

EMPLOYEES

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.



Diverse Training System



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.

SOCIETY

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.

The Group has formulated “Measures for Administration of Patents” and other applicable control procedures in accordance with “Patent Law of the PRC”, to regulate management of patents.

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”, the Group 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, authorisation, protection, file management, and review.

5.1.4. Anti-corruption

In strict compliance with 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 a series of management policies, to specify integrity of the management.

- “Regulations on the Executives of State-owned Enterprises for Performing Management Duties with Integrity”
- “Provisions on Improving Style of Work and Strengthening Honesty and Self-Discipline”
- “Implementing Opinions on Management of Risk Prevention and Control Concerning Corruption”
- “Provisions on Management of Integrity Files of Leading Cadres”
- “Provisions on Leading Cadres Reporting on Their Work and Efforts to Perform Duty Honestly”, etc.

SOCIETY

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.

The Group has formulated the “Administrative Measures for International Trade Commissions”, which specifies in details the payment of compensations or service fees to intermediaries in international trade businesses, and stipulates that commission payment shall obtain approvals from all levels of authorities prior to execution in prevention of commission businesses related to terrorism, money-laundering, corruption, commercial bribery and unfair competition.



Anti-corruption trainings



Legal and regulatory trainings carried out by Chongqing Fuel System Company



Dynamic analysis meeting on anti-corruption held by Chengdu Wangpai Company



Lecture on clean governance held by the Commercial Truck Company



Speech contest themed “Open and Transparent Public Power” held by the Technical Centre

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.

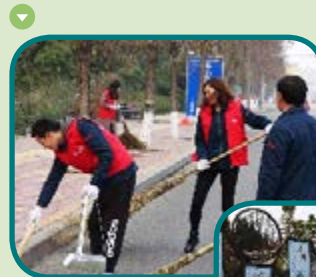
 Social contribution

Voluntary service

In October 2018,  the Fujian Haixi Company's Union Volunteer Service Team organised the volunteer service of "Cleaning of the Roads"..



In November 2018, Ji'ning Commercial Truck Company organised a volunteer team with its employees to carry out road maintenance and sanitation activities, for the purpose of assisting the City to create a national civilised city..



 In March 2018, Hangzhou Engines Company organised young volunteers to pick up and classify litter around the Company.



Employees from each subsidiary actively participated in non-compensated blood donation



SOCIETY



Charitable activities

“One-to-One” Book Donation Activity:

The Components Manufacturing Division established the assistant mechanism named “One-to-One” with the Second Primary School of Shengjing Town, Zhangqiu District, aiming at donating extracurricular reference books and realia to the School on a regular basis, and helping two poor students to complete their studies. On 28 November 2018, the Components Manufacturing Division sent more than 300 extracurricular reference books to the School.



Care for the aged:

During the Spring Festival of 2018 and in September 2018, the Group's Gearbox Division Committee arranged volunteers to visit the senior in Jinan Elderly Rehabilitation and Nursing Centre, to care for and chat with them.



Before the Mid-Autumn Festival and the National Day, the Gearbox Division visited 10 lonely elderly people in Xisiyu Village, Caishi Town, Jinan City, asked about physical condition of their family members and family information with concern and sent them sympathy.



Social recognition

In 2018, due to the proactive support and participation in charitable activities, the Group won the titles of “Advanced Charity Workstation”, “Charitable Donation Unit”, and “Advanced Charity Unit” in the Jinan Charity Awards Selection Event and was granted the title of “Advanced Unit for Charitable Donation and Helping the Disabled” by the Jinan Welfare Fund for the Handicapped.



APPENDIX I:

ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
A1	<p>Emissions</p> <p>Information 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>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</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. Wastewater discharge
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. Wastewater discharge
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	3.1.4. Wastes
A2	<p>Use of Resources</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	The Environment and Natural Resources 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	Employment Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	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	Health and Safety Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3. Health and Safety
B3	Development and Training 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	Labour Standards Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1.1. Labour standards
B5	Supply Chain Management Policies on managing environmental and social risks of the supply chain.	2.3. Supply chain management

APPENDIX I: ESG REPORTING GUIDANCE INDEX

Aspect	General Disclosure	Index
B6	<p>Product Responsibility</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<p>2.1. Product quality</p> <p>2.2. Customer service</p> <p>5.1.2. Advertisement and marks</p> <p>5.1.3. Intellectual property management</p>
B7	<p>Anti-corruption</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	<p>5.1.4. Anti-corruption</p>
B8	<p>Community Investment</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>	<p>5.2. Charity</p>



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