



**中国重汽**  
**SINOTRUK**

Sinotruk (Hong Kong) Limited

中國重汽(香港)有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 3808



**EVERY STEP COUNTS FOR  
SUCCESS**

**2017** Environmental,  
Social and Governance Report





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# INFORMATION ABOUT THIS REPORT

## ABOUT THIS REPORT

Sinotruk (Hong Kong) Limited (stock code: 3808) hereby issues the 2017 Environmental, Social and Governance Report of the Group to demonstrate the Company's concepts and practices in environmental, social and governance areas to its stakeholders.

For information regarding our corporate governance, please refer to the "Corporate Governance Report" contained in the Company's annual report for the year ended 31 December 2017.

The Board has overall responsibility for the Group's environmental, social and government strategies and reporting. The Board is responsible for evaluating and determining the Company's ESG-related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. Management of the Group provides a confirmation to the Board on the effectiveness of these systems.

## REPORTING SCOPE

This report covers the Group during the period from 1 January 2017 to 31 December 2017.

Based on the actual production and sales situations, the Group is establishing the data monitoring system of key environmental performance indicators and expanding it year by year. In the principles of materiality and representativeness, the Group selects seven major subsidiaries or divisions, which are engaged from components manufacturing to finished vehicle manufacturing, as the reporting scope of key environmental performance indicators in the report, including:

- Truck Company
- Axle & Transmission Company
- Power Division
- Casting & Forging Centre
- Gearbox Division
- Sinotruk Ji'nan Fuqiang Power Co., Ltd.
- Hangzhou Engines Company

## INFORMATION ABOUT THIS REPORT

### REPORTING PRINCIPLES

This report is prepared in accordance the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) in Appendix 27 of the Listing Rules and organized into two sections and reports on the environmental and social impacts of the Group’s businesses and operations.

### DISTRIBUTION OF THE REPORT

This report is released in electronic edition that can be accessed in the Company’s website ([www.sinotruk.com](http://www.sinotruk.com)) and the website of the Stock Exchange ([www.hkexnews.com.hk](http://www.hkexnews.com.hk)).



## DEFINITIONS

In this report, the following expressions shall have the following meanings unless the context indicates:

“Axle & Transmission Company”	Sinotruk Ji’nan Axle & Transmission Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, and for the purpose of this report, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“CNHTC” or “Parent Company”	China National Heavy Duty Truck Group Company Limited, a state-owned enterprise organized under the laws of the PRC with limited liability, being the ultimate holding company of the Company and the controlling shareholder (as defined in the Listing Rules) of the Company
“Commercial Truck Company”	Sinotruk Ji’nan Commercial Truck Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“Company”	Sinotruk (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, and the securities of which are listed on the Main Board of the Stock Exchange
“Components Manufacturing Division”	Components Manufacturing Division of the Group
“Group”	the Company and its subsidiaries
“Hangzhou Engines Company”	Sinotruk Hangzhou Engines Sales Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“International Company”	Sinotruk International, a company incorporated under the laws of the PRC with limited liability, being a wholly-owned subsidiary of the Company
“Light Truck Division”	Light Truck Division of the Group

**DEFINITIONS**

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Power Division”	Ji’nan Power Division of the Group
“Rubber & Plastic Components Company”	Sinotruk Ji’nan Rubber & Plastic Components Co., Ltd., a company incorporated under the laws of the PRC with limited liability, being a wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Technical Center”	Technical Development Center of the Group
“Truck Company”	Sinotruk Ji’nan Truck Co., Ltd., a joint stock company incorporated under the laws of the PRC with limited liability, being a non-wholly owned subsidiary of the Company and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000951)

# GROUP PROFILE

## 1.1 INTRODUCTION

### BUSINESSES

The Group is one of the leading trucks manufacturers in the PRC which specialises in the research, development and manufacture of heavy duty trucks (“HDTs”), light duty trucks (“LDTs”) and related key parts and components. HDTs are the key products of the Group. Through our diversified product portfolio, we serve a wide range of customers from different major industries including infrastructure, construction, container transportation, logistics, mining, steel, chemical, etc.

The Group mainly manufactures trucks and also produces key parts and components such as engines, cabins, axles, steel frames, gearboxes, etc. The Group is a truck manufacturer which has its independent research and development and production capability in trucks as well as the most complete production chain. The Group sells truck engines and engines for use in industrial and construction machineries to independent third parties in addition to our own use. Our products are not only sold domestically but also exported to other countries and regions in the world.

### OPERATIONS

The Group’s businesses are classified into four operating segments according to the nature of products and services:

#### (i) HEAVY DUTY TRUCKS SEGMENT

Sales of HDTs contribute the largest portion of the Group’s revenue. Its major products series include SITRAK, HOWO-T7H, HOWO-A7, HOWO, Haoyun, Steyr and Hohan, each of which is further divided into various sub-series to target different sectors of the Group’s product market. The key production bases are located at Ji’nan, PRC. In addition, the Group engages in truck refitting and manufactures specialty vehicles.

#### (ii) LIGHT DUTY TRUCKS SEGMENT

The Group’s LDT products mainly include HOWO, Huanghe, Fuluo, Haoman and Wangpai “7 series” products, which production bases are located at Ji’nan, Chengdu and Fujian, the PRC.

#### (iii) ENGINES SEGMENT

The Group is one of the few truck manufacturers in PRC that has the ability to produce HDT and LDT engines. Although most of the engines produced by the Group are for internal usage, the Group also sells industrial and construction machinery engines to independent third parties. In addition, the Group produces other HDT key parts and components, such as gearboxes and various types of casting and forging. The engines production bases are located at Ji’nan and Hangzhou, the PRC.

#### (iv) FINANCE SEGMENT

The finance segment of the Group provides financial services to those parties related to the production and sales of the Group’s products and to the CNHTC Group. Financial services include deposits taking, borrowings, commercial notes and bank bills discounting, auto financing services and supply chain financing services. In addition to HOWO Auto Finance Company, it also cooperates with authorized financial institutions to provide auto financing services. It builds up an auto financing services network. At present, it has already set up 19 regional offices and extended its financing services to over 30 provinces, covering most areas in the PRC.



## GROUP PROFILE

### 1.2 MATERIALITY ASSESSMENT

#### 1.2.1 COMMUNICATION WITH STAKEHOLDERS

The Group communicates with stakeholders such as governments, shareholders, customers, employees, partners, society and environment by various communication channels and actively responds to their expectations to the Group.

Stakeholders	Stakeholders' expectations	Communication system
Government	<ul style="list-style-type: none"> <li>• Law compliance</li> <li>• Legal tax payment</li> <li>• Support in local development</li> </ul>	<ul style="list-style-type: none"> <li>• Daily management</li> <li>• Meeting</li> <li>• Supervision</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Sustainable development, returns to shareholders</li> <li>• Information disclosure, investor relationship</li> <li>• Corporate governance, risk control</li> </ul>	<ul style="list-style-type: none"> <li>• General Meetings of Shareholders</li> <li>• Information disclosure</li> <li>• Activities of investor relationship</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• High-quality products</li> <li>• Superior service</li> <li>• Consumer rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Smart Sinotruk (mobile application)</li> <li>• Product quality assurance</li> <li>• Customer satisfaction survey</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Salaries and welfare assurance</li> <li>• Good working environment and development platform</li> <li>• Equal opportunities of promotion and development</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation system</li> <li>• Performance management</li> <li>• Staff training</li> </ul>
Partners	<ul style="list-style-type: none"> <li>• Commitment fulfilment</li> <li>• Fair, open and righteous purchasing</li> <li>• Win-win development</li> </ul>	<ul style="list-style-type: none"> <li>• Open tender</li> <li>• Spot approval</li> <li>• Suppliers' meeting</li> </ul>
Society	<ul style="list-style-type: none"> <li>• Contribution to urban development</li> <li>• Public notion improvement</li> <li>• Contribution to community harmony</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteer service</li> <li>• Support in cultural and sport undertakings</li> <li>• Blood donation</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Environment protection improvement</li> <li>• Ecological balance protection</li> </ul>	<ul style="list-style-type: none"> <li>• Emission management</li> <li>• Resource consumption reduction</li> <li>• New energy vehicles</li> </ul>

## GROUP PROFILE

## 1.2.2 MATERIALITY ASSESSMENT

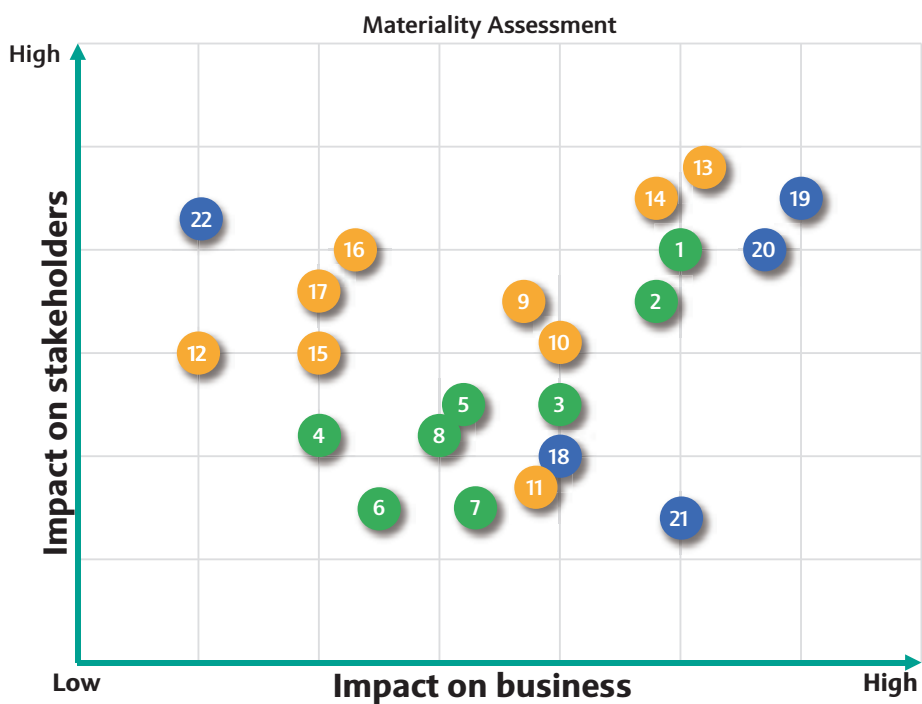
In accordance with the “ESG Reporting Guide”, the Group establishes the ESG materiality assessment model, identifies and determines the following material issues suitable for the Group based on stakeholders’ concern:

<b>A1 Emissions</b> <ul style="list-style-type: none"> <li>• Waste gas treatment</li> <li>• Waste water treatment</li> <li>• Addressing climate changes</li> <li>• Waste reduction</li> </ul>	<b>A2 Use of Resources</b> <ul style="list-style-type: none"> <li>• Energy saving</li> <li>• Water saving</li> </ul>	<b>A3 The Environment and natural resources</b> <ul style="list-style-type: none"> <li>• Noise control</li> <li>• New energy vehicles</li> </ul>	
<b>B1 Employment</b> <ul style="list-style-type: none"> <li>• Employees management</li> <li>• Compensation and Benefits</li> <li>• Position system</li> <li>• Employees activities</li> </ul>	<b>B2 Health and safety</b> <ul style="list-style-type: none"> <li>• Safe production</li> <li>• Occupational health</li> </ul>	<b>B3 Development and training</b> <ul style="list-style-type: none"> <li>• Employees training</li> </ul>	<b>B4 Labour standards</b> <ul style="list-style-type: none"> <li>• Preventing child labour</li> <li>• Preventing forced labour</li> </ul>
<b>B5 Supply chain management</b> <ul style="list-style-type: none"> <li>• Supplier management</li> </ul>	<b>B6 Product responsibility</b> <ul style="list-style-type: none"> <li>• Product quality</li> <li>• Customer service</li> </ul>	<b>B7 Anti-corruption</b> <ul style="list-style-type: none"> <li>• Combating corruption and promoting cleanness</li> </ul>	<b>B8 Community investment</b> <ul style="list-style-type: none"> <li>• Charity</li> </ul>

## GROUP PROFILE

Through identification, assessment, and selection of issues regarding the above 11 aspects, the Group measures the impacts of these issues on stakeholders and its business development, determines issues of significance, and provides disclosures and responses in this report.

Issues	No.	Issues	No.	Issues	No.
Waste gas treatment	1	Employees management	9	Supplier management	18
Waste water treatment	2	Compensation and benefits	10	Product quality	19
Addressing climate change	3	Position system	11	Customer service	20
Waste reduction	4	Employees activities	12	Combating corruption and promoting cleanness	21
Energy saving	5	Safe production	13	Charity	22
Water saving	6	Occupational health	14		
Noise control	7	Employees training	15		
New energy vehicles	8	Preventing child labour	16		
		Preventing forced labour	17		



# HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

The Group continuously develops new technologies and new products, strictly controls product quality, deeply understands customers' needs and provides customers with superior products and perfect after-sale service.

## 2.1 PRODUCT QUALITY

The Group strictly complies with laws and regulations including the "Product Quality Law of the PRC" and establishes the "Quality Management Policy". Besides, CNHTC (including the Group) has been authenticated by ISO 9001:2008 Quality Management System and each subsidiary is updating from TS16949 to IATF16949 according to the "Quality Management System of Auto Industry IATF 16949:2016", and gradually improve their own quality management systems and continuously increase the management level through this opportunity.

The Group carries out quality management through the Quality Department. At the beginning of each year, the Quality Department sets up quality objectives and assigns quality indicators to all subsidiaries. It also conducts regular quality assessment of all subsidiaries according to the "Product Quality Assessment Measures" and carries out all kinds of quality activities on a long-term basis to practically improve the subsidiaries' product quality.



### Journey of CNHTC quality attestation

"Explore in Tibet, the roof of the world", which is the first phase of the journey of Sinotruk quality attestation, was launched in Chengdu in October 2017. The vehicles with the Group's brands were the leading characters in this activity. The reliable quality of the Group's products was fully shown by the driving in the highland with extreme environment.





## HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

### Quick responding mechanism of Light Truck Division

In May 2017, Light Truck Division cooperated with Shanghai Formel D Technology and Engineering Co., Ltd., established quick responding mechanism, prepared the "Administrative Measures for Quick Response" and created a project sharing folder. The division holds a meeting of quick response every day and responsible persons report online assembling and the progress of the improvement to quality problem in zero kilometer travel after completion. Until now, 333 problems have been reported. Among them, 266 problems have been solved and 67 problems are under improvement. 211 reports have been reviewed. As a result, the product quality of Light Truck Division has been improved remarkably.



After the travelling distance of a Sitrak C7H driven by Mr. Fu Zhongyan, a Wuxi user, reached 1 million kilometers in 2016 within 26 months, the total travelling distance of this user's vehicle successfully exceeded 1.5 million kilometers on 1 December 2017 within 42 months only. This vehicle became the first vehicle with MAN technologies in the Group ran 1.5 million Kilometers.

On 12 December 2017, the Group set up the "SINOTRUK Club of Million-km Heroes", released the "Administrative Articles of SINOTRUK Club of Million-km Heroes" and detailed membership interests, and invited the users whose vehicles' travelling distance reaches 1.5 million kilometers and more than 10 users whose vehicles' travelling distance exceeds 1 million kilometers to join in the club. The foundation and continuous development of the club fully reflect the reliable quality of the Group's products.



## HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

## SMART TRUCK

The Group delivered 20 Generation I smart trucks to customers on 17 December 2017. This is a symbol that a new stage of industrialisation and commercialisation has come for Chinese smart trucks. Those heavy trucks have also become the first group of smart trucks under mass production in China.



#### Electronically Braking System

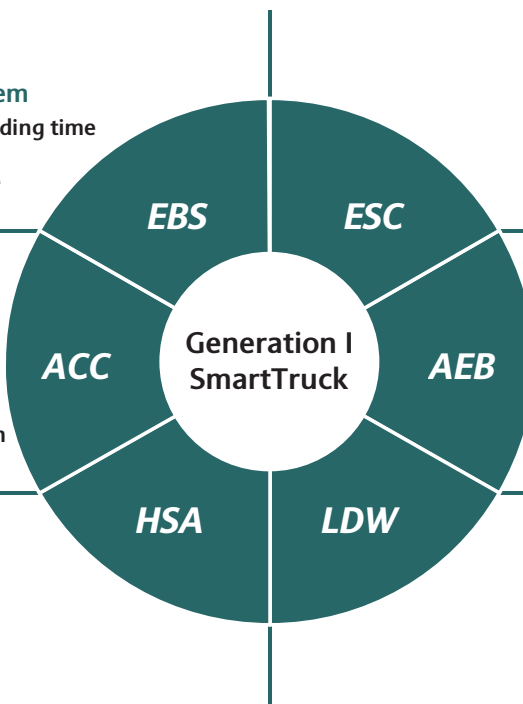
- Remarkably reduced responding time and braking distance of braking system and increase braking stability

#### Adaptive Cruise Control

- It automatically adjusts the vehicle speed to keep a safe distance with the vehicle ahead. Automatic braking and acceleration control without driver's intervention are realised.

#### Hill Start Assist

- It ensures that a driver may start safely on a hill out of sliding risk.



#### Stability Controller

- Direction control and rollover prevention control are achieved for vehicle safety and stability

#### Autonomous Emergency Braking

- It automatically alerts and brakes under risk to avoid or buffer crash

#### Lane Departure Warning

- When a vehicle is departing away from the current lane, it automatically alerts to remind the driver of keeping the current lane.

The Group's Generation I smart truck is integrated with five functions, which are preventing rear-end accidents (AEBS), preventing rollover (ESC+EBS), preventing lane departure (LDWS), preventing sliding (HSA) and adaptive cruise control (ACC). Safety and comfortableness of driving have been improved significantly.

## HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

### 2.2 SUPPLY CHAIN MANAGEMENT

The Group sticks to the core company value of “Producing Quality Products with Integrity and Selling Quality Products to Market” and conveys its concept of safety and corporate social responsibility to suppliers, and steers them towards continuous improvement, thus honoring the shared commitment to social responsibilities in environment, safety and health areas. The first supplier of every subsidiary is subject to review by the Supplier Access Office and subsequent suppliers are reviewed by subsidiaries respectively.

Under the “Auxiliary Product Supplier Access and Product Release Approval Procedures”, the Group establishes a set of strict supplier selection procedures for the purposes of ensuring that suppliers’ products/services meet relevant requirements of the Group and continuously improving the Group’s product quality.

Through different channels and ways, the Group conveys policies of environment and quality to suppliers and requests them to meet the requirements of the industry and environment protection. The Group also signs purchasing agreements with suppliers to request them to fulfil relevant social responsibilities.



Suppliers' meeting of Axle & Transmission Company



Spot review at suppliers of new product development of Light Truck Division

## HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

### 2.3 CUSTOMER SERVICE

The Group strives to provide customers perfect service. It has prepared “Qinren” Services Manual to build “Qinren” service brand. It has also set up a three-layer service system consisting of user service centers, local sales companies and special service stations. It has furnished the 24-hour service hotline and Smart Sinotruk mobile application to properly deal with customers’ complaints and feedbacks.

The Group has formulated the “Motor Vehicle Recall Control Process” pursuant to domestic and foreign laws and regulations pertaining to recalls of defective vehicles including the “Administrative Regulation on the Recall of Defective Motor Vehicles”, and established an adequate product recall process with the function of identifying, collecting, analyzing, delivering and maintaining information on quality issues, built up the system for recalling of defective products, and taking remedial and prevention measures, so as to preserve customers’ interests.

The Group follows the “Administrative Measures for Trade Secrets Protection”, which defines customer information as an important part of company trade secret, and it adopts a hierarchical approach to manage customer information to strictly protect customer privacy.

The Group has formulated the “Customer Satisfaction Survey and Analysis Process”. The customer satisfaction survey is performed every year to deeply understand customers’ opinions, and a report of analysis and evaluation of customer satisfaction survey is finally prepared.



Visiting training of after-sale service in Pakistan in 2017



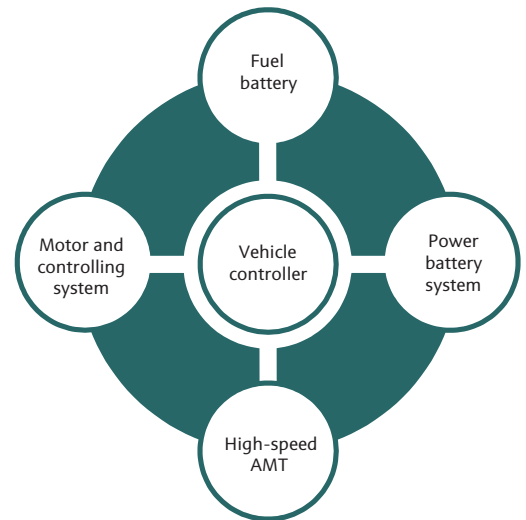
From September to October 2017, the Group carried out a customer satisfaction survey in an electronic questionnaire via Smart Sinotruk in three dimensions including product, assembly & parts and service regarding MAN technology products. 1,880 questionnaires were collected and it showed that the customers’ satisfaction, both on a single dimension and on an overall basis, reached “satisfied” level or above.



## HIGH-QUALITY PRODUCTS AND CUSTOMER SERVICES

### 2.4 NEW ENERGY VEHICLES

The Group attaches much importance to the development of new energy vehicles and carries out self-development and innovation of technologies. After years of research and development, various series of products in different power types and vehicle types such as electric light truck, light truck with fuel battery, hybrid electric heavy truck, electric heavy traction vehicle and port traction vehicle with fuel battery have been developed to meet various market demands. In addition, new energy vehicles have advantages of simple structure, recyclable braking power, low noise, high efficiency and zero emission, and the impact on environment is effectively reduced.



Self development of new energy core technologies

### NEW ENERGY VEHICLES



Electric heavy traction vehicle



Electric light truck



Light truck with fuel battery



Parallel hybrid electric heavy truck



Port traction vehicle with fuel battery

# ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

In strict compliance with the “Environmental Protection Law of the PRC” and various applicable national, provincial and local laws and regulations, the Group has formulated the “Environmental Protection Management Policy”, been accredited by ISO 14001 Environmental Management System and set up a perfect environmental management system. With strict control on its subsidiaries, the Group has effectively reduced pollutant emission and resource consumption arising from production and operations.



## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### 3.1 POLLUTION TREATMENT

The Group's subsidiaries follow the national and local pollutant discharge standards when treating and discharging pollutants arising from production and operations in conformity with the "Environmental Protection Law of the PRC" and other relevant laws and regulations.

#### 3.1.1 WASTE GAS EMISSIONS

The Group's waste gases include sulphur dioxide ("SO<sub>2</sub>"), nitrogen oxide ("NO<sub>x</sub>"), smoke, dust, particular matters and volatile organic compounds ("VOCs") linked with spray-painting etc., mainly from production. The Group complies with applicable laws and regulations including the "Prevention and Control of Atmospheric Pollution Law of the PRC", treats waste gases and discharges them after relevant standards are met. The Group regularly invites a qualified third-party institutions to test waste gas emissions and ensures that waste gas emissions meet the requirements of the "GB 16297-96 Emission Standards of Atmospheric Pollutant".

The waste gas emissions in the reporting period are shown in the chart below:



## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### Waste emission treatment for Rubber & Plastic Components Company

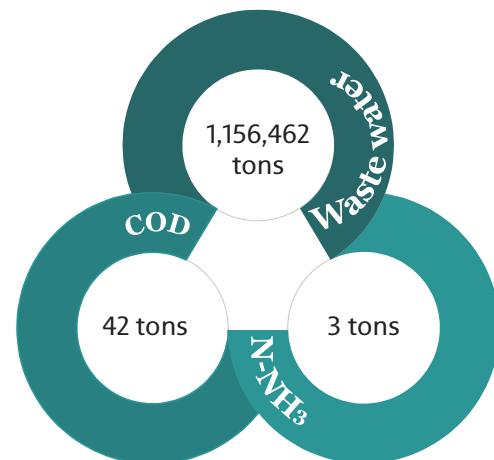
In 2016, Rubber & Plastic Components Company began to study and discuss VOCs treatment and finally decided to adopt the purifying process of dry filtering pretreatment + molecular sieve (zeolite roller) + catalytic combustion after desorption regeneration" for waste gas treatment. Besides, it re-laid interior pipelines in plants, built a paint mixing room and optimized the waste gas gathering device at the paint spraying and drying tunnel. The VOCs emissions were reduced by over 95%. As a result, the treated waste gas met the requirements of "DB 37/2801.1-2016 Emission Standard of Volatile Organic Compounds - Part 1: Automobile Manufacturing Industry" and "DB 37/2376-2013 Shandong Integrated Emission Standard of Regional Atmospheric Pollutant".



### 3.1.2 WASTE WATER EMISSIONS

The Group's waste water mainly includes effluent associated with production activities and household waste water from factories. In this regard, the Group set up effluent treatment plants in various industrial parks and strictly conformed sewage discharge with applicable laws and regulations including the "Prevention and Control of Water Pollution Law of the PRC" and "GB/T 31962-2015 Effluent Water Quality Standards for Sewage Discharge to Municipal Sewers" as well as national, provincial and local effluent emission standards. Online monitoring systems were installed at drain outlets of effluent treatment plants to keep track of chemical oxygen demand (COD) and ammonia nitrogen, which were networking with provincial and municipal environmental authorities so as to realize real-time monitoring of effluent emissions.

The waste water emissions in the reporting period are shown in the chart on the right.



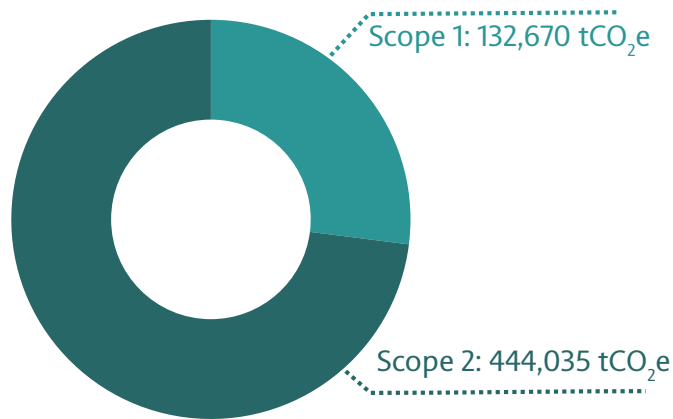


## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### 3.13 GREENHOUSE GAS

Greenhouse gas emissions of the Group mainly include Scope 1: direct emissions and Scope 2: energy indirect emissions. Direct emissions mainly include emissions from fuel used in boilers and emissions from vehicle diesel burning. Energy indirect emissions mainly include emissions from purchased electricity and heat. As the majority of the Group's greenhouse gas emissions is from energy consumption, the Group transformed all coal-fired boilers to natural gas boilers and took energy-saving measures to reduce power consumption. In this way, greenhouse gas emissions were reduced.

The greenhouse gas emissions in the reporting period are shown in the below chart.



Greenhouse gas emissions: 576,704 tCO<sub>2</sub>e  
Intensity: 9.8 tCO<sub>2</sub>e/million RMB revenue

## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### 3.1.4 WASTES

The Group's solid waste discharges basically include ordinary industrial wastes arising from production, hazardous wastes and domestic wastes arising from office work and living in the factories.

Iron, aluminum, paper wastes and other recyclable parts are sold to qualified enterprises for recycle and reuse; other non-recyclable parts (e.g. domestic rubbish) are collected and treated by municipal environmental units.

The Group's hazardous wastes mainly comprise used oil, paint slags, used mineral oil, used oil drums, sludge and used flaw detection solution arising from production. In compliance with laws and regulations including the "Prevention and Control of Environmental Pollution by Solid Waste Law of the PRC" and the requirements of the "Standards for Pollution Control on Hazardous Waste Storage", the Group treats its hazardous wastes according to its "Environmental Protection Management Policy":

- Hazardous wastes produced shall be filed and registered;
- With regard to transferred hazardous wastes, the transfer manifest policies shall be executed in accordance with the "Measures for the Management of Hazardous Waste Transfer Manifest";
- The Group raises bids for hazardous wastes treatment on the Group level and hazardous wastes are entrusted to qualified entities for treatment;
- Specific places are arranged for concentrated storage of hazardous wastes and provided with relevant identification signs inside.



Storage of used mineral oil at Axle & Transmission Company



Storage of paint slags at Axle & Transmission Company

## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### Sludge reduction at Truck Company

Truck Company carried out the project of sludge reduction at effluent treatment plant in 2017.

By low-temperature recirculation drying with air source heat pump, the hazardous waste sludge at the effluent treatment plant of Truck Company Park was dried and reduced. The moisture content of the sludge was decreased from 80% to below 30%. Annual reduction of sludge discharge is around 570 tons.



The discharges of non-hazardous wastes and hazardous wastes in the reporting period are shown in the chart below.



#### Hazardous wastes

Emissions : **4,497** tons  
Intensity : **0.077** tons/million RMB revenue



#### Non-hazardous wastes

Emissions : **147,582** tons  
Intensity : **2.515** tons/million RMB revenue

### 3.1.5 NOISE CONTROL

The Group complies with applicable laws and regulations including the “Regulations of the PRC on Prevention and Control of Noise Pollution” and strictly controls noise pollution. It regularly invites a qualified third-party institutions to test the noises at boundary and ensures that the Group’s noise value is no more than the limit stipulated in the “GB12348-2008 Emission Standard for Industrial Enterprises Noise at Boundary”.

## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### 3.2 RESOURCES CONSERVATION

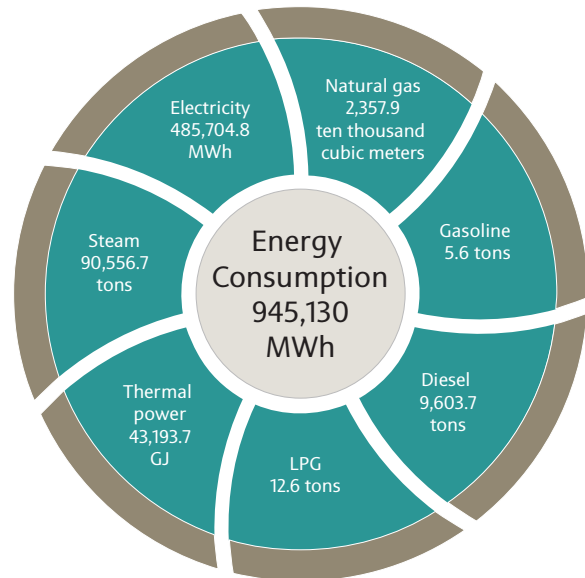
#### 3.2.1 REDUCTION OF ENERGY CONSUMPTION

The Group mainly utilizes such energy as electricity, natural gas, gasoline, diesel, LPG, acetylene, thermal power and steam.

The Group has constantly improved the energy efficiency and performance in stringent compliance with "Energy Conservation Law of the PRC" and other applicable laws and regulations. According to laws and regulations, the Group has required its key energy-using subsidiaries to implement registration system of energy consumption and to annually submit the "Record of Energy Purchase, Consumption and Inventory" to the competent government departments.

The Group along with its subsidiaries has established respective energy management systems in line with the "Energy Management System (GB/T23001-2012)". The Group annually reviews the energy consumption of each subsidiary, incorporating the energy consumption as an index in the "Assignment of Economic (Management) Responsibility System" when assessing operation performance so as to promote all subsidiaries to take the initiative to engage in energy conservation.

The energy consumption in the reporting period and shown in the chart on the right.



Direct Energy Consumption: 379,684 MWh  
 Indirect Energy Consumption: 565,446 MWh  
 Energy consumption intensity:  
 16.1 MWh/million RMB revenue

#### Equipment optimization of Axle & Transmission Company

From March 2017, Axle & Transmission Company started to optimize its press line intermediate frequency furnaces, the high energy-consuming equipment used for heating unfolded steel plates. This has reasonably lowered the heating temperature of the unfolded parts in the furnace by tracing temperature drop and verification of continuous experiments while ensuring product conformity. The average power consumption for manufacturing an unfolded part into one half of a finished axle housing has been cut by 13.1%.





## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### Retrofit of lighting lamp in Truck Company

In 2017, the lighting in the working area of Truck Company has been retrofitted by the Department of Truck Body as follows:

- A record for lighting was maintained, concerning types, quantities, power and working hours;
- High energy-consuming lighting with long working hours was replaced with LED energy saving lamps;
- Some lighting circuits were retrofitted, so as to control lighting separately and turn on/off lighting partially.
- Measures for management of lighting were formulated to strictly manage the timing to turn on/off lighting.

Up to November 2017, the number of lighting replaced with energy-saving lamps accumulated to 589, 471 of which in the plant and 118 in the workstation, cutting lighting power by 151kW in total and saving 700,000 kWh annually.



### Retrofit of equipment in Components Manufacturing Division

From February 2017, Components Manufacturing Division began to improve energy efficiency of the coated sand core shooting machine, a special machine used for manufacturing coated sand shell mould, by manufacturing thermal insulation mould, which has effectively improved the heat utilization. By the end of October 2017, 8 sets of moulds have been manufactured, reducing the energy consumption for manufacturing each group of shell mould by 22.3%.



Before improvement retrofit



After improvement retrofit

## ENVIRONMENT PROTECTION, ENERGY SAVING AND EMISSION REDUCTION

### 3.2.2 REDUCTION OF WATER CONSUMPTION

In strict adherence to the “Water Law of the PRC”, the Group has formulated the “Procedures for Management of Corporate Water Usage” to regulate water usage in each subsidiary. The Group requires each subsidiary to plan and manage water usage, set out and submit annual and quarterly plans for water usage on a regular basis, and incorporates water consumption as an index in the “Assignment of Economic (Management) Responsibility System” during operation performance assessment.

With sound measurement, the Group records meters regularly and maintains water usage analysis registers so as to reinforce water usage management. Efforts have also been made to monitor water use in a real-time manner, break down monthly targets, conduct monitoring at intervals of ten days, perform month-end monitoring and assessment, reinforce dynamic supervision over water usage, and strictly implement rewards and punishment rules for water saving and excess usage. As a result, water consumption has been effectively reduced.

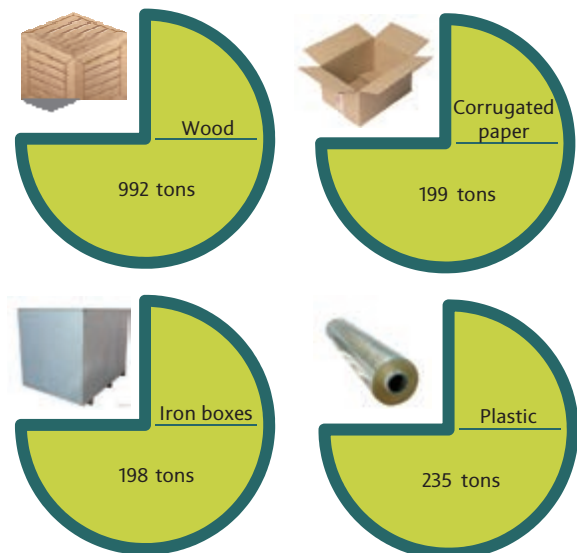
Water consumption during the reporting period is shown on the table on the right.

Total water consumption:  
**2,853,072** tons  
Water consumption intensity:  
**48.3** tons/million RMB revenue

### 3.2.3 PACKAGING MATERIALS

The Group mainly uses iron boxes, woods, plastic and corrugated paper as the packaging materials for engines, and plastic as packaging materials for gearboxes. The Group used 1,624 tons of packaging materials within the reporting scope in 2017. Shown below are the quantities of major packaging materials consumed:

The Group has always regarded its employees as the most valuable asset. It provides employees with comprehensive channels for professional development and ample opportunities for growth, effectively guarantees the safety and health of employees, and conducts a series of training activities to align individual progress with business development.



# CARING EMPLOYEES FOR A SHARED FUTURE

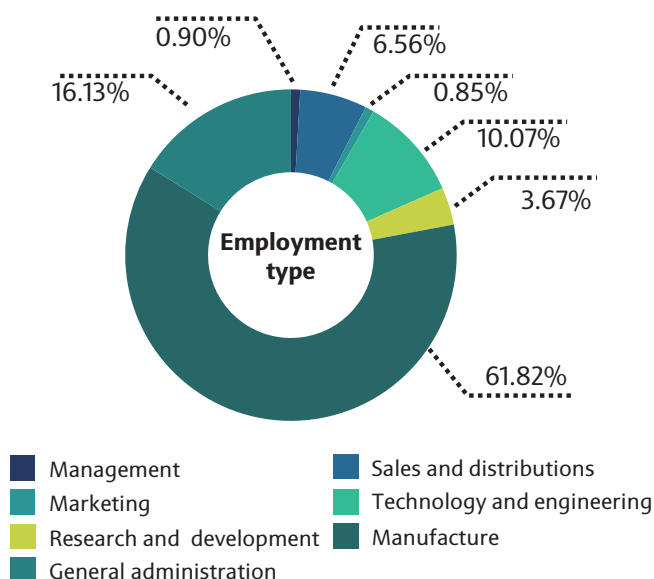
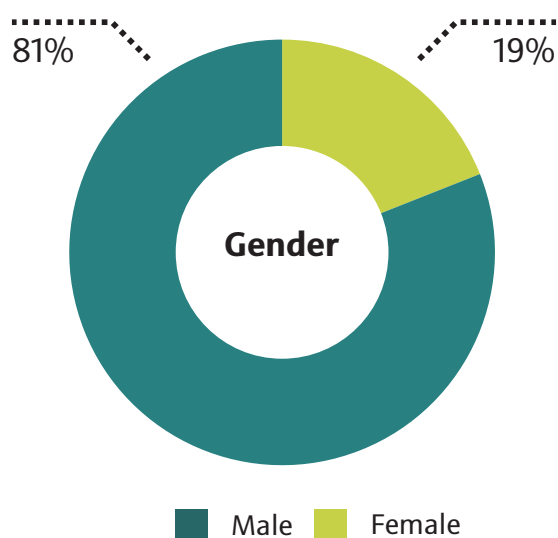
## 4.1 EMPLOYEES MANAGEMENT

### 4.1.1 RECRUITMENT AND DISMISSAL

The Group has strictly abided by such laws and regulations as “Labour Law of the PRC”, “Labour Contract Law of the PRC” and “Regulation on the Implementation of the Employment Contract Law of the PRC”. It has laid down the “Measures for Open Recruitment”, “Measures of Recruiting Urgently Needed Talents”, “Measures for Employment and Management of Outsourced Laborers” and other management systems. Adherence to the principle of “equality, openness, fairness and selecting the best people on merit”, the Group has introduced required talents through social and campus recruitment.

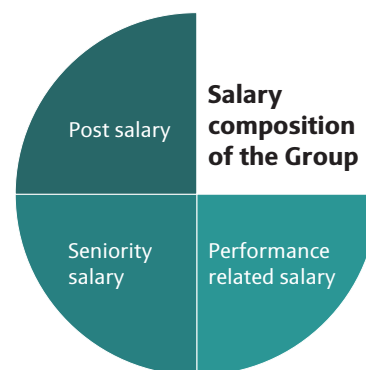
The Group has also formulated “Measures for Implementation of the Labour Contract Management”, which specifies the rights and obligations of the parties to labour contracts, and clarifies terms and procedures to terminate the labour contract. In addition, it has stated the conditions and measures on termination of contracts with employees who violate rules and disciplines in “Measures for Accountability, Discipline and Punishment Regarding Work of Employees”.

As at 31 December 2017, the Group employed 24,819 people. To review a breakdown of employees according to gender and employment type, please refer to the below charts.



### 4.1.2 COMPENSATION AND BENEFITS

The Group has formulated the “Performance-related Salary System” which keeps to the principle of equal pay for equal work, efficiency and equity. Employees are rewarded with competitive remuneration which is closely linked with the Group’s economic performance and their individual contributions.



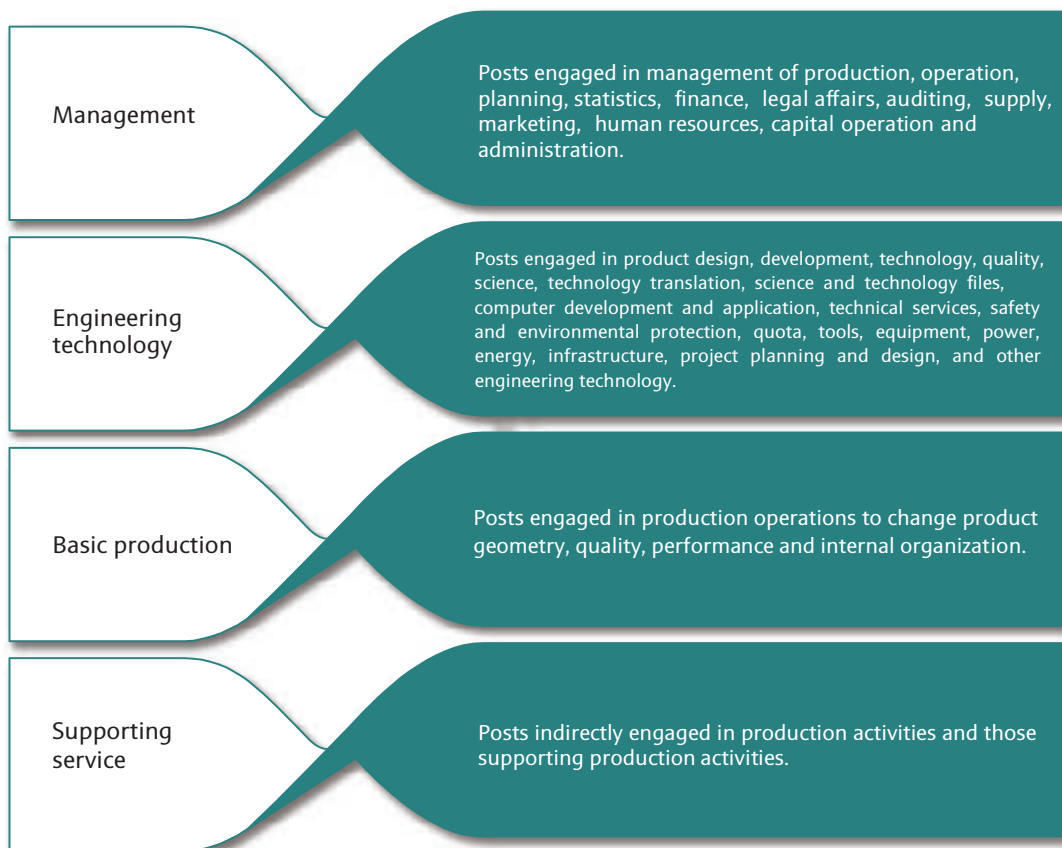
## CARING EMPLOYEES FOR A SHARED FUTURE

The Group has set out “Administrative Rules for the Filing and Payment of Social Security Premiums” stating that the Group shall centralize to the filing for and contribution to social insurance for each employee, including the basic pension fund, medical insurance, unemployment insurance, work-related injury insurance and childbirth insurance. In addition, the Group also provides a free orientation health check for newly recruited employees as well as high temperature and lunch allowances.

### 4.1.3 POST AND PROMOTION

In strict compliance with “Labour Law of the PRC”, the Group has set out “Implementation Measures on Post Regulation” to establish a sound post system, which defines the fundamental framework including categories and ranks of posts, so as to provide a robust post hierarchy and clear promotion channels for employees.

In accordance with “Administrative Measures for Recruitment of Supervisors”, the Group has adopted a combined selection method of open recruitment and organized investigation and managed supervisors in a dynamic manner. In addition, the Group follows the “Implementation Measures for the Promotion Management of Eight Levels of Non-leadership Positions and above” to offer another promotion channel for non-leadership employees.



## CARING EMPLOYEES FOR A SHARED FUTURE

### 4.1.4 WORKING HOURS AND HOLIDAYS

In strict compliance with applicable laws and regulations of the state, the Group has established the "Attendance Management System" to regulate the working hours and holidays of employees. At the same time, the trade union signs a "Collective Contract" on behalf of employees with CNHTC, which specifies the adoption of a five-day (8 hours per day) working system.

Employees are entitled to statutory holidays including New Year's Day, Spring Festival, Tomb Sweeping Day, International Labour Day, Dragon Boat Festival, Mid-Autumn Festival and National Day in accordance with relevant provisions of the State Council. According to the prevailing national and local policies and regulations, employees have been granted marriage leave, compassionate leave, home leave and maternity leave. Meanwhile, employees are entitled to paid annual leave as per the "Regulation on Paid Annual Leave" formulated by the Group.

### 4.1.5 ANTI-DISCRIMINATION

In strict compliance with national and local rules and regulations, the Group allows no bias on any employee based on personal characteristics such as race, gender, complexion, age, family background, ethical traditions, religions, physical status and original nationality, and treats employees fairly in every aspect such as recruitment, duty performing, remuneration, training, promotion, and compensation.



## CARING EMPLOYEES FOR A SHARED FUTURE

### 4.2 EMPLOYEES ACTIVITIES

The Group has always paid close attention to the needs of its employees, caring for their physical and mental health. A series of recreational, sport and cultural activities were held. Employees were organized to participate in various competitions and art performances, which greatly enriched their spare time.



Single youth event-"CNHTC worthy of great trust"



Oil painting experience activity held in International Company on International Women's Day



The fifth staff badminton game



Ji'nan staff badminton game



Thank-you performance for grassroots



Exhibition on staff's art, calligraphy and photography works for celebrating the opening of 19th CPC National Congress

## CARING EMPLOYEES FOR A SHARED FUTURE

### 4.3 HEALTH AND SAFETY

#### 4.3.1 SAFE PRODUCTION

In strict compliance with “Labour Law of the PRC”, “Work Safety Law of the RPC” and the “Law of the PRC on the Prevention and Treatment of Occupational Diseases”, the Group commits itself to maintaining a healthy, safe and comfortable working environment for employees. It has obtained the GB/T28001-2011 OHSAS (Occupational Health and Safety Assessment System) certification, formulated the “Work Safety Management Policy” and set up a robust occupational health and safety management system. The Group formulates the “Implementation Opinions on Safety, Environmental Protection and Occupational Health” at the beginning of each year for the purpose of guiding safety work. In addition, the Group has established sound emergency measures in accordance with “Emergency Rescue Plan for Major Work Safety Accidents”, “Rules for Screening for and Elimination of Hidden Risks of Major Work Safety Accidents” and “Measures for Administration of Work Safety Statistics and Rapid Reporting”.

The Group has formulated “Administrative Measures for Fire Safety Management” and “Policy of Fire Prevention and Safety for Places with Flammable and Explosive Materials” and established a Fire Safety Office under the Department of Public Safety to take charge of fire prevention related work, including preparing monthly work plans, regularly organizing fire drills, performed unannounced inspections on each subsidiary’s fire safety work from time to time to reduce fire safety hazards.



Fire drill in Rubber & Plastic Components Company



Emergency drill of hazardous waste leakage in Axle & Transmission Company



Fire evacuation drill in Power Division



Firefighting training

## CARING EMPLOYEES FOR A SHARED FUTURE

### 4.3.2 OCCUPATIONAL HEALTH

In strict compliance with the “Law of the PRC on Prevention and Control of Occupational Diseases” and other applicable laws and regulations, the Group has formulated “Occupational Health Management System” and “Procedures of Labour Protection and Prevention and Control of Occupational Disease”, made efforts to prevent, control and eliminate occupational hazards, as well as occupational diseases and occupational toxicity for the purpose of protecting the health and safety of employees.

The Group has entrusted a qualified occupational health technical service institution to evaluate the current situation of occupational disease hazards every three years and implemented the suggestions and measures in the evaluation report according to “Provisions on the Supervision and Administration of Occupational Health at Work Sites”. In accordance with “Administrative Regulations on Periodic Testing of Occupational Hazards Factors by Employers”, the Group has conducted annually a comprehensive examination at the work sites where occupational hazards may present. Where the testing results indicate that concentration or intensity of the occupational hazards exceeds the occupational exposure limits, the Group will timely develop rectification plans. In early 2017, the Group issued the “Notice on Effectively and Comprehensively Improving Occupational Health in 2017”, which set out the occupational health examination of that year. The Group timely provided the examination results to employees so that they could gain a better understanding about their own occupational health conditions.

#### OCCUPATIONAL HEALTH EXAMINATION



Light Truck Division



Power Division



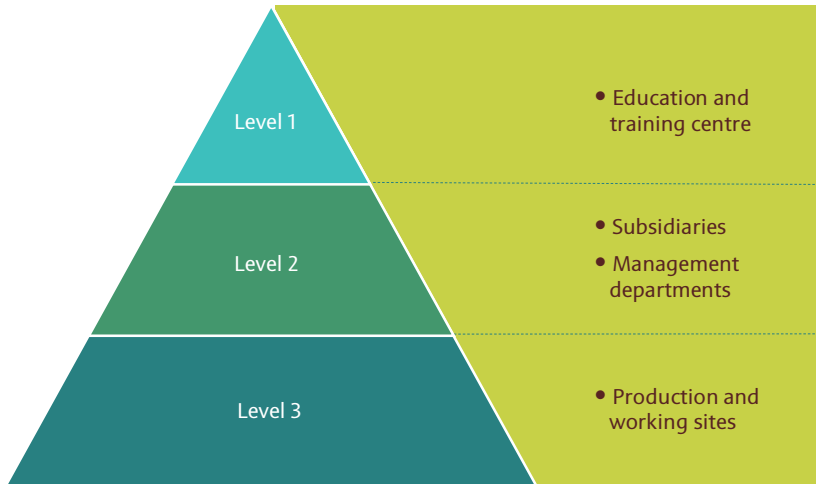
Rubber & Plastic  
Components Company



## CARING EMPLOYEES FOR A SHARED FUTURE

### 4.4 EMPLOYEES TRAINING

The Group has attached great importance to the growth of personal qualification and professional competency of employees and has formulated the "Measures for Implementation of Employee Training". With the support of the internal education and training center, all subsidiaries and departments, the Group provides training to its employees and has maintained records for employee training to improve the overall quality of its workforce.



The Group has established a three-level training system and provided training for middle and senior management personnel, high-level professionals, engineering technicians, marketing and management personnel, advanced technicians, on-site sub-department heads (sub-department heads directly under the Group), and workshop supervisors. The Group has cooperated with universities and made full use of their faculty and scientific research strength to train its high-level technicians. The Group has also accelerated the construction of network training institutes with the intent to achieve innovation of remote training mode by taking full advantage of network technology.

In addition, the Group has also formulated the "Administrative Measures for Appointment of Full-time and Part-time Trainers" with the goal of fully pooling internal excellent talents and social educational resources to build a professional team of trainers, which meets the needs of development of both the enterprise and employees.

## CARING EMPLOYEES FOR A SHARED FUTURE



On November 17, 2017, 219 employees from on-site teams of the Power Division responsible for processing WD engines participated in the training of National V engines.



Theme training—"Industry 4.0 and Enterprise Innovation"



**Personal challenge**



**Theoretical training**

In July 2017, Truck Company organized a comprehensive training combined theory and practice for director-level reserve personnel and newly appointed deputy directors so as to enable them to gain a better understanding of the importance of team communication and collaboration.



Law popularizing educational activity held in International Company



On-site training for Light Truck Division



# COMPLIANCE MANAGEMENT AND CONTRIBUTIONS TO THE SOCIETY

## 5.1 COMPLIANCE MANAGEMENT

### 5.1.1 LABOUR STANDARDS

In strict compliance with “Labour Law of the PRC” and “Provisions on Prohibition of Child Labour”, the Group prohibits forced labour and child labour.

The Group employs regular employees through open recruitment and verifies candidates’ ID cards, degree, diplomas and other certificates during their on-boarding process. Besides, it is stipulated in the “Measures of Employment and Management of Outsourced Laborers” that sourced laborers shall be aged over 17 years old (18 years old at least in case of positions involving heavy physical work or exposure to toxic and harmful work environment).

Overtime work is under stringent control of the Group and requires approval from supervisors. Where overtime work is required during statutory holidays, the Group pays employees or arrange compensatory leave of the same length in lieu. If the system of standard working hours is not applicable to any subsidiary due to characteristics of positions, the subsidiary could implement the system of flexible working hours. Prior to implementation, the applicable work system is examined and approved by the subsidiary and then submitted by the competent department for approval of the local labour administration department.

### 5.1.2 ADVERTISEMENT AND MARKS

In strict compliance with “Advertisement Law of the PRC” and other applicable laws and regulations, the Group implements the “Administrative Measures for Advertising” with the goal of reviewing advertisement to be released so as to ensure that all advertising and publicity the Group launches are legal and effective.

The Group has set out the “Detailed Rules for the Implementation of the Identification of Corporate Image”, “Brand Management System”, “Standards for Vehicle Product Marks” and “Standards for Vehicle Tagging and Labelling” to regulate the identification of corporate image, brand, vehicle product marks, labels and tags on a uniform basis.

### 5.1.3 INTELLECTUAL PROPERTY MANAGEMENT

The Group has established a sound intellectual property management system in accordance with the “Enterprise Intellectual Property Management Standard (GB/T 29490-2013)”. Keeping to the principle of “Lead the industry with innovation and safeguard the century-old foundation with intellectual property”, the Group has uniformly managed its patents, trademarks and intellectual property.

Within the framework of this management system, the Group has regulated management of patents according to “Patent Law of the PRC”, “Measures for Administration of Patents” and other applicable control procedures. In addition, in compliance with “Trademark Law of the PRC”, “Detailed Rules for the Implementation of the Trademark Law of the PRC”, “Madrid Agreement Concerning the International Registration of Trademarks” and “Detailed Rules for the Implementation of the Madrid Agreement Concerning the International Registration of Trademarks”, it has formulated the “Measures for Administration of Trademarks” which specifies the department in charge of trademark management and its responsibilities, as well as registration process, use, authorization, protection, file management, and review of trademarks.



## COMPLIANCE MANAGEMENT AND CONTRIBUTIONS TO THE SOCIETY

### 5.1.4 ANTI-CORRUPTION

In strict compliance with the "Criminal Law of the PRC", the "Company Law of the PRC", "Tendering and Bidding Law of the PRC", "Anti-Unfair Competition Law of the PRC", "Interim Provisions on Banning Commercial Bribery" and "Anti-Money Laundering Law of the PRC" and other applicable national laws and regulations, the Group has formulated "Provisions on Improving Style of Work and Strengthening Honesty and Self-Discipline", "Provisions on Implementation of the Responsibility System for Improving the Party's Style of Work and Upholding Integrity", "Implementing Opinions on Management of Risk Prevention and Control Concerning Corruption", "Provisions on Management of Integrity Files of Leading Cadres" and "Provisions on Leading Cadres Reporting on Their Work and Efforts to Perform Duty Honestly", which specifies honesty of management and builds a sound management system for anti-corruption.

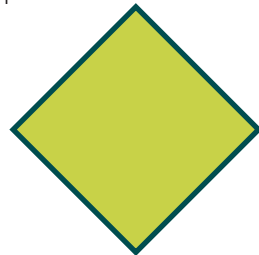
The Group has signed the "Agreement on Mutual Commitment to Honesty and Integrity" complementary to business contracts with the contracting party so as to regulate the activities of both parties, and prevent the act of seeking illegitimate gains in breach of laws and disciplines.



Lecture on performing work honesty held in Components Manufacturing Division



Dynamic analysis meeting on anti-corruption held in International Company



Exhibition on paintings, calligraphy works and comics concerning clean and honest administration held in Commercial Truck Company



The bulletin board demonstrating the clean and honest culture in Light Truck Division

## COMPLIANCE MANAGEMENT AND CONTRIBUTIONS TO THE SOCIETY

### 5.2 CHARITABLE ACTIVITIES

In close cooperation with Ji'nan Charity Association, the Group makes annual donations to the association. Ji'nan Charity Association has established a charity station in the Group and set up a relief fund. Both the station and the fund have been managed by the association on a uniform basis under the "Charity Station Management System". The Group has established the Employees' Mutual Aid Fund and the Employees' Mutual Aid Foundation so as to offer assistance to troubled members, and managed funds and members of the foundation pursuant to the "Administrative Measures for Employees' Mutual Aid Fund". The Group has also been involved itself extensively in an assortment of social activities and contributed to the society by making donations in various forms for fulfilment of its corporate social responsibilities.

#### CARING ACTIVITIES - "UNDERSTANDING THE DEVELOPMENT OF CNHTC AND CARING FOR THE LEFT-BEHIND CHILDREN"

On 5 March 2017, the Leifeng Day, the Group invited 22 left-behind children from Changqing and Zhangqiu to visit the museum and production lines of CNHTC to show them the Group's brand history and modern development and bring them care and warmth from the Group and the society.



#### Voluntary services initiated by Hangzhou Engines Company

On 7 March 2017, Hangzhou Engines Company organized voluntary service activities such as picking up litter and promoting classification of wastes with the theme of "beautifying the environment by starting with ourselves and classifying litter to promote civilization". There were nearly 50 youth volunteers participating in those activities.





## COMPLIANCE MANAGEMENT AND CONTRIBUTIONS TO THE SOCIETY

EMPLOYEES FROM EACH SUBSIDIARY ACTIVELY PARTICIPATED IN NON-COMPENSATED BLOOD DONATION.



# APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
A1	<p><b>Emissions</b></p> <p>Information on relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p><i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i></p> <p><i>Hazardous wastes are those defined by national regulations.</i></p>	3.1 Pollution treatment
KPI A1.1	The types of emissions and respective emissions data.	3.1.1 Waste gas emissions 3.1.2 Waste water emissions
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.3 Greenhouse gas
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.4 Wastes
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.1.4 Wastes
KPI A1.5	Description of measures to mitigate emissions and results achieved.	3.1.1 Waste gas emissions 3.1.2 Waste water emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1.4 Wastes
A2	<p><b>Use of Resources</b></p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>	3.2 Resources conservation
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.2.1 Reduction of energy consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.2.2 Reduction of water consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	3.2.1 Reduction of energy consumption



## APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3.2.2 Reduction of water consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.2.3 Packaging materials
A3	<b>The Environment and Natural Resources</b> Policies on minimizing the issuer's significant impact on the environment and natural resources.	3.1.5 Noise control 2.4 New energy vehicles
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	
B1	<b>Employment</b> Information relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4.1 Staff management 4.2 Staff activities
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	4.1 Staff management
B2	<b>Health and Safety</b> Information relating to providing a safe working environment and protecting employees from occupational hazards on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	4.3 Health and Safety
B3	<b>Development and Training</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	4.4 Staff training
B4	<b>Labour Standards</b> Information relating to preventing child and forced labour on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer.	5.1.1 Labour standards
B5	<b>Supply Chain Management</b> Policies on managing environmental and social risks of the supply chain.	2.2 Supply chain management

## APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
B6	<p><b>Product Responsibility</b></p> <p>Information relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	<p>2.1. Product quality</p> <p>2.3. Customer service</p> <p>5.1.2 Advertisement and marks</p> <p>5.1.3 Intellectual property management</p>
B7	<p><b>Anti-corruption</b></p> <p>Information relating to bribery, extortion, fraud and money laundering on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	5.1.4 Anti-corruption
B8	<p><b>Community Investment</b></p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	5.2 Charity



**中国重汽**  
**SINOTRUK**