

CIMC 中集车辆

CIMC Vehicles (Group) Co., Ltd.
Stock Code: 301039.SZ/1839.HK



2023

Social Responsibility and Environmental, Social and Governance Report

About the Report

The Report is the fifth “Social Responsibility and Environmental, Social and Governance (“ESG”) Report (the “Report”) issued by CIMC Vehicles (Group) Co., Ltd. (the “Company” or “CIMC Vehicles”, together with its subsidiaries, the “Group”, “we”, “our” or “us”). The Report, prepared based on the principle of materiality, quantification, balance and consistency, summarizes our strategies and policies on sustainable development, ethics and good governance, and elaborates our commitment to frankly communicating with stakeholders, and our visions and contributions to the environment and society. The Board of Directors (the “Board”) of the Company is aware of its responsibility for the authenticity of the Report, takes full responsibility for the Group’s ESG strategies and the reporting, and has reviewed and approved the Report.

Reporting Period and Scope of Entities

The Report discloses the Group’s management approaches, initiatives and performance in relation to ESG from January 1, 2023 to December 31, 2023 (the “Year” or “Reporting Period”). Some contents of the Report date back to before 2023 and extend to 2024, thereby increasing reference value of the Report. The scope of the content disclosed in the Report is the same as that of the Annual Report 2023 of the Group, while the scope of environmental data covered all domestic and overseas manufacturing enterprises of the Group; in the future, the scope of the Report will be continuously expanded. For further details of corporate governance, please refer to the section headed “Corporate Governance Report” in the Annual Report 2023 of the Group.

Main Reporting Guidelines

The Report mainly describes the environmental and social impacts of the Group’s businesses and operations with reference to the Environmental, Social and Governance Reporting Guide (“ESG Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), the Guide on Self-supervision of Companies Listed on the Shenzhen Stock Exchange No.2 – Standard Operation of Companies Listed on ChiNext Market, and the requirements of the “Core” option in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) in respect of social responsibility. Unless otherwise specified, all the monetary amounts in the Report are denominated in RMB.

Publication

The Report is available online in both Chinese and English versions. All shareholders and stakeholders can access to the Report on the website of HKEX at www.hkexnews.hk. In case of any discrepancy, the Chinese version shall prevail.

Contact Information

We highly value our stakeholders and the public’s opinion on the Report. Should you have any enquiries or suggestions, please contact the Group through the following means.

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Tel: 86-755-26802116

Post Code: 518067

Email: ir_vehicles@cimc.com



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Management's Statement

Dear stakeholders,

We sincerely appreciate your interest in CIMC Vehicles' Social Responsibility & Environmental, Social and Governance Report 2023.

The year 2023 marked the 20th anniversary of CIMC Vehicles' commencement of production. In the face of global economic uncertainties and challenges, we continued to deepen our commitment to social responsibilities and made steady progress on the path of sustainable development. In 2023, CIMC Vehicles achieved revenue of RMB25.087 billion and a net profit attributable to shareholders of the listed company of RMB2.456 billion, representing a significant year-on-year increase of 119.66% and reaching a historical high. On behalf of the Company's management, I would like to express our sincerest gratitude to our shareholders, customers, partners, and employees for their support and trust.

Clear waters and green mountains are invaluable assets. CIMC Vehicles actively fulfilled its social responsibilities, continuously fostering new quality productive forces through new achievements of green development. In 2023, we achieved remarkable results in advancing corporate social responsibility practices. Adhering to the principle of prioritizing environmental protection, we persistently practiced low-carbon and green manufacturing, comprehensively built a high-end manufacturing system represented by the "Light Tower Manufacturing Network", and employed automated, intelligent, and digital facilities for environmental protection and emission reduction across the production processes, thus injecting fresh impetus into China's high-quality development. As of the end of 2023, we had established 21 "Light Tower" plants at home and abroad, including five national green plants, two provincial green plants, one municipal green plant, and two national green supply chain management enterprises. Moreover, the Company actively developed and promoted innovative products that are lightweight, digital, intelligent, and powered by new energy. Meanwhile, we innovated our business model, pushed forward quality and efficiency transformation, and practiced high-quality development.

Looking ahead, we will adhere to the sustainable development strategy, further improve our ESG governance system, and continuously explore and implement more social responsibility initiatives, so as to create greater value for society, provide long-term returns for shareholders, and deliver higher-quality products and services to customers.

Executive Director, CEO and President of CIMC Vehicles

Li Guiping

As of December 31, 2023, CIMC Vehicles



Revenue

RMB

25.087 billion



Net profit attributable to the

parent company RMB

2.456 billion

Board's Statement



The Board of Directors (the "Board") of the Group is fully responsible for ESG management and reporting, including assessing and identifying the Group's ESG risks and ensuring that the Group has appropriate and effective ESG risk management and internal control systems. The Board and all Directors warrant that the report does not contain any false records, misleading statements or material omissions and are jointly and severally liable for the authenticity, accuracy and completeness of the report.

The Group has established an ESG management organization system comprising the Board, the Audit Committee, the ESG Reporting Leading Group and the Implementation Team, and has clearly defined the assignment of responsibilities at all levels including governance, management, and executive levels, to promote the ESG work of the Company. The Board formulates the ESG strategy of the Group, guides the sustainable development of the Company and monitors the implementation of ESG measures by each subsidiary according to the strategic direction set by the Board. We gradually strengthen the management of objectives in terms of emissions and energy use, and summarize relevant progress every year to promote the sustainable development of the Company.

In addition, we are fully aware of the opportunities and challenges from the green, safe and sustainable development trend of the industry for the operations of the Company. In the future, we will continuously adjust our sustainable development management strategies and promotion methods based on the expectations of our stakeholders and the actual operation of the Group, so as to continuously improve our sustainable development.

About Us

Company Profile

The Company is the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China. According to the 2023 Global OEM Ranking List published by Global Trailer, the Company ranks first among semi-trailer manufacturers in the world, for eleven years in a row.

The Company's businesses or groups have been continuously upgraded and iterated. The Company has established the "Star-Chained Light Tower Vanguard Group", "North American Business", "European Business", "Champion Tanker Business Group", and "Dump Truck and Heavy-Duty Cargo Truck Business", and carried out the production and sales of semi-trailers and truck bodies for specialty vehicles in the world's four major markets, with business covering more than 40 countries and regions. The Company has 21 "Light Tower" plants at home and abroad.

Star-Chained Light Tower Vanguard Group focuses on the semi-trailer market, establishes "Star-Chained LTP Group" which specializes in production, builds "CIMC Light Tower Semi-Trailer Business Group" and "Tonghua Pioneer Semi-Trailer Business Group" which have been upgraded in terms of organization, brands, products and sales channels, and operates the well-known core brands such as "CIMC Light Tower" and "Tonghua Pioneer". As of 2023, Star-Chained Semi-Trailer Business Group ranked first in domestic semi-trailer market for the fifth year in a row. North American Business deeply engages in refrigerated trailer, van trailer and container chassis trailer products in the North American semi-trailer market, and operates well-known local brands including "Vanguard" and "CIE". North American Business develops steadily and has won long-term recognitions from major customers in North America. European Business focuses on the European semi-trailer market, and operates "SDC" and "LAG" brands. SDC ranks first among the market in the UK. LAG, an over-70-year-old company, ranks first in the European tank trailer market, with its high commercial value, low fuel consumption and low weight. Champion Tanker Business Group produces and sells tank trailers and concrete mixer trucks, and operates brands including "Ruijiang Tanker", "Tonghua Tanker", "Lingyu Vehicles" and "Wanshida Tanker". Champion Tanker Business Group ranked first in terms of sales volume of concrete mixer trucks in China for the seventh year in a row, and maintained a leading position in the global tanker market. Dump Truck and Heavy-Duty Cargo Truck Business produces and manufactures dump truck and heavy-duty cargo truck products and is a pioneer in the business of retrofitting of truck bodies for specialty vehicles in China, with an innovative spirit and leading technology research and development level, which provides customers with high-quality products and services.

In new energy specialty vehicles market, in line with the trend of electrification and intelligentization, the Company embarked on the path of exploration and innovation. The Company produced and sold innovative products including new energy lightweight urban dump trucks, pure electric heavy-duty cargo trucks, concrete mixer trucks with battery charging and swapping, and electric concrete mixer semi-trailers. The Company developed innovative business models under new energy and self-driving scenarios. As a result, the Company got ahead in development in the new energy specialty vehicle market.

The Company has deployed the "Star-Chained Manufacturing Network" to realize the transition from category-wide production to specialized "Light Tower" plant production (LTP), from passive inventory to active inventory management (LTL), from sales-based production to close to customers and modular product-driven sales (LoM), and from scattered sales to hierarchical management for precise sales (sales channel), by means of centralized purchase (LTS). At the same time, the Company has utilized high-end manufacturing production lines and capacity to achieve efficient synergy and comprehensive production automation, intelligentization, and digitalization of processes, to increase orders and deliveries, and to effectively combine various businesses or groups in the long run, so as to guarantee high-quality development.

The Company will accelerate the development of new productive forces, solidly promote high-quality development with through-the-cycle resilience, and take practical actions to transform thinking and explore a more refined, resilient and quality growth. On the premise of stabilizing the basic foundation of "Intercontinental Operation, Local Manufacturing", we will develop advanced productivity with high technology, high efficiency and high quality, deepen the supply-side structural reform, break through the supply constraints, and connect various links such as procurement, production, circulation, distribution and consumption, gradually build a stable and agile organization. The Company will create a new growth engine for the third venture under the new business model of internal and external circular economy.



Business coverage

Four major markets

More than **40** countries and regions



Deepening the development of the "Light Tower Manufacturing Network" by building "Light Tower" plants at home and abroad

21



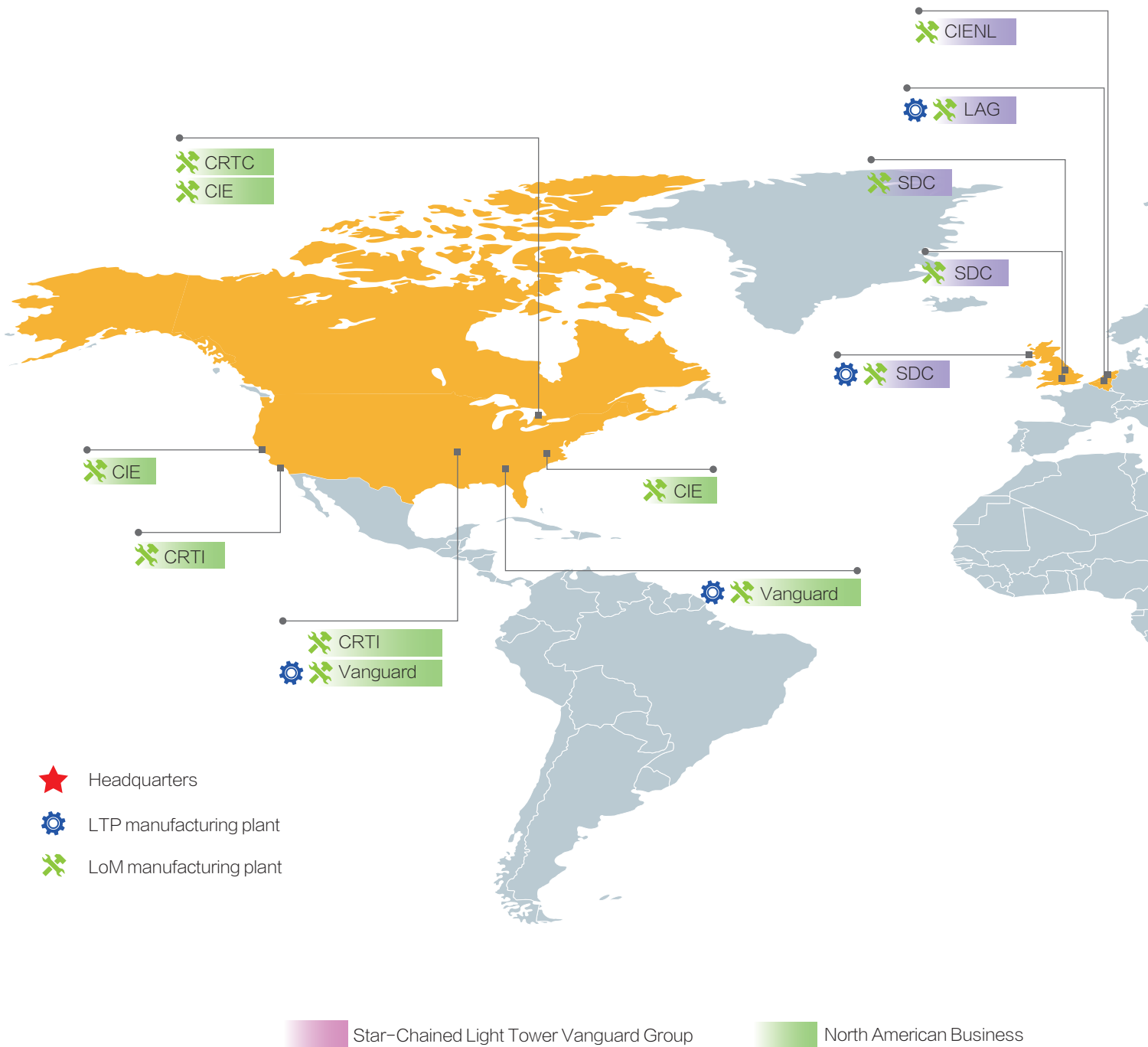
Intercontinental Operation, Local Manufacturing

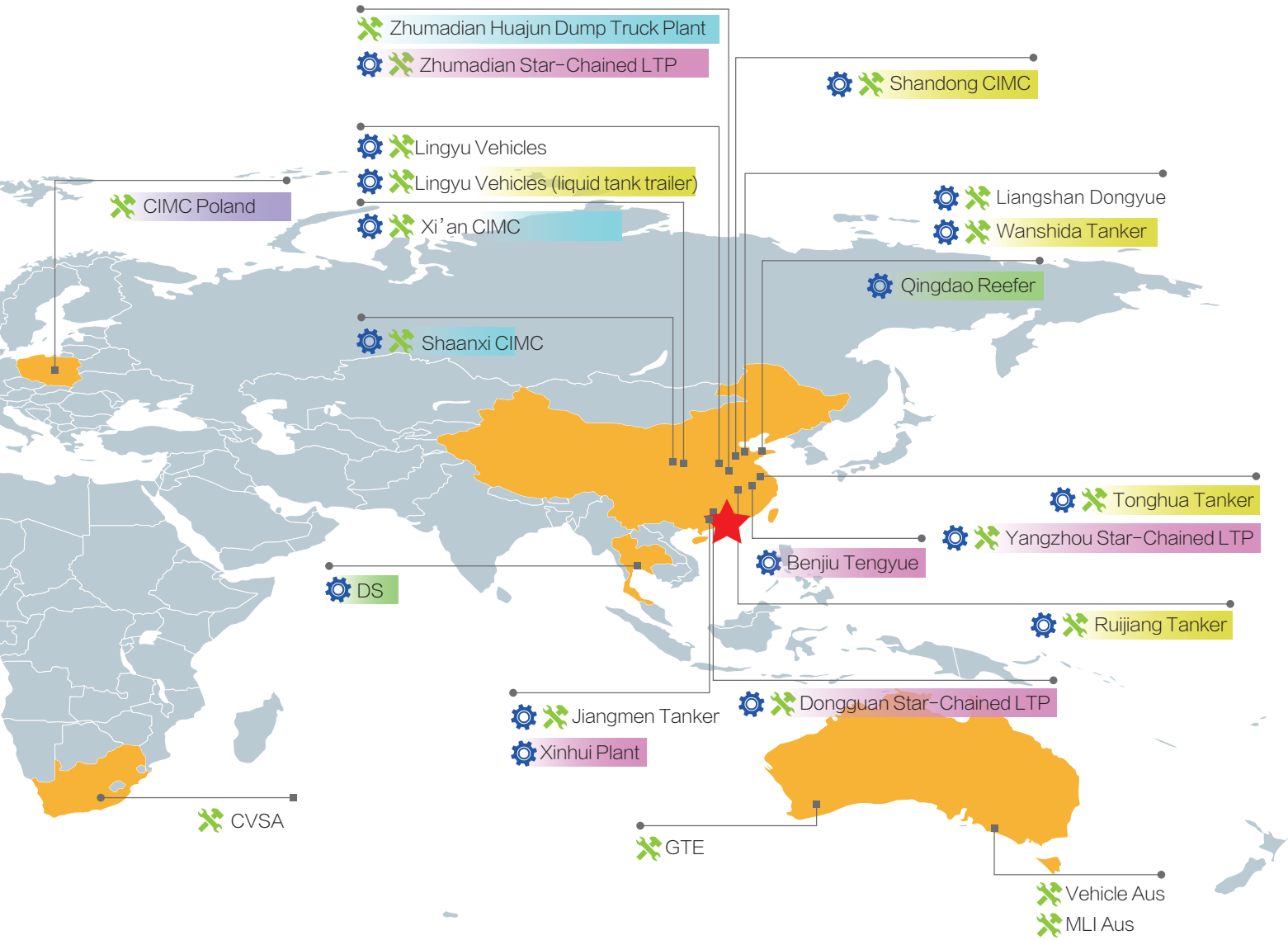
Results of Operations in 2023



In 2023, the Company adhered to the philosophy of "Intercontinental Operation, Local Manufacturing" and deepened the development of the "Light Tower Manufacturing Network" by building 21 "Light Tower" plants at home and abroad. The Company have applied automation, intelligence, and digitized environmental protection and emission reduction facilities to various production links, ushering in a new phase of high-quality development.

Layout of “Light Tower Manufacturing Network” by business or group





Introduction of products by business or group

Business or group		Star-Chained Light Tower Vanguard Group	North American Business	European Business	Champion Tanker Business Group	Dump Truck and Heavy- Duty Cargo Truck Business
Global semi-trailer market	① Container chassis trailer 	√	√	√		
	② Flatbed trailers and relevant derivative types 	√		√		
	③ Curtain side semi-trailer 	√		√		
	④ Van semi-trailer 	√	√	√		
	⑤ Refrigerated semi-trailer 		√			
	⑥ Tank semi-trailer 			√	√	
	⑦ Other special types of trailers 	√		√		
Truck bodies for specialty vehicles in China	Truck body for concrete mixer truck 				√	
	Truck body for urban dump truck 					√
	Truck body for heavy-duty cargo truck 					√

Awards and Honors

Winner	Honor	Awarding organization
CIMC Vehicles	Pioneer 50 of China ESG Listed Companies in Greater Bay Area	China Enterprise Reform and Development Society, www.bairenluntan.com, Central Enterprises ESG Alliance
CIMC Vehicles	“Xinhua Credit Jinlan Cup” ESG Practice Pioneer Case	The Xinhua News Agency
CIMC Vehicles	2022 Excellent Practice Case of Green and Low Carbon Development of Enterprises	China Enterprise Confederation, China Enterprise Directors Association and China Enterprise Management Science Foundation
CIMC Vehicles	Top 50 ChiNext Market Listed Companies by Value	Securities Times
CIMC Vehicles	The No. 1 Premium Specialty Vehicle Brand 2023	www.cvworl.com
CIMC Vehicles	Most Valuable Industrial Manufacturing Company	Zhitong Finance
CIMC Vehicles	Best Practice Case of Listed Company Board Office 2023	China Association for Public Companies
CIMC Vehicles	Investment Value of the Year Award	Gelonghui
CIMC Vehicles	Excellent Premium Manufacturing Company of the Year	Gelonghui
CIMC Vehicles	Best Investor Relations Company	hstong.com
Ruijiang Tanker	Quality Award of the People’s Government of Anhui Province	The People’s Government of Anhui Province
Ruijiang Tanker	Anhui Provincial Science and Technology Award	The People’s Government of Anhui Province
Ruijiang Tanker	Science and Technology Award of China Federation of Logistics & Purchasing	China Federation of Logistics & Purchasing
Yangzhou Tonghua	National Green Plant	The Ministry of Industry and Information Technology
Yangzhou Tonghua	National Intellectual Property Advantaged Enterprise	China National Intellectual Property Administration
Yangzhou Tonghua	Jiangsu Quality & Credit Enterprise with AA Grade 2023	Jiangsu Administration for Market Regulation
Yangzhou Tonghua	Jiangsu Industrial Internet Development Demonstration Enterprise	Department of Industry and Information Technology of Jiangsu Province
Yangzhou Tonghua	Industrial Design Center Demonstration Park in Jiangsu Province 2023	Department of Industry and Information Technology of Jiangsu Province
Yangzhou Tonghua	Jiangsu Engineering Research Center 2023	Jiangsu Development & Reform Commission
Yangzhou Tonghua	Provincial Engineering & Technology Research Center and Academician Workstation 2023	Jiangsu Provincial Department of Science and Technology
Zhumadian Huajun Vehicle	National Green Supply Chain Management Enterprise	The Ministry of Industry and Information Technology
Zhumadian Huajun Vehicle	Henan Provincial Quality and Integrity System Construction Enterprise with AAA Grade	Henan Association for Quality



Responsibility Management and Honest Business



The Group is committed to fulfilling its corporate social responsibility, sharing the development results with stakeholders and promoting the industrial economy, while sparing no effort to bring sound, sustainable and stable development to the environment and society.

Corporate Governance

The Board of the Group comprises 9 directors, including 1 executive director, 5 non-executive directors, and 3 independent non-executive directors. All directors offer their extensive business experience, deep knowledge and professional management for the efficient operation of the Board. Meanwhile, four special committees are established under the Board, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee, all of which actively perform their duties to safeguard the interests of the Group and medium and small shareholders. From January 1, 2023 to December 31, 2023, the Board held 10 meetings, the Audit Committee held 7 meetings, the Remuneration Committee held 6 meetings, the Nomination Committee held 2 meetings and the Strategy and Investment Committee held 5 meetings.

Information Disclosure



- **155** announcements on A Shares disclosed
- **202** announcements on H Shares disclosed
- A total of **357** announcements disclosed during the year

Rating of information disclosure of Shenzhen ChiNext Market listed companies for the year 2022–2023: A

Investor Relations

In 2023, CIMC Vehicles' investor relations team extensively exchanged and communicated with domestic and foreign institutional investors. In 2023, the Company completed nearly 250 performance roadshows covering nearly 1,000 audiences, to maintain frequent engagement with the capital markets by a combination of offline visits and online roadshows. In addition, we organized a number of shareholders' offline plant surveys and CIMC Vehicles' open days to show investors CIMC Vehicles' "Light Tower" plant and high-end manufacturing system.

Meanwhile, CIMC Vehicles actively maintained engagement with small and medium-sized investors, answered investors' telephone inquiries for more than 350 times, had an unblocked mail communication channel, and replied to a total of 37 questions in total from investors on Hudongyi (互动易), with a response rate of 100%, answering investors' inquiries in a timely and accurate manner.

CIMC Vehicles has established a good image in the capital market by strictly disciplining itself in safeguarding the interests of shareholders and standardizing corporate governance, and attaching great importance to communication with investors.

Participated in nearly **250** roadshows by the team

In December 2023, CIMC Vehicles was selected into Shenzhen Component Index as constituent stock.

In 2023, CIMC Vehicles received Board Secretaries 100 "Excellent A+H IR Team" Award by Barron's China



Honesty and Integrity in Operations

Internal Control

The Group has continuously regulated the corporate governance structure and the supervision of decision making and management in accordance with the Basic Standard for Internal Control of Enterprises and the supporting guidelines and other relevant provisions jointly issued by five authorities and commissions, including the Ministry of Finance of the People's Republic of China and China Securities Regulatory Commission. In addition, the Group enhanced its organizational structure, specified the responsibilities and authorities of the Board, the Supervisory Committee, and the management and improved the internal control and risk management system framework. The Group ensures legal compliance of our operations, and the realization of the strategic objectives and business goals by continuously improving and optimizing in five areas, namely internal environment, risk assessment, control activities, information and communication, and internal control and thereby adapting to the ever-changing external environment and internal management needs.

In 2023, the Audit Committee held a total of four working meetings on risk control and audit to review the Group's risk control and internal audit work.

In 2023, we organized the CIMC Vehicles integrity promotion course for directors and supervisors and senior management, attended by the Group's directors and supervisors and key business position holders of member companies, with a coverage rate of 100%.



Coverage rate of CIMC Vehicles integrity promotion course for directors and supervisors and senior management was

100%

Internal Audit

In 2023, we completed 13 audit projects, including:

- **nine** core cadre audits
- **two** special audits of engineering construction
- **two** other special audits
- A total of **14** enterprises and **17** core cadres were involved



Supervision

The Group has always adhered to the business philosophy of law-based governance & good faith. We strongly oppose commercial bribery and are committed to a level playing field. In 2023, we strictly complied with legal and regulatory requirements related to anti-bribery, extortion, fraud and money laundering and there were no significant legal cases of corruption. We will continue to carry out management and supervision work in order to fight commercial bribery through strengthening our corporate and bringing society together.

The Group strictly complies with the requirements in the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, the Anti-Money Laundering Law of the People's Republic of China, the Interim Provisions on Banning Commercial Bribery, other laws and regulations. We continuously enhance integrity in administration based on the publicly released regulations, including the Administrative Measures of Commission for Discipline Inspection on Acceptance of Gifts and Payments by Party Members and Cadres and Employees in Business (Official) Activities and the Regulations on Supervision Work - Management Standards for Supervision Matters Assigned by External Regulatory Authorities. Pursuant to the Whistleblowing Tip-off Handling Procedures formulated by the commission for discipline inspection of CIMC, the legal internal audit department of the Company accepts real name and anonymous reports through regular monitoring and reporting channels, including the WeChat official account, mailbox, telephone, letter and interview, etc. The Group carefully investigates complaints about violations received to determine the existence of the violations, holds delinquent employees liable, and maintains a "zero-tolerance" attitude towards fraud.

The Company classifies the reporting into material reporting and general reporting based on their nature and impact:

Material reporting

A reporting involving core cadres of CIMC Vehicles or involving other employees but resulting in material risks to and a material impact on CIMC Vehicles. Any material reporting should be submitted to the President of CIMC Vehicles for case approval. Any reporting involving employees other than core cadres in the headquarters of CIMC Vehicles should be subject to case approval by the head of the legal internal audit department. The legal internal audit department establishes a case investigation team to initiate the investigation procedure. If a major event is involved, it should be reported to the Board of Directors.

General reporting

A reporting other than a material reporting.

In treating a reporting, the legal internal audit department of the Group keeps confidential the name of whistleblower, the concerns and other matters required by the whistleblower. Relevant personnel with knowledge of the reporting shall assume management or legal liabilities for their violation of the provision, depending on the seriousness of the case. The letter of reporting, evidence, records of the report and other important documents should not be directly delivered to suspected departments or relevant persons, so as to prevent the leakage and retaliation against the whistleblower. Persons who retaliate against the whistleblower will be subject to disciplinary action, and be held administratively, economically and legally liable. CIMC Vehicles may give material and spiritual rewards appropriately to the whistleblower who plays an important role in the breakthrough of the investigation or saves significant economic losses for the company.

In 2023, **442** employees of the Group received anti-corruption trainings, and the anti-corruption coverage rate of the directors and supervisors achieved **100%**.

By practicing the concepts through the following measures, we continuously strengthen the integrity management of enterprises and jointly build a clean environment against corruption and bribery.

Internal Management

Employees in key positions at finance, audit, HR, sales and other departments are required to sign a Certificate of Integrity in Practice, which specifies the requirements of integrity and self-discipline. As of 2023, there was a total of 1,362 employees who have signed agreements that are in effect.

External Management

Vendors shortlisted for fair bidding are required to sign an Honest Agreement or Letter of Undertaking of Integrity. In 2023, 39 new vendors signed the agreement, and agreements for 838 vendors are currently in effect.

Cash Gift Management

Pursuant to the Administrative Measures of Commission for Discipline Inspection of CIMC Group on Acceptance of Gifts and Payments by Party Members and Cadres and Employees in Business (Official) Activities, the Group prohibits acceptance of any gifts and payment from entities and individuals by party members, cadres and employees in business (official) activities, which may affect the appropriate handling of business relations and fair execution of official duties.

Certain integrity supervision and reporting channels

WeChat official account

“CIMC Supervision”

E-mail

5198@cimc.com/
Audit_vehicle@cimc.com

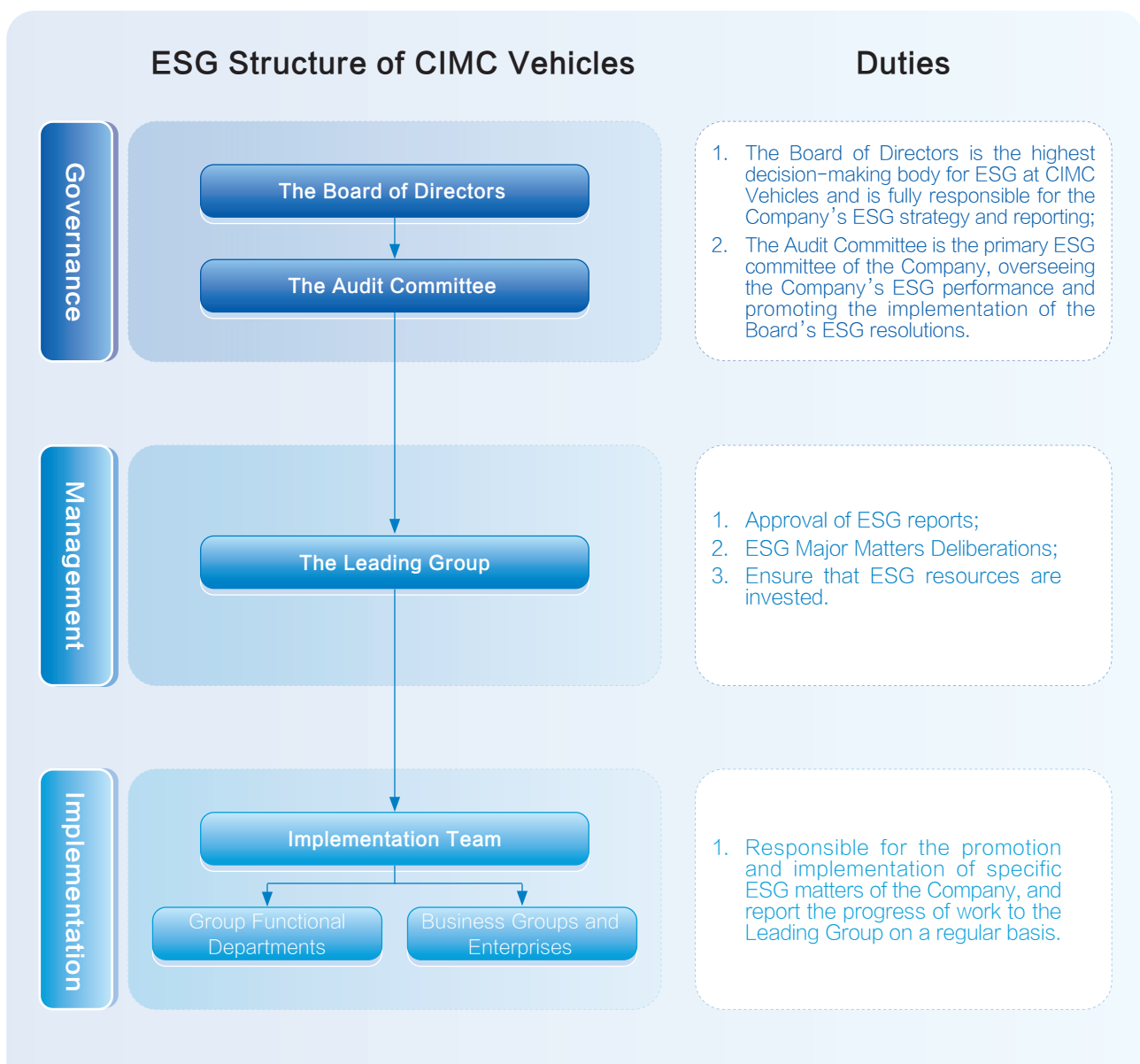
Landline/mobile tel

86-0755-26802869
86-13530941839

During the Reporting Period, the Group did not experience any litigation cases related to corruption brought against the Company or its employees.

Corporate Social Responsibility Management

The Group has been committed to continuously expanding its business in the global market under the business philosophy of “Intercontinental Operation, Local Manufacturing”, creating sustainable synergies in design, supply chain, manufacturing and sales among the global subsidiaries of CIMC Vehicles. In the course of our business development and operation, we are committed to putting sustainable development at the forefront and actively contributing to society and environmental protection. The Group has established an ESG Governance Structure in which the Board leads the Audit Committee, the ESG Leading Group and the Implementation Team to formulate the Group-wide ESG strategy and oversee the implementation of ESG initiatives by each subsidiary in accordance with the strategic direction set by the Board. Each group within the ESG Governance Structure meets regularly to report on the progress of ESG work and review the effectiveness of the said system. The ESG governance structure of the Group is set forth in the chart below.



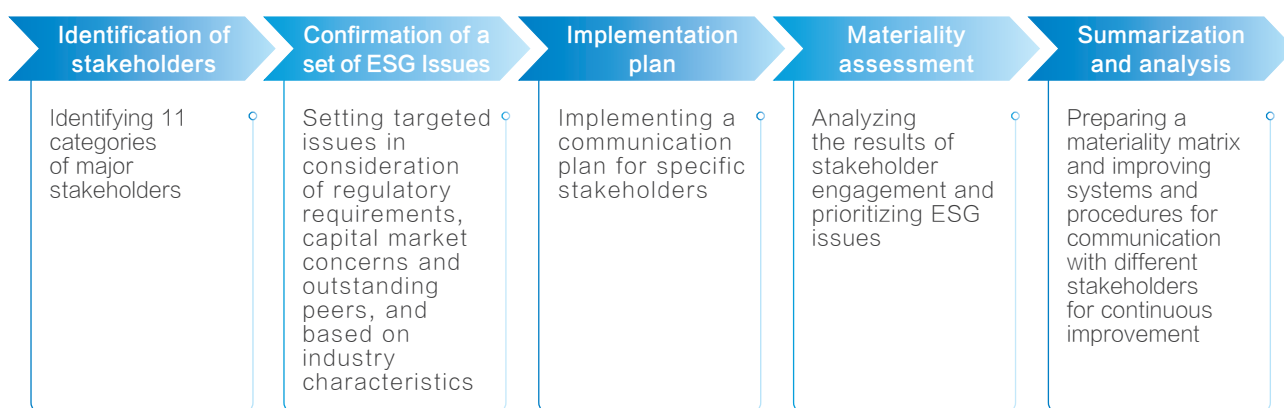
ESG Organizational Structure

Stakeholder Engagement

Stakeholder communication mechanism

The Group attaches great importance to the valuable opinions of its stakeholders, and actively engages in two-way interaction through various communication channels and platforms to understand their expectations of the Group, which provides a strong basis for formulating and adjusting our sustainable development strategies and objectives. In addition to regular communications, the Group also conducts stakeholder engagement research projects in the preparation of the Report. We engage third-party professional agencies to communicate with internal and external stakeholders to understand their assessments and opinions of the Group's sustainability performance and their expectations for the Group's future work. Their feedbacks help us to assess the importance of different sustainability issues to our stakeholders so that we can make more relevant disclosures in the Report.

Materiality Issues Assessment Process



Identification of Stakeholders

We have identified 11 categories of major stakeholders of the Group, namely senior management and employees of the Group, government and regulatory agencies, investment organizations/shareholders/analysts, suppliers/contractors/service contractors, customers, academic/research institutions, industry associations/professional organizations, media, local communities, public welfare organizations/non-governmental institutions. We set targeted ESG issues, based on the actual situation of the Group and the characteristics of the industry, in consideration of regulatory requirements, capital market concerns and outstanding peers.

Confirmation of a Set of ESG Issues

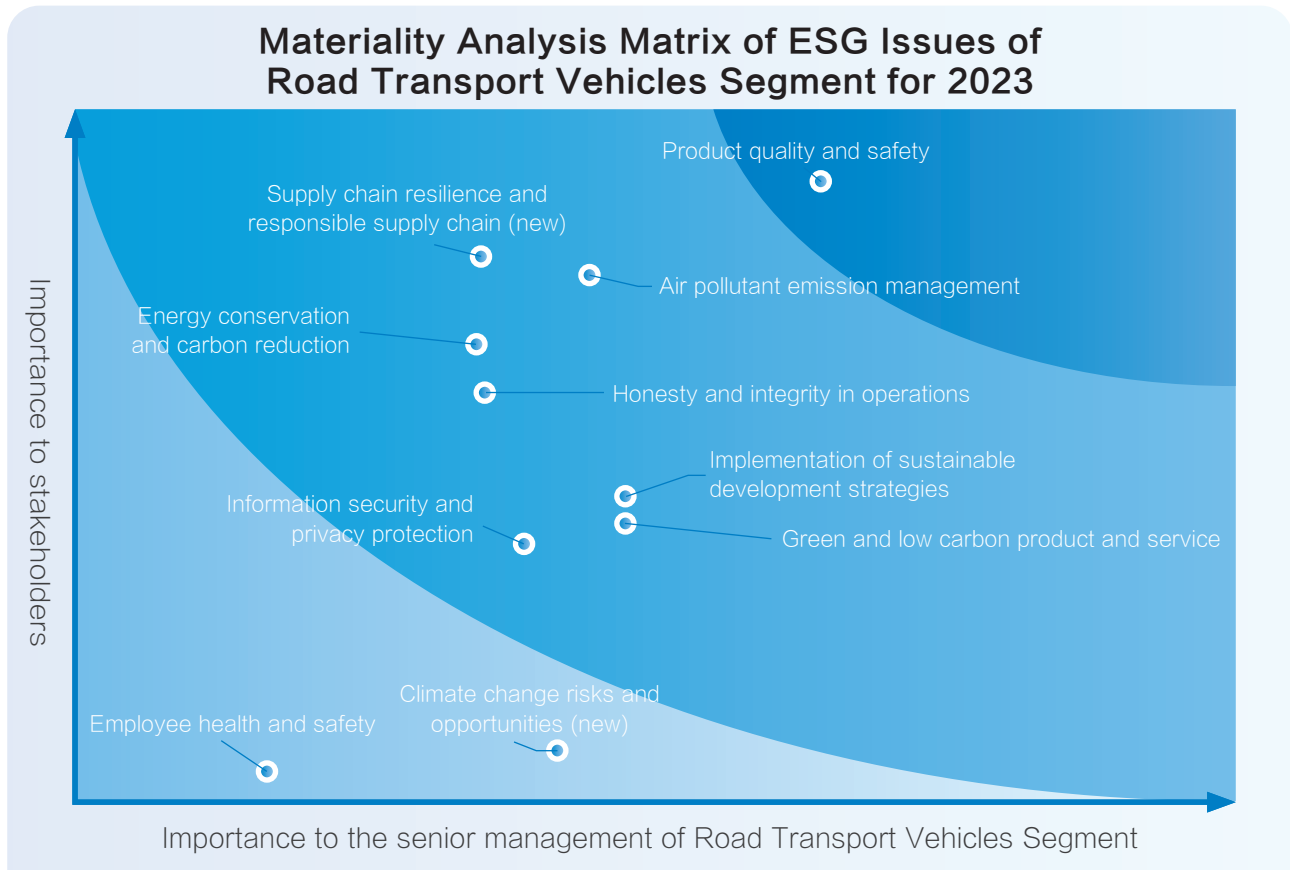
In 2022, the Group conducted a stakeholder survey and came up with eight key issues, namely employee safety and health, green and low-carbon product and service, energy conservation and consumption reduction, implementation of sustainable development strategies, product quality and safety, information security and privacy protection, air pollutant emission management, and honesty and integrity in operations. On the basis of the eight key issues in 2022, the project team, based on the ESG policy and background, market conditions and analysis of benchmarking results of peer issue performance, proposed to add two new key issues: supply chain resilience and responsible supply chain, and climate change risks and opportunities, to form the issue pool in this year.

In prioritizing topics, we invited internal stakeholders to consider the impact of topics on business success, and external stakeholders to consider the extent to which topics are important for sustainable development. We used a uniform questionnaire to ensure systematic and consistent assessment of key topics. In addition to this, we engaged third-party professional agencies to conduct one-on-one interviews and panel discussions with key stakeholders so that they can effectively voice their opinions in the process.

Materiality Assessment and Matrix

With reference to ISO26000 "Guidance on Social Responsibility", GRI Standards and ESG Guide, the Group conducted a comprehensive assessment of the importance of the identified ESG topics through stakeholder survey, analysis and prioritization of topics in two dimensions, namely "importance to CIMC Vehicles development" and "importance to stakeholders". In addition, we categorized the topics into two levels, namely higher importance and medium importance to identify the materiality of each ESG topics. During the Reporting Period, the Group received a total of 1,996 valid questionnaires, including a total of 11 categories of internal and external stakeholder groups and other related persons. Based on the findings of the survey and a comprehensive consideration of the situation of peer companies, this year's materiality matrix of ESG issues was formed, which serves as the basis for the disclosure of the contents of the Report and the guiding direction for the future development of sustainable development management.

Ranking and Analysis of ESG Materiality Issues



In light of the combined stakeholder ratings, the results of the 10 ESG materiality issues for 2023 are as follows in descending order of importance:

Degree of Materiality	Ranking	Issue
Higher Important	1	Product quality and safety
	2	Air pollutant emission management
	3	Supply chain resilience and responsible supply chains (new)
	4	Energy conservation and carbon reduction
	5	Honesty and integrity in operations
	6	Implementation of sustainable development strategies
	7	Green and low-carbon product and service
	8	Information security and privacy protection
Medium Important	9	Risks and opportunities of climate change (new)
	10	Employee safety and health

Legend:

Environmental issues

Social issues

Governance issues



Environmental Protection and Green Manufacturing

The Group continues to promote the philosophy of energy conservation, emission reduction, green development and environmental protection, and reduces the generation of pollutants at the source. We will always adhere to the long-term goal of promoting the reduction of waste gas emissions and the environmental protection process, so as to ultimately realize the circular economy philosophy and achieve sustainable development.



Performance Data

Number of national green plants

5

Number of provincial green plants

2

Number of municipal green plants

1

Number of national green supply chain management enterprises

2

Number of enterprises passing ISO14001 environmental management system certification **16**

Number of enterprises passing ISO50001 energy management system certification **5**

Number of enterprises passing clean production audit **6**

Investment in environmental protection in 2023 **29.0878** million

Responsible Manufacturing and Environment Protection First

Environmental Management

CIMC Vehicles always practices the green philosophy. In its operations, CIMC Vehicles strictly complies with laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, and the Water Pollution Prevention and Control Law of the People's Republic of China, as well as relevant industry environmental standards. It has gradually improved the framework of its environmental management system, continuously enhanced its environmental management capability, actively fulfilled its corporate social responsibilities, protected the environment and promoted sustainable development, so as to provide customers with more environmentally friendly products and services.

Following the "ISO14001: 2015 Environmental Management System Construction Guide", the Group has continuously pushed forward with the construction of ISO14001 environmental management systems among its subsidiaries, and has improved their environmental management capability and strengthened the environmental protection awareness among all employees through the construction of systems. As of the end of 2023, a total of 16 manufacturing enterprises under CIMC Vehicles had passed the ISO14001 environmental management system certification.

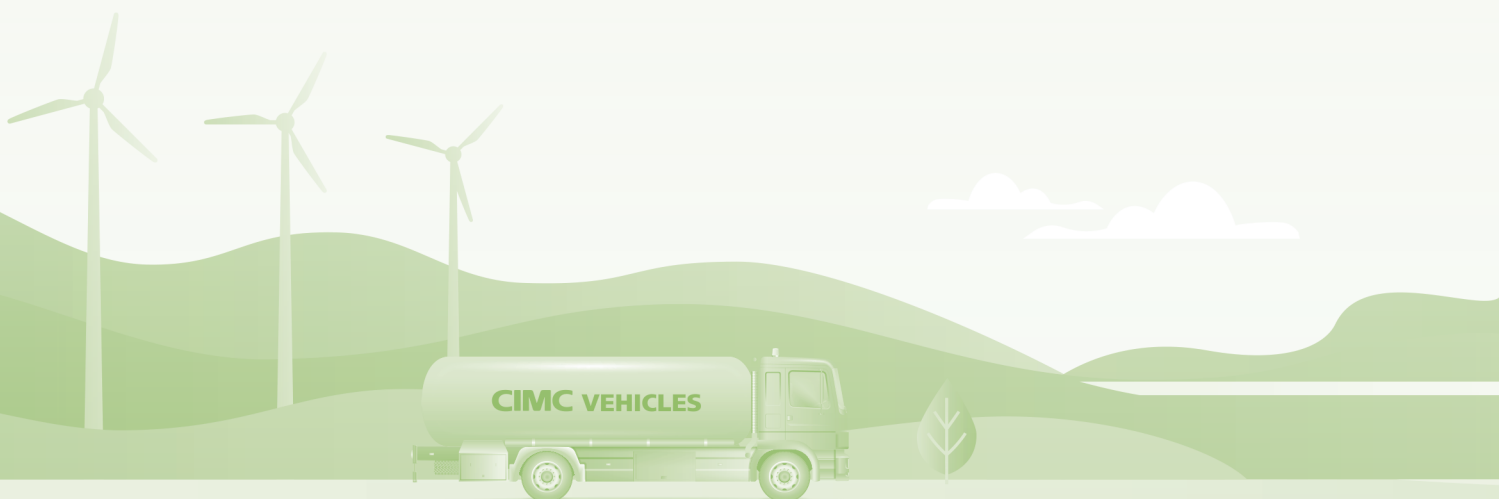
In implementing new, alteration and addition projects, the Group strictly follows the "three simultaneous" policies of environmental protection. Each enterprise has prepared emergency response plans for unexpected environmental incidents and filed them with the relevant authorities, developed relevant management methods and procedures for handling unexpected environmental incidents, allocated relevant emergency facilities, and organized emergency drills for such incidents during the year.

Green Manufacturing

As the world's leader in the sophisticated manufacturing of semi-trailers and specialty vehicles, CIMC Vehicles is committed to promoting green production. It incorporates green concepts at the design stage from the outset and fully considers environmental factors in the R&D stage. It adopts more energy-saving and low-emission technologies and materials to minimize the impact on the environment, and uses clean production technologies to reduce the generation of waste and pollutants.

The Group has continuously promoted the construction of green plants among its subsidiaries. By improving energy efficiency, reducing emissions, optimizing waste management, and promoting environmentally friendly construction, the Group advocates green supply chain and collaborates with partners to jointly promote green production and sustainable development. As of the end of 2023, the Group's subsidiaries have owned five national green plants, two provincial green plants, one municipal green plant, and two national green supply chain management enterprises.

In 2023, Yangzhou Tonghua upgraded from a provincial green plant to a national green plant, Shaanxi CIMC obtained the provincial green plant certification, and Liangshan Dongyue received the green plant certification of Jining City.



National green plant — Yangzhou Tonghua

Yangzhou Tonghua attaches great importance to the use of clean energy. In 2023, it built a 5.88 MWp photovoltaic (PV) power station, which can generate approximately 6 million kilowatt hours (kWh) of electricity a year. It also plans to build a new 4.2 MWp PV power station which, once completed, is expected to produce approximately 4 million kWh of electricity a year and help reduce GHG emission by around 7,035 tCO₂e annually. In the meantime, the Company has taken a number of water-saving measures, with an annual water-saving rate of 40%, and adopts LED lighting across the board, with energy-saving lighting accounting for 100% of the total. In addition, the company has actively introduced ecological design concepts, considers environmental factors in product design, and produces eco-friendly and high-performance products, achieving remarkable results in green development, energy conservation and emission reduction.

Green Office and Environmental Protection Publicity

CIMC Vehicles vigorously advocates the philosophy of “green office and low-carbon lifestyle”, encourages employees to practice the Eco-Environmental Code of Conduct for Citizens, promotes paperless office, reduces the use of paper and the generation of printed documents. It also advocates the green and environmentally friendly philosophy of remote officing, and uses Tencent video conferencing services to reduce travel and improve work efficiency.

The Group uses a variety of channels to communicate environmental protection awareness and knowledge to its employees, including carrying out the “5th June • Environment Day” themed activities, posting publicity posters, organizing training sessions and lectures, and sharing practical experience of green office, and encourages employees to actively participate in green office. In 2023, CIMC Vehicles’ subsidiaries organized a total of 56 environmental protection themed learning and education activities, with a total of 7,800 attendances.



Helping reduce

GHG emission by around

7,035 tCO₂e annually



In 2023, CIMC Vehicles’ subsidiaries organized environmental protection themed learning and education activities with a total of

7,800 attendances

Case

Xi’an CIMC Environment Day Activities

Implementing the “5th June • Environment Day” activity plan of CIMC Vehicles, Xi’an CIMC held a kick-off meeting for the Environment Day activities, publicized the philosophy of environmental protection and energy conservation by organizing environmental protection training sessions and posting activity posters, and encouraged employees to practice the Eco-Environmental Code of Conduct for Citizens.



Climate Mandate and Low-carbon Development

Climate change is one of the greatest challenges to human development and a crucial component of sustainable development. CIMC Vehicles closely monitors global climate change and its impact on business operations. To address the risks and challenges associated with climate change, with the goal of low-carbon development, CIMC Vehicles has worked hard to reduce carbon emissions and energy consumption by designing green products, vigorously developing new energy, adjusting energy structure, increasing the proportion of clean energy, and continuously promoting energy conservation, emissions reduction, and environmental protection. Additionally, the Group closely monitors climate risks through risk management, conducts risk assessments based on actual circumstances, and adjusts group strategies in a timely manner to enhance its ability to manage climate risks.

Management of Greenhouse Gas Emissions

Against the backdrop of the national “dual carbon” policy, low-carbon development has become increasingly important for manufacturing companies and is a cornerstone for their sustainable development. In 2023, CIMC Vehicles set targets to reduce energy intensity by 3% and carbon emission intensity by 4% per RMB100 million of revenue. To this end, the Group has remained committed to saving energy and cutting carbon emissions through various means such as promoting energy-saving projects, adjusting energy structures, improving energy utilization, and facilitating the construction of rooftop PV projects.

Greenhouse gases discharged in the production and operation activities of CIMC Vehicles are mainly derived from direct greenhouse gas (GHG) emissions caused by the combustion of natural gas, gasoline and diesel oil, and indirect GHG emissions arising out of purchased electricity. In 2023, the total direct GHG emission of the Group was 33,992.52 tCO₂e, with the emission intensity being 160.42 tCO₂e per RMB100 million of revenue; the total indirect GHG emission of the Group was 126,494.24 tCO₂e, with the emission intensity being 596.95 tCO₂e per RMB100 million of revenue.

As its GHG emissions mainly arise out of purchased electricity, the Group has continually promoted the construction of rooftop PV projects under the guidance of the relevant policies. As of the end of 2023, eight subsidiaries under CIMC Vehicles implemented rooftop PV projects, with a combined electricity generation of approximately 18.12 million kWh during the year and an absorption capacity of approximately 15.36 million kWh, reducing GHG emissions by approximately 10,000 tCO₂e.



Absorption capacity
of approximately

15.36 million kWh



Reducing GHG emissions by
approximately

10,000 tCO₂e



Subsidiary	Installed Capacity (MW)	Photovoltaic Power Generation ('0,000 kWh)	Carbon Emission Reduction (tons)
Ruijiang Tanker	3.60	293.88	1,621.00
Qingdao Reefer	1.66	148.30	1,161.53
Dongguan CIMC	2.99	265.70	1,263.79
Jiangmen Tanker	1.60	149.97	621.46
Jiangsu Baojing	0.90	81.66	350.20
Yangzhou Tonghua	5.89	602.91	3,915.72
Jiangsu Vanguard Trailer	4	107.21	474.89
Xinhui Plant	2.02	162.61	752.19

Going forward, following the principle of “install as much as possible, install earlier and use earlier”, the Group will step up efforts to promote, guide, supervise and encourage its subsidiaries to implement rooftop PV projects, so as to make its own contribution to the beauty of blue sky and white clouds.

Low-Carbon Products

The Company aggressively researches, develops and promotes innovative low-carbon products such as new energy and lightweight products, while innovating its business model to promote changes both in quality and efficiency, thus pursuing high-quality development.

In the new energy specialty vehicles market, in line with the trend of electrification and intelligentization, the Company embarks on the path of exploration and innovation. The Company produces and sells innovative products including new energy lightweight urban dump trucks, pure electric heavy-duty cargo trucks, concrete mixer trucks with battery charging and swapping, and electric concrete mixer semi-trailers. The Company develops innovative business models in new energy and self-driving scenarios. As a result, the Company gets ahead in the development of new energy specialty vehicles market.

According to the statistics of Hanyang Specialty Vehicle Institute, the market share of new energy concrete mixer trucks of the Company was 22.73%.

In 2023, the Champion Tanker Business Group under the Company initiated the integrated pre-research and product development for new energy tractors and trains, selected mixer semi-trailers as the first landing scenario, and collaborated in depth with tractor manufacturers for the development of integrated new energy tractors and trains. The project team established a preliminary structure of EV-RT platform, completed the design, trial production and test calibration of prototype vehicle, achieved the communication between tractor and trailer, auxiliary trailer drive and energy recovery, and made exploration and breakthroughs in the coordinated control over driving force and braking force of tractors and trailers.

Meanwhile, the dump truck and heavy-duty cargo truck businesses of the Company made an early deployment in new energy products by expanding new energy product cooperation channels, and successfully promoting a number of core products with bulk sales and application, including the bodies for electric dump trucks, electric wide-body mining trucks, electric ballast transport vehicles.

Innovative Low-carbon Product Cases in 2023

Innovative Low-carbon Product Cases



Electric Concrete Mixer Semi-Trailer

The truck body for semi-trailer is equipped with an independent electric power system to drive the rotation of the tank, thus saving energy and cutting overall fuel consumption by more than 30%; the semi-trailer performs drop and pull operations to meet the needs in a variety of application scenarios; has a lightweight design.



CIMC-SHAC's M3000E New Energy Driverless Mining Dump Truck

Adopting CIMC-SHAC's M3000E new energy dump truck chassis and mature and reliable battery, electric motor and electric control system technologies, the dump truck features low operating costs, strong loading capacity, high reliability, low electricity consumption and ultra-long battery range compared with comparable products.



CIMC • Farizon Xingzhi H8E New Energy Refrigerated Truck

Developed with integrated research and design, the refrigerated truck features an integrated electric drive system, leading K2 dual-mode open foaming technology, and the extensive application of new materials and processes, and enjoys a number of advantages such as long range, low energy consumption and excellent thermal insulation performance.

Production and Sales for New Energy Products in 2023

Unit: unit/set RMB0'000

Product category	Product capacity	Production	Sales	Revenue from sales
Truck bodies for concrete mixer trucks		1,254	1,210	19,313.02
Truck bodies for dump trucks		1,107	1,107	7,099.78
Truck bodies for heavy-duty cargo trucks	Adequate	339	350	3,491.13
Other vehicles		757	757	3,145.71
Total		3,457	3,424	33,049.63

Emissions and Pollution Reduction

Exhaust Emission and Management

CIMC Vehicles emphasizes the emission management of environmental pollutants, always takes the implementation of national laws and regulations as the basis and the fulfilment of the accountability system as the core, continuously explores innovative management approaches, and improves green manufacturing capacity to minimize the impact of production and operation on the environment. In 2023, CIMC Vehicles carried out the study on the guidelines for the compliant operation of three-waste treatment facilities, and issued the “Guidelines for the Compliant Operation of Three-Waste Treatment Facilities of CIMC Vehicles” to regulate the compliant operation of waste gas, waste water and solid waste of its enterprises and reduce their risks associated with environmental protection.

In terms of exhaust emission management, following the basic principle of compliance with emission standards, CIMC Vehicles strictly complies with the national laws and regulations and industry standards such as the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution, the Integrated Emission Standard of Air Pollutants, and the Standard for Fugitive Emission of Volatile Organic Compounds. While ensuring compliance with the prescribed requirements on exhaust emissions, CIMC Vehicles actively introduces efficient exhaust treatment technologies through a combination of source control and end treatment measures, aiming to achieve ultra-low emissions that are better than the emission standards to minimize environmental pollution. In addition, each of the enterprises under CIMC Vehicles regularly engages a third party to conduct exhaust emission tests in accordance with the requirements of their emission permits to ensure that exhaust gas emissions meet the relevant standards. Moreover, CIMC Vehicles strictly requires its enterprises to implement the measures during the local heavy pollution weather control period, formulated the “Implementation Plan for Emergency Response under Heavy Pollution Weather”, and established targeted response measures for different levels of warnings. During the year, enterprises under CIMC Vehicles had an exhaust emission compliance rate of 100%.

In 2023, CIMC Vehicles’ VOCs emissions were 35.36 tons with an emission intensity of 0.17 tons/RMB100 million of revenue. Going forward, we will increase our efforts in upgrading source control and end treatment measures, and promote production line upgrades to further reduce exhaust emissions.



Enterprises under CIMC Vehicles had an exhaust emission compliance rate of

100%

CIMC Vehicles’ VOCs emissions were

35.36 tons

Case

Upgrading of the Painting Line at Shaanxi CIMC

In 2023, Shaanxi CIMC upgraded the painting line into powder spraying operation instead of painting operation, thus reducing VOCs emissions at source.



Case

Paint Exhaust Treatment Facilities Upgrade Project at Champion Tanker Yangzhou's Production Center

In 2023, in order to meet the increasingly stringent exhaust emission standards, Champion Tanker Yangzhou's production center invested in and upgraded its existing exhaust treatment facilities (activated carbon adsorption + RCO) into ones adopting the advanced zeolite roller + RTO treatment process in the industry. Upon completion of the upgrade, the emissions concentration of VOCs fell within 20mg/m³, substantially lower than the emission concentration standard of 40mg/m³ in Jiangsu Province.



Waste Management

CIMC Vehicles strictly complies with the national and local laws and regulations and industry standards, including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Regulations of Guangdong Province on the Prevention and Control of Environmental Pollution by Solid Wastes, and the Standard for Pollution Control on Hazardous Waste Storage. It has developed strict waste management procedures and standardized management to ensure the compliant disposal of all types of waste.

In terms of hazardous wastes, the hazardous wastes generated from the Group's production and operating activities mainly include waste paint sludge, waste paint bucket, waste engine oil, waste activated carbon and filter cotton, sludge from sewage treatment stations, etc. Production enterprises under the Group have established a complete set of waste disposal procedures, with strict control from waste generation, transfer and storage to disposal. They have also set up dedicated hazardous waste storage warehouses in accordance with the national and local requirements to classify and store harmful wastes by nature and type, and then appoint qualified third-party companies to deal with such wastes in strict compliance with the procedures for disposal of hazardous wastes.

In 2023, CIMC Vehicles adhered to the principles of "reduction, recycling and harmlessness", implemented waste reduction and recycling in various aspects including waste generation, material use and material recycling, so as to improve resource utilization efficiency. At the same time, the Group continued to promote the upgrading and transformation of painting lines among its enterprises to reduce the generation of hazardous wastes such as paint sludge and paint bucket at source.

In terms of non-hazardous wastes, the non-hazardous wastes generated from the Group's production and operating activities mainly include scrap metal, waste wood and domestic waste, etc. Non-hazardous wastes such as scrap metal and waste wood are generally reused in the plants or delivered to the suppliers for disposal, while domestic waste is disposed of by local sanitation companies.

In 2023, the total amount of hazardous wastes treated by the Group was 1,556.28 tons, with an emission intensity of 7.34 tons/RMB100 million of revenue; and the total amount of non-hazardous wastes treated was 52,915.4 tons, with an emission intensity of 249.72 tons/RMB100 million of revenue.



Total amount of non-hazardous wastes treated was

52,915.4 tons

With an emission intensity of

249.72
tons/RMB100 million
of revenue

Case

Use of Leftovers at Liangshan Dongyue

Liangshan Dongyue has established a leftovers management system, reasonably defined leftovers and scraps, and implemented standardized management of leftovers. It reasonably utilizes the leftovers in the inventory by reviewing the design drawings, nesting pre-layout, adopting collinear cutting and encouraging the participation of all staff members. In 2023, the company consumed a total of 42.6 tons of leftovers in the inventory, effectively reducing the generation of scrap metal.



Wastewater Management

CIMC Vehicles strictly abides by the environmental laws, regulations, and industrial standards, such as the Law of the PRC on the Prevention and Control of Water Pollution and the Comprehensive Wastewater Discharge Standards. It has established a strict wastewater discharge management system, built compliant wastewater treatment facilities and adopted methods such as physical, chemical and biological treatment to reduce the discharge of pollutants in wastewater. The enterprises under the Group have all set up online wastewater monitoring systems in accordance with the requirements of their discharge permits or engage third parties to conduct wastewater testing on a regular basis, so as to ensure compliant wastewater discharge. With a view to reducing wastewater discharge, the Group encourages its enterprises to conduct wastewater recycling or use treated wastewater for plant area greening purpose, optimize wastewater treatment processes and introduce new-type wastewater treatment technologies. In 2023, the amount of wastewater discharged by the enterprises under the Group was 492,070 tons, with a discharge compliance rate of 100%.



Wastewater discharge compliance rate of the enterprises under the Group was

100%

Case

High Standards for Wastewater Discharge at Ruijiang Tanker

In 2023, Ruijiang Tanker Company improved the wastewater treatment facilities process with more streamlined operation and management, and reached above the national level discharge standards. Specifically, the monthly average maximum ammonia nitrogen discharge density was 7.27mg/L (lower than the national level-1 standard of 15mg/L), and the monthly average maximum chemical oxygen demand discharge density was 44.41mg/L (lower than the national level-1 standard of 60mg/L).

Noise Management

CIMC Vehicles strictly complies with the national laws and regulations and industrial standards, such as the Law of the PRC on the Prevention and Control of Ambient Noise Pollution and the Emission Standard for Industrial Enterprises Noise at Boundary, and proactively conducts prevention and control work for noise pollution. The enterprises under the Group conduct testing of occupational hazards every year, carry out noise testing on a regular basis, and publish the relevant results. In addition, the Group has enhanced publicity and education work for employees to increase noise protection awareness, and supervises and controls the employees' wearing of labor protection equipment to safeguard their physical and mental health.

The main noise pollution sources of the Group mainly stem from cutting, grinding and operation of air compressors during the production process. Regarding the generation of noise, the enterprises under the Group have actively engaged in noise management, identified and strictly controlled noise sources, and worked to reduce noise generation and its impact on the surrounding environment as well as the physical and mental health of the employees by optimizing the production processes, putting together high-noise equipment and installing noise-muffling materials, while ensuring production quality and efficiency.

Case

Greater Noise Reduction for Skeletal Trailer at Zhumadian Huajun Vehicle

In response to the problem of excessive noise when sanding the rear lifting eye of the skeletal trailer, Zhumadian Huajun Vehicle made its own hole-plugging tooling using old materials, and plugged the holes before sanding, thus effectively avoiding the entry of steel sand in sanding and reducing the noise generated by sand blowing.

Case

Large Electric Motor Soundproof Room at Ruijiang Tanker

After inspecting the large electric motor equipment in the factory, Ruijiang Tanker Company set up sound insulation rooms for noisy electric motor equipment to reduce noise, greatly reducing the impact of electric motor noise on the surrounding environment and employees.



Conserving Resources and Increasing Energy Efficiency

Water Resources Management

CIMC Vehicles strictly complies with the Water Law of the People's Republic of China and other relevant laws and regulations, and attaches great importance to the conservation and reuse of water resources. Water resources consumed in the production and operation of the Group mainly include water for production, domestic water for daily office, catering and bathing for employees, as well as water used for greening and fire-fighting purposes, among others. In respect of water resources management, the enterprises under the Group proactively implement water conservation processes, adopt water conservation measures, use water in a compliant manner, and encourage the reasonable utilization and recycling of water to protect water resources. In 2023, the total water consumption of the Group was 984,980 m³, and the consumption intensity was 4,650 m³/RMB100 million of revenue. The water resources used by the Group and its subsidiaries come from the municipal pipeline network, and no issues have occurred in obtaining suitable water sources.

Energy Conservation and Consumption Reduction

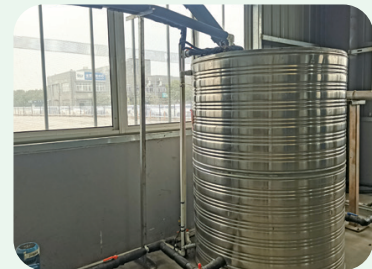
CIMC Vehicles strictly complies with the Energy Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China and other laws and regulations. Actively responding to the call for energy conservation and emission reduction, the Group has continuously improved the energy management system, consistently promoted the renovation of energy-saving equipment, and used information technology to strengthen the monitoring and management of energy usage. In addition, the Group encourages its enterprises to establish energy management system certification and improve their energy management capability by leveraging the energy system certification procedure with the aid of third parties, so as to identify more energy-saving areas and improve energy utilization. In 2023, another two enterprises under CIMC Vehicles received ISO50001 energy management system certification.

The energy required for the production and operation activities of the Group mainly includes electric power for daily operation, natural gas for heating the drying room, and diesel for forklift driving. In 2023, the Group's comprehensive energy consumption amounted to 382,194.76 MWh, with an intensity of 1,803.66 MWh/RMB100 million of revenue.

Case

Air Compressor Waste Heat Reuse at Ruijiang Tanker

Ruijiang Tanker Company modified the air compressor and made use of the exhaust waste heat of the air compressor to heat the boiler water for dormitory personnel bathing, thus effectively reducing the use of burners at the boiler room and cutting gas consumption by approximately 25,000 cubic meters a year.



Case

Cloud Smart Control System for Air Pressure Station at Yangzhou Tonghua

In response to the problems of frequent start-ups of the air compressors and high no-load rate, Yangzhou Tonghua Semi-trailers Plant rolled out the "Cloud Smart Control" system and adopted smart control and energy-saving measures for the whole station, thus increasing the equipment loading rate from 46.25% to 93.8%, reducing the average unit energy consumption of the equipment by 14.09%, and cutting electricity consumption by approximately 570,000 kWh per year.





Innovation Driving and Smart Products



As a leading high-end manufacturer of semi-trailers and specialty vehicles in the world, a pioneer in the high-quality development of road transport equipment in China, and an explorer and innovator in new energy specialty vehicles in China, the Group attaches great importance to product innovation and quality and safety. The Group has established a brand-new high-end manufacturing informationization system, driven by technology, supported by informationization platform and led with high-end manufacturing products, to create value for customers and provide new development momentum for the Company's business.

Quality Commitment and Comprehensive Assurance

Product Quality and Safety

As a leading high-end manufacturer of semi-trailers and specialty vehicles in the world, the Group recognizes the importance of product quality and safety to its customers and the regions in which it operates. Strictly adhering to the principle of product quality and safety, the Group fully builds up the quality management of the life cycle of products through the establishment of the “Control Procedures for Planning of New Products”, the “Control Procedures for Design and Development”, the “Control Procedures for the Manufacturing Process”, the “Control Procedures for the Delivery of Products” and other procedures in the phases of product development, design, manufacturing and delivery.

Each member of the Group has continued to improve its quality management level through the establishment of ISO 9001 and other management systems. In 2023, the coverage rate of ISO 9001 quality management system certification of vehicle manufacturing companies under the Group was 100%.

The Group has formulated the “Measures for the Management of Product Recall” to standardize the product recall workflow of its members, enabling them to carry out product recalls in an orderly manner and mitigate market risks. In 2023, the number of products recalled for safety and health reasons as a percentage of the total number of products sold or shipped by the Group and the product recall rate both were 0%.



Number of products recalled for safety and health reasons as a percentage of the total number of products sold or shipped by the Group was

0%

Product recall rate was

0%

Case

On December 1, 2023, the 2nd China CV Black Technology Competition Award Ceremony and China CV Technology Conference were held simultaneously at the Automechanika Shanghai. Champion Tanker Business Group under CIMC Vehicles, with the new generation of stainless-steel tank trailer — Tank of the Future, won the “Safety Technology Innovation Award”.



Case

Yangzhou Tonghua, a subsidiary of CIMC Vehicles, actively participated in “Jiangsu Premium Brand Certification” branding activities to build the brand of “Jiangsu Premium Brand Certification”. The company passed the on-site review conducted by Jiangsu Premium Brand Certification International Alliance in October 2023, and successfully obtained the certificate of “Jiangsu Premium Brand Certification” in November.



Dedicated Service and Customer Satisfaction

Customer Service and Satisfaction

The Group strictly complies with the relevant laws and regulations of the country and regions where it operates, and establishes relevant customer service and support processes. Following the working principle of “address first, investigate later and improve afterwards”, we provide users with high-quality services and create a service experience far exceeding industry expectation. Upon receiving the feedback on failures, we will communicate with them promptly, conduct on-site investigations, customize repair plan and rectification matters for users, and proactively inspect potential hazards.

In 2023, the number of customer complaints received by the Group in relation to its products and services was nil, with a customer satisfaction rate of 93.7%.



Number of customer complaints was

0

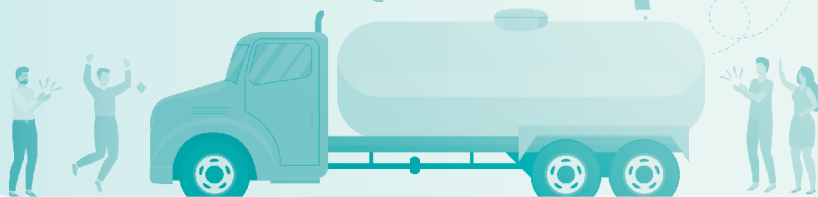
Customer satisfaction rate was

93.7%



Gratitude in Heart • Service in Action | CIMC Champion Tanker 2023 Summer Service Visit

In mid-August, the CIMC Champion Tanker 2023 Summer Service Visit with the theme of “Gratitude in Heart • Service in Action” proceeded grandly under the scorching sun. Led by executives of the business group, general managers of each business unit, and base presidents, along with personnel from technical, production, sales, and after-sales departments, multiple visiting teams were organized to visit the domestic and overseas user on-site.



Driving the Industrial Upgrading with Technological Innovation

“Unlimited Innovation” is one of the core values of the Group, and it is also the way for the Group to survive and develop. Since its founding, the Group has been continuously improving and optimizing the innovation mechanism and building an innovation culture. Upholding the “technology-driven” development idea, the Group has further promoted the research and development of new products, new technologies, new processes and new equipment, with a view to driving the technological progress and value enhancement of the entire industry, promoting the sustainable development of the Company. Especially in recent years, along with accelerated internationalization of the specialty vehicle industry, the Group has increased its R&D investment in advanced technologies globally, as well as the introduction and incubation of advanced R&D methods and manufacturing technologies to continuously improve the Company’s independent innovation capabilities and core competitiveness. Meanwhile, the Group is constantly improving the development, incentive and promotion mechanism for innovative achievements, and accelerating the transformation of scientific and technological achievements, building core competitiveness.

We have formulated the Measures for Management of Product Development and the Project Management Measures. Theoretical analysis, experimental verification and road testing of vehicles are carried out for the development of new products in strict accordance with the product development process, so as to ensure the integrity, preciseness and compliance of development processes of new products, and the reliability and safety of the products. Major product retrofitting also complies with the new product development process and qualification test procedures, and is subject to certification by relevant national testing institutes and announcements by the Ministry of Industry and Information Technology.

Category	2023	2022
The number of R&D personnel	654	620
The proportion of R&D personnel to the total headcount	6.38%	5.18%
R&D expenses (RMB)	396,517,482.31	305,577,661.69
Specialized, Refined, Featured and Novel “Small Giant” Enterprises at the national level	3	3
State-recognized high-tech enterprise	12	12

Product Innovation

Case

CIMC Champion Tanker’s new generation of food grade “omnipotent gyro tank trailer” powder tankers

Adhering to the innovative technology of “pioneering concept”, CIMC Champion Tanker launched a new generation of powder and particle material tank equipment to fully meet the transportation needs of various powder and particle materials in food, chemical and other industries. The “omnipotent gyro tank trailer” powder tankers have the following advantages:

- Higher loading and faster unloading - 50% faster with extremely low residuals
- New food grade ultra-high strength stainless steel that fully meets hygiene and safety requirements
- Shorter body length, lighter weight, longer service life of tank trailers, all of which help maximize customers’ benefits



Collaborative Innovation

Case

Integrated liquid tank trailers of CIMC • Shaanxi Automobile

CIMC Champion Tanker and Shaanxi Automobile jointly launched an integrated solution of tank trailers to lead the industry to the fast lane of high-quality development. It not only optimizes the appearance and design of the product, but also fully upgrades the safety performance of the trailer, with addition of richer safety features, effectively reducing the probability of accidents. The integrated liquid tank trailers of CIMC • Shaanxi Automobile have the following advantages:



Full-load structure without auxiliary beams

In terms of structure of tank trailer, the new product adopts a full-load structure without auxiliary beams, which can effectively avoid the risk of cracking and leakage of the tank body caused by local stress concentration compared to semi-load beam structure. Moreover, by optimizing the height of the saddle, designing the variable cross-section of the tank trailer, and applying tank body sinking technology, the trailer's center of gravity is reduced, with enhanced anti-roll limit and reduced occurrence of rollover accidents.

Upgrade of security configuration

In terms of security configuration, advanced intelligent systems such as lane departure warning, tire pressure monitoring, fatigue monitoring and electronic stability control have been installed, making driving more convenient, fast and comfortable for drivers, further improving vehicle performance and user experience.

Integrated design of tank trailer

The integrated design of tank trailer integrates multiple functions into a set of vehicle systems. Compared to previous tractors and trailers that need to be equipped with independent display screens for safety monitoring, the new trailer's functions are simpler and clearer, truly serving people and greatly improving safety driving.

Products are more economical and environmentally friendly

In terms of economic efficiency, with the adoption of efficient powertrain, as well as lightweight and low wind resistance design, the integrated tank trailer has advantages in fuel consumption compared to competitors, saving users more costs in daily operations.

Talent training for technological innovation

Case

The 2025 Training Program

In line with our 2025 Training Program, the Group conducts basic technical training, internship programs and rotation training for the new recruits of the 2025 trainees. Experienced technical managers and lead engineers are assigned to guide the trainees' internship work, facilitating the accumulation of skills and experience in practical works. Additionally, training is conducted in product design, production processes, and knowledge of components.



Intellectual Property Rights and Patent Maintenance

The Group upholds the philosophy of “building a high-quality patent portfolio and giving full play to the value of intellectual property rights”, and safeguards trade secrets, patents and other intellectual property rights arising from the entire product life cycle. We have formulated Patent Management Measures of the CIMC Vehicles Group in strict compliance with relevant laws, rules and regulations, such as the Patent Law of the People’s Republic of China, the Rules for Implementation of the Patent Law of the People’s Republic of China. From the development of new products to the research and development of technologies and the introduction of foreign technologies, we protect our own interests according to law and respect the legitimate rights and interests of others and organizations.

The Group attaches great importance to the management and protection of intellectual property rights and has established a set of management systems. For example, before the development of new products, global patent searches and novelty searches are required to prevent infringements; all new products and technologies developed independently will be protected in time by filing domestic and foreign patent applications. Meanwhile, when introducing and adopting foreign patented technology, the Group will respect the legitimate rights and interests of the intellectual property rights of other individuals and organizations, and will not participate in infringement activities.

The acquisition of patents and trademarks in 2023 is as follows:



Number of authorized patents during
the year: **131**

Total number of authorized patents:
1,468



Total number of trademark
applications: **420**

Total number of trademark
registrations: **285**



The Truck Body Assembly Line

The truck body assembly line is a production line designed for the assembly of truck bodies. Currently, it is primarily utilized for the assembly of refrigerated truck bodies within the Group. This production line employs automated and positionally adjustable sliding blocks and retaining elements for positioning the floor and side panels, overcoming the traditional limitation of a single production line being restricted to the assembly of only one type of truck body. This accommodates the rapid assembly and production of various truck body sizes, thereby enhancing production efficiency.



Supporting industry Development

The Group is committed to maintaining the sound development of the industry. In recent years, the Group has actively participated in the formulation and revision of national standards and industry standards in the vehicle industry, invested manpower and material resources in the technical verification and product verification of the standards, to promote the healthy development of the vehicle industry. The formulation and amendment of relevant industry standards in which the Group participated are listed below:

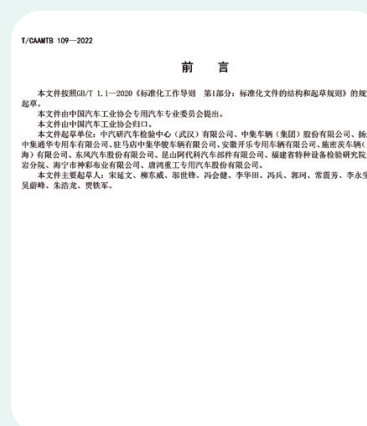
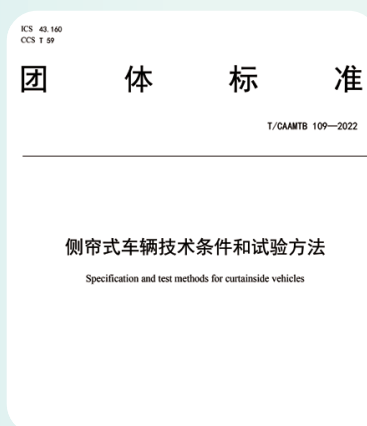
In 2023, the Group had participated in the formulation and amendment of 7 national standards and 2 industry standards;

The Group had participated in the formulation and amendment of 35 national and industrial standards for semi-trailers and truck bodies for specialty vehicles.



Specification and Test Methods for Curtainside Vehicles T/CAAMTB 109-2022

The Group chaired the compilation of this standard, which is the first domestic standard on the design and testing of curtainside vehicle products. It establishes a foundational standard for the widespread adoption of curtainside vehicles across China. This standard embodies the technical achievements and market application experience that the Group has amassed over more than a decade of researching European curtainside trailers, developed in conjunction with national standards like GB 1589. The standard was published on December 15, 2022, and went into effect on January 1, 2023.



“Terms and definitions of motor vehicles, trailers and combination vehicle - Part 1: Types” GB/T 3730.1-2022

This standard serves as a fundamental benchmark for motor vehicles, trailers and combination vehicle, based on which other national and industry standards are formulated. In this framework, the curtainside trailers are classified under the category of van trailers, requiring a closed structure as opposed to an open-top design. The Group has introduced European curtainside trailer technology to the domestic market and verified its sealing performance and safety through practical application. In the revision of this standard, we proposed that curtainside trailers are categorized alongside van trailers, which received acknowledgment from industry experts and regulatory bodies. This revision was incorporated into the “Terms and definitions of motor vehicles, trailers and combination vehicle - Part 1: Types” GB/T 3730.1-2022, which will facilitate the formulation and promotion of standards for curtainside trailers, contributing to the industry development.

The standard was published on December 30, 2022, and went into effect on July 1, 2023.



Information Security and Privacy Protection

Customer information security and privacy protection under the “Star Paradigm, Star-Chained Manufacturing Network”

Customer information is closely related to the vital interests of customers. Protecting customer information and privacy is the foundation for maintaining long-term sustainable cooperation. CIMC Vehicles attaches great importance to the protection of customer privacy and strictly abides by the laws and regulations on privacy protection in countries and regions where it operates, such as the Administrative Measures for Protection of the Security of International Internetworking of Computer Information Networks, and ensures that customer information is protected through the establishment of rules and regulations, equipment and file encryption management, and the enhancement of employees’ awareness of confidentiality and other measures.

In 2023, CIMC Vehicles embarked on its third venture journey by building the “Star Paradigm”, carrying out the “Star-Chained Manufacturing Network”, creating an innovation • venture platform for new energy, and stimulating the pulse for innovative development.

Under the Star Paradigm, the main measures to protect customer information include:

Cloud reinforcing security upgrade

The Group upgraded products such as host security, data security audit, bastion machine, data security governance center, cloud firewall, vulnerability scanning and intrusion detection products to ensure network access security. A cloud log auditing is supplemented, corresponding to customer-related systems, adding SSL encryption certificate. For the publicly released internet application system, the Group successively carried out security certification to ensure information and data security.

Continuous reinforcement of network layer

The Group actively participated in the web protection campaign, conducted the security policy configuration of the web firewall at the network layer, and increased the frequency of audit inspections for security monitoring and Ddos high-level defense. Through the above measures, the security guarantee network with close impermeability was formed, and the network security of customer information was guaranteed at all times.

Stick to signature of agreements on confidentiality of key information

The Group insists that, subject to laws and regulations, the agreements on confidentiality of key information involved in the cooperation must be signed to ensure the security of customer information;

Access to information

The inquiry and use of customer information are operated through the customer management system. We set role-based access control for employees of different levels and business scopes, and remove the back-office access immediately after resignation;

Special person responsibility and audit system

The business manager is responsible for customer privacy protection, and information is limited to flows between superiors and subordinates, to effectively avoid circulation between business units (mutual transmission requires the approval of the superiors of both units). Meanwhile, special business personnel are subject to confidentiality requirements, and special personnel will be audited during the year to ensure that the data is under control.

In 2023, the Group did not experience information security or privacy leakage incidents.

Global Supply Chain Management

The Group firmly believes that the success of global operations is attributable to the cross-border design, cross-border manufacturing, and global supply chain capabilities. With the rapid expansion of business of the Group worldwide, component suppliers from the United States, China and other countries keep up with the development of the Group and gradually improve their international supply capacity, thus forming a mature global supply chain system for semi-trailer components.

In accordance with the Bidding and Tendering Law of the People's Republic of China and the Regulations on Implementation of the Bidding and Tendering Law of the People's Republic of China, the Group has formulated the Rules of the CIMC Vehicles Group on Management of Suppliers for Centralized Purchase of Materials, the Supplier Questionnaire and the Quarterly Supplier Evaluation Form, to ensure the level of suppliers. Our suppliers mainly include steel, aluminum companies, manufacturers of automobile and trailer parts (such as paint, main engine, wheel system, running gear, hydraulic system, electrical system, brake system and reflective products) and logistics transporters. We have established long-term cooperative relations with many well-known automobile and trailer parts manufacturers and steel suppliers around the world to ensure that our products are of high quality. In order to ensure the safety of the supply chain system and standardize fair cooperation with suppliers, we formulated the Regulations of CIMC Vehicles Group for the Management of Suppliers for the Centralized Procurement Materials. Starting with the daily benchmarking management of suppliers' qualifications, capabilities, equipment, operations, quality systems, personnel structure, etc., we advocate the survival of the fittest, fair competition, and strengthens management of centralized procurement supplier access, thus promoting and ensuring the sustainable and healthy development of the supply chain.

Sophisticated manufacturing system of the Group is requiring digital transformation and upgrading of the supply chain. To this end, the Group is launching EPS platform, a digital procurement platform developed by the Group for CIMC Vehicles, in its headquarters and member enterprises, in order to build a transparent and efficient omni-channel procurement supply chain between the headquarters and member enterprises, and from member enterprises to member enterprises, and bring the headquarters and member enterprises under the same supply chain platform to convey the headquarters' value proposition for compliance, efficiency and standard processes. EPS enables the headquarters to digitally manage all of suppliers under its management based on the platform, including basic supplier information management, supply qualification management, bidding/tendering management and contract management. As of the end of 2023, 1,354 domestic and overseas suppliers registered on the EPS platform, allowing headquarters and enterprises of the Group to share the supplier information with each other.

In order to promote legal and honest operation and create a fair, impartial, standardized and transparent business environment with suppliers, the Group has entered into the Integrity Agreement with all suppliers. According to the relevant regulations governing business bribery, the agreement sets out clear binding terms on the business conduct of the Company, suppliers and relevant practitioners, so as to prevent operational risks and protect the interests of both the Company and suppliers, thus establishing a safe, sound and long-term stable partnership.

By relying on the opportunity of the third venture of the Company and taking creating sustainable competitive advantages as the strategic goal of procurement value, the Group has upgraded the procurement system and management model from multiple dimensions such as business, organization and digitalization, to achieve management at the group level, management methods at the business level and management procedures at the practical level. The Group identifies key cross-region synergies and creates value through business, demand or specifications, cooperation with suppliers and innovation; consolidates value through the implementation of purchasing channels, the consistency of management execution, and the removal of leakage from the execution process as well as active supplier management; achieves value empowerment by leveraging the six modules of procurement management, process management, digital path, data governance, organizational system, management and control system and organizational capabilities and culture.



Admission of Suppliers

In the supplier admission process, we adopted relevant inspection measures and requirements for environmental and social risk management of our suppliers during the year.

Supplier Review

CIMC Vehicles organizes companies to conduct performance reviews on the four aspects of quality, cost, delivery, and service for the centralized procurement material suppliers. The companies provide a quarterly list of performance issues, and CIMC Vehicles scores the suppliers based on the list. According to the results of supplier performance evaluation, for suppliers scored below 70, or lower-ranking suppliers, relevant improvement reports are required to be submitted on a semiannual basis, and when necessary, the global supply chain management department will organize a counselling team to conduct counselling in forms of meetings, on-site audits, etc., and track the supplier's implementation performance. CIMC Vehicle Headquarters conducted quarterly performance review on 68 suppliers in the list of qualified suppliers for centralized purchasing materials, and the average score of the review was 92.2.

Supplier review includes qualification review and on-site review. Qualification review mainly refers to review of the supplier's qualifications and basic conditions. On-site review includes review of the company's organizational structure, personnel training, design and development and document management, procurement and control of incoming materials, and process implementation and monitoring, nonconforming product control and continuous improvement, inspection tool verification and equipment maintenance, final inspection and packaging and delivery.

In supply chain management, we continuously enhance our focus on suppliers in terms of HSE.



CIMC Vehicle Headquarters conducted quarterly performance on qualified suppliers for centralized purchasing materials, and the average score of the review was

92.2



Case

In tendering for purchase of annual bulk materials, Shandong CIMC added the scoring item of whether the product packaging materials are environment-friendly and recyclable, and the scoring item of whether oddments are recycled.

Suppliers with excellent ratings for the above two categories are prioritized as the main suppliers or receive increased procurement ratio from the company. At present, the IBC packaging materials of composite polyester resin, gel coat and double-component adhesive are all recycled by the suppliers; the small packaging bucket of double-component adhesive are all equipped with environmentally friendly inner bags to reduce the generation of hazardous waste packaging; the oddments of polyurethane boards, the oddments of extruded plastic boards, and PET film of FRP skins are all recycled by the suppliers for compliant processing.

Case

Promoting the switchover of the pre-treatment process for painting at Zhumadian Star-Chained LTP production center

In light of environment protection, energy conservation and costs reduction, we propose to switch the pre-treatment process at the painting workshop from zinc phosphating to silane process to achieve energy saving, reduce wastewater discharge and lower costs, and promote the cooperation of paint suppliers for implementation.

Improvements Achieved: By using the Silane Process, a single plant can reduce wastewater generation by 1,320 tons per year and solid waste generation by 5 tons per year.



During the year, CIMC Vehicles had a total of 1,850 suppliers, including 1,722 domestic suppliers, accounting for 93%, and 128 foreign suppliers, accounting for 7%. The distribution of suppliers by region is as follows:

Region	Number (Supplier)	Percentage (%)
Northeast China	54	2.9%
North China	111	6.0%
East China	1,031	55.7%
South China	268	14.5%
Central China	189	10.2%
Northwest China	48	2.6%
Southwest China	16	0.9%
Hong Kong, Macau and Taiwan	5	0.3%
Foreign countries	128	6.9%
Total	1,850	100.0%

Explanation: The Group's supplier data cover the suppliers of productive and non-productive materials of the Group's manufacturing enterprises in China and Thailand.

Number and Proportion of Suppliers Passing Relevant System Certification or Evaluation

	Passing Quality Management System Certification	Passing Occupational Health and Safety Management System Certification	Passing Environmental Management System Certification	Signing Honest Agreement (or Letter of Undertaking)	Signing HSE Undertaking	Number of Suppliers Terminated for Environmental and Social Issues	Training on Environmental and Social Issues
Number of suppliers	734	342	394	838	294	0	393
As a percentage of the total number of suppliers	39.68%	18.49%	21.30%	45.30%	15.89%	0.00%	21.24%

Looking forward, the Group will continuously strengthen the prevention and management of environmental and social risks of suppliers.



04

**Agglomerating
Efforts and
People First**



The Group has always upheld the core human resource philosophy of “Putting People First, Common Cause”, and is committed to providing employees with a global career platform, so that all employees have the opportunity to promote, develop and achieve their careers. While providing the career platform and career development opportunities, the Group also hopes that all employees, like the Group, will be committed to contributing to the world, the country, and the communities in which they live, and pay back to the society.

Equal Employment and Rights Guarantee

The Group also strictly complies with the relevant domestic and foreign laws and regulations, such as the Labor Law of the PRC, the Labor Contract Law of the PRC, the Law on the Protection of Minors of the PRC, the Provisions on the Prohibition of Using of Child Labor, the U.S. Labor Law and the UK Labor Law. During the year, the Group did not commit any major violations related to employee employment, remuneration package, working hours, equal opportunities, anti-discrimination and employment of any child labor and forced labor.

Equal Employment and Diversity Policy

The Group believes that employees are a key factor for business success. Therefore, we are committed to providing a harmonious, inclusive, equal employment opportunity and non-discriminatory working environment for all employees to unleash their maximum potential. The Group strictly complies with the Recruitment Management Regulations of CIMC Vehicles to carry out recruitment work, and timely recruits outstanding talents through internal and external selections based on the needs of the Group’s business development and under the principle of “open recruitment, comprehensive investigation, and merit-based employment”.

During the recruitment screening process, the Human Resources Department strictly reviews the qualifications and actual ages of candidates to prevent the employment of child labor. During the selection and appraisal process, the Group adheres to the principles of “open recruitment, comprehensive investigation, and merit-based employment”, considers the applicants’ educational background, work experience, training experience, and skills, etc., and undertakes that all enjoy equal job opportunities irrespective of their gender, age, nationality and race.

While continuously deepening the business philosophy of “Intercontinental Operation, Local Manufacturing”, we take “local wisdom” as a key management tool to promote the long-term development of local organizations and businesses, and effectively grasp local market opportunities. We make full use of the knowledge and experience of localized management teams to gain a deeper understanding of local regulatory requirements and market demands, which in turn helps us effectively overcome the challenges brought by cultural and geographic differences.

The Group is committed to promoting gender diversity in its workforce (including senior management). As of December 31, 2023, the total number of employees of the Group around the world was 10,543, including 10,245 contract employees, 11 retired and rehired employees and 287 other employees by type of employment, with the breakdown of contract employees by gender, age group and region shown in the charts below.



Total number of employees of the Group around the world:

10,543 persons

Contract employees:

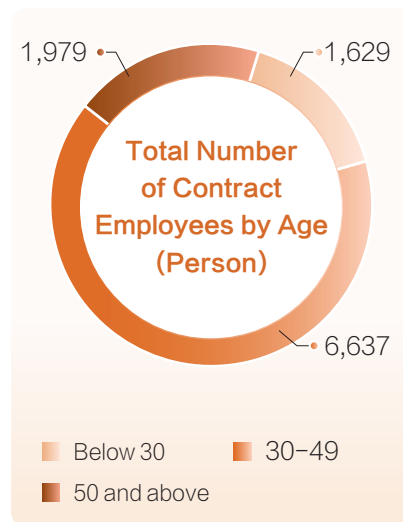
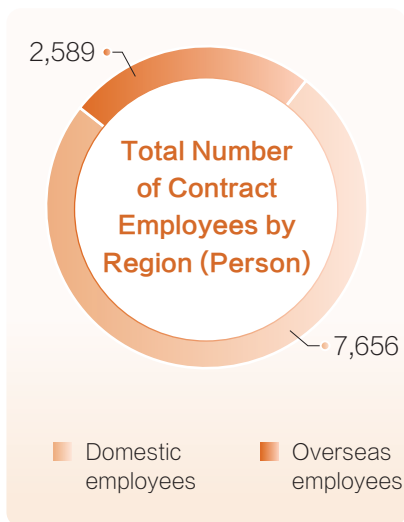
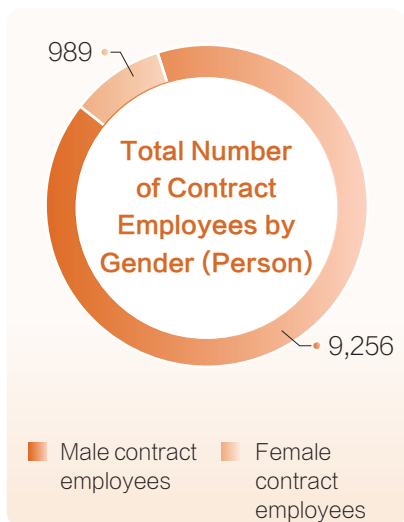
10,245 persons

Retired and rehired employees:

11 persons

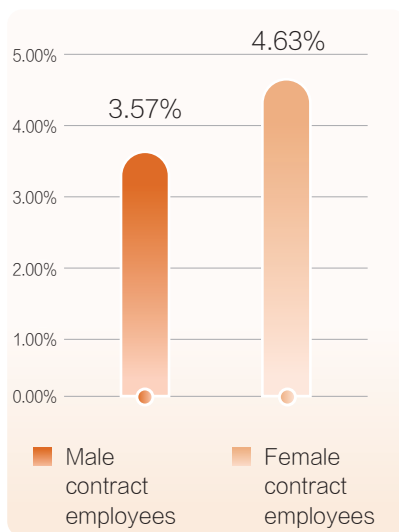
Other employees:

287 persons

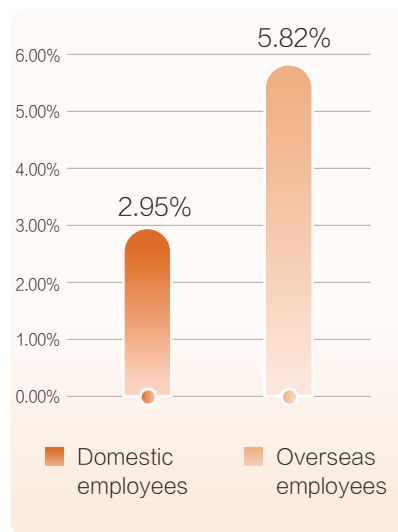


In terms of employee resignation, the Group has established a strict management process. After the employee submits a resignation application, we will first initiate the internal communication process and communicate with the employee who intends to resign through his/her direct superior and Human Resource Department to understand the reason for leaving office. If the employee wishes to resign due to company reasons, we will optimize and adjust the influencing factors so far as possible to retain the talents for the Company. In 2023, the turnover rates of contract employees of the Group by gender, age group and region are shown in the following charts.

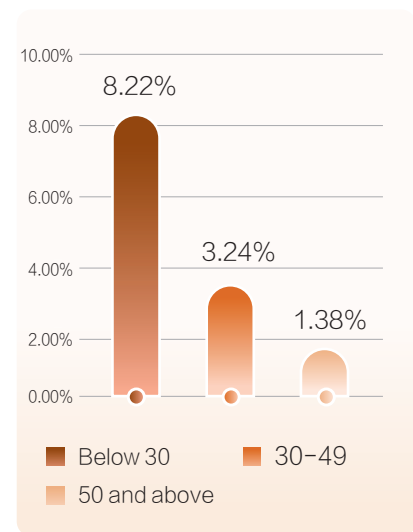
Turnover Rates of Contract Employees of the Group by Gender



Turnover Rates of Contract Employees of the Group by Region



Turnover Rates of Contract Employees of the Group by Age Group



Remuneration Package

The Group adheres to the “external competition principle” and the “internal fairness principle” in its remuneration management policies, has formulated the Remuneration Management Policy and the Remuneration Management Measures, and attracts and retains talents needed for the development of the Group through scientific and standardized remuneration management.

The remuneration structure of the Group’s employees is basic monthly salary plus quarterly or annual performance incentives. A reasonable remuneration system is adopted to motivate employees and encourage them to give full play to their personal initiative.

Welfare Benefits

The Group has strictly abided by the Social Insurance Law of the People’s Republic of China and the Regulations on the Management of Housing Provident Fund to provide pension insurance, work injury insurance, medical insurance, unemployment insurance, maternity insurance and housing provident fund for its employees.

In addition to ensuring the annual leave and statutory holidays prescribed by the state, which are enjoyed by employees in accordance with the Labor Law of the PRC, the Group specially offers annual leave, incentive leave, special leave and other holidays of CIMC Vehicles. In addition, the Group provides employees with additional welfare benefits including festival and holiday allowances, employee accident group insurance, annual travel benefits and hardship assistance funds.

Working Hours

In accordance with the Labor Law of the PRC, the Group specifies the working hours and leave arrangements of employees in the Regulations of CIMC Vehicles Group for Management of Attendance and Holiday of Employees and the Employee Handbook. By adopting the “working hours adjustment” and “flexible working time” policies, we respect employees’ personal circumstances and actual work needs, and provide them with flexible adjustment arrangements.

Case

Establishing Various Communication Channels to Fully Protect the Democratic Participation Rights of Employees

The Company fully respects the opinions and requests of its employees. By establishing various pragmatic and well-functioning employee communication mechanisms and channels, the Company encourages employees to promote democracy as well as offer advice and suggestions so as to continuously enhance their participation in and recognition of the operation of the Company. For instance, the Company has set up the general manager’s mailbox as the grassroots-to-management communication channel, implemented a normalized employee proposal system, and held employee representative meetings to encourage employees to earnestly fulfill their rights as employee representatives with a great sense of responsibility and express their opinions, thus safeguarding the democratic decision-making, management and supervision rights of the employees.



Talent Training, Promotion and Development

The Group is committed to providing a good career path for its employees and creating room for their growth. The Group persists in implementing the Training Management Procedure and the Training Management System to provide diversified training and development opportunities for its employees, including but not limited to training in digital skills and knowledge, lean management, quality control, professional knowledge and skills, laws and regulations.

The Group makes available various channel resources for internal and external training. The department in charge of internal or external training should fill in the Training Record Form in a truthful and timely manner. After training, such department should keep the relevant training records and materials or rating materials.

As the strategy of sophisticated manufacturing system is in the stage of implementation, CIMC Vehicles remains dedicated to building a professional talent team to meet the needs of high-quality sustainable development. In 2023, the Group launched a special development plan for technical professionals and financial professionals. By adopting unified talent standards and the training process of “selection, training, practice and evaluation” and continuously optimizing the professional military management mode featuring “talent sharing and knowledge sharing”, the Group has built an inter-organizational joint training project platform and talent development platform, promoted the overall ability improvement of professionals, and provided the echelon with a sustainable and benign talent development cycle.

In addition, we have formulated the Performance Management System and the Rank and Grade Management System. Employees can get promotion through year-end assessment and daily work assessment. While encouraging learning, we provide training and promotion opportunities for employees who achieve work performance assessment targets or annual performance assessment targets in accordance with the Performance Management System and the Rank and Grade Management System. Meanwhile, in order to effectively guide the career development of employees and establish a synergy growth system under which employees and the Company meet the development pace and needs of each other, we have formulated and promulgated the Dual-Channel Management Measures for Career Development to stimulate the vitality of the employees and the organization, thereby achieving a win-win situation for both the employees and the Company.

Employee Training	Percentage of Employees Trained	Average Training Hours (Hours)
By Gender		
Male	88.94%	30.66
Female	82.20%	40.78
By Rank		
Senior management	98.21%	178.79
Middle management	96.97%	114.02



Case: A Successful Wrap-up of “Senior Leadership Training Program” to Deliver Talents of Senior Leadership for Achieving High-quality Development

Since 2021, the Group’s Senior Leadership Training Center has provided employees in leadership positions and core operating positions at headquarters and core enterprises with opportunities for self-improvement, high-end manufacturing knowledge training and development of a comprehensive outlook. The Group has so far offered four courses in the senior leadership training program. Through the senior leadership training, the senior management can deeply understand the strategic plans of the Sophisticated Manufacturing System and the new management infrastructure, acquire the high-end leadership ability with the governance structure hierarchy, and thus become promoters of the Group’s Sophisticated Manufacturing System, core members of strategic development projects and even industry leaders. The “Senior Leadership Training Program” has now successfully concluded, with a number of graduates becoming senior executives in the Group’s core businesses.



Case

Further Deepening and Expanding Cooperation with Universities to Build a Sound School-enterprise Cooperation Ecosystem

We fully understand that “talent is the first resource”. CIMC Vehicles continuously introduces recent graduates every year and pays attention to the growth of students. Since 2018, it has cooperated with Jiangsu University in providing scholarships and grants of RMB200,000 per year to encourage students to make greater efforts to become innovative talents that are essential for the society. In addition, it has communicated with scholarship applicants and winners of cooperative universities and paid attention to the implementation of talent training under the school-enterprise cooperation program. Since the same year, we have maintained an ongoing collaboration with Shanghai Jiao Tong University on various internship programs. As of 2023, we have conducted more than 20 cooperation programs on themes such as high-end manufacturing system strategy and new energy business exploration. Meanwhile, in order to further effectively leverage on our successful experience in school-enterprise cooperation, we partnered with The University of Hong Kong to roll out and organize internship programs in 2023, which yielded outstanding results and helped us successfully attract talents. Going forward, we believe that we will keep on expanding the talent pool and provide more internship and employment opportunities for students while bringing in new fresh energy and vitality to the Company.



Case

Further Promoting the Cultivation of Professional Talents by Deepening the “MBA Special Training Camp” Program

Since 2022, the Company has launched the “MBA Special Training Camp” program, constantly providing self-enhancing training opportunities for the MBA personnel in the head office and core enterprises. Training and learning at the “MBA Special Training Camp” helps the MBA personnel deeply understand the strategic planning of the sophisticated manufacturing system and the new management infrastructure, acquire financial acumen and leadership capability at the governance structure level, and become propellers of the Company’s new management infrastructure and core members of its strategic development programs. So far, several participants of the “MBA Special Training Camp” have graduated or taken up positions, and become financial management personnel of the Company’s core businesses, thus continually contributing to the Company’s organizational and business development.





Continuously Promoting the Employer Brand and Deepening the Recent Graduate Training Program

The Company has successively launched the “2025”, “Global Operations” and “MBA” talent training programs to attract outstanding recent graduates to join the Group. The Company provides “2025”, “Global Operations” and “MBA” trainees with comprehensive professional training courses and diverse practice projects to help them enhance professional expertise and personal leadership, regularly offers them with regular review reports and professional guidance, and encourages them to actively participate in the projects of constructing the sophisticated manufacturing system, thus continuously training core technical backbones leading the development of Made in China 2025 and global operation strategy leaders for the Company and the society.



Champion Tanker Business Group Carried out “Torch Program”, “Big Dipper” Training Camp and Other Talent Training Programs

The Company has continuously implemented the reserve cadre management system, and has effectively selected and trained qualified reserve cadres to support the Company’s strategic implementation and organizational development by clarifying the allocation principle, selection criteria and procedures, and training methods of the reserve cadre training camp. In 2023, the Company carried out the “Torch Program” training camp for reserve management cadres at the grassroots level, the “Big Dipper” cadre training camp and the “Eagle in the Sky” rotational learning program for grassroots cadres, which promoted full-coverage training from grassroots employees to management cadres, offered platforms and opportunities for employees to improve their professional capabilities, technical skills and professional competence, thereby ensuring talent support for the Company’s production and development.



Occupational Safety and Staff Health

Occupational Health and Safety

CIMC Vehicles strictly complies with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and other laws and regulations, implements the safety management policy of "safety and prevention first and comprehensive management", and creates a safe and healthy working environment for its employees through the construction of safety management system, risk control, enhanced awareness for training, accident prevention and emergency response, as well as health management and care, to ensure that the occupational health and safety of its employees are effectively safeguarded.

In 2023, CIMC Vehicles gradually improved the Group's HSE management mode by continuously learning from advanced HSE management experience of its industry peers and combining it with its actual situation. It also further strengthened the risk management and control capability of the Group's subsidiaries to reduce and prevent major risks by optimizing the process of HSE supervision, investigation and punishment, promoting the improvement on HSE risk issues, and facilitating the implementation of the Group's 10 major injunctions on production safety, etc.

In 2023, CIMC Vehicles set a target of 100% certification rate for production safety standardization, and further promoted the certification of production safety standardization among newly acquired enterprises. At the same time, we encouraged all enterprises to conduct the certification of ISO45001 occupational health and safety management system, and promoted the integration of occupational health and safety management system with the lean "9+8" system, dual prevention system, production safety standardization and other systems, and insisted on the participation of all staff members to continuously improve our HSE management capability. As at the end of 2023, 18 enterprises under CIMC Vehicles had passed production safety standardization certification, completing the target of 100% certification for enterprises set at the beginning of the year. Some 12 enterprises were certified for ISO45001.

From 2021 to 2023, the number of work-related fatalities was 0. In 2023, the number of the Group's working days lost due to work-related injuries was 1,270 days domestically and 349 days abroad.



From 2021 to 2023, the number of work-related fatalities was

0 person

In 2023, the number of the Group's working days lost due to work-related injuries was

1,270 days
domestically

and

349 days
abroad

Case

Ruijiang Tanker In-Tank Operation Safety Improvement

In view of the issue of difficult in-tank operation supervision and delayed gas monitoring information, Ruijiang Tanker Plant initiated the in-tank operation improvement project by optimizing ventilation, equipping the variable optical welding mask with independent air supply system, letting workers wear interconnected portable gas detecting and early warning instrument, as well as adopting the 4G + lora technology + audible and visual alarms to realize the real-time monitoring of gas monitoring and alarm information, etc., greatly reducing the risk of poisoning, asphyxia and combustion explosion in in-tank operation and protecting the physical and mental health of the employees.



Case

Xi'an CIMC Employee Mood Board

Xi'an CIMC pays attention to the physical and mental health of the employees, learns about the mood of the employees at the team meeting every day, sets a mood board on the site, pays special attention to employees in bad mood, and helps them relieve bad emotions. In addition, the Company reasonably arranges the operation time for staff members to avoid prolonged, high intensity and fatigue operation.



Case

Dongguan CIMC Emergency Drill on Explosion-Related Dusts

In June, Dongguan CIMC, together with the fire brigade, emergency management sub-bureau, and 120 Emergency Center, carried out the annual emergency rescue drill on explosion-related dusts as well as on-site training on and trial drill of fire extinguishing equipment. A total of 620 persons participated in the drills, greatly improving the employees' capabilities to deal with emergencies and rescue themselves.



Employee Communication and Care

CIMC Vehicles Group attaches great importance to corporate cultural activities and sends positive energy to employees by advocating positive, healthy and upward cultural contents. It creates a good communication atmosphere for employees through various employee activities and conveys the considerateness and care of the Company to employees.

Case

“Enjoy Fun Time, Gather Happy Energy” Barbecue Birthday Party and Other Birthday Activities

In 2023, the Company organized “Enjoy Fun Time, Gather Happy Energy” barbecue birthday party and other birthday activities, with active participation from its employees. Through these activities, which were praised by the employees, the employees got fun and relaxation. These activities also helped further enhance communication among colleagues, fully demonstrated the positive and optimistic attitude of CIMC Vehicles’ employees toward life and work, inspired their enthusiasm for work, and motivated them to devote themselves to the high-quality development of the Company in a more enthusiastic, aggressive, and pragmatic manner.



Case

CIMC Vehicles Reading Activity in Celebration of the Spring Festival

The reading activity is an annual staff activity of the Group. Under the strategy of the third venture, CIMC Vehicles combines reading with practice to build a sustainable learning-oriented enterprise, enhance corporate cohesion and employee loyalty, explore employee development opportunities, look for development paths, and provide endogenous power for its third venture. The 2023 Spring Festival reading activity was successfully held. Colleagues from all the enterprises under the Group read books for joint growth, and continued to create a strong atmosphere of “love reading, read good books and be good at reading”, achieving progress on the path of reading.





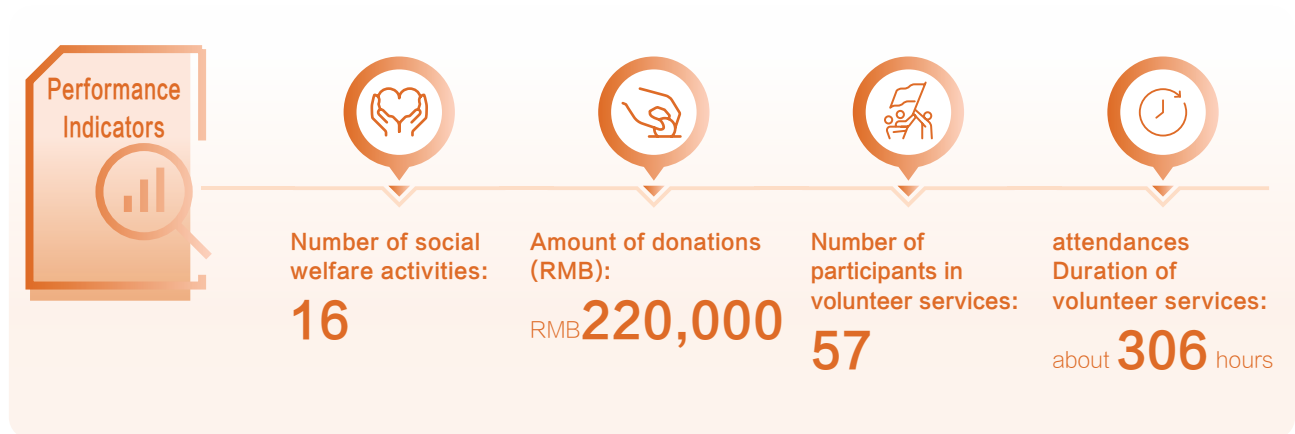
Star Paradigm • Star-Chained Manufacturing Network | CIMC Vehicles Held a Splendid 20th Anniversary Celebration for Production

On November 8–9, 2023, the 20th anniversary celebration of CIMC Vehicles’ production was held in Wuhan with the theme of “Star Paradigm • Star-Chained Manufacturing Network”, and presented multiple star products at the 2023 China Commercial Vehicles Show, at which we together celebrated the glorious achievements made by the Company in the past 20 years, witnessing CIMC Vehicles’ new journey of third venture, and calling on all the peers embarking on the same journey to share the benefits of high-quality development heading towards a promising future.



Serving People and Giving Back to Society

Under the guidance of the national rural revitalization strategy and sustainable development strategy, the Company proactively fulfilled its social responsibilities and actively took part in social welfare activities. In 2023, the Company carried out various charitable donations and volunteer activities such as social assistance, environmental protection practices and medical support, and held a total of 16 social welfare activities. The total charitable and other donations amounted to RMB220,000; and the duration of volunteer services was about 306 hours with 57 participants.



Appendix I: Industry Association

No.	Name of Association	Member Company	Capacity
1	China Association of Automobile Manufacturers	CIMC Vehicles	Vice Chairman
2	Special Purpose Vehicle Branch of the China Association of Automobile Manufacturers	CIMC Vehicles	Vice Chairman
3	National Technical Committee of Auto Standardization, Special Vehicle Sub-technical Committee	CIMC Vehicles	Deputy Secretary
4	National Technical Committee of Auto Standardization, Trailer Sub-technical Committee	CIMC Vehicles	Deputy Director
5	National Technical Committee of Auto Standardization	CIMC Vehicles	Member
6	Sub Committee for Freight Industry of CFLP	CIMC Vehicles	Vice Chairman
7	Guangdong Logistics Profession Association	CIMC Vehicles	Vice Chairman
8	Shenzhen Fresh Food Cold Chain and Urban Logistics Association	CIMC Vehicles	Vice Chairman
9	China Bulk-cement Association of Popularization & Development	Luoyang Lingyu	Member
10	China Construction Machinery Association, Concrete Machinery Branch	Luoyang Lingyu	Member
11	China Metallurgical Construction Material Workers Technology Association	Luoyang Lingyu	Member
12	Hazardous Chemicals Logistics Branch of China Federation of Logistics & Purchasing	Luoyang Lingyu	Member
13	China Communications and Transportation Association, Dangerous Chemicals Specialised Committee	Luoyang Lingyu	Member
14	New Energy Vehicle Industry Alliance	Luoyang Lingyu	Member
15	Standardization Administration of the PRC	Luoyang Lingyu	Member
16	Hennan Ordnance Society	Luoyang Lingyu	Member
17	Henan National Defense Science and Technology Industry Enterprise Management Association	Luoyang Lingyu	Member
18	Casting and Forging Industry Association of Henan Province	Zhumadian Huajun Casting	Chief Supervisor
19	China Foundry Association	Zhumadian Huajun Casting	Member
20	Hazardous Chemicals Logistics Branch of China Federation of Logistics & Purchasing	Ruijiang Tanker	Vice Chairman
21	China Communications and Transportation Association	Ruijiang Tanker	Member
22	Together for Sustainability	Ruijiang Tanker	Member
23	Guangdong Automobile Industry Association	Jiangmen Tanker	Member
24	Hazardous Chemicals Logistics Branch of China Federation of Logistics & Purchasing	Jiangmen Tanker	Vice Chairman
25	Hunan Concrete Association	Jiangmen Tanker	Member
26	National Hazardous Chemicals Alliance	Jiangmen Tanker	Member
27	NTCAS Trailer Sub-technical Committee	Zhumadian Huajun Vehicle	Member
28	Henan Environment Federation	Zhumadian Huajun Vehicle	Member
29	Society of Automotive Engineers of Shaanxi	Xi'an CIMC	Director
30	Shaanxi Automotive Industry Association	Xi'an CIMC	Member

Appendix II: HKEX ESG Guide Content Index

Content Index		Section	
Mandatory Disclosure Requirements			
Governance structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritize and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Directors' Statement	
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report	
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report	
A. Environment			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions and Pollution Reduction
	A1.1	The types of emissions and respective emissions data.	Appendix III: Environmental KPIs Table
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	
	A1.3	Total hazardous waste produced and intensity.	
	A1.4	Total non-hazardous waste produced and intensity.	
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions and Pollution Reduction
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions and Pollution Reduction	
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource Conservation and Greater Energy Efficiency
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	Appendix III: Environmental KPIs Table
	A2.2	Water consumption in total and intensity.	Resource Conservation and Greater Energy Efficiency
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	

Content Index			Section
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Conversation and Greater Energy Efficiency
	A2.5	Total packaging material used for finished products and with reference to per unit produced.	Not applicable
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	Environmental Protection and Green Manufacturing
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection and Green Manufacturing
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Mission and Low-Carbon Development
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Mission and Low-Carbon Development
B. Social			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Equal Employment and Rights Guarantee
	B1.1	Total workforce by gender, employment type (for example, full - or part-time), age group and geographical region.	Equal Employment and Rights Guarantee
	B1.2	Employee turnover rate by gender, age group and geographical region.	Equal Employment and Rights Guarantee
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Safety and Staff Health
	B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year.	Occupational Safety and Staff Health
	B2.2	Lost days due to work injury.	Occupational Safety and Staff Health
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Safety and Staff Health
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Training, Promotion and Development
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Talent Training, Promotion and Development
	B3.2	The average training hours completed per employee by gender and employee category.	Talent Training, Promotion and Development
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	Equal Employment and Rights Guarantee
	B4.1	Description of measures to review employment practices to avoid child and forced labor.	Equal Employment and Rights Guarantee
	B4.2	Description of steps taken to eliminate such practices when discovered.	Equal Employment and Rights Guarantee

Content Index			Section
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Global Supply Chain Management
	B5.1	Number of suppliers by geographical region.	Global Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Global Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Global Supply Chain Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Global Supply Chain Management
B6: Product Liability	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Innovation Driving and Smart Products
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Commitment and Comprehensive Assurance
	B6.2	Number of products and service related complaints received and how they are dealt with.	Dedicated Service and Customer Satisfaction
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Rights and Patent Maintenance
	B6.4	Description of quality assurance process and recall procedures.	Quality Commitment and Comprehensive Assurance
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Information Security and Privacy Protection
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Honesty and Integrity in Operations
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Honesty and Integrity in Operations
	B7.2	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Honesty and Integrity in Operations
	B7.3	Description of anti-corruption training provided to directors and staff.	Honesty and Integrity in Operations
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Serving People and Giving Back to Society
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	Serving People and Giving Back to Society
	B8.2	Resources contributed to the focus area.	Serving People and Giving Back to Society

Appendix III: Environmental KPIs Table

Indicator	Unit	Total for 2022	Total for 2023	Comparison of Totals	Emission Intensity (per RMB100 million of revenue)
Total wastewater	Kiloton	549	492.07	-10.37%	2.32
VOCs	Ton	31.13	35.36	13.59%	0.17
Total greenhouse gas emissions	tCO ₂ e	158,126.99	160,486.822	1.49%	757.37
Direct greenhouse gas emissions	tCO ₂ e	27,903.14	33,992.516	21.82%	160.42
Indirect greenhouse gas emissions	tCO ₂ e	130,205.18	126,494.236	-2.85%	596.95
Total amount of hazardous waste generation	Ton	1,775.69	1,556.28	-12.36%	7.34
Total amount of nonhazardous waste generation	Ton	45,457.78	52,915.399	16.41%	249.72
Total energy consumption	MWh	316,557.77	382,194.76	20.73%	1,803.66
Electricity consumption	MWh	199,991.46	235,582.26	17.80%	1,111.76
Gas consumption	MWh	93,709.93	125,513.80	33.94%	592.33
Oil consumption	MWh	22,856.39	21,098.70	-7.69%	99.57
Oil consumption - Gasoline	MWh	2,187.23	1,712.37	-21.71%	8.08
Oil consumption - Diesel	MWh	20,669.16	19,386.33	-6.21%	91.49
Total water consumption	1,000 m ³	988.94	984.98	-0.40%	4.65

Appendix IV: Definitions

Terms	Definitions
“Company” or “CIMC Vehicles”	CIMC Vehicles (Group) Co., Ltd.
“Group” or “We” or “us”	the Company and its subsidiaries
“The Report”	Social Responsibility and Environmental, Social and Governance Report of CIMC Vehicles 2023
“This Year” or “during the Reporting Period”	January 1, 2023 to December 31, 2023
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ESG Guide”	Environmental, Social and Governance Reporting Guide
“Shandong CIMC”	CIMC Vehicles (Shandong) Co., Ltd. (中集车辆(山东)有限公司)
“Qingdao Reefer”	Qingdao CIMC Reefer Trailer Co., Ltd. (青岛中集冷藏运输设备有限公司)
“Ruijiang Tanker”	Wuhu CIMC Ruijiang Automobile Co., Ltd. (芜湖中集瑞江汽车有限公司)
“Zhumadian Huajun Vehicle”	Zhumadian CIMC Huajun Vehicle Co., Ltd. (驻马店中集华骏车辆有限公司)
“Dongguan CIMC”	Dongguan CIMC Special 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)
“Vanguard Trailer”	China Jiangsu Vanguard Trailer Rental Co., Ltd. (江苏挂车帮租赁有限公司)
“Luoyang Lingyu”	Luoyang CIMC Lingyu Automobile Co., Ltd. (洛阳中集凌宇汽车有限公司)
“Jiangmen Tanker”	CIMC Vehicle (Jiangmen) Co., Ltd. (中集车辆(江门市)有限公司)
“Zhumadian Huajun Casting”	Zhumadian CIMC Huajun Casting Co. Ltd. (驻马店中集华骏铸造有限公司)
“Liangshan Dongyue”	Liangshan CIMC Dongyue Vehicle Co., Ltd. (梁山中集东岳汽车有限公司)
“Xi’an CIMC”	CIMC-SHAC (Xi’an) Special Vehicles Co., Ltd. (中集陕汽重卡(西安)专用车有限公司)
“Shaanxi CIMC”	CIMC Vehicles (Shaanxi) Automobile Co., Ltd. (中集车辆(陕西)汽车有限公司)
“Gansu CIMC”	Gansu CIMC Vehicles Co., Ltd. (甘肃中集车辆有限公司)
“Shandong Wanshida”	Shandong Wanshida Special Automotive Manufacturing Co., Ltd. (山东万事达专用汽车制造有限公司)
“Jiangsu Baojing”	Jiangsu Baojing Auto Parts Co., Ltd. (江苏宝京汽车部件有限公司)
“Vanguard (莫嫩)”	Vanguard National Trailer Corporation
“Vanguard (特伦顿)”	Vanguard National Trailer Corporation
“SDC”	SDC Trailers Limited
“LAG”	LAG Trailers NV Bree
“CRTI”	CIMC REEFER TRAILER, INC.
“RMB”, “RMB100 million”	Renminbi, Renminbi 100 million
“VOCs”	Volatile organic compounds

Independent Assurance Statement

The target stakeholders of this statement: Government Non-Government Organization Clients
 Suppliers Investors Customers
 Other stakeholders:

Responsibilities of the reporting organization and assurance provider: CTI Certification Co., Ltd. (hereinafter referred to as "CTI") is entrusted by CIMC Vehicles (Group) Co., Ltd. (hereinafter referred to as the "Reporting Organization") to assure the sustainable development information disclosed in its 2023 Social Responsibility and Environmental, Social and Governance Report (herein-after referred to as the "Report"). The purpose of this process is to provide reasonable assurance for the sustainable information disclosed by the reporting organization, and to provide confidence for stakeholders to make decisions based on the information provided by the reporting organization.

This independent assurance statement is available in both Chinese and English versions, the Chinese version shall prevail.

Assurance Standard: AA1000 AS (v3)

- Scope:
- Assure the content, background, and application of the report, as well as the quality of sustainable development information presented during the reporting period;
 - Evaluate the compliance of the report with the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact;
 - Review the sustainability initiatives, practices, implementation, maintenance, and performance information described in the report;
 - Assess the reporting mechanism of sustainability information and its consistency with applicable reporting standards;
 - Evaluate the applicability and appropriateness of data collection, quantification, and data management included in the report.

Assurance type: Type 2

Subject matters and depth of review:	Subject Matters	Level of Assurance
	Degree of compliance with AA1000 Accountability Principles (2018)	Moderate Level
	Quality of sustainability performance	Moderate Level

Reference to criteria used: ISO 26000 GRI SASB
 ISO 14064 IFRS UNSDG
 TCFD IIRC HKEX ESG Guidelines
 Others:

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 CTI Academy: www.a.ctimall.com
 Company: A Area, 8F, CTI Building, No.4 Liu Xian San Road
 Address: Xin'an Block Bao'an District, Shenzhen, China.



Sources of Disclosures Name of report: 2023 Social Responsibility and Environmental, Social and Governance Report

Covered: Source: Reporting Organization

Methodology: CTI formulated an engagement plan based on the assurance process and conducted the engagement according to the plan. CTI conducted inspections with a professional skepticism attitude, and the assurance activities included the following procedures:

- Based on the process of sampling, understanding, testing and judging the degree to which the reporting organization adheres to the AA1000 Accountability Principles, an evaluation is made of the degree to which the reporting organization adheres to the AA1000 Accountability Principles;
- Conducting management interviews on the effectiveness of the processes that have an impact, including the top management, department managers, and managers responsible for sustainable development;
- Based on sampling, reviewing and inspecting the management practices, business processes, and evidence-collection processes of the reporting organization;
- Collecting and assessing documentary evidence and management representations that support adherence to the AA1000 Accountability Principles.

Conclusions: According to the AA1000 Assurance Standard (v3), CTI conducted a Type 2 assurance on the sustainable development information disclosed in the report prepared by the reporting organization. According to the requirements of the AA 1000 Accountability Principles (2018), the conclusions are as follows:

The conformity of reporting organization and the report against AA1000 Accountability Principles (2018)

Inclusivity: CTI did not find any deviation between the report and the inclusive principle of AA1000 Accountability Principles (2018). The reporting organization regularly identifies and participates stakeholders, incorporating the concerns of key stakeholders into important considerations for the company's sustainable development. The report meets the requirements of inclusivity.

Materiality: According to the AA1000 Accountability Principles (2018), CTI conducted a substantive evaluation of various aspects of the reporting organization, both internally and externally. CTI believes that the report proposes various issues and boundaries of different business operations of the reporting organization, and that the report meets substantive requirements.

Responsiveness: After the assurance of CTI, it is believed that the reporting organization's response to major issues has been defined and reflected in the report. The report meets the responsiveness requirements of the AA1000 Accountability Principles (2018).

Impact: The reporting organization has clear procedures to regularly monitor and measure their sustainable development impact, and has professionals to effectively promote the sustainable development agenda. CTI did not find any situations or issues that had an impact on the ecosystem and surrounding infrastructure, and the reporting organization met the impact requirements of the AA1000 Accountability Principles (2018).



The quality of sustainability information disclosed in the report

For the sustainability performance in 2023 disclosed in the report, no material errors were found by CTI, as described below:

Organizational scope	Category	Performance
CIMC Vehicles (Group) Co., Ltd.	Total number of employees(persons)	10,543
CIMC Vehicles (Group) Co., Ltd.	Contract employees(persons)	10,245
CIMC Vehicles (Group) Co., Ltd.	Retired and rehired employees(persons)	11
CIMC Vehicles (Group) Co., Ltd.	Social welfare activities(times)	16
CIMC Vehicles (Group) Co., Ltd.	volunteer services(participants)	57
manufacturing enterprises under CIMC Vehicles	Oil consumption(MWh)	21,098.70
manufacturing enterprises under CIMC Vehicles	Gas consumption(MWh)	125,513.80
manufacturing enterprises under CIMC Vehicles	Electricity consumption(MWh)	235,582.26
manufacturing enterprises under CIMC Vehicles	Total water consumption(1,000 m3)	984.98
manufacturing enterprises under CIMC Vehicles	Total amount of hazardous waste treated(Ton)	1,556.28
manufacturing enterprises under CIMC Vehicles	Total amount of nonhazardous waste treated(Ton)	52,915.399

For the 2023 greenhouse gas emissions disclosed in the report, CTI only confirms that there is a clear source of data.

Limitations and mitigation methods

The limitations and mitigation methods of CTI in the assurance process:

- CTI did not conduct assurance on economic performance indicators, and only confirmed the accuracy of economic performance indicators through the verification of audited financial reports;
- CTI did not verify sustainability performance indicators. It only confirmed through interviews and factual evidence that all sustainability performance indicators have clear data sources;
- CTI was unable to provide assurance opinions on the opinions, beliefs, inferences, wishes, expectations, future intentions, and other viewpoints described in the report. However, CTI conducted assurance and issued assurance opinions on both quantitative and non-quantitative factual evidence supporting the above viewpoints;
- CTI will further focus on improving and enhancing the disclosure and management of ESG report information based on the purpose of continuous improvement in future assurance engagement.

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CTI 华测认证



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Address: Xin'an Block Bao'an District, Shenzhen, China.



Competence and Independence of CTI

Established in 2004, CTI has been approved by the China National Certification and Accreditation Administration (CNCA) and accredited by the China National Accreditation Service for Conformity Assessment (CNAS). It is an independent and impartial third-party professional certification institution with extensive experience in conducting management system certification for quality, environment, safety, occupational health and energy, and validation and verification of environmental information such as greenhouse gases.

Except for the assurance and verification of sustainability data and the report, no member of the assurance team has any business relationship with CIMC Vehicles (Group) Co., Ltd., its executives, or department managers. After the internal im-partiality assessment conducted by CTI, we believe that there is no conflict of interest in this assurance engagement.

Assurance Team Leader

Wang Hui



Technical Reviewer

Lin Wu



Signed by

General Manager: Zhou Lu




Readers' Feedback

Dear Readers,

Thank you for reading the Report. In order to continuously enhance and improve the sustainable development management of the Group, we sincerely hope to hear opinions or suggestions from you on the Report. Please help to complete the following form and return to us by email or by post.

Email address: ir_vehicles@cimc.com

Post address: No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, the PRC

1. What is your opinion of the Report:

Good Average Fair

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

Good Average Fair

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

Good Average Fair

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

Good Average Fair

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

Please leave your contact information if convenient:

Name: Post Code: Contact address:

Occupation: E-mail:

Company: Tel:

We will take thorough consideration of your opinions and suggestions and make sure your personal information is handled properly.

Report Preparation Organization

Leading Group | CIMC Vehicles ESG Reporting Leading Group

Preparation Group | CIMC Vehicles ESG Reporting Implementation Team

CIMC 中集车辆

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