

CIMC ENRIC

CIMC Enric Holdings Limited

2020 Environmental, Social and Governance Report

(Stock code: 3899. HK)



CONTENTS

About the Report	1
Board Statement	2
Sustainable Development Results in 2020	3
Statement from the General Manager	5
About Us	6



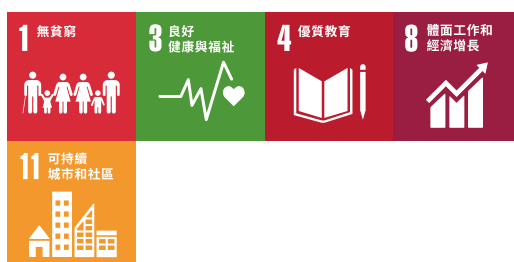
Principles of Governance	10
ESG Governance	10
Communication with Stakeholders	13
Responding to Material Topics	14
Management and Control of Operation Risks	16
Promote the Culture of Integrity	17



Working Together for Innovation Development	19
Green Products and Environmental Protection Industry	20
Product and Service Innovation	23
Improvement of Product Quality	25
Leading the Industry Development	28
Excellent Customer Relationship	29



3 Low Carbon and Environmental Protection, Care for the Earth	32
Curbing Climate Change	33
Reduction of Carbon Emissions	33
Strict Control of Pollution Discharge	35
Resources Conservation	40



4 Put People First for All -win Harmony	43
Occupational Health and Safety	44
Equal Opportunity and Diversity	48
Fighting Against the Epidemic	57
Care the Social Livelihood	58

Annex	60
Reader Feedback	66

CIMC ENRIC

CIMC Enric Holdings Limited
**2020 Environmental,
Social and Governance Report**
(Stock code 3899.HK)



About the Report

| Report Introduction >

This is the fifth Environmental, Social and Governance (“ESG”) Report of CIMC Enric Holdings Limited (hereinafter referred to as the “Company” or “the Company”, and with subsidiaries collectively “the Group”, “CIMC Enric”, or “We”). Adhering to the principles of importance, quantification, balance, and consistency, it comprehensively explains the Company’s management policies and performance regarding ESG, and collectively discusses matters of interest to stakeholders and ways to contribute to the sustainable development of the environment and society. The Company’s Board of Directors has reviewed this Report and confirmed that the content is truthful, accurate, and complete.

| Reporting Scope >

This Report presents the ESG performance of CIMC Enric and its subsidiaries, from 1 January 2020 to 31 December 2020 (in some parts also covering early 2021). We disclose environmental data from 16 subsidiaries of the Group, of which, 3 subsidiaries are added and one subsidiary is reduced compared with 2019, as well as the list of subsidiaries and an overview of performance indicators. Please refer to the Appendix at end of the Report for details.

| Reporting Guideline >

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 to the Main Board Listing Rules on the Stock Exchange of Hong Kong Limited (“SEHK”), the GRI Standards core option issued by Global Reporting Initiative (GRI), the UN 2030 Agenda for Sustainable Development, the Stakeholder Capitalism Metrics written in the whitepaper Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation issued by the World Economic Forum International Business Council, and the actual situation of the Group. For the corporate governance section, please refer to the Corporate Governance Report in the Company’s 2020 Annual Report.

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

Board Statement

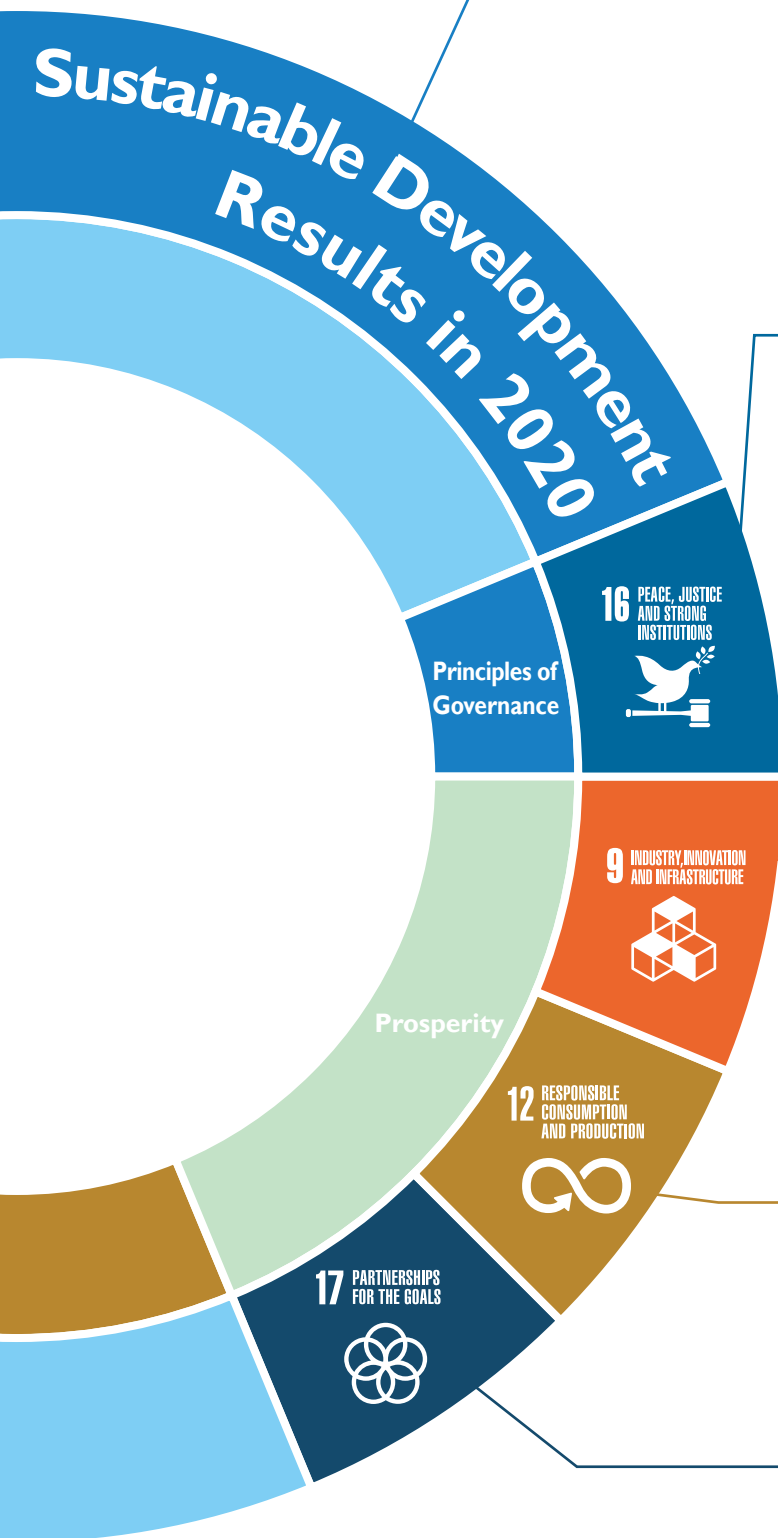
The Board of Directors assumes full responsibility for the Company's environmental, social and governance strategies and reporting, assessing, and determining the Company's environmental, social and governance risks, and ensuring that the Company has established appropriate and effective ESG risk management and internal monitoring system. The Board of Directors and all its directors guarantee that there are no false records, misleading statements, or major omissions in this Report, and bear individual and joint responsibility for the authenticity, accuracy, and completeness of the content.

2020 marks the final year of building a moderately well-off society in an all-round way and the 13th Five-year Plan period. In charge of the Clean energy, chemical environment and food engineering segments of China International Marine Containers (Group) Co., Ltd., the Company specializes in the said three industries to provide customers with key equipment, engineering services and system solutions for transportation, storage, and processing. We keep firm in mind our mission to provide customers with high-quality, reliable, and intelligent equipment and services, deliver good returns for shareholders and customers, and create sustainable value for the society.

The Company has established an ESG management system with clearly divided labours that incorporates the Board of Directors, Sustainable Development Committee, ESG Work Leading Group, and ESG Report Preparation Group, to promote the internal implementation of ESG work. Among them, the Board of Directors acts as the highest decision-making body for ESG management, guiding the Company's sustainable development direction, formulating the overall vision, goals, and management strategies for sustainable development of the Company, and reviewing the Company's annual ESG report. We formulate quantitative targets for emissions, energy use, and safety for the next year and summarize the achievements this year, in hope of promoting the Company's sustainable development.

Always centering on customer needs, the Company provides products, professional solutions and services related to the energy, chemical, environmental, and food equipment industries through refined products and services. Upholding the principles of mutual benefit and win-win cooperation, we actively integrate and share industrial advantages and resources and form a community with various stakeholders to benefit shareholders and customers, and make employees beneficiaries of the fruits of corporate development.

We are also keenly aware of the opportunities and challenges brought to the Company by upgrade of customer's consumption and the green, safe, and sustainable development trend of the industry. Going forward, we will continue to adjust the sustainable development management strategy and promotion methods according to the expectations of stakeholders and the actual operation of the Company, and continuously improve the Company's sustainable development level.



We pay great attention to changes in the ESG-related guidelines and standards worldwide, closely track the impact of relevant guidelines on us, and actively respond in our report. For this year's ESG report, we refer to 12 out of 17 principles of the Transforming Our World: The 2030 Agenda for Sustainable Development issued by UN and 4 columns of the stakeholder capitalism indicators released by the World Economic Forum - Principles of Governance, Planet, People and Prosperity. Our achievements regarding the above goals and indicators this year are shown in the table below:

- The independent non-executive directors account for nearly half of the Company's Board of Directors, and members of the Board of Directors have different professional qualifications and education background. The Board of Directors has one female member
- The Board of Directors of CIMC Enric has established Sustainable Development Committee, forming the top-down ESG governance structure consisting of the Board of Directors, Sustainable Development Committee, Leading Group, and Preparation Group
- "Sunshine Cooperation Commitment" has basically covered most of our suppliers
- Our subsidiaries organized **43** anti-corruption trainings in 2020, with a total of **1,145** participants
- For the comprehensive solution for LNG overwater application, completed the sale of **13** ship "oil to gas" equipments
- For the marine waste gas treatment solution, altogether **59** sets of desulfurization towers were delivered
- Market shares of the LNG transport vehicles, CNG transport vehicles and LPG transport vehicles were **68%**, **59%** and **79%**, respectively
- R&D expense reached **RMB360** million, up by **16%** from 2019
- Jointly undertake the "Research on Key Equipment and Safety of Liquid Hydrogen Production, Storage, Transportation, and Filling" of the 2020 National Key Research and Development Program
- The patent of invention percentage grew year by year, winning two Chinese Patent Excellence Awards
- Shijiazhuang Enric, a member company, passed the national green factory certification
- Devote to the environmental protection industry and lead the green development of the industry, contributing to the transition to clean energy in the Guangdong-Hong Kong-Macao Greater Bay Area
- The products feature a **100%** satisfaction of national sampling inspection and above **90%** of customer satisfaction
- **74%** of suppliers have passed the quality management system certification
- **53%** of suppliers have passed the Occupational Health and Safety Management System Certification
- **51%** of suppliers have passed the environmental management system certification

- The total sewage discharged was **611,050m³**, a decrease of **19.81%** compared to 2019
- The total water consumption was **1,316,160m³**, a decrease of **12.83%** from 2019

- Our subsidiaries have carried out **43** energy-saving and green development projects
- Reinforce the layout in the hydrogen energy industry and actively explore the field of hydrogen energy equipment

- During the year, the total investment in environmental protection and emission reduction amounted to **RMB25,756,200**
- A total of **11** subsidiaries have passed the ISO 14001 environmental management system certification
- Subordinate companies have totally **30** VOCs treatment facilities, capable of processing an air volume of **2.6** million m³/h. The total VOCs emission is **31.28t**, down by **17.24%** from 2019

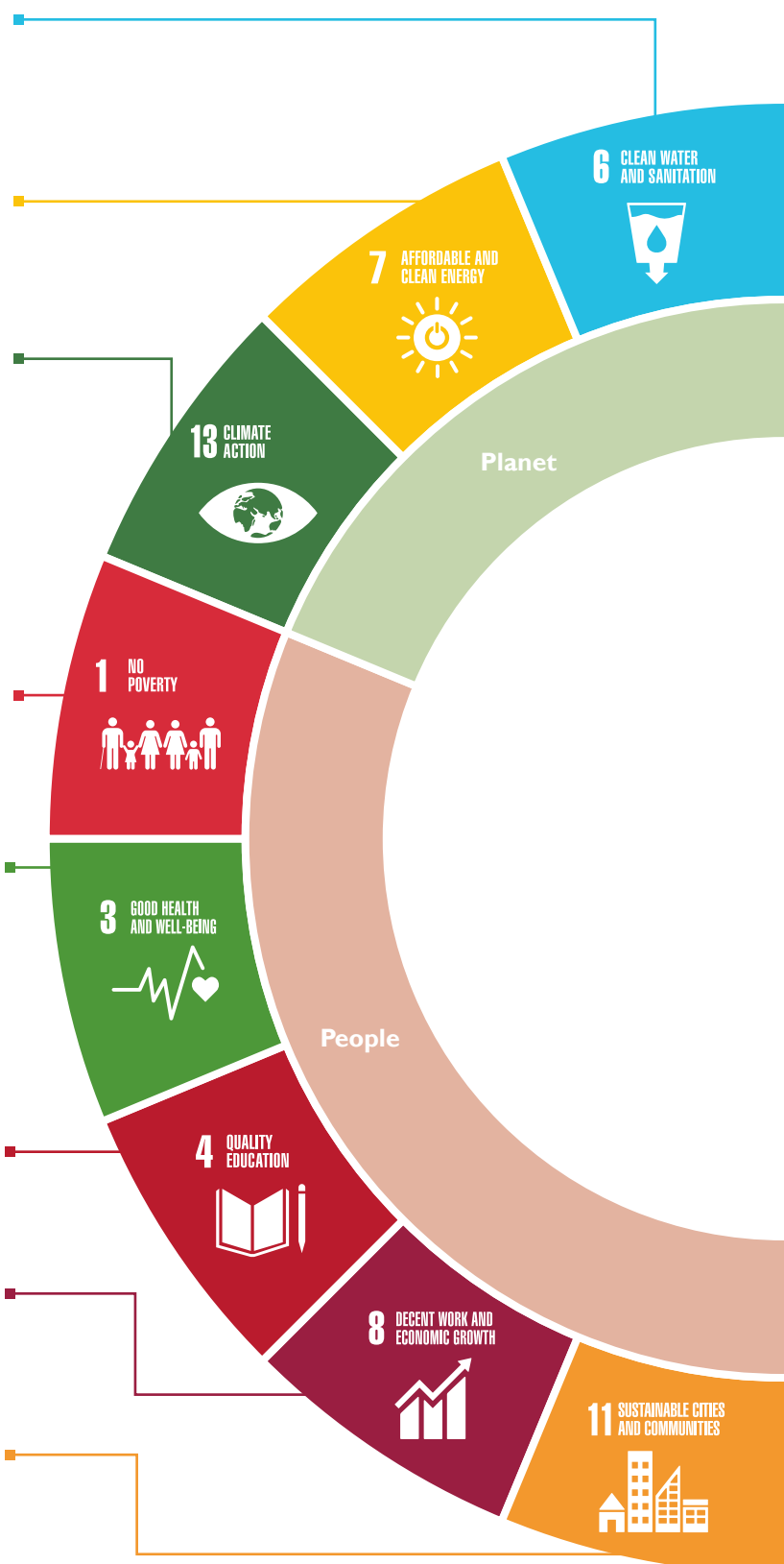
- More than **RMB800,000** worth of funds and materials are invested for poverty alleviation

- Established a three-year HSE plan (2020-2022) and set relevant quantitative targets
- A total of **11** subsidiaries have passed the OHSAS 18001:2007 Occupational Health and Safety Management System Certification
- Employee occupational health examination passing rate reaches **100%**

- All employees participated in the training, aggregating a total training time of **159,282.42** hours and an average per-capita training time of **16.07** hours

- The Group has a total of **10341** employees, with **10** employees with disability and **189** of ethnic minorities
- The overall turnover rate was **11.25%**

- The Group has donated a cumulative total of **RMB699,500**
- Caring for the community: organize solicitude visits to villagers, donate fitness equipment, and organize social gatherings and sports events
- The member company, CIMC Enric, has organized roughly **820** hours of voluntary activities, with **700** person-times of participation



Statement from the General Manager



Dear stakeholders,

As a global leader in the clean energy, chemical and environmental, and liquid food equipment industries, CIMC Enric bears the social responsibility for preserving a sustainable ecology and improving the well-being of the people. Embracing different global challenges, we continue to strengthen risk management, seize opportunities, implement the business philosophy of "Clean Energy. Green Environment. Better Living", and cooperate with our stakeholders to create positive impacts by protecting the environment and promoting a low-carbon economy.

To meet stakeholders' expectations regarding ESG, CIMC Enric has improved its ESG governance. This year, the Board of Directors established the Sustainable Development Committee. Our ESG governance structure consists of the highest governor CIMC Enric's Board of Directors, the Board-level Sustainable Development Committee, the ESG Work Leading Group and the ESG Report Preparation Group, promoting the ESG management from the top to down.

CIMC Enric strictly abides by the highest standards of business ethics. Seeing anti-corruption as a key task, we make all-round efforts to prevent corruption. The management takes the lead in establishing a corporate culture of integrity, self-discipline, and honesty to strengthen the employees' awareness of integrity. We strive to create a fair-trade environment, ensure transparency in bidding processes, and require suppliers to sign the Sunshine Cooperation Commitment to create a fair, just, and efficient supply chain.

Paying attention to health, safety, and environment (HSE) issues, we formulated the "CIMC Enric Three-year Development Plan for HSE (2020-2022)" this year to specify goals and work plans on major HSE issues for the three years. To be implemented by the HSE Committee, it's prepared to improve the HSE performance and strengthen our competitive advantage.

To align with the national energy strategy, respond to the national carbon neutral vision of 2060, and strive to achieve sustainable growth, CIMC Enric strongly supports technological innovation and R&D, and actively promotes the green production and development of low-carbon energy. During this year, we implemented a number of green development projects, launched improved green products and environmental protection equipment, expanded business related to hydrogen energy equipment, and worked hard to reduce carbon emissions. In addition, we strengthened the tracking management of environmental performance, clarified management objectives, and adopted control measures according to the degree of risks, thereby striving to reduce emissions.

Sustainable development of CIMC Enric relies on participation and support of the stakeholders, including employees, customers, investors, regulators, suppliers, research institutions, media, and local communities. By maintaining communication with stakeholders and engaging them on major sustainable development issues, we believe that CIMC Enric will move forward, steady, and far-reaching, on the road of sustainable development.

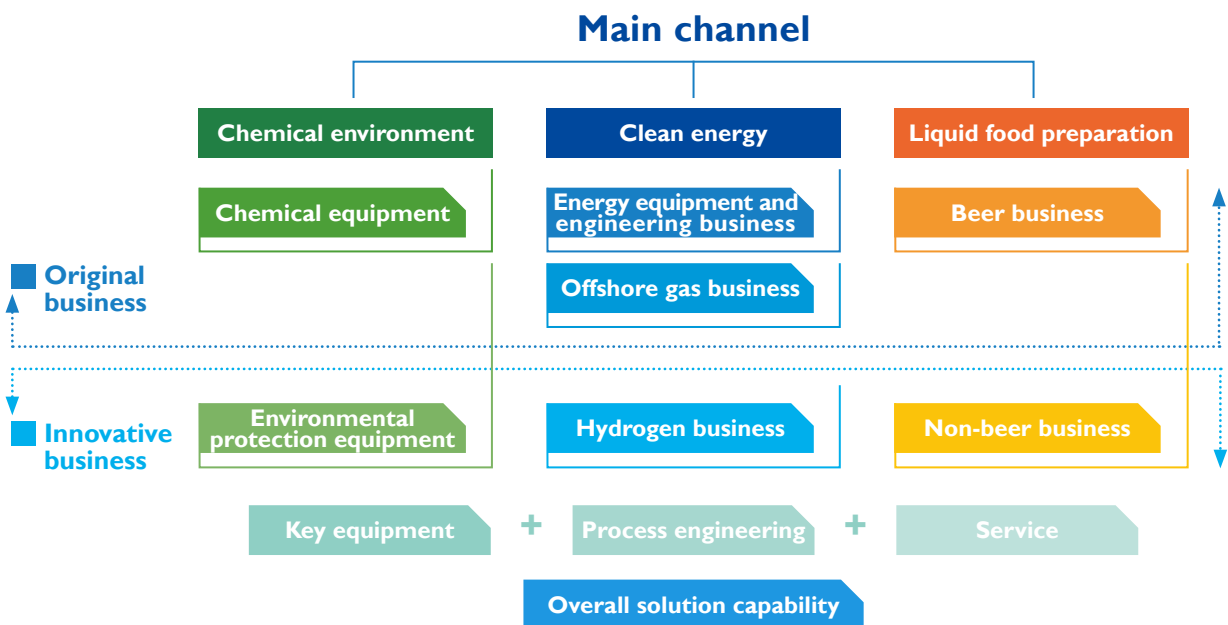
General Manager
Mr. Yang Xiaohu
April 2021

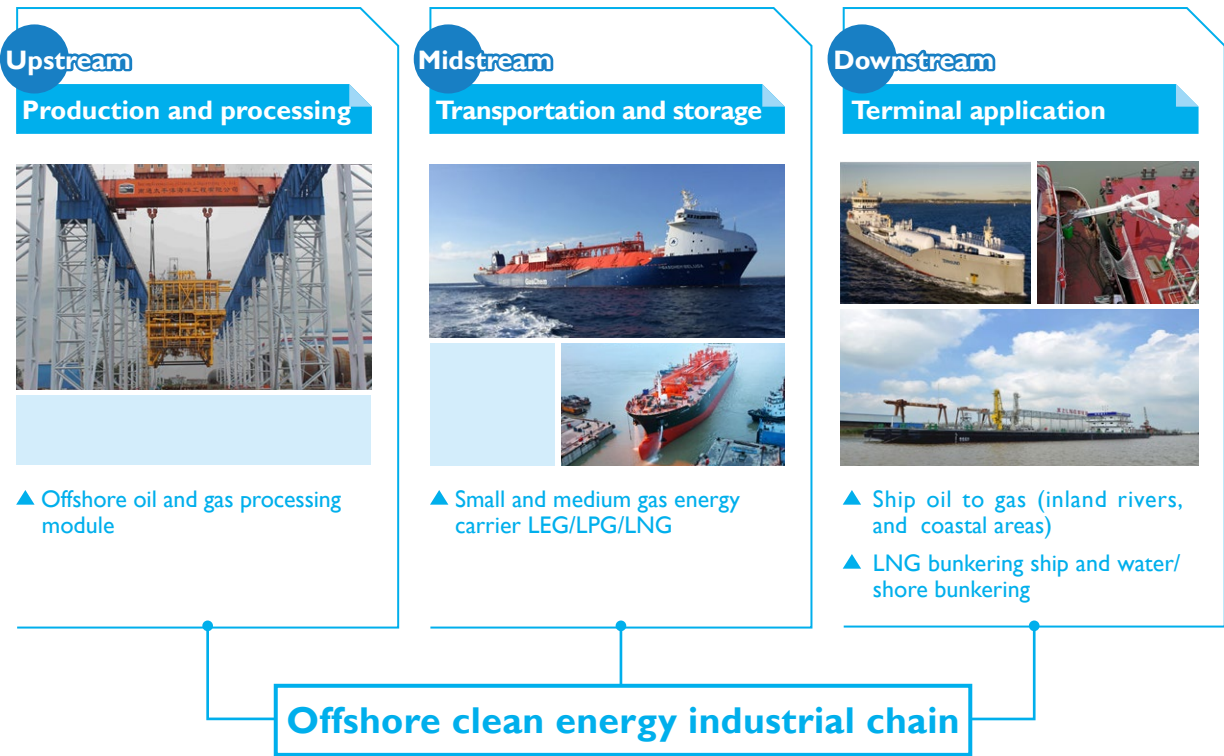


About Us

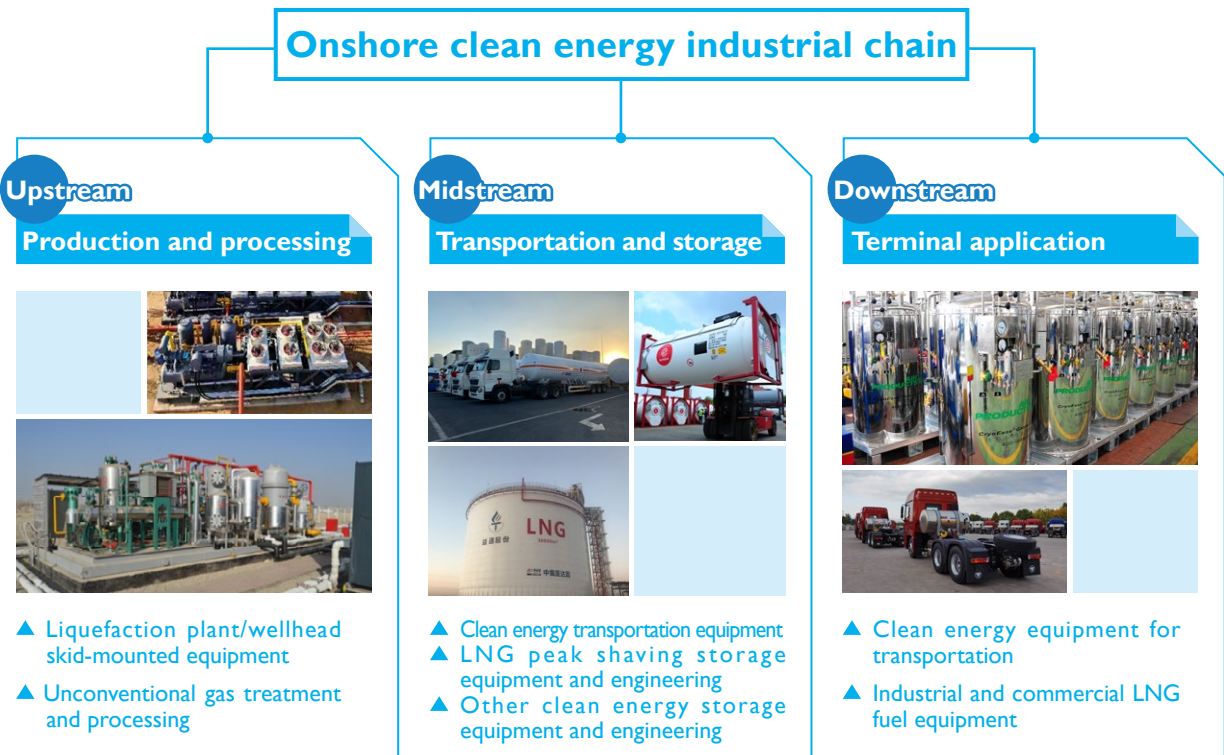
Founded in 2004, CIMC Enric has been listed on the SEHK since 2005 and is a member of the China International Marine Containers (Group) Ltd. (hereinafter referred to as the CIMC Group). We are principally engaged in design, development, manufacturing, engineering, sales, and provision of technical maintenance services for a wide spectrum of transportation, storage and processing equipment in industries including clean energy, chemical & environmental, and liquid food.

Our product portfolio is as follows:

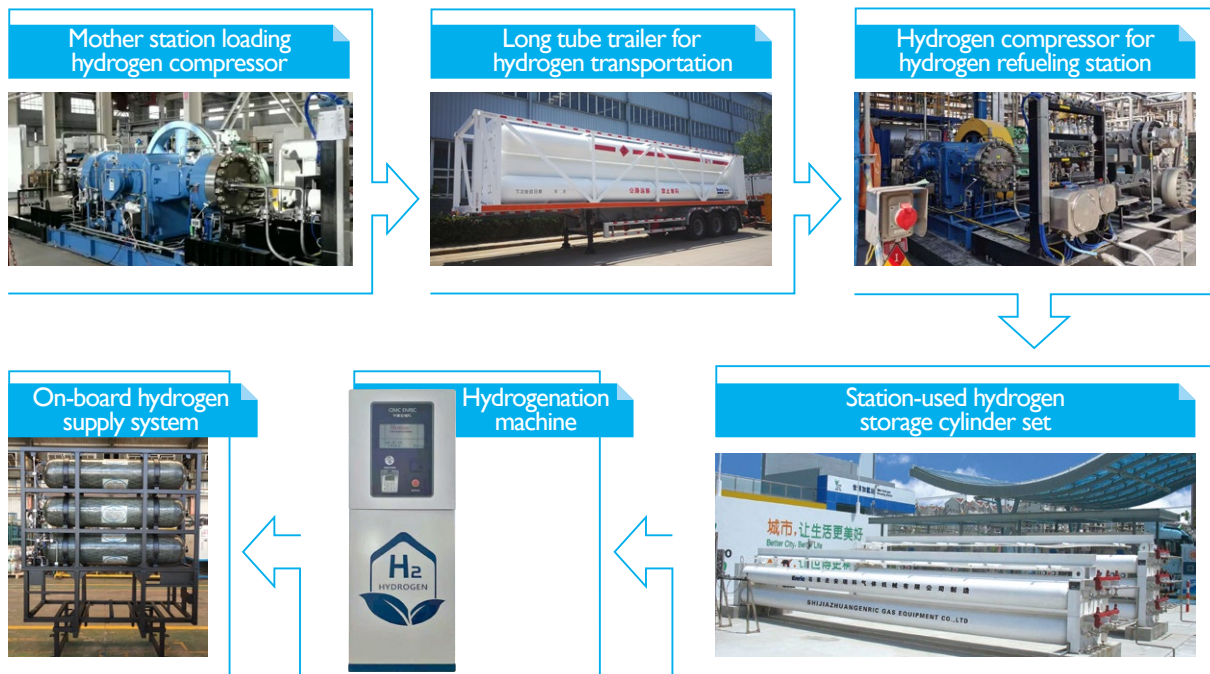




Land + Water Clean Energy Value Chain Focusing on Natural Gas



Core Equipment for "Storage, Transport and Processing" of Hydrogen Energy



Chemical and Environmental Protection Equipment



Standard liquid tank

- Standard tank
- Special tank



Environmental protection equipment

- Environmental protection equipment
- Hazardous waste treatment
- General solid waste business

Liquid Food Equipment and Engineering



Beer tank




- Beer tank
- Non-beer liquid food storage tank



Beer brewing turnkey project

- Beer brewing turnkey project
- Liquor brewing turnkey project

We provide our customers with comprehensive solutions of "keyequipment +process engineering + services" to deliver complete industrial services.

 Equipment manufacturing	<ul style="list-style-type: none"> • Advanced technology from Europe and USA • Production advantages in China • Key equipment manufacturing capabilities • World-leading lean capability 	 Engineering service	<ul style="list-style-type: none"> • Consulting • Design • Construction • EPC
 Solutions			
<ul style="list-style-type: none"> • Offshore liquefaction storage and transportation solution • LNG multimodal transport solution • Natural gas peak-shifting storage solution • Beer turnkey engineering solution • Financial solution 			

Our production bases and R&D centres are located in different areas including China, the Netherlands, Germany, Belgium, Denmark, and the United Kingdom, forming an interactive and interdependent business model across China and Europe. Maintaining a global sales network, we possess various products and services brands including "Enric", "Sanctum", "Hongtu", "YPDI", "SOE", "CIMC Tank", "Jienengrui" "Tankmiles", "Anjiejhui", "ZiemannHolvrieka", "Briggs", "DME", "NSI", etc.

Our brands



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Principles of Governance

Sound corporate governance is the foundation of the sustainable development for CIMC Enric. In active response to the Goal 16 of the UN's 2030 Agenda for Sustainable Development and following the corporate governance structure of CIMC Group, we have established a sound governance structure to maintain an honest and clean corporate atmosphere and eliminate any bribery or acceptance of bribes.

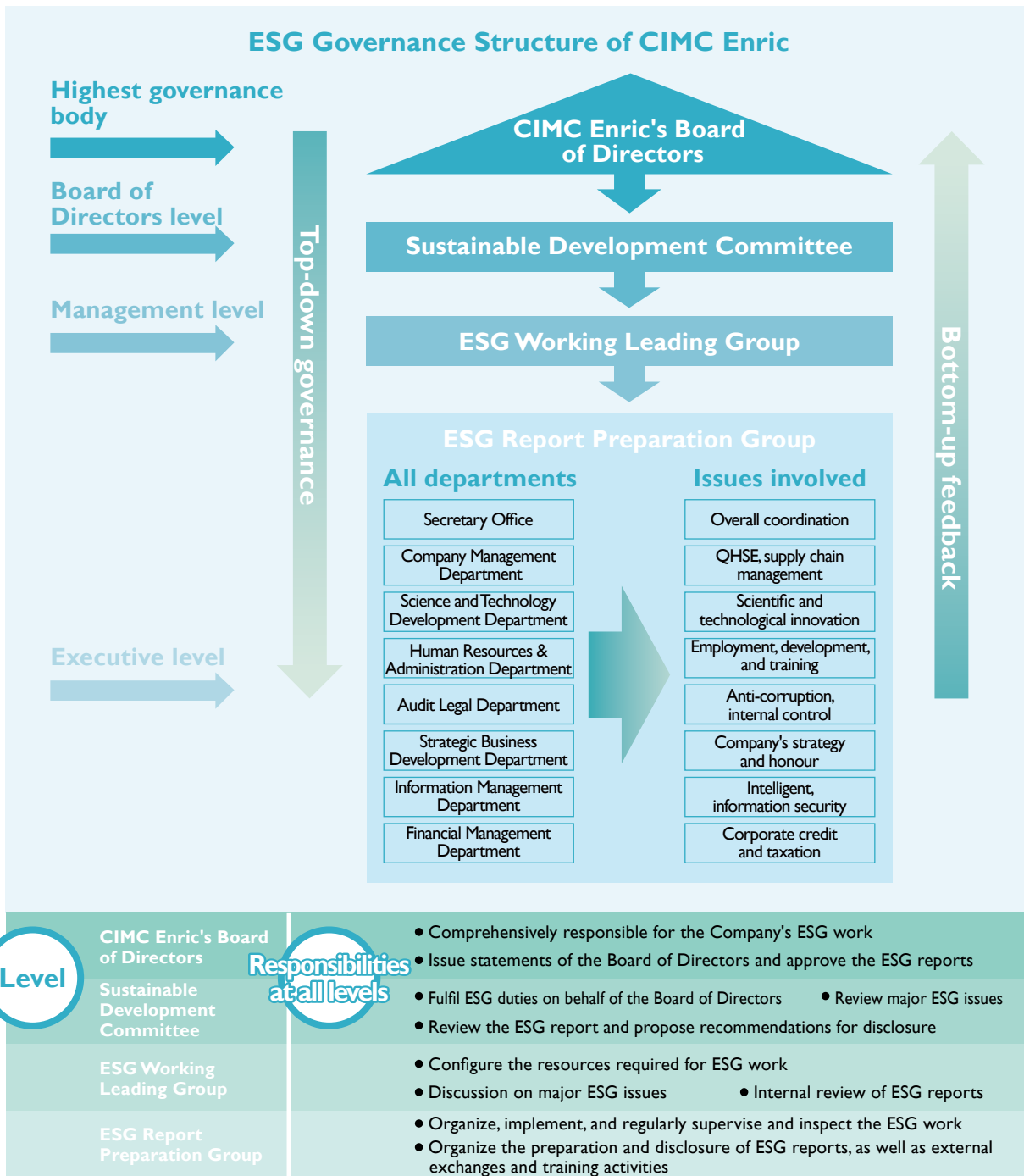
ESG Governance

The ESG governance of CIMC Enric is structured with the Board of Directors as the highest governance body, the board-level Sustainable Development Committee, the management-level ESG Work Leading Group (Leading Group), and the executive-level ESG Report Preparation Group (Preparation Group), to promote the performance of the ESG Management from top to down. With this top-down governance structure, we organize the leaders and representatives of sustainable development related departments, starting from the Board of Directors, to implement the sustainable development strategy and annual goals.

In 2020, the Board of Directors established the Sustainable Development Committee and passed the Charter of the Sustainable Development Committee. The Sustainable Development Committee is comprised of three directors, i.e., the non-executive director Mr. Gao Xiang who serves as the chair, executive director Mr. Yang Xiaohu, and non-executive director Mr. Yu Yuqun.

The "Leading Group" is headed by Mr. Yang Xiaohu, the general manager and executive director of the Company, and its members include the secretary of the Board of Directors and the leaders of key functional departments. The "Leading Group" needs to report ESG work to the Board regularly, and submit major ESG issues to the Board for discussion and approval.

The "Preparation Group" is responsible for the overall organization and coordination of the report preparation, with work guidelines formulated and labours divided to support the work of the "Leading Group".



The Company's Board of Directors consists of nine members, of which four are independent non-executive directors involved to introduce sufficient independent opinions, accounting for nearly half of the seats. The remaining five members include one executive director (general manager) and four non-executive directors (including chairman Mr. Gao Xiang). The directors feature different professional qualifications and educational backgrounds, including law, accounting and corporate finance, economics, academic, management and industrial expertise. Besides, there is one female director in the board. The different backgrounds and professional qualifications of the directors have brought in diversified and balanced skills and experience to effectively lead the operation of the Group.

¹ Mr. Gao Xiang was transferred from executive director to non-executive director since January 1, 2021.

This year, the Company held a training seminar for the Board of Directors, covering interpretations and suggestions on the development trend of environmental, social, and corporate governance and new listing rules of the Stock Exchange of Hong Kong. All nine directors participated in the training seminar, which enriched their knowledge in environmental, social, and corporate governance, and clarified the functions and responsibilities of the Board of Directors in environmental, social, and corporate governance.

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

- 1 Research and propose according suggestions on ESG of the Company to ensure that the Company's position and performance on sustainable development issues comply with applicable laws, regulatory requirements, and international standards;
- 2 Research the ESG management policies, goals, strategies, important issues and budgets, identify risks and opportunities, propose recommendations, monitor the implementation, and review the fulfilment of goals;
- 3 Review the annual ESG report and disclosure of the Company's sustainable development, and propose suggestions on the disclosure;
- 4 Supervise the operation of the Company's sustainable development system, review the impact of the Company's business on the environment, society, and sustainable development, actively respond to the emerging issues concerning sustainable development, and provide suggestions and plans for improving the Company's sustainable development performance.

For more on corporate governance, please refer to the Corporate Governance Report in the Company's 2020 Annual Report.

Sustainable Development Strategy

Corporate operations not only make economic contributions, but also leave direct or indirect impact on the environment and society. Therefore, CIMC Enric recognizes and reduces the impact on the environment and society through its business operation and management, thus playing a positive role. We propose and follow the six basic principles to manage our environmental and social impacts.

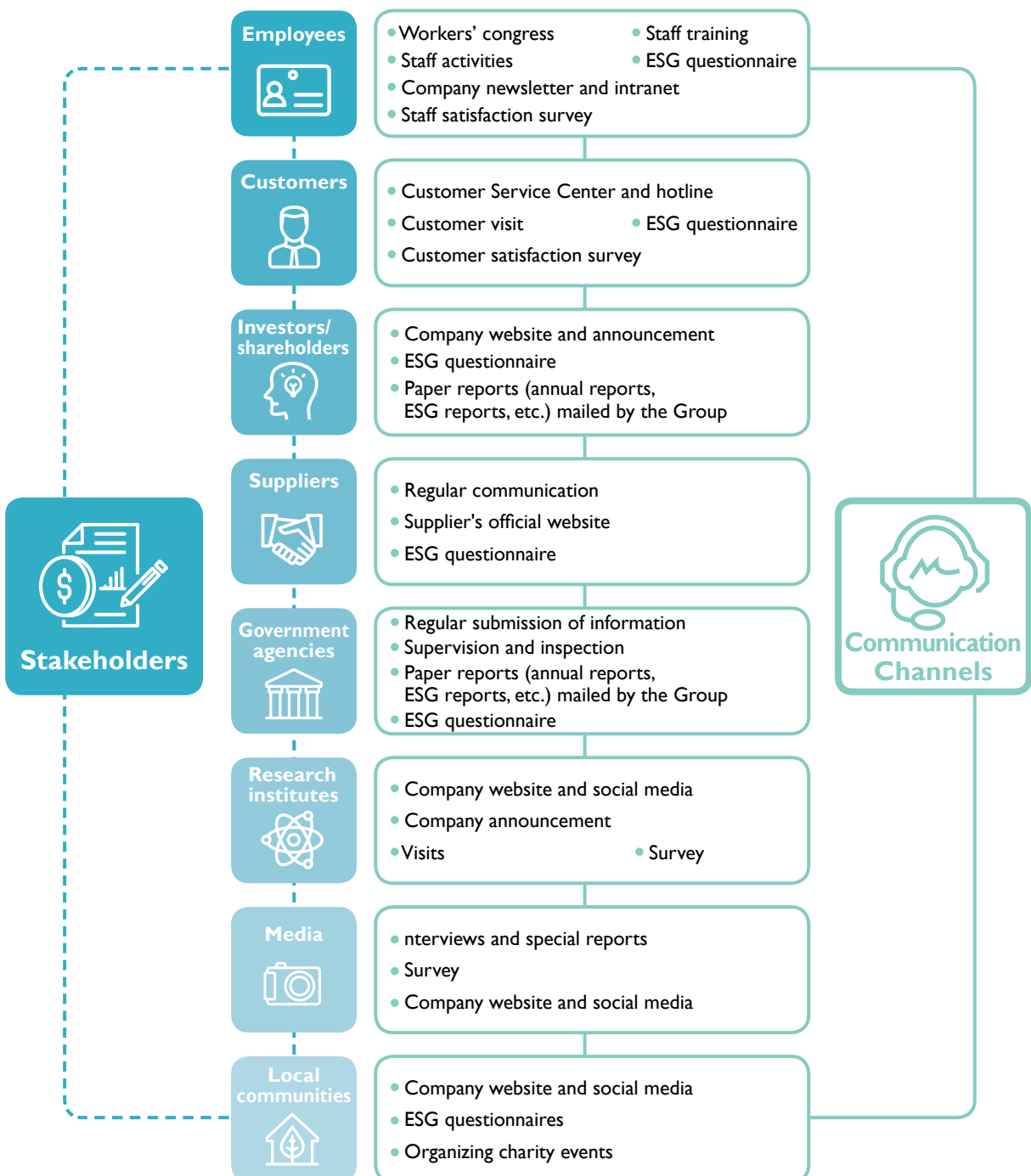
We adopt the sustainable development strategy of CIMC, the controlling shareholder of the Company, and formulate goals that comply with our own characteristics and development stages, so as to [promote management via reports]. We keep improving our sustainable development management, changing the concept of ESG management, and prioritizing the ESG management work.





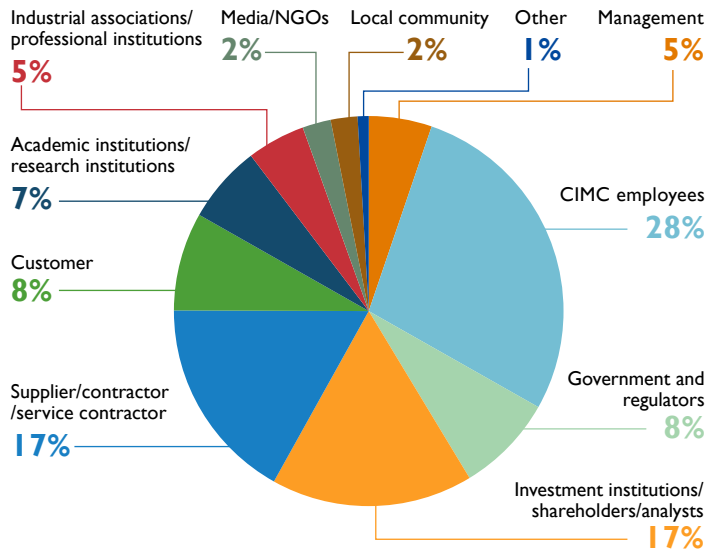
Communication with Stakeholders

The Group understands that the crux of sustainable development is to learn the concerns and expectations of our stakeholders regarding the impacts generated by our operation. With a wide range of stakeholders, including employees, customers, investors, suppliers, government agencies and communities, we maintain communication with them on a regular basis through annual reports, regular meetings, interviews and questionnaires, etc. After identifying material topics relevant to our stakeholders, we disclose our corresponding solutions in the Report.



Responding to Material Topics

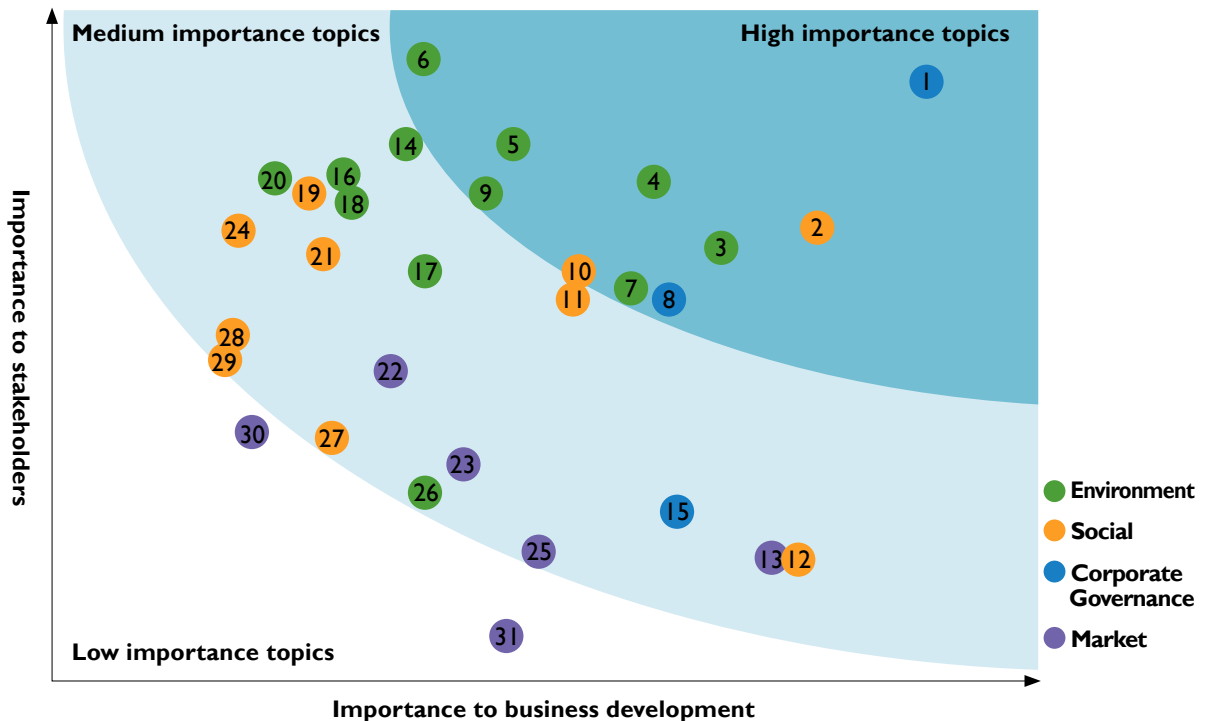
In 2020, CIMC Group conducted an assessment on material ESG topics covering itself, CIMC Enric and other major subsidiaries. By engaging with senior management and external stakeholders through dialogue and online surveys, material ESG topics that are intertwined with business operation were identified. Further evaluation and analysis on corresponding business segments were conducted. This year, CIMC Enric took back 2,293 questionnaires, of which 67% was from external stakeholders. The Group focused on these issues in the ESG management of CIMC Enric with reference to the results of material topic assessment.



Analysis on the source of the stakeholder questionnaire of CIMC Enric

This year, we continued to commission an independent third-party organization to obtain ratings from different stakeholders on the importance of ESG issues and their views and suggestions on the sustainable development of the Group through the Group's executive interviews, online questionnaires, and external stakeholder interviews. Finally, 12 environmental issues, 10 social issues, 3 corporate governance issues and 6 market issues were identified. Ranked by their importance, there are 10 highly important issues, 19 moderately important issues and 2 slightly important issues. See the table below for details.

Analysis on the source of the stakeholder questionnaire of CIMC Enric





Results of Materiality Assessment of CIMC Enric 2020 ESG Topics

Ranking	Materiality	Topics	Category	Compared to 2019
1	High importance	Compliant operation and risk control	Corporate governance	Same
2		Safety of storage and transportation of natural gas and food	Social	↑ 14
3		Green EPC engineering and R&D of clean and environmentally friendly storage tanks	Environment	↑ 14
4		Waste Management	Environment	↑ 8
5		Energy saving and consumption reduction	Environment	↑ 8
6		Promote recycling and green economy	Environment	New
7		Management on air pollutant emission	Environment	Same
8		Clean and honest operation	Corporate Governance	↓ 5
9		Green supply chain	Environment	↑ 6
10		Impact of community charity activities and operation reduction on the community	Social	↑ 20
11	Medium importance	Employee compensation and benefits	Social	↑ 7
12		Employee safety and health	Social	↓ 1
13		Technological innovation and intelligent operation	Market	↑ 14
14		Strengthen environmental awareness and brand promotion	Environment	↑ 12
15		Formulate and implement the sustainable development strategies	Corporate governance	↓ 13
16		Noise management	Environment	↑ 4
17		Climate change and greenhouse gas emissions	Environment	↑ 15
18		Ecological environment and biodiversity protection	Environment	↓ 4
19		Response to labour shortage	Social	↑ 10
20		Water consumption and water conservation	Environment	↓ 11
21		Localized operation	Social	↑ 16
22		Creation of economic benefits	Market	↑ 12
23		Trade and shipping	Market	↑ 17
24		Promote people's well-being, and fulfil social responsibility	Social	New
25		Improvement of customer services	Market	↓ 4
26		Waste water treatment	Environment	↓ 20
27		Staff training and team building	Social	↓ 8
28		Employee communication and complaint mechanism	Social	↑ 10
29		Employee diversity and protection of rights and interests	Social	↑ 7
30	Low importance	Customer privacy protection	Market	↓ 7
31		Product quality and safety	Market	↓ 2

Based on analysis results of material topics, this Report makes detailed disclosures of highly important issues in response to internal and external concerns. Among the high importance topics this year, the following topics have risen significantly in ranking:

Natural gas/food storage and transportation safety, green EPC engineering and R&D of clean and environmentally-friendly storage tanks, technological innovation, and intelligent operation:

Such issues have risen significantly in ranking, indicating that the stakeholders still highlight the importance of business-related matters of the Company. We are actively considering the product transformation and R&D to meet the market demands.

Impact of community charity activities and operation reduction on operations of the community:

The ranking of this topic has risen significantly. Related parties have proposed increasingly higher requirements on the Company's involvement in charity activities and practice of social responsibilities. We focus on the impact of our operations on the community and actively fulfil our social responsibilities.

Management and Control of Operation Risks

The corporate governance principles of CIMC Enric emphasize on an effective Board of Directors, prudent internal and risk control, corporate transparency and comprehensive disclosure, and most importantly accountability to shareholders. The Company has been continuously committed to referring to local and international standards in checking and enhancing the corporate governance level. We strictly abide by the requirements under “Anti-Unfair Competition Law of the People’s Republic of China” and “Interim Provisions on Banning Commercial Bribery” and take the “Code of Corporate Governance” by the Hong Kong Stock Exchange as our principal guidance since the Company was listed on the Stock Exchange of Hong Kong in October 2005. With our headquarters located in Shenzhen, we strictly comply with the standardized technical guidance on “Anti-Bribery Management System”.

The Board of Directors is the highest decision-making body for risk management work of CIMC Enric. The Board of Directors takes charge of four committees, i.e., the Audit Committee, Remuneration Committee, Nomination Committee and Sustainable Development Committee. With standardized and clear terms of reference, each shall report its findings, decisions, and recommendations to the Board of Directors.

As part of the CIMC Group’s anti-corruption system, we comply with CIMC Group’s relevant management

regulations which include “CIMC’s Regulations on the Clean Practice of Cadres and Personnel in Sensitive Positions” and “Handling Procedures for Reported Cases”, which require responsible persons at all levels to fulfil duties faithfully, and not to use power to seek personal gains or damage the interests of the Company.

The Company’s member companies have also formulated systems such as the “Integrity and Self-discipline Management System for Employees”, “Employee Reward and Punishment Management Measures”, “Code of Conduct for Procurement Personnel”, and “Tendering Management Measures”. In 2020, the Company’s legal department revised and issued the “Red for Prohibition, Yellow for Warning and Blue for Guidance System for Sales Contract of CIMC Enric”. To prevent fraud and corruption, subsidiaries have also formulated red line guidelines to clarify the bottom-line principles that business lines and functional departments shall abide by. In addition, the Group has established the “Sunshine Cooperation Commitment” system to be signed by suppliers in the fields of production materials and non-production procurement to restrict the procurement behaviours of both parties. Relevant personnel must strictly implement relevant laws and regulations, and adhere to clean and honest professional ethics, to jointly create a fair, just, and honest cooperation situation. At present, the “Sunshine Cooperation Commitment” has basically covered all our suppliers.

CIMC Enric level

According to the “graded responsibility and centralized management” principle specified in the “CIMC’s Regulations on the Clean Practice of Cadres and Personnel in Sensitive Positions”, the person in charge of the Company shall be the main person responsible for conducting integrity education and supervision for personnel within his authority. Human Resource Departments at all levels shall organize the implementation of these regulations, and audit and supervision agencies at all levels are responsible for the supervision.

At the member company level (with CIMC Safeway Technology Co., Ltd. (CIMC Safeway Technology) and Enric (Bengbu) Compressor Co., Ltd. (Bengbu Compressor) as examples)

In 2020, the CIMC Safeway Technology, the Company’s subsidiary, established and improved the responsibility manual according to the principles of “reasonable centralization of power, orderly decentralization of power, and proper use of power”, which requires leading cadres at all levels to exercise their powers, take their own responsibilities, and give full play to the team-based decision making and joint efforts.

- (1) At the corporate level, supplier management, procurement operations and price auditing are separated and exercised by different departments with separate operations. The Company organizes internal audits on the risk control of the Procurement Department on a regular basis.
- (2) At the departmental level, the Procurement Department implements the separated mode of procurement. The procurement avoidance system complies with the internal control requirements.
- (3) At the division/office level, the work shift system is implemented for personnel within the divisions to train versatile talents, avert employee risks, and constantly summarize successful experience.
- (4) In actual operation, sunny procurement will be conducted through implementing e-commerce procurement, using public mailboxes for quotation, and releasing competition rules in advance.

For our member company Bengbu Compressor, as stipulated in its Complaint and Reporting System, the general manager and deputy general manager are directly responsible persons for handling the employee complaints and reports, and the Operation Management Department is responsible for accepting the reporting of corruption cases. All departments and the Operation Management Department shall cooperate with each other to jointly safeguard legal rights and interests of the reporter. All departments shall encourage and support the whistleblowing by employees and relevant parties of the Company according to relevant laws and regulations. No department or individual of the Company shall retaliate against the whistle-blowers with any excuse. Besides, no department or individual shall interfere with or hinder the Operation Management Department from accepting, investigating, and prosecuting reported cases in accordance with the law.



The Group has formulated and issued the "Code of Conduct for Employees", which provides guidance on the events that would impact integrity of the employees, such as bribe-taking, and publicized among all employees. All employees of the Group have signed the "Commitment for Employee Code of Conduct".

For the implementation of anti-corruption measures, the Group has established and announced the complaints and reporting channels (including reporting telephone numbers, reporting mailboxes, and general manager's mailbox), sorted out the list of personnel in key sensitive positions, and required those in the key sensitive positions to publish their reporting telephone numbers, reporting mailboxes and general manager's mailbox in their mailbox signatures. At present, we have made public the complaint and reporting channels on the Company's OA system and

WeChat public account. A total of 142 key sensitive personnel in subsidiaries have added the reporting telephone numbers and email addresses to their mailbox signatures. The whistle-blowers can report in person, letter, mail, telephone, or other forms, or entrust others to report. We encourage employees or related parties of the Company to report with their real names. When the Legal Audit Department of the Company receives clues (including but not limited to petition reports, letter reports, online reports, telephone reports, and transfers), the acceptor shall register and handle accordingly through probe by talk/letter, preliminary verification, suspended for future probe, and settlement.

No corruption-related lawsuits were filed in the Group in 2020, and the Group and its employees involved in no corruption-related lawsuits.

Promote the Culture of Integrity

As an international company listed in Hong Kong, CIMC Enric needs to comply with not only Chinese laws and regulations, but also existing laws and regulations of other countries for business-related affairs. We abide by laws and regulations represented by the "United Nations Convention against Corruption", the European Union's "Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States", the "Criminal Law Convention Against Corruption", the "Civil Law Convention Against Corruption", the "Foreign Corrupt Practices Act" by the United States (FCPA), and "The Bribery Act 2010" by the United Kingdom to comprehensively prevent corruption, and define corruption crimes and cross-border anti-corruption cooperation, thus creating a fair trade environment. As a member of the "Enterprise Anti-fraud Alliance", CIMC Enric also abides by the "Enterprise Anti-Fraud Alliance Convention" to stress integrity and anti-fraud, and strengthen cooperation between enterprises, thereby building a line of defence together.

According to the "graded responsibility and centralized management" principle specified in the "CIMC's Regulations on the Clean Practice of Cadres and Personnel in Sensitive Positions", the person in charge of the Company shall be the main person responsible for conducting integrity education and supervision for personnel within his authority. Human Resource Departments at all levels shall organize the implementation of these regulations, and audit and supervision agencies at all levels are responsible

for the supervision. Reports shall be archived and reviewed.

Meanwhile, we're working hard to establish a long-term anti-corruption education mechanism. Through special audits and accountable audits, combined with internal/external reporting cases and risk warnings issued by CIMC, the Legal Affairs and Audit Department of the Company focuses on audit investigations on corruption-related risk points to prevent minor failures. In 2020, due to the impact of the epidemic, the Company carried out and participated in the implementation of 5 accountable audits and 3 special audit projects, involving 7 companies; issued totally 3 accountable audit reports and found 26 audit deficiencies that have been totally rectified as of December 31, 2020. Based on the self-inspection and rectification of main audit findings issued by CIMC on a quarterly basis, we communicate with subsidiaries on the key issues identified in the audit of CIMC on a quarterly basis, and conduct publicity and training to establish a long-term anti-corruption mechanism in terms of system procedures. The subsidiaries revised and improved the internal control deficiencies found in the internal audit, and submitted to the Company to review and remove the deficiencies. In line with the unified requirements of the Company, subsidiaries completed the internal control review for 2020, submitted materials on time, actively publicized CIMC's risk warnings, and conducted regular self-inspection and self-correction.

For the subsidiaries, taking CIMC Safeway Technologies as an example, as required by CIMC's Regulations on the Clean Practice of Cadres and Personnel in Sensitive Positions, each employee of the Procurement Department has signed the Commitment on Clean Employment to hand over to the Human Resource and Administration Department for custody. The "Anti-Commercial Bribery Clause" is added to the standard contract template. Besides, training, and anti-corruption education were carried out to improve the employees' ideological awareness, and a letter of anti-corruption declaration was sent on holidays.

As a member of the Chinese Enterprise Anti-Fraud Alliance, the Company actively participate in the anti-corruption investigation training organized by the alliance, and learn from the Chinese enterprise anti-fraud investigation report. While meeting the needs of production and operation, subsidiaries send employees in key positions from time to time to participate in internal or external anti-corruption training, and publicize the implementation among employees. Besides, the Company forwards articles on national anti-corruption requirements and CIMC's anti-corruption related information on the Company's official WeChat account and website on a daily basis. Though failing to attend external anti-fraud activities in 2020 due to the COVID-19, the Company, being member of the Enterprise Anti-Fraud Alliance, actively participated in online communication, the "talk design and strategy use" organized by Enterprise Anti-Fraud Alliance, and live-stream training on difficulties in handling criminal cases by enterprises and the corresponding countermeasures.

According to the guidelines of CIMC, the Company sent directors and supervisors to participate in the anti-corruption study test for performance guidance in 2020, which involves 16 directors and supervisors newly added to the board in 2020. Our subsidiaries organized 43 anti-corruption trainings in 2020, with a total of 1,145 participants. They organized employees to learn about employee integrity and self-discipline management system, conducted training on external risk control situations and major risk warning, and organized employees in sensitive positions to sign integrity and self-discipline commitments.

Case

CIMC Sanctum's risk, responsibility, and integrity education training

Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd. (CIMC Sanctum), a member company of CIMC Enric, organized risk, responsibility, and integrity education training. The training mainly included the "CIMC Group's Accountability Measures for Responsible Events" and "CIMC's Regulations on the Clean Practice of Cadres and Personnel in Sensitive Positions". All employees took oaths on integrity and signed the "2020 CIMC Sanctum Integrity and Self-Discipline Oath of Cadres", as a solemn commitment to the pledge of integrity and self-discipline.

Case

Shijiazhuang Enric's Code of Conduct for Employees

Shijiazhuang Enric Gas Equipment Co., Ltd. (Shijiazhuang Enric), a member company of CIMC Enric, publicized and implemented the "CIMC Enric Code of Conduct for Employees" in the first quarter of 2020, and carried out on-site training on contents including anti-corruption and law-abiding.



Publicity and implementation of Code of Conduct for Employees in Shijiazhuang Enric

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



2 Working Together for Innovation Development

By leveraging the technological advantages in production from subsidiaries, CIMC Enricis able to meet the market demand, providing green products such as clean energy equipment, chemical and environmental equipment to achieve greener and cleaner business development and progress along the path of cleaner and environmentally friendly production. In active response to Goals 9, 12 and 17 of the UN's 2030 Agenda for Sustainable Development, we are committed to establishing long-term cooperative relationships with customers, conducting regular communication with customers, and establishing a complete and effective information security management system to protect customer's information and privacy security. Meanwhile, we devote ourselves to creating a stable and sustainable supply chain and striving to achieve a harmonious and win-win situation.

Green Products and Environmental Protection Industry

Green Product

CIMC Enric has taken steps to promote green product development and production. As a pioneer in the pursuit of green environmental protection and sustainable development and a subsidiary of the Company, Nantong CIMC Energy Equipment Co., Ltd. (Nantong Energy) took marine waste gas scrubber (marine desulfurization tower) as an important breakthrough point of the Company's future business relying on its ample technical background in desulfurization and denitrification, and focused on the research and development of a full set of marine waste gas treatment solutions. Nantong Energy delivered 59 sets of desulfurization towers in 2020, which were installed on ships with mainframe power ranging from 8MW to 65MW. The total sulphur oxide emissions of ships will be reduced by 77% if all ships are equipped with desulfurization towers, which is equivalent to an annual reduction of about 8.5 million tons of sulphur oxide emissions, and particulate matter emissions will also be reduced. Reducing sulphur containing waste gas emissions from ships will help prevent acid rain and ocean acidification, benefiting crops, forests, and aquatic species.

For hydrogen energy equipment, Enric (Langfang) Energy Equipment Integration Co., Ltd. (Langfang Integration), a subsidiary of CIMC Enric, currently focuses on three stages of hydrogen energy, i.e. hydrogen storage, hydrogen use and hydrogen safety, including the hydrogenation station, the hydrogenation master station, the compressor for hydrogenation station and other products, as well as the main single equipment in the whole production line matching with the equipment system of the hydrogenation station. In 2020, Langfang Integration won the bid for the "Research and Demonstration of Key Technologies for Large-scale Wind-solar Hybrid Hydrogen Production" project for the 2022 Beijing Winter Olympics. To meet the major demand of Beijing Winter Olympic Games for green and low-carbon energy, Langfang Integration has carried out research and demonstration on key technologies of wind solar complementary hydrogen production system, and built a large-scale wind solar coupling "production - storage - transmission - hydrogen system" comprehensive demonstration project with international leading level of high efficiency, high safety, and high reliability.



Hydrogen Mother Station Products

Case

Shijiazhuang Enric Officially Listed as "Hebei Shijiazhuang Hydrogen Energy Equipment Manufacturing Industry Demonstration Base"

In July 2020, Shijiazhuang Enric Gas Equipment Co., Ltd., a subsidiary of the Company, officially listed as the "Hebei Shijiazhuang Hydrogen Energy Equipment Manufacturing Industry Demonstration Base", which is an affirmation of the company's contribution to the hydrogen energy industry in the past by devoting itself to the research in the field of hydrogen energy manufacturing, establishing a high-pressure hydrogen cylinder (container) laboratory, undertaking a number of national 863 projects, and developing a variety of hydrogen storage, transportation, hydrogenation and gas supply system products. It also represents expectation for the company to conduct more exploration and undertake more responsibilities in the hydrogen energy equipment industry in the future.



Opening Ceremony

In order to promote the application of clean energy and reduce pollution emissions, CIMC Enric has provided customers with overall solutions in the R&D and manufacturing of pressure vessels and liquefied gas storage and transportation equipment. We have been committed to the development of gas supply systems, mainly covering filling stations, gas tanks, and gas supply systems. At the same time, 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 2020, CIMC Enric has completed the sale of 13 marine tanks, which are expected to reduce carbon emissions by 1,300 tons/year for customers.



CIMC Enric 50m³ LNG Marine Natural Gas Solution



CIMC Enric has been committed to the R&D and manufacturing of clean energy transportation equipment, and strived to reduce the emission of pollutants in the transportation process through our products. The production and manufacturing of our clean energy transportation equipment has been at a leading level in China. Our products include LNG transportation vehicles, CNG transportation vehicles and LPG transportation vehicles, with a market share of 68%, 59%, and 79%, respectively. Our clean energy transportation equipment has made a huge contribution to reducing domestic air pollutants and greenhouse gas emissions.

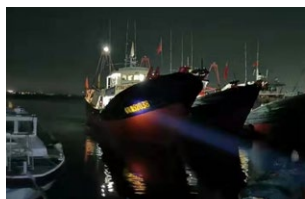


LPG Delivery Semitrailer

Topic

CIMC Enric's Contribution to the Transition to Clean Energy in the Guangdong-Hong Kong-Macao Greater Bay Area

As an innovative application and an important growth direction in the natural gas field, the application of liquefied natural gas (LNG) in the field of water transportation has attracted more and more attention from all parties. According to statistics, the Guangdong-Hong Kong-Macao Greater Bay Area is one of the regions with the largest natural gas consumption in China. However, the proportion of natural gas in the total primary energy consumption in the Guangdong-Hong Kong-Macao Greater Bay Area lags behind that of other bay areas in the world, and the penetration rate of natural gas needs to be further improved. Guangdong-Hong Kong-Macao Greater Bay Area, a cluster of ports, is rich in LNG resources, and has the natural advantages of developing LNG ship refuelling business. The outline of the development plan for the Guangdong-Hong Kong-Macao Greater Bay Area proposes to "build a green development demonstration zone, actively adapt to climate change, vigorously develop green and low-carbon energy, accelerate the use of natural gas and renewable energy, and continuously increase the proportion of clean energy". As a service provider of integrated solutions for LNG application on water, CIMC Enrich has helped the Greater Bay Area take the lead in clean energy transformation:



Guangdong Lufeng Fishing Vessel Engine Updated to LNG Dual-fuel Project:

The fuel substitution rate of this project has exceeded 80%, and fuel consumption has been reduced by more than 30%. The cold energy utilization of LNG fuel system has been used for the first time, and the amount of ice carried by fishing boats has been reduced by 30% each time, saving RMB1,200/ time in terms of cost, extending the fishing time of the fishing boat to 15 days, and increasing the economic benefits of fishermen. The fishermen have welcomed the project. Without subsidies, the investment return period is 2.7-3.1 years, so the economic benefit is good.



A Customer's Project of A 6,700-ton Bulk Carrier Old Engine Transformed into LNG Dual-fuel:

Through generating electricity through natural gas, this project adds DC busbars to make the ship speed even, the fuel replacement rate has reached 100%, and the original diesel power system has been only used as a backup. The diesel power system would be switched when the river is running fast or against the water to ensure that the ship has sufficient power. The investment return period is 6.5-7.7 years without subsidies; and the project has been operating stably for 5 years.



Singapore Marine Dual-fuel Tug Project:

This project is the first to use LNG tanks as marine fuel tanks. It used Japanese engines and had very low ignition energy consumption. The fuel substitution rate was 99% and fuel consumption was reduced by 48%. The official commissioning of the ship has played a demonstration effect on the application of LNG marine fuel tanks in the subsequent area.

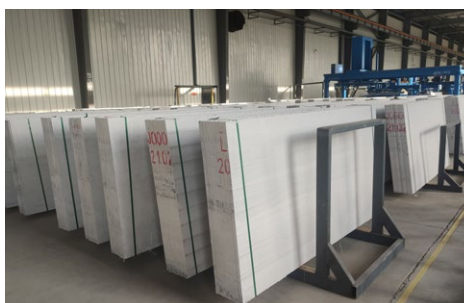
The Guangdong-Hong Kong-Macao Greater Bay Area gathers ports and is rich in liquefied natural gas resources, which has the natural advantage of developing LNG ship refuelling. CIMC Enric, as a service provider of integrated solutions for LNG overwater applications, will further assist the Guangdong-Hong Kong-Macao Greater Bay Area in its transition to clean energy.

Environmental Protection Industry

Building upon our capabilities for production of clean energy equipment, CIMC Enric actively participates in green environmental protection industries, including environmentally friendly building materials and equipment manufacturing, hazardous waste treatment, and landfill leachate disposal equipment, etc., leading the industry's green development. Furthermore, we respond to the national carbon emission reduction related plans and goals to promote the use of clean energy. In addition, we encourage the industry to move downstream and make full use of the Group's domestic influence in the field of energy equipment to realize the green value chain management.

For environmental protection building materials

CIMC Green Building Environmental Protection Technology Co., Ltd. and CIMC Green Building Environmental Protection New Materials (Lianyungang) Co., Ltd. (Green Building Lianyungang), two subsidiaries of CIMC Enric, have used the waste generated by mining and stone industry through innovative technology to produce green and environmental friendly new inorganic building decoration materials and environmental protection stone wallboard, forming their own core technology and solutions. The products have had the characteristics of light weight, high strength, fire protection and heat insulation, non-toxic and corrosion resistance, energy saving and noise reduction. In the future, it is estimated that 2,500 tons of granite solid waste can be consumed every year, reducing the pressure of social solid waste disposal, and striving to achieve the goal of "building a national demonstration project of efficient and comprehensive utilization of stone resources and developing green circular economy".



Environmental protection building materials

For landfill leachate disposal equipment

Enric (Bengbu) Compressor Co., Ltd., a subsidiary of CIMC Enric, mainly produces wastewater treatment equipment for the treatment of landfill leachate. With the increase of national environmental control and environmental awareness in various regions, there has been a huge demand for water quality up-to-standard discharge. In 2020, Bengbu Compressor wastewater treatment plants have been put into operation in Jiangsu, Yunnan, Jiangxi, Zhejiang, Anhui, and other regions. The water quality after treatment has reached or surpassed the Table II standard of the Standard for Pollution Control on the Landfill Site for Domestic Waste (GB16889-2008).



Container Type Garbage Leachate Treatment Device

In 2020, Shijiazhuang Enric Gas Equipment Co., Ltd., a subsidiary of CIMC Enric, passed the national green factory certification and energy management system certification. Shijiazhuang Enric has adopted measures such as energy-saving replacement of compressed air supply system, waste heat utilization, and improvement of VOCs treatment facilities to reduce the consumption of energy such as electricity and natural gas and increase the removal rate of VOCs. At the same time, through adopting high-efficiency iodine value activated carbon, catalytic combustion desorption technology, and paint bucket recycling and other measures, hazardous waste emissions are reduced. Compared with 2019, Shijiazhuang Enric has reduced energy consumption by 15% and hazardous waste generation by 28% in 2020.

In the future, we will continue to increase the development of low-carbon energy and environmental protection businesses, and strive to become a leader in green development.



Product and Service Innovation

Under the guidance of the innovation mechanism oriented by innovation to promote value growth, CIMC Enric has followed the pace of the state and CIMC Group's strategic upgrading, and has achieved fruitful scientific and technological innovations. CIMC Enric has vigorously carried out innovative research in the entire industrial chain of natural gas storage, transportation, refuelling, marine/vehicle natural gas fuel systems, as well as in the fields of chemical and food equipment. We have 19 R&D centres, including 7 overseas R&D centres, and have established an innovation mechanism oriented by innovation to promote value growth, with fruitful scientific and technological innovation results. The R&D expenses in 2020 reached RMB360 million, up by 16% from 2019.

CIMC Enric attaches great importance to intellectual property right protection and strives to establish a lawful order of competition so as to promote sound and healthy development of the market. We conduct patent searches to avoid infringement of intellectual property rights. Besides, we promptly apply for patent protection for scientific and technological innovations created internally, and take proactive legal measures depending on the situation to protect the Group's intellectual property from the negative impacts of infringement. In addition to patents, we also manage and protect proprietary technologies and utility model patents for production processes and design, improving the enterprise competitiveness. These intellectual property rights have enhanced the competitiveness and influence of CIMC Enric in the international market, played a good demonstration role for the society to establish the awareness of respecting intellectual property rights, and also made a positive contribution to the establishment of a proper competition order in the industry and the promotion of the healthy development of the market.

We have produced many scientific and technological innovation achievements in the whole industrial chain of natural gas storage, transportation, gas filling, marine/vehicle natural gas fuel system, as well as in the fields of chemical industry and food equipment, and applied for patent protection in time, forming a relatively complete independent intellectual property protection system. As of December 31, 2020, we own more than 970 patent rights, including more than 120 invention patents and 19 foreign authorized patents. With the patent of invention percentage growing year by year, we have won two Chinese Patent Excellence Awards, fully reflecting the Company's technological innovation level.

CIMC Sanctum, a subsidiary of CIMC Enric, and a consortium of 9 other units will undertake the project of "Research on Key Equipment and Safety of Liquid Hydrogen Production, Storage, Transportation and Filling (Application Demonstration)" in the 2020 national key R&D plan "Key Project of Renewable Energy and Hydrogen Energy Technology". The project is an application demonstration project on key equipment and safety research of liquid hydrogen production, storage, transportation, and filling issued by the Ministry of science and technology of China. It aims to build a national innovation chain of key technology and equipment for the storage, transportation, hydrogenation and safety of liquid hydrogen production (five ton per day), solve the urgent demand for hydrogen fuel preparation, transportation, distribution and filling in the centralized operation of China's hydrogen fuelled commercial vehicles, complete the demonstration operation of liquid hydrogen plant and liquid hydrogen storage type gaseous hydrogenation station, and drive the leapfrog development of relevant industries including hydrogen liquefaction, storage and transportation equipment, and hydrogenation station in China. CIMC Sanctum will undertake the research and development tasks of commercial-oriented liquid hydrogen storage spherical tanks and transport vehicles. In the future, the Group will continue to increase its research and development efforts, and actively promote core technologies based on the market to help build an efficient and economical hydrogen energy storage and transportation system.



Liquid Hydrogen Transportation Tank Trucks of CIMC Sanctum

Case

VOCs runoff adsorption-mobile desorption technology and equipment of Shijiazhuang Enric passed the review by top domestic environmental protection experts

In September 2020, an expert committee composed of domestic top environmental protection experts conducted a comprehensive evaluation on the innovative VOCs treatment equipment and operation mode "VOCs runoff adsorption mobile desorption technology and equipment" jointly developed and manufactured by Shijiazhuang Enric Gas Equipment Co., Ltd. and Hebei University of Science and Technology. The expert committee agreed after thorough discussion that "the project is innovative in terms of adsorption/desorption technology and equipment structure and operation mode, and the overall technology has reached the international advanced level".



Case

From "Manufacturing" to "Intelligent Manufacturing" of Pressure Tankers of CIMC Hongtu

CIMC JingmenHongtu Special Aircraft Manufacturing Co., Ltd. (CIMC Hongtu), a subsidiary of the Company, has intensively cultivated the field of medium-pressure tank truck manufacturing to promote the upgrading of the industrial technology of medium-pressure tank truck manufacturing for hazardous chemicals. CIMC Hongtu has made a major breakthrough in the "intelligence" application of tanker products. "Hongtu brand" smart tankers equipped with eleven smart technologies have successfully rolled off the assembly line and entered the market. The first batch of smart tanker products on the market this time has brought lighter, high-performance, and high-safety craftsman-quality products to the industry, with strong ductility and diversified adaptability.



Smart Tanker of CIMC Hongtu



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 safety and security are critical to customers and local communities. In our manufacturing and daily operations, we adopt international standards in our system for regulating our quality management and improving efficiency.

At present, CIMC Enric has formulated several product quality management regulations, including "Inspection and Testing Quality Control Procedures", "Management Review Procedures", "Material Control Procedures", "Nonconforming Product Control Procedures", "Corrective and Preventive Action Management Procedures", etc. To ensure effective implementation of product quality management, we have established "Product Quality Reward and Punishment Measures" to recognize business units for excellence in quality management and rectify substandard cases.

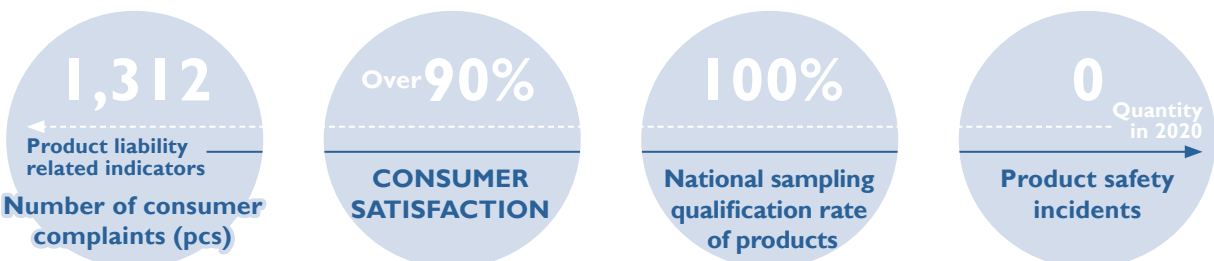
For project quality management, we have established internal regulations, including "Project Management Procedures", "Project Planning and Management Regulation", "Project Design Control Management Regulation", "Management Regulation of Quality Inspection and Finished Products Quality Assessment for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

We also purchase product quality insurance and product liability insurance, to strengthen 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, combined with the requirements of the sales area. We have obtained numerous international quality certifications, and ensured that the certifications continue to be effective.



We have established the Product Recall System in accordance with the Law of the People's Republic of China on Special Equipment Safety and other legal requirements, which has been used for the recall management of defective products of the Group, such as pressure vessels. The system clarifies the responsibilities, recall conditions, and recall procedures of various departments in the product recall process, with the purpose to eliminate the dangers caused by defective products to the user and the public's personal and property safety in a timely manner, and to improve product quality. There was no product recall of the Group in 2020.



The quality achieved in the process of CIMC Enric has been mainly achieved by no manufacturing, no flowing out, and no hiding of defective products during the production process:

- No manufacturing refers to the effort to manufacture products correctly at the first time through the establishment and implementation of standard operation and quality inspection standards and not to produce defective products at all. We have organized subsidiaries to establish quality inspection standards for the main products;
- No flowing out is to pass the self-inspection and mutual inspection of the workshop operators and the team leader, combined with the special inspection of the inspectors, to find defective products and prevent the outflow;
- Not hiding refers to discovering the defects in the previous process and reporting and handling them in a timely manner.

CIMC Enric's quality and safety management measures for subsidiaries are 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 abnormalities. We have organized an inspection of the enterprises' quality management system to ensure compliance with regulations and customer requirements, supervised the implementation of rectification of quality problems, and scaled out typical problems within the Group. In response to the Wenling 6.13 LPG 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 each enterprise, focused on the quality pain points and difficulties, and coordinated improvement. We have organized experts in the Group to give guidance to enterprises with insufficient quality management capabilities and share quality management experience.

Case

Marine desulfurization devices won customer approval

In April 2020, Wartsila conducted an annual factory audit on Nantong Energy, a subsidiary of the Company. The review covers aspects such as quality system, technical document management, equipment management and production process control. Nantong Energy obtained a good score of 82.8 with years of hard work on product quality, management system and technology precipitation. It is of great significance to obtain the approval of the Wartsila factory audit in the context of the global outbreak of the COVID19 pandemic and the weak export sales of industrial products. Nantong Energy has a long history of cooperating with Wartsila as its important strategic partner. The two parties will further their in-depth cooperation, and Nantong Energy will seize the opportunity, go all out to create value with more reliable products, and deliver satisfactory answers to customers.



Wartsila's Factory Audit on Nantong Energy

Case

CIMC Sanctum Won the Foton Daimler-2020 Quality Leadership Award

At the 2020 Foton Motor Group Global Partner Conference, CIMC Sanctum, a subsidiary of the Company, won the Foton Daimler's 2020 Excellent Supplier-Quality Leadership Award. This award symbolizes that CIMC Sanctum has won high recognition from customers for its sophisticated products, excellent quality, and service.



Foton Daimler Automobile's 2020 Excellent Supplier-Quality Leadership Award



Case

Nantong CIMC Pacific Offshore's Perfect Delivery of Two LNG Fuel Tanks

On December 3, 2020, Nantong SinoPacific Offshore & Engineering Co., Ltd. (CIMC SOE), a subsidiary of the Company, delivered two 1,750m³ LNG fuel tanks built for Samsung Heavy Industries in South Korea. The project adopted the whole process of liquid nitrogen cold tank test, enabling shipyard customers to see the low temperature performance of the fuel tank body and insulation in advance before the fuel tank is loaded on the ship, and providing reliable guarantee for the customer to deliver the ship on time. This test is the first of its kind in domestic projects. The success of the test has further demonstrated the excellent quality of fuel tank products of CIMC SOE.



LNG Fuel Tanks

Case

72 Liquid Oxygen Storage Tanks Provided by CIMC Sanctum Helping Tibet's Centralized Oxygen Supply Project

CIMC Sanctum has provided a total of 72 liquid oxygen storage tanks in Tibet with the successful launch of ten sets of liquid oxygen storage tanks a few days ago, which has actively assisted the acceleration of Tibet's centralized oxygen supply project. CIMC Sanctum is the only enterprise in China that provides liquid oxygen storage tank systems for plateau areas in large quantities.



CIMC Sanctum's Contribution to Tibet's Centralized Oxygen Supply Project

Leading the Industry Development

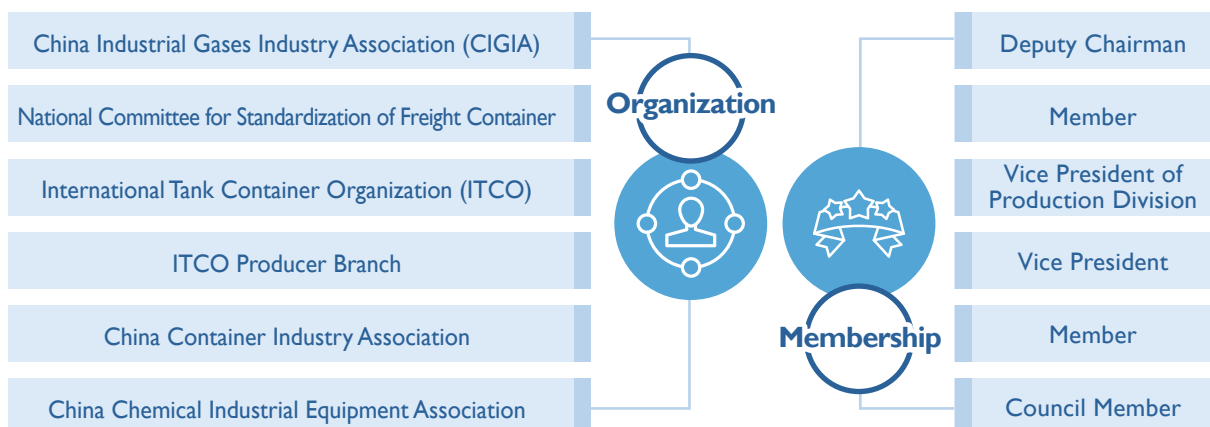
We actively leverage on our ample experience in product quality to participate in the compilation or revision of relevant national and industrial standards. At present, as a drafting unit, CIMC Enric participates in the formulation of 10 national, regional, or industrial standards, including "Design 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 the drafting process.

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

Main Drafting Unit
<ul style="list-style-type: none"> ▶ Static Vacuum Thermal Insulating Cryogenic Pressure Vessel (GB/T 18442.1- 6-2011) ▶ Seamless Steel Gas Cylinders (GB/T 5099.4-2017) Part 4: Seamless Stainless Steel Gas Cylinders ▶ Static Vacuum Thermal Insulating Cryogenic Pressure Vessel (GB/T 18442.3-2011) Part 3: Design ▶ Series 1 Freight Containers - Specification and Testing - Tank Containers for Liquids, Gases and Pressurized Dry Bulk (GB/T 16563-2017) ▶ Magnetic Driven Autoclaves (HG/T 3648-2011) ▶ Tank Container for Dangerous Liquid Goods (NB/T 47064-2017) ▶ Cement Tank (SB/T 10561-2010)

Participating Drafting Unit
<ul style="list-style-type: none"> ▶ Natural Gas Compressor for the Vehicle Gas Station (GB/T 25360-2010) ▶ Road Tanker for Dangerous Liquid Goods Transportation (GB 18564.1-2006) Part 1: Technical Requirements of Atmosphere Pressure Metal Tank ▶ Tank Containers for Liquefied Gases (NB/T 47057-2017) ▶ Supervision Regulation on Safety Technology for Stationary Pressure Vessel (TSG R0005-2011)

Striving to unleash our competitive edges in production, CIMC Enric actively joins different industry and energy- related associations to contribute to the development of the industry. Industry organizations we have joined, and our corresponding positions therein are as follows.





Customer Service and Supply Chain Management

Excellent Customer Relationship

While striving to ensure product technology and quality levels, CIMC Enric also keeps improving customer services and pursuing higher customer satisfaction. We are committed to forming a long-term partnership with our customers, by engaging with them regularly, getting to know their questions during the process of product usage, and ensuring the quality and safety of the products and services sold.

The Group has established a sound customer service system, covering pre-sales, sales and after-sales of products and services, and formulated corresponding management procedures and systems in terms of customer service management, customer satisfaction survey, customer service and complaints. The Group has set up an after-sales service team to deal with after-sales customer consultation, service and complaint of products, so as to improve customer satisfaction and loyalty to the Group. In order to improve the after-sales service process, standardize the service behaviour, ensure the service quality, promote the quality improvement and new product development, and finally improve the Group's reputation and customer satisfaction, the Company has established customer service management procedures, including Customer Satisfaction Information Collection and Analysis Procedure and Customer Complaint Handling Procedure. We regularly send Customer Satisfaction Questionnaire to customers to understand their satisfaction about the Group in terms of reputation, product quality, service and price, and to collect relevant opinions and suggestions. For engineering projects, we regularly conduct customer satisfaction survey on projects under construction and delivered to timely find and understand customers' feedback on project services, and make timely and proper improvement according to the problems raised by customers. We collect customers' inquiries and complaints via "400 Service Hotline". The After-Sales Service Department then coordinates with relevant responsible departments to investigate the reasons, identify a solution, and develop improvement and preventive measures to avoid recurrence of similar incidents.

To make customers clearly understand the product information and match with their needs, CIMC Enric has established "Marketing and Planning Management Regulation". We have standardized marketing planning, promotion, investigation and other marketing activities to provide customers with accurate product information and brand image to avoid false or misleading information.

Customer Privacy Protection

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

In 2020, aiming at "zero major information security incidents", we carried out all-round information security work, and improved information security management. We have established an information-based standard system, issued many management systems relating to 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 order to simplify management and reduce risks, as well as strengthened the promotion and implementation of information security for all employees.



Information security technology

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



Information security operation

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 to respond to information security risks.

In 2020, the Group did not receive any complaint for divulging consumer information, and there was no information security accident.

Case

CIMC Hongtu provided full support to epidemic response overseas

"If I were a wave, I would be with you in the sea; if I were a fallen leaf, I would stay on the same branch as you; if I were an orchid, I would be in the same room with you." At the end of March 2020, in order to give back to customers and support overseas anti-epidemic efforts, our member enterprise CIMC Hongtu purchased epidemic prevention supplies without any delay. The first batch of purchased supplies were sent to 32 CIMC Hongtu's customers in 12 countries on March 19, 2020, including 50,000 masks and 50 forehead thermometers. Along with the epidemic prevention supplies, thank-you and consolation letters issued by the general manager of CIMC Hongtu and USB flash disks containing the knowledge of COVID-19 protection were also sent. At the end of January 2020, when the epidemic broke out in China, overseas customers of CIMC Hongtu sent consolation letters, immediately expressing the concern and support of strategic partners and showed understanding regarding the delayed delivery of goods caused by COVID-19.



Shipment ceremony of epidemic prevention supplies provided by CIMC Hongtu for overseas customers



Message of CIMC Hongtu to its customers for epidemic prevention supplies

Create a Sustainable Supply Chain

Stable supply chain serves as a foundation for CIMC Enric to create value for its customers. We have established relevant management regulations, including "Procurement Management Regulation", "Supplier Management Procedure", and "Bidding and Procurement Management Regulation". We clarify the obligations of internal procurement personnel and avoid risks relating to supply chains. The suppliers of the Group are mainly divided into four categories: manufacturing, outsourcing, agency and service, and into three levels, namely, A, B and C. According to the type of material supplied, supplies are divided into alloy steel material, parts, paint and carbon steel material.

In terms of supplier access, we will first collect information on suppliers, including information reflecting suppliers' capabilities, such as brief introduction of manufacturing unit, reputation, performance, system, capital strength, 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 license issued by national administrative authority, and certificates of authorization (agency or distribution) obtained by agents/distributors. For suppliers involved in HSE management, the Questionnaire on Environmental and Occupational Health and Safety Status of Relevant Parties shall be filled in, and some of the suppliers are requested to provide necessary environmental impact assessment reports so as to ensure that their management is in line with national policies. The access 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, the actual process capability of the supplier, the operation effectiveness of the quality system, and the conformity of the key process technical capability with the implementation of the process discipline. Technical evaluation and sample validation shall be conducted for the suppliers that meet the access conditions through the on-site/commercial review process. We prioritize the suppliers that can provide more environmental-friendly products.




In terms of supplier performance appraisal, we will conduct performance appraisal of Class A suppliers at least once a quarter, and Class B suppliers at least once every half-year, covering quality, delivery and service. In principle, there are no more than 4 suppliers of a variety (material category) in the Group. According to the performance appraisal results, we divide suppliers into excellent, good, qualified and unqualified suppliers. We will give priority to excellent suppliers in the procurement process, and we will promote the independent improvement of good suppliers.



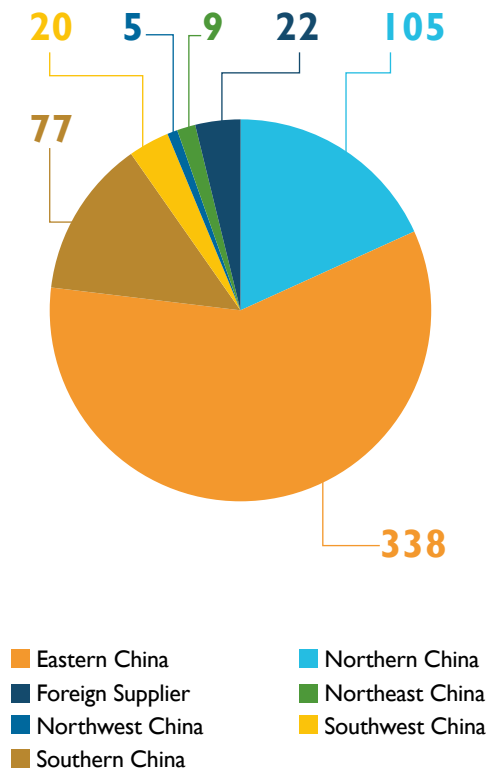
Supplier audit

In order to improve the management efficiency of suppliers, CIMC Enric cooperates 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 the risks related to environment, health and safety. In addition, we promote the transformation of the procurement team, strive to achieve professional development of the procurement personnel, and improve their professional competence.



Indicators of suppliers	Number	Percentage (%)
Total Number of Suppliers	576	100%
Number of suppliers certified by the quality management system	427	74%
Number of suppliers certified by the occupational health and safety management system	307	53%
Number of suppliers certified by the environmental management system	291	51%
Number of annual supplier performance appraisal	477	83%
The factors of supplier performance appraisal include the number of environmental and social matters (for the suppliers who had performance appraisal in the year, the evaluation factors include the number of suppliers for environmental and society matters)	128	22%

Number of suppliers by region



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



6 CLEAN WATER
AND SANITATION



13 CLIMATE
ACTION



7 AFFORDABLE AND
CLEAN ENERGY



3 / **Low Carbon and Environmental Protection, Care for the Earth**

CIMC Enric has been committed to adopting 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 tried best to reduce the impact of business operations on the environment, tackle the climate change and reduce carbon emissions.



Curbing Climate Change

The Global Risk Report released by the World Economic Forum pointed out that environmental risks are still the primary risk from the perspective of the probability and impact of risks in the next ten years. Environmental risks are closely related to climate change. The issue of climate change has received increasing attention from the international community as a major challenge facing the sustainable development of human society. The risks and opportunities arising from climate change coexist for enterprises. How to incorporate climate change into corporate business strategies and daily management activities is related to whether an enterprise can maintain and enhance its own competitiveness and survive and develop for a long time in the fierce international market competition. The development of clean energy has become a common choice for addressing climate change worldwide. CIMC Enric has fulfilled its social responsibilities and actively promoted the development of technology and industry to cope with climate change. We have taken the following measures:

■ We recognized that the market's demand for low-carbon solutions is growing, and new low-carbon industries will be increasingly favoured by the market. Therefore, we have vigorously developed low-carbon energy-related businesses and striven to develop hydrogen energy equipment to meet the market's needs and expectations for low-carbon energy.

■ We have optimized the carbon efficiency of our existing supply chain and products, adopted a series of measures to improve energy efficiency, and shifted to low-carbon energy in energy use to gradually reduce direct and indirect greenhouse gas emissions, thereby helping to combat climate change.

■ We have worked hard to strengthen employees' awareness of energy conservation and emission reduction, and carried out environmental day and energy conservation week related publicity activities to implement the awareness of energy conservation and emission reduction into the thinking and actions of each employee.

Case

Energy-saving and Environmental Protection Training Conducted by CIMC Safeway Technology

CIMC Safeway Technology, a subsidiary of the Company, organized the production department, equipment technology department and other departments to carry out the "New Solid Waste Law and Unorganized Emission of Volatile Organic Compounds" and other laws and regulations knowledge training. The enterprise publicized energy-saving knowledge in daily meetings or trainings, clarified the importance and necessity of energy-saving, and integrated it into normal operations to improve employees' awareness of energy-saving. In addition, CIMC Safeway Technology conducted monthly inspections on the energy usage of each workshop, and promptly urged rectification of energy consumption problems that occur to prevent energy waste.



Laws and Regulations Knowledge Training Organized by CIMC Safeway Technology

Reduction of Carbon Emissions

On September 22, 2020, Chinese President Xi Jinping delivered an important speech at the General Debate of the Seventy-fifth United Nations General Assembly, emphasizing that China will make greater national contributions and introduce stronger policies and measures. Efforts will be made to ensure that carbon dioxide emission reach its peak by 2030, and efforts will be made to achieve carbon neutrality by 2060.

The progress of hydrogen energy technology is closely related to the green and sustainable development of energy. As a clean and green new energy, hydrogen energy will play an important role in the energy structure, which helps to promote the transformation of energy to sustainable supply, create a more friendly earth environment, effectively reduce carbon emissions, and alleviate the enormous pressure from energy use on global climate change. In the process of production and operation, we have paid attention to the development of low-carbon energy, expanded the planning of the hydrogen energy industry, and actively explored the field of hydrogen energy equipment. We

have developed products such as "70MPa vehicle-mounted type IV hydrogen storage cylinder" and "45MPa hydrogen storage cylinder set", which can provide hydrogen energy storage and supply for fuel cells, and drive the development of the entire vehicle industry chain. It meets the use requirements of major domestic hydrogen refuelling stations under the premise of environmental protection. CIMC Enric and Norway HEXAGON signed a Joint Venture Agreement in March 2021 to reach the cooperation intention of Type IV bottle technology products, jointly expand China's high-pressure hydrogen storage and transportation equipment market, and contribute to the transformation and upgrading of clean energy in China and Southeast Asia.



Signing of the Joint Venture Agreement between CIMC Enric and Norway HEXAGON



Wind Power Cage

In addition to developing the hydrogen energy industry, we also have helped reduce carbon emissions caused by thermal power generation by selling wind power generation equipment. In 2020, Pacific Offshore, a subsidiary of CIMC Enric, produced wind power generation equipment and sold

37 sets of related equipment. It is expected to generate 100 MW•h per year and reduce carbon dioxide emissions by up to 12,000 tons.

In addition, CIMC Pacific Offshore, a subsidiary of CIMC Enric, promoted the application of the "Volatile Organic Compound Recovery System" (VOC system) to reduce fuel use and significantly reduce carbon dioxide emissions. The VOC system is a pioneering technology for the production of liquefied natural gas and the recovery of volatile organic compound fuels. The system recovers the vaporized gas from the oil tank and mixes it with LNG (liquefied natural gas) to fuel vessels, thereby reducing the demand for refueling. Compared with traditional solutions, each ship saves more than 3,000 tons of fuel per year, and reduces carbon dioxide equivalent emissions by up to 40%, which has significant environmental benefits.

Case

CIMC Sanctum's Delivery of 685m³ LNG Double-deck Fuel Tanks to Boost Low-carbon Development

Two 685m³ LNG marine fuel tanks developed by CIMC Sanctum were successfully delivered in August 2020. It is learned that this is the largest and heaviest double-deck marine fuel tank project delivered in China so far. The double-deck marine fuel tank, i.e., the vacuum fuel tank, one of the core equipment of the LNG fuel system, which meets the requirements of IMO (International Maritime Organization) C cabin. The system provides power for ro-ro ship engines and generators through the piping system, submersible pumps, buffer tanks and other equipment in the TCS. Almost all sulphides in the exhaust gas can be removed, and it can effectively reduce about 80% of nitrogen oxide emissions and 20% to 25% of carbon dioxide emissions at the same time.



LNG Marine Fuel Tanks



Case

CIMC Sanctum organizing tree-planting activities

On the National Tree Planting Day in 2020, CIMC Sanctum, a subsidiary of the Company, took the day as an opportunity to organize tree planting activities. At noon on March 12th, the employees who participated in this event picked up shovels and buckets to add splendid greenery to the Sanctum Garden, while also planting hope for a bumper harvest. They used spades to dig pits, planted trees, compacted the soil, watered... New seedlings steadily took root in the land as the processes were completed meticulously. Planting trees is the best low-carbon declaration and action. It is an important part of low-carbon life combining carbon reduction and oxygenation.



CIMC Sanctum's Tree-planting

Strict Control of Pollution Discharge

2020 is the final year of the three-year "Blue Sky Defence" established in the 13th Five-year Plan period. Local governments have successively introduced a series of air quality control measures. At the same time, a series of environmental protection laws and regulations such as the New Solid Waste Law, the Fugitive Emission Standard of Volatile Organic Compounds, and the New List of Hazardous Waste have been promulgated. The regional integration of the ecological environment has been deepening. The environmental protection pressure faced by enterprises has continued to increase, and the frequency of government environmental inspections has soared.

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 to effectively manage emissions and save resources. At present, a total of 11 subsidiaries of the Group have received ISO 14001 environmental management system certification.

The Group has attached great importance to and continued to improve its environment, and has successively invested in upgrading and upgrading spraying waste gas treatment facilities, acid mist treatment facilities, hazardous waste warehouses, and sludge filter press systems. At the same time, the Company has actively responded to the country's requirements for the use of low-VOCs coatings, and has been implementing the "oil-to-powder" transformation to replace oil-based coatings, to achieve VOCs substitution from the source and substantial reduction.

Pollutant Discharge Management System and Goals

CIMC Enric has gradually expanded its business to hydrogen energy equipment, environmental protection (comprehensive utilization of solid waste, hazardous waste disposal), and other businesses in recent years. Along with the continuous extension of the business chain, the production system of CIMC Enric has become more abundant and multifarious, and the type and quantity of on-site hazard sources and environmental factors have increased, so the HSE management work is facing new challenges. We formulated a three-year HSE plan based on CIMC's strategic plan in 2020 to further implement the requirements of relevant laws and regulations, and promote the simultaneous planning and implementation of HSE work and enterprise development. We planned to achieve the following goals (energy conservation and emission reduction part):

CIMC Enric's Three-year HSE Pan (Energy Conservation and Emission Reduction Part)

Indicator	2020-2022 Goals
① Number of major environmental accidents (major complaints or fines)	0
② Completion rate of three wastes emissions target (disposal)	100%
③ Water consumption per RMB100 million revenue (tons/RMB100 million)	Continue to decline by 5% year on year
④ Energy consumption per RMB100 million revenue (ton standard coal/RMB100 million)	Continue to decline by 5% year on year
⑤ Amount of hazardous waste per RMB100 million revenue (tons/RMB100 million)	Continue to decline by 5% year on year
⑥ Emissions of VOCs per RMB100 million (tons/RMB100 million)	Continue to decline by 7.5% year on year
⑦ The Group's contribution to green energy conservation (RMB10,000)	500

At the beginning of 2020, we set a target of 100% compliance rate for each subsidiary's emission treatment to ensure that the discharge and treatment of "three wastes" must comply with national and local environmental laws and regulations. Through regular monitoring, we confirmed that each subsidiary of CIMC Enric achieved 100% emission treatment compliance rate. During the year, we also set targets for environmental performance indicators for 2021:

Indicator	Goals in 2021
Completion rate of three wastes emissions target (disposal)	100%
Energy consumption per RMB100 million of revenue (standard coal/ RMB100 million)	216
Green energy saving contribution (RMB10,000)	500
Number of major environmental accidents	0

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 2020:

- ▶ Indicator traction promotes the subsidiaries to improve the HSE management level. It clarified the HSE performance indicators of various enterprises, undertook the Group's assessment and traction indicators, allocated them to each enterprise one by one according to the actual situation in 2020, and organized the enterprises to implement HSE key research and improvement projects. The professional functions of the special committee were implemented, and subsidiaries were assisted in safety standardization and established HSE management system.
- ▶ Strengthen environmental compliance management and promote green and clean production. It managed and controlled the risks of major environmental violations, promoted the follow-up compliance management of pollutant discharge permits, tracked the discharge of pollutants by key pollutant enterprises, and established a "three-simultaneous" management mechanism. It promoted green and clean production, and tracked the compliance of the enterprise's subsequent storage and disposal of hazardous waste. A progress board for energy-saving and green development projects was established, and a score system was included to encourage enterprises to create or apply for national green factory/green supply chain management demonstration enterprises.
- ▶ Strengthen surprise inspection and implement hazard source control. We organized and carried out the verification and certification of unannounced inspections, conducted HSE compliance certification audit for 100% of ten manufacturing enterprises that introduced the 9+8 system, classified, and analysed the problems found in the flight inspection audit, and managed and controlled important hazards.

The Group regularly conducted identification and evaluation of environmental factors. In 2020, we have identified a total of 131 important environmental factors, effectively controlling possible environmental pollution through the combination of human, material, and management measures, and ensured that our daily operations comply with relevant laws and regulations.

In recent years, we have increased the investment of resources and carried out "green intelligent manufacturing" technological transformation. All technological transformation, research and development have been in accordance with national green environmental protection standards. We have successively implemented the green operation of the pickling process, the construction of a green platform for liquefied gas storage and transportation equipment, and energy and power cost improvement projects, 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 of the year reached RMB25,756,200.



Exhaust emission management

The production process of the Group involved processes such as sandblasting, painting and welding, as well as the use of production equipment such as combustion furnaces, polishing machines, and grinders. The main air pollutants emissions included 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 have regularly monitored and evaluated emission levels 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, and we have been committed to reducing emissions of exhaust pollutants through various emission reduction measures. CIMC Enric has attached great importance to the management of VOCs. 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 can reach 90%. The fugitive emission of VOCs has been effectively controlled, and it is estimated that the annual VOCs emission will be reduced by more than 200 tons. The total amount of VOCs emitted by the Group was 31.28 tons in 2020, with a decrease of 17.24% compared with 2019.

Case

VOCs Emission Reduction and Exhaust Gas Treatment Equipment Upgrade of Nantong Energy

Nantong Energy, a subsidiary of the Company, has made a special design for the coating part of "Packaging Small Cans", and changed the original "paint spraying process" to "powder coating process". The coating material used in "powder coating process" was plastic powder. According to the test report issued by the third-party testing company SGS, its volatile organic compound (VOCs) content was not detected, thus fundamentally achieving the purpose of reducing VOCs.

At the same time, Nantong Energy added two sets of waste gas treatment devices this year to treat the fume and dust generated during the degreasing of the gas cylinder tube using the intermediate frequency furnace and the welding fume generated during the welding process. The two sets of devices adopt a fixed exhaust gas collection system and a mobile welding fume dust collector, which use negative pressure to collect the on-site fume and dust, and then pass through a cyclone dust collector and a bag dust collector. The disposal efficiency of both was above 90%. The unorganized emission of smoke and dust has been reduced by discharging the smoke and dust after centralized and compliant disposal, and compliant production has been ensured.



VOCs Purification Device

Case

Treatment and Alleviation of Acid Mist

The Group implemented an acid mist treatment and alleviation demonstration project in view of the wide distribution of acid mist pollution sources in the pickling workshop, the large number of pollution spots, the large area of pollution, and the difficulty of collection. The project adopted the domestic advanced two-pole spray system to achieve the discharge of acid mist. The circulating pump was used to recycle the pickling liquid, and the acidic waste gas such as nitric acid mist and hydrogen fluoride generated during the pickling process was collected by the gas hood and sent to the secondary alkaline washing spray tower for treatment and then discharged through exhaust cylinders. The acid mist filtration system adopted PLC automatic control, realizing the functions of negative pressure control, automatic spray pickling and defogging. The project has achieved compliance with waste gas treatment, automation of acid collection and treatment, and automation of pickling operations. The emission of nitrogen oxides and fluorides met the Class II standards in the Integrated Emission Standard of Air Pollutants (GB16297-1996). The project reduced the risks of operators directly contacting the pickling waste gas, and solved the problem of unorganized emissions of waste gas from waste gas workshops in the past.



Pickling Workshops

Wet Acid Mist Treatment System

Wastewater Management

The Group has strictly abided by the Law of the People's Republic of China on Prevention and Control of Water Pollution, strictly implemented pollution prevention and control, and has been committed 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 total sewage of the Group was 611,050m³ in 2020, with a decrease of 19.81% compared to 2019, and the sewage discharge intensity was 4,860m³/RMB100 million revenue.

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 adopted two sets of independent pipelines for different types of effluent water to separate industrial water. We have treated the pickling wastewater in the alkaline washing tank, and reused the test water in the water pressure test process to reduce the amount of wastewater treated and discharged.




Case

Upgrade and Improvement of Paint Wastewater Treatment Facilities

CIMC Sanctum, a subsidiary of CIMC Enric, upgraded and improved the water treatment system of the circulating pool. Processes such as flocculation, oil separation, air flotation, anaerobic, aerobic, anoxic, and precipitation were used for treatment, and the water contaminants were fully degraded to ensure stable operation and prevent paint residue from accumulating in the circulating pool. At the same time when the wastewater was treated continuously, the exhausted water quality and the concentration of fugitive volatile organic compounds were effectively controlled, thus reducing paint residue and hazardous waste and effectively reducing environmental risks.



Water Treatment System of CIMC Sanctum

	<p>Reduction in the Amount of Pickling Solution</p> <p>The use of pickling solution reduced by source control has reduced the output of pickling waste water</p>
	<p>Water Treatment Process</p> <p>The overall work flow of the carding and pickling process was fundamentally improved. The normal use of water was ensured.</p>
	<p>Acid Mist Collection</p> <p>Safety and environmental protection requirements were met by collecting pickling waste gas.</p>

Case

Green Operation of Pickling Process

Pickling wastewater may cause soil pollution, and the chromium-containing compounds in it have adverse effects on the human body and the ecological environment. CIMC Sanctum, a subsidiary of CIMC Enric, carried out the green operation transformation of the pickling process. The project ran through the entire process of "acid mist generation and collection-pickling wastewater collection-overall process recycling". The fugitive discharge of acid mist could be effectively controlled through the construction of mobile pickling rooms and the neutralizing of treated reuse water. The project realized 100% reuse of the pickling wastewater in the overall pickling process after treatment, reduced equipment and environmental risks caused by acid mist during the pickling process, and effectively increased water recycling.



Waste Discharge Management

The Group is committed to improving its waste management system further, 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 daily 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 according to its type and attributes.

We have built hazardous waste storage warehouses in accordance with the internal "Hazardous Waste Pollution Prevention and Management Policy" 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 and pollute the environment. We have implemented the entire process of management and control of hazardous waste in accordance with the indicator requirements for standardized construction of hazardous waste to ensure compliance in the entire process from collection, storage to disposal. We have also signed a hazardous waste disposal agreement with a qualified unit, and filled in the transfer form in accordance with the regulations for each transfer. The water content of the sludge has been drastically reduced through the upgrading of the sludge filter press system, effectively reducing the amount of sludge. At the same time, we have taken advantage of the opportunity of developing cleaner production to promote a comprehensive reduction in waste discharge. The hazardous waste reduction effect in 2020 was obvious, with a year-on-year reduction of 723 tons.

Case

Hazardous Waste Reduction and Storage of CIMC Safeway Technology



Sludge Filter Press of CIMC Safeway Technology

CIMC Safeway Technology, a subsidiary of the Company, upgraded the sludge filter press system and adopted a new generation of high-pressure diaphragm filter press to effectively improve the sludge filter press effect. The moisture content of the sludge once formed was reduced from 80% to 40%, greatly reducing the amount of sludge produced. The reduction effect was significant, with a year-on-year reduction of 448 tons. CIMC Safeway Technology upgraded the warehouse equipment for hazardous waste storage. The warehouse door adopted a casement door, and an observation window was installed on the door. The door lock was set according to the dual control over locks, which was equipped with full-angle video monitoring, gas detector, and weighing device. A collection ditch and a collection pool were set around the ground in the warehouse, a cover plate was added above the collection ditch and the collection pool, and the floor of the room adopted glass fibre reinforced plastic anti-seepage measures. At the same time, it invested RMB50,000 in supporting waste gas collection and treatment equipment, and adopted the activated carbon adsorption process. The inspection port and the inspection platform were connected in accordance with the regulations, which met the requirements for the management and control of unorganized emissions of volatile organic compounds.

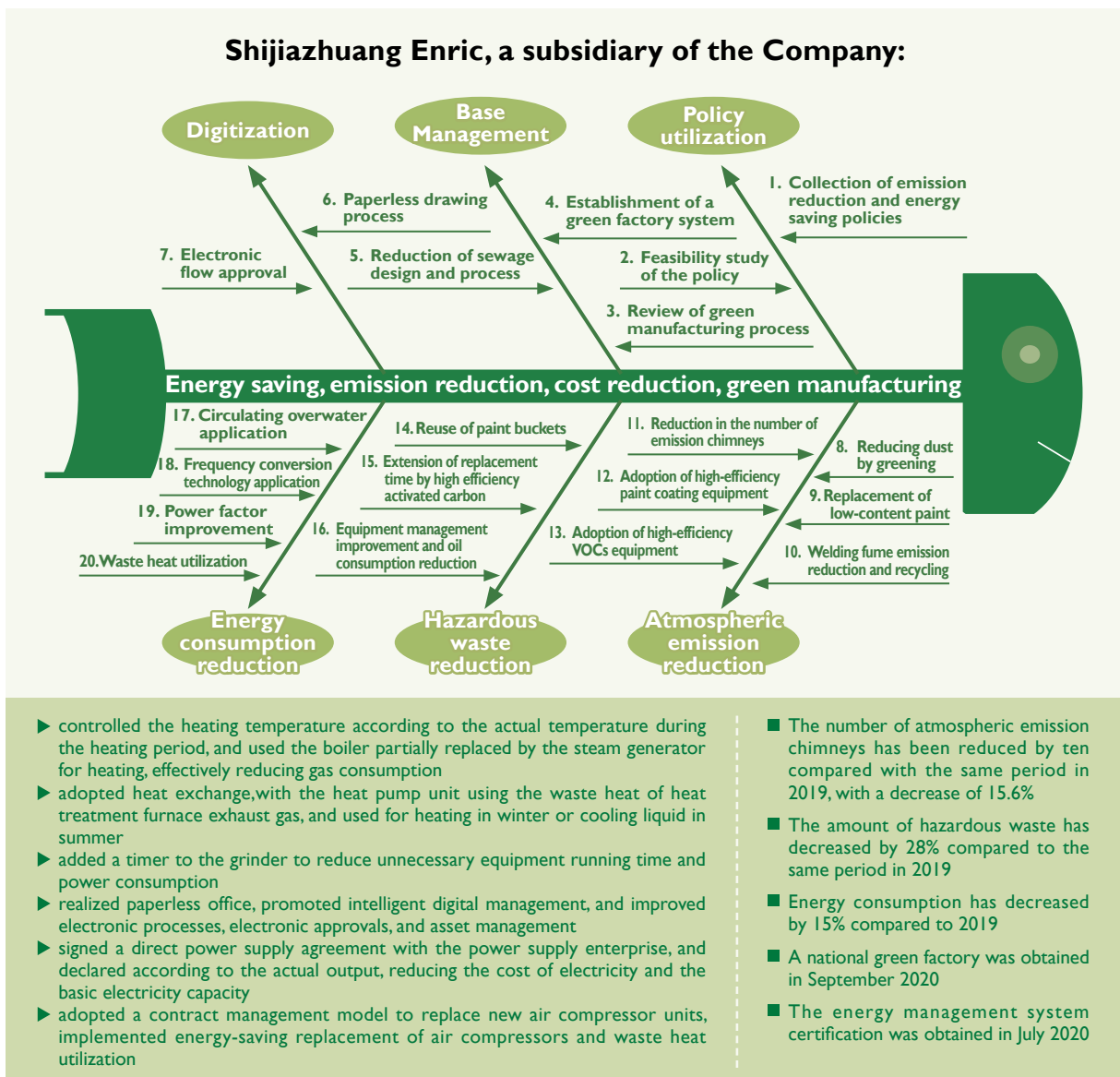
Noise management

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. We have reduced environmental noise pollution, ensured compliance with noise emission regulations, and safeguarded people's wellbeing through technical measures such as rationalization of the layout, improvement of processes and techniques, and installation of sound insulation and noise reduction facilities. Nantong Energy, a subsidiary of the Company, has improved the manufacturing process and craftsmanship during the manufacturing process of the outer cylinder, reducing the original process of knocking in the manufacturing process, thereby reducing the generation of noise. The noise was reduced from 117dB before improvement to 82dB after improvement. CIMC Hongtu, a subsidiary of the Company, has added noise reduction equipment to reduce the suppressed exhaust noise during the manufacturing process from 110dB to 90dB.

Resources Conservation

CIMC Enric is dedicated to optimizing its operational efficiency to ensure the effective use of resources. We compile and publish details of a number of environmental protection and energy management systems, policies including "Management Regulations for Dynamic Energy", "Management Regulation on Use of Water, Electricity and Gas", "Equipment and Energy Awards and Punishment Regulation", "Detailed Rules of Equipment and Facilities Management". There are a total of 21 management systems related to resources conservation. We also carry out regular checks to evaluate and monitor resource usage to reduce consumption of water, electricity, fuel, and other resources.

The Group understands the importance of managing the use of resources effectively and has actively implemented various energy saving and consumption reduction measures during the year to build a green production culture. We also conduct on-site inspections and communication on the implementation of energy - saving projects of subsidiaries, and they share excellent energy-saving cases at the HSE regular meetings to further deepen energy conservation and consumption reduction. In 2020, subsidiaries of the Company launched a total of 43 energy-saving and green development projects. The actual contribution in green energy savings was RMB8.512 million in the year. The following are main energy saving and consumption reduction measures taken in 2020:





Langfang Integration, a subsidiary of the Company:

It independently realized the energy-saving transformation of a large-scale drying furnace, and reduced the power consumption based on the current status of the business

It combined the daily maintenance of the lighting fixtures in the workshop, and gradually replaced them with new energy-saving lamps, thus reducing power consumption

Nantong Port Development, a subsidiary of the Company:

It changed the operation of trucks in the wire short transfer operation to tractor operation, optimized the terminal operation process and reduced the frequency of forklift usage

The Group's total energy consumption in 2020 is 24,471.94 tons of standard coal ("Tonnes of Standard Coal"), with electricity, gas, and fuel accounting for 62%, 34% and 4% respectively. The comprehensive energy consumption intensity is 194.83 tons of standard coal/RMB100 million revenue. See the Environmental Performance Data Sheet at the end of this chapter for details.

In terms of water resources management, the Group has been committed to strengthening the reuse of industrial and domestic wastewater; improving water resource utilization efficiency through recycling, and reducing sewage discharge at the same time. The total water consumption in 2020 is 1316.16m³, including industrial water consumption and domestic water consumption, with a decrease of 12.83% from 2019. The water intensity is 10,480m³/ RMB100 million revenue. The Group did not have any problems in obtaining suitable water sources during the year.

Our operations do not involve the consumption of a large amount of packaging materials, and its proportion of enterprise costs is also extremely low, so this report does not disclose the amount of packaging materials used for the time being. We will consider including them in the scope of data collection if the use of packaging materials increases in the future.

Environmental Performance Data Sheet

		Unit	2020	2019	2020/2019 data comparison	Data intensity per RMB100 million revenue in 2020	
Resource consumption	Total energy consumption	Ton of standard coal	24,471.94	21,580.00	13.40%	194.83	
	Electrical Consumption	Total Consumption	Mega Watt Hour	123,785.45	94,214.8	31.39% ³	985.50
		-Power consumption in office area	Mega Watt Hour	10,279.90	—	—	81.84
		-Power consumption in production area	Mega Watt Hour	113,505.55	—	—	903.67
	Oil consumption	Total oil consumption	Thousand Litre	750.93	899.72	-16.54%	5.98
		-Petrol	Thousand Litre	225.72	—	—	1.80
		-Diesel	Thousand Litre	525.21	—	—	4.18
	Gas	Thousand m ³	8,134.93	6,771.61	20.13% ⁴	64.77	
	Total water consumption	Thousand m ³	1,316.16	1,509.95	-12.83%	10.48	

Discharge Amount	Exhaust gas	Sulphur Dioxide (SO ₂)	t	0.49	—	—	0.00388
		nitrogen oxides	t	4.39	—	—	0.0349
		Particulate	t	13.47	—	—	0.107
		Volatile Organic Compounds (VOCs)	t	31.28	37.79	-17.24%	0.249
	Greenhouse gas	Total greenhouse gas emissions	tons CO ₂ e	107,923.35	90,752.00	18.92%	859.22
		-Direct greenhouse gas emissions	tons CO ₂ e	19,729.35	17,685.41	11.56%	157.07
		-Indirect greenhouse gas emissions	tons CO ₂ e	88,194.00	73,067.25	20.70% ²	702.15
	Sewage	Total sewage discharge	Thousand m ³	611.05	761.97	-19.81%	4.86
		-Domestic sewage	Thousand m ³	232.56	—	—	1.85
		-Industrial wastewater	Thousand m ³	378.49	—	—	3.01
	Hazardous waste	Total hazardous waste	t	1,287.26	2067.00	-37.72% ⁶	10.25
		-Waste paint slags	t	324.60	—	—	2.58
		-Waste paint bucket	t	204.62	—	—	1.63
		-Waste engine oil	t	89.78	—	—	0.71
		-Waste chemical reagents	t	16.38	—	—	0.13
		-Spent activated carbon and filter cotton	t	85.39	—	—	0.68
		-Used batteries	t	4.73	—	—	0.038
		-Waste oily rags	t	0.04	—	—	0.00032
		-Sewage treatment station sludge	t	538.19	—	—	4.28
		- Others	t	23.54	—	—	0.19
	Non-hazardous Waste	Total non-hazardous waste	t	25,473.79	24,848.00	2.52%	202.81
		-Scrap metal materials	t	21,971.97	—	—	174.92
		-Waste wood	t	128.80	—	—	1.03
		-Household garbage	t	2,464.08	—	—	19.62
		- Others	t	908.94	—	—	7.24

³ Since more environmental protection facilities were put into operation in 2020, and new businesses (utilization of solid waste resources) and new products (CIMC SOE wind power products) were introduced, the company's total power consumption and indirect greenhouse gas emissions this year have increased compared to 2019.

⁴ This year, the scope of disclosure in this report included 3 more companies, making the gas consumption higher than 2019.

⁵ Greenhouse gas emissions calculations:

Direct greenhouse gas emissions: a company's consumption of oil and gas multiplied by the corresponding emission factor. For emission factors, please refer to the 2012 Baseline Emission Factors for Regional Power Grids in China;

Indirect greenhouse gas emissions: a company's electricity consumption multiplied by the corresponding emission factor;

Total greenhouse gas emissions: the sum of direct greenhouse gas emissions and indirect greenhouse gas emissions.

⁶ As some member companies (CIMC Safeway Technologies, Shijiazhuang Enric, etc.) adopted effective measures to reduce hazardous waste this year, the amount of hazardous waste generated has been greatly reduced.

11 SUSTAINABLE CITIES AND COMMUNITIES



8 DECENT WORK AND ECONOMIC GROWTH



4 QUALITY EDUCATION



1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 Put People First for All-win Harmony

CIMC Enric values the safety and health of its own employees and contractors, and adheres to the safety commitment of "people-oriented and safe development". We are committed to reducing occupational safety risks in the operational processes and offering a safe and comfortable working environment. In active response to the Goals 1, 3, 4, 8 and 11 of UN's 2030 Agenda for Sustainable Development, we regard talents as the source of corporate competition, respect every employee equally, continuously develop their skills and expertise, and create a better future with them. In addition, we organize and participate in diversified community public welfare activities, focusing on fighting against the epidemic, community participation, targeted poverty alleviation, and voluntary services. During the year, the Group donated RMB699,500 altogether.

Occupational Health and Safety

Pay Attention to Occupational Health

Employees are exposed to different degrees of occupational health risks during operations. We arrange medical examinations for high-risk positions every year to identify health issues early. The occupational health coverage rate of personnel in high-risk positions has reached 100%, and the summary report of occupational health medical examinations has been obtained. Among the employees who had undergone the medical examinations, no occupational-disease employees were found. The Group carries out improvement projects for noise and welding fume to reduce the related risks.



Noise treatment

- CIMC Hongtu carried out production-oriented noise improvement, including gas-tight test evacuation noise reduction improvement, gas replacement evacuation noise reduction improvement and gas gouging noise reduction improvement
- Nantong Energy conducted assembly noise control improvement
- Nantong Food carried out noise improvement, and effectively reduced noise by making sound insulation boards for cutting and polishing processes
- Shijiazhuang Enric carried out the exhaust noise improvement of cryogenic bottle pressure test by making silencers



Welding fume regulation

- CIMC SOE improved the welding fume purification device of the plasma cutting machine and more than 95% of welding fume could be effectively sucked away
- Bengbu Compressor, through the installation of the overall professional smoke removal system, reduced the smoke and dust generated in cutting and welding process
- Nantong Energy carried out non-organized smoke collection and improvement by installing welding fume collection equipment
- Nantong Food purchased a batch of mobile welding fume dust removers, which obviously reduced the welding fume
- Shijiazhuang Enric carried out welding fume control of medium-pressure products by increasing the area of welding fume collection to improve the rate of welding fume collection and reduce occupational health injuries on 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 ISO45000 standards. We have added 62 new occupational health and safety management systems, which detail the Company's management policies and clarify departmental responsibilities. We have also standardized responsibilities of the management and subordinate employees to implement measures to effectively mitigate risks and protect employee's safety.

The Company's Lean Management Department and the HSE Department conduct an internal audit of quality and environmental occupational health and safety system at least once a year to ensure that the current operations meet the system requirements and are effective. In 2020, a total of 11 member enterprises of the Group obtained OHSAS 18001: 2007 Occupational Health and Safety Management System certification, and 10 companies passed the Group's health, safety, and environmental compliance certification audit.

In 2020, CIMC Enric undertook the assessment indicators and traction indicators of CIMC and broke them down to member enterprises one by one according to the actual situation in 2020. CIMC Enric organized enterprises to implement HSE key research and improvement projects, and shared excellent typical project cases at HSE regular meetings of the Group.



Safety Measures Implementation

In 2020, the Group strengthened surprise inspections and took the following measures:

- 1 We implemented the "Four Nos and Two Straights" and focused on the on-site surprise inspections on the management of related parties, lifting operations, repair operations, high-altitude operations, three-level safety education for new employees, and certificate-holding of special equipment operations;
- 2 We organized internal and external experts to carry out unannounced inspections of various enterprises, and carried out on-site surprise inspections of some projects in different places;
- 3 We organized the chief inspector and above-level staff to participate in the cross inspections of hazard sources among enterprises, to improve their participation in HSE;
- 4 Before the festival, we launched the "day-to-day inspection of core cadres of enterprises" and enterprises needed to summarize the inspection results of cadres every week to avoid formalism.

At the same time, the Group carried out the verification and certification of unannounced inspections. We invited internal HSE specialists of the Group to verify the HSE compliance of 100% of 10 manufacturing enterprises that had introduced the 9 + 8 system. We also organized the verification and spot check of annual HSE investment projects of subsidiaries to ensure the effective implementation of investment. We classified and analysed the problems found in each unannounced inspection review and on-site surprise inspection to find common problems, and applied the results to our quarterly assessment of subsidiaries.

The Group implemented the management and control of hazard sources, and continuously pushed forward the improvement project of lifting operations of subsidiaries, and the number of accidents above serious injury during lifting operations was 0. We standardized the wearing of labour protection articles and promoted the improvement of occupational health issues such as noise and welding fume. We launched the confined space operation improvement project, organized joint investigation and identification of improvement lists for confined space operations, and completed the first batch of improvement.

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

- ▶ We strengthened the qualification review of related parties, focusing on the review of the enterprise's qualification validity, safety management agreement, safety management capability, special operation qualification, production operation plan, work injury insurance certificate and other information;
- ▶ We strengthened the safety training and education for employees entering the Group, and the personnel of all external units shall not enter the Group until they have passed the training, examination and safety disclosure;
- ▶ We strengthened the supervision over the on-site operation safety of related parties, and assessed the operation and 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 for one enterprise;
- ▶ Besides, we held regular meetings for the coordination of related parties, and conveyed the requirements of government departments for safety, environmental protection, fire protection and occupational health prevention and control.

Develop Safety Skills

In 2020, the Group formulated safety training plans to carry out various safety education and training. 181 people participated in the three-level safety education of the Group, and 100% of the training files were established. 80 people were trained in the safety management qualification of middle-level and higher-level management cadres and obtained certificates, including all of the special operation personnel and special equipment operators. We conducted various special trainings, such as safety management knowledge training for shift leaders, trainings of double-beam crane, rotating equipment, pressure test, confined space operation, safety knowledge on heatstroke prevention and cooling, and safety knowledge training of electric tools, and other training programs, with 100% training coverage.

In addition, we completed other safety-related training according to the HSE priorities, including hazard source identification and hierarchical control training, "behaviour observation and communication" promotion training, training after the revision of emergency plan for production safety accidents, "GangzhaAnbao" training led by the government, and special national emergency law popularization training, "Fire Month" training, "Occupational Health Publicity Week" training.

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

- ▶ We continued to launch safety pledge activity for employees for a new year, selected and rewarded 30 excellent employees, and created a good safety cultural atmosphere;
- ▶ We carried out pre-festival HSE committee members' post-festival safety 100 activity and daily leadership activities for cadres' sense of responsibility to enhance cadres' HSE awareness;
- ▶ We launched the appraisal and reward activity for proposals on potential hazards to encourage employees to identify potential hazards and truly recognize the importance of safety;
- ▶ We advanced the safety construction of teams and groups, selected excellent safety teams of the Group, and promoted the enterprises to strengthen the pre-job and on-the-job training of employees and the apprenticeship mechanism.

Measures to improve HSE capacity:

- We organized to guarantee and identify the HSE professional staffing of each member enterprise, and promoted the improvement to ensure the professional level of HSE organization capability.
- We set up HSE expert database of CIMC Enric, and provided special training and on-site guidance for the improvement of HSE management of subsidiaries.
- We organized HSE management personnel to receive centralized capacity improvement training, invited internal and external experts to give lectures, so as to improve the basic technical ability and management level of HSE management personnel.
- We also carried out "Safety and Life Protection Regulations" and STOP 5S activities, continuously conducted anti-violation activities in teams and groups, and strengthened violation management.
- In addition, we cooperated with CIMC to build an HSE digital platform for pilot operation of enterprises.

Case

Customer orientation, strong cooperation - CNPC Transportation Company invited Shijiazhuang Enric to carry out safety production management training

In December 2020, CNPC Transportation Company invited Shijiazhuang Enric, a subsidiary of the Company, to provide training for CNPC's safety production equipment management personnel to improve the customer's vehicle management level and prevent safety and environmental accidents caused by inadequate management. On 14 December, Shijiazhuang Enric held a training seminar on the operation and maintenance of gas transportation vehicles for nearly 100 managers from gas transportation units across the country in the training building of Beijing Dispatching Center of CNPC Transportation Company.



Safety production management training of Shijiazhuang Enric



Improve Safety Level

In 2020, the Group revised and improved the Emergency Plan for Production Safety Accidents, organized expert review and submitted it to the government for filing. During the year, we organized and formulated the emergency drill plan, and carried out more than 100 emergency drills for fire protection, safety and environmental protection, involving more than 2,000 participants.

In addition, we further improved the on-site emergency material reserve, and reserved corresponding emergency rescue materials according to the place where the risk occurs, including emergency rescue facilities in infirmary, emergency rescue materials for key parts, micro fire station, and special emergency material cabinets in the production area.

In 2020, there was no violation of relevant laws and regulations that had a significant impact on us.

We summed up the experience and lessons of HSE accidents in 2020, undertook the HSE policy and objective plan of CIMC in accordance with requirements of national and local laws and regulations on HSE, and effectively implemented the core values of “compliance, safety and health, green operation”. Based on HSE expectations, the HSE Committee of CIMC Enric has determined the HSE policy and objective management plan for 2021. HSE policy of CIMC Enric for 2021:

- | | | | |
|--|--|---|--|
| <p>1 Indicator traction promotes the enterprises to improve the HSE management level.</p> | <p>2 Strengthen environmental compliance management and promote green and clean production.</p> | <p>3 Strengthen surprise inspection and implement hazard source control.</p> | <p>4 Continue to promote the construction of HSE culture and improve the HSE risk prevention and control capability of personnel at all levels.</p> |
|--|--|---|--|

The Group's occupational health and safety-related indicators for 2021 are set out in the table below:

<p>● Specific indicator</p> <p>● Goals for 2021</p>	<p>Number of work death accidents/number of workers killed</p>	<p>Number of serious injury accidents/number of persons with serious injury</p>	<p>Number of major fire accidents (loss over RMB200,000)</p>
<p>Number of major environmental accidents (major complaints or fines)</p>	<p>Number of product safety accidents</p>	<p>HSE compliance audit coverage rate of manufacturing enterprise</p>	<p>Number of new occupational-disease-inductive employees (after 2014)</p>
<p>Number of important hazard source</p>	<p>Accident rate of 1,000 persons (including accidents of work death, serious injury and minor injury)</p>	<p>Number of personnel exposed to occupational hazards</p>	<p>HSE improvement topic number</p>
<p>0</p>	<p>0</p>	<p>100%</p>	<p>0</p>
<p>543</p>	<p>0.64‰</p>	<p>3135</p>	<p>46</p>

In recent years, along with the continuous extension of the business chain, the production system of CIMC Enric has become more abundant and multifarious, and the type and quantity of on-site hazard sources and environmental factors have increased, so the HSE management work is facing new challenges. In order to further implement the requirements of laws and regulations on safety production, fire protection and occupational health prevention and control, and promote the synchronous planning and implementation of HSE work and enterprise development, we, according to the strategic planning of CIMC, formulated the three-year plan for HSE of CIMC Enric in 2020.

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

	Indicator	Goals for 2020-2022
1	Number of work 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	Safety & Fire Control 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- inductive employees (after 2014)	0
8	Number of personnel 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

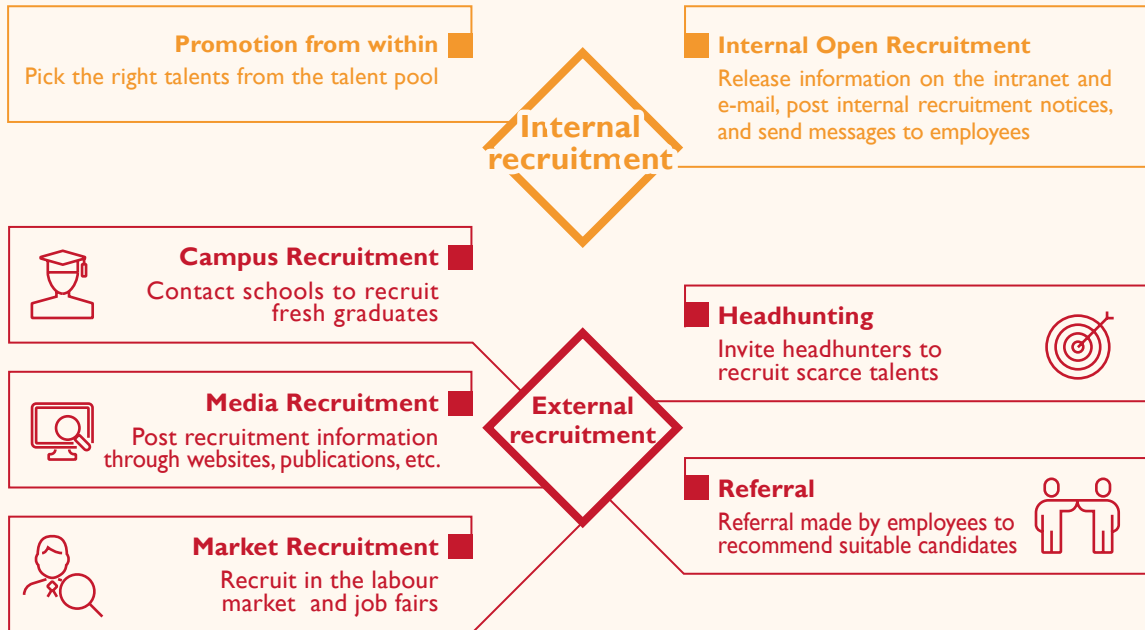
Human resources planning is fundamental to our recruitment policy. The Group defines the targets of headcount, structure optimization, and employees' capability improvement to provide the basis for human resources planning.

We are committed to improving the governance structure of human resources. In 2020, CIMC Enric revised 5 management approach documents related to human resources to propel the Group's development and growth. In 2020, we revised management approach documents related to human resources, including Administrative Measures for Internal Talent Flow of CIMC Enric Holdings Limited, Hong Kong Employee Handbook of CIMC Enric Holdings Limited, Guidelines on Delegation of Authority for Cadre Management of CIMC Enric Holdings Limited, Supplementary Provisions on Rejuvenation of Cadres of CIMC Enric Holdings Limited and Detailed Rules for Grading Standards and Appraisal and Scoring of Engineering and Technology Proficiency of CIMC Enric Holdings Limited. CIMC Enric abided by relevant laws and regulations, and formulated relevant labour contract system, recruitment management system, employment management system and employee handbook of the Group in accordance with the law.



Diversified Recruitment Platform

We make talent introduction plans based on the annual strategy and business plan, and recruit employees through websites, headhunters and internal referrals. If a position is needed to be filled urgently due to employee changes, business changes, etc., relevant departments can propose recruitment after evaluation and review.



Response to labour shortage

For the front-line production personnel, with the subsiding demographic dividend, the great development of the central and western China, and the rise of the tertiary industry, most enterprises are struggling to overcome the shortage of human resources, resulting in an intensifying battle for the labour force. "Difficulty in recruitment" is becoming a commonplace situation in enterprises at present and in the future. The Group will gradually overcome the difficulty in recruitment through the expansion of recruitment channels, the coordination of production capacity and the automatic transformation of production lines.

For management and technical personnel, the Group will face the retirement of old employees in the next few years, and young key designers needs to grow and improve further. To tackle this challenge, we have adopted the policy of rehiring retired backbone engineers while strengthening the cultivation of young people, and improving their capability through training and skill learning. Through KPI improvement, we have established targeted incentive policies to motivate employees to take initiative in work.

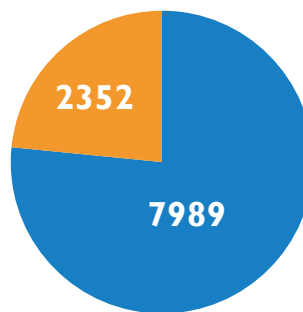
Prohibition of child labour and forced labour

CIMC Enric has formulated internal labour security rules and regulations, including "Human Resources Management System", "Leave Management Measures" and "Overtime Management Measures". The Group has never used child labour or recruited underage workers, and strictly verifies the identity of applicants during the recruitment process to ensure that minors are not employed. We respect the human rights of employees, prohibit the employment of child labour and forced labour, and prohibit the "black" work phenomenon of "recruiting in the factory first and handling the procedures afterwards". The Company's Safety & Environment Department and Human Resources Department make random checks from time to time. Once found out, 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 of such phenomena and ensure the legality and compliance of employment to the maximum extent.

Staff composition

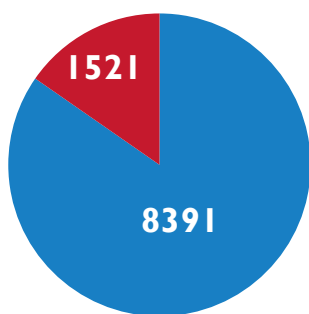
As of December 31, 2020, the Group had 10,341 employees, including 7,989 contract workers and 2,352 dispatched workers, with a male to female ratio of 17:3. Our employees were mainly between the age 31 and 40, accounting for about 46% of all employees. We employed 10 people with disabilities and 189 ethnic minorities, 57 new graduates, 1,170 new social people and 3 interns⁷. In 2020, employee turnover of the Group was 1,163, with an overall turnover rate of 11.25%.

Employment type distribution (person)



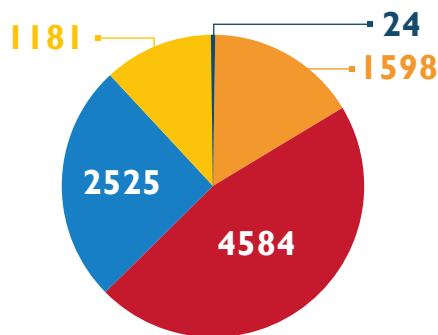
■ Contractual ■ Other employees

Gender distribution of employees (person)



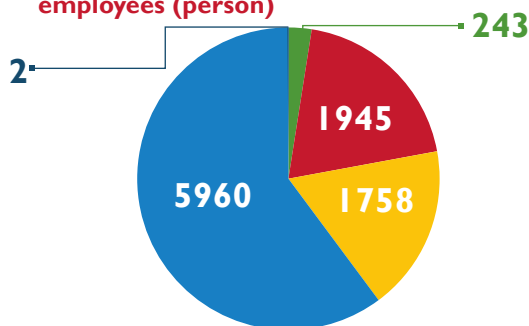
■ Male employee ■ Female employee

Age distribution of employees (person)



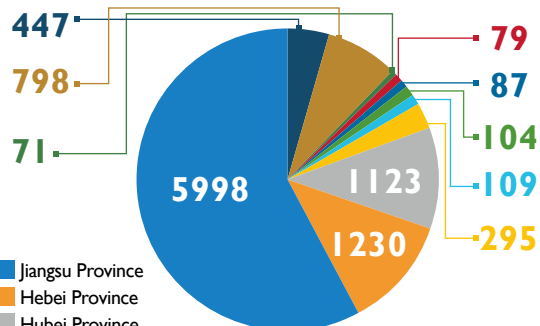
■ 18~20 ■ 21~30 ■ 31~40
■ 41~50 ■ Over 51 (inclusive)

Educational background distribution of employees (person)



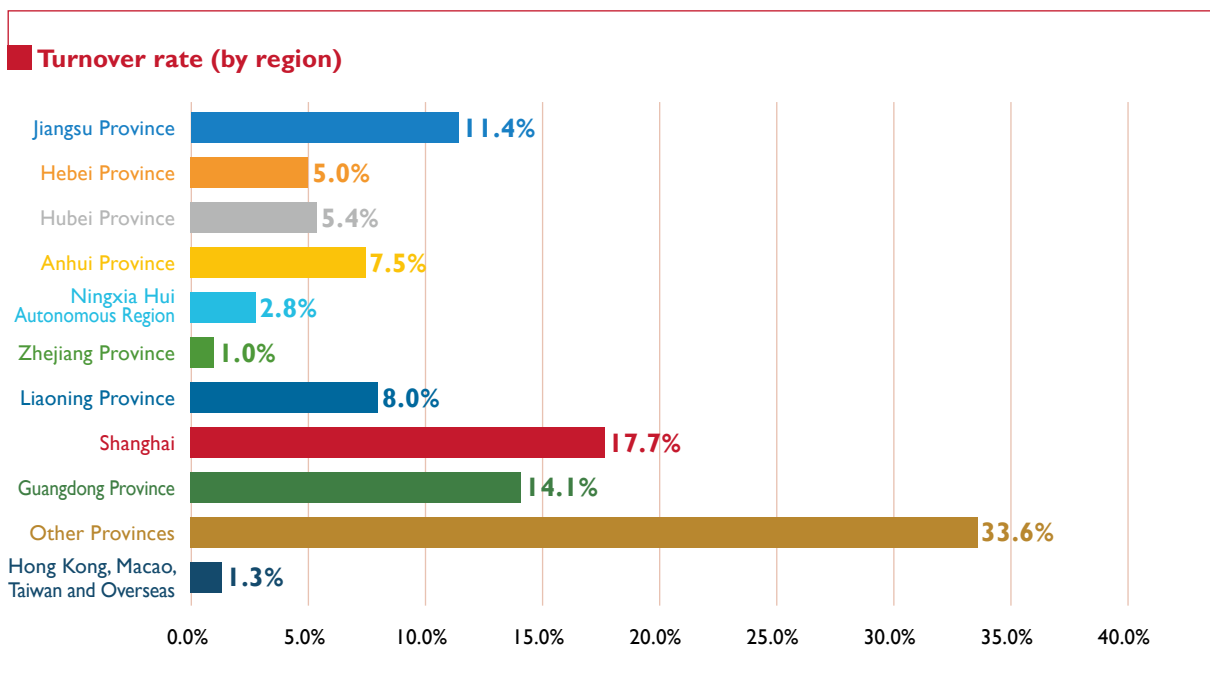
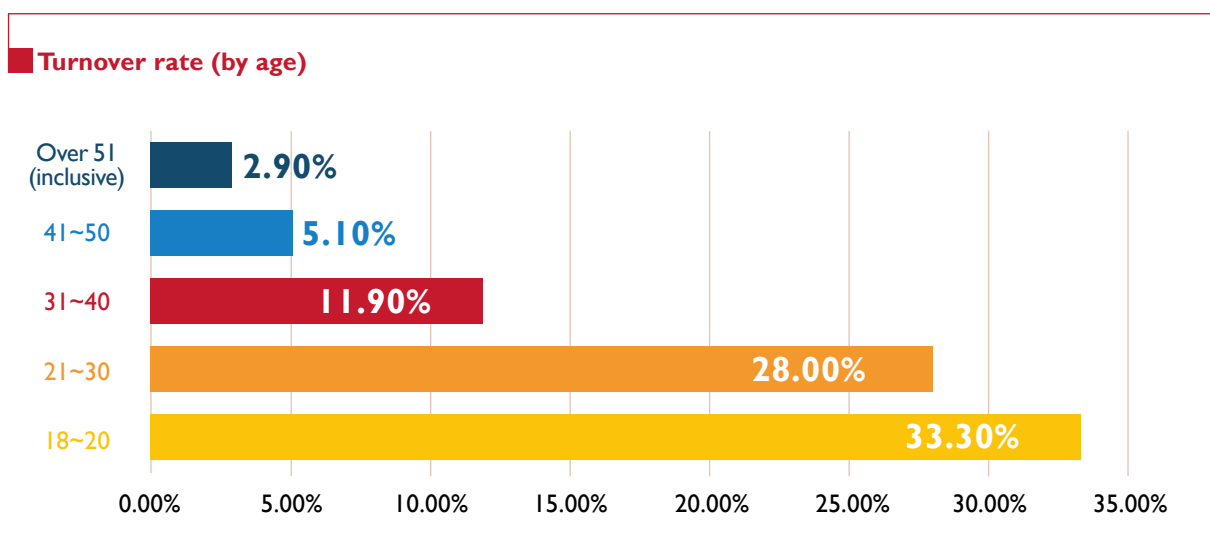
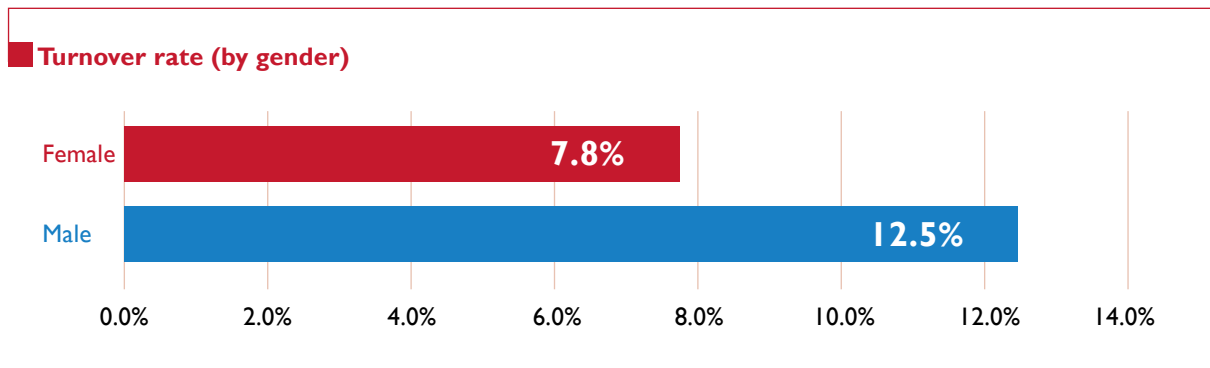
■ Doctoral degree ■ Master degree
■ Bachelor degree ■ Junior college degree
■ Senior high school degree or below

Region distribution of employees (person)



■ Jiangsu Province ■ Hebei Province ■ Hubei Province ■ Anhui Province ■ Ningxia Hui Autonomous Region ■ Liaoning Province ■ Shanghai ■ Zhejiang Province ■ Guangdong Province ■ Other Provinces ■ Hong Kong, Macao, Taiwan and Overseas

⁷ Except for the distribution of employees by type of employment and the distribution of employees by region, other distribution statistics (including gender, age, educational background, etc.) do not include the number of overseas employees, the same as below.



Employees' Rights Protection

CIMC Enric earnestly 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 clearly indicate 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 working hours, holidays and leaves rules, encourage employees to complete work within standard working hours and strictly limit overtime, and give overtime pay as required. We pay the social security and housing provident fund for all regular employees in accordance with the law.

The Group has established a complete remuneration management system, and benchmarked against the remuneration of the industry in the same region in the market every year. The remuneration system links the total salary with the output value and profit of the enterprise, so as to realize the win-win result between the employees and the enterprise, which ensures the market competitiveness externally, and ensures the fairness and impartiality internally.

In order to fully stimulate the employees' enthusiasm for work, further strengthen the linkage between employees' remuneration and the Group's performance, and guide all subsidiaries and departments to do a good job in staffing and remuneration distribution level by level, we dynamically adjust the bonus distribution besides basic remuneration, give employees incentives in a timely and appropriate manner, enhance employees' awareness of performance growth and salary increase, and make employees' work more focused. Meanwhile, in order to encourage the senior management and key personnel to pay close attention to the long-term benefits of the Group and realize the long-term development objectives, we have implemented restricted stock incentive plans and equity incentive plans. Due to the great differences in business types and work types of employees, the Group implements multi-level and more targeted employee incentive plans, such as "Incentive Plan for Output of Front-line Workers", "Incentive Plan for After-sales Service Personnel", "Incentive Plan for Personnel of Engineering Project" and "Evaluation and Incentive Plan for All Employees".

Case

Shijiazhuang Enric organized the 10th phase of employee mutual aid donation activity

In order to carry forward the humanitarian spirit of "when one encounter difficulties, all will provide support" and demonstrate the social responsibility of the company, Shijiazhuang Enric Trade Union organized the 10th phase of employee mutual aid donation activity on November 23. The trade union earnestly interpreted, publicized, and mobilized the relevant policies of the 10th phase of employee mutual aid activity in the form of email, office platform and WeChat working group. The activity was strongly supported by the branches and departments and actively participated by the employees.



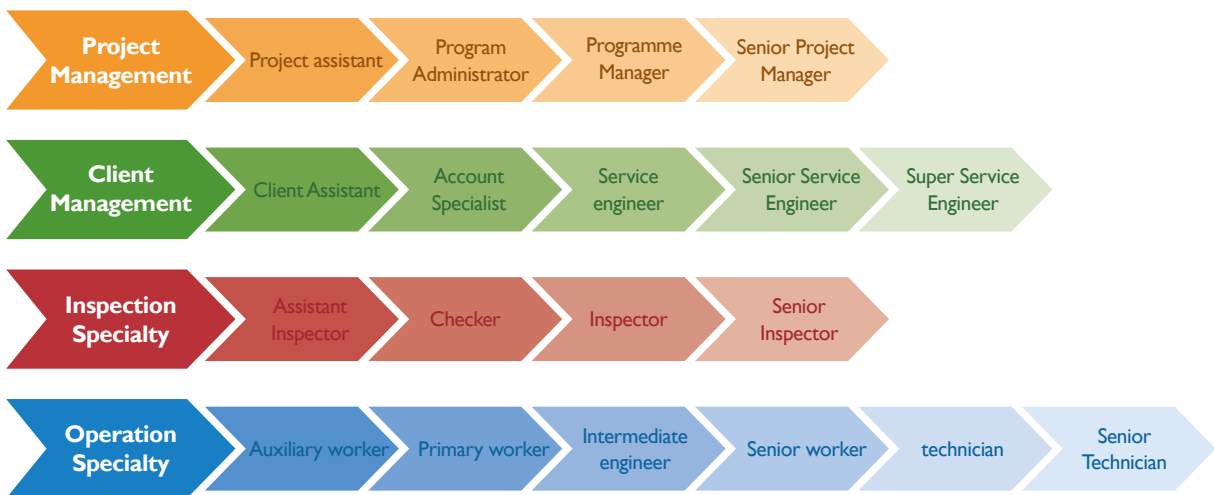


Training and Development

CIMC Enric understands product excellence comes from excellent teams, and regards talents 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 next year according to the company's development objectives, the latest industry standards and knowledge, management goals, etc., and follows up on the implementation and evaluates the outcome of the training monthly. The training is conducted in different ways, including internal and external training, as well as online platforms to continuously improve the professional and general skills of employees.



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.



At the beginning of the year, the Company's member enterprise CIMC Safeway Technology developed an annual training plan based on the talent training needs. In the face of the sudden impact of the epidemic, when it was difficult to carry out external training programs, CIMC Safeway Technology timely adjusted the training ideas, and promoted the regular online and offline learning mechanism. It launched an online management learning platform, with 200 learning accounts and more than 100 public courses available. The accounts were used by turns and learning circles were formed, accumulating online learning hours of over 7,000 hours. Offline, it adopted the method of customized special learning classes. It has set up five special courses on production management (two phases), newly appointed management personnel, improvement of business English, and orientation training for new cultural cadres, with more than 500 participants. The member enterprise CIMC SOE focused on the training of certificates and professional knowledge and skills. As of the end of November, a total of 734 persons attended the training of certificates for 7,267 hours; and 1,231 persons attended the training of professional knowledge and skills for 3,574 course hours.



In addition, CIMC Enric has actively developed training resources, cultivated the internal training team, and further deepened the training of talents. In the annual Lean Lecturer Competition organized by CIMC Safeway Technology, it consolidated the lean knowledge, and trained a large number of qualified lean management lecturers while summarizing, consolidating, and spreading lean culture. The member enterprise CIMC Sanctum has formulated the Internal Lecturer Management Regulations. At present, the company has 14 internal lecturers, and has completed 65 courses in 2020 according to the annual internal training plan of the department. There are 26 professional skill lecturers who provided training for the annual open course plan and new employee training plan, and completed 35 courses in 2020.



Number of employees participating in training and duration

Employee Category		Number of employees participating in training	Proportion	Total training duration (hours)	Per capita training duration (hours)
All employees (Employees of overseas enterprises are not included)		9,912	100%	159,282.42	16.07
Staff by gender	Male	8,391	100%	133,908.10	15.96
	Female	1,521	100%	25,394.32	16.70
Divided by level	Senior management	104	100%	1,847.57	17.77
	Middle management	523	100%	12,818.14	24.51
	employees	9,285	100%	144,656.71	15.58



Internal training situation

Internal trainer category		Number of internal trainers	Times of course	Course duration
Total quantity		125	337	2,727.5
Staff by gender	Male	96	283	2,647.5
	Female	29	40	80

Case

Promotion and scholarship mechanism to help employees realize their dream to study in university

In August 2020, the member enterprise CIMC Safeway Technology launched the "Front-line Lean and Skilled Talent Education Promotion and Incentive Program". The program encouraged key employees to apply for adult education and improve their educational background, and the company paid full tuition to eligible employees to help them improve their knowledge and skills and obtain academic certificates. Through registration, review, approval, and other processes, 10 excellent skilful and lean talents were successfully included in the first batch of incentive policy list, including 6 with high school degree and 4 with college degree. The majors applied by employees mainly focused on electromechanical integration, mechanical design, manufacture and automation, electrical engineering, and automation, which were closely related to the company's business development and technical needs, allowing employees and the company to grow together in an authentic way.

Employment Engagement

CIMC Enric adheres to the principle of "people-oriented" and communicates with employees on a regular basis. Each member enterprise sets up a trade union and holds employee representative meeting from time to time. We have established employee communication channels. For example, we have set up the email box for the general manager, and conducted the satisfaction survey on administrative logistics IT. We handle all kinds of issues between employees and the company in time, and guarantee the stability of the staff team.

In order to improve the welfare treatment of employees, enhance the cohesion of the company and strengthen the sense of belonging of the employees, we provide care and support for employees in various aspects:

- ▶ In terms of the company's system building, we formulate the flexible office working mechanism to meet the individualized needs of employees.
- ▶ As for employee benefits, in addition to providing statutory five social insurances and one housing fund for employees, we also purchase supplementary commercial insurance for employees and their families. We provide transport subsidies, communication subsidies, holiday subsidies, tourism subsidies and other benefits to improve employee satisfaction and sense of belonging. As for cadres dispatched from other places, we provide housing subsidies and family visit subsidies, and visit their family on a regular basis, so as to actively solve the problems such as household registration and children's schooling.
- ▶ In terms of occupational health, we organize all employees to participate in the medical examinations every year. For special types of work, occupational health medical examinations will be organized every year, and pre-job, on-the-job and off-job occupational health medical examinations are carried out and the results are managed dynamically. For the senior leaders of the enterprise, we formulate the health management project, and timely follow up the health status of the leaders above the general manager level and pay attention to them.

The Group has established a sound employee care mechanism. During the hot season from June to October, the labour union and company leaders will lead the department heads to deliver cooling supplies to the front-line workers. We will prepare flowers and small gifts for female employees on Women's Day, get-together for single employees on Chinese Valentine's Day, and gifts for employees on Mid-Autumn Festival and Spring Festival. We also organize employee exchange activities such as basketball games and walking activities within the enterprise or between enterprises.

Hubei employees of Nantong CIMC Enric Food Equipment Co., Ltd. returned to work safely



Since the outbreak of COVID-19, company leaders of Nantong CIMC Enric Food Equipment Co., Ltd. and all employees have been particularly concerned about the health and safety of several Hubei colleagues at the centre of the epidemic. After returning to work, the company designated a bus to pick up them, and made thoughtful arrangements for each room and board.

Party branch of CIMC Sanctum organized the youth get-together activity of "Romantic Meeting on Chinese Valentine's Festival"



The Party branch of CIMC Sanctum and the non-public party working committee of the bonded zone (Jingang Town) jointly launched the second-phase offline Sanctum special session of the youth get-together, and more than 30 young people from various enterprises and public institutions in the district and town participated in the activity.

CIMC Safeway Technology launched Women's Day Solicitude Activity



On March 6, CIMC Safeway Technology sent beautiful flowers and holiday greetings to its female employees, and expressed the sincerest wishes to all female employees with concrete actions.

CIMC Enric held the first cooking competition



At the headquarters of CIMC Enric, the first cooking competition was held. This activity aimed to improve the cooking motivation and operational ability of colleagues, while encouraging everyone to try to eat at home during the holiday.

In 2020, during the epidemic period and work resumption, we conducted a series of employee care activities:

- ▶ Jingmen City Duodao People's Hospital entered CIMC Hongtu, a subsidiary, and gave a special lecture on psychological guidance for epidemic prevention and control to all employees of the company through on-site teaching and demonstration.
- ▶ CIMC Safeway Technology participated in the "point-to-point" return of non-local employees organized by the Nantong government. CIMC Safeway Technology set up the "observation isolation room" for the workers returning to Nantong, provided them with epidemic prevention supplies and snacks, and assigned special persons to measure temperature, sterilize the rooms, and distribute three meals a day during the isolation period.
- ▶ Nantong Food, a subsidiary, welcomed the first batch of employees returning to work from Hubei, and provided considerate services and security for employees returning from low-risk areas, including paying close attention to the local government's epidemic prevention policy, actively contacting the application for returning to work, warm "pick-up" service and warm and comfortable accommodation arrangements, etc.

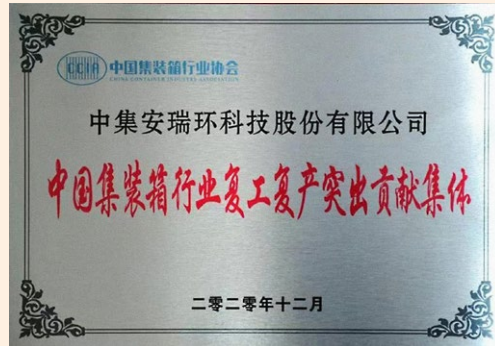


Fighting Against the Epidemic

In 2020, the world faced an unprecedented outbreak of COVID-19 which represented a mission and a responsibility. In the fight against COVID-19 and work resumption, the Group took effective measures to prevent and control the epidemic, and organized the resumption of work and production after the epidemic was eased. The Company's member enterprise CIMC Safeway Technology won the titles of "Pioneer of Anti-epidemic in China's Container Industry" and "Collective with Outstanding Contribution to Work Resumption in Chinese Container Industry".



Title of "Pioneer of Anti-epidemic in China's Container Industry"



Title of "Collective with Outstanding Contribution to Work Resumption in Chinese Container Industry"

Case

Solidarity to overcome difficulty — CIMC Safeway Technology donated anti-epidemic supplies to Gangzha Economic Development Zone

The outbreak of COVID-19 worried hundreds of millions of Chinese people during the 2020 Spring Festival. On the afternoon of February 19, 2020, CIMC Safeway Technology donated 5,000 bottles of disinfectant in more than 300 boxes weighing 5 tons to Gangzha District Economic Development Zone to help with epidemic prevention and control, showing the confidence and determination of CIMC Safeway Technology to fight against the epidemic together with Gangzha Economic Development Zone.



CIMC Safeway Technology donated anti-epidemic supplies to Gangzha District Economic Development Zone

Case

Shijiazhuang Enric donated protective articles for overseas customers

The Overseas Operation Department of Shijiazhuang Enric actively contacted customers and asked them about the local epidemic prevention situation. When learning that a certain customer needed our help to buy 10,000 medical masks in China, we tried our best to help our customer by giving 10,000 masks for free.



Shijiazhuang Enric donated protective supplies for overseas customers

Case

Shijiazhuang Enric organized an emergency voluntary blood donation activity

In 2020, in the fight against the epidemic, the trade union of Shijiazhuang Enric Gas Equipment Co., Ltd, through cooperation with the blood collection vehicle of the Blood Center of Hebei Province, organized the emergency blood donation activity with the theme of "solidarity to fight against the epidemic" on April 17 to solve the shortage of blood supply and support the need for epidemic prevention and control.



Shijiazhuang Enric organized voluntary blood donation activity

Care the Social Livelihood

Targeted Poverty Alleviation

We undertake targeted poverty alleviation initiatives in locations where we operate, mobilize the internal resources to send warmth and hope to underprivileged families. In March 2020, SOE, a subsidiary of CIMC Enric, carried out village-enterprise co-construction and condolence, with a donation of RMB3,750. In September 2020, Nantong Port, a subsidiary of the Company, donated sports equipment to Batuan Tomorrow Primary School in Dudong Town, Sanjiang Dong Autonomous County, Liuzhou, Guangxi. In the "Charity Day Donation" activity called by Nantong Charity Federation, CIMC Safeway Technology donated RMB41,183 for assisting the medical and health poverty alleviation project to alleviate poverty caused by illness, extensively creating a good social atmosphere of mutual assistance and cooperation.

Poverty alleviation details of some subsidiaries

Type of poverty alleviation	Name of subsidiary	Object of poverty alleviation	Amount (RMB 1,000)
Poverty alleviation via funding	CIMC Hongtu	Quanwa Village, Zhanghe New District, Jingmen City	100
Poverty alleviation via funding	CIMC Safeway Technology	Poverty alleviation through education and health care	675.83
Poverty alleviation via funding	CIMC SOE	Village-enterprise co-building	3.75

Community Care

CIMC Enric focuses on creating a good community atmosphere and takes the lead in carrying out a series of cultural and health care activities in the local community. In 2020, CIMC Sanctum, a subsidiary of the Company, organized a visit to all villagers over the age of 60 in Gangxi Village, Jingang Town, so that villagers could feel the warmth of the company; CIMC Sanctum also donated fitness equipment to Nansha Police Station, organized youth get-together and Youth Cup Games in the community, and welcomed employees and residents of the community to participate together, so as to help relieve their pressure and maintain a positive and optimistic working and living attitude.



- ▶ CIMC Safeway Technology and Yangzhou Technician College reached a preliminary consensus on taking the opportunity and breakthrough of platform building, resource sharing and talent building to deepen university-enterprise cooperation, make full use of the professional advantages and faculty advantages of college to cultivate and transport talents for the development of enterprise, and boost the enterprise development.
- ▶ Shanghai Institute of Ceramics, Chinese Academy of Sciences (SICCAS), Nantong University, and experts from Science and Technology Town Delegation of Chongchuan District exchanged views with CIMC Safeway Technology on university-government-enterprise cooperation, reaching preliminary consensus and cooperation intention among the three parties which would further strengthen industry-university-research cooperation, promote the innovation and development of enterprises and the transformation of scientific research results, and realize mutual benefit and win-win results.
- ▶ The teachers and students of Jiangsu University of Science and Technology, majoring in mechanical and electrical engineering, came to CIMC Sanctum for internship and visit, which enriched the teaching practice resources of college students and fulfilled the corporate social responsibility.
- ▶ CIMC Safeway Technology implemented the "Front-line Lean and Skilled Talent Education Promotion and Incentive Program", aiming to motivate the eligible key front-line workers to apply for adult education and further their education, thereby helping employees accumulate knowledge and skills and improve their self-worth.

The Group continuously organizes employees to participate in voluntary blood donation. In 2020, CIMC Sanctum organized more than 20 employees to participate in the charity "marrow" free blood donation and concentrated sampling of hematopoietic stem cells held by the Nansha office where the company is located.



Blood donation activity of CIMC Sanctum

Voluntary Service

Volunteers are the practitioners and disseminators of fresh civil spirit, and the main force of civilization practice in the new era. In 2020, a total of about 820 hours of volunteer activities were conducted by a volunteer team of 44 people from CIMC Safeway Technology, involving 700 person-times. They bravely combated the epidemic and actively participated in the creation of civilized cities:

During the epidemic prevention and control period, Party members and volunteers joined the working group for epidemic control and prevention, and assisted the HSE and Human Resources and Administration Department in the inspection of the epidemic, maintenance of dining order and emergency voluntary services. Five detection points were set at the entrance of the office building and production workshop of the company. The detection personnel would be on duty before 6 a.m. every day to check the identity of the employees, measure temperature, conduct registration, hand disinfection, and distribute masks and epidemic prevention manuals. At lunch time, they would measure body temperature again in the restaurant. At the same time, they guided the dining order and standards at noon, prevented gathering, and guided the employees to queue and dine at one-meter intervals.

Publicity and implementation of empty plate campaign and waste classification civilization: In order to help employees, build up the awareness of being economical, reject "waste on the tongue", and advocate employees to respect labour and cherish food, CIMC Safeway Technology launched the "empty plate campaign" initiative and called on all to work together to create a culture on the tongue in August 2020. On August 25, the Party committee and the labour union of the company organized the promotion and implementation of civilized behaviour, and more than 40 volunteers went to the grass-roots level for publicity and implementation and supervision, and helped cadres and employees to improve uncivilized behaviour, enhance the awareness of civilization and economy.

Annex

Details of Subsidiaries⁷

S/N	Short company name	Full company name
1	CIMC Safeway Technology (Nantong CIMC Tank Equipment Co., Ltd.)	CIMC Safeway Technology Co., Ltd. (Formerly known as Nantong CIMC Tank Equipment Co., Ltd.)
2	CIMC Sanctum	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
3	Shijiazhuang Enric	CIMC Shijiazhuang Enric Gas Equipment Co., Ltd.
4	CIMC Hongtu	JingmenHongtu Special Aircraft Manufacturing CO., LTD.
5	Langfang Integration	Enric (Langfang) Energy Equipment Integration Co., Ltd.
6	Nantong Food	Nantong CIMC Enric Food Equipment Co., Ltd.
7	CIMC SOE	Nantong CIMC 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	CIMC Nantong Port Development Co., Ltd.
11	Nanjing Yangzi	Nanjing Yangzi Petrochemical Design & Engineering Co., Ltd.
12	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 Boge	Jiaxing CIMC Boge Tank Service Co., Ltd.
16	Ziemann	ZiemannHolvrieka GmbH

⁷ Compared with 2019, CIMC Green Construction, CIMC Environmental Technology and Jiaxing Boge are new member companies covered by the report. To ensure consistency with the scope of the financial report, TGE (TGE Gas Engineering GmbH) is excluded from the member companies covered by the ESG report this year. The relevant content is disclosed in the CIMC Social Responsibility and Environmental, Social and Governance Report.

Awards and Honours

Category	Honours and awards	Awardee
Innovation	The 4th China Excellent IR Selection Team Award - Best Innovation Award	CIMC Enric Holdings Limited
Employment	2020 "Advanced Organization in Nantong"	Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd.
	Hubei May 1st Labour Award	JingmenHongtu Special Aircraft Manufacturing Co., Ltd.
Environment protection	National Green Factory	CIMC Shijiazhuang Enric Gas Equipment Co., Ltd.
Product quality	The second batch of high-tech enterprises in Hebei Province in 2020	CIMC Shijiazhuang Enric Gas Equipment Co., Ltd.
	High-tech Enterprise in Jiangsu	
	Suzhou Industrial Design Center	Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd.
	Shell Global Quality Award	
	Integration of Informationization and Industrialization Management System Certificate of the Ministry of Industry and Information Technology	Nantong CIMC Energy Equipment Co., Ltd.
	Second Prize of Modernization Innovation Achievement in Enterprise Management of Jiangsu	
	Provincial-level "Internet of Industry Benchmark Factory" and "Excellent Pioneer of Industrialization-Informationization Combination"	Nantong CIMC Tank-type Storage and Transport Equipment Manufacturing Co., Ltd. (renamed as "CIMC Enric Technology Co., Ltd." in October 2020)
	Nomination Award of the 8th Yangtze River Quality Award of Hubei Province	JingmenHongtu Special Aircraft Manufacturing Co., Ltd.
	Municipal-level major science and technology projects were accepted	
	Won the title of "2019 First Piece (Set) of Major Technical Equipment Product Enterprise in Hebei Province" and government awards	Enric (Langfang) Energy Equipment Integration Co., Ltd.
2020 Provincial Enterprise Technology Center	Nantong CIMC Enric Food Equipment Co., Ltd.	
2020 Provincial Small Giant Enterprise		

Applicable Laws and Regulations

Topic	Applicable Laws and Regulations	Compliance
Environment	<ul style="list-style-type: none"> • Environmental Protection Law of the People's Republic of China • Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution • Law of the People's Republic of China on Prevention and Control of Water Pollution • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused 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 • Law of the People's Republic of China on Soil Pollution Prevention and Control 	<p>During the year, the Group was not aware of any violations of any laws and regulations related to the emission of 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	<ul style="list-style-type: none"> • 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>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	<ul style="list-style-type: none"> • 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>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>
Product Responsibility	<ul style="list-style-type: none"> • 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>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	<ul style="list-style-type: none"> • 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>In 2020, 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

Issue	GRI indicator	Description	SEHK Guidelines on ESG Report	Corresponding content /remark
General disclosure				
Organization overview	I02-1	Company name		About this report
	I02-2	Business activities, brands, products and services		About Us
	I02-3	Headquarters location		About Us
	I02-4	Business location		About Us
	I02-5	The nature and legal form of ownership		About Us
	I02-6	The market targeted by the company services		About Us
	I02-7	Company scale		About Us
	I02-8	Information about employees and other staff	B1.1	Staff composition
	I02-9	The company's supply chain	B5.1	Build a sustainable supply chain
	I02-10	Major changes in the company and its supply chain		No major changes
	I02-11	Early warning principle or policy		Operation control risks
	I02-12	External initiative		Operation control risks
	I02-13	Membership of the association of the company		Lead the development of the industry
Strategy	I02-14	Statement from the company's top decision maker		Board statement
Ethics and integrity	I02-16	Values, principles, standards and codes of conduct		About Us
Governance	I02-18	Corporate governance structure		ESG governance
	I02-19	Delegate powers and responsibilities		ESG governance
	I02-20	Senior management's responsibilities to economic, environmental and social entities		ESG governance
	I02-28	Performance evaluation of the highest governance unit		Sustainable Development Results in 2020
Stakeholder communication	I02-40	Stakeholders the company communicates with		Stakeholder communication
	I02-41	Percentage of total employees covered by collective bargaining agreements		Deepen employee communication
	I02-42	Identify the basis for selection and stakeholders		Stakeholder communication
	I02-43	Ways to communicate with stakeholders		Stakeholder communication
	I02-44	Key issues and concerns raised through communication with stakeholders		Response to substantive issues
Reporting practice	I02-45	All entities included in the company's consolidated financial statements or equivalent documents		This report covers the details of member companies
	I02-46	Define the report content and topic boundaries		About this report
	I02-47	List all major issues identified when defining the content of the report		Stakeholder communication
	I02-48	Reasons and impacts of restating any information specified in previous reports		No restatements of previous reports
	I02-49	Significant changes in important issues and issue boundaries, compared with previous reports		Stakeholder communication
	I02-50	Reporting period		About this report
	I02-51	Date of last report (if applicable)		About this report
	I02-52	Reporting period		About this report
	I02-53	Contact person for questions about the report or its content		Reader's feedback
	I02-54	This report is compiled in accordance with the "core options" of the GRI Standards		Core compliance program
	I02-55	Content Index of the Sustainability Reporting Guidelines by the Global Reporting Initiative		Report Standard Index
	I02-56	External authentication		No external review

Issue	GRI indicator	Description	SEHK Guidelines on ESG Report	Corresponding content /remark
Major issues				
I. 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 2020
Anti-corruption	103-1	Explain the major themes and their boundaries	B7	Stakeholder communication
	103-2	Management policy and its elements	B7	Operation control risks
	103-3	Evaluation of management policies	B7	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	A2,A3	Stakeholder communication
	103-2	Management policy and its elements	A2,A3	Save resources
	103-3	Evaluation of management policies	A2,A3	Save resources
	301-1	Weight and volume of materials used	A2.5	Due to the low usage of packaging, our Group chooses not to disclose
Energy	103-1	Explain the major themes and their boundaries	A2,A3	Stakeholder communication
	103-2	Management policy and its elements	A2,A3	Save resources
	103-3	Evaluation of management policies	A2,A3	Save resources
	302-1	Energy consumption within the organization	A2.2	Save resources
	302-4	Reduce energy consumption	A2.4	Save resources
Water	103-1	Explain the major themes and their boundaries	A2,A3	Stakeholder communication
	103-2	Management policy and its elements	A2,A3	Save resources
	103-3	Evaluation of management policies	A2,A3	Save resources
	303-1	Water withdrawal by source	A2.2	Save resources
	303-3	Recycled and reused water	A2.4	Save resources
Emission	103-1	Explain the major themes and their boundaries	A1,A3	Stakeholder communication
	103-2	Management policy and its elements	A1,A3	Strictly control the pollution emissions
	103-3	Evaluation of management policies	A1,A3	Strictly control the pollution emissions
	305-1	Direct (Scope 1) greenhouse gas emissions	A1.1,A1.2	Save resources
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	A1.1,A1.2	Save resources
	305-4	Greenhouse gas emission intensity	A1.2	Save resources
	305-5	Greenhouse gas emission reduction	A1.5	Save resources
Waste water and waste	103-1	Explain the major themes and their boundaries	A1,A3	Stakeholder communication
	103-2	Management policy and its elements	A1,A3	Strictly control the pollution emissions
	103-3	Evaluation of management policies	A1,A3	Strictly control the pollution emissions
	306-1	Water discharge volume by water quality and discharge destination	A1.1	Wastewater emission 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
103-2		Management policy and its elements	A1(b),A3	Strictly control the pollution emissions
103-3		Evaluation of management policies	A1(b),A3	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	B5	Build a sustainable supply chain
	103-3	Evaluation of management policies	B5	Build a sustainable supply chain
	308-1	Screen new suppliers using environmental standards	B5.2	Build a sustainable supply chain

Issue	GRI indicator	Description	SEHK Guidelines on ESG Report	Corresponding content / remark
3. Social Standard Series				
Labor-employment relationship	103-1	Explain the major themes and their boundaries	B1	Stakeholder communication
	103-2	Management policy and its elements	B1	Equal and diversified employment
	103-3	Evaluation of management policies	B1	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	B1	Protect the rights and interests of employees
Occupational health and safety	103-1	Explain the major themes and their boundaries	B2	Stakeholder communication
	103-2	Management policy and its elements	B2	Occupational health and safety
	103-3	Evaluation of management policies	B2	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	B2.3	The statistical process is being improved and will be disclosed next year
Training and education	103-1	Explain the major themes and their boundaries	B3	Stakeholder communication
	103-2	Management policy and its elements	B3	Promote talent development
	103-3	Evaluation of management policies	B3	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	B1	Diversified recruitment; staff composition
	103-3	Evaluation of management policies	B1	Protect the rights and interests of employees
	405-1	Diversity of governance units and employees	B1	Protect the rights and interests of employees
Child labor	103-1	Explain the major themes and their boundaries	B4	Stakeholder communication
	103-2	Management policy and its elements	B4	Prohibition of child labor and forced labor
	103-3	Evaluation of management policies	B4	Prohibition of child labor and forced labor
	408-1	Significant risks of child labor in operating bases and suppliers	B4.1, B4.2	Prohibition of child labor and forced labor
Forced or compulsory labor	103-1	Explain the major themes and their boundaries	B4	Stakeholder communication
	103-2	Management policy and its elements	B4	Prohibition of child labor and forced labor
	103-3	Evaluation of management policies	B4	Prohibition of child labor and forced labor
	409-1	Operating bases and suppliers with significant risks of forced and compulsory labor incidents	B4.1, B4.2	Prohibition of child labor and forced labor
Local community	103-1	Explain the major themes and their boundaries	B8	Stakeholder communication
	103-2	Management policy and its elements	B8	Concerned about society and people
	103-3	Evaluation of management policies	B8	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	B5	Build a sustainable supply chain
	103-3	Evaluation of management policies	B5	Build a sustainable supply chain
	414-1	Use social criteria to screen new suppliers	B5.2	Build a sustainable supply chain
Customer health and safety	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements	B6	Customer Service and Supply Chain Management
	103-3	Evaluation of management policies	B6	Customer Service and Supply Chain Management
	416-2	Violation of health and safety regulations related to products and services	B6	Applicable laws and regulations
Marketing and labeling	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements	B6	Innovate and develop hand in hand
	103-3	Evaluation of management policies	B6	Innovate and develop hand in hand
	417-2	Fail to comply with relevant laws and regulations regarding information and labeling of products and services	B6	Innovate and develop hand in hand
	417-3	Fail to comply with relevant laws and regulations on marketing communications	B6	Applicable laws and regulations
Customer privacy	103-1	Explain the major themes and their boundaries	B6	Stakeholder communication
	103-2	Management policy and its elements	B6	Customer privacy protection
	103-3	Evaluation of management policies	B6	Customer privacy protection
	418-1	Complaints of confirmed violations of customer privacy or loss of customer information	B6.2	Customer 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	B6	Innovate and develop hand in hand
	103-3	Evaluation of management policies	B6	Innovate and develop hand in hand
	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 protection of intellectual property rights	B6.3	Innovative products and services

Reader Feedback

Dear Readers:

Thank you for reading this report. In order to constantly improve the Group's sustainable development management, we sincerely hope to hear your valuable opinions and suggestions. Please help complete this page and choose the following method to feed back to us.

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 Park, Nanshan District, Shenzhen, Guangdong Province, China

1. What is your overall assessment of this report?

Good

Relatively good

Normal

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

Good

Normal

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

Normal

Not reflected

4. How do you think the Group has done in safeguarding the interests of stakeholders?

Good

Normal

Poor

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

Please leave your contact information at your convenience:

Name: _____ Occupation: _____ Employer: _____

Postal 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 Park, Nanshan District, Shenzhen, Guangdong Province, China