

CIMC ENRIC

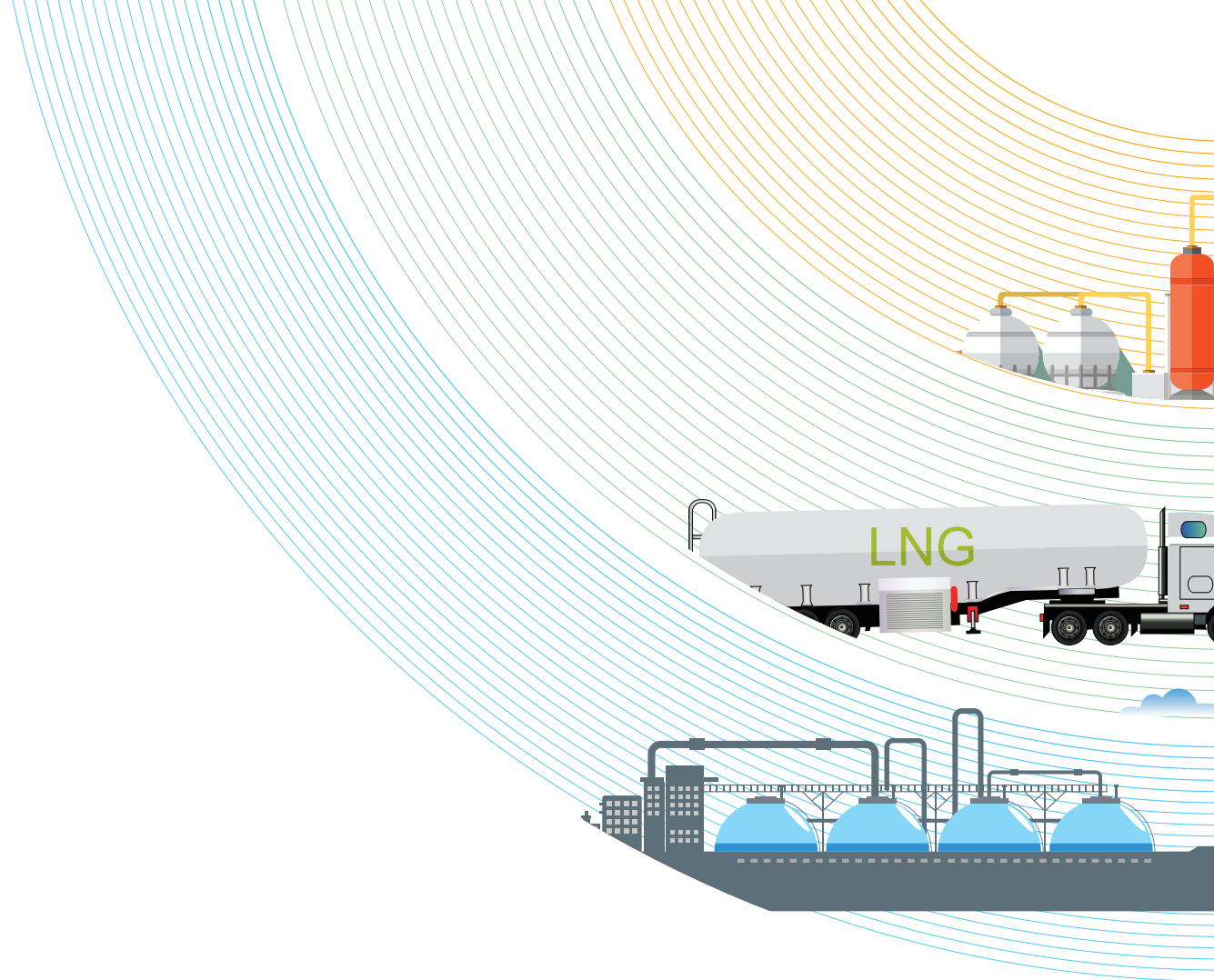
CIMC Enric Holdings Limited

(Stock code: 3899. HK)



Environmental, Social
and Governance Report

2021



Contents

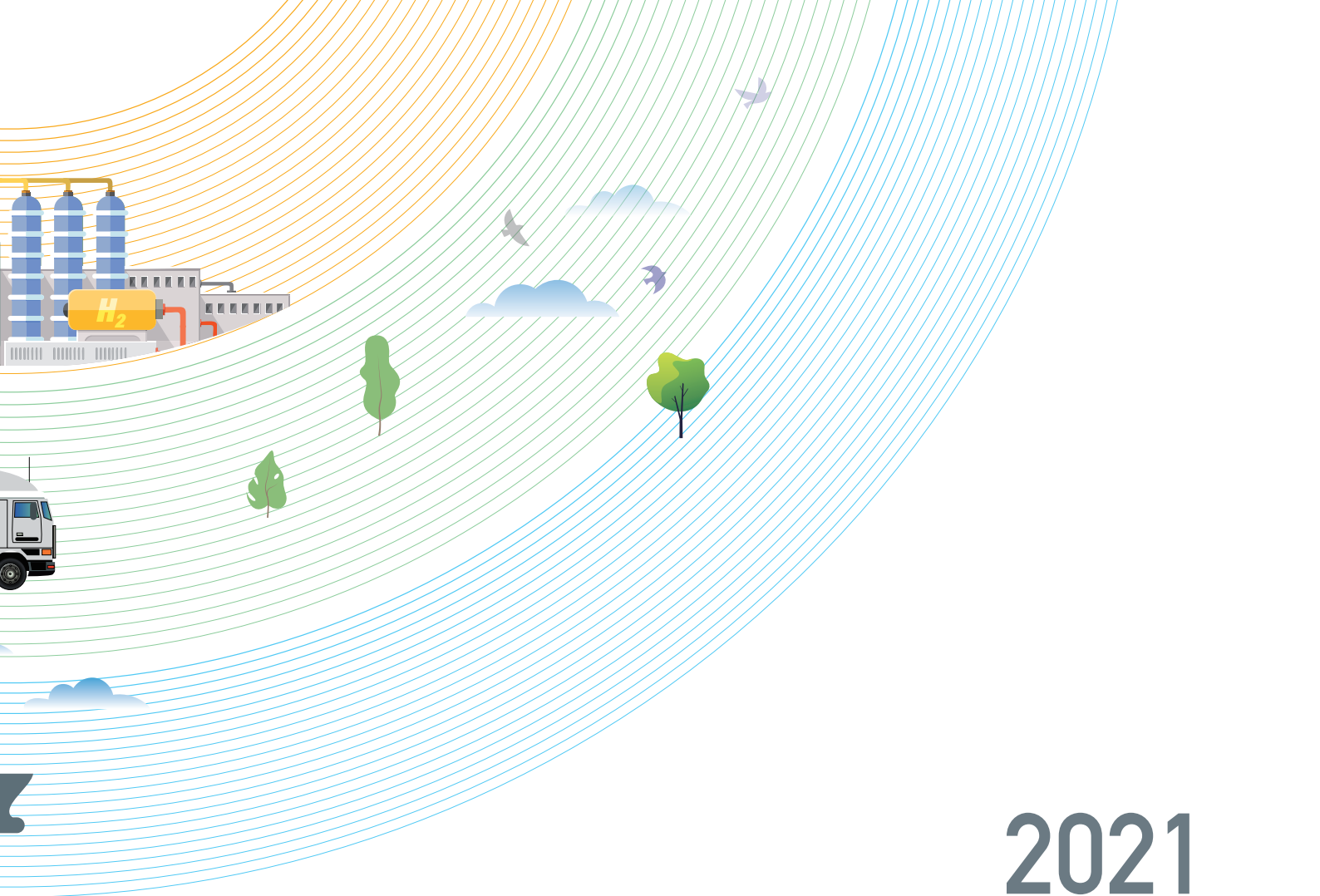
02	About the Report
03	Statement of the Board of Directors
04	General Manager's Message
05	About Us
10	Sustainability Achievements in 2021
12	Topic 1: Low-carbon development helps achieve the goal of carbon emission peak and carbon neutrality
18	Topic 2: Smart manufacturing helps implement the "Made in China 2025" strategy

Good Governance, Risk Control and Regulatory Compliance	
23	Sustainable Development Strategy
24	ESG Governance
27	Communications with Stakeholders
28	Response to Materiality Issues
30	Promote an Anti-Corruption Culture
31	Operational Risks Management and Control

Green Manufacturing and Innovation-driven Development	
34	Green Products and Environmental Protection Industry
37	Product and Service Innovation
38	Improvement of Product Quality
41	Leading the Industry Development
43	Client Service and Privacy Protection
45	Create a Sustainable Supply Chain

01

02



2021

Environmental, Social and Governance Report

CIMC ENRIC

Low Carbon and Environmental Protection, Care for the Earth

- 48 Responding to Climate Change
- 50 Strict Control of Pollution Discharge
- 54 Resources Conservation

Put People First for All-Win Harmony

- 59 Occupational Health and Safety
- 63 Equal Opportunity and Diversity
- 74 Helping to Fight COVID-19
- 75 Caring for Livelihoods

79 Annex

88 Reader's Feedback

03

04

About the Report



The Report is the sixth Environmental, Social and Governance (“ESG”) Report issued by the CIMC Enric Holdings Limited (Referred to as “Company” or “the Company”, collectively, with its subsidiaries, referred to as “the Group”, “CIMC Enric” or “we”). In keeping with the principles of materiality, quantification, balance and consistency, it elaborates on the Group’s management approach and performance in environmental, social and governance (ESG), focusing on issues of concern to stakeholders and how the Group achieves environmental and social sustainability.



Scope of the Report

This report contains information on the ESG performance of CIMC Enric Holdings Limited and its subsidiaries for the period from January 1, 2021 to December 31, 2021 (some of which extend to early 2022), and CIMC Hydrogen Energy Technology Ltd. has become its subsidiary compared with 2020. The data in the environmental areas of this report covers 17 subsidiaries of the Group. For details of the subsidiaries, please refer to the appendix of this report. For details of corporate governance, please refer to the “Corporate Governance Report” in the 2021 Annual Report of the Company.



Reporting Standards

This Report is compiled in compliance with Appendix 27 *Environmental, Social and Governance Reporting Guidelines* (“ESG Reporting Guidelines”) of the Listing Rules on the Main Board of the Stock Exchange of Hong Kong Limited (“Stock Exchange of Hong Kong”) and the “core” options of *GRI Standards* issued by the Global Reporting Initiative (GRI), and in accordance with the actual situation of the Group referring to the *United Nations 2030 Agenda for Sustainable Development and the Stakeholder Capital Metrics* in the White Paper “Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”¹, which is issued by the International Business Council of the World Economic Forum.



Publication

The Report is published in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the Chinese version shall prevail. Readers and all stakeholders can browse the Report at the Company’s official website (www.enricgroup.com) and the website of the Hong Kong Stock Exchange (www.hkexnews.hk).



Contact Information

Address: Unit 908, 9/F, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong
CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, China

Telephone: +852 2528 9386

Facsimile: +852 2865 9877

Website: www.enricgroup.com

Email Address: enric@enric.com.hk

¹ Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, issued the World Economic Forum in September 2020.

Statement of the Board of Directors

The Board of Directors of the Company takes full responsibility for the Company's ESG strategy and reporting, assesses and determines the Company's ESG-related risks, and ensures that the Company has appropriate and effective ESG risk management and internal control systems in place. The Board of Directors and all directors guarantee that there are no false records, misleading statements or major omissions in the Report, and bear individual and joint liabilities for the authenticity, accuracy and completeness of the information contained herein.

As the energy, chemical and food equipment arm of China International Marine Containers (Group) Co., Ltd. ("CIMC"), specializing in the energy, chemical and food equipment industries, the Group provides clients with key equipment, engineering services and system solutions for transportation, storage and processing. Furthermore, we actively respond to the carbon emission peak and carbon neutrality campaign, develop hydrogen energy and promote the transformation of energy to sustainable supply. Staying true to our mission, we provide clients with high-quality, reliable and intelligent equipment and services, and create sustainable value for society.

We have also set up an ESG management organization system encompassing the Board of Directors, the Sustainable Development Committee, the ESG Work Leader Panel and the ESG Report Preparation Group, and defined the division of responsibilities at all levels to promote ESG implementation. Among them, the Board of Directors is the supreme decision-making body with respect to ESG management, and is tasked with guiding the sustainable development direction of the Company, formulating the overall vision, objectives and management strategies for its sustainable development, and reviewing the annual ESG report. Every year, we set quantitative targets for emissions, energy consumption and work safety issues for the next year, and periodically review the fulfilment of such targets to continuously promote the sustainable development of the Company.

We always give priority to clients' needs, provide products, professional solutions and services related to energy, chemical industry, environmental protection and food equipment industries focusing on improving the quality of products and services, and make innovates in our pursuit of "smart manufacturing" towards establishing ourselves as a "lighthouse" factory. Adhering to the principle of mutual benefit and win-win cooperation, we actively integrate and share our unique industry resources, seeking to create a eco-community with all stakeholders, so as to create values for shareholders and clients, and to share the growth of the Company with our employees.

In addition, we are soberly aware of the opportunities and challenges brought by clients' needs for consumption upgrade and the general trend toward sustainable, eco-friendly and secure industry development. In the future, we will continue to adjust the sustainable development management strategy and development approach according to the expectations of stakeholders and the actual operation of the Company, and continuously enhance the standard of its sustainable development activities.

General Manager's Message



To all stakeholders:

As a leading player in the industries of global clean energy, chemical environment and liquid food equipment, CIMC Enric shoulders the social responsibility of maintaining a sustainable environmental ecology and improving the public's well-being. The year 2021 marks the beginning of the 14th Five-Year Plan. In the face of various global challenges, we constantly strengthen risk management, seize opportunities, apply the corporate philosophy focusing on "green energy, clean logistics and improvement in quality of life" in business practices, and cooperate with our stakeholders to make positive contributions to environmental protection and low-carbon economy promotion.

In line with our commitment to supporting the national energy strategy, we respond to the national vision of achieving carbon neutrality by 2060, seek to achieve sustainable growth, and actively promote green production and develop low-carbon energy. In 2021, we implemented a number of green development projects, cooperated with Zhaoqing municipal government to carry out the "Gasification for Xijiang River" Cement LNG New Energy Tank Ship Transportation Project, further developed the hydrogen energy equipment businesses, striving to reduce carbon emissions. In addition, we stepped up environmental performance tracking and management, clarified management objectives, took control measures based on the degree of risk exposure, and made full efforts to reduce emissions.

CIMC Enric strongly supports technological innovation and research and development. We are committed to reducing resource consumption and environmental pollution by transforming development methods, gradually increasing our high-tech strengths and achieving economic benefits, thereby attaining intelligent, IT-based and circular development stepwise. We actively promoted the "Lighthouse Factory" development. In 2021, we resolved 13 technical

problems in smart manufacturing of "Lighthouse", and designed several "Lighthouse" Factory projects and multiple production line upgrading projects.

CIMC Enric strictly abides by the highest standards of business ethics. Anti-corruption is a priority for us. We are determined to prevent corruption on a comprehensive scale, with the management taken the lead in establishing a corporate culture of anti-corruption, self-discipline, integrity and good faith. We have provided 30 anti-corruption training sessions for directors and employees holding certain positions. We established an impartial, fair and efficient supply chain, implemented a transparent bidding process, and required suppliers to sign the Sunshine Cooperation Commitment Letter. At present, the signing rate of suppliers with a procurement scale of more than RMB200,000 has reached 100%, and other suppliers are gradually being covered. We pay due attention to health, safety and environment (HSE) issues, seeking to improve HSE performance to consolidate our competitive advantage.

The participation and support of all stakeholders, including employees, clients, investors, regulators, suppliers, research institutions, media and local communities, are indispensable to the sustainable development of CIMC. This year, the stakeholders have paid more attention to two ESG topics, namely the development and implementation of sustainable development strategy and employee safety and health, and we will elaborate on the related issues accordingly in this report. By maintaining communication with the stakeholders and share our insights with them on major sustainable development issues, we believe that CIMC Enric will continue to move forward toward sustainable development.

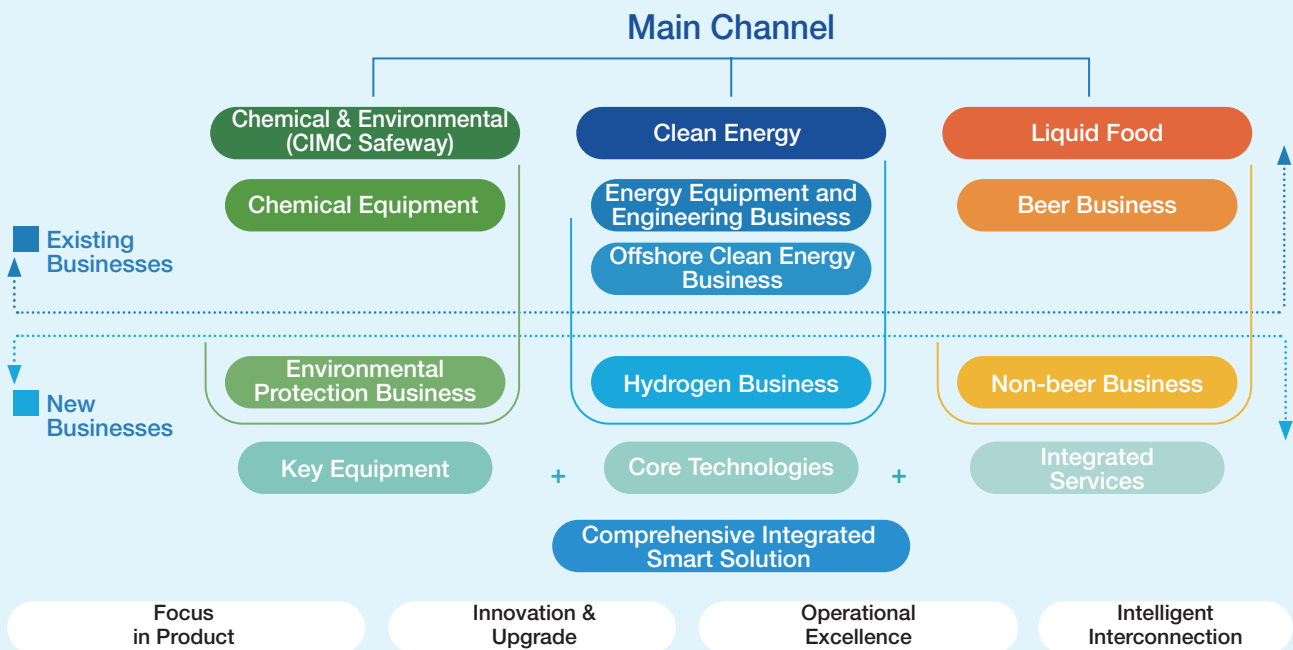
General Manager
Mr. Yang Xiaohu
April 2022

About Us

CIMC Enric was established in 2004 and listed on the Hong Kong Stock Exchange in 2005 as a member of China International Marine Container (Group) Co., Ltd. ("CIMC Group"). We are mainly engaged in the design, development, manufacture, engineering and sales of various types of transportation, storage and processing equipment widely used in clean energy, chemical environment, liquid food and other industries, and provide related technical maintenance services.



Our product portfolio is as follows:



Natural Gas-focused Onshore + Offshore Clean Energy Value Chain




Offshore clean energy industrial chain

Upstream (production and processing)	Midstream (Distribution)	Downstream (Application)
<ul style="list-style-type: none"> Offshore oil and gas processing module 	<ul style="list-style-type: none"> Small and medium-sized gas carrier (LEG/LPG/LNG) 	<ul style="list-style-type: none"> Oil-to-gas conversion for ships (marine tanks and power systems) (inland waterways, coastal) LNG bunkering vessel and offshore/onshore bunkering
		

Onshore clean energy industrial chain

Upstream (production and processing)	Midstream (Distribution and storage)	Downstream (Application)
<ul style="list-style-type: none"> Liquefaction plant/wellhead skid-mounted equipment Onshore wellhead gas treatment and processing 	<ul style="list-style-type: none"> Clean energy distribution equipment Other clean energy storage equipment and engineering LNG peak shaving storage equipment and engineering 	<ul style="list-style-type: none"> Clean energy equipment for transportation Commercial and industrial LNG small fuel tanks
		

Hydrogen Industry Chain

Upstream (production and processing)	Midstream (Distribution and storage)	Downstream (Application)
<ul style="list-style-type: none"> Hydrogen production from methanol and hydrogen refueling demonstration project Hydrogen production from coke oven gas demonstration project 	<ul style="list-style-type: none"> Hydrogen Tube bundle trailer Liquid hydrogen storage tank 	<ul style="list-style-type: none"> Hydrogen refueling station Mobile hydrogen refueling sub-station vehicle Type III and Type IV on-vehicle hydrogen cylinders
		

Core hydrogen energy “storage, distribution, refueling” equipment



Hydrogen compressor for loading in mother station



Long tube trailer for hydrogen distribution



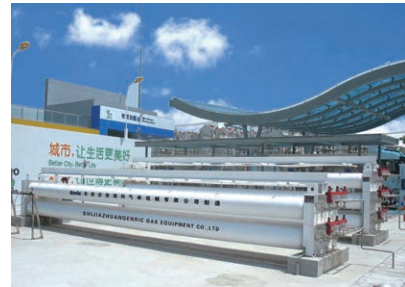
Hydrogen compressor in hydrogen refuelling station



On-vehicle hydrogen supply system



Hydrogenator



Hydrogen storage tank group for station

Chemical and environmental protection equipment

Chemical Tank Containers

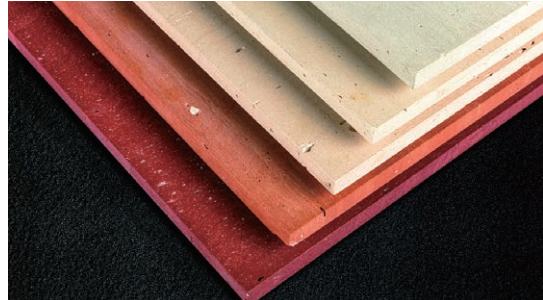
- Standard tank
- Special tank container



Standard liquid tank

Environmental protection equipment

- Environmental protection equipment
- Hazardous waste disposal
- Solid waste utilization



Environmentally-friendly building materials

Liquid food equipment and engineering

Liquid food storage tank

- Beer tank
- Non-beer liquid food storage tank



Beer tanks

Turnkey project of brewing project

- Turnkey project of beer brewing
- Turnkey project of spirits brewing



Turnkey project of beer brewing

We provide clients with a comprehensive solution of “key equipment + process engineering + service”, such that a full suite of industrial services can be delivered.



Equipment manufacturing

- Advanced technology in Europe and America
- Competitive advantages of Chinese manufacturers
- Manufacturing capability of key equipment
- The world’s leading lean capability



Engineering services

- Consultation
- Design
- Construction
- Engineering general contracting



Solutions

- Solution to offshore liquefaction storage and transportation
- Solution for marine from oil to gas solution
- Solutions for natural gas and hydrogen production from coke-oven gas
- Solutions for heat and electricity supply in buildings
- Integrated solution for hydrogen production and hydrogenation in methanol
- Solutions for LNG multi-modal transportation
- Solution to natural gas peak-shift reserve
- Solution to beer turnkey project
- Financial solutions

The Group has production bases and R&D centres in China, the Netherlands, Germany, Belgium, Denmark and the United Kingdom, forming an interactive and mutually supportive industrial structure between China and Europe. We own product and service brands such as Enric, Sanctum, Hongtu, YPDI, CIMC SOE, CIMC Hydrogen, CIMC Tanks, Cryobest, Tankmiles, Anjehui, Ziemann Holvrieka, Briggs, DME, NSI, etc., with the sales network all over the world.

Major brands of the Group



Sustainability Achievements in 2021

Paying particular attention to the evolving trend of global ESG-related guidelines and standards, we closely tracked the impact of relevant guidelines on us, and responded positively in our report, by reference to the UN's *2030 Agenda for Sustainable Development* and the Stakeholder Capital Metrics issued by the World Economic Forum, including 13 of the 17 UN 2030 Sustainable Development Goals, and four pillars of Stakeholder Capital Metrics (Principles of Governance, Planet, People and Prosperity). The results that we achieved concerning the above goals and indicators this year are shown as follows:

<p>Good governance Risk control and regulatory compliance (Principles of Governance)</p>	<p>16 Peace, Justice and Strong Institutions</p> 	<ul style="list-style-type: none"> Independent non-executive directors accounted for nearly half of the seats on the Board of Directors, and the members of the Board of Directors had different professional qualifications and educational backgrounds – the Board of Directors has a female member The Board of Directors to participate in ESG training 30 anti-corruption training sessions were held for directors and employees holding certain positions, with a total of 2,702 participants. The coverage rate of anti-corruption training for directors and supervisors reached 88%
<p>Green manufacturing Innovation-driven Development (Prosperity)</p>	<p>9 Industry, Innovation and Infrastructure</p>  <p>12 Responsible Consumption and Production</p>  <p>17 Partnerships for Achieving Goals</p> 	<ul style="list-style-type: none"> LNG vehicle tanks, CNG vehicle tanks and vehicle hydrogen storage tanks reduced carbon emissions by about 256,000 tons every year Cooperated with Zhaoqing to carry out the "Gasification for Xijiang River" Cement LNG New Energy Tank Ship Transportation Project Subsidiaries and Zhangjiagang Production and Research Office of Dalian Institute of Chemical Technology jointly carried out the demonstration project of liquid sunshine hydrogen fueling station for Beijing 2022 Winter Olympics The investment in new industrialization was RMB92 million R&D expenses reached RMB524.57 million, up 46% from 2020 130 new patents in the year Suppliers who signed HSE commitment letter accounted for 56%
<p>Decarbonization and environmental protection to care for the earth (Planet)</p>	<p>6 Clean Water and Sanitation</p>  <p>7 Affordable and Applicable Clean Energy</p>  <p>13 Climate Action</p> 	<ul style="list-style-type: none"> 34 energy-saving and green development projects were carried out, and the actual green energy-saving contribution is RMB6.31 million in 2021 The total investment in environmental protection and emission reduction operations amounted to RMB25,787,600 A total of 11 member enterprises have passed ISO 14001 environmental management system certification The total sewage discharge decreased by 1.2% compared with 2020 The exhaust gas emission intensity, sewage discharge intensity, oil consumption intensity, natural gas consumption intensity, and total water consumption intensity have decreased compared with 2020

Put People First for
All-Win Harmony
(People)

1 No Poverty

3 Good Health and Well-being

4 Quality Education

8 Decent Jobs and Economic Growth

10 Reducing Inequality

11 Sustainable Cities and Communities

- The Company has 9,735 employees, including six employees with disabilities, with the overall turnover rate of employees standing at 6.3%
- 2,675 new employees received three-level safety education, and 100% of the training activities were filed
- More than 110 emergency drills on fire protection, safety and environmental protection were conducted with more than 2,500 participants
- A total of 11 member enterprises have obtained OHSAS 18001: 2007 Occupational Health and Safety Management System Certification
- 100% of China-based employees participated in the training, with a total training time of 124,096 hours and an average training time of 14.69 hours per employee
- 101 internal trainers with 1,029 hours of internal training
- The Group donated a total of RMB485,000 in public welfare activities, and employees donated a total of RMB113,100, and the volunteer service time was up to 1,056 hours

Awards won by CIMC Enric in 2021 (For other awards and honors, please refer to the appendix):

CIMC Enric won three awards, namely the “Best ESG Award”, “Best Information Disclosure Award” and “Best Capital Market Communication Award” in the 5th China IR Annual Awards.



Best ESG Award



Best Capital Market Communication Award



Best Information Disclosure Award

Topic 1: Low-carbon development helps achieve the goal of carbon emission peak and carbon neutrality

On September 22, 2020, Chinese President Xi Jinping delivered an important speech at the General Debate of the 75th UN General Assembly, stressing that China will increase its nationally determined contributions, adopt more effective policies and measures, and strive to achieve carbon emissions peak by 2030 and carbon neutrality by 2060.

Judging by the current situation, the Strategic Research Department of the Company analysed the opportunities and challenges on the carbon trading market, focusing on the development process of Chinese and foreign carbon trading markets, as well as the latest progress and carbon trading requirements in China, with predictions made regarding the opportunities and challenges we are facing at present. We actively responded to the national dual-carbon strategy and supported national carbon reduction initiatives through the projects such as “Gasification for Yangtze River”, and “Gasification for Xijiang River” and “Green Pearl River”.

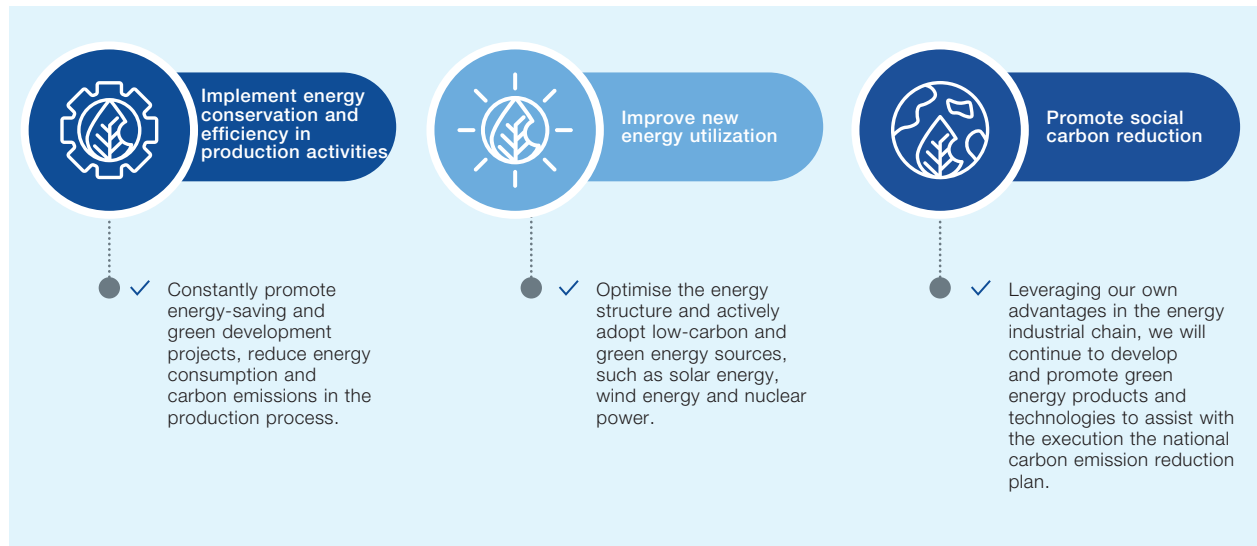
LNG vehicle tanks, CNG vehicle tanks and vehicle hydrogen storage tanks produced by the Group contain LNG/CNG/hydrogen as the fuel for vehicles to replace petroleum fuel, and we calculated the resulting amount of carbon emissions reduced. By collecting the sales volume data of the above products in 2021, we calculated that the three products could reduce the carbon dioxide emission by about 256,000 tons every year.



LNG vehicle-mounted tank



CNG vehicle-mounted tank



Carbon emission reduction path

Case

CIMC Enric and Maersk entered into a memorandum of understanding to engage in in-depth cooperation on a biomass green methanol project

On March 10, 2022, CIMC Enric established a strategic partnership with A.P. Muller-Maersk (hereinafter referred to as “Maersk”), a global container shipping logistics giant, which seeks to achieve a model project of green methanol production from biomass and deliver Maersk’s first-generation new green container ships, relying on CIMC Enric’s core equipment and processes. CIMC Enric plans to use high-rate circulating fluidized bed biomass high-efficiency gasification technology to produce green methanol, and produce hydrogen through biomass gasification and water vapor shift, and then synthesize methanol. This technology is characterized by the exceptional adaptability of the raw materials adopted, extremely low pollutant emissions, high carbon conversion rate of 99.5% and zero tar production.



Case

LPG micro pipe network – CIMC Hongtu resolves the “last leg” gas piping issue in rural areas

At present, although pipeline natural gas has become the main source of gas supplies in most Chinese cities, it is still difficult to supply pipeline natural gas in suburban and rural areas and mountainous cities outside the central urban regions, and the situation is unlikely to change for many years to come. Therefore, LPG is still an indispensable source of clean gas fuel. Thus far, small-size LPG tanks have gained popularity as a mode of gas supply mode in developed countries. In China, LPG is mainly supplied in tanks, and safety accidents related to bottled LPG occur at an alarming frequency. It is undoubtedly of great practical significance to promote the application of time-tested small tank gas supply technologies from foreign countries. Advantages of small LPG tank gas supply system are as follows:

- All small LPG tanks are equipped with remote monitoring devices and safety protection devices, which are connected with the management centre of LPG company to greatly improve safety protection. Special quick connectors are used with the fuelling joints of tank cars to effectively prevent gas leakage and explosion accidents.
- It reduces the intensity of labour required – as gas is filled directly through the tank car, reducing the work of tank handling.
- Through remote monitoring, the liquid level in small LPG tanks can be monitored in real time. Upon receiving a signal that LPG needs to be replenished, the management centre automatically arranges an LPG tank car to supply gas without requesting on the client’s part, which greatly improves the distribution efficiency and effectively avoids gas supply interruption.
- There is no need to build new LPG tank fuelling stations, which saves the turnover of tanks.
- The meter-measurement business model gives users the same service experience as pipeline natural gas, with enhanced service flexibility.
- Point-to-point distribution has stricter product quality standards than ordinary LPG to protect the interests of users.

CIMC Hongtu is working closely with external partners to take the lead in exploring and planning the construction of rural micro pipe networks, and jointly drive the “Bring Gas to the Countryside” campaign. As an important part of rural public infrastructure, the construction and development of “Bring Gas to the Countryside” campaign is of great practical significance to rural energy revolution and environmental protection, countryside beautification and rural revitalization strategy, the fulfilment of the carbon emission peaking and carbon neutralization targets, and to urban-rural integrated development as well. The first batch of safety-enhanced small LPG tanks and special tanks with pumps developed by CIMC Hongtu have been put into operation in Qinghai, Yunnan and Hubei in the first half of 2021, and with digital tank management adopted.



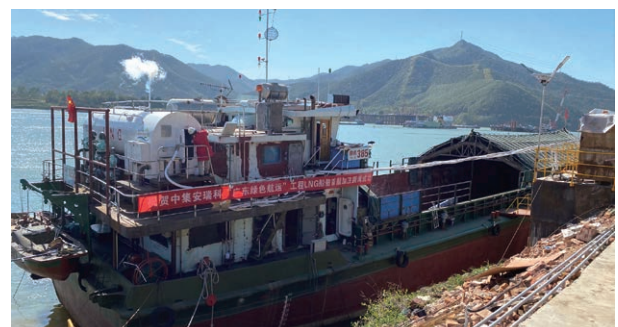
Small LPG tank developed to “Bring Gas to the Countryside”

“Gasification for Xijiang River” Project

In the past 20 years, Xijiang’s shipping industry has developed rapidly. The annual demand for cement in Guangdong Province alone grew to 170 million tons. Heavy fuel pollution caused by cement transportation ships has seriously affected the ecological environment along the Xijiang River. In May 2021, CIMC and Zhaoqing Municipal Government agreed on a proposal to promote the new-energy transportation projects in Zhaoqing Xijiang with an investment of roughly RMB10 billion, focusing on cooperation in many fields such as bulk cement transportation mode innovation and LNG (liquefied natural gas) energy supply, among which the “Gasification for Xijiang River” Cement LNG New Energy Tank Ship Transportation Project received the most attention. Thus far, only a tiny fraction of inland ships has completed the “oil-to-gas” transformation, and 90% of cement is still transported in the Pearl River by traditional open bulk carriers powered by high-pollution diesel fuel, which leads to serious dust pollution and low operation efficiency.



CIMC Enric will cooperate with local shipping enterprises to share specialist technical experience in the fields of ship design, ship power transformation, LNG power and energy equipment, increase the production capacity of the local LNG new energy shipbuilding industry in Zhaoqing, and invest in the construction of LNG fuelling stations and supply services along the Xijiang River Basin. CIMC Enric will vigorously promote the use of LNG tank-fuelled cement ships, and plans to provide 300-500 cement tank ships in the Pearl River Basin within 2-3 years to help transform the cement shipping practices in the Pearl River on a comprehensive scale.



In March 2022, the first LNG Ship No. 385 (Zhongshan) of CIMC Enric “Guangdong Green Shipping” Project, which was reconstructed at the Zhaotong Shipyard in Zhaoqing, was successfully filled with the completion of a trial voyage, and the ship was ready to be delivered. No. 385 is the first ship of Green Development Demonstration Ship LNG Power Reconstruction Project of Guangdong Inland River Shipping” that has completed trial voyage. Another Guangdong-No.3 Water Cargo No. 8816 will have a trial voyage after construction is ready.

Hydrogen energy development for a more friendly global environment

Hydrogen energy is one of the important means to achieve the carbon emission peak and carbon neutrality targets. Advances in the hydrogen energy technology is closely related to eco-friendly and sustainable energy development. As a source of clean and green new energy, hydrogen energy will play an important role within the energy structure, and help promote the energy transformation toward sustainable supply, create a more friendly global environment, effectively reduce carbon emissions, and ease the impact of global climate change caused by energy consumption.

We are committed to launching innovative businesses in areas such as transportation, hydrogen energy storage and gas supplies, and have become a leading player in China's hydrogen energy market. We have established the hydrogen energy business strategy of "production, storage and transportation + scenario application" with hydrogen production, hydrogen storage, hydrogen transportation, hydrogen fuelling stations and scenario application serving as the foundation of the equipment manufacturing strategy. We grew the equipment capacity of the hydrogen energy industry chain rapidly relying on our traditional high-pressure and low-temperature hydrogen storage capacity and LNG and CNG capabilities. In addition, we actively promoted the application of hydrogen energy in various industries, and help the industries to achieve the "dual carbon" targets.



Traffic

Type III/IV hydrogen storage tanks

Hydrogenation station

Hydrogen transport trailer

Liquid hydrogen storage and transportation equipment



Hydrogen electric energy storage

Cogeneration of heat and power

Distributed energy storage



Gas

Hydrogen production from coke oven tail gas

Hydrogen production by electrolysis of water

Hydrogen trade

Digitized hydrogen energy

The subsidiaries of CIMC Enric collaborated with Zhangjiagang Office of Production and Research of Dalian Institute of Chemical Technology to promote hydrogen production and hydrogenation in green methanol stations, jointly promoted the application of liquid sunlight hydrogen production and hydrogenation equipment (including hydrogen fuelling stations and carbon dioxide capture and synthesis equipment) in the hydrogen energy industrial chain, carried out the demonstration project of liquid sunshine hydrogen fuelling stations for Beijing 2022 Winter Olympics, and provided safe, reliable, cost-effective, efficient, green and low-carbon hydrogen energy production, storage, transportation and supply-side key technologies and equipment, thereby facilitating the fulfilment of the "dual carbon" targets as well as the innovation-driven leapfrog development of the hydrogen energy industry. The CIMC Enric hydrogen skid-mounted equipment has a relatively small footprint and can be used in numerous hydrogen production scenarios such as ports and docks, highway stations and large vehicles. The carbon recovery device can liquefy and recycle the carbon dioxide generated in the hydrogen production process, with carbon dioxide converted into liquid sunlight methanol employing the carbon capture and utilisation (CCU) technology to obtain liquid energy products, and reduce carbon dioxide emissions and achieve extensive-scale energy storage through renewable energy conversion and utilisation at the same time. Furthermore, it is more flexible and environmentally friendly than carbon capture and storage technology (CCS).

In terms of hydrogen energy equipment, Langfang Integration, a member enterprise of CIMC Enric, specializes in hydrogen storage, hydrogen utilisation and hydrogen use safety, and its products include hydrogen fuelling stations, hydrogen mother stations and compressors for hydrogen fuelling stations, as well as main single equipment on the entire production line matched with the equipment system of hydrogen fuelling station.

In addition to developing the hydrogen energy industry, we also help reduce carbon emissions by selling wind power generation equipment. In 2021, Pacific Offshore, a subsidiary of CIMC Enric, produced wind power equipment, including wind power piles, cages, jackets, pile groups and towers, with an estimated installed capacity of about 200 MW. Two sets of marine desulfurization towers were delivered in 2021, which is expected to reduce carbon dioxide emissions by 25,000 tons/year.

Case

Helping Xiong'an achieve zero-carbon transportation

In July 2021, Baoding “Rongcheng-Yi County Line” (Rongcheng-Yi County Highway, one of the important highways to ensure the transportation of materials needed for construction of the Xiong’an New Area), which was built by CIMC Enric Hydrogen Energy, a wholly-owned subsidiary of the Company, was successfully completed. The station mainly provides hydrogenation and comprehensive energy services for 100 hydrogen fuel and hydrogen energy heavy trucks for transporting sand and gravel aggregates in the Xiong’an New Area. It supports infrastructure construction, and provides a solid basis for building zero-carbon transportation in the Xiong’an New Area.



Hydrogen trucks to be operated in the Xiong'an New Area in June 2021

Case

Love for the Winter Olympics and start here – CIMC Enric manufactures hydrogen transportation products for the Beijing Winter Olympics

The Opening Ceremony of the 2022 Beijing Winter Olympics was grandly held on the evening of February 4, 2022. CIMC Enric provided more than 30 hydrogen gas tube bundle containers, more than 10 sets of 50MPa hydrogen tanks for the Beijing Winter Olympics and the Winter Paralympic Games. It provided end-to-end services for the Winter Olympic Games, and made every effort to contribute to the Beijing Winter Olympics with a complete range of high-quality hydrogen energy equipment. Shijiazhuang Enric, a wholly-owned subsidiary of the Company, began exporting hydrogen storage and transportation products to South Korea since 2002, and has successively completed the National 863 projects, including 45MPa hydrogenation vehicle and hydrogen storage tank group of hydrogenation station for Shanghai World Expo; wound hydrogen tank (87.5MPa) for Dalian Tongxin Hydrogenation Station. Shijiazhuang Enric currently has more than 3,000 H₂ vehicles operating in China, and has provided more than 50 hydrogen storage tanks for domestic hydrogenation stations. In addition, more than 300 sets of hydrogen storage tanks have been exported to the United States, Canada and South Korea.



Case

Hydrogen “Helps Beijing Winter Olympics – CIMC Enric hydrogen energy delivers the first 70 MPa skid-mounted fully integrated hydrogen fueling station in China

The “Research and Demonstration Project of Key Technologies for Large-scale Wind-Solar Hybrid Hydrogen Production – 70 MPa Skid-mounted Fully Integrated Skid-mounted Hydrogen Fueling Station Equipment” undertaken by Langfang Integration, a member enterprise of CIMC Enric, has been officially delivered for use. The hydrogen fueling station is located in the Wanquan Oil, Hydrogen and Electricity Integrated Energy Station in Zhangjiakou, Hebei Province. It is used to provide green energy for hydrogen fuel cell vehicles in 2022 Winter Olympics, and “hydrogen” helps Beijing Winter Olympics. The hydrogen fueling station has produced the first multifunctional fully integrated hydrogen fueling device, the first integrated efficient and convenient hydrogen fueling device, the first multi-gas source skid-mounted hydrogen fueling device (多气源撬装加氢装置), and the first complete explosion-proof skid-mounted hydrogen fueling device (整机防爆撬装加氢装置).



Case

Series of products of CIMC Hydrogen helps the successful closing of the Beijing Winter Olympics

16 days of combustion, 1.38 million seconds of stable hydrogen supply, the series of products for storage, transportation, filling and hydrogen supply control systems of CIMC Enric Hydrogen Energy, a wholly-owned subsidiary of CIMC Enric, ensured its stable supply of hydrogen for the main torch of the venue during the Winter Olympic period. The torch of the main torch in 2022 will consume about 2 cubic meters of hydrogen per hour. The hydrogen supply system of Langfang Integration, and the hydrogen transportation and storage equipment of Shijiazhuang Enric ensure the transmission of energy and especially the torch hydrogen supply equipment is jointly developed by Langfang Integration and PetroChina Research Institute of Petroleum Exploration & Development. The small filling equipment provided by Langfang Integrated is currently the first ultra-small integrated hydrogen filling equipment in China, and its filling pressure can reach $\geq 45\text{MPa}$.



Case

Panasonic Corporation and CIMC Enric signed a memorandum of understanding to jointly develop a hydrogen cogeneration system

On November 5, 2021, the first day of the Fourth China International Import Expo, Panasonic Corporation signed a memorandum of understanding with CIMC Enric to jointly develop integrated products for hydrogen-electricity integrated applications (cogeneration) (referred to as the "hydrogen-electricity cogeneration system") focusing on Panasonic's hydrogen cogeneration module and technology, inject technologies and build up an arsenal of new technologies for the large-scale promotion of hydrogen-electricity integrated applications in China, improve the utilisation efficiency of hydrogen energy, and continuously contribute to the fulfilment of the national "dual-carbon" strategic goal.



Case

Yang Xiaohu, General Manager of CIMC Enric, was invited to talk about the prospect of hydrogen energy in a live broadcast on CGTN

The host of China Global Television Network ("CGTN") invited a number of well-known hydrogen energy industry experts to discuss the future of the industry in the form of live video. Yang Xiaohu, executive director and general manager of CIMC Enric, was invited to participate in the discussion as the head of an industry-leading hydrogen energy equipment company. In this global live broadcast, Yang Xiaohu expressed his firm confidence in the development prospects of the hydrogen energy industry as a veteran of the energy industry and the head of a leading hydrogen energy equipment company in China, and elaborated that hydrogen energy will subvert traditional industries from many fields, greatly improve energy efficiency and reduce carbon emissions, and promote the development of green industries.



Topic 2: Smart manufacturing helps implement the “Made in China 2025” strategy

On the basis of scientific and technological progress, by changing the development mode, we will gradually achieve the purpose of increasing our high-tech strengths and achieving economic benefits, thereby attaining intelligent, IT-based and circular development stepwise. Specifically, it involves new processes and equipment, new production line construction/production line transformation, new technology development and application, intelligent equipment development and application, information management application, etc. In 2021, CIMC Enric invested RMB92 million in new industrialization.

Case

Upgrade and development of core production line equipment in CIMC Safeway’s tank workshop

During the year, the subsidiary CIMC Safeway adopted several sets of new equipment in its tank workshop to automate key mass production processes, including automatic welding robotic workstations for tank backplates, automatic welding system for tank heating pipe reinforcing rings, automatic logistics system for RGV sub-vehicle/vehicles in the tank hydraulic process and other automatic welding and logistics equipment. The commissioning of automatic welding equipment installed in the production line has improved the welding efficiency of key operations by 30%-50%, and greatly reduced workers’ labour intensity at the same time, with remarkable comprehensive benefits achieved. The use of workshop automatic logistics system equipment enormously reduces the frequency of operations relying on workshop cranes as the main means of lightering, effectively eliminate potential safety hazards, enhances logistics efficiency by more than 20%, and effectively improves HSE.



Automatic Welding Robotic Workstation for Backplate of Tank Box



Automatic Welding System for Reinforcing Ring of Special Tank Box

Case

Transformation of CIMC Holvrieka’s CNC fiber laser cutting machine

Stainless steel plate cutting and blanking is an important process of equipment production at CIMC Holvrieka, a subsidiary of the Company, where the cutting quality directly affects the precision, difficulty level and quality of assembly operations. At present, the company mainly use underwater plasma cutting machine for plate cutting. Although the underwater plasma cutting machine can eliminate noise, dust, harmful gas and arc pollution, it causes water pollution which entails wastewater treatment. Therefore, CIMC Holvrieka carries out technical transformation to improve the cutting quality and efficiency. The CNC fiber laser cutting machine is used in the metal material processing industry. It has gained recognition for high cutting accuracy, high positioning accuracy, narrow cutting gap and fast speed, and can meet the special production requirements, improve the cutting efficiency and cutting surface processing quality of plates, and reduce air pollution.



Before Transformation- Underwater Plasma Cutting Machine



After Transformation – CNC Fiber Laser Cutting Machine

Case

Transformation of Handheld Laser Welding of CIMC Holvrieka

Manual argon arc welding is the main method of stainless steel sheet welding at CIMC Holvrieka, but this type of welding causes substantial environmental pollution in the welding process. Arc radiation, metal fume, and harmful gases generated during welding increase the risk of occupational diseases for operators. The hand-held laser welding machine makes the work of the welder more efficient, safe, energy-saving and environmentally friendly. The hand-held laser welding seam is smooth, the welding workpiece has no deformation, no welding scars, and the welding is firm, reducing the subsequent grinding process, saving time and cost.



Effect picture before transformation-argon arc welding

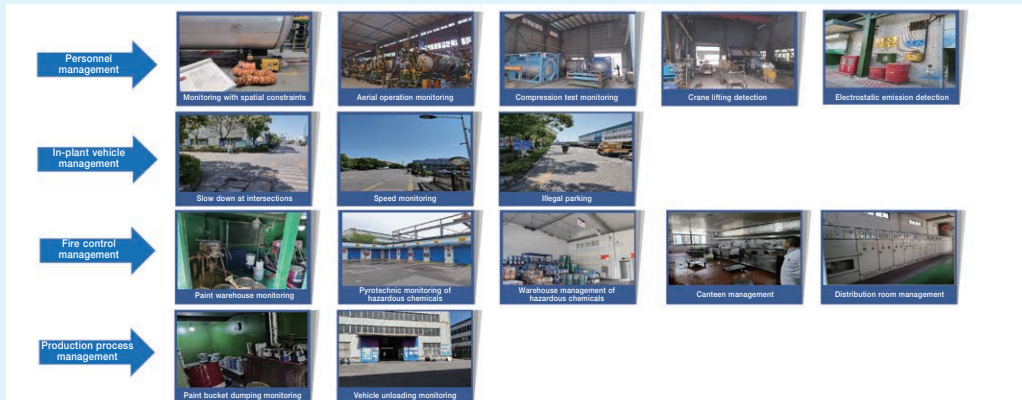
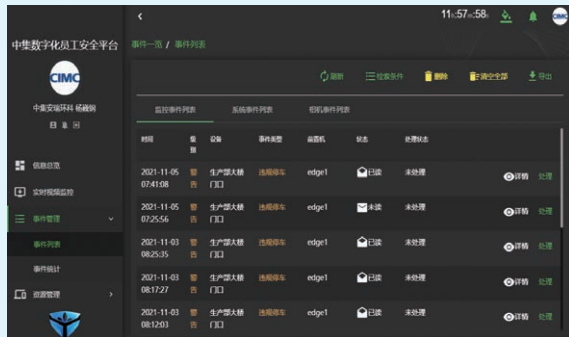


Effect picture before transformation-laser welding

Case

CIMC Enric builds the HSE digital platform to promote IT applications in work safety-related operations

In 2021, CIMC Safeway built the HSE digital platform to introduce a collaborative innovation mode of "industrial Internet + safe production", expand the application of industrial Internet, and enhance the standard of safe production. The initiative of applying IT in work safety-related operations covers hoisting operations, compression test, inflammable and explosive areas, high-altitude operations, operations with spatial constraints, natural gas facilities and other operations. The digital security platform of CIMC Safeway performs real-time detection on related operations. According to the hazard level, abnormal data detected is transmitted and reported to the corresponding personnel and HSE department of the Company in real time, so as to ensure prompt risk identification and real-time monitoring, advanced early warning, linking disposal and system evaluation. Managers can also view various safety management data and reports via the digital platform for early warning and decision-making.

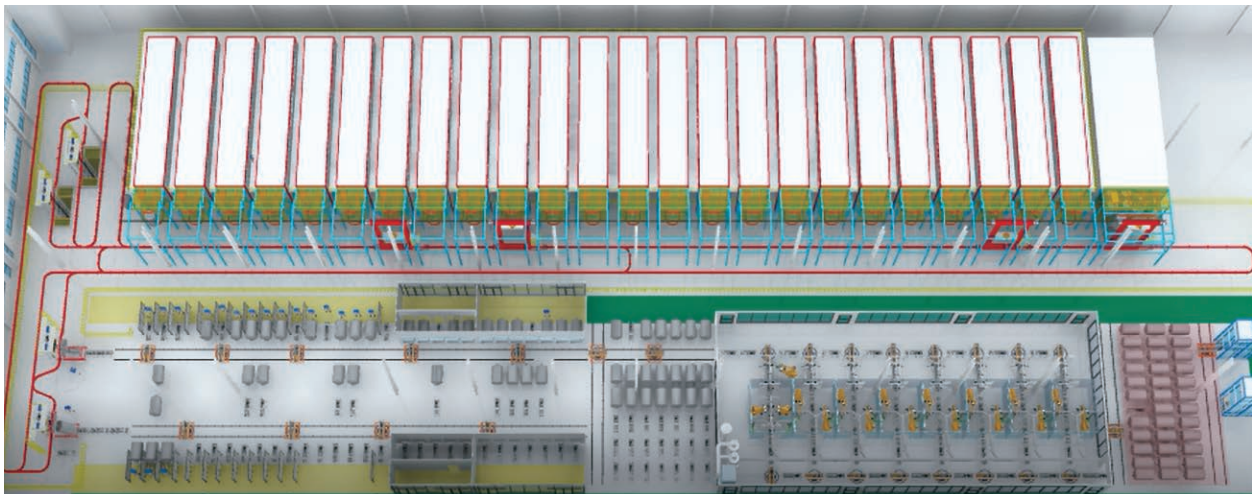


According to the latest list of “lighthouse” factories in the global manufacturing industry released by the World Economic Forum (WEF) in September 2021. The number of “lighthouse” factories in China increased to 31, outstripping all other countries in the world. A breakdown of the “lighthouse” factories worldwide by industry shows that they are mainly concentrated in automobile, new energy, household appliances, electronics and steel industries, but the number of discrete heavy-industry manufacturing enterprises is very small. The main reason is that it is very challenging to automate, digitalise and apply IT in the manufacture of heavy-industry products with large structure, heavy mass and low product standardisation. CIMC Group has set up the “Smart Manufacturing Upgrade Committee” in 2018, and has been exploring and applying intelligent manufacturing technologies and systems that match our production models in various business segments.

As a leading player in the energy, chemical and liquid food equipment industries, CIMC Enric closely follows the strategic arrangements related to smart manufacturing made by CIMC Group, and continues to innovate toward “smart manufacturing” and “Lighthouse” Factory. “Lighthouse” Factory, which is championed by Enric Smart Manufacturing Research Institute in collaboration with related enterprises, is five-fold: energy-based intelligent equipment technology, application of new materials and new processes, digital quality management, green manufacturing and smart production management. In 2021, CIMC Enric successfully tackled 13 technical problems involved in Lighthouse smart manufacturing, and developed several “Lighthouse” Factory projects and several production line upgrading projects.

With a view to attaining “digital manufacturing and green manufacturing”, CIMC Sanctum, a member enterprise of the Company, launched the LNG vehicle-tank “Lighthouse” Factory project. The “Lighthouse” Factory project is designed taking into consideration the entire product lifecycle of products, connecting the core processes of product design – process planning – manufacturing – product delivery.

- Through the application of digital factory modelling and product lifecycle management system, we are able to carry out collaborative product digital R&D;
- The manufacturing execution system will be upgraded to achieve integrated planning and execution of all process equipment, fast logistics transportation, digital quality traceability and integrated management of personnel, materials and information;
- The 5G-based dedicated wireless communication network enables IoT data acquisition and wireless terminal production instruction transmission, facilitating business collaboration and deep integration of multiple applications;
- The application of intelligent equipment and new technology is expected to reduce the employee utilisation rate by 60% and improve the consistency of product quality;
- The roof photovoltaic power generation of the project will bring additional economic and social benefits to the green and low-carbon development of enterprises.
- Intelligent three-dimensional warehouses equipped with an automatic navigation transportation system can free staff members from complicated warehouse inbound and outbound goods deliveries and transportation activities, effectively reduce the operation pressure of the warehouse and improve the operation ability of the entire system.



Case

Automatic tank anti-wave plate robotic welding equipment

In late 2021, the automatic robotic welding equipment for anti-wave plates of liquid tank jointly developed by Enric Smart Manufacturing Research Institute, CIMC Safeway and Tangshan Panasonic successfully completed the trail run. Disadvantages of the original manual liquid tank include a long production cycle, low efficiency, poor quality consistency, harsh working environment and high safety risk. The introduction of the robotic intelligent tracking automatic welding equipment is expected to improve the production efficiency by 30% and reduce the repairs (due to quality issues) by 50%. The resulting increased degree of intelligence paves the way for CIMC Safeway to build an automatic, digitalised and intelligent Green Flexible “Lighthouse” Factory in terms of equipment and process realization.



The “Lighthouse” Factory has laid a solid foundation for smart manufacturing R&D at CIMC Enric. As a leading player in the industry, we will continue to step up the promotion of smart manufacturing technology and accelerate the transformation from the extensive production mode to the new production model oriented to informatisation and industrialisation. We also empower the industry with digital technologies such as big data, industrial internet and artificial intelligence, and create a “green + smart” future for enterprises.

Case

Nantong Energy LNG tank passed the certification of scientific and technological achievements

At the scientific and technological achievements appraisal meeting held by China National Association for Automation in Petroleum and Chemical Industry on August 5, 2021, the research findings related to the Efficient and Intelligent Storage and Transportation Technology and Application of LNG Tank Container jointly released by Nantong Energy and CNOOC Gas & Power Group passed an inquiry and deliberation conducted by the appraisal panel consisting of 11 LNG specialists and professional organizations including China University of Petroleum (Beijing) and China Waterborne Transport Research Institute, and received the certificate of scientific and technological achievements, with the core technologies developed rated as internationally advanced. Through Efficient and Intelligent Storage and Transportation Technology and Application of LNG Tank Container, the pair developed LNG intelligent storage and transportation equipment, established a complete safety evaluation system, a safety guarantee system and a complete standards system for the multimodal transportation industrial chain, and developed the efficient and intelligent LNG tank container storage and transportation technology.



Good Governance Risk Control and Regulatory Compliance

Good corporate governance is the foundation of CIMC’s sustainable development. We actively respond to Sustainable Development Goal 16 of the United Nations. We adopt the corporate governance system of CIMC Group, established a sound governance structure, maintain an honest and anti-corruption work atmosphere, and eliminated all bribe taking and giving practices.



Sustainable development strategy

Business operations not only make economic contribution, but also have a direct or indirect impact on the environment and society. The Company undertakes the sustainable development strategy formulated by the controlling shareholder of CIMC Group, fully considers the risks and challenges of sustainable development, and has clear plans and arrangements in terms of environment, society and governance.

- Strategic theme: Firmly adhere to the strategy of “scientific and technological innovation, smart and connected, growth with quality, and build a comprehensive service capability for clean energy integration”, focus on the clean energy industry, and pursue for high-quality, incremental business development.
- Strategic Initiatives:
 - 1) Strengthen scientific and technological innovation, promote intelligent manufacturing, and improve the level of refined management.
 - 2) Pay close attention to the development of key equipment and core processes, combine with the underlying idea of Smart and Connected, and achieve to maintain the leading position for core products. All enterprises should give full play to their own capabilities and consolidate their position in the industry.
 - 3) Adhere to the optimization of connotation, improve the efficiency of capital use, continuously improve the turnover of cash, and strengthen the ability to dispose of inefficient assets and inefficient businesses.
 - 4) Strengthen comprehensive risk management, implement ESG-related management and control requirements, prevent major risks, and ensure sustainable development; vigorously promote green and low-carbon development, and gradually move towards the dual-carbon goal of “carbon peaking and carbon neutrality”.
- Strategic support: digital operations, human resources, risk management and control, capital/resources.
- Business Opportunities:
 - 1) Focus on carbon neutral industry opportunities
 - 2) Focus on the theme of clean energy, track and serve the overall national energy development strategy, so as to achieve the healthy development of the Group’s clean energy industry.
- Strategy implementation:

Firmly follow the path of sustainable development, gradually integrate ESG management concepts into corporate operations, seize historical development opportunities, and manage the risks in ESG.

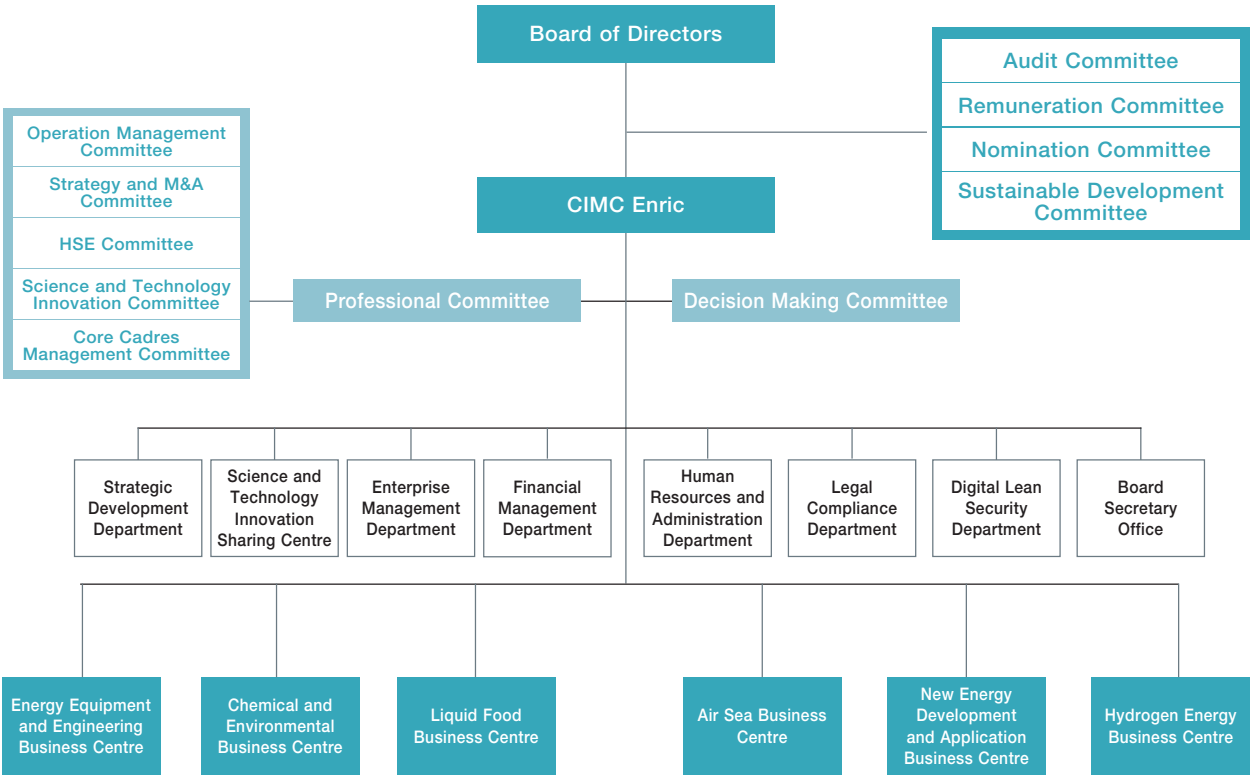
We constantly improved the standard of sustainable development management, achieved conceptual transformation of ESG management, and foregrounded ESG management. CIMC Enric plays an active role in identifying and reducing its impact on the environment and society in business operation and management. We propose and manage our environmental and social impacts in accordance with six fundamental principles.

Six basic principles: compliance with laws and regulations, moral behavior, scientific development, openness and transparency, people orientation, and balancing the interests of multiple parties

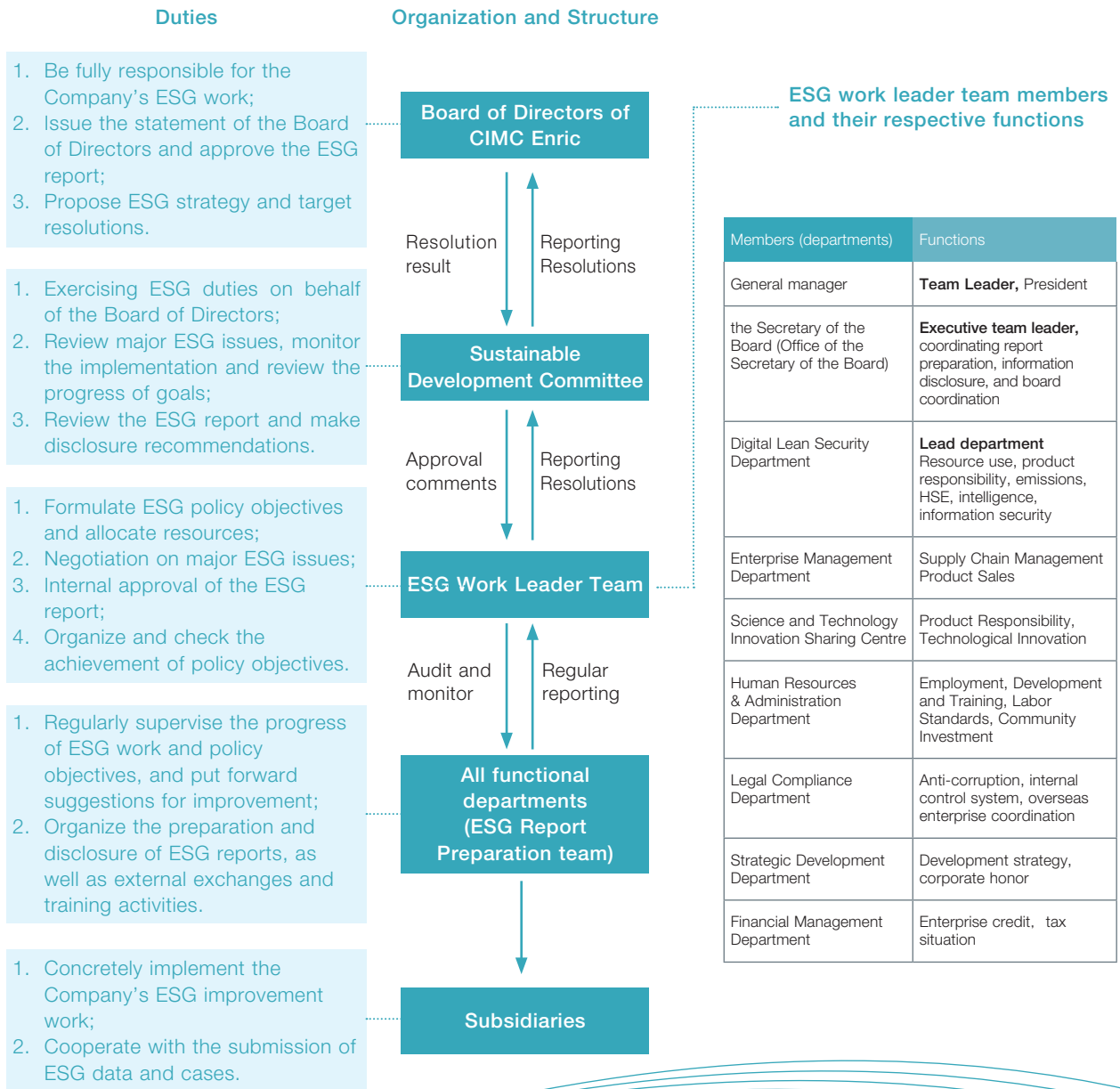
ESG Governance

The ESG governance structure of CIMC Enric covers the Board of Directors of CIMC Enric which is the supreme governing body, the Sustainable Development Committee at the board level, the ESG work leader panel at the management level (leadership panel) and the ESG report preparation group at the executive level (preparation group), which are responsible for the top-down promotion of the ESG management system. Through this top-down governance structure, starting from the Board of Directors, leaders and representatives of relevant departments of sustainable development are organized to implement the sustainable development strategy and annual goals.

Organizational Structure of CIMC Enric



CIMC Enric ESG Governance Structure



The Board of Directors of the Company is composed of nine members, four of whom are independent non-executive directors tasked with providing the Board with adequate independent opinions, accounting for nearly half of the seats of the Board. The other members are an executive Director (General Manager) and four non-executive Directors (including Mr. Gao Xiang, Chairman²). Board members have a diverse range of professional qualifications and educational backgrounds, including legal, accounting, corporate finance, economic, academic, management and industry expertise. Furthermore, the Board of Directors has a female member. The diverse backgrounds and professional qualifications of the Directors have brought about extensive and balanced skillsets and experience that enable the Board to effectively lead the Group's operations.

Every year, the Company organizes the Board of Directors to participate in training on environmental, social and corporate governance. During the reporting period, the Company organized a training lecture on environmental, social and corporate governance on November 26, 2021, which was attended by all the nine directors. The training content was the interpretation and working advice on ESG development trends and new regulations of information disclosure.

The Sustainable Development Committee is mainly responsible for formulating sustainable development goals and plans related to environmental, social and corporate governance, and supervising the operation of the Company's sustainable development system. As of the date of the Report, the Sustainable Development Committee has held one meeting to review the following matters:

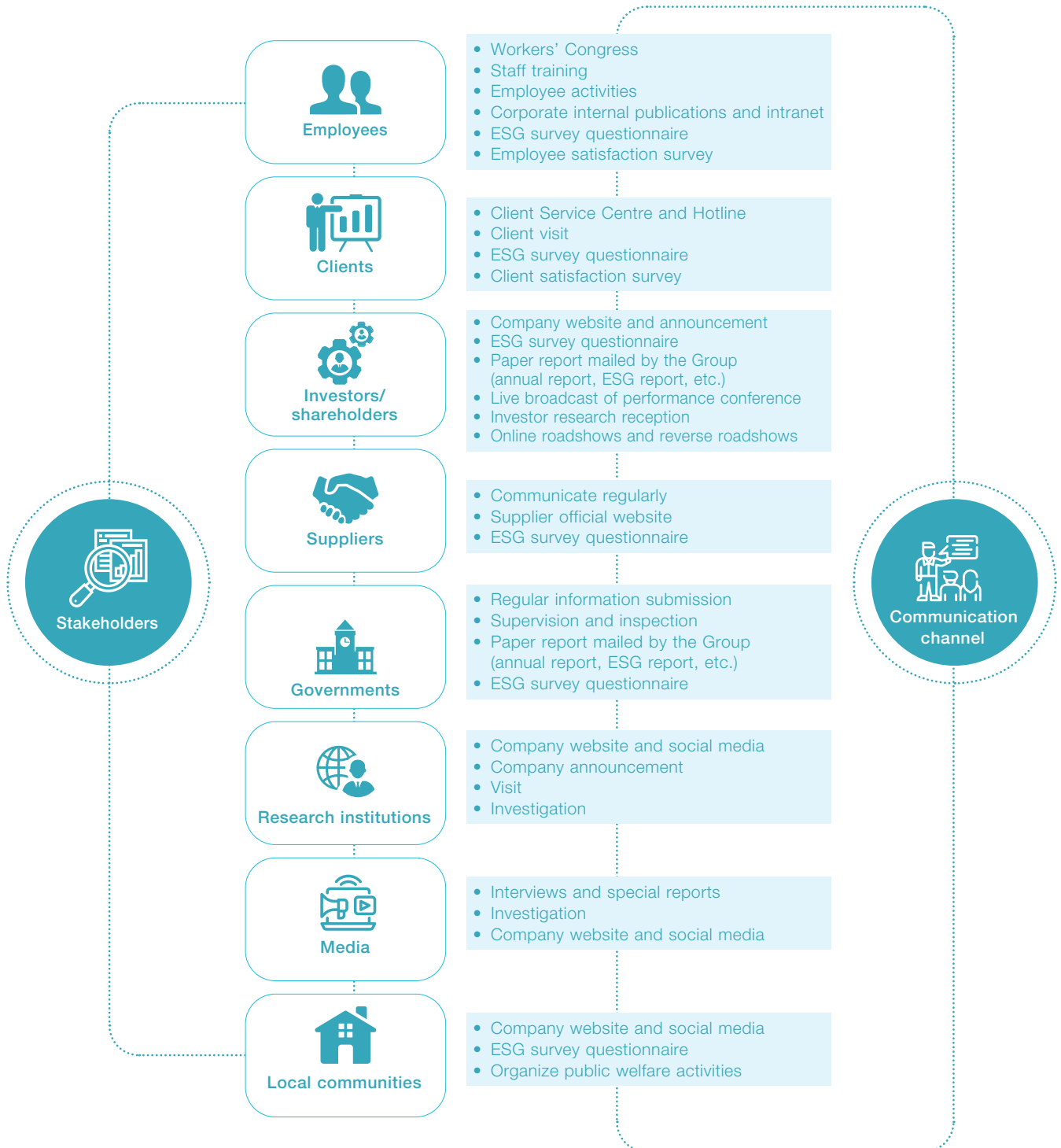
- 1) *Environmental, Social and Corporate Governance Report 2021* and put forward suggestions on the disclosure of information related to sustainable development;
- 2) Reviewed the Company's environmental, social and corporate governance management policies, objectives, strategies and materiality issues from time to time to ensure that the Company's performance regarding sustainable development proposals conform to the applicable regulations and regulatory standards;
- 3) Continuously monitor the progress in implementation and fulfilment of the review targets from time to time.

For more information on the corporate governance, please refer to the Corporate Governance Report in the 2021 Annual Report of the Company.

² Mr. Gao Xiang was transferred from an Executive Director to Non-executive Director as from 1 January, 2021.

Communications with stakeholders

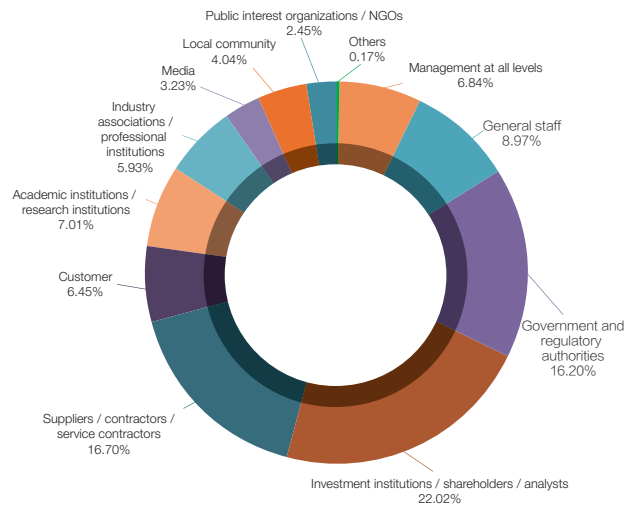
The Group understands that the key to sustainable development is to listen to the views and expectations of stakeholders that may impact our business processes. Our stakeholders are broad-based, including employees, clients, investors/shareholders, suppliers, governments, research institutions, media and local communities. Adhering to the principle of balancing the interests of all the parties involved, we regularly communicate with major stakeholders through various channels such as annual reports, regular meetings and interviews to identify key issues related to them, and disclose our actions in dealing with these issues during the year.



Response to materiality issues

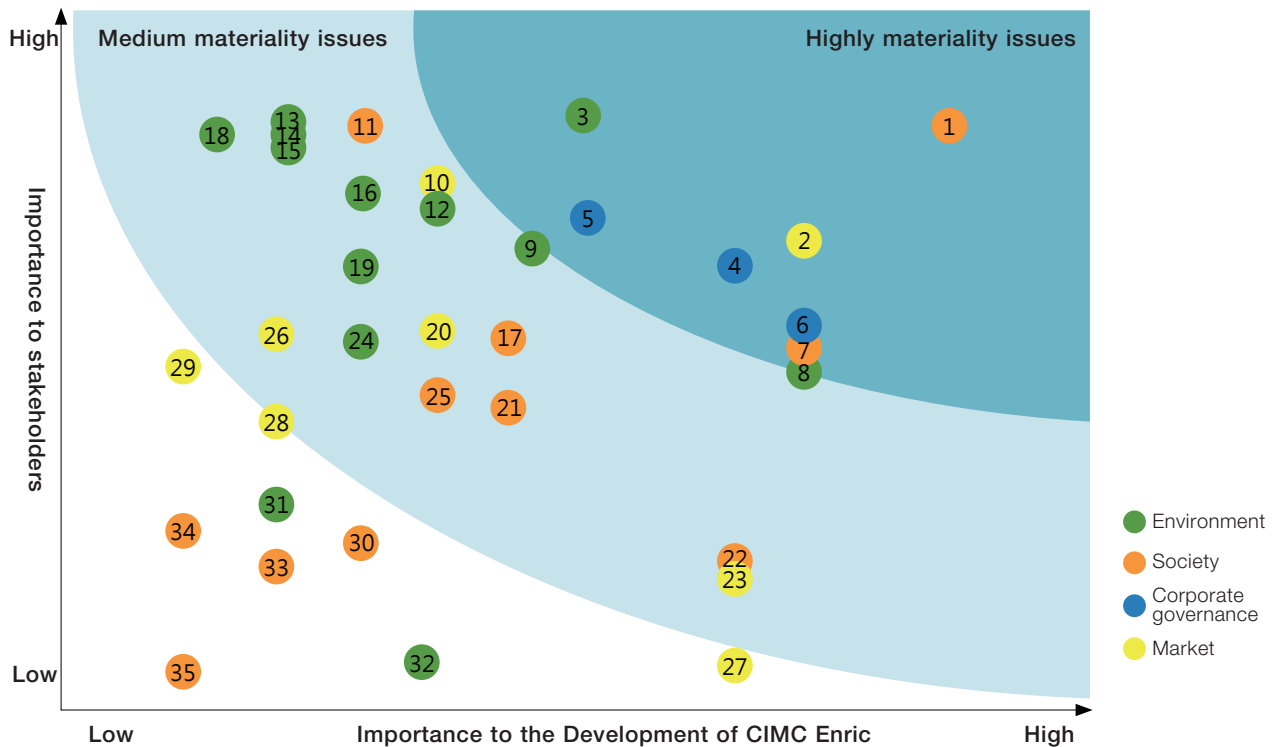
In 2021, CIMC Group carried out materiality evaluation of ESG issues covering CIMC Enric and other major sectors, identified important ESG issues closely related to the business operations of CIMC Group and its major sectors, and conducted separate analysis and evaluation according to the situation of each sector. During the year, CIMC Enric collected 5,921 valid survey questionnaires (an increase of 3,628 compared with the previous year), of which external stakeholder respondents accounted for 84% (an increase of 17% compared with the previous year). The Group focused on these issues involved in ESG management at CIMC Enric with reference to the evaluation results of materiality issues.

We continue to engage independent third-party organizations this year to obtain the scores of different stakeholders on the importance of ESG issues and their views and suggestions on the sustainable development of the Group through interviews with Group executives, online questionnaires and interviews with external stakeholders, and ultimately identified 13 environmental issues, 11 social issues, three corporate governance issues and eight market issues. According to the importance ranking, it covers nine highly important topics, 17 moderately important topics and nine low important topics, as shown in the following table.



Source Analysis of Stakeholder Questionnaire of CIMC Enric in 2021

Significance Matrix of ESG Issues in CIMC Enric in 2021



Evaluation results of the importance of ESG issues in CIMC Enric in 2021

Category	Topics	Topic ranking	Importance	Ranking change	Ranking in 2020	Response to this report
Society	Employee safety and health	1	Highly important	↑ 11	12	Occupational Health and Safety
Market	Safety of storage and transportation of natural gas and food	2		→	2	Topic 1 Topic 2
Environment	Energy saving and consumption reduction	3		↑ 2	5	Save resources
Governance	Anti-corruption and honest management	4		↑ 4	8	Promote a clean culture and manage and control business risks
Governance	Formulate and implement sustainable development strategies	5		↑ 10	15	Sustainable Development Strategy
Governance	Operation with compliance and risk management and control	6		↓ 5	1	Manage and control business risks
Environment	Clean and environmental protection production technology	7		↓ 4	3	Topic 2 Green Products and Environmental Protection Industry
Environment	Green EPC project and research and development of clean and environmental protection storage tank	8		↓ 5	3	Topic 1 Green Products and Environmental Protection Industry
Society	Reduce the impact of operations on the community	9		↑ 1	10	Caring for Livelihoods
Market	Promote the development of the industry	10		Moderately important	New topics	/
Society	Diversification of employees and protection of rights and interests	11	↑ 18		29	Equal and diverse employment relationship
Environment	Air pollutant emission control	12	↓ 5		7	Strictly Control Pollution Discharge
Environment	Sewage treatment	13	↑ 13		26	Strictly Control Pollution Discharge
Environment	Strengthen environmental awareness and brand promotion	14	→		14	Topic 1
Environment	Risks and opportunities of climate change	15	↑ 2		17	Response to the climate change
Environment	Noise control	16	→		16	Strictly Control Pollution Discharge
Society	Staff training and team building	17	↑ 10		27	Equal and diverse employment relationship
Environment	Ecological environment and biodiversity protection	18	→		18	Topic 1
Environment	Green supply chain	19	↓ 10		9	Create a sustainable supply chain
Market	Client service improvement	20	↑ 5		25	Client Service and Privacy Protection
Society	Employment risk response mechanism	21	↓ 2		19	Equal and diverse employment relationship
Society	Decent salary for employees	22	↓ 11		11	Equal and diverse employment relationship
Market	Intelligent operation	23	↓ 10		13	Topic 2
Environment	Greenhouse gas emissions	24	↓ 7		17	Strictly Control Pollution Discharge
Society	Responsible supply chain	25	New topics	/	Create a sustainable supply chain	
Market	Responsibility marketing	26	New topics	/	Client Service and Privacy Protection	
Market	R&D and innovation	27	↓ 14	13	Innovative Products and Services	
Market	Intellectual property protection	28	New topics	/	Innovative Products and Services	
Market	Client privacy protection	29	↑ 1	30	Client Service and Privacy Protection	
Society	Rural revitalization	30	New topics	/	Caring for Livelihoods	
Environment	Water resources consumption and water saving	31	Low importance	↓ 11	20	Save resources
Environment	Waste management	32		↓ 28	4	Strictly Control Pollution Discharge
Society	Localized operation	33		↓ 12	21	Caring for Livelihoods
Society	Employee communication and complaint mechanism	34		↓ 6	28	Equal and diverse employment relationship
Society	Community public welfare activities	35		↓ 25	10	Caring for Livelihoods

Based on the analysis of materiality issues, the Report discloses highly important issues in detail in response to internal and external concerns. Among the highly important topics this year, the following topics leapfrogged in the importance ranking:

- **Formulating and implementing sustainable development strategies:** The ranking of this topic has risen significantly, indicating that stakeholders still attach great importance to matters related to the Company's own business, and we take active actions to address stakeholders' concerns regarding the formulation and implementation of sustainable development strategies.
- **Employee safety and health:** The ranking of this topic has risen significantly, suggesting that stakeholders have increasingly strict management requirements with respect to employee safety and health. We pay attention to the physical and mental health and safety of employees and actively fulfill our social responsibilities.

Promote an anti-corruption culture

As an international enterprise listed in Hong Kong, CIMC Enric not only complies with domestic laws and regulations, but also needs to comply with the effective laws and regulations in all the countries involved in its business operations. We abide by the regulatory requirements represented by the United Nations Convention against Corruption, the European Union Convention on Combating Corruption Involving Officials of the European Community or Officials of European Union Member States, the Criminal Law Convention against Corruption, the Civil Law Convention against Corruption, the Foreign Corrupt Practices Act (FCPA) of the United States and the Anti-Corruption Act 2010 of the United Kingdom. Comprehensive prevention of corruption, definition of corruption crimes and transnational anti-corruption cooperation are aimed at creating a fair trade environment. CIMC Enric also joins in the "China Enterprise Anti-Fraud Alliance", abides by the "Enterprise Anti-Fraud Alliance Convention", stresses honesty and anti-fraud, and strengthens cooperation among enterprises to build a defense line together.

In terms of anti-corruption system construction, the Company continues to carry out anti-corruption implementing the following policies:

- According to the Regulations on Integrity of Cadres and Personnel in Sensitive Positions of CIMC Group, the responsible persons of enterprises at various levels should faithfully perform their duties, and must not use their powers to seek personal gain or harm the interests of the respective enterprises. According to the principle of "graded responsibility and centralized management", the person in charge of the Company bears the primary responsibility for the implementation of these regulations, and for conducting anti-corruption employment education and supervision for relevant personnel within the business scope under his/her jurisdiction. Human resources departments at all levels shall organize the implementation of the regulations, and audit and supervision institutions at all levels shall be responsible for supervision, so as to file and review the reported matters.
- The Company has also formulated and issued the Code of Conduct for Employees of CIMC Enric, which provides guidance on matters that affect the integrity and honesty of employees, such as the acceptance of benefits, and publicizes and studies it throughout the Group. All the employees of enterprises at all levels within the Company have already signed the Commitment Letter for Compliance with the Code of Conduct for Employees.
- The Administrative Measures for Self-Invitation Bidding of Engineering Construction Projects of CIMC Enric Holding Co., Ltd. (Trial) issued by the Company also clearly stipulates that members of the bid evaluation team shall not contact bidders privately, and shall not accept property or other benefits from the bidders.
- Member enterprises have also formulated the Management System of Honesty and Self-discipline of Employees, the Management Measures of Reward and Punishment of Employees, the Code of Conduct for Purchasing Personnel, and the Management Measures of Bidding. In 2021, CIMC Enric updated the Management System of Honesty and Self-discipline of Employees as well as the clauses of the contract template concerning actions against commercial bribery.

Furthermore, we strive to set up a long-term anti-corruption education mechanism. Through special audit and responsibility audit, combined with internal and external reported cases and risk warnings issued by CIMC Group, the Legal Compliance Department of the Company focused on audit investigation of corruption-related risk points to prevent possible and potential risks. In 2021, the Company carried out and participated in the implementation of seven audit projects and identified 70 audit defects. The rectification has been completed for the most part. Based on the outcomes of the self-inspections and rectification conducted focusing on the main audit findings released by the Group on a quarterly basis, communications are carried out with the member enterprises every quarter regarding the key issues identified in the Group's audit. The member enterprises shall revise and improve the internal control deficiencies found in internal audits, and submit relevant information to the Company for audit and troubleshooting. According to the unified requirements of the Company, the member enterprises completed the internal control review in 2021, submitted relevant materials on schedule, actively publicized the risk warnings of CIMC Group, and conducted regular self-examination and self-correction. As regards the member enterprises, taking CIMC Safeway as an example, the Company disseminate publicity materials by email or holds special video conferences every quarter according to the external risk factors and major risk points in the Group and holding companies (five email communications and special video conferences were conducted in total, covering 73 attendees). The list of senior executives and sensitive positions at all levels of the Company was analysed, and the 2021 Commitment Letter and Reporting Letter were signed (two analyses were carried out, covering 458 participants). The Company strengthened and standardised internal control and integrity training sessions for new business and new employees (five training sessions were provided, covering 131 trainees). In terms of the management of individual departments in the member enterprise, taking the Purchasing Department of CIMC Safeway as an example, all members of the Purchasing Department signed the "Commitment Statement on Integrity Employment" and handed it over to the Human Resources Administration Department for safekeeping, in accordance with the relevant requirements of the according to the requirements of the Group's "Regulations on Integrity Employment of Cadres and Sensitive Positions of CIMC Group". The "Anti-commercial bribery clause" is added to the standard contract template. In addition, we carried out training and anti-corruption government education to improve the ideological stance of staff members, and employees were reminded of the importance of anti-corruption during public holidays in departmental and office meetings.

As a member of the China Enterprise Anti-Fraud Alliance, we actively attended anti-corruption investigation training organized by the alliance, and studied the anti-fraud investigation report of Chinese enterprises. While ensuring the satisfaction the needs of production and business operations, member enterprises sent employees in key positions to attend internal or external anti-corruption training from time to time, and publicized relevant information to the employees. Furthermore, the Company promptly posted articles on national anti-corruption requirements and anti-corruption-related information concerning CIMC Group on the corporate official WeChat account and website. In December 2021, the Company participated in the Digital Audit Exchange Forum jointly organized by CIMC Group and SF Group, held in-depth discussions about the Company's existing digital risk control system and corresponding early warning and monitoring mechanisms, and learned from the professional experience of SF Digital Audit Construction.

In 2021, the Company provided 30 anti-corruption training sessions for directors and employees holding certain positions, with a total of 2,702 participants. Among them, five anti-corruption training sessions were conducted for the Board of Directors, and 88% of the directors and supervisors received anti-corruption training. In 2021, the Company also conducted training on the Code of Conduct for new employees and new directors, with whom an anti-corruption and integrity statement was executed. The topics of training provided by the Company and its member enterprises for their respective directors and other management staff include: disclosing the internal control and integrity system and complaint reporting channels, speeding up the implementation of the internal control and integrity standard system, and making senior executives at all levels fully aware of their respective responsibilities, emphasizing the importance of honesty, impartiality and leading by example; publicizing the risk points and key problems in the Company's operation on a quarterly basis, and requiring the Company and its member enterprises to conduct self-examination to prevent corruption at the institutional and procedural level.

Operational risks management and control

According to the corporate governance principles adopted by CIMC Enric, the priorities for operational risk management and control include building an effective Board of Directors, prudent internal and risk control and corporate transparency and sound disclosure, with the accountability toward shareholders established as the top priority. The Group constantly reviews and improves the quality of corporate governance in compliance with local as well as international standards to, and strictly abide by the requirements of the Anti-Unfair Competition Law of the People's Republic of China and the Interim Provisions on Prohibiting Commercial Bribery. The Company has adopted the Corporate Governance Code issued by the Hong Kong Stock Exchange as the main guidance on corporate governance since its listing on the Hong Kong Stock Exchange in October 2005. The Company is headquartered in Shenzhen, and we also strictly abide by the "Anti-Bribery Management System", a set of standardised technical guidelines effective in Shenzhen.

The Board of Directors is the supreme decision-making body for risk management at CIMC Enric. The Board of Directors has four committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Sustainable Development Committee. Each committee has defined its clear terms of reference and reported its findings, decisions and recommendations to the Board of Directors.

We are subject to the anti-corruption management system of CIMC Group, complies with the relevant management systems of CIMC, including the Regulations on Integrity of Cadres and Personnel in Sensitive Positions of CIMC and the Procedures for Handling Reported Cases, etc., and requires that the responsible persons at all levels of the Group to faithfully perform their duties, and prevents them from abusing their powers for personal gain or against the interests of the Company.

In 2021, the Company revised the Internal Reporting System of CIMC Enric Holdings Co., Ltd., streamlined and updated the internal reporting line based on the actual conditions at the Company, and devised more complete reporting investigation and reporting workflow. For real-name reporting of regulatory violations, the Legal Compliance Department shall, where reasonably feasible, respond within five working days from the date of receipt of the report, and preliminary investigation shall be made on the issues reported. If the reported issues are found to be reasonable and justified, the Company will take appropriate actions to avoid the recurrence of similar events, and take disciplinary or other actions against the offenders. All reasonable reporting matters (including but not limited to investigation results and follow-up actions) shall be reported to the Audit Committee by the Legal Compliance Department of the Company, and the Audit Committee shall report to the Board of Directors to decide on follow-up actions. The Legal Compliance Department shall summarize and report reasonable reporting matters to the Audit Committee on a semiannual basis, and the Audit Committee shall report to the Board of Directors accordingly.

The member enterprises of the Company have also formulated the Management System of Honesty and Self-discipline of Employees, the Management Measures of Reward and Punishment of Employees, the Code of Conduct for Purchasing Personnel and the Management Measures of Bidding, etc. With a view to preventing fraud and corruption, the member enterprises have also formulated red-line guidelines, which clarify the bottom-line principles that business lines and functional departments should abide by. In addition, the Group introduced the Sunshine Cooperation Commitment Letter policy for suppliers of production materials and non-production supplies, seeking to effectively regulate the practices of personnel of both parties in the procurement process, which must conform to the requirements of relevant laws and regulations, and the professional ethics of honesty and integrity. This way, an impartial, fair and honest cooperation environment will be created through joint efforts. As of the end of the reporting period, the Sunshine Cooperation Commitment Letter covers practically all our suppliers.

In the implementation of anti-corruption measures, the Group has established and disclosed complaint reporting channels, including reporting telephone number (0755-26802222), reporting email address (5198@enricgroup.com) and correspondence address (Enric's Legal Compliance Department, 3rd Floor, CIMC R&D Center, No.2 Gangwan Avenue, Shekou Industrial Zone, Nanshan District, Shenzhen City, Guangdong Province, China). Issues reported considered to be acceptable include feedback and violations involved in various internal and external activities, such as infringement or disclosure of trade secrets, corruption (bribe giving and taking, shareholding in suppliers or competitors, etc.), abuse of power, nepotism, etc. The Group also analysed the list of personnel in key sensitive positions, and required those personnel in these sensitive positions to specify their report telephone number, reporting email address and General Manager's email address in their email signatures. Thus far, we have made public the complaint reporting channels on the Company OA and the Company's official WeChat account, and a total of 142 employees holding key sensitive positions in member enterprises have added reporting telephones and email addresses to their email signatures. Informants can report in person or by post, mail, telephone or other forms, or entrust others for reporting. We encourage employees or related parties of the Company to report violation with their real names. Once the Legal Audit Department of the Company receives a clue reported (including but not limited to petition, post, online report, telephone report, assignment and transfer reporting), the employee accepting the report shall register and process it in four ways: interview and inquiry, preliminary investigation, pending for investigation and case settlement. During the reporting period, the Legal Compliance Department of the Company investigated and handled three items of reporting involving seven reported matters, all of which have been settled, including two employee relations issues, one project management, one sales management, one supplier management, one financial management and one property right dispute of subsidiaries.

The Group had no related corruption lawsuits in 2021, and there were no corruption lawsuits involving the Group or its employees.



Green Manufacturing and Innovation-driven Development

Leveraging the production technological advantages of its subsidiaries, CIMC Enric develops green products such as clean energy equipment, chemical and environmental equipment in line with the evolving market demand, so as to achieve greener and cleaner business development while making production activities cleaner and more eco-friendly for society. In active response to Goals 9, 12 and 17 of the UN Sustainable Development, we are committed to establishing long-term cooperative relationships with clients, conducting regular communication with clients, and establishing a complete and effective information security management system to protect clients' information and privacy security. Meanwhile, we devote ourselves to creating a stable and sustainable supply chain and delivering harmonious and win-win results.



Green Products and Environmental Protection Industry

Green Products

CIMC Enric continues to promote green product R&D and manufacturing. As a pioneer in environmental protection and sustainable development, CIMC Hongtu, a subsidiary of the Company, has continuously improved the green design of liquefied gas tanker equipment, supporting the implementation of the “Made in China 2025” strategy. Reasonable green design techniques and new lightweight materials are adopted to optimise the design of products based on the concept of life-cycle assessment without affecting the overall product quality or performance, thus leading and driving the green development of China’s pressure vessel storage and transportation equipment manufacturing industry. CIMC Hongtu upgraded hazardous chemicals tankers employing the AI technology to improve the reliability of vehicles and ensure high staff attendance and systematic management operations.

In order to promote the application of clean energy and reduce pollution emissions, CIMC Enric has provided clients with integrated solutions in the R&D and manufacture of pressure vessels and liquefied gas storage and transportation equipment. We commit ourselves to the development of gas supply systems, mainly covering fuelling stations, gas tanks and gas supply systems. Furthermore, we have provided accurate dual-fuel and single-fuel engine ECU control systems, and tailor-made “clean energy power pack” assemblies, fishing boats “oil-to-gas” fuel gas, power system equipment, etc. In 2021, CIMC Enric sold 27 marine tanks, which are expected to help clients reduce carbon emissions by 3,000 tons/year.

Besides, CIMC Pacific Offshore, a member enterprise of CIMC Enric, promotes the application of “Volatile Organic Compounds Recovery System” (VOC System), reducing fuel consumption and carbon dioxide emissions. The VOC system represents a pioneering technology for manufacturing liquefied natural gas and recovering volatile organic compounds mixed fuel. It recovers the gas evaporated from oil storage and mixes it with LNG as marine fuel, thus reducing the fuel fuelling demand of ships. Compared with traditional solutions, each ship saves more than 3,000 tons of fuel per year, reduces carbon dioxide equivalent emissions by up to 40%, bringing significant environmental benefits.

CIMC Enric has been committed to the R&D and manufacture of clean energy transportation equipment, and our products help to reduce pollutant emissions in the transportation activities. The Company ranks among the best clean energy transportation equipment producers in China. Our products include LNG transportation vehicles, CNG transportation vehicles and LPG transportation vehicles. Our clean energy transportation equipment has made a huge contribution to reducing domestic air pollutants and greenhouse gas emissions. For example, our on-board LNG tanks, on-board CNG tanks and on-board hydrogen tanks (35MP). Each on-board hydrogen tank will led to a carbon emissions reduction by more than 200 tons during its life cycle.



Our low-carbon products are shown in the table below:

S/N	Products	Specification
1	Cryogenic tank car	LNG
		Industrial gas (oxygen, nitrogen, and argon, etc.)
2	High-pressure tank car	CNG
		Industrial gas (oxygen, nitrogen, and argon, etc.)
3	Medium-pressure tank car	LPG
		Others (liquid ammonia, propylene, and isobutene, etc.)
4	Desulfurization tower	8MW
		25MW
		60MW
		65MW
5	Marine tank	315 m ³ – Nantong Energy
		8 m ³ – CIMC Hongtu
		5 m ³ – CIMC Hongtu
		15 m ³ – CIMC Hongtu
		CIMC Shengdayin
6	On-board LNG tank	500L
		1,000L
		1,350L
7	On-board CNG tank	80L
		150L
8	On-board hydrogen tank (35MP)	140L
		160L
9	Cryogenic LNG tank	/

Case

“Large Volume Steel Seamless Gas Tanks and Tank Storage and Transportation Equipment” Project run by Shijiazhuang Enric won the Second Prize of the “Technical Achievement Award of All-China Federation of Trade Unions”

The “Large Volume Steel Seamless Gas Tanks and Tank Storage and Transportation Equipment” Project carried out by Shijiazhuang Enric involves the development of high-purity electronic gas storage and transportation equipment specially designed to meet the demand for large amount of high-purity helium in the domestic clean energy transportation and chip industry and required for launching large carrier rockets. Shijiazhuang Enric has manufactured 35MPa high-pressure special equipment for this purpose. High-pressure transportation improves transportation efficiency and facilitates energy conservation and emission reduction, thus providing strong support for the launch of China’s Long March seven and Long March 5 carrier rockets. This project won the Second Prize of the Sixth National Workers’ Excellent Technological Innovation Achievement Competition held by the All-China Federation of Trade Unions.



Environmental Protection Industry

Relying upon our exceptional clean energy equipment production capabilities, CIMC Enric has made active contributions to the development of the green environmental protection businesses, including environmentally friendly building materials and equipment manufacturing, hazardous waste treatment, and landfill leachate disposal equipment, gaining a lead in green development. Furthermore, we promoted the application of clean energy in substitution of traditional energy resources, in response to the government’s call for carbon emission reduction and other related strategies. In the meanwhile, we encourage related businesses to move downstream and thoroughly leverage the Group’s influence in the domestic energy equipment market to achieve green value chain management.



Production line of heat preservation, decoration and sintering integrated plate kiln

For eco-friendly building materials, CIMC Green Building, a subsidiary of CIMC Enric, has made technological innovations, and used the waste generated in mining and stone material production activities to produce green and environmental friendly new inorganic building decoration materials and stone wallboards, which form the basis for their core technology and solutions. Characteristics of the products are light weight, high strength, fire-proof, heat insulation, non-toxic and corrosion resistance, energy saving and noise reduction. With the goal of “building a national demonstration project for efficient and comprehensive utilisation of stone resources and developing a green circular economy”, the Company has imported a series of advanced production technology and equipment at home and abroad, and has invested in the development of inorganic artificial stone projects and thermal insulation decoration sintering integrated board projects. Its inorganic artificial stone products have distinctive features such as colour stability, A1-level fire prevention, environmental protection, non-toxicity, pressure and wear resistance, exceptional weather resistance and deformation resistance. It is an ideal decorative material for interior walls, exterior walls and floors. The heat preservation and decoration sintered integrated board fired at a high temperature of 1,200°C has the characteristics of A1-level fire prevention, sound insulation and noise reduction, heat preservation and insulation, convenient construction and the same service life as buildings, which make it an excellent heat preservation and decoration material.

In the future, we will continue to step up the development of low-carbon energy and environmental protection businesses, and establish ourselves as a leader in green development.

Product and Service Innovation

Under the guidance of the innovation mechanism oriented toward innovation-driven value creation, CIMC Enric has acted in lockstep with the state and CIMC Group's strategic upgrading, and has achieved fruitful results in technological innovations. CIMC Enric has vigorously carried out innovative research across the entire industrial chain of natural gas storage, transportation, refuelling, marine/vehicle natural gas fuel systems, and in the chemical and food equipment markets as well. We have 19 R&D centres, including seven overseas R&D centres, and have set up an innovation mechanism oriented toward innovation-driven value growth, with fruitful scientific and technological innovation results achieved. The R&D expenses in 2021 reached RMB524.57 million, up 46% compared to 2020.

CIMC Enric attaches great importance to intellectual property right (IPR) protection and strives to maintain orderly competition so as to promote sound and healthy development of the market. We conduct patent searches to avoid IPR infringement. Besides, we promptly apply for patent protection for inhouse scientific and technological innovations, and take proactive legal measures depending on the situation to protect the Group's intellectual property against infringement. In addition to patents, we also manage and protect proprietary technologies and utility model patents for production processes and design, improving the Company's competitiveness. These IPRs have enhanced the competitiveness and influence of CIMC Enric in the international market, set good examples for society to enhance the awareness of the importance of IPR protection, and also made a positive contribution to the establishment of a proper competition order in the industry and the promotion of healthy market development.

CIMC Enric fully respects and attaches importance to IPR, and has produced many scientific and technological innovations throughout the entire industrial chain of natural gas storage, transportation, refuelling, marine/vehicle natural gas fuel systems, and in the chemical and food equipment markets as well, and applied for patent protection in a timely manner, thereby forming a relatively complete independent intellectual property protection system. By the end of 2021, we independently applied for more than 1,300 patents at home and abroad, including more than 680 invention patents. More than 1,100 patents have been licensed, including 130 inventions and 19 foreign authorizations. In 2021, we obtained 130 new patents. We have won two Chinese Patent Excellence Awards, attesting to our technological innovation strengths.

We have taken out patents for core products such as cryogenic LNG tanks, large-scale engineering storage tanks, CNG hydraulic substations, CNG ships, tank containers and food equipment in major global markets, completed 17 PCT international patent applications and 33 national applications, and secured 19 licensed patents in the United States, Germany, Japan, Australia, South Africa, Colombia and other countries and regions. These patents have enhanced the competitiveness and influence of CIMC Enric in the international market, set a good example in establishing intellectual property awareness and respecting IPRs in society, and made positive contributions to maintaining orderly competition in the industry and promoting sound market development.



Improvement of Product Quality

CIMC Enric's products are widely used in transportation, storage, and processing of clean energy, chemical & environmental, and liquid food industries. Product quality and security are critical to clients and local communities. In our manufacturing and routine business operations, we adopt international systems as the basis for the formulation of related quality management regulations, aiming to optimize quality management and improve efficiency.

Thus far, CIMC Enric has drawn up several product quality management regulations, including "Inspection and Testing Quality Control Procedures", "Management Review Procedures", "Material Control Procedures", "Nonconforming Product Control Procedures" and "Corrective and Preventive Action Management Procedures". With a view to ensuring effective implementation of product quality management measures, we have introduced the "Product Quality Reward and Punishment Measures" to reward business units with outstanding quality management performance, and order rectifications in case of any substandard quality products detected.

For project quality management, we have established internal regulations, including "Project Management Procedures", "Project Planning and Management Regulation", "Project Design Control Management Regulation", "Management Regulation of Quality Inspection and Finished Products Quality Assessment for Engineering Project" and "Construction Process Management Regulation" to strictly enforce control over construction quality.

We also purchased product quality and product liability insurances to build on the Company's ability to resist risks, avoid major crises, and achieve stable operations.

Our subsidiaries have established and improved the quality management system based on their own product and business characteristics, taking into consideration local market sales requirements. We have obtained numerous international quality certifications, and ensured that the certifications remain valid.



- Special Equipment Production Licenses A1, A2, A3, D, SAD, B1, B2, B3, B4, C2, C3, GC1, GC2
- ISO9001 Quality Management System Certification
- IATF16949 Automotive Quality Management System Certification
- Quality Management System Certification of China Classification Society
- American Society of Mechanical Engineers (ASME) Certification
- Norway's Det Norske Veritas (DNV) GL Factory Certification
- British's Lloyd's Register of Shipping (LR) Factory Certification
- French's Bureau Veritas (BV) Factory Certification
- Japan's Nippon Kaiji Kyokai (NK) Factory Certification
- US DOT SP21090: Tank Re-inspection of DOT by UE Method
- ISO13485: 2016 Medical Device Quality Management System Certification



In accordance with the Law of the People’s Republic of China on Special Equipment Safety and other legal requirements, we have established the Product Recall System which governs the recall of defective products of the Group, such as pressure vessels. The system clarifies the responsibilities of various departments in the product recall process, and recall criteria and procedures, with the purpose of promptly eliminating hazards caused by defective products to users’ and the public’s personal and property safety, and improving product quality. The Group did not make any product recall in 2021, and the percentage of products recalled for safety or health reasons to the total volume of products sold was 0.

Insisting on customer centric, we continue to enhance the level of satisfaction of customers for all kinds of products including that for LNG low temperature tank trucks from 91.3% to 94.2%, for CNG high pressure cylinders from 92.7% to 93.6%, and for LPG medium pressure tank trucks from 92.4% to 94.7%.



In-process quality control at CIMC Enric mainly prevents the manufacture, outflow and concealment of defective products during the production process:

- “No manufacturing” refers to the effort to manufacture products correctly in the first place through the establishment and implementation of standard operation and quality inspection standards, and not to produce any defective products. We have organized subsidiaries to establish quality inspection standards for the main products;
- “No outflow” refers to the effort to detect defective products and prevent them from flowing out through self-inspection and mutual inspection of the workshop operators and the team leader, coupled with special inspection of the inspectors;
- “No concealment” refers to discovering defects in the previous process and reporting and handling them in a timely manner.

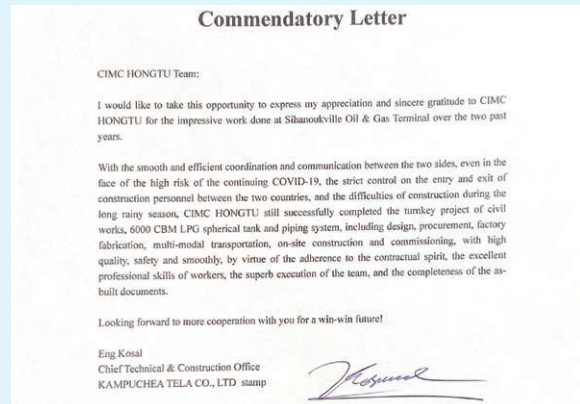
3 It refers to the number of quality problems complained to CIMC headquarters, domestic and foreign quality supervision institutions and media exposure.
 4 It refers to the number of complaints from customers who complain to CIMC headquarters or whose loss exceeds RMB200,000.

CIMC Enric's quality and safety management measures for subsidiaries pay equal attention to supervision and assistance. We have regularly collected information about the product quality of various enterprises and formed a quality board to identify and handle quality irregularities. We have organized an inspection of the enterprises' quality management system to ensure compliance with regulations and client requirements, supervised the implementation of the rectification measures adopted to remedy quality defects, and rolled out inspections targeting typical issues within the Group. In response to the Wenling 6.13LPG tank truck explosion accident that occurred last year, we have organized all relevant enterprises to conduct self-inspection, self-correction and special inspection activities. We have coordinated the resources of different enterprises, focusing on quality-related pain points and challenges, and coordinated efforts to improve product quality. We have organized experts in the Group to provide guidance for enterprises with inadequate quality management capabilities and share quality management experience.

Case

LPG Station Project of CIMC Hongtu Cambodia T Project

The LPG Station Project of Cambodia T Project undertaken by CIMC Hongtu has been successfully completed and put into operation. This project ranks first in Cambodia in terms of both the volume of spherical tanks and station size. The client issued a commendatory letter for CIMC Hongtu's professional ethics of "putting client first, and ensuring solidarity and effective cooperation".



Over the past four decades or so, CIMC Hongtu has committed itself to providing Chinese and foreign clients with solutions covering the entire industrial chain of clean energy and chemical equipment. It has successfully delivered nearly 30 EPC projects to regions along the Belt and Road by the end of the reporting period. The design and construction standard of this project conforms to the GB50516-2021 "Technical Standards for Automobile Refueling and Hydrogen Refueling Stations". Equipment configuration and control process are optimized throughout the station, as a result of which the trailer unloading rate is substantially enhanced, and the operation cost is greatly reduced at the station. Furthermore, the station is also equipped with a safety monitoring system covering the entire station, and a "one-button stop" system is set in all equipment operation areas and work areas to ensure "intrinsic safety" during equipment operation.

Case

Nantong Energy successfully delivered LNG transport vehicles in batch to support the organization of the Xi'an National Games

All the 20 LNG transport semi-trailers delivered by Nantong Energy on June 18, 2021 were used as special vehicles for the 14th National Games. Due to special geographical topography in Northwest China, users have extremely high requirements for the reliability and safety of vehicles. After thorough investigation, out of trust in CIMC brand and product quality, the client placed the order for LNG transport vehicles in April 2021, and Nantong Energy successfully completed the product delivery in just over one month. Clients in Northwest China have clear preference for LNG transport vehicles produced by Nantong Energy in recognition of its strong overall strengths and superior product quality.



Case

CIMC Hongtu received the honorary title of “Pacesetter” of Jingmen Enterprise Standard in 2021

CIMC Hongtu won the title of “Pacesetter” of Jingmen Enterprise Standard in 2021 by virtue of its Enterprise Standard Q/15A 120-2017 “Fixed Vacuum Insulated Cryogenic Pressure Vessel Made of Reinforced Austenitic Stainless Steel Strain”. “Pacesetter” of Enterprise Standards refers to the products and services declared and disclosed by a company itself, whose performance on core indicators reached the advanced level comparing with its peer companies. Through the strain reinforcement process, “Fixed Vacuum Insulated Cryogenic Pressure Vessel Made of Reinforced Austenitic Stainless Steel Strain” improves the yield strength of austenitic stainless steel materials, reduces the thickness of materials under the same design conditions, saves more than 35% of stainless steel materials for cryogenic vessels, greatly reduces the manufacturing cost, and creates greater value for clients while saving energy and reducing emissions.



Leading the Industry Development

We actively leverage on our ample experience in product quality to participate in the compilation or revision of relevant national and industrial standards. At present, as a drafting unit, CIMC Enric participates in the formulation of 10 national, regional, or industrial standards, including “Design Specifications for Urban LNG Supply Stations”, “Static Vacuum Insulated Cryogenic Pressure Vessels”, etc. Below shows some of the published standards that CIMC Enric participates in during the drafting process.

National and industrial standards and specifications that are presided over or participated in the formulation and revision

Main Drafting Units

- Specification for Selection, Inspection and Acceptance of Metallic Hose for Piping in Petrochemical Industry (SHT 3412-2017)
- Non-lubricated Liquefied Petroleum Gas Recycle Compressor (JB/T 8052-2011)
- Specifications for the Portable Compressor Chassis (JB/T 3771-2008)
- Oil Flooded Sliding Vane Air Compressor for General Use (JB/T 4253-2013)
- Road Tanker for Liquefied Gas (GB/T 19905-2017)
- Safety Technology Requirements of Container Skid-Mounted Refuelling Device for Liquefied Natural Gas Vehicle (DB42/T1353-2018)
- Technical Specification for Green Design Product Evaluation-Liquefied Gas Tanker Made of Low Alloy Steel (T/GDGM 0002-2019)
- Small LPG (Commercial Propane) Storage Tank (T/CATSI 05004-2021)
- Seamless Steel Gas Tanks (GB/T 5099.4-2017) Part 4: Seamless Stainless Steel Gas Tanks
- Static Vacuum Insulated Cryogenic Pressure Vessel (GB/T 18442.1/2/3/4/5/6-2019) – Part 1: General Requirements/Part 2: Materials/Part 3: Design/Part 4: Manufacture/Part 5: Inspection and Testing/Part 6: Safety Protection

Main Drafting Units

- Series one Freight Containers- Specification and Testing – Tank Containers for Liquids, Gases and Pressurized Dry Bulk (GB/T 16563-2017)
- Magnetic Driven Reactor (HG/T 3648-2011)
- Tank Container for Hazardous Liquid Goods (NB/T 47064-2017)
- Cement Tank (SB/T 10561-2010)
- Large Capacity Seamless Steel Gas Tanks (GB/T 33145-2016)
- Long Tube Trailer (NB/T 10354-2019)
- Road Tankers for Refrigerated Liquefied Gas (NB/T47058-2017)
- Technology Requirements of Fuel-Gas System for LNG Vehicles (QC/T755-2020)
- Seamless Steel Tubes for Large Volume Gas Tank (GB/T 28884-2012)
- Regulation on Safety Technology for Gas Tank (TSG 23-2021)
- Liquefied Natural Gas (LNG) Fuel Tank on Shipboard (CB/T 4453-2016)
- Technical Specification of LNG Vehicle (GB/T36883-2018)

Participating Drafting Units

- Code for Design of Tankcar Loading and Unloading Facilities Liquid Stocks in Petrochemical Industry (GB/T 51246-2017)
- Reciprocating Piston Natural Gas Compressor for the Vehicle Gas Station (GB/T 25360-2010)
- Road Tanker for Hazardous Liquid Goods Transportation (GB 18564.1-2006) Part 1: Technical Requirements of Atmospheric Pressure Metal Tank
- Tank Containers for Liquefied Gases (NB/T 47057-2017)
- Supervision Regulation on Safety Technology for Transportable Pressure Vessel (TSG R0005-2011)
-

Leveraging its production-related competitive advantages, CIMC Enric actively joins various industry and energy-related associations to contribute to the development of the industry. Industry Organisations we have joined, and our corresponding positions therein are as follows.

Organisations	Membership
China Industrial Gases Industry Association (CIGIA)	Deputy Chairman
China Petroleum & Petrochemical Equipment Industry Association (CPEIA)	Deputy Chairman
National Committee for Standardization of Freight Container	Member
International Tank Container Organisation (ITCO)	Vice President of Production Division
ITCO Producer Branch	Deputy Chairman of the Board of Directors
China Container Industry Association	Member
China Chemical Industrial Equipment Association	Director
China Industrial Gases Industry Association (CIGIA)	Deputy Chairman
CIGIA Transportation and Energy Branch	Chairman
CIGIA LNG Branch	Deputy Chairman

Client Service and Privacy Protection

Excellent Client Relationship

While ensuring product technology and quality, CIMC Enric consistently improves client services in its pursuit of optimal client satisfaction. We are committed to establishing long-term partnerships with our clients by engaging with them regularly, understanding their queries and concerns relating to the use of our products, and ensuring the quality and safety of the products and services sold.

The Group has established a sound client service system, covering pre-sales, sales and after-sales services, and formulated corresponding management formalities and policies in terms of client service management, client satisfaction survey, client service and complaints. The Group has set up an after-sales service team to deal with after-sales client queries, service and product complaints, so as to improve client satisfaction and loyalty to the Group. With a view to improving the after-sales service process, effectively regulating service practices, and ensuring service quality, the Company has set up client service management procedures, including Client Satisfaction Information Collection and Analysis Procedure and Client Complaint Handling Procedure. We regularly send Client Satisfaction Questionnaires to clients to understand their perception of the Group with regards to its brand reputation, product quality, service and pricing, and to collect their opinions and suggestions. For construction projects, we regularly conduct client satisfaction surveys on projects under construction and completed to promptly collect and understand clients' feedback on project services, and make timely and proper improvement according to the problems raised by clients. We collect clients' inquiries and complaints via "400 Service Hotline". The After-Sales Service Department then coordinates with relevant responsible departments to investigate the causes, develop solutions, and develop improvement and preventive measures to avoid recurrence of similar incidents.

To ensure that clients clearly understand relevant product information and that the products cater to their needs, CIMC Enric has introduced the "Marketing and Planning Management Regulations". We have standardised marketing planning, promotion, investigation and other marketing activities to provide clients with accurate product information and brand image to avoid false or misleading information.

Case

Time-definite services of CIMC Shengdayin facilitate the transportation of truck drivers

To continuously improve the service efficiency and quality, CIMC Shengdayin, a subsidiary of the Company, is the first in the industry to provide time-definite service. Clients requests repair via the Service WeChat Official Account, so that routine faults can be fixed within three hours, improving vehicle attendance. Clients can also communicate online, perform fault diagnostics, make service reservations and purchase accessories on the WeChat Integrated Service Platform.

On September 18, 2021, Mr. Wu, a client from Shanxi Province, reported failure of the pressurization valve of a gas vehicle equipped with Shengdayin gas tank, and the gas tank continued to pressurize. The service station assigned by Shengdayin immediately contacted Mr. Wu to collect more details of the fault, and instructed him to close the pressurization valve by video. During the client's visit to the service station, the service station prepared the necessary accessories and tools beforehand. The entire maintenance process took only over 40 minutes. The client highly praised the service personnel for the swift repair and their impressive skills, which saved them precious delivery time.



Case

Shijiazhuang Enric organized a service inspection of “Blue Ship Action” in 2021

The Service Department of Shijiazhuang Enric, jointly with BPW manufacturers, conducted on-site inspections and return visits, and took this opportunity to check the use and operation of products on-site, understand clients’ experience, collect clients’ feedback opinions and suggestions, and feed them back to relevant departments for analysis, processing and improvement. A user forum was held on the spot to broadcast product operation, maintenance and troubleshooting videos, and teach users how to use, maintain and repair the products.



Client Privacy Protection

It is of fundamental importance for the Group to maintain long-term and sustainable cooperation with clients to protect the security of client information and privacy, and prevent any damage to the personal interests of clients. In accordance with the relevant national laws and regulations on information security, CIMC Enric has established a comprehensive and effective information security management system.

CIMC Enric has formulated several management policies regarding network security, terminal security and system security, such as the Management Regulations on the Use of Personal Computers of CIMC Enric Holdings Limited, the Management Measures for Internet Access and Use of CIMC Enric Holdings Limited, and the Business Information Authorization and Security Management System of CIMC Enric Holdings Limited. In 2021, we carried out information security operations on a comprehensive scale to improve information security management. We have established an information technology standard system to simplify management and reduce risks, and strengthened information security awareness for all employees. In 2021, we had two external business systems, both of which have passed the classified protection certification. We have patched vulnerabilities and conducted risk management, and the repair rate exceeded 90%.



Information security technology

- In terms of the hierarchical information security protection system, we made great efforts to enhance network border security, intranet security, terminal server security and user security; as for industrial network security, we adopted the Purdue model and carried out a pilot project of industrial network security in an enterprise, with remarkable effects achieved.



Information security operations

- Through regular vulnerability scanning, penetration test and emergency drill, we identified potential risks of personal terminals, servers and application information systems and timely fixed them, so as to improve our ability in responding to information security risks.

In 2021, the Group did not receive any complaint for divulging consumer information, and no information security accident occurred.

Create a Sustainable Supply Chain

Stable and sustainable supply chain serves as a foundation for CIMC Enric to create value for its clients. We have introduced relevant management regulations, including “Procurement Management Regulation”, “Supplier Management Procedure”, and “Bidding and Procurement Management Regulation”. We clarified the obligations of internal procurement personnel to avoid supply chain-related risks. The suppliers of the Group are mainly divided into four categories: manufacturers, outsourcing factories, agencies and service providers, and into three levels, namely, A, B and C. According to the types of materials supplied, supplies are divided into suppliers of alloy steel materials, parts, paint and carbon steel materials.

In terms of supplier admission, we first collect information on suppliers, including information reflecting suppliers’ capabilities, such as brief introduction of suppliers’ manufacturing units, reputation, performance, policies, funding strengths, main production equipment and production capacity, personnel and technical capacity, main detection equipment and detection capacity, valid certificates of quality, environment, occupational health and safety management, certificates issued by third-party inspection institutions or companies, manufacturing, design or special business licenses issued by national administrative authorities, and certificates of authorization (agencies or distributors) obtained by agents/distributors. For suppliers involved in HSE management, the Questionnaire on Environmental and Occupational Health and Safety Status of Relevant Parties should be completed, and some of the suppliers are requested to provide necessary environmental impact assessment reports so as to ensure that their management practices conform to national policies. The admission review of candidate suppliers generally consists of data review, on-site review and sample trial. The on-site review mainly verifies the authenticity of the data provided, the actual process capability of the supplier, the operation effectiveness of the quality system, and the adherence of supplier’s key process technical capability with the process disciplines enforced. Technical evaluation and sample validation shall be conducted for the suppliers that meet the admission criteria during the on-site/commercial review process. We prioritize suppliers capable of providing more environmental-friendly products.

We ask some suppliers to acknowledge that they minimize the use of ozone substances, toxic chemicals, and pollutants including lead and formaldehyde in production, and confirm that they implement the policy of “maximizing the use of recyclable products or maximizing the use of biodegradable technologies if the use of recyclable products leads to excessive costs” in production.



Supplier's audit

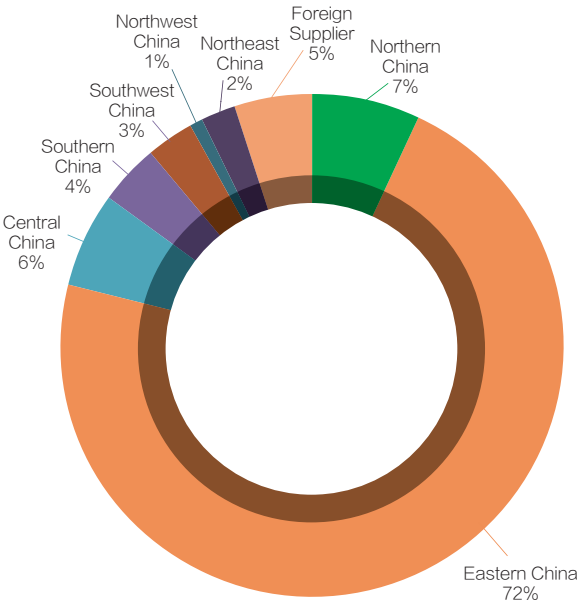
In terms of supplier performance appraisal, our supplier performance appraisal indicators include quality, delivery time and related services. In principle, no more than four suppliers should be selected per variety (material category). According to the performance appraisal results, we divide suppliers into excellent, good, qualified and unqualified suppliers, giving priority to excellent suppliers in the procurement process. We encourage suppliers rated “good” to make improvements autonomously.

In terms of supplier annual audit, the annual audit is divided into data audit and on-site audit. Data audit is mandatory, and a qualified supplier needs to complete data audit once every two years. The on-site audit is based on the performance scores of suppliers. Suppliers with the lowest 30% performance scores are subject to the mandatory audit, while those with overseas manufacturing bases do not fall within the scope of on-site audit.

In order to improve the management efficiency of suppliers, CIMC Enric collaborates with the New Silk Road project of CIMC Group. We provide supplier relationship management systems (“SRM”) to our subsidiaries. SRM assists in life-cycle management of our information suppliers, including review management, quality management, procurement contract management, etc. In the SRM system, we add HSE investigation form to review the suppliers’ HSE system, and identify risks related to environment, health and work safety. In addition, we promote the transformation of the procurement team seeking to build a team of professional procurement managers, and improve their professional competence.

Indicators of suppliers	Number	Percentage (%)
Total number of suppliers	1,515	100%
Number of suppliers certified by quality management system	963	63.56%
Number of suppliers certified by occupational health and safety management system	716	47.26%
Number of suppliers certified by environmental management system	723	47.72%
Number of suppliers who signed HSE Commitment Letter	860	56.77%
Number of suppliers took part in annual performance appraisal	1,376	90.83%
Number of suppliers conducting HSE training	807	53.27%

Number of suppliers by region





Low Carbon and Environmental Protection, Care for the Earth

CIMC Enric commits itself to applying more environmentally efficient operation methods, and strengthening the control of pollutants. In active response to the No.6, No.7, No.12 and No.13 goals of UN Sustainable Development, we endeavoured to optimally reduce the impact of our business operations on the environment, tackle climate change and reduce carbon emissions.



Responding to Climate Change

Global climate change has become the most important environmental and development challenge facing mankind in the 21st century, and tackling climate change is essential to achieve global sustainable development at present and for a long time to come.

As a responsible enterprise, the Group has actively responded to the carbon peaking goal and carbon neutrality vision set by the government, and responded to climate change, and promoted ecological civilization and high-quality green development using all means at its disposal as an enterprise. The Group sets out our efforts and future directions in addressing climate change, in terms of governance, strategy, risk management and performance metrics and objectives.

Governance

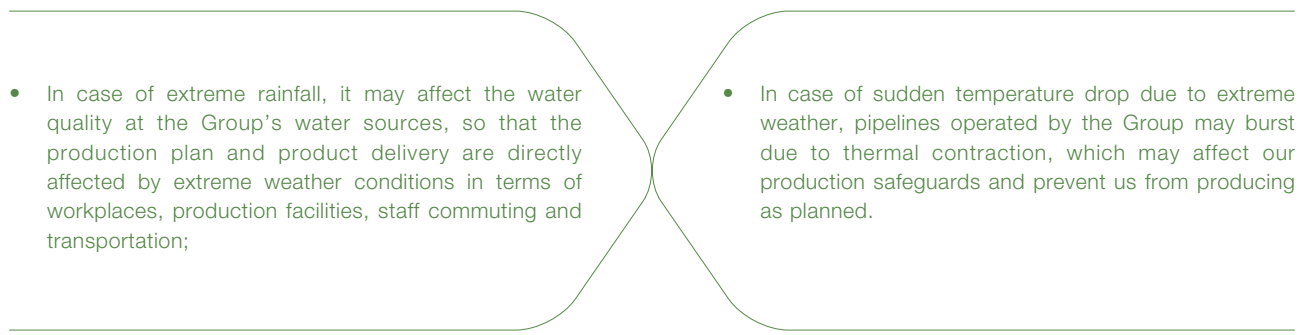
Focusing on the governance of climate-related risks and opportunities, the Board of Directors fully understands the need to consider climate related issues when reviewing and devising strategies, important action plans, risk management policies, annual budgets and business plans, setting organizational performance objectives, monitoring policy implementation, and supervising important capital expenditure, acquisition and asset divestiture deals. The Board of Directors also needs to supervise and monitor the fulfilment of such pre-set targets when dealing with climate-related matters. The Sustainable Development Committee sets the Group's business objectives and long-term development strategy, proposes recommendations on key issues and oversees the implementation of annual business plans and proposals. Furthermore, the Group has an ESG Work Leading Group at the management level, which is tasked with clarifying the responsibility toward climate change management and the fulfilment of pre-set target, and reporting regularly its findings to the leadership.

Strategy

Climate-related risks include transitional risks related to the low-carbon economy and physical risks resulting from climate change. Transitional risks are divided into policy and regulatory risks, technical risks, market risks and reputational risks. Physical risks include acute physical risks (mainly single events such as typhoon, flood and other extreme weather conditions) and chronic physical risks (i.e. long-term changes in climate patterns such as persistent high temperature).

In terms of policy and regulatory risks among other transitional risks, energy prices may increase at the places where we operate as the public's awareness of climate change deepens. In addition, the imposition of energy consumption limits, the broadening effects of paid greenhouse gas emissions and other regulatory requirements aimed at improving the environment will lead to increases in our operating costs. In this regard, we will continue to pay attention to the impact of climate change on the Group's business operations, and thoroughly adapt ourselves to the policy requirements.

In terms of acute physical risks, we pay due attention to the impact of extreme weather on production and business operations, and identify natural disasters, extreme weather or adverse meteorological conditions that may affect our business operations, for example:



Risk management

According to the business characteristics of the Group and the actual situation, we have identified and assessed the climate risk management process. The Group is aware that environmental and climate risks may lead to operational and financial risks. In view of the climate-related risks identified, the Group and its subsidiaries have drawn up emergency plans, defined the methods and mechanisms for emergency response, and conducted emergency drills every year to reduce the emergency response time and build on our emergence emergency management capacity, ensure rapid and effective handling of various types of emergencies, and prevent the consequences from worsening.

In addition, the Group has identified the opportunities brought by climate change and has made continuous innovations regarding green design and green manufacturing of products (see the section “Green Manufacturing and Innovation-driven Development” in the Report for details). The Group also actively contributed to social carbon emission reduction in the manufacture of clean energy equipment and energy-saving and emission-reduction equipment from the perspective of the entire industrial chain.

Indicators and objectives

In order to measure the climate change process, it is essential to select appropriate parameters and indicators and set reasonable objectives. Taking the actual conditions into consideration, the Group has defined climate risk indicators related to energy use efficiency, water resources efficiency, waste emission and greenhouse gas emission management. Furthermore, the Group has set relevant objectives (see the section “Strict Control of Pollution Discharge” in the Report for details), and regularly reviews the execution of these objectives.

As the Group’s operating and market environment is constantly changing, we will constantly review our business practices and adjust our objectives and proposed measures as appropriate. In the future, we will develop strategies, manage risks, and identify and manage indicators and objectives, and work together with all parties involved to deal with climate change and achieve common sustainable development.

Case

Green Emission Reduction at CIMC Safeway

CIMC Safeway, designated as a key pollutant discharge company in Nantong City, has embarked on a journey of green production and emission reduction.

- Thorough investigations of paint spraying, mixing and coating operations and hazardous waste storage areas, with appropriate management measures adopted: add collection facilities in the paint mixing area to collect and treat volatile organic compounds produced in paint mixing; install air supply facilities at the entrances of paint mixing and spraying areas; fit sealing strips at the entrances of paint mixing and spraying areas; install collection and treatment facilities in hazardous waste warehouses.
- Collection and control of welding fume in carbon tank workshops: fabricate the collection chamber for head plate production; install fume collection and treatment facilities in the workshops; fabricate the collection chamber and equip high temperature resistant air duct and mobile collection and purification devices, as the carbon gouging machine produces heavy smoke and high temperature.
- Wastewater treatment: upgrade and optimize the air flotation tank; build new sedimentation tanks to increase sedimentation time; find and try out suitable chemicals according to the sewage quality.
- Optimization of the sludge pressure filtration process: apply the latest sludge pressure filtration technology available on the market and optimize the sludge pressure filtration effect; find the most advanced sludge delivery pumps in the market, upgrade the plate-and-frame filter presses to high-pressure diaphragm filter presses equipped with plunger pump to ensure effective filtering and reduce the high failure rate.

After the improvements made, the COD emission concentration of sewage has remained consistently at a low level, far below the national upper limit. After we entered the phase of routinized COVID-19 prevention and control, COD emissions were reduced by 3.79 tons/year while our production output increased and water consumption doubled, meaning that production volume has increased without causing extra pollution. Sludge production decreased by 165 tons/year, while sewage treatment cost decreased by 19.7% year-on-year. Most welding fume in carbon tank workshops has been effectively collected and treated, and the emissions of particulate matters have been significantly reduced.

Strict Control of Pollution Discharge

The Group has formulated and implemented a number of internal environmental management procedures, including the “Hazardous Waste Pollution Prevention Management Policy” and “Related Stakeholders Management Policy”, aiming to strengthen environmental management, improve environmental performance, and ensure effective emission management and resource consumption reduction. Thus far, a total of 11 subsidiaries of the Group have received ISO 14001 environmental management system certification.

The Group attaches great importance to, and has continuously improved its internal environment, and has invested substantially to successively upgrade spraying waste gas treatment facilities, acid mist treatment facilities, hazardous waste warehouses and sludge filter press systems. Furthermore, the Company has actively responded to the government’s call for promoting the use of low-VOCs coatings, and has been implementing the “oil-to-powder” transformation to phase out oil-based coatings, substitute VOCs at source and reduce VOC emissions substantially.

Pollutant Discharge Management System and Goals

CIMC Enric has gradually diversified into new businesses such as hydrogen energy equipment and environmental protection (comprehensive utilisation of solid waste, hazardous waste disposal) in recent years. Along with the continuous extension of the business chain, the production system of CIMC Enric has become increasingly diverse and versatile, resulting in increases in the types and quantity of on-site hazards and environmental risk factors, which brought new challenges to HSE management operations. We formulated a three-year HSE plan based on CIMC’s strategic plan to fully satisfy the requirements of relevant laws and regulations, and make sure that the HSE program is planned and implemented in sync with enterprise development. We plan to achieve the following goals (energy conservation and emission reduction):

CIMC Enric’s Three-year HSE Plan (Energy Conservation and Emission Reduction Part)

S/N	Indicator	2020-2022 Goals
1	Number of major environmental accidents (major complaints or fines)	0
2	Compliance with the three wastes emissions target (disposal)	100%
3	Water consumption per RMB100 million revenue (tons/RMB100 million)	Keep declining by 5% year on year
4	Energy consumption per RMB100 million revenue (ton standard coal/RMB100 million)	Keep declining by 5% year on year
5	Amount of hazardous waste per RMB100 million revenue (ton/RMB100 million)	Keep declining by 5% year on year
6	Emissions of VOCs per RMB100 million revenue (tons/RMB100 million)	Keep declining by 7.5% year on year

According to the national and local HSE laws and regulations, we have adopted the CIMC’s HSE policy and target plan, and effectively implemented the core values of “legal compliance, work safety, health and green operation”. The HSE Committee of the Group has finalized the HSE policy and goal management plan for 2022, taking the Group’s expectations for the HSE program into considerations. We also set goals for environmental performance indicators in 2022:

Indicator	2021	Goal in 2022
Number of major environmental accidents	0	0
Energy consumption per RMB100 million revenue (ton standard coal/RMB100 million)	207	201
Amount of hazardous waste per RMB100 million revenue (ton/RMB100 million)	11.91	11.37
Emissions of VOCs per RMB100 million revenue (tons/RMB100 million)	0.149	0.138
Emissions of CO ₂ per RMB100 million revenue (tons/RMB100 million)	939	911
Water consumption per RMB100 million revenue (tons/RMB100 million)	7,502	7,277

The Health, Safety and Environment (HSE) Committee is responsible for the management, implementation and update of internal procedures related to environmental protection work, and the various departments of the Company are responsible for cooperating with the committee to carry out and implement various environmental protection measures. The HSE Committee has focused on the following tasks in terms of pollutant emission management in 2021:



- Use performance indicators to encourage the subsidiaries to improve the standard of HSE management. We adopted the Group's performance appraisal indicators and traction metrics, and allocated them to each enterprise one by one according to the actual situation in 2021. We also tightened up HSE inspection and assessment efforts, and signed the HSE Responsibility Letter with two special committees and other business centres.



- Step up policy research and promote green production; study the latest HSE laws and regulations and national energy carbon neutralization and carbon emission reduction policies; collect, compile and publicize relevant requirements on a quarterly basis; identify and analyse as to whether the latest laws and regulations are applicable to Enric, and require subsidiaries to implement self-inspection and rectification; add the latest laws and regulations identified as new items for unannounced inspections, and urge the enterprises to make rectifications; collect carbon reduction targets and actions taken by enterprises, and organize horizontal promotion; fulfil the Group's requirements and promote the certification of energy management system.



- Tighten up safety inspection and implement hazard source control. We organized and carried out verification and certification activities during unannounced inspections, conducted 100% HSE compliance certification audit of ten manufacturing enterprises that adopted the "9 + 8" system, classified and analysed issues discovered during the announced inspection audit, with major hazards effectively managed and controlled. We complied with the three wastes emission standards, and tracked progress made in the "Three Simultaneous" initiative targeting new construction, reconstruction and expansion projects. Elements of the "9 + 8" system were adapted to the industry requirements to urge the special committees to select the applicable elements to guide and facilitate related operations.

CIMC Enric has five key pollutant discharge enterprises. With a view to fully understanding the current situation of environmental protection management in the key pollutant discharge enterprises and ensure their compliance with the environmental protection red-lines, we set up a management board for the key pollutant discharge enterprises, and collected their environmental protection data on a quarterly basis, primarily covering pollutant discharge, environmental protection-related administrative licensing and continuous improvement. All the environmental protection operations at the key pollutant discharge enterprises have been carried out in an orderly manner.

The Group conducted regular environmental aspect identification and evaluation. In 2021, we identified a total of 127 important environmental aspects, and effectively controlled possible environmental pollution integrating human, material and management measures to ensure that our routine operations are conducted in compliance with relevant laws and regulations.

We have increased resources investment to promote the technological transformation toward "green smart manufacturing" in recent years, and carried out technological transformation, research and development activities in accordance with national green environmental protection standards. We have successively implemented projects such as green pickling operations, the development of a green platform for liquefied gas storage and transportation equipment, and energy and power cost optimization, putting the Group at the forefront of the industry in terms of energy conservation and emission reduction. The Group's total investment in environmental protection and emission reduction reached RMB25,787,600 in the year.

Exhaust and Greenhouse Gas Emissions Management

Production activities at the Group involved processes such as sandblasting, painting and welding, and the use of production equipment such as combustion furnaces, polishing machines and grinders. The main air pollutants emissions include dust, smoke, and volatile organic compounds. We have established waste gas management procedures to ensure effective control of air pollutant emissions. The collected waste gas must be filtered and meet the "Integrated Emission Standard of Air Pollutants" before it can be discharged.

We monitored and evaluated emission levels regularly in compliance with the "Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution" to ensure compliance with air pollutant emission standards, in line with our commitment to reducing emissions of exhaust pollutants through various emission reduction measures. CIMC Enric attaches great importance to VOC management. Our subsidiaries have a total of 30 VOCs treatment facilities, with a processing air volume of 2.6 million m³ per hour. Most of them have adopted the treatment technology of "activated carbon adsorption + desorption catalytic combustion", and the treatment efficiency is as high as 90%. The fugitive emission of VOCs has been effectively controlled, and the annual VOCs emission was reduced by more than 200 tons.

The greenhouse gas emissions from the Group's production and operations mainly come from direct greenhouse gas emissions from the use of natural gas, gasoline and diesel oil, and indirect greenhouse gas emissions from purchased electricity. Based on the source of greenhouse gases, the Group takes corresponding emission reduction measures. The main greenhouse gas emissions of the Group are indirect greenhouse gas emissions due to purchased electricity. Therefore, the use of purchased electricity can indirectly reduce greenhouse gas emissions. The measures taken by the Group to reduce the consumption of purchased electricity mainly include: formulating energy consumption management indicators, introducing energy-saving equipment, and carrying out technological transformation.



The roof space of some of the Group's factory buildings can provide a carrier for photovoltaic power generation projects. CIMC Safeway and CIMC Green Building, members of the company, have carried out rooftop photovoltaic power generation projects, of which CIMC Green Building's photovoltaic power generation capacity is 1.2MW, which will be put into operation in 2022. It generates 88,882 kWh of electricity from January to February 2022 and is expected to reduce carbon dioxide emissions by about 54 tons.

Wastewater discharge management

The Group has strictly abided by the "Law of the People's Republic of China on Prevention and Control of Water Pollution", and rigorously implemented pollution prevention and control measures in line with its commitment to strengthening water pollution prevention and management. We strictly prohibited hazardous wastes such as high freezing point oily products, oil stains, solvent waste, acid waste and acetone waste from directly entering the drainage system without treatment. Sewage containing harmful substances must also be properly treated before it is discharged into the municipal pipeline network.

The Group has set up appropriate sewage treatment facilities in accordance with the requirements of environmental protection laws and regulations, and adopted appropriate treatment procedures for different production processes and the types of sewage generated (pickling sewage, paint sewage, etc.) to ensure that the quality of the treated water meets the standards such as the "Water Quality Standards for Sewage Discharged into Urban Sewage" and the "Discharge Standard of Main Water Pollutants for Municipal Wastewater Treatment Plant & Key Industries of Taihu Area". We have installed two sets of independent pipelines for different types of effluent water to separate industrial water from test water. We have treated the pickling wastewater in the alkaline washing tank, and reused test water through the water compression test process to reduce the amount of wastewater treated and discharged.

Case

Improved water resources consumption in CIMC Holvrieka

The types of water consumed by CIMC Holvrieka mainly include production water, domestic water, fire water and water used by other units. According to the classification and distribution of water consumption, most water is consumed in domestic production activities, and the target is set to reduce monthly water consumption by 20%. CIMC Holvrieka has taken the following measures:

- Improvement in renewable energy utilisation: toilet water is supplied from sources where water is treated by the sewage station to meet the standards, and underwater plasma water is replaced with water from sources that meet the standards after being treated by the sewage station;
- Real-time monitoring of main pipelines and main branches: the main pipelines and main branches are equipped with flow detection valves, so that the water flow in the pipes and branches can be monitored in real time using a mobile app;
- Other control methods: special control is performed on the water replenishment valve of the water storage tank in hydrostatic tests, and the water replenishment system and standard operation procedures have been developed for the water replenishment system in hydrostatic tests.

Waste discharge management

The Group is committed to continuously improving its waste management system, strengthening source classification and recycling, and reducing waste generation. The hazardous wastes we generated in the production process include sludge and paint residues. Non-hazardous wastes are domestic waste and raw material packaging generated in routine operations. We strictly abide by the “Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes”, classify waste according to the internal policy of “Solid Waste Management Measures”, and properly collect, store and dispose of waste based on waste type and attributes.

In accordance with the “Hazardous Waste Pollution Prevention Management Policy”, we worked on hazardous waste management as an important aspect of environmental protection management. We have prepared statistical forms to reflect the hazardous waste situation at various enterprises, tracked the data every quarter, and set red-lines for enterprises with relatively high hazardous waste exposure in accordance with the internal “Hazardous Waste Pollution Prevention and Management Policy”. Non-compliance with the hazardous waste disposal policy did not occur in 2021. We have built hazardous waste storage warehouses and implemented a number of measures to improve hazardous waste treatment procedures and methods. We have taken appropriate measures in the hazardous waste collection and storage warehouse to prevent the leakage of hazardous gases or substances, which may cause environmental pollution. We have implemented risk management and control measures covering the entire hazardous waste collection, storage, treatment, etc. processes in accordance with the indicator requirements for standardised hazardous waste disposal. We have also signed a hazardous waste disposal agreement with a qualified unit, and filled in the transfer form for every transfer in accordance with the regulations. The water content of sludge has been drastically reduced as a result of the sludge filter press system upgrade, effectively reducing the amount of sludge generated. Furthermore, we reduced the volume of waste discharged on a comprehensive scale amid the implementation of the clean production policy.

Case

Hazardous Waste Reduction and Storage of CIMC Safeway

CIMC Safeway, a subsidiary of the Company, upgraded the plate-and-frame filter presses to high-pressure diaphragm filter presses equipped with a plunger pump to lower the moisture content of sludge and reduce hazardous waste (while doubling water volume and slashing sludge generation by 30%).

Noise management

The Group has strictly complied with the Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution, and actively prevented and controlled environmental noise pollution. The noise pollution sources at the Group mainly include hoisting, cutting, grinding, air compressor, generator (when the site is not powered on), earthwork and motor vehicle operations, and sewage treatment station fan and water pump operations. According to the noise sources, subsidiaries of the Group have taken different control measures, and actively tried and applied practical improvement measures. We have reduced environmental noise pollution, ensured compliance with noise emission regulations, and safeguarded employees’ wellbeing through technical measures such as structural rationalization, improvement of processes and techniques, and installation of sound insulation and noise reduction facilities.

Resources Conservation

CIMC Enric is dedicated to optimizing its operational efficiency to ensure the effective use of resources. We compiled and released a number of environmental protection and energy management systems and policies including 21 resources conservation management policies such as “Management Regulations for Dynamic Energy”, “Management Regulation on Use of Water, Electricity and Gas”, “Equipment and Energy Awards and Punishment Regulation” and “Detailed Rules of Equipment and Facilities Management”. We also carried out regular checks to evaluate and monitor resource utilisation to reduce consumption of water, electricity, fuel, and other resources.

The Group understands the importance of effective resource management, and has actively implemented various energy saving and consumption reduction measures during the year to build a “green production culture”. We also conducted on-site inspections and communications regarding the implementation of energy-saving projects among subsidiaries. The subsidiaries shared their energy-saving best practices at regular HSE meetings to further deepen energy conservation and consumption reduction. In 2021, subsidiaries of the Company launched a total of 34 energy-saving and green development projects. The actual contribution in green energy savings was RMB6.31 million in the year. The following are main measures for energy saving and consumption reduction implemented in 2021:

Nantong Energy: Comprehensive Energy Saving Utilisation

Nantong Energy, a subsidiary of the Company, analysed energy consumption in production and business operations. Power consumption and natural gas consumption account for more than 90% of total energy consumption. As such, the company focused on solving power and gas-related energy consumption issues as the first priority. The specific measures taken by Nantong Energy are as follows:

- Development of a double-layer drying room: Compared with the original single-layer vacuumizing telescopic drying room, the double-layer vacuumizing drying room is an integrated fixed drying room characterized by exceptional heat preservation capability, small gas loss and easy operation. The new drying room reduces natural gas consumption by 53,083 m³ per year and power consumption by 178,758.62 kWh per year;



Original single-layer vacuumizing telescopic drying room



Double-layer vacuumizing drying room

- Substitution by centrifugal air compressor as an alternative application: Nantong Energy installed an 85m³ 10KV centrifugal air compressor to replace three oil screw air compressors. Furthermore, it modified the pressure air pipeline and integrated air compressor rooms to meet the gas supply requirements, and facilitate centralized management of air compressors. The alternative application of centrifuges reduces energy consumption by 8%-10%, and saves about 16,000 kWh of electricity per month. Compared with oil screw air compressor, centrifuges do not have any quick-wearing parts, and no-load power consumption is lower;
- Automatic control of the air compressor pipe network: The online control system of air compressors controls the number of compressors started and stopped according to changes in the pressure level of the compressed air pipe network, and reduces energy consumed by the air compressors. As of November 2021, air compressor power consumption was reduced by 850,000 kWh after the automatic control transformation of the pipe network;
- Harmonic control: Three 320kvar compensation cabinets were installed beneath the No.1 transformer of the gas tank at Nantong Energy, and the main harmonic source is the intermediate frequency furnace. Four intermediate frequency furnaces were installed on-site, one of which was stopped during the test, one was turned off, and the remaining two were turned on. Three 270kvar compensation cabinets were installed beneath the low temperature No.2 transformer, the main harmonic source of which is the intermediate frequency furnace, and a new 425 intermediate frequency furnace was installed on-site. This kind of load produces a lot of harmonics when the machines are in operation, so it is necessary to control the harmonics. Before the transformation, due to the low power factor of power cables and relatively high active power loss, the unit power consumption of the products in the gas cylinder workshop is relatively high – the average unit consumption of the intermediate frequency furnace between January and June 2019 was 22 kWh/tank. After the transformation, the no-load loss of the transformer was reduced, the power factor of the cables rose to more than 0.95, and the active power loss was also reduced. In July 2019, the output of the gas cylinder workshop was 842 tanks, the power consumption of intermediate frequency furnaces was 3,552 kWh, and the unit consumption of the products was 4.21 kWh/tank. In 2021, the output of gas cylinder workshop was 9,817 tanks, saving 174,600 kWh of electricity in total.

CIMC Holvrieka: Electric Energy Saving Transformation

Electric energy consumption at CIMC Holvrieka accounts for more than 90% of total energy consumption. CIMC Holvrieka has carried out the following four energy-saving projects accordingly:

- Renovation of workshop overhead lights: As the original metal halide lamps were not bright enough, they were replaced by LED lamps that meet the brightness as well as energy conservation requirements;
- On-demand capacitance modification: The basic power cost was calculated according to transformer capacity, contractual maximum demand or the actual maximum demand. In the past, the actual monthly capacity of the Company's transformers was verified to determine the Company's optimal selection method for basic electricity charges. From January to October 2021, a total of RMB534,000 was saved after the calculation method based on actual demand was adopted for basic electricity charges;
- Variable frequency air compressors: The original air compressors were replaced by permanent-magnet variable-frequency machines. As a result, the utilisation rate of air compressors was greatly improved, and with approximately 111,700 kWh of power saved in 2021;
- intermittent power supply to the equipment can effectively avoid long-term startup and operation of high-power equipment. Intermittent power supply may be adopted for other equipment without affecting their performance. Judging by the calculation and analysis findings, the four sets equipment saved some 121,300 kWh of electricity.

In terms of water resources management, the Group is committed to enhancing the reuse of industrial and domestic wastewater, improving the efficiency of water resources utilisation through water recycling, while reducing the volume of sewage discharged. The Group did not have any issues in accessing suitable water sources in 2021.

Our business operations do not involve consumption of a substantial amount of packaging materials, which accounts for a tiny fraction of operating costs, so the Report currently does not disclose information on the consumption of packaging materials. If packaging material consumption increases in the future, we will collect related data and include it in the Report.

Environmental Performance Data Sheet

Unit		Total amount in 2021	Total amount in 2020	Data intensity in 2021 (per RMB100 million revenue)	Data intensity in 2020 (per RMB100 million revenue)	Comparison on intensity changes of 2021/2020
Exhaust gas	Sulfur dioxide	0.38	0.49	0.00207	0.00388	-46.65%
	Nitrogen oxides	5.95	4.39	0.0323	0.0349	-7.45%
	Particulate matter	12.73	13.47	0.0691	0.107	-35.42%
	Volatile organic compounds (VOCs)	29.17	31.28	0.158	0.249	-36.55%
Emissions	Total greenhouse gas emissions ⁵	184,881.60	107,923.35	1,003.44	859.22	16.79%
	- Direct greenhouse gas emissions	26,683.07	19,729.35	144.82	157.07	-7.80%
	- Indirect greenhouse gas emissions	158,198.53	88,194.00	858.62	702.15	22.28%
Sewage	Total sewage discharge	603.72	611.05	3.28	4.86	-34.03%
	- Domestic sewage	225.36	232.56	1.22	1.85	-35.53%
	- Industrial sewage	378.36	378.49	2.05	3.01	-33.44%

5 Calculation method of greenhouse gas emissions:
 Direct greenhouse gas emissions: the Company's oil and gas consumption is multiplied by the corresponding emission factors;
 Indirect greenhouse gas emissions: the Company's power consumption is multiplied by the corresponding emission factor. For emission factors, please refer to the Average CO₂ Emission Factors of China's Regional Power Grid in 2012;
 Total greenhouse gas emissions: the sum of direct greenhouse gas emissions and indirect greenhouse gas emissions.

	Unit	Total amount in 2021	Total amount in 2020	Data intensity in 2021 (per RMB100 million revenue)	Data intensity in 2020 (per RMB100 million revenue)	Comparison on intensity changes of 2021/2020
Hazardous waste	Total hazardous waste	2,276.02	1,287.26	12.35	10.25	20.49%
	- Waste paint residue	762.51	324.60	4.14	2.58	60.47%
	- Waste paint bucket	298.02	204.62	1.62	1.63	-0.61%
	- Waste oil	131.44	89.78	0.71	0.71	0.00%
	- Waste chemical reagents	9.71	16.38	0.053	0.13	-59.23%
	- Waste activated carbon and filter cotton	74.14	85.39	0.40	0.68	-41.18%
	- Waste batteries	0	4.73	0	0.038	-100.00%
	- Waste oily rags	0	0.04	0	0.00032	-100.00%
	- Sewage treatment station sludge	838.42	538.19	4.55	4.28	6.31%
	- Others	161.78	23.54	0.88	0.19	363.16%
Harmless waste	Total harmless waste	34,120.75	25,473.79	185.19	202.81	-8.69%
	- Scrap metal	29,034.07	21,971.97	157.58	174.92	-9.91%
	- Waste wood	167.37	128.80	0.91	1.03	-11.80%
	- Domestic waste	4,530.25	2,464.08	24.59	19.62	25.32%
	- Others	389.05	908.94	2.11	7.24	-70.83%
	Total energy consumption	40,895.04	24,471.94	221.96	194.83	13.92%
	Total power consumption	200,375.77	123,785.45	1,087.54	985.50	10.35%
	- Power consumption in offices	14,054.62	10,279.90	76.28	81.84	-6.79%
	- Power consumption on production sites	186,321.14	113,505.55	1,011.25	903.67	11.91%
	Total oil consumption	957.73	750.93	5.20	5.98	-13.08%
- Petrol	240.17	225.72	1.30	1.80	-27.58%	
- Diesel	717.56	525.21	3.89	4.18	-6.83%	
Gas	11,381.46	8,134.93	61.77	64.77	-4.63%	
Total water consumption	1,564.36	1,316.16	8.39	10.48	-19.90%	
Resource consumption	Total energy consumption	40,895.04	24,471.94	221.96	194.83	13.92%
	Total power consumption	200,375.77	123,785.45	1,087.54	985.50	10.35%
	- Power consumption in offices	14,054.62	10,279.90	76.28	81.84	-6.79%
	- Power consumption on production sites	186,321.14	113,505.55	1,011.25	903.67	11.91%
	Total oil consumption	957.73	750.93	5.20	5.98	-13.08%
	- Petrol	240.17	225.72	1.30	1.80	-27.58%
	- Diesel	717.56	525.21	3.89	4.18	-6.83%
	Gas	11,381.46	8,134.93	61.77	64.77	-4.63%
	Total water consumption	1,564.36	1,316.16	8.39	10.48	-19.90%



Put People First for All-Win Harmony

CIMC Enric values the safety and health of its employees and contractors adhering to the principle focusing on “people orientation and safe development”. We are committed to reducing occupational safety risks in business operations and offering a safe and comfortable working environment. In response to the Goals 1, 3, 4, 8, 10 and 11 of UN’s Agenda for Sustainable Development, we regard human resources as the foundation for competitiveness, respect every employee equally, continuously develop their skills and expertise, and work with them to create a better future. In addition, we organised and participated in a diverse range of community public welfare activities, focusing on fighting against the epidemic, engagement of communities, targeted poverty alleviation and voluntary services. During the year, the Group donated a total of RMB485,000.



Occupational Health and Safety

Pay Attention to Occupational Health

Employees are exposed to different degrees of occupational health risks during business operations. We arrange medical examinations for employees holding high-risk positions every year to discover health issues early. Medical examinations were performed for 100% of employees holding high-risk positions, with summary reports of occupational health medical examinations obtained. Among the employees who had undergone the medical examinations, none of them suffered occupational diseases. The Group carried out improvement projects for noise and welding fume to reduce the related risks.

Noise treatment

- Its member enterprise CIMC Hongtu carried out production-oriented noise reduction, including gas-tight test purging noise reduction, gas replacement purging noise reduction and gas gouging noise reduction
- Its member enterprise Nantong Energy conducted assembly noise control improvement
- Its member enterprise CIMC Holvrieka carried out noise improvement, and effectively reduced noise by making sound insulation boards for cutting and polishing operations
- Its member enterprise Shijiazhuang Enric carried out the exhaust noise improvement of cryogenic bottle compression test by making silencers

Welding fumes treatment

- Its member enterprise CIMC SOE improved the welding fume purification device of the plasma cutting machine, and more than 95% of welding fume is effectively removed
- Its member enterprise Bengbu Compressor, through the installation of the integrated and specialized smoke removal system, effectively reduced the volume of smoke and dust generated in cutting and welding operations
- Its member enterprise Nantong Energy carried out non-organised smoke collection and improvement by installing welding fume collection equipment
- Its member enterprise CIMC Holvrieka purchased a number of mobile welding fume dust removers, which clearly reduced the welding fume generation
- Its member enterprise Shijiazhuang Enric carried out welding fume control for medium-pressure products by increasing the area of welding fume collection to improve the area of welding fume collection, and reduce occupational health injuries caused to employees and environmental impact.

Maintain the Safety System

We have identified environmental protection and occupational health and safety standards related to the Group, including 90 ISO 14000 standards and 215 ISO 45000 standards. We have added 62 new occupational health and safety management policies, which clarify the Company's related management mechanisms and departmental responsibilities. We have also regulated safety-related practices of the management and ordinary employees to effectively mitigate risks and protect employees' safety.

The Company's Lean Management Department and the HSE Department conduct an internal audit on the quality, environmental and occupational health and safety system at least once a year to ensure that the current operations are effective and meet the system requirements. In 2021, a total of 11 member enterprises of the Group obtained OHSAS 18001:2007 Occupational Health and Safety Management System certification, 11 enterprises passed the ISO 14001 environmental management system certification, two enterprises passed the GB/T 23331-2012/ISO 50001:2011 certification of the Energy Management System Requirements, four enterprises passed the cleaning audit, nine enterprises passed the safety standardisation certification, and 10 enterprises passed the Group's health, safety, and environmental compliance certification audit.

In 2021, CIMC Enric undertook the assessment indicators and traction metrics of CIMC and assigned them to member enterprises one by one according to the actual situation in 2021. CIMC Enric organised enterprises to implement HSE key research and improvement projects, and shared HSE best practices at regular HSE meetings held by the Group.

Safety Measures Implementation

In 2021, the Group continued to tightened up safety inspections, implemented hazard source control, and adopted the following inspection measures for new enterprises and fully-established enterprises:

Strengthen compliance inspection of new enterprises	Enhance the inspection of fully-established enterprises
<ul style="list-style-type: none"> ① Give full play to the role of the special committees, and make sure that they fulfill their respective compliance responsibilities. ② Follow up on and check the completion of HSE-related license formalities and the establishment of management organisation system for new enterprises, and set up a dashboard for them. ③ Comply with the three wastes emission standards, and track progress made in the “Three Simultaneous” initiative targeting new construction, reconstruction and expansion projects. ④ Adapt elements of the “9 + 8” system to the industry requirements to urge the special committees to select the applicable elements to guide and facilitate related operations. 	<ul style="list-style-type: none"> ⑤ Meet the basic requirements of compliance construction for new enterprises. ⑥ Implement the “Four NOs and Two Straightforward” approach focusing on the on-site spot inspections concerning the management of related parties, lifting operations, repair operations, high-altitude operations, three-level safety education for new employees, and certification of special equipment operations, and increase the frequency of checks from seven times to 10 times. ⑦ Organise internal and external experts to carry out unannounced inspections of various enterprises in different locations, and increase the frequency of checks from two times to five times. ⑧ Organise inter-company inspections of hazard sources among enterprises, and on-site exchanges. ⑨ Organise 10 manufacturing enterprises that have introduced the “9 + 8” system to conduct HSE compliance certification audit, and select 4~5 enterprises for annual audit according to findings of self-assessments and routine HSE management assessments. ⑩ Conduct quarterly verification and point inspection on HSE investment projects carried out by enterprises to ensure effective implementation of investment.

In addition to internal occupational health and safety, we also paid due attention to the health and safety of internal construction teams and external construction contractors. Our safety qualification requirements, management and monitoring methods include the following:

- We stepped up the qualification review of related parties, focusing on the review of the enterprises' effective qualifications, safety management agreements, safety management capabilities, qualifications for special-purpose operations, production and operation plans, work injury insurance certificates and other information;
- We stepped up safety training and education during the onboarding process for new employees of the Group, and the personnel of any external unit must pass related training and examination and complete safety disclosure before they can enter the Company;
- We tightened on-site operation supervision over related parties, and assessed operations found in violation of rules and regulations in accordance with the HSE assessment standards of related parties;
- We improved the archives of related parties, and established a ledger of “one file per enterprise”;
- Besides, we held regular meetings to coordinate related parties, and conveyed the requirements of government authorities on work safety, environmental protection, fire protection and occupational health prevention and control.

In 2019, 2020 and 2021, three, one and 0 employee of CIMC Enric respectively died while on-duty, and the duty death rate per 1,000 people was 0.3‰, 0.1‰ and 0 respectively. In 2021, 629 days of work were lost due to work injuries.

Develop Work Safety Skills

In 2021, the Group formulated safety training plans to carry out various safety education and training activities. Some 2,675 people participated in the three-level safety course held by the Group, and 100% of the training files were established; 100% of special operation personnel and special equipment operators hold the proper certificates. We conducted special training sessions on various subject matters such as dust explosion-proof, the new work safety, leader safety management skills, operations with spatial constraints, with the employee training coverage hitting 100%.

At 9:00 a.m. on January 25, 2022, “Enric General Manager HSE Class 1” was officially launched. As one of the important agendas of Enric’s annual business meeting, General Manager Yang Xiaohu talked with 50 key managers of the Company and general managers of member enterprises, conveying the Company’s emphasis on HSE work, and pledging strong support for HSE compliance.

In addition to safety-related training, we carried out a series of HSE cultural construction activities:

- We held the annual New Year’s safety pledge among staff members to highlight the importance of safety for employees from the perspective of their families, enhance their safety awareness, and create a sound work safety atmosphere;
- We held “Pre-Spring Festival Meeting of HSE Committee Members for Post-Festival 100”, and the Group’s leadership conducted daily safety inspections before and after the Spring Festival, which inspired management staff to raise their HSE awareness;
- We assess and rewarded proposals on potential hazard management to encourage employees to locate potential hazards and genuinely appreciate the importance of safety;

The first CIMC Enric ESG agenda presentation meeting was successfully held smoothly on the afternoon of December 3. Against the backdrop of ESG initiatives continuously gaining traction, the purpose of the meeting was to discover major achievements made by the Company in improving ESG operations this year, and to motivate and call upon an increasing number of employees to actively participate in ESG improvement activities. Senior executives of the Company, relevant controlling functional departments and member enterprises attended the presentation meeting enthusiastically, with nearly 100 participants present at the event.

Measures for Improving HSE Capacity:

- We mobilized resources to guarantee and analyse the HSE professional staffing in each member enterprise, and conducted training to improve professional capabilities, ensuring professional HSE organisation capability;
- We organised HSE professionals of member enterprises to carry out cross and mutual inspections and reviews, strengthen exchanges among HSE personnel, and carry out thematic and on-site coaching to improve HSE management of member enterprises;
- We organised HSE management personnel to receive centralized capacity improvement training, invited internal and external experts to give them lectures, so as to improve the basic technical competence and management standard of HSE management personnel;
- We promoted safety-related IT applications at CIMC Safeway, and created the new model of “industrial Internet + safe production”.

Improve Safety Level

In 2021, the Group formulated and implemented the emergency drill plan, and carried out more than 110 emergency drills for fire protection, work safety and environmental protection, involving more than 2,500 participants.

No violation of relevant laws and regulations that had a significant impact on the Group occurred in 2021.

According to the national and local HSE laws and regulations, we have adopted the CIMC Groups' HSE policy and target plan, and effectively implemented the core values of "legal compliance, work safety and health, green operation". The HSE Committee of the Group has finalized the HSE policy and goal management plan for 2022, taking the Group's expectations for the HSE program into consideration:

1. Use performance indicators to encourage the enterprises to improve the standard of HSE management;
2. Step up studies of policy and promote green production;
3. Tighten up safety inspection and implement effective hazard source control;
4. Promote digital security management; and
5. Build on HSE risk prevention and control capabilities, and improve the HSE management mechanism.

The Group's actual performance on the occupational health and safety-related indicators in 2021 and the 2022 targets are set out in the table below:

Indicator	Actual performance in 2021	Goals for 2022
Number of workplace death accidents and number of serious injury accidents	0	0
Number of major fire accidents (loss over RMB200,000)	0	0
Number of major environmental accidents (major complaints or fines)	0	0
Number of product safety accidents	0	-
Number of environmental administrative penalties	0	0
Number of new occupational disease patients (after 2014)	0	0
Closing rate of hidden danger rectification (compliance audit, unannounced inspection, workplace death accidents)	90%	90%
Pass rate of team leader certification training	-	85%
Injury accident rate of 1,000 persons (including workplace death, serious injury and minor injury accidents)	0.49%	Decline by 5%
Number of important hazard sources	528	Decline by 3%
Number of employees exposed to occupational hazards	3,601	Decline by 3%
HSE improvement topic number	46	-

In recent years, along with the continuous extension of the business chain, the production system of CIMC Enric has become increasingly diverse and versatile, resulting in increases in the types and quantity of on-site hazards and environmental risk factors, which brought new challenges to HSE management operations. In 2020, we formulated a three-year HSE plan based on CIMC's strategic plan to fully satisfy the requirements of laws and regulations related to work safety, fire protection and occupational health prevention and control, and make sure that the HSE program is planned and implemented in sync with enterprise development.

Three-year HSE plan of CIMC Enric (Excluding energy conservation and emission reduction)

No.	Categories	Indicators	Goals for 2020-2022
1	Safety & Fire Control	Number of workplace death accidents/number of workers killed	0
2		Number of serious injury accidents/number of persons with serious injury	0
3		Number of major fire accidents (loss over RMB200,000)	0
4		Number of product safety accidents	0
5		HSE compliance audit coverage rate of manufacturing enterprise	100%
6		Injury accident rate of 1,000 persons	Continue to decline by 5% year on year
7	Occupational Health	Number of new occupational disease patients (after 2014)	0
8		Number of employees exposed to occupational hazards	Continue to decline by 5% year on year
9	Compliance	Holding rate of HSE-related certificates for enterprise compliance operation	100%

Equal Opportunity and Diversity

Human resources planning is fundamental to our recruitment policy. The Group, via reasonable human resource planning, clearly defines targets regarding staff headcount, structure optimisation and capability improvement to provide the basis for human resources planning.

We are committed to the continuous improvement of human resource management structure, abide by relevant laws and regulations, and formulate the Company’s relevant labour contract policies, recruitment management policies, employment management policies, employee handbooks, and so forth.

Recruitment Diversification

We develop talent introduction plans based on the annual strategy and business plan, and recruit employees through websites, headhunters and internal referrals. If a position needs to be filled urgently due to unexpected staff turnover, changes in business operations, etc., relevant departments can propose recruitment after evaluation and review.



- Promotion from within: Pick the right people from the talent pool
- Internal open recruitment: Release information on the intranet and via e-mail, post internal recruitment notices, and send messages to employees



- On-campus recruitment: Contact schools to recruit fresh graduates
- Media recruitment: Post recruitment information through websites, publications, etc.
- Market recruitment: Recruit in the labour market and job fairs
- Headhunting: Invite headhunters to recruit urgently needed professionals
- Referral: Referral made by employees to recommend suitable candidates

Response to Labour Shortage

As regards front-line production personnel, amid the waning demographic dividend, implementation of the “Great Central and Western Region Development” campaign, and the rise of the tertiary industry, most companies are struggling to overcome the shortage of human resources, resulting in intensifying competition for the labour force. “Recruitment difficulty” is becoming increasingly commonplace among enterprises at present and going forward. The Group will gradually ease the shortage of human resources by opening new recruitment channels, coordinating production capacities and the transforming production lines toward mechanisation and automation.

In the case of management and technical personnel, some of the Company’s existing employees will retire in the next few years, and key young designers need to grow and develop at a faster pace. To tackle this challenge, we have adopted the policy of rehiring retired backbone engineers while stepping up young designer training. Through KPI improvement, we have established well-targeted incentive policies to incentivise employees in work.

Prohibition of Child Labour and Forced Labour

CIMC Enric has formulated internal labour security rules and regulations, including the *Human Resources Management System*, the *Leave Management Measures* and the *Overtime Management Measures*. The Group has never used child labour or recruited underage workers, and strictly verifies the identity of job applicants during the recruitment process to ensure that minors are not employed. We respect employees’ human rights, prohibit the employment of child labour and forced labour, and prohibit illegal hiring practices in which “factory workers are recruited first, and the official recruitment formalities are completed afterward”. The Company’s Safety & Environment Department and Human Resources Department make random checks from time to time. Once such kind of phenomenon is discovered, relevant personnel such as the person in charge of the employing department and the operation director shall be held jointly and severally liable, and such violation shall be publicized to prevent recurrence in the future, and optimally ensure legal and regulatory compliance in employment operations.

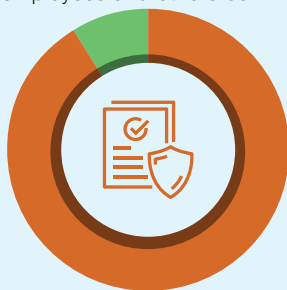


Staff Composition

As of December 31, 2021, the Group had 9,735 employees, including 8,881 contract workers and 854 rehired employees, part-time employees, and dispatched employees, with the male to female ratio standing at 5:1. Our employees were mostly aged between 30 and 49, accounting for about 73% of the total headcount. We employed six people with disabilities and 16 ethnic minorities, 68 new graduates, 606 new employees hired through public recruitment and 11 interns. In 2021, employee turnover at the Group was 562, with an overall turnover rate of 6.3%.

Employees by Employment type (person)

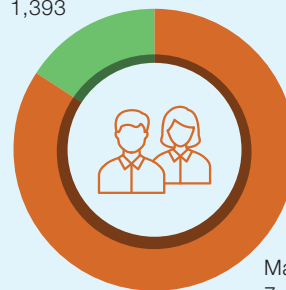
Rehired employees, part-time employees, dispatched employees and others 854



Contract workers
8,881

Contract employees by gender (person)

Female employee
1,393



Male employee
7,488

Contract employees by age (person)

Over 50 (inclusive) 1,165

Under 30 (inclusive)
1,225



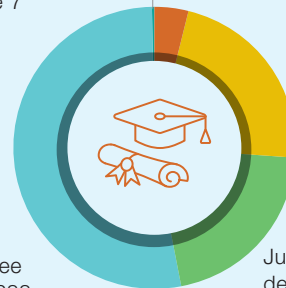
31~49
6,491

Contract employees by educational background (person)

Doctoral degree or above 7

Master degree 347

Bachelor degree
1,985



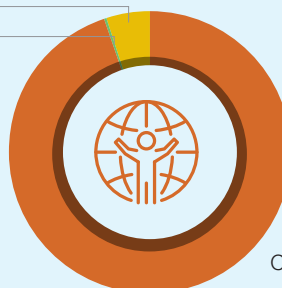
Senior high school degree or below
4,688

Junior college degree
1,854

Contract employees by region (person)

Overseas 440

Hong Kong, Macao, Taiwan 8

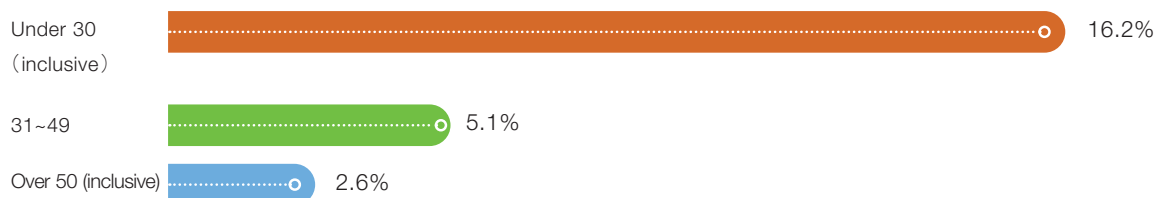


Chinese mainland 8,433

Contract employee turnover by gender



Contract employee turnover by age



Contract employee turnover by region



Employees' Rights Protection

CIMC Enric duly implements relevant laws and regulations on employee rights and interests, and has formulated internal labour security rules and regulations, including “Human Resources Management System”, “Leave Management Measures” and “Overtime Management Measures”. We comply with the regulations on special labour protection for female employees. The Group’s management rules and regulations explicitly stipulate that female employees have the right to take maternity leave, protecting the legitimate rights and interests of female employees according to law to implement special labour protection regulations for female employees. We comply with regulations on working hours, holidays and leaves, encourage employees to complete work within the standard working hours, and strictly prohibit excessive overtime, with overtime pay provided according to law. We pay contributions to the social security and housing provident fund for all permanent employees in accordance with the law.

The Group has established a complete remuneration management system, and benchmarked salaries against the remuneration of the industry in the same region in the market every year. In 2021, the remuneration system linked the total salary with the output value and profit of the enterprise, so as to realize the win-win results for both the employees and the Company. Our remuneration is competitive compared with peer companies, and internal fairness and impartiality is guaranteed.

With a view to effectively stimulating the employees’ enthusiasm for work, further strengthening the linkage between employees’ remuneration and the Company’s performance, and guiding all subsidiaries and departments to do a good job in staffing and remuneration distribution level by level, we make dynamic adjustments to bonus distribution in addition to basic remuneration, offer employees incentives in a timely and appropriate manner, and make employees’ work more focused by raising their awareness of career development and salary increase. In 2021, the Group continued to improve the compensation management system. For example, in an effort to incentivise employees to improve their performance, CIMC Safeway revised the “Business Development Incentive Management Measures” and the “Project Assessment System” based on market development and project operations; Meanwhile, in order to encourage the senior management and core staff members to pay due attention to the Company’s long-term performance and achieve the long-term development objectives, we implemented restricted stock incentive plans and equity incentive plans. Due to the substantial differences in business types and work types of employees, the Group implements multi-level and more targeted employee incentive plans, such as the “Incentive Plan for Output of Front-line Workers”, “Incentive Plan for After-sales Service Personnel”, “Incentive Plan for Personnel of Engineering Projects” and “Evaluation and Incentive Plan for All Employees”.

Case

Donation out of love to warm the heart – Shijiazhuang Enric organised the 11th employee mutual assistance donation event

To further the humanitarian ideals of “when one individual is in difficulty, everyone provides support” and to demonstrate the social responsibility of the Company, Shijiazhuang Enric’s trade union organised the 11th employee mutual assistance donation event which was held during 24-30 November. The union gave great importance to the objectives of the event and publicised it through emails, official platforms and WeChat working groups. The event was enthusiastically supported by the union’s branches and the Company’s departments, and had extensive employee support. Over one week, the 11th employee mutual assistance donation event organised by Shijiazhuang Enric came to a satisfactory conclusion. A total of 646 employees participated and Shijiazhuang Enric collected over RMB40,000 of donations.

By the end of the reporting period, the union of Shijiazhuang Enric had organised the 11th employee mutual assistance donation event since 2010. 131 employees applied for financial support and 115 of them received prompt assistance.



Promoting Talent Development

CIMC ENRIC understands that excellent products come from excellent teams, and sees talent as the cornerstone of the Company’s competitiveness. We pay attention to employee training and actively develop their core skills and expertise. Every December, the Human Resources and Administration Department formulates a training plan for the coming year according to the Company’s development objectives, the latest industry standards and knowledge, management goals, etc., and follows up on its implementation and evaluates the outcome of the training on a monthly basis. Training is delivered in different ways, including internal and external training, as well as via online platforms, to continuously improve the professional and general skills of employees.



Induction training for new recruits

Understand the Company’s culture and policies to help new recruits integrate



General skills training

Enhance relevant skills of employees according to the Company’s business and the posts’ requirements



Professional skills training

Department heads train employees based on job requirements



Leadership development programme

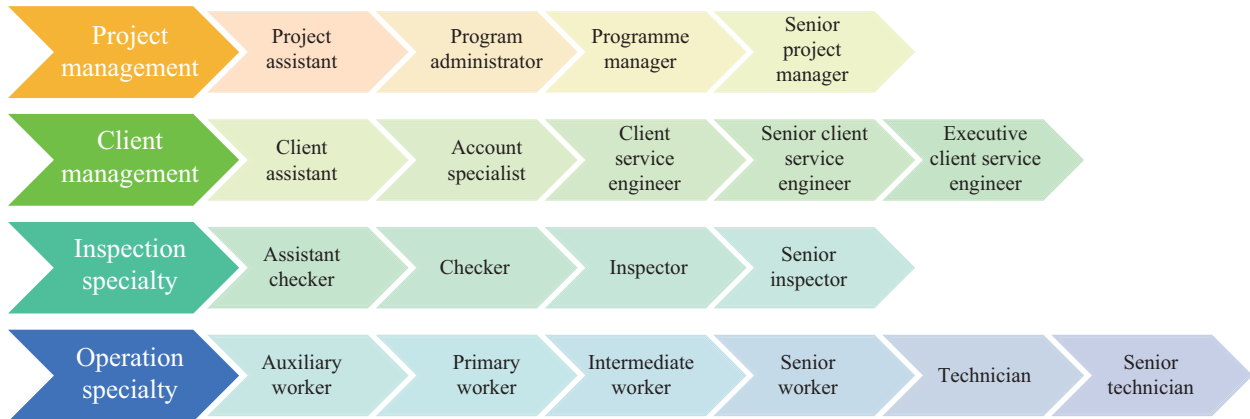
Focus on training and improving the leadership skills of senior management



International talent development programme

Provide employees with overseas work and learning opportunities to broaden their horizons

We help employees plan for their future and develop suitable career paths. Employees can choose “management” or “professional” pathways according to their capabilities and interests, and grow together with the Company.



In 2021, we continued to improve its online learning, and proactively promoted an online learning platform within the Group. We rely on the learning platform of CIMC school which makes about 3,000 courses available to employees whenever and wherever they wish to learn. In 2021, the Company launched the “Sky Blue Programme”, a training programme which nurtures upcoming middle managers with high potential. The programme provided targeted training to select key personnel with high potential, with the aim of creating a pool of backup middle managers. A total of 34 people participated in the training programme.



CIMC ENRIC “Sky Blue Programme” collective training

In 2021, CIMC Sanctum, a member enterprise of the Company, revised the *Training Management System*, the *New Employee Training Management Regulations*, the *Welder Training and Management Regulations* and the *Mentoring Management System* to carry out key training programmes, such as skills improvement of team leaders, “Creating Excellence Together” workshop for members of the management, a series of educational training for supervisors, skills optimisation to retain staff, and specialist training, etc.



Team leaders of Class 2 skills improvement training hard at work



"Creating Excellence Together" workshop for management



Supervisors at their educational training



Specialists actively learning

Proportion and length of employees participating in training and duration

Employee category		Proportion	Total training duration (hours)	Per capita training duration (hours)
All contract employees (excluding overseas employees)		100%	124,096	14.69
By gender	Male	100%	102,828	14.43
	Female	100%	21,268	16.08
By seniority	Senior management	100%	1,566	15.82
	Middle management	100%	16,606	37.40
	Staff	100%	105,925	13.40

Internal training situation

Internal trainer category		Number of internal trainers	Number of attendance	Course duration
Total		101	410	1,029.00
By gender	Male	78	329	899.00
	Female	23	81	130.00

Case

Practise craftsmanship to realise your dreams – CIMC Safeway and the Technician College of Nantong Vocational University jointly developed a new apprenticeship training programme

The new apprenticeship programme follows the innovative skills-based talent training model which was created by the Nantong Municipal Human Resources and Social Security Bureau and Nantong Municipal Finance Bureau and which aims to strengthen integration and co-operation between industry and education. In November 2021, under the leadership of Nantong Chongchuan Human Resources and Social Security Bureau, CIMC Safeway and the Technician College of Nantong Vocational University created the joint training scheme "Integrated Enterprise and Education Training System" in line with the new apprenticeship programme. The programme seeks to nurture welders who have been hired for less than one year, who are highly loyal to the Company and willing to learn, to enable them to obtain the vocational qualification of intermediate welders. At the same time, the Company set up a team of 24 instructors who are senior technicians, technicians, senior workers and production managers from the Production Centre and the Technologies Department. In total, 113 people signed up for the new apprenticeship class.



Opening ceremony for the new apprenticeship joint training scheme of CIMC Safeway and the Technician College of Nantong Vocational University

Improve Employee Communication

CIMC ENRIC is committed to be “people-oriented” and thus communicates with employees on a regular basis. Each member enterprise has a trade union and holds employee representative meetings from time to time. We have established employee communication channels such as the general manager’s mailbox, and conducted a satisfaction survey on administrative logistics IT. We promptly deal with issues between employees and the Company to ensure staffing stability.

In order to improve employee welfare, enhance the cohesion of the Company and strengthen employees’ sense of belonging, we provide care and support for employees in various ways:



◦ In terms of the Company’s systems

we allow flexible office working to meet employees’ individual needs.



◦ As for employee benefits

in addition to providing the statutory five social insurances and one housing fund for employees, we also purchase supplementary commercial insurances for employees and include their families. We provide transport subsidies, communication subsidies, holiday subsidies, tourism travel subsidies and other benefits to improve employee satisfaction and sense of belonging. For staff dispatched from other places, we provide housing subsidies and family visit subsidies, and visit their families on a regular basis. We also actively assist with practicalities such as household registration and children’s schooling.



◦ In terms of occupational health

we organise all employees to participate in medical examinations every year. For special types of work, pre-job, on-the-job and off-the-job occupational health medical examinations are organised annually. Results are actively managed. For senior leaders of the Company, we have set up a health management mechanism to provide timely monitoring of the health of staff of general manager level and above, with the results being given due attention.



◦ In terms of employee assistance

we have an employee mutual assistance fund to enable employees to help each other. In 2021, we helped 39 employees who were in need, involving a total amount of RMB27,500.

The Group has a sound employee care mechanism. During the hot season from June to October, trade unions and company leaders organise the delivery of cooling supplies to front-line workers. We send flowers and organise a series of activities for female employees for Women’s Day, set-up parent-and-child activities for Children’s Day, and organise annual family day and other featured activities. We also organise work safety knowledge competitions, health walks, basketball games and other employee exchange activities within and between members of the corporate group.

CIMC Holvrieka held parent-child fun activities to celebrate the 12th anniversary of the Company’s commissioning

To celebrate the 12th anniversary of the Company’s starting production, CIMC Holvrieka held a parent-child fun activity in the Company’s factory on 23 May. More than 100 people from nearly 40 families from various departments participated in the activity.



Energy Equipment and Engineering Business Centre launched a parent-and-child activity on Children’s Day

Energy Equipment and Engineering Business Centre launched a parent-and-child activity with the theme of “Loving Reunions on Children’s Day” on 30 May. A total of 38 people from 12 families signed up for the activity.



Nantong Energy organised the 2021 Family Day

On the morning of 29 May, Nantong Energy opened the 2021 Family Day. Over 40 people from over 20 families from various functional departments of the Company joined in.



CIMC Hongtu organised the first “Parent-and-child Open Day”

On 23 May, the committee of the trade union of CIMC Hongtu organised the Company’s first “Parent-and-child Open Day”, which was attended by about 100 people from more than 30 families from the front line of workshop production.



CIMC Safeway offered college admission rewards to the children of its employees

In 2021, CIMC Safeway formulated and implemented for the first time the college admission reward policy for the children of its employees, to reward employees’ children who enrolled into undergraduate courses under the unified process. On 3 August, the trade union issued a total of RMB10,900 to the children of 15 trade union members.

CIMC Sanctum held the 7th Parent-and-Child Open Day

15 May is International Family Day. CIMC Sanctum held its 7th Parent-and-child Open Day which was attended by 24 families from various departments of the Company.



Several companies in the Group launched a series of activities for Women's Day



CIMC Holvrieka's Women's Day event



CIMC Safeway's Women's Day event



CIMC Hongtu's Women's Day event



CIMC Sanctum's Women's Day event



Shijiazhuang Enric's Women's Day event

Helping to Fight COVID-19

In the face of repeated outbreaks of COVID-19 in 2021, the Group has taken active and effective measures and made all-out efforts to prevent and control the disease. At the same time, we are helping to win the fight against COVID-19 by volunteering to serve communities using our expertise and strengths.

Case

Volunteering to fight against COVID-19 – Employees of CIMC Hongtu proactively participated in community volunteering services for disease prevention and control

In August 2021, “Delta”, the variant of Covid-19 suddenly broke out in Jingmen City, Hubei Province. In the face of the severe epidemic prevention and control situation, CIMC Hongtu responded quickly and took immediate action. While actively responding to the epidemic, ensuring the safety of employees and stable production, it donated RMB150,000 to the Red Cross Society of Duodao District, Jingmen City as soon as possible, for the purchase of masks, disinfectants, disinfectant sprayers and other anti-epidemic materials, actively fulfilling corporate social responsibility, and always insisting on being a warm enterprise. Since COVID-19 prevention and control began, employees of CIMC Hongtu have actively participated in community volunteering services for disease prevention and control, by helping citizens to conduct nucleic acid tests, participating in the management of community lockdowns, and being on active duty for checkpoints, body temperature measurements, screening and registration, material distribution and disease prevention publicity.



CIMC Hongtu's employees participating in community pandemic prevention and control

Case

True friendship stands out in difficult times – in face of the resurgence of COVID-19, CIMC Hongtu of CIMC ENRIC successfully participated in an emergency rescue remotely

In the early hours of 11 August 2021, CIMC Hongtu, a member enterprise of CIMC ENRIC, received a request for help from a customer about an accident and failure of their tractor and semi-trailer. Due to travel restrictions resulting from the pandemic, CIMC Hongtu quickly gathered experienced after-sales and technical experts to guide the customers' drivers and field personnel online in real time to cooperate with local fire and rescue personnel in the recovery. Our staff members provided practical, effective and professional advice for pressure relief, maintained online guidance throughout, and helped the customer through a difficult situation and minimised its losses.



Scene of tanker crash

Rescue site



Caring for Livelihoods

As the Group continues to grow, it also fulfils its social responsibilities by combining the development of its business with community prosperity. In 2021, the Group donated a total of RMB485,000 in the public welfare activities, employees donated a total of RMB113,100 and the volunteer service time was 1,056 hours.

Rural Revitalisation

In order to consolidate our achievements in poverty alleviation and fulfil our corporate social responsibility, we have made continuous efforts in implementing rural revitalisation in our business locations. Nanjing Yangzi, a member enterprise of CIMC ENRIC, donated RMB10,000 to the clinic construction project of Akqi Village, Karaqi Town, Akqi County. CIMC Hongtu, another member enterprise, donated RMB100,000 to Quanwa Village, Zhanghe New District, Jingmen City for the implementation of the rural revitalisation project, and donated a number of office supplies and daily necessities. CIMC Sanctum, another member enterprise, organised the “Love in the City” event and donated RMB200,000 to surrounding schools. SinoPacific Offshore Engineering, another member enterprise in the corporate family, organised its employees to participate in the “Qidong One-day Donation” event where they donated a total of RMB13,339. Shijiazhuang Enric, a member enterprise of the Company, provides “one-to-one” targeted assistance to local people during the Spring Festival and Mid-Autumn Festival every year, sending rice, flour, oil and other daily necessities.

Details of external donations of some member enterprises

	Member enterprise name	Donation object	Amount (RMB' 000)
Group donations	CIMC Sanctum	Neighboring Schools (“Love in the City” event)	200
	CIMC Hongtu	Quanwa Village, Zhanghe New District, Jingmen City	100
	CIMC Hongtu	Red Cross Society of Duodao District, Jingmen City	150
	CIMC Safeway	Charity Running in New Year’s Day	25
	Nanjing Yangzi	Akqi Village, Karaqi Town, Akqi County, Xinjiang	10
Employee donations	SinoPacific Offshore Engineering	“Qidong One-day Donation” event	13.339
	Shijiazhuang Enric	The 11th staff mutual aid on-site charity fund-raising activities	40.67
	CIMC Safeway	One Day Donation of “Love in Nantong, Warm Everyone”	59.13

Community Care

CIMC ENRIC focuses on creating a good community atmosphere and takes the lead in carrying out a series of cultural and healthcare activities in local communities.

- To strengthen cooperation with education enterprises, CIMC Sanctum organised 274 university students from Jiangsu University of Science and Technology to visit the Company, so as to enrich the university's practical teaching resources and fulfil our social responsibilities.
- In memory of our revolutionary martyrs, CIMC Sanctum organised its employees to visit and tidy their cemetery.



Practical visit by students from Jiangsu University of Science and Technology



Participants of the martyrs' tomb-sweeping

- In recent years, CIMC Hongtu has repeatedly organised and participated in the hazardous chemicals emergency rescue activities throughout the country. In March 2021, CIMC Hongtu rushed to the rescue of the liquid ethane tanker rear-end collision accident in Linfen, Shanxi Province.
- CIMC Hongtu has been offering long-term emergency rescue services for local fire departments free of charge (more than four times per year). It has provided professional knowledge training on transportation of hazardous chemicals for fire departments at all levels in the country, such as those in Hubei Province, Hunan Province, Sinopec Refinery Product Sales Co., Ltd. and Jingmen City, in order to improve the accident response and risk disposal abilities of front-line commanders.
- The Group continuously organises its employees to participate in voluntary blood donations. This year, its member enterprise CIMC Sanctum organised 27 employees to donate blood for free, giving up 8,100CC in total.



Blood donations at CIMC Sanctum

Voluntary Service

Volunteers are the pioneers and disseminators of a new civil spirit, and the main force in modern civilisation. One of the Company's member enterprises, CIMC Safeway, has established a volunteers association to focus on and actively participate in social welfare undertakings such as education, poverty relief, disaster relief, environmental protection and blood donation, so as to shoulder the responsibility of corporate citizenship and build a harmonious society.

Case

CIMC Safeway consistently conducts “respect the elderly, love the elderly, help the elderly” activities

“Look after other elders as you look after your own”. Over the years, the No.3 branch of CIMC Safeway always hold “respect the elderly, love the elderly, help the elderly” activities. Party members visit nursing homes every festival to understand the residents’ physical condition and daily life, chat with them to improve their mental wellbeing, and bring them gifts and warmth for the festive season.

On the afternoon of 18 November 2021, the Tianshenggang Nursing Home sent a commemorative flag and a letter of thanks to the No.3 branch of CIMC Safeway for its long-term care of the elderly in the nursing home.



CIMC Safeway visited the elderly in the Tianshenggang Nursing Home

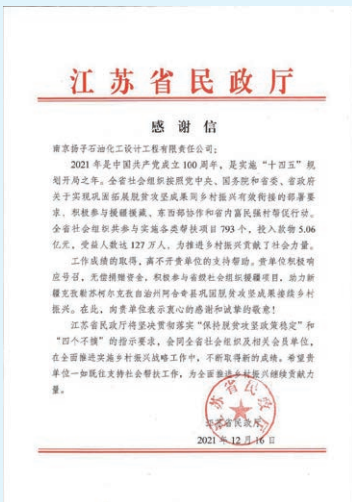


Tianshenggang Nursing Home sent a commemorative flag to the No.3 branch of CIMC Safeway

Case

Public welfare on the road – Nanjing Yangzi helped the construction of the clinic in Akqi Village, Karaqi Town

In August 2021, Jiangsu Exploration and Design Association issued the *Proposal on Helping Consolidate Poverty Alleviation Achievements and Participating in Rural Revitalisation*. According to the *Rural Revitalisation Project of Simuhana Village, Jigen Town, Wuqia County, Kizilsu Kirghiz Autonomous Prefecture, Xinjiang* provided by the Frontline Headquarters of Jiangsu Province’s counterpart support in Xinjiang’s Kizilsu Kirghiz Autonomous Prefecture, Nanjing Yangzi responded to the call and donated RMB10,000 in October 2021 to assist in the construction of the clinic in Akqi Village, Karaqi Town. On 15 January 2022, Nanjing Yangzi received a letter of thanks from Jiangsu Provincial Department of Civil Affairs and a certificate of donation from Karaqi Town People’s Government.



Letter of thanks from Jiangsu Provincial Department of Civil Affairs



Certificate of donation from Karaqi Town People’s Government

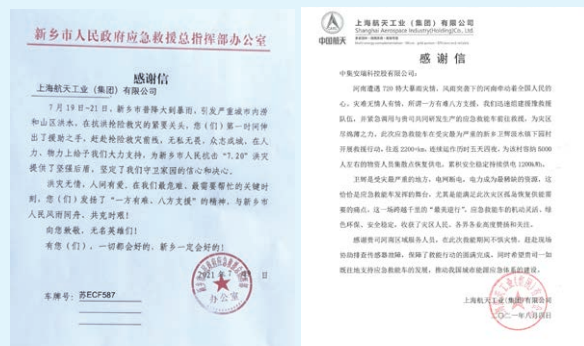
Case

Support emergency rescue and power restoration in Henan Province – CIMC Sanctum dispatched emergency rescue vehicle to help with power restoration in disaster area

In late July 2021, Henan Province suffered torrential rain. CIMC Sanctum dispatched an emergency rescue vehicle to restore power to Xiayuan Village, Jishui Town, Weihui, Xinxiang City. During the operation, the emergency rescue vehicle operated continuously for five days and four nights to restore power to the supplies distribution centre which accommodated about 5,000 people in the village, and managed to provide 1,200kWh of safe, stable and continuous power. The rescue action received praise and attention from the masses in the disaster area and other businesses and industries. We received two letters of thanks from the Emergency Rescue Headquarters of Xinxiang Municipal People’s Government and Shanghai Aerospace Industries (Group) Co., Ltd..



Emergency rescue vehicle of CIMC Sanctum



Two letters of thanks received by CIMC Sanctum

Annex

Details of Member Enterprises Covered in the Report

No.	Short Name	Full Name
1	CIMC Safeway	CIMC Safeway Technologies Co., Ltd.
2	CIMC Sanctum	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
3	Shijiazhuang Enric	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
4	CIMC Hongtu	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
5	Langfang Integration	Enric (Langfang) Energy Device Co., Ltd.
6	CIMC Holvrieka	CIMC Holvrieka Technology Co., Ltd. (Former name: Enric (Nantong) CIMC Food Equipment Co., Ltd.)
7	SOE	Sinopacific Offshore & Engineering Co., Ltd.
8	Liaoning Hashenleng	Liaoning CIMC Hashenleng Gas Liquefaction Equipment Co., Ltd.
9	Nantong Energy	Nantong CIMC Energy Equipment Co, Ltd.
10	Nantong Port	Nantong CIMC Port Development Co., Ltd.
11	Nanjing Yangzi	Nanjing Yangzi Petrochemical Design Engineering Co., Ltd.
12	Enric (Bengbu) Compressor	Enric (Bengbu) Compressor Co., Ltd.
13	CIMC Lvjian	CIMC Lvjian Environmental Protection Technology Co., Ltd.
14	CIMC Environmental Technology	CIMC Environmental Technology Co., Ltd.
15	Jiaxing Burg	Jiaxing CIMC Burg Tank Service Co., Ltd.
16	Ziemann	Ziemann Holvrieka GmbH
17	CIMC Enric Hydrogen Energy	CIMC Hydrogen Energy Technology Ltd

Industry Organisations

Organisation Name	Positions
Petrochemical Branch of China Construction Industry Association	Director
Petrochemical Branch of China Construction Industry Association, Survey and Design Professional Committee	Member
Construction Project Management and General Contracting Branch of China Exploration and Design Association	Director
Jiangsu Association of Engineering Consultants	Director
Jiangsu Exploration and Design Association	Director
Nanjing Exploration and Design Association	Director
China Petroleum & Chemical Engineering Survey and Design Association	Member
Shanghai Chemical Industry (China) Council	Vice president
China Industry Gases Industry Association	Member
China General Machinery Industry Association Membership Certificate	Member
China Petroleum & Petrochemical Equipment Industry Association	Vice president
China Chemical Industrial Equipment Association	Managing director

Organisation Name	Positions
China Association of Automobile Manufacturers	Member
China Standardization Committee on Boilers and Pressure Vessels (Sub-committee of Moveable Pressure Vessel)	Member
Shanghai Gases Industry Association	Member
Working Committee on Technology and Informatization of Hazardous Chemical Storage and Transportation Equipment, China Association for Technical Supervision Information	Member
Hubei Promotion Association for Special Equipment Safety and Energy-Saving	Director
Hubei Welding Association	Member
National Technical Committee for Container Standardization	Member
International Tank Container Organisation (ITCO)	Vice chairman of the Manufacturing Department)
ITCO Sub-committee of Manufacturers	Vice chairman of Board
China Container Industry Association	Member
China Chemical Industrial Equipment Association	Director
China Industrial Gases Industry Association	Vice president
Gases Pressure Equipment Professional Committee of China Industrial Gases Industry Association	Member
LNG Branch of China Industrial Gases Industry Association	Vice chairman
Transportation Energy Branch of China Industrial Gases Industry Association	Chairman
ASME Professional Committee of China Petroleum & Petrochemical Equipment Industry Association	Member
Beijing-Tianjin-Hebei Gas Industry Cooperative Development Alliance	Vice chairman
Hebei Boiler and Pressure Vessel Energy-saving Association	Vice president
Shanghai Gases Industry Association	Member
Compressed Natural Gas Professional Committee of Gas Branch Society of China Civil Engineering Society	Member
China Promotion Association for Special Equipment Safety and Energy-saving	Managing director
China Chemical Industrial Equipment Association	Director
Hebei High-Tech Industry Association	Member
Hebei Automobile Industry Association	Director
China Renewable Energy Society (Hydrogen Energy Branch)	Member
China Hydrogen Industry Alliance	Member
Air-space Integration Equipment Technology Research Institute	Member
Hazardous Chemicals Logistics Branch of China Federation of Logistics & Purchasing	Member
China Chemical Industrial Equipment	Director
Jiangsu Provincial Association of Machinery Industry	Director
Jiangsu Industrial Gases Association	Director
China Industrial Gases Industry Association	Member
LNG Branch of China Industrial Gases Industry Association	Member
Working Committee on Technology and Informatization of Hazardous Chemical Storage and Transportation Equipment	Member
Shanghai Gases Industry Association	Member
Guangdong Industrial Gases Association	Director
Zhejiang Industrial Gases Association	Member
The First Gas Tank Safety Standardization and Information Working Committee of China Association for Technical Supervision Information	Director
Gas Vehicle Technical Subcommittee of National Technical Committee of Auto Standardization	Member

Remarks: Only some of the industry organisations the Group participates in and its positions are excerpted here.

Awards and Honors

Categories	Awards and Honors	Enterprises
Investor Relations	The 5th China Excellent IR Awards – Best ESG Award	CIMC Enric Holdings Limited
	The 5th China Excellent IR Awards-Best Information Disclosure Award	CIMC Enric Holdings Limited
	The 5th China Excellent IR Awards-Best Capital Market Communication Award	CIMC Enric Holdings Limited
	IR Magazine Awards Greater China 2021 – Excellence in investor relations	CIMC Enric Holdings Limited
Brand	China Gas Industry – Top 50 Enterprises in the Gas Industry during the 13th Five-Year Plan	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	The Title of “Leader” of Enterprise Standard of Jingmen	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
	China Gas Industry – Top 50 Enterprises in the Gas Industry during the 13th Five-Year Plan	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	Shijiazhuang Top 100 Enterprises in 2021	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	Five-star Cloud-mounting Enterprise of Industrial Internet Demonstration Project of Jiangsu Province	CIMC Safeway Technologies Co., Ltd.
	Model Enterprise (Benchmark Factory) of Industrial Internet Development in Jiangsu Province	CIMC Safeway Technologies Co., Ltd.
Innovation	The first prize of Enterprise Management Modernization Innovation Achievement of Jiangsu Province	Nantong CIMC Energy Equipment Co, Ltd.
	The LNG tank container of the company has passed the appraisal of scientific and technological achievements	Nantong CIMC Energy Equipment Co, Ltd.
	Advanced Collective Promoting High-quality Development through Innovation of Jingmen High-tech Zone – Duodao District	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
	The first prize of petroleum and petrochemical equipment in the “Second National Mechanical Design Innovation Competition”	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
	National Intellectual Property Model Enterprises	CIMC Safeway Technologies Co., Ltd.
	Successfully applied for “Hydrogen Energy Storage, Transportation and Technology Innovation Centre of Hebei Province”	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
Product Quality	Jiangsu Enterprise Technology Centre	Nantong CIMC Energy Equipment Co, Ltd.
	2021 Chongchuan District Governor Quality Award	Nantong CIMC Energy Equipment Co, Ltd.
	2021 Suzhou Quality Award	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	Sophisticated, Special and New Medium and Small-sized Model Enterprises in Suzhou City	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	Nomination Award of the Yangtze River Quality Award of Hubei Province	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
	Invisible Champion Model Enterprises in the Pillar Industry Segment of Hubei Province	CIMC Enric Jingmen Hongtu Special Aircraft Co., Ltd.
	Sophisticated, Special and New Model Enterprises in Hebei Province	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	Second Prize of Technical Achievement Award of All-China Federation of Trade Unions	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	2020 China Award for Intelligent Manufacturing Best Practices	CIMC Safeway Technologies Co., Ltd.
	21st China Patent Excellence Award	CIMC Safeway Technologies Co., Ltd.
Other	Demonstration Application Enterprise of Digital Transformation of Informatization and Industrialization Integration in Jiangsu Province	CIMC Safeway Technologies Co., Ltd.
	Provincial Health Enterprise	Nantong CIMC Energy Equipment Co, Ltd.
	Provincial Health Enterprise	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	The deputy general manager of the company won the honorary title of “Top Ten Craftsmen of the Province”	Shijiazhuang CIMC Enric Gas Equipment Co., Ltd.
	Two employees won the title of “Most Beautiful Workers in Suzhou”	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	Suzhou Credit Management Model Enterprise	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	“Enterprises with Outstanding Contributions” of Chongchuan District, Nantong City	CIMC Safeway Technologies Co., Ltd.
	The general manager of the company was awarded “Ten Entrepreneurs with Outstanding Contributions”	CIMC Safeway Technologies Co., Ltd.
	Outstanding Contribution Collective of China Container Industry Association	CIMC Safeway Technologies Co., Ltd.
The general manager of the company won the title of “Outstanding Contribution Individual”	CIMC Safeway Technologies Co., Ltd.	

Applicable Laws and Regulations and Compliance

Agendas	Applicable Laws and Regulations (Part)	Compliance
Environment	<p>Environmental Protection Law of the People’s Republic of China Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution Water Pollution Prevention and Control Law of the People’s Republic of China Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes Energy Conservation Law of the People’s Republic of China Environmental Impact Assessment Law of the People’s Republic of China Administrative Regulations on Environmental Protection for Construction Projects Law of the People’s Republic of China on Soil Pollution Prevention and Control</p>	<p>During the year, the Group was not aware of any violations of any laws and regulations related to the emission of waste gas and greenhouse gases, the discharge to the water or land, and the generation of hazardous or harmless waste, which had a significant impact on the Group.</p>
Employment	<p>Labour Law of the People’s Republic of China Labour Contract Law of the People’s Republic of China Social Insurance Law of the People’s Republic of China Law of People’s Republic of China on the Prevention & Control of Occupational Diseases Law of the People’s Republic of China on the Protection of the Disabled Law of the People’s Republic of China on the Protection of Rights and Interests of Women Special Rules on the Labour Protection of Female Employees Regulations of The State Council Governing Working Hours for Workers Provisions on Collective Contracts</p>	<p>During the year, the Group was not aware of any violations of any laws and regulations related to remuneration and dismissal, recruitment, and promotion, working hours and equal opportunities, anti-discrimination and other treatments and benefits, which had a significant impact on the Group.</p>
Safety	<p>Work Safety Law of the People’s Republic of China Fire Control Law of the People’s Republic of China Law of People’s Republic of China on the Prevention & Control of Occupational Diseases National Plan for Occupational Disease Prevention and Control Occupational Health Management Measures for Radiation Workers Administrative Measures on occupational Health Examination Regulations on Safety Supervision over Special Equipment Eight Regulations on Occupational Hazard Prevention and Control by Employers Regulations on Labour Protection in Workplaces Where Toxic Substances Are Used</p>	<p>During the year, the Group was not aware of any violations of laws and regulations that provided a safe working environment and protected employees from occupational hazards, which had a significant impact on the Group</p>
Supplier	<p>The Bidding Law of the People’s Republic of China Civil Code of the People’s Republic of China</p>	<p>–</p>
Product Responsibility	<p>Product Quality Law of the People’s Republic of China Law of the People’s Republic of China on Special Equipment Safety Supervision Regulation on Safety Technology for Stationary Pressure Vessel Supervision Regulation on Safety Technology for Transportable Pressure Vessel</p>	<p>During the year, the Group was not aware of any violations of laws and regulations related to the health and safety, advertising, labelling and privacy of products and services, which had a significant impact on the Group.</p>
Anti-corruption	<p>Criminal Law of the People’s Republic of China Law of the People’s Republic of China Against Unfair Competition Hong Kong Company Law, Prevention of Bribery Ordinance Hong Kong Competition Ordinance Hong Kong Code of Corporate Governance</p>	<p>During the year, the Group was not aware of any violations of laws and regulations related to the prevention of bribery, extortion, fraud, and money laundering, which had a significant impact on the Group.</p>

Report Standard Index Table

Agendas	GRI Indicators	Description	SEHK Guidelines on ESG Report	Corresponding Content/Remarks
General Disclosure				
Organisation overview	102-1	Company name		About the Report
	102-2	Business activities, brands, products and services		About Us
	102-3	Headquarters location		About Us
	102-4	Business location		About Us
	102-5	Nature and legal form of ownership		About Us
	102-6	Market targeted by the company services		About Us
	102-7	Company scale		About Us
	102-8	Information about employees and other staff	B1.1	Staff Composition
	102-9	The company ' s supply chain	B5.1	Build a sustainable supply chain
	102-10	Major changes in the company and its supply chain		No major changes
	102-11	Early warning principle or policy		Operation control risks
	102-12	External initiative		Operation control risks
	102-13	Membership of the association of the company		Lead the development of the industry
Strategy	102-14	Statement from the company ' s top decision maker		Board statement
Ethics and integrity	102-16	Values, principles, standards and codes of conduct		About Us
Governance	102-18	Corporate governance structure		ESG governance
	102-19	Delegate powers and responsibilities		ESG governance
	102-20	Senior management ' s responsibilities to economic, environmental and social entities		ESG governance
	102-28	Performance evaluation of the supreme governance unit		Sustainable Development Results in 2021
Stakeholder communication	102-40	List of stakeholder groups		Stakeholder communication
	102-41	% of total employees covered by collective bargaining agreements		Deepen employee communication
	102-42	Identifying and selecting stakeholders		Stakeholder communication
	102-43	Approach to stakeholder engagement		Stakeholder communication
	102-44	Key topics and concerns raised from communication with stakeholders		Response to materiality issues

Agendas	GRI Indicators	Description	SEHK Guidelines on ESG Report	Corresponding Content/Remarks
Reporting practice	102-45	Entities included in the consolidated financial statements or equivalent documents		Details of member enterprises covered in the Report
	102-46	Defining report content and topic boundaries		About the Report
	102-47	List of material topics identified in the defining report		Stakeholder communication
	102-48	Reasons and impacts of restating any information specified in previous reports		No restatements of previous reports
	102-49	Significant changes in important issues and issue boundaries, compared with previous reports		Stakeholder communication
	102-50	Reporting period		About the Report
	102-51	Date of most recent report (if applicable)		About the Report
	102-52	Reporting cycle		About the Report
	102-53	Contact point for questions regarding the report		Reader's feedback
	102-54	This report is compiled in accordance with the "core options" of the GRI Standards		Core compliance scheme
	102-55	Content Index of the Sustainability Reporting Guidelines by the Global Reporting Initiative		Report standard index
102-56	External assurance		No external audits at this stage	
Major Agendas				
1. Economic Standard Series				
Economic performance	103-1	Explain the major themes and their boundaries		About Us
	103-2	Management policy and its elements		ESG governance
	103-3	Evaluation of management policies		Stakeholder communication
	201-1	Direct economic value generated and distributed by the company	B8.2	Sustainable development results in 2021
Anti-corruption	103-1	Explain the major themes and their boundaries		Stakeholder communication
	103-2	Management policy and its elements	B7	Operation control risks
	103-3	Evaluation of management policies		Operation control risks
	205-3	Confirmed corruption incidents and actions taken	B7(b),B7.1	Operation control risks
Anti-competitive behavior	103-1	Explain the major themes and their boundaries		Stakeholder communication
	103-2	Management policy and its elements		Operation control risks
	103-3	Evaluation of management policies		Operation control risks
	206-1	Anti-competitive, anti-trust and monopolistic actions		Operation control risks
2. Environmental Standard Series				
Materials	103-1	Explain the major themes and their boundaries		Stakeholder communication
	103-2	Management policy and its elements	A2, A3	Resource conservation
	103-3	Evaluation of management policies		Resource conservation
	301-1	Weight and volume of materials used	A2.5	Due to the low usage of packaging, our Group chooses not to disclose

Agendas	GRI Indicators	Description	SEHK Guidelines on ESG Report	Corresponding Content/Remarks
Energy	103-1	Explain the major themes and their boundaries	A2, A3	Stakeholder communication
	103-2	Management policy and its elements		Resource conservation
	103-3	Evaluation of management policies		Resource conservation
	302-1	Energy consumption within the organisation	A2.1	Resource conservation
	302-4	Reduce energy consumption	A2.3	Resource conservation
Water	103-1	Explain the major themes and their boundaries	A2, A3	Stakeholder communication
	103-2	Management policy and its elements		Resource conservation
	103-3	Evaluation of management policies		Resource conservation
	303-1	Water withdrawal by source	A2.2	Resource conservation
	303-3	Recycled and reused water	A2.4	Resource conservation
Emission	103-1	Explain the major themes and their boundaries	A1, A3	Stakeholder communication
	103-2	Management policy and its elements		Strictly control the pollution emissions
	103-3	Evaluation of management policies		Strictly control the pollution emissions
	305-1	Direct (Scope 1) greenhouse gas emissions	A1.1, A1.2	Resource conservation
	305-2	Energy indirect (Scope 2) greenhouse gas emissions		Resource conservation
	305-4	Greenhouse gas emission intensity	A1.2	Resource conservation
305-5	Greenhouse gas emission reduction	A1.5	Resource conservation	
Waste water and waste	103-1	Explain the major themes and their boundaries	A1, A3	Stakeholder communication
	103-2	Management policy and its elements		Strictly control the pollution emissions
	103-3	Evaluation of management policies		Strictly control the pollution emissions
	306-1	Water discharge volume by water quality and discharge destination	A1.1	Wastewater discharge management
	306-2	Waste by category and disposal method	A1.3, A1.4, A1.6	Waste discharge management
Compliance with environmental protection related laws	103-1	Explain the major themes and their boundaries	A1(b), A3	Stakeholder communication
	103-2	Management policy and its elements		Strictly control the pollution emissions
	103-3	Evaluation of management policies		Strictly control the pollution emissions
	307-1	Violation against environmental regulations	A1(b)	Applicable laws and regulations
Supplier environmental assessment	103-1	Explain the major themes and their boundaries	B5	Stakeholder communication
	103-2	Management policy and its elements		Build a sustainable supply chain
	103-3	Evaluation of management policies		Build a sustainable supply chain
	308-1	Screen new suppliers using environmental standards	B5.2	Build a sustainable supply chain
3. Social Standard Series				
Labour-employment relationship	103-1	Explain the major themes and their boundaries	B1	Stakeholder communication
	103-2	Management policy and its elements		Equal and diversified employment
	103-3	Evaluation of management policies		Equal and diversified employment
	401-1	New employees and former employees	B1.2	Staff composition
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	B1	Protect the rights and interests of employees
	401-3	Parental leave		Protect the rights and interests of employees

Agendas	GRI Indicators	Description	SEHK Guidelines on ESG Report	Corresponding Content/Remarks
Occupational health and safety	103-1	Explain the major themes and their boundaries	B2	Stakeholder communication
	103-2	Management policy and its elements		Occupational health and safety
	103-3	Evaluation of management policies		Occupational health and safety
	403-2	Injury category; rate of injury, occupational disease, lost working days, and absenteeism; and number of deaths due to work	B2.1 B2.2 B2.3	Occupational health and safety
Training and education	103-1	Explain the major themes and their boundaries	B3	Stakeholder communication
	103-2	Management policy and its elements		Promote talent development
	103-3	Evaluation of management policies		Promote talent development
	404-1	Average training hours received by an employee per year	B3.2	Promote talent development
Diversity of employees and equal opportunities	103-1	Explain the major themes and their boundaries	B1	Stakeholder communication
	103-2	Management policy and its elements		Diversified recruitment; staff composition
	103-3	Evaluation of management policies		Protect the rights and interests of employees
	405-1	Diversity of governance units and employees		Protect the rights and interests of employees
Child labour	103-1	Explain the major themes and their boundaries	B4	Stakeholder communication
	103-2	Management policy and its elements		Prohibition of child labour and forced labour
	103-3	Evaluation of management policies		Prohibition of child labour and forced labour
	408-1	Operating bases and suppliers with significant risks of forced and compulsory labour incidents	B4.1, B4.2	Prohibition of child labour and forced labour
Forced or compulsory labour	103-1	Explain the major themes and their boundaries	B4	Stakeholder communication
	103-2	Management policy and its elements		Prohibition of child labour and forced labour
	103-3	Evaluation of management policies		Prohibition of child labour and forced labour
	409-1	Operating bases and suppliers with significant risks of forced and compulsory labour incidents	B4.1, B4.2	Prohibition of child labour and forced labour
Local community	103-1	Explain the major themes and their boundaries	B8	Stakeholder communication
	103-2	Management policy and its elements		Concerned about society and people
	103-3	Evaluation of management policies		Concerned about society and people
	413-1	Operational activities through local community communication, impact assessment and development plan	B8.1	Concerned about society and people
Supplier social assessment	103-1	Explain the major themes and their boundaries	B5	Stakeholder communication
	103-2	Management policy and its elements		Build a sustainable supply chain
	103-3	Evaluation of management policies		Build a sustainable supply chain
	414-1	Use social criteria to screen new suppliers	B5.2	Build a sustainable supply chain

Agendas	GRI Indicators	Description	SEHK Guidelines on ESG Report	Corresponding Content/Remarks
Client health and safety	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements		Client service and supply chain management
	103-3	Evaluation of management policies		Client service and supply chain management
	416-2	Violation of health and safety regulations related to products and services		Applicable laws and regulations
Marketing and labelling	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements		Green manufacturing and innovation-driven development
	103-3	Evaluation of management policies		Green manufacturing and innovation-driven development
	417-2	Fail to comply with relevant laws and regulations regarding information and labelling of products and services		Green manufacturing and innovation-driven development
	417-3	Fail to comply with relevant laws and regulations on marketing communications		Applicable laws and regulations
Client privacy	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements		Client privacy protection
	103-3	Evaluation of management policies		Client privacy protection
	418-1	Complaints of confirmed violations of client privacy or loss of client information	B6.2	Client privacy protection
Compliance with socio-economic laws and regulations	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements		Green manufacturing and innovation-driven development
	103-3	Evaluation of management policies		Green manufacturing and innovation-driven development
	419-1	Violation of laws and regulations in the social and economic fields	B7	Applicable laws and regulations
Intellectual property rights protection		Describe, maintain and protect the practices related to IPR protection	B6.3	Innovative products and services

Reader's Feedback

Dear reader:

Thank you for reading the Report. In order to continuously enhance and improve our management of sustainable development operations, we sincerely hope to hear your valuable opinion and suggestions. Please answer the questions on this page, and send us the feedback through one of the following channels.

CIMC Enric Holdings Limited

Address: Unit 908, 9/F, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong

Tel.: +852 2528 9386

Fax: +852 2865 9877

Website: www.enricgroup.com

Email: enric@enric.com.hk

Headquarters in China

CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, China

1. What is your overall assessment of the entire Report?

Good Relatively good Average

2. What do you think of the clarity, accuracy and completeness of the information and data disclosed in the Report?

Good Average Relatively poor

3. What do you think of the performance of this Report in reflecting the Group's significant economic, social and environmental impact?

Good Average Not reflected

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

Good Average Poor

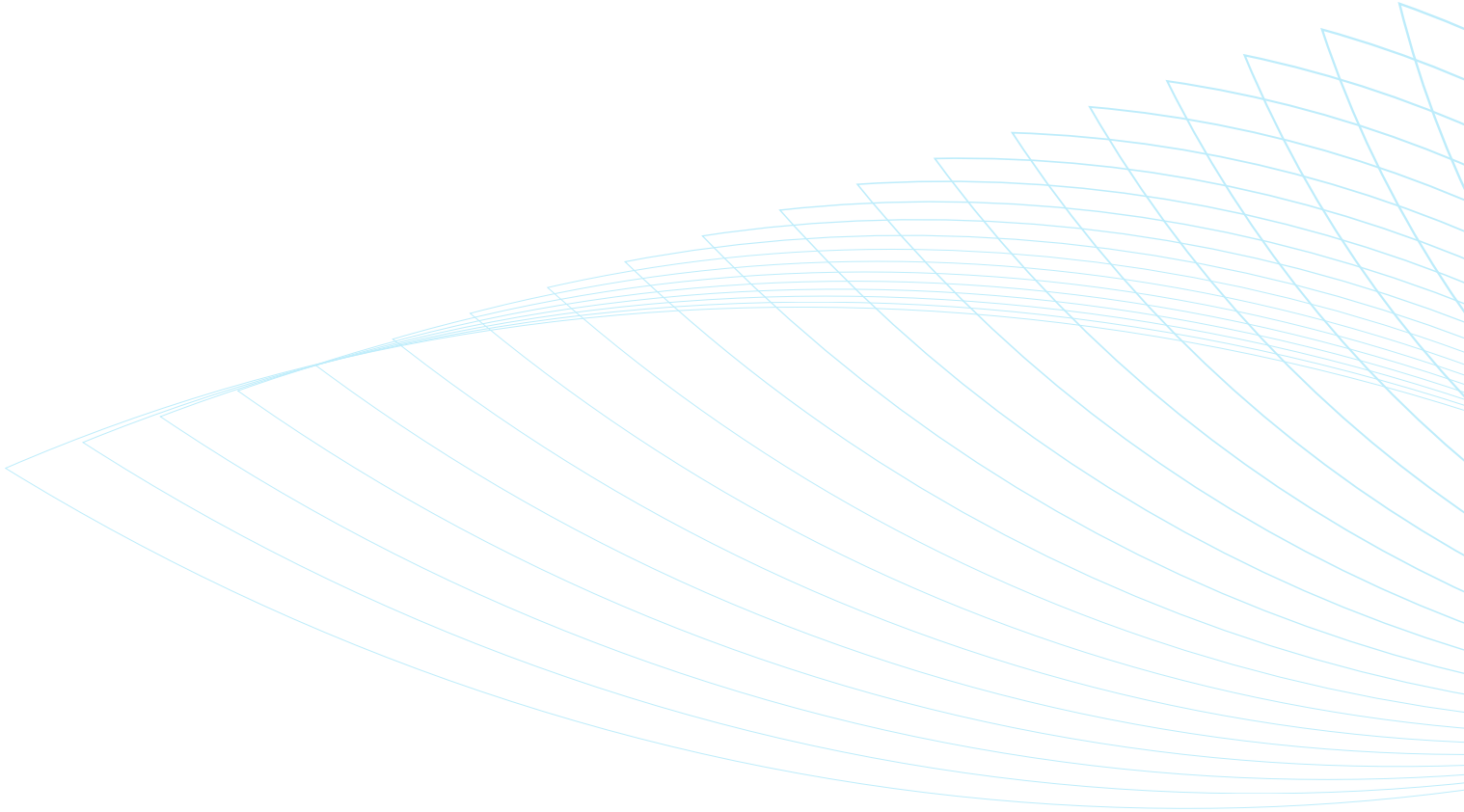
5. Your opinions and suggestions on the sustainable development management of the Group:

We would appreciate it if you could specify your contact information below:

Name: Occupation: Employer:

Post Code: E-mail: Tel.:

Contact address:



CIMC Enric Holdings Limited

Address: Unit 908, 9/F, Fairmont House, No. 8 Cotton Tree Drive, Central, Hong Kong

Tel: +852 2528 9386

Fax: +852 2865 9877

Website: www.enricgroup.com

E-mail: enric@enric.com.hk

Headquarters in China

CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone,
Shenzhen, Guangdong, China