

CIMC ENRIC

CIMC Enric Holdings Limited

2018 Environmental,
Social and Governance Report

Vision

To be a respected world-leading enterprise in clean energy, chemical and environmental, and liquid food industries.



Mission

To provide high-quality, reliable and smart equipment and services to customers, to generate good returns for shareholders and staff, and to create sustainable value for the society.

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About the Report

This is the third Environmental, Social and Governance (“ESG”) Report of CIMC Enric Holdings Limited (“CIMC Enric” or the “Company”), aiming at raising stakeholders’ awareness of environmental and social performance as well as sustainability strategy of the Company. The board of directors (the “Board”) has reviewed the Report and confirms that the content is accurate, true and complete.

Reporting Guideline

This Report is prepared in compliance with the ESG Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange of Hong Kong Limited (“Stock Exchange”), as well as the actual situation of the Company. It’s dedicated to meet the reporting principles of materiality, quantitative, consistency and balance. For the corporate governance section, please refer to the Corporate Governance Report of the Company’s 2018 Annual Report.

Reporting Scope and Period

This Report presents the environmental and social performance of the Company and its subsidiaries (collectively, the “Group”), from 1 January 2018 to 31 December 2018.

We report environmental data from 13 subsidiaries of the Group, a member company located in mainland China and a member company located in Germany being added, compared with last year. The Group is constantly improving data and information collection and will continue to gradually expand the scope of disclosure. For an overview of each indicator, please refer to the content index at the end of this Report.

Feedback

We have taken into consideration the interests and requirements of different stakeholders to the extent possible in compilation of the Report. The Company shall continue to improve the content and delivery of information disclosed in the future reports. We welcome your feedback and any suggestions. Please contact us at:

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STATEMENT FROM GENERAL MANAGER

Dear Stakeholders,

Responding to the changes of the macro economy, seizing opportunities and pursuing sustainable development are our responsibilities to investors, employees, customers, suppliers and other stakeholders. CIMC Enric is committed to balancing the interests of all parties, pursuing positive value creation for the environment and society in the course of business operation. Adhering to the development philosophy of "Greener Energy, Cleaner logistics, Better Living", we will take "Achieve Quality Development" as our core goal and strengthen the stable operation and internal optimization of the business.

We are committed to making disclosure more efficient and transparent in the face of the increasing demand for our ESG information from stakeholders. In 2018, CIMC Enric entered a new stage of ESG management. During the year, the Health, Safety and Environment (HSE) committee assumed the responsibility of ESG management, actively built internal information communication channels, and formed a more standardized and complete non-financial information collection and reporting mechanism. We set performance appraisal requirements on ESG management to increase the focus on related work within the Group.

Listening to stakeholders is an important part of promoting ESG management. Tracking the opinions of stakeholders is not only our responsibility, but also effectively promote the internal work of the Company. During the year, apart from regular communication, we actively participated in stakeholder engagement project on sustainable development of China International Marine Containers (Group) Ltd. ("CIMC"), the controlling shareholder of the Company. In this Report, we also disclose the key concerns of each group as clearly and comprehensively as possible.

Natural environment is an important capital for production and operation of CIMC Enric. In response to the global trend of promoting clean energy, we have launched energy transportation equipment, such as natural gas that adapts to different modes of transportation, and combined with innovative service modes to promote the transportation and use of clean energy. In terms of production and operation, we have paid close attention to environmental emission management, set 100% compliance emission targets, and taken timely risk prevention measures by regularly identifying and evaluating environmental factors. Based on compliance, our production enterprises also actively explore and implement applicable energy and water conservation measures.

When carrying out our business, we always adhere to the principles of compliance and business ethics. During the year, we participated in Chinese Enterprise Anti-fraud Alliance and shared the list of dishonest personnel to fulfill our corporate responsibility against corruption.

Human capital is our most valuable asset. We provide clear multi-channel development path for our employees, use internal and external resources to provide professional trainings, and pursue common progress. We ensure the production and work place to be healthy and safe through the implementation of management systems, measures, trainings and education.

CIMC Enric strives to make progress on the road of sustainable development. We understand that this is a long journey that requires step-by-step and careful planning and advancement. With the support of all stakeholders, we expect a smoother journey. On behalf of the Board and management, I would like to thank all stakeholders for their backing over the past year and look forward to your continued support and engagement in the future.

General Manager

Mr. Yang Xiaohu

29 April, 2019



ABOUT CIMC ENRIC

Founded in 2004, CIMC Enric has been listed on the Stock Exchange since 2005 and is a member of CIMC Group. We are principally engaged in the design, development, manufacturing, engineering, sales and provision of technical maintenance services for a wide spectrum of transportation, storage and processing equipment in clean energy, chemical and environmental, and liquid food industries. Please find our product portfolio as follows.

Clean Energy

- Liquefied natural gas ("LNG") trailers, storage tanks, tank containers and on-vehicle fuel tanks
- Compressed natural gas ("CNG") trailers and seamless pressure cylinders
- Liquefied petroleum gas ("LPG") trailers, storage tanks and tank containers
- Industrial gas trailers, storage tanks and tank containers
- Natural gas refueling station systems
- Natural gas compressors
- EPC (engineering, procurement and construction) service for the natural gas liquefaction plant
- EPC service for the petrochemical products and natural gas cryogenic storage and transportation
- EPC service for the large-scale petrochemical tank farm
- Intelligent IOT (Internet of Things) platform
- Small and medium-sized liquefied multi-gas carriers, LNG bunkering vessels, LNG powered ships
- Marine liquefied-gas tanks and LNG marine fuel tanks

Chemical and Environmental

- Tank containers for various type of chemical liquids, liquefied gas and powder type products
- Tank container intelligent telematics monitoring system
- Environmental key equipment

Liquid Food

- Stainless steel processing equipment and storage tanks
- Project engineering services, e.g. turnkey projects for the processing and distribution of beer, fruit juice and other liquid food

The Group has production bases and R&D centres located in China, the Netherlands, Germany, Belgium, Denmark and the United Kingdom, forming an interactive and complementary business model across China and Europe. We have various products and services brands including "Enric", "Sanctum", "Hongtu", "Hashenleng", "YPDI", "SOE", "CIMC Tank", "Tank Miles", "Anjehui", "Ziemann Holvrieka", "Briggs" etc., with a sales network around the world.

Industry Memberships

CIMC Enric actively develops its own production resources, participate in various organizations, and contributes to the development of the industry. The following are some of industry organizations and positions we have participated in.

Organization	Membership
China Gas Association	Standing Director
China Industrial Gases Industry Association	Vice Chairman
China LNG Branch	Chairman
China Communications and Transportation Energy Branch	Chairman
Natural Gas Vehicles/Ship ("NGVS") Branch of China Communications and Transportation Association	Vice Chairman
Listed Enterprises Association of Nanshan District	Chairman
National Technical Committee for Standardization of Boilers and Pressure Vessels-Movable Pressure Vessels Branch	Member, Secretariat
National Technical Committee for Standardization of Boilers and Pressure Vessels--Cryogenic Vessels Working Team	Team Leader
China Association of Technology Supervision and Intelligence (CATSI) Technology and Informatization Working Committee of Hazardous Chemicals Storage and Transportation	Vice Chairman

Honours and Awards

The Group has received recognitions for its sustainable development in environmental protection, employment, safety, product quality, and community investment. The received honours and awards by our member companies during the year are listed in the table below.



Awards	Awarded to
Environmental	
Environmental Management Standardized Enterprise	Nantong CIMC Tank Equipment Co., Ltd. Nantong CIMC Energy Equipment Co., Ltd.
2018 Green Factory of Anhui Province	Enric (Bengbu) Compressor Co., Ltd.
Employment and Safety	
Labour Protection and Integrity Demonstration Unit	Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.
Municipal Safe Enterprise	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
Product and Technology	
National Intellectual Property Advance Enterprise	Nantong CIMC Tank Equipment Co., Ltd.
National High-Tech Enterprise	Shijiazhuang Enric Gas Equipment Co., Ltd.
National Individual Champion and Model Enterprise of Manufacturing Industry	Nantong CIMC Tank Equipment Co., Ltd.
Enterprise Technology Center	Enric (Langfang) Energy Equipment Integration Co., Ltd. Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.
High Quality Products of Hebei Province	Enric (Langfang) Energy Equipment Integration Co., Ltd.
Community Investment	
Social Responsibility Award for Public Welfare and Charity	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.



ESG MANAGEMENT APPROACH

Corporate operations not only bring economic contribution, but also exert direct or indirect effects on environmental, social and other aspects. Therefore, we play a positive role by identifying and reducing the impacts on environmental and social aspects in our business management. We manage our environmental and social impacts by proposing and adhering to the six fundamental principles.

As a member of CIMC Group, our ESG management is consistent with CIMC Group. Following the footsteps of CIMC Group, CIMC Enric's ESG management was also adjusted during the year. Our current ESG management is led by the HSE committee, and jointly managed by functional departments including Human Resources, Quality, Customer Service, Procurement, Legal and Internal Audit, as well as member companies. We conduct regular ESG data reporting, analysis and review performance. We will continue to improve the ESG management system to form a smoother management model that is more in line with the needs of the Company's development.

Stakeholder Engagement

Adhering to the principle of multi-stakeholder consideration, the Group conducts regular communication with major stakeholders to understand their views on the impact of business process. We engage a wide range of stakeholders, including customers, employees, investors, suppliers, government agencies, communities, etc. We communicate with our stakeholders on an ongoing basis through annual reports, regular meetings, interviews and questionnaires, etc.

During the year, we deeply participated in stakeholder engagement project of CIMC, the communicate targets include our stakeholders. The following are the material topics identified after the survey. We analysed high importance issues, combined with the actual operation of our Group's business. We will strengthen the identification of relevant risks and opportunities and explore any possible room for improvement.

CIMC 2018 Materiality Assessment Results

<ul style="list-style-type: none">● Compliance Operation and Risk Control● Wastewater Treatment● Technology Innovation and Intellectual Property Protection● Customer Service and Satisfaction● Energy Conservation and Consumption Reduction	<ul style="list-style-type: none">● Product Quality and Safety● Operation with Honesty and Integrity● Employees Rights and Interest Protection● Corporate Social Responsibility Management● Employee Compensation and Benefits	<ul style="list-style-type: none">● Employee Safety and Health● Waste Management● Air Pollutant Emission Management● Water Management● Noise Management	High
<ul style="list-style-type: none">● Customer Privacy Protection● Green Supply Chain and Green Procurement● Climate Change and Greenhouse Gas Emission● Diversity and Equal Participation	<ul style="list-style-type: none">● Industrial Development Promotion● Supply Chain Management● Employee Communication and Grievance Mechanism● Localized Operation	<ul style="list-style-type: none">● Employee Training and Team Building● Green Office and Environmental Protection Promotion● Economic Benefit Created by the Group in the Place where it Operates	Medium
<ul style="list-style-type: none">● Implementation of Public Welfare Events			Subordinate

Environment Protection

To implement effective environmental management, we devote adequate manpower and resources to improve our performance in environmental protection, energy conservation and consumption reduction.

Environmental Management System



CIMC Enric has a comprehensive environmental management system. HSE Committee is responsible for the management, implementation and updating of internal procedures. All departments of the Company are responsible for the implementation of various environmental protection measures. Based on ISO 14001 Environmental Management System, we established and published various internal environmental management policies, including <Environmental Protection Facilities Operation Management Policy> and <Hazardous Waste Pollution Prevention and Management Policy> etc., to ensure the systematic and effective implementation of management on emission reduction, resource conservation and green product development, etc. For the year ended 31 December 2018, 7 among 12 subsidiaries in the Group have obtained certification of ISO 14001 Environmental Management System, with a coverage rate of 58.3%.

Efficient environmental management requires the cooperation of all departments and staff of the Company. HSE Committee holds regular environmental sharing sessions to communicate and explain the latest information on relevant laws and regulations to staff, to ensure that every member of the Company fully understands and cooperates with the Company's environmental management policy. The Group regularly conducts environmental factor identification and evaluation, and identified 135 important environmental factors during the year. By updating our internal procedures and taking appropriate measures, we strengthened our control over possible environmental pollution and ensured that our daily operations comply with national laws and regulations such as < Cleaner Production Promotion Law of the People's Republic of China > and <Environmental Protection Law of the People's Republic of China>. During the year, the Group did not receive significant penalties due to non-compliance of environment-related laws.

In early 2018, CIMC Enric has set a target of 100% compliance for the discharge of three wastes (waste water, waste gas and solid waste), requesting subsidiaries to ensure that their discharge of three wastes meets the requirements of national and local laws and regulations. From regular monitoring results, we confirm that all subsidiaries have reached the target of 100% in 2018.

Emission Control

CIMC Enric's production operations involve welding, sand blasting, painting and other processes as well as the use of furnaces, polishing machines, grinding machines, etc. The resulting air pollutants include dust, soot and volatile organic compounds. After identifying the environmental factors associated with each process and equipment, the Group regularly tests the emission levels in accordance with the <Atmospheric Pollution Prevention and Control Law of the PRC >, and ensures compliant emissions by achieving the target of three wastes, while taking measures to reduce pollutant emissions involved in daily operations.

We have installed smoke and dust purifiers for the welding process. Air pollution generated from welding process has been reduced by collecting and filtering smoke and dust through the purification process. As for the painting process, we have installed VOC purification facilities which are complying with <Integrated Emission Standards of Air Pollutant>. VOC concentration from painting process has been reduced by adopting activated carbon adsorption and catalytic combustion technologies. Our total VOC emissions of the year were 84 tonnes, approximately 12% lower than last year.



Plant Cutting Area

We installed the cover and air suction devices in the cutting equipment in the material cutting area of the plant, and introduced the dust into the central soot purification system for treatment. Eventually, 98.9% of the dust in the exhaust gas was collected to reduce air pollution.

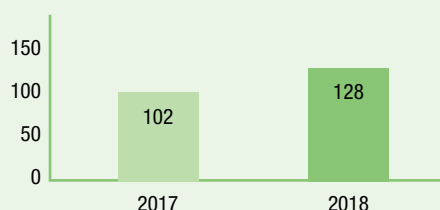


Terminal

We installed dust removal device and corresponding supporting facilities in the downstream loading belt conveyor and hopper to effectively collect and control the dust generated by terminal operation.

The source of the Group's greenhouse gas (GHG) emissions includes direct emissions from the use of fuels and refrigerants, as well as indirect emissions from the purchased electricity and the use of piped gases. In 2018, the Group's total greenhouse gas emissions was approximately 128 thousand tonnes of CO₂ equivalent.

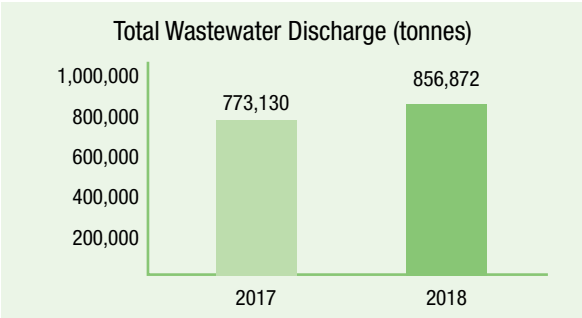
GHG Emissions (thousand tonnes of CO₂ equivalent)



Wastewater Treatment

Complying with <Water Pollution Prevention and Control Law of the PRC>, we are committed to preventing and controlling water pollution. To prevent harmful substances from flowing into and polluting the municipal drainage network, we strictly prohibit to discharge oil products with high solidifying point, oil sludge, waste solution, acidic waste, waste acetone and other hazardous wastes directly into our drainage system. We also prohibit sewage containing hazardous substance from being discharged directly without treatment.

Wastewater generated by the Company's daily operation is properly separated and treated through systemic process before being discharged into municipal pipeline network, to ensure that the treated wastewater quality meets national and local discharge standards such as < Quality Standard of Wastewater Discharged to Urban Sewers> and <Taihu Basin Drainage Standard>. In 2018, the Group's total wastewater discharge is 856,872 tonnes.



The Group installed wastewater treatment facilities for different production processes and adopted appropriate treatment procedures as per the types of wastewater (pickling wastewater, paint wastewater etc.). We use separate pipe networks to treat industrial water and test water. A pipe network is used to introduce pickling water to alkline washing pool for treatment. The other one is to introduce test water into a water pool for reuse. We promote reuse of wastewater. By using recycled wastewater from processes such as hydraulic test and products cleaning, the volume of wastewater treatment was significantly reduced, and thereby total wastewater discharge for treatment costs were reduced.

Pickling Wastewater Treatment

During the year, we have added cofferdams and roofs to the pickling wastewater treatment station, and improved anti-corrosion treatment on the ground to avoid environmental risks such as sewage leakage and rainwater flowing into the treatment station. In addition, we have also added high pressure plate frame filter press, so the water content in sludge was greatly reduced, and the sewage and hazardous waste generation were reduced.



Waste Management

The Group pays particular attention to its waste management, and is committed to recycling and classifying the wastes to reduce pollution. The wastes generated by the Group include sludge, paint residue and other hazardous wastes from the production process, as well as domestic garbage, raw material packaging and other non-hazardous wastes from daily operation. Strictly adhering to <Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste>, and based on the <Solid Waste Management Regulation> of the Company, we classify the wastes, properly collect, store and treat the wastes by type and nature, to avoid pollution to the surrounding environment.

For hazardous waste, we have established <Hazardous Waste Pollution Prevention and Control Management Regulation>, constructed a hazardous waste storage warehouse and made various improvements to the treatment of hazardous waste. We engaged professional and compliant third-parties to collect and dispose hazardous waste, and reported to the Ministry of Environmental Protection for discharge. For non-hazardous waste, we focus on recycling and reuse. The recyclable and non-recyclable waste are separated from the source. The non-recyclable and non-hazardous waste is collected and disposed by Environmental Hygiene Department. We also recycle and reuse the metal wastes and steel pipes generated in the production process to minimize resource consumption. In 2018, we ensure that hazardous and non-hazardous wastes are discharged in compliance by achieving the target of 100% waste discharge compliance rate. During the year, our hazardous and non-hazardous wastes discharged were 2,122 tonnes and 29,696 tonnes respectively.

Treatment on Paint Residues

Paint residues are hazardous waste with a high moisture content. By drying paint residues, we significantly reducing the moisture content, thereby reducing the size, weight and treatment cost of hazardous waste. By random selection of weighing, the average weight of residue after drying per bag is 21% lower than before drying.

Sludge Drying Treatment

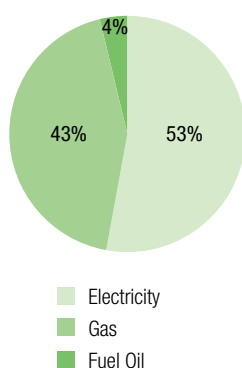
In 2018, we added sludge drying facility to reduce the water content of sludge by about 30-40% through drying technology, which helped reducing the Company's hazardous waste discharge.

Since the packaging materials used in our operation are not main resource consumption, and the cost of the company is extremely low, the amount of packaging materials used will not be disclosed in this Report. We will consider including the use of packaging materials in our data collection and disclose it in our future ESG report.

During the reporting period, the Group was not aware of any violation of laws and regulations that have a significant impact on the Group related to air and greenhouse gas emissions, wastewater discharge and the generation of hazardous and non-hazardous wastes.

Resources Consumption

TOTAL ENERGY CONSUMPTION (TCE)



CIMC Enric attaches great importance to resources conservation. In addition to establishing environmental energy-saving management systems and policies to reduce the consumption of electricity, fuels, water and other resources, we also conduct inspections to evaluate and monitor the use of resources. In 2018, the total energy consumption of the Company was 27,215tonnes of coal equivalent (TCE), of which electricity, gas and fuel oil consumption accounted for 53%, 43% and 4% respectively.

Type of Energy	Unit	Total amount in 2017	Total amount in 2018
Electricity	TCE	12,664	14,427
Gas	TCE	8,743	11,790
Fuel Oil	TCE	796	998

For water resource management, in 2018, the total water consumption of the Company was 1,566,900 tonnes, 22% higher than that of 2017 which was 1,279,000 tonnes. The total water consumption is the sum of industrial water consumption and domestic water consumption. During the year, the Group had no issue in sourcing water.

Resources Conservation

We actively promote the concept of sustainable operation and management, adopt various energy-saving measures, and is committed to improving the use of resources in all business operations. In 2018, the Group has compiled and published 21 new management regulations related to energy conservation, including <Dynamic Energy Management Regulation>, <Management Regulation on Use of Water, Electricity and Gas>, <Equipment and Energy Awards and Punishment Regulation> and <Detailed Rules of Equipment and Facilities Management>.

Recycling is one of our environmental strategies to reduce resource consumption. Test water is discharged into water pool through separate pipe network, and then is pumped by the water pump and reused for hydraulic test. The reuse of water for hydraulic test can save 50m³ per product. Calculating based on 600 products, a total of 3,000m³ of tap water per year can be saved.

The Group advocates a green working way, adheres to the implementation of energy-saving measures, and is committed to creating a green office culture. In order to reduce electricity consumption, the Group launched a series of energy-saving technology improvement projects during the year, and is expected to save approximately 2,067.4TCE per year. The energy-saving and consumption reduction measures are as listed below.

Project	Yearly Savings (TCE)
1.Transformation of the vacuum process, air compressor equipment and lighting	1038.3
2.Changing from electric heating to natural gas heating	620.8
3.Improving the centralized supply system, add and renovate 3,000m of pipelines and related supporting facilities	336.7
4.Adopting frequency conversion control on electric machines	27.4
5.Adopting automatic partition delay control in large-scale spray-painting workshop plants	44.2

High brightness LED energy - saving lighting renovation project

Lamps replacement for carbon steel tank plants, special tank plants, dished head plants and sand blasting rooms to replace original metal halide lamp.

Achievements:

- Successfully improved the brightness of lighting in working areas
- Saved 194,000kWh
- Saved 64.1TCE

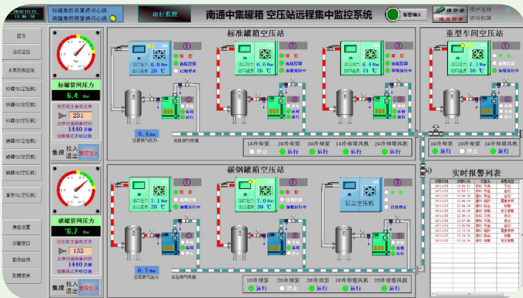
In addition, we are actively exploring the space for introducing renewable energy into the production process, reducing the dependence of operating process on fossil fuels, and hereby reducing environmental pollution.

Application of Photovoltaic Power Generator

Nantong CIMC Tank Equipment Co., Ltd., one of our subsidiaries, installed a 1MW photovoltaic power generator on the roof of standard tank factories. The power generated can be provided to standard tank plants and carbon steel tank plants. In 2018, total power generated was 476,000kWh, reducing CO₂ emissions by approximately 472.6 tonnes. During the summer peak season, it could reduce the electrical load of the 35kV substation of the Company, satisfying the electrical demand for production and improving product quality.



The Group improved the efficiency of resources use by actively introducing intelligent and information tools. The promotion of equipment efficiency and automation level have helped us save energy, reduce costs and improve product quality.



Air Compressor Replacement and Frequency Conversion Intelligent Joint Control Renovation

The Group purchased an Atlas 20m³ air compressor and a set of network system of air compressor frequency conversion and intelligent control to conduct energy-saving control to air compressor, and reduce the power consumption of air compressor without load.



Automatic Welding Equipment Replacing Manual Welding

At present, the application to submerged arc automatic girth welder on 2K LNG fuel tank project can reduce labour intensity and improve welding efficiency and quality.

Environmental Emergency Management

The Group identifies potential environmental hazards through identification and evaluation of environmental factors. We manage potential risks by reviewing and updating internal policies on a regular basis. During the year, we compiled and published <Enric Health, Safety and Environment (HSE) Accident Report and Investigation and Treatment Methods>, aiming to enhance the Company's emergency response capacity and reduce the impact of environmental accidents.

When an environmental accident occurs, we initiate the early warning procedure according to <Group Environmental Protection Management Regulation>. We carry out investigation on accident based on its severity, make rectification plan, and adopt remedial measures to prevent the event from spreading. During the year, there was no major environmental accidents occurred in the Group.

Leading Industrial Energy Conservation and Emission Reduction

Responding to the national call for promoting clean energy, CIMC Enric vigorously promoted industrial application of natural gas. In addition to the launch of tank natural gas products that can be applied to the heavy truck industry and meet the Euro VI emission standards, CIMC Enric also undertakes a liquefied natural gas bimetallic full capacity tank project, which uses technology to separate methane from coke oven exhaust and then liquefied to natural gas (LNG). This not only reduces emissions from coke furnaces in steel mills and coking plants, but also greatly reduces environmental damage caused by direct combustion of coke oven exhaust.

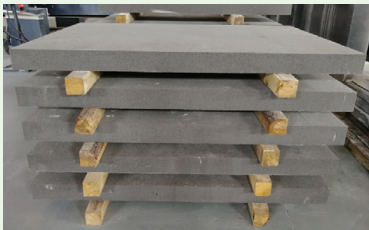
Aiming to create synergies among member companies, we have made new contributions to the storage and transportation of clean energy such as natural gas. During the year, Customer Service Departments of three subsidiaries jointly provided services for China first onboard LNG tank containers "South-to-North Gas Transportation", and ensured that over 130 tanks full of LNG were successfully shipped from Hainan to the destination of Shandong port and Liaoning port.

Advancing National Green Development

In order to promote the development of circular economy industry and low-carbon industry, CIMC Enric has been actively engaged in green environmental protection industries such as green building materials and equipment manufacturing and hazardous waste treatment etc., and is committed to reducing the use of natural resources in industry and commerce and reduce pollution to the surrounding environment.

Actively responding to national trend on environmental protection, based on customer's demand for hazardous liquid waste treatment, Nantong CIMC Tank Equipment Co., Ltd., a key member company of CIMC Enric, designed and tested the application of tank containers in industrial hazardous waste collection, storage and transportation. With its own technology optimization on hazardous waste treatment, reducing waste treatment costs, they ensured the safety and high efficiency of transportation.

In addition, with innovative technology, utilizing waste residues generated from mining and stone industries, CIMC Green Building Environmental Protection Technology Co., Ltd., one of our subsidiaries, produces high-quality green stone wallboard. With the advantages of light weight, high strength and stable performance, the material can be applied in the fields of prefabricated buildings, composite board substrates and rail transportation etc., to further drive the green development of downstream industries.



Sound-absorbing light interior wallboard



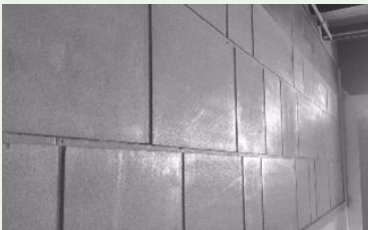
Insulated light outer partition



Enamel curtain wall board composite substrate



Marble and granite composite substrates



Subway waterproof partition



Highway/high-speed rail noise barriers

Environmental Performance Data Overview

Total Resource Consumption	Unit	2018*	2017
Total Energy Consumption	Thousand TCE	27.2	22.2
Power	Thousand TCE	14.4	12.7
Gas	Thousand TCE	11.8	8.7
Fuel	Thousand TCE	1.0	0.8
Water Consumption	Thousand tonnes	1,567	1,279
Discharge			
Air Pollutant			
- VOCs	Thousand tonnes	0.08	0.1
Solid Waste			
-Hazardous	Thousand tonnes	2.1	1.5
Non-hazardous	Thousand tonnes	29.7	24.8
wastewater	Thousand tonnes	856.9	765.5
Greenhouse Gas Emission			
GHG Emissions	Thousand tCO ₂ e	127.9	97.0

* Two more member-companies were added in the data collection boundary in 2018 than 2017, with 13 member- companies in total.



Occupational Health and Safety

People are the most valuable assets of the Group. We are committed to maintaining the occupational safety and health of our people and providing them with safe and comfortable work conditions.

The Group complies with related laws and regulations on safety and health, such as <National Plan for Prevention and Control of Occupational Disease>, <Health Requirements for Radiation Exposure Workers> and <Management Regulation for Occupational Health Examination>. So far, eight subsidiaries of the Group have obtained OHSAS 18001 certification which is internationally recognized.

While complying with national laws and regulations, as well as international indexes, the Group and its subsidiaries have also established a total of 487 management policies and standards related to occupational health and safety, including <Management Policy on Safety, Occupational Health Examination and Hidden Perils Identification and Governance>, <Dangerous, Hazardous Factors (Hazard Source) Identification, Evaluation, Risk Classification Control Policy>. We set clear responsibilities for management personnel and provide clear system operation procedures to effectively protect people's occupational health and safety as well as enhancing the Group's management level. In addition, we have also conducted HSE certification audit on eight of our subsidiaries, and all of them have passed the audit.

The Group never disregard the safety issues of internal construction teams and external contractors. We have established eight related files and regulations including <EPC Project Subcontractor Assessment Regulation>, <Third Party HSE Management Regulation> and <Contractor HSE Management Regulation> etc., requesting internal construction teams and external contractors to make commitment on safety and sign off HSE management agreement clarifying responsibilities and obligations, to strictly manage construction team and project contractors.

Safety Measures

The Group pays high attention to its employees' safety and provides them with a variety of safety measures to protect them from being injured during work. We provide proper personal protective equipment for them. Employees on different posts are provided with corresponding protective equipment according to the nature of their work. For example, operators are provided with ear protectors, earplugs and other protective equipment to ensure that they are effectively protected in the working environment to prevent related occupational diseases. According to laws and regulations, subsidiaries provide regular physical examination services for employees with high-risk occupational diseases every year, safeguarding the rights and interests of employees. A total of 3,941 people who had been exposed to occupational hazards received physical examinations in 2018, and no occupational-disease patients were found.

Apart from providing personal protective equipment for employees, the Group also purchases large-scale safety protection facilities for employees. There is a total of 469 sets of equipment in the subsidiaries, such as ventilation system, exhaust system, cartridge filter, welding smoke collector, activated carbon adsorption, etc. Noise eliminator, spinning equipment, air compressor and other devices are equipped for equipment that may generate large noise. We install multilevel compound industrial silencers, soundproof control room and other equipment on site, improve operation platform and reduce the noise of the impact on site, spare no effort to maintain the safety of employees and improve their working environment. In addition, noise sources are fixed and kept away from production areas to prevent employees from noise-related occupational diseases.

Safety Drill and Training

The Group is committed to raising employees' awareness of occupational safety through various initiatives and adhering to the safety culture. We have established contingency plans for safety accidents and carried out drills on a regular basis. In 2018, our subsidiaries conducted 47 emergency plan drills. In order to effectively prevent and control the occurrence of heat stroke and other production safety accidents, CIMC Nantong Port Development Co., Ltd., one of our subsidiaries, held a sun stroke prevention and cooling safety training in July 2018 to ensure the safety and health of employees. In November 2018, the Group also provided fire safety training for employees to enhance their awareness of fire safety and learn how to prevent and respond to fire accidents.

Aiming at strengthening the overall safety management of the Group, we organized safety training for management in March 2018 to enhance the overall safety awareness of middle and senior management personnel. Based on the statistics and analysis on various types of accidents occurred in the Group in recent years, combining with the case studies about key hazard sources and related control regulations, management's awareness of Two Duties on One Position was deepened, and foundation was laid for the overall improvement of safety management of the Company.

In addition, in order to deal with potential safety hazards in a timely manner, the Group launched leaders of various departments and company leaders during the year to conduct potential health hazards investigation and management on the jurisdictions of all departments and the whole company, and to check the potential hazards found in the investigations. "Five principles" requires rectification and implementation, to improve the ability of self-identification and self-correction of potential hazards in each department, to prevent occurrence of accidents.



Safe Production Month

June is the "Month of Safe Production" in a year, in which several subsidiaries such as Nanjing Yangzi Petrochemical Design & Engineering Co. Ltd., Enric (Benbu) Compressor Co., Ltd., Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. and CIMC Nantong Port Development Co., Ltd. actively responded to the Month of Safe Production and carried out a variety of safety events aiming at promoting people's consciousness on production safety and fire safety.

In the Month of Safe Production, Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd. held a fire emergency drill under the theme of "Prevention first and combination of fire prevention and firefighting" to cope with high temperature when ignition and fire are likely to occur in summer. Enric (Bengbu) compressor Co., Ltd. invited Mr. Zhang yufan, a coach of the Fire Fighting Safety Education Centre of Hefei, Anhui Province, for a training to share fire safety knowledge, including basic knowledge of fire prevention, use of fire hydrant, typical fire accident case analysis and practice learning and escape methods etc. Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. invited doctors to provide emergency medical training for employees, which helps employees know how to save themselves and others in an emergency, and lower the chance of being injured.

HSE Training

The Group actively carries out HSE training. Clean Energy, Chemical and Environmental and Liquid Food Segments held HSE specialists training in Nantong during the year, aiming to improving the business ability and management level of HSE management personnel. Heads of HSE Departments, heads of relevant departments on the production site and HSE specialists of 10 member-enterprises of the Group participated in the training to increase their understanding and management of HSE.

In June 2018, HSE Department of Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd., one of our subsidiaries, cooperated with Lean team of Enterprise Management department, organized HSE management training in Production, Equipment, Warehouse, Quality, Purchase and HR departments.

The training mainly includes Safety "9+8" System, HSE Management System (including HSE Risk Identification and Control Policy, Labour Protection Equipment Protection Policy, Fire Safety Policy etc.), Safety Technical Standards, Environmental Protection, Fire Safety, changes of laws and regulations and HSE Compliance Audit Rules, etc. Trainings aim at promoting HSE management levels of team leaders and above in departments, to further ensure the sound running of HSE work.





OUR PEOPLE

We treat our people in a fair manner and provide them with equal reward and promotion mechanism as well as relevant trainings so that they can contribute their strengths and grow together with the Company.

CIMC Enric aims to provide employees with an equal and harmonious workplace which is free from discrimination, harassment and violation of human rights. Our employees' rights are protected under the <People's Republic of China Labour Contract Law>. We ensure each individual have equal opportunities irrespective of gender, race, marital status, religion etc. And the Group prohibits the use of child and forced labour as stated in related regulations. We strictly verify the ages before on board physical examination.

During the report period, we are not aware of any non-compliance with laws and regulations having a significant impact on the Group relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, anti-discrimination and incidents relating to use of child or forced labour.

Employee Benefits

Cherishing the relationship with employees, we establish a proper welfare system to recognize employees' contributions to the Company. Besides statutory benefits such as social insurance, provident fund, statutory holidays and annual leaves, we also provide employees with various other benefits, including commercial insurance, physical examination, employee social activities, paid sick leave and welfare annual leave.

The Group provides physical or monetary greetings to employees on their birthdays, baby new-borns or being hospitalized. We are also concerned about the health of employees. We book basketball, badminton and football fields for employees within the stipulated time to promote a habit of regular exercises.

Performance Management

The Group has developed a set of transparent and complete performance management system to enable employees to feel at ease while working at CIMC Enric. Our performance management consists of four parts, namely performance planning, performance feedback and coaching, performance evaluation and interview, and performance result analysis and application. Our employees' performance is assessed on quarterly and annual basis. Quarter evaluation focuses on performance, while annual assessment evaluates performance and leadership/core competencies. The results of the performance evaluation are used to determine the performance bonus, salary adjustment, training rotation, rank adjustment and position adjustment etc.

In order to understand the overall performance of employees to make relevant development plans and improve the organizational capability of the Company, our HR & Administration Department completed Talent review on the employees from 261 key positions, including all employee at the Shenzhen headquarter of the Company, management and department managers from business units and member companies in 2018. The review focuses on the evaluation of the leadership and potential, and streamlines the talent reserves for key positions. Meanwhile, through joint meetings in the evaluation process, we provide targeted personal development plans for talents with different potentials and performances. Based on the results of the review, the Group will plan and launch a targeted talent training project in 2019, focusing on developing the leadership, professional ability, self-cognition ability, CIMC cultural adaptability, as well as the deep understanding and innovation ability of the business for high potential talents.

Employee Engagement

CIMC Enric emphasises communication with its employees. We encourage our employees to voice their opinions. We established various channels for effective communication. CIMC Enric's subsidiary, Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd. (Sanctum) allows employees to set up labour union, which conducts elections every five years. At the end of 2018, the labour union held the second session of the fifth congress in which the annual work was reviewed.

To provide a comfortable working environment for our employees, we conduct employee satisfaction surveys to collect their feedback so that we can make appropriate improvements on operation and management. In 2018, CIMC Enric’s subsidiary, Nantong CIMC Tank Equipment Co., Ltd. engaged 1,142 employees in satisfaction survey and generally the employees are more satisfied with the Company than previous years. During the year, Sanctum also seeks feedback from employees on the impact of the new employee canteen through distributing questionnaires.

Employee Training and Development

CIMC Enric is committed to providing its employees with high quality training programmes to support their continuous improvement on skills and knowledge to achieve their potential. Serving different improvement needs of our employees, we make training plans and corresponding learning roadmap by different levels and stages. There are two types of training programmes which are internal and external training. Internal training ranges from induction training, general training, professional skills training to leadership development plan etc. External training includes academic education, international talent development plan, professional training and seminars etc.



The Group pays special attention on new employees training, enabling for them to be integrated into the enterprise environment as quickly as possible. Subsidiaries of CIMC Enric conduct different types of trainings for new employees, to help them to form a systematic review on their fragmented understandings on company since they joined, and to deepen their understanding of company's strategy, management and culture, to help the employees to quickly integrate into company's environment and adaptable to their new roles.

2018 Team Work Workshop

In September 2018, our member company CIMC Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. held a workshop themed "teamwork" with all the middle and senior leaders participated. Through the discussions, the trainees understood what the five obstacles of teamwork are, how to improve the ability of teamwork, and discussed the solution of building an efficient team together. It's believed that this is helpful to improve the overall operation and management level of the enterprise for future, and to create a more cohesive and more functional team.



CIMC Tank Equipment New Employees Culture Integration Event 2018



Dual Channels for Employees Career Development



The Group provides both "management" and "professional" career development channels to meet the needs of diverse development of employees.

To strengthen the construction of talent team, and to improve the organization ability and efficiency of procurement professional team, the Company set up a project team in 2018 to design and implement the "Path Design", "Grade Definition", "Job Qualifications", "Behaviour Essentials and Weights" and "Job Standard of Each Grade" for procurement professionals. Our subsidiary CIMC Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. completed the simulation certification and formal certification respectively in October and December of 2018. The establishment of the professional channel qualification system will effectively link the growth of employees with the development of the enterprise, and drive the growth of employees through the standards, to thus promote the organizational capacity step by step.



Operational Excellence

We recognize product positioning, continuously improve product quality and safety performance according to customer needs, and strive to achieve customer satisfaction and win-win results.

Promoting Product Quality

CIMC Enric is principally engaged in design, development, manufacturing, engineering, sales and provision of technical maintenance services for a wide spectrum of transportation, storage and processing equipment in clean energy, chemical and environmental and liquid food industries. We must be rigorous and meticulous with every production process and is committed to improving quality and safety of products by constantly improving product design and production process.

The Company and its subsidiaries have various policies about product quality management, including Quality Control Procedures for Inspections and Experiments, Material Control Procedures, Nonconforming Product Control Procedures, Management Regulation of Quality Inspection and Finished Products Quality Assessment for Engineering Project etc. To ensure the quality control procedures are applicable and effective, we also set up management review procedures and internal audit procedures to regularly review and approve the relevant management policies. Nine major production bases in mainland China have obtained ISO9001 Quality Management System Certification. We set up a regular quality meeting system to analyse the root causes of recent customer complaints and take corrective and preventive measures. If the quality problem involves material suppliers or external partners, we provide immediate feedback, request and guide them to improve, and follow up with feedback rectification actions.

Our products strictly comply with applicable national and industrial laws, regulations and standards, including but not limited to <Product Quality Law of the PRC>, <Special Equipment Safety Law of the PRC>, <Safety Technical Inspection Procedures for Fixed Pressure Vessels>. In terms of product types and sales regions, our factories also actively apply for relevant international certification for our products. At present, we have obtained the qualification certification from China Classification Society, Norwegian Classification Society, Lloyd's Register of Shipping and American Society of Mechanical Engineers. In addition, we set up the "Marketing and Planning Management Regulations" to standardize various marketing planning and promotion activities, to make the products meet customers' demand. During the year, we were not aware of any incidents of non-compliance with laws and regulations concerning health and safety, advertising, and labelling.

Besides complying with relevant laws, regulations and standards, we also take advantage of our production experience to actively participate in the formulation of national and industrial standards. In the past three years, we have presided over or participated in the revision of 11 national standards and 18 industrial standards. During the year, the <Technical Conditions of Liquefied Natural Gas Vehicles> and the local standards of <Safety Technical Requirements of container skid-mounted refuelling device for liquefied natural gas vehicle > were published and we are one of the major drafting parties. A present, we are in the process of drafting or participating in the drafting of several standards, including <Design Specifications for Urban LNG Supply Stations (Urban Gas Design Specifications)> and <Technical Conditions of LNG Vehicle Gas System>. We believe that participating in relevant affairs is a win-win process for both enterprises and the industry. While improving the standards and norms of our own products, we also lead the technological advancement of the industry and promote the sound and sustainable development of the whole industry.

CIMC Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. (Jingmen Hongtu) encourages its employees to actively think about the space for products quality improvement. During the year, we presented the second quality improvement award to employees who have made outstanding contributions in product development and manufacturing, as well as customers who raised excellent suggestions for improvement. 11 employees and 4 customers were awarded the prize.



CIMC Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd.
2nd Quality Improvement Award

As a company of propelling green products, we are dedicated to driving the long-term business development of the company by scientific R&D. Our R&D centres are all over China and across many countries in Europe. On the other hand, we focus on IP protection internally and externally to avoid IP infringement. As at December 31st of 2018, we have 760 patents in total, 87 of which are inventions.



Maintaining Good Relationship with Customers

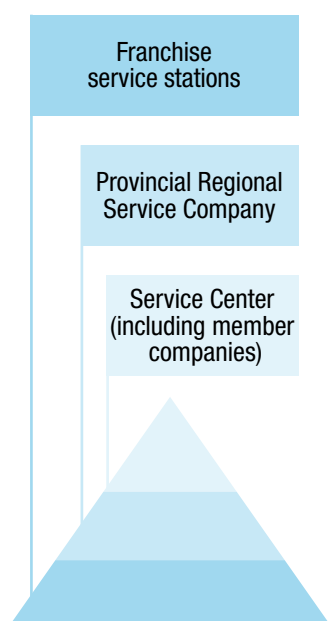
CIMC Enric attaches great importance to every user's experience and persists in maintaining good relations with customers. We establish <Complaint Management Regulation>, <Customer Satisfaction Survey Control Procedures> and other customer service related management regulations. Within the Group, we set up the concept that customer's satisfaction is the standard for evaluating service.

Service Department of our member enterprises is the main body to perform after-sales service. With more than 200 socially franchised service stations, customers' service demand can be timely and comprehensively handled. We also set up more than 50 shared service stations which synergize service resources from member enterprises to provide more convenience to customers.

Based on the opportunities brought by service-oriented manufacturing to China's manufacturing industry, we are building a comprehensive, life cycle excellent ,responsive and convenient customer service system for customers through unified after-sales service resources. During the year, our first provincial-level regional service company has been established in Jiangsu province, and we plan to expand across the country. In the future, we plan to set up a three-level service system where service center (including member enterprises) is the overall planning, provincial regional service companies are the main body, and social franchised service stations is the supplement, to meet the service needs of CIMC Enric customers.

We collect customer's complaints by various channels such as "400 service hotline", website and WeChat. When receiving customer's complaint, After-Sales Service Department coordinates with relevant responsible departments to investigate and analyse the causes of the complaint, jointly find solutions, and provide timely feedback to the customer until the customer is satisfied. In addition, we set up a feedback mechanism for departments including technical, process, manufacturing and supply to improve quality, preventing the recurrence of similar complaints or failures through the statistics and analysis on complaints and product failures.

In addition to the establishment of normalized and standardized service management system and customer complaint management mechanism, we provide proactive services, including continuous visits across the country during the year, customer training and on-site maintenance. The frequency of product failure is reduced by taking preventive maintenance.



Customer Trainings and Seminars

Customer's way of operation and maintenance have an important impact on the service life and safety of our products. We select experienced engineers to give on-site training for customers free of charge, sharing knowledge including safe operation of pressure vessels, troubleshooting, basic maintenance methods etc., and combined with on-site operation practice. During the year, our member enterprises held a forum communicating on cryogenic storage and transportation equipment operation and maintenance. We invited a total of 26 representatives from 15 well-known enterprises such as China National Offshore Oil (Group) Co., Ltd. to participate, and had case sharing and in-depth discussions on related topics. We will continue to carry out such communication activities to build an innovative communication platform for customers in the industry.

Inspection visits across China

During the year, our member enterprises carried out inspection visits on customers across many places in China to check products, provide on-site product maintenance and share practical operation skills with them. One of the member companies actively visited more than 300 customers during the year, and carried out large-scale inspection services for strategic customers in the region twice in each quarter.

CIMC Enric pledges to protect customer privacy and information security. Relevant policies such as <Customer Archive Management Policy> and <Contract Management Policy> have been established. Provisions on customer privacy protection and customer information are clearly set out in the customer service contract. We also set access rights in the customer information database to ensure strict management in accordance with the contract. During the year, we didn't receive any complaint about infringement related to customer privacy.

Maintaining Stable Supply Chain

Sound and stable supply chain is a critical support for us to achieve excellent products. Main types of our suppliers are raw material suppliers including steel and machinery equipment suppliers. During the year, we issued Procurement Management Regulation, clarifying the responsibilities of enterprises in procurement management, supplier entrance, performance management, order management, delivery and others. There are more than 30 regulations related to supplier management, such as Supplier Management Procedures and Supplier Performance Appraisal Regulation.

When selecting suppliers, we strictly implement the Supplier Management Regulations and appraisal procedures. Expert team composing by people from member companies goes to supplier to conduct on-site review. In addition to the audit on its necessary production conditions and quality control, environmental protection and safety are the must requirements for supplier to comply with. For suppliers with high risk of environmental impact, we request them to provide environmental impact assessment report and other documentations for audit to ensure that their environmental management abide by national laws and regulations.

While ensuring the procurement meet the demand of production, CIMC Enric also pursues strategic cooperation with key material suppliers. For example, we cooperate with well-known steel mills to jointly develop new products, to improve product quality, and to provide customers with safer and more stable products.

For the process of bidding procurement, we strictly comply with the requirements of laws and regulations such as Law of the People's Republic of China on Bidding and Tendering and Regulations on the Implementation of the Law of the People's Republic of China on Bidding and Tendering to create fair competition. During the year, piloted by member company, we launched Supplier Relationship System (SRM) in which suppliers are able to quote, bid and manage contracts online, in order to ensure the transparent and reasonable prices. We also drive the signing of Sunshine Cooperation Commitment with suppliers to strictly prohibit the personnel of both transaction sides from commercial bribery, conflict of interests, colluding bidding and other behaviors, to create sound cooperative relationship.



CIMC Enric SRM System

We promote our internal supply chain management capability through providing trainings for procurement team and organizing regular supply chain sessions. During the year, we developed a plan for procurement personnel development channel and established qualification standards for procurement channel, to provide procurement personnel with a clearer approach for capability enhancement and development.

Integrity Culture Promotion

CIMC Enric has always attached great importance to the construction of integrity culture. It has established risk management system, under which three prevention mechanisms are formed to prevent and control risks including corruption.

First Prevent Mechanism Business Units, Member Companies	In charge of specific management on all kinds of risks during daily work
Second Prevention Mechanism Risk Control Function , Legal Function and Internal Control Function of the Legal and Audit Dept.	In charge of unified planning, organizing, guidance, coordination and monitoring of the specific risk management.
Third Prevention mechanism Audit Committee of Board of Directors, Internal Audit Function of Legal and Audit Dept.	In charge of supervision and inspection of overall status of risk management Conduct subsequent investigation, analysis and report on all kinds of specific risk incidents

As a member of Chinese Enterprises Anti-Fraud Alliance, we use organizational resources, share the list of dishonest employees and participate in relevant events held by the organization.

The Group has established more than 10 anti-corruption management regulations, including Internal Whistleblowing Policy, Code of Conduct and Business Ethics regulations etc. It has established a relatively sound anti-corruption mechanism by citing CIMC's anti-corruption regulations. At present, led by Internal Control and Audit Dept., participated by various functional departments, red line and yellow line list of business control have been drafted, which provides clearer norms for employees' behaviours. Among them, the red line against commercial bribery includes: it is strictly prohibited to ask for or accept customer's property, or accept various kinds of kickbacks, commissions and other improper interests in sales activities; it is strictly prohibited to make unjustified profit by unauthorized using of sales resources; it is strictly prohibited to accept bribes or kickbacks in procurement.

During the year, we strictly comply with relevant laws and regulation related to anti-corruption, including but not limited to <Criminal Law of the PRC>, <Anti Unfair Competition Law of the PRC>, <Corporate Law>, <Ordinance of Bribery Prevention> of Hong Kong, <Competition Regulations> of Hong Kong and <Code of Conduct> of Hong Kong. We were not aware of any bribery, extortion, fraud, money laundering or other illegal matters related to the Group, nor were we aware of any closed cases.

We have established internal whistleblowing policy for employees to report any possible misconduct within the Group in a confidential manner and ensuring appropriate measures to be taken. Whistle-blowers may report their complaints in writing or by email to our board audit committee. We deal with the whistleblowing in a strictly confidential way, including the identity of the whistle-blower and the employees involved. We also require the whistle-blower to keep the report confidential so as not to affect the investigation. If the case under investigation becomes a legal proceeding, we will promptly notify the whistle-blower that his/her identity may be required to be disclosed in accordance with the law.

According to the actual situation of the Company, we explore appropriate training systems for integrity. We organize employees on sensitive posts to sign Integrity Commitment every year. During the opening meeting and closing meeting of internal control audit project, Legal and Audit Dept. gives training to managers of member companies on the integrity policy and convey the Group's requirements on the integrity and anti-corruption.

We select some member companies to carry out specific integrity trainings every year. During the year, we organized all functional departments and over 10 member-companies to get educated on Accountability Regulation on Responsibility Incidents of CIMC Group. With personal participation of the General Managers in trainings, we enhanced training results. More than 600 managers and employees passed the online examination.



Training on Accountability Regulation on Responsibility Incident

In addition, member companies and business departments carried out appropriate trainings according to their daily work. For example, the functional departments of the Company carried out training on internal control norms and standard tools and methods within this year.



Community Care

CIMC Enric attaches great importance to the connection with the community. With its own influence, CIMC Enric is committed to giving back to the society and is enthusiastic in public welfare.

As a supplier of special equipment, we actively work with relevant government agencies to carry out activities such as accident handling, emergency rescue and trainings. We provide trainings related to the use and emergency treatment of hazardous chemicals for enterprises producing and using hazardous chemicals, as well as fire brigades in various provinces and cities. During the year, mobile pressure vessel emergency rescue drill of Hubei province was held in one of our member companies. Then, we were awarded "Base of Hubei Province Mobile Pressure Vessel Emergency Rescue" by Hubei Province Special Equipment Safe Production Committee and Hubei Province Quality Supervision Bureau.

Meanwhile, we are fully committed to supporting public welfare related to education, culture and public health, hoping to develop with the communities and build harmonious communities together. This year, the Group was awarded 2016-2017 Free Trade Zone (Jingang Town) Social Responsibility Award of Public Welfare and Charity, in recognition of its social mission and sense of responsibility.

In terms of education, Jingmen Hongtu Special Aircraft Co., Ltd., a subsidiary of the Group, is committed to focusing on local education affairs. In 2018, it visited and donated to Hongtu hospital and Hongtu Primary School to show its attention and concern for children's education. In addition, the company donated RMB2,000 to Jingmen Charity for care and sympathy to local left-behind children.

"Blood Donation, Giving Back to Society" Event

Learning that the blood supply at Nantong Blood Station was of urgent shortage, Labour Union of the Group organized blood donation event on January 27 and February 3, 2018. With the active response of the staff, nearly 350 blood donations with a total donation blood volume of over 100,000cc in 2 days.



Content Index

KPIs	HKEX ESG Reporting Guide Requirements		Section/Remarks
A. Environmental			
Aspect A1: Emissions	General Disclosure (Information on: (a) Policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Environmental Sustainability-Environmental Management System
	KPI A1.1	The types of emissions and respective emissions data.	Environmental Sustainability-Emissions Control
	KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (such as per unit produced or per facility).	Environmental Sustainability-Emissions Control
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (such as per unit produced or per facility).	Environmental Sustainability-Wastes Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (such as per unit produced or per facility).	Environmental Sustainability-Wastes Management
	KPI A1.5	Description of measures to mitigate emissions and results achieved.	Environmental Sustainability-Wastes Management
	KPI A1.6	Description of measures to how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmental Sustainability-Wastes Management
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.		Environmental Sustainability-Energy Saving
	KPI A2.1	Direct and/or indirect energy (such as electricity, gas or fuel) consumption by type in total (kWh in '000s) and intensity (such as per unit produced or per facility).	Environmental Sustainability-Resource Consumption
	KPI A2.2	Water consumption in total and intensity (such as per unit produced or per facility).	Environmental Sustainability-Energy Saving
	KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Environmental Sustainability-Energy Saving
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Environmental Sustainability-Energy Saving
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	As packaging materials are not main resource consumption, used amount of packaging materials is not disclosed in this Report.
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuers' significant impact on the environment and natural resources.		Environmental Sustainability-Promotion of national green development
	KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Sustainability-Leading industrial energy conservation and emission reduction

B. Social			
Aspect B1: Employment	General Disclosure Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to compensation and dismissal, recruitment and promotion, working hours, leaves, equal opportunities, diversity, anti-discrimination, and other benefits and welfare.		Our People-Employee Benefits
Aspect B2: Health and Safety	General Disclosure Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to providing a safe working environment and protecting employees from occupational hazards.		Occupational Safety and Health
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Safety and Health-Safety Measures
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Our People-Employee Training and Development
Aspect B4: Labour Standards	General Disclosure Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to preventing child or forced labour.		Our People
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Our People
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Operational Excellence-Maintaining Stable Supply Chain
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Operational Excellence-Maintaining Stable Supply Chain
Aspect B6: Product Responsibility	General Disclosure Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Operational Excellence-Promoting product quality
	KPI B6.2	Number of complaints received relating to product and service, and methods of redress.	Operational Excellence-Maintaining good relationship with customers
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Operational Excellence-Promoting product quality
	KPI B6.4	Description of quality assurance process and recall procedures.	Operational Excellence-Promoting product quality
Aspect B7: Anti-corruption	General Disclosure Information on: (a) policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer. Relating to bribery, extortion, fraud and money laundering.		Operational Excellence-Integrity Culture Promotion
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Operational Excellence-Integrity Culture Promotion
	KPI B7.2	Description of preventive measures and whistling-blowing procedures, how they are implemented and monitored.	Operational Excellence-Integrity Culture Promotion
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issue operates and to ensure its activities take into consideration the communities' interests.		Community Care



CIMC ENRIC

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