonghua	Yangzhou CIMC Tonghua Special Vehicles Co., Ltd. (扬州中集通华专用车有限公司)
Huajun Vehicle	Zhumadian CIMC Huajun Vehicle Co., Ltd. (驻马店中集华骏车辆有限公司)
CIMC Ruijiang (Wuhu Ruijiang)	Wuhu CIMC Ruijiang Automobile Co., Ltd. (芜湖中集瑞江汽车有限公司)
Shenzhen CIMC Vehicle	Shenzhen CIMC Vehicle Co., Ltd. (深圳中集专用车有限公司)
Nantong CIMC	Nantong CIMC Shunda Container Co., Ltd. (南通中集顺达集装箱有限公司)
Qingdao Reefer Container	Qingdao CIMC Reefer Container Manufacture Co., Ltd. (青岛中集冷藏箱制造有限公司)
CIMC Yangshan	Shanghai CIMC Yangshan Logistics Equipment Co., Ltd. (上海中集洋山物流装备有限公司)
Nantong Food	Enric (Nantong) CIMC Food Equipment Co., Ltd. (南通中集安瑞科食品装备有限公司)

Glossary	Definition
CIMC Safeway Technologies/Nantong Tank	CIMC Safeway Technologies Co., Ltd. (Former name: Nantong CIMC Tank Equipment Co., Ltd.) (中集安瑞环科技股份有限公司)
Tianjin CIMC	Tianjin CIMC Container Co., Ltd. (天津中集集装箱有限公司)
Ningbo CIMC	Ningbo CIMC Logistics Equipment Co., Ltd. (宁波中集物流装备有限公司)
CIMC Sanctum	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd. (张家港中集圣达因低温装备有限公司)
Xinhui CIMC	Xinhui CIMC Container Co., Ltd. (新会中集集装箱有限公司)
United Feicai	Anhui United Feicai Vehicle Co., Ltd. (安徽联合飞彩车辆有限公司)
Nantong Energy	Nantong CIMC Energy Equipment Co, Ltd. (南通中集能源装备有限公司)
CIMC Cold Cloud	CIMC Cold Cloud Supply Chain Management (Beijing) Co., Ltd. (中集冷云(北京)供应链管理有限公司)
CIMC Cold Chain	CIMC Cold Chain Development Co. Ltd. (中集冷链发展有限公司)
CIMC Eco Material Supply	CIMC Eco Material Supply Co., Ltd. (中集新型环保材料股份有限公司)
Xinhui TEU	Xinhui CIMC Container Co., Ltd. (新会中集集装箱有限公司)
XHCIMCS	Xinhui CIMC Special Transportation Equipment Co., Ltd. (广东新会中集特种运输设备有限公司)
Southern CIMC (Pingshan)	Shenzhen Southern CIMC Eastern Logistics Equipment Manufacture Co., Ltd. (深圳南方中集东部物流装备制造有限公司)
Dongguan Southern CIMC	Dongguan Southern CIMC Logistic Equipment Manufacturing Co., Ltd. (东莞南方中集物流装备制造有限公司)
Yangzhou Runyang	Yangzhou Runyang Logistic Equipment Co., Ltd. (扬州润扬物流装备有限公司)
Yangzhou Tonglee	Yangzhou Tonglee Reefer Container Co., Ltd. (扬州通利冷藏集装箱有限公司)
Luoyang Lingyu	Luoyang CIMC Lingyu Automobile Co., Ltd. (洛阳中集凌宇汽车有限公司)
CIMC Raffles Haiyang	Haiyang CIMC Raffles Offshore Ltd. (海阳中集来福士海洋工程有限公司)
DLCIMC	Dalian CIMC Containers Co., Ltd. (大连中集特种物流装备有限公司)
CIMC Lvjian	CIMC Lvjian Environmental Protection Technology Co., Ltd. (中集绿建环保科技有限公司)
TAS	Shenzhen CIMC – TianDa Airport Support Ltd. (深圳中集天达空港设备有限公司)
CIMC Transportation	CIMC Transportation Technology Co., Ltd (中集运载科技有限公司)
Jingmen Hongtu	CIMC Enric Jingmen Hong Tu Special Aircraft Co., Ltd. (荆门宏图特种飞行器制造有限公司)
Sichuan Chuanxiao	Sichuan Chuanxiao Fire Trucks Manufacturing Co., Ltd. (四川川川消防车制造有限公司)
Liangshan CIMC Dongyue	Liangshan CIMC Dongyue Vehicles Co., Ltd. (梁山中集东岳汽车有限公司)
Shandong Wanshida	Shandong Wanshida Special Purpose Vehicle Manufacturing Co., Ltd. (山东万事达专用汽车制造有限公司)
Shenzhen CIMC Architectural Design Institute	Shenzhen CIMC Architectural Design Institute Co., Ltd. (深圳市中集建筑设计院有限公司)
CIMC Eco Material Supply	CIMC Eco Material Supply Co., Ltd. (中集新型环保材料股份有限公司)
Zhangzhou CIMC	Zhangzhou CIMC Container Co., Ltd. (漳州中集集装箱有限公司)
CIMC Shanqi	CIMC Shanqi Heavy Truck (Xi'an) Special Vehicle Co., Ltd. (中集陕汽重卡(西安)专用车有限公司)
Huajun Casting	Zhumadian CIMC Huajun Casting Co., Ltd. (驻马店中集华骏铸造有限公司)
Shijiazhuang Gas Equipment	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd. (石家庄安瑞科气体机械有限公司)
Taicang Special Equipment	Taicang CIMC Special Logistics Equipment Co., Ltd. (太仓中集特种物流装备有限公司)
NCSE	Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd. (南通中集特种运输设备制造有限公司)
CIMC Intermodal	CIMC Intermodal Development Co., Ltd. (中集多式联运发展有限公司)
Southern Service	Shenzhen Southern CIMC Container Service Co., Ltd. (深圳南方中集集装箱服务有限公司)

Appendix

List of Policies and Regulations

All subsidiaries of the Group comply with the laws and regulations of the countries and locations where they operate. Only part of laws and regulations and internal systems are extracted here. In terms of internal policies, the Group, its segments and subsidiaries have established relevant systems and management measures.

ESG indicators	Applicable laws and regulations	Internal Policy
Level A1: Emissions Level A2: Resource Usage Level A3: Environment and Natural Resources Level A4: Climate Change	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution Water Pollution Prevention and Control Law of the People's Republic of China Air Pollution Prevention and Control Law of the People's Republic of China Soil Pollution Prevention and Control Law of the People's Republic of China Marine Environment Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes Energy Conservation Law of the People's Republic of China Law of the People's Republic of China on Environmental Impact Assessment	Environmental Protection Management System of the CIMC Group (Trail) Environmental Protection Work Guidelines of the CIMC Group
Level B1: Employment Level B4: Labor Standards	Labor Law of the People's Republic of China Labor Contract Law of the People's Republic of China Social Insurance Law of the People's Republic of China Special Rules on the Labor Protection of Female Employees Provisions on Special Protection of Minor Workers	Employee Performance Management System Employee Remuneration and Benefits Management System Employee Relationship Management System Employee Code of Conduct Employee Attendance and Leave Management System
Level B2: Health and Safety	Labor Law of the People's Republic of China Production Safety Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases Fire Control Law of the People's Republic of China Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents Interim Provisions on the Investigation and Control of Safety Accidents Regulation on Work-Related Injury Insurance Provisions on the Administration of Occupational Health at Workplaces	HSE Policy and Target Management Scheme of the CIMC Group Health, Safety and Environmental Incident Reporting, Investigation and Handling Policy of the CIMC Group Event Accountability Measures of the CIMC Group Management Measures for HSE Compliance, Review and Certification of the CIMC Group
Level B3: Development and Training	Labor Law of the People's Republic of China	Standard Leadership Management Regulations of the CIMC Group Event Accountability Measures of the CIMC Group Management Regulations of Core Talents On-job Certification of the CIMC Group ("Red Line" Rules) Employee Manual Implementation Guidelines on Cadres and Employees Post Practice of the CIMC Group Training Management System of the CIMC Group Management Methods of Group-level Internal Lecturer
Level B5: Supply Chain Management	Contract Law of the People's Republic of China The Bidding Law of the People's Republic of China	Containers: Supplier Management Procedure Vehicles: Regulations on the Administration of Centralized Procurement Business of CIMC Vehicles Energy and Chemical: Purchase Management System of CIMC Enric Holdings Limited Airport: Procurement Management Procedure
Level B6: Product Liability	Product Quality Law of the People's Republic of China Special Equipment Safety Law of the People's Republic of China Supervision regulation on safety technology for transportable pressure Vessel Implementation Rules for Compulsory Product Certification (motor vehicle) CNCA-C11-01:2014 Patent Law of the People's Republic of China Trademark Law of the Patent Law of the People's Republic of China Anti-unfair Competition Law of the Patent Law of the People's Republic of China CyberSecurity Law of the People's Republic of China Data Security Law of the People's Republic of China Personal Information Protection Law of the People's Republic of China	Major event reporting and handling system for the members of the CIMC Group Measures of CIMC Group on Patent Management Procedures of Container Customer Relationship Management Information Safety Management and Accountability System of the CIMC Group Emergency Response Management Specification for Information Security Incidents of the CIMC Group Safety Specifications for E-mail of the CIMC Group Safety Management Specifications for External Intranet Accessing Personnel of the CIMC Group

ESG indicators	Applicable laws and regulations	Internal Policy
Level B7: Anti-corruption	Company Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China	Employee Code of Conduct of the CIMC Group Event Accountability Measures of the CIMC Group Regulations on Honest Operation for Cadres and Personnel in Sensitive Posts of the CIMC Group Supervision, Complaint and Reporting Management Methods of the CIMC Group
Level B8: Community Investment	Charity Law of the People's Republic of China Welfare Donations Law of the People's Republic of China	Employee Code of Conduct of the CIMC Group Methods for awarding model workers of the CIMC Group

Industry Organizations

The Group and its subsidiaries have joined more than 50 organizations, making positive contributions to the organizations and the industry. Set forth below are only part of the organizations that the Company have joined.

Organizations	Participants (positions)
China Federation of Industrial Economics	The Company (Chairman of the presidium)
China Enterprise Confederation and China Enterprise Directors Association	The Company (vice president)
China Association for Public Companies	The Company (managing director)
Communication Committee of China Institute of Internal Audit	The Company (vice president, Association director)
China Business Council for Sustainable Development	The Company (director)
Risk Control and Audit Sub-commission of China Business Accounting Institute	The Company (director)
China Association of Communication Enterprise Management	The Company (vice president)
Patent Protection Association of China	The Company (vice president)
China Association of the National Shipbuilding Industry	The Company (vice president)
China Interbank Market Traders Association	The Company (member)
China Association for Quality	The Company (director)
China Chamber of Commerce for Import & Export of Machinery & Electronic Products	The Company (vice president)
Guangdong Association for Enterprise Internal Control	The Company (vice president, experts committee director and managing director)
Guangdong Society of Mechanical Engineering	The Company (vice chairman)
Shenzhen Association of Listed Companies	The Company (president)
Federation of Shenzhen Industry	The Company (member)
Shenzhen Society of Mechanical Engineering	The Company (managing director)
City Construction Promotion Association of Shenzhen Global Ocean Center	The Company (vice president)
Federation of Shenzhen Industry	The Company (member)
Shenzhen Patent Association	The Company (director)
China Container Industry Association	The Company (president)

Awards and Honors

In 2021, the Group and its subsidiaries at all levels have achieved outstanding performance in various aspects such as ESG & social responsibility, innovation, products and services, receiving more external recognitions and honors. Set forth below are only the relevant awards and honors of the Group companies.

Appendix

External ESG Rating (excerpts only)

Rating agency	2021 Rating	2020 Rating	Rating instructions
Hang Seng Corporate Sustainability Index	ESG A in general	ESG A in general	Top 10% of peers
Refinitiv	62.0 score (B)	53.3 score	Top 21.5% with score improvement
FTSE Russell	2.4 score	1.9 score	Score improvement
Wind ESG	AA (8.44 score)	–	Ranked first in the machinery industry
Bloomberg	46.3 score	41.74 score	Score improvement
Sustainalytics	46.58	51.9	Score improvement (lower score means better)
SynTao Green Finance	A-	B+	Score improvement
RKS ESG	BBB	BBB	Top in industry
Sino-Securities Index	AA	AA	Rating maintained
Harvest	78.35 score	–	Top 10% in the industry
S&P Global ESG Scores	19	17	Rating has improved year on year, with a single score for Operational Eco-Efficiency leading the industry
QuantData ESG	AAA	–	Top 0.8% in industry
Sina Finance	One of Country Garden Shanghai-Shenzhen ESG 100 Select Index Stocks selected	One of Country Garden Shanghai-Shenzhen ESG 100 Select Index Stocks selected	Within the range of index stocks

In 2021, the Group was won external awards regarding to ESG & social responsibility (excerpts only)

Rating agency	Award Name
China Business Council for Sustainable Development	Tied for 2nd in the list of Top 100 Chinese Enterprises for Sustainable Development
Southern Weekend	2020 Outstanding Responsible Enterprise in China
GoldenBee Think Tank and China Sustainability Tribune	2021 Golden Bee – Leader Enterprise
Nanfang Metropolis Daily, Shenzhen city federation of industry and commerce and Commerce (Federation) and Social Responsibility Research Center of Chinese Academy of Social Sciences	2021 Shenzhen Enterprise Social Responsibility Development Conference – Green Development Benchmark Enterprise of the Year
China Securities Journal	2020 Golden Bull Social Responsibility Award
China Daily – International Finance News	2021 Social Responsibility Contributing Enterprise of the Year
Sina Finance ESG Rating Center and CCTV-1 – THE GROWING OF THE GREAT BRAND	No. 2 in the Machinery and Equipment Industry of China's Top 500 ESG Outstanding Enterprises
Tencent Atomic Think Tank and National School of Development at Peking University	2021 China Benefit Corporation – Outstanding Enterprise in Green Development
China Sustainability Tribune	2021 Golden Key Four Seas Family Category – Champion Award
Shenzhen Association for Quality	2021 Shenzhen Sustainable Development Award (Social Category)
Shenzhen Research Association for Corporate Governance	2021 Top 20 Awards for Green Governance for Listed Companies in the Greater Bay Area
National Business Daily and SynTao – Sustainability Solutions	Chief Responsibility Officer of the Year

Organization Structure for Report Preparation

Leading Panel Preparation Team

Group Steering Group for Sustainable Development Report
 Secretariat of Group Steering Group for Sustainable Development Report
 Representatives of ESG reporting in each function of the Group
 Representatives of ESG reporting in each segment, directly managed enterprise and innovative enterprise

Comments and Feedback

Dear readers:

This Report is the fifth "Corporate Social Responsibility & Environmental, Social and Governance Report" released by the CIMC Group. In order to continuously enhance and improve our management of sustainable development, we sincerely hope to hear your valuable opinions and suggestions. Thank you for reading this Report. We will undertake to keep properly your information.

Selective questions:

- What is your opinion about this Report as a whole?
☐ Very good ☐ Good ☐ Normal
- How do you think of the clearness, accuracy and completeness of the information and data disclosed in this Report?
☐ Very good ☐ Good ☐ Normal
- How do you think this Report reflects the Group's significant impact on the economy, society and environment?
☐ Very good ☐ Good ☐ Normal
- How do you think of the Group's performance in safeguarding the interests of stakeholders?
☐ Very good ☐ Good ☐ Normal

Open questions

- What part of this Report are you most satisfied with?

- What information would you like to know more about?

- What do you think are the top 10 cases of good ESG practice typical of the Group presented in this report that you are most impressed with and would like to praise? (The cases listed in the report are numbered, please fill in the number of the case you have chosen)

- Your opinions and suggestions on the sustainable development management and "Corporate Social Responsibility & Environmental, Social and Governance Report" of the Group:

Please leave your contact information if possible:

Name: _____ Occupation: _____ Employer: _____
 Post Code: _____ E-mail: _____ Tel: _____
 Contact address: _____

Questionnaire Responses Methods

- scan the QR code on the right to complete the online questionnaire
- Fax: 0755-26692707
- Mail: Board Secretary Office, Excellence-oriented Operating and HSE Centre of CIMC Group, No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, PRC

More Comments and Feedback Methods

For details of investor relations, please contact the Board Secretary Office of the Group	ir@cimc.com
For any violation of the Code of Professional Ethics by the Group's employees or organizations, please contact the Audit and Supervision Department of the Group	5198@cimc.com
For details of Sustainability Management and Sustainability Report, please contact the Sustainability Reporting Leadership Panel of CIMC Group	ESG&CSR@cimc.com



Notes: we will conduct a lucky draw for readers who complete the online questionnaire at the end of 2022. The specific draw plan is subject to the interpretation of the Group.



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electronic
version

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Environmental considerations for publication

Paper: use recycled paper to print

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