



Shanghai Dongzheng Automotive Finance Co., Ltd.\*

上海東正汽車金融股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

stock code : 2718

# 2018

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



\*For identification purposes only

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## ABOUT THIS REPORT

### Overview

This is the first Environmental, Social and Governance Report (the “Report” or the “ESG Report”) issued by Shanghai Dongzheng Automotive Finance Co., Ltd.\* (the “Company”), which adheres to the principle of materiality, quantitative and consistency and focuses mainly on the disclosure of the Company on its sustainable development relating to economic, social, governance and environmental areas from 1 January 2018 to 31 December 2018 (the “Reporting Period”).

### Basis of Preparation

This Report was prepared in accordance with the recommended disclosures under the “Environmental, Social and Governance Reporting Guide” (the “ESG Guide”) contained in Appendix 27 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

### Reporting Scope and Boundary

The purpose of this Report is to objectively present the performance of the Company in the aspects of corporate social responsibility, such as economic, products and services, social, environmental, employees’ growth and corporate governance. The reporting scope mainly covers the business activities of Shanghai Dongzheng Automotive Finance Co., Ltd.\*.

### Data Source and Reliability Statement

The data used in this Report is derived from Shanghai Dongzheng Automotive Finance Co., Ltd.\* and has been reviewed by the Office of the Board of Shanghai Dongzheng Automotive Finance Co., Ltd.\*.

### Designation Description

For the convenience of expression and reading, “Company”, “Our Company”, “Dongzheng AFC” and “We” refer to “Shanghai Dongzheng Automotive Finance Co., Ltd.\*” in this Report.

### Preparer

The preparer of the Report is the Office of the Board of Shanghai Dongzheng Automotive Finance Co., Ltd.\*. This Report has been approved by the Board of the Company on 12 June 2019.

### Access and Response to the Report

This Report will be published in electronic version. Please refer to the electronic version available on the website of Hong Kong Exchanges and Clearing Limited (“HKEx”)([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website ([www.dongzhengafc.com](http://www.dongzhengafc.com)).

If you have any comments or suggestions on the environmental, social and governance performance of the Company, please feel free to send email to [ir@dongzhengafc.com](mailto:ir@dongzhengafc.com).

## I. CORPORATE OVERVIEW

### 1.1 Company Profile

Shanghai Dongzheng Automotive Finance Co., Ltd.\* was established as a limited liability company on 11 March 2015 and converted into a joint stock limited company on 15 August 2018. Dongzheng AFC was listed on the main board of the Stock Exchange on 3 April 2019 (the "Listing Date") (H Shares stock code: 2718). As an auto finance company licensed and regulated by China Banking and Insurance Regulatory Commission (the "CBIRC"), the Company specializes in providing auto finance products and services for the purchase of luxury-brand cars.

The Company is committed to improving corporate governance, steadily developing its business, while continuing innovation and transformation. As of 31 December 2018, the Company recorded a total operating income of approximately RMB815,777,000, representing an increase of 76.6% as compared to approximately RMB461,960,000 in 2017. The Company's net profit increased by 73.5% from approximately RMB260,773,000 in 2017 to approximately RMB452,517,000 in 2018. The Company's performance not only delivered sound returns to the Shareholders and investors, but also laid a solid foundation for its sustainable development.

### 1.2 Corporate Governance

The Company has been committed to improving the level of corporate governance. In accordance with domestic and overseas corporate governance requirements, the Company has established a sound corporate governance system, in which the general meeting, the Board, the Board of Supervisors and senior management fulfill their clearly defined duties, independent operations, and maintain effective checks and balances in place to ensure efficient coordination and scientific decision-making, thereby fully protecting the interests of Shareholders and enhancing corporate value. The Company will fully comply with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules on the Stock Exchange from the Listing Date.

#### *Board Composition*

The Board currently comprises seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. As of the date of this Report, the members of the Board are as follows:

#### *Executive Directors*

Mr. Lin Fan (*Chairman of the board*)  
Mr. Shao Yongjun

#### *Non-Executive Directors*

Mr. Koh Tee Choong (appointed on 9 August 2018)  
Mr. Yin Yaoliang (appointed on 19 July 2018)

#### *Independent Non-Executive Directors*

Mr. Lau Wai Leung Anders (appointed on 8 March 2019)  
Mr. Lin Zheyang (appointed on 9 August 2018)  
Ms. Liang Yanjun (appointed on 9 August 2018)

According to code provision A.2.1 of the CG Code, the roles of Chairman and President of the Company are divided and each has a clear division of responsibilities. Mr. Lin Fan, the Chairman of the Company, is responsible for material matters related to overall strategic development. Mr. Li Yi, the President of our Company, is responsible for the operations and management of the Company. The President of the Company, who shall perform his duties in accordance with the Articles of Association and the authorization granted by the Board, shall be appointed by the Board and is accountable to the Board. At the end of the Reporting Period, the Board has complied with the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board, with one possessing appropriate professional qualifications or accounting or related financial management expertise. The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

#### ***Induction Training and Continuing Professional Development for Directors***

Directors shall at all times keep abreast of responsibilities as directors of the Company and of the business practices, business activities and development of the Company.

Each newly appointed Director receives formal and comprehensive induction training on the first occasion of his/her appointment, so as to ensure that he/she has proper understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Directors should participate in appropriate continuing professional development to enhance and update their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All directors are encouraged to participate in relevant training courses at the Company's expenses.

For the year ended 31 December 2018, the Company organized a training conducted by the lawyers to brief the Directors on his/her duties, responsibilities and obligations under the Listing Rules. All Directors have attended the training.

#### ***Term of Office of Directors***

In strict compliance with the Listing Rules and the Company's Articles of Association, the Directors of the Company shall be elected by the shareholders general meeting and his/her qualification shall be submitted to the CBIRC and its dispatched agency for approval. The Directors shall have a term of office of three years. Upon the expiration of the term, a Director shall be eligible for re-election and re-appointment, and the cumulative term of office for independent non-executive Directors shall not exceed six years.

### Meeting Attendance Record of Directors and Committee Members

As the Company was only listed on the Stock Exchange on the Listing Date, apart from one meeting convened by the Risk Management Committee, other Board committees have not held any meeting during the Reporting Period. The attendance record of each Director is as follows:

#### Meeting Attended during Tenure of Office/Held

Members of the Board	Board	Founding General Meeting/Annual General Meeting/Extraordinary General Meeting	Remarks
<i>Executive Directors</i>			
Mr. Lin Fan	36/36	4/4	
Mr. Shao Yongjun	36/36	4/4	
Mr. Lu Feng	27/27	1/1	resigned on 19 July 2018
<i>Non-Executive Directors</i>			
Mr. Koh Tee Choong	9/9	0/3	appointed on 9 August 2018
Mr. Yin Yaoliang	9/9	3/3	appointed on 19 July 2018
<i>Independent Non-Executive Directors</i>			
Mr. Lau Wai Leung Anders	0/0	0/0	appointed on 8 March 2019
Mr. Lin Zheyang	9/9	0/3	appointed on 9 August 2018
Ms. Liang Yanjun	9/9	0/3	appointed on 9 August 2018
Dr. Bao Xiaoli	9/9	0/3	appointed on 9 August 2018 and resigned on 8 March 2019

As the Company was only listed on the Stock Exchange on the Listing Date, a regular Board meeting was held by the Company and the Chairman has not met with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors for the year ended 31 December 2018. The Board will make arrangements for holding at least four regular Board meetings and a meeting between the Chairman and the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors each year.

### Special Committees of the Board

The Board has established four special committees, namely, the Audit Committee, the Remuneration and Evaluation Committee, the Nomination Committee and the Risk Management Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company have been established with defined written terms of reference, which are posted on the Company's website ([www.dongzhengafc.com](http://www.dongzhengafc.com)) and the HKEx's website ([www.hkexnews.hk](http://www.hkexnews.hk)) and are available for inspection of Shareholders upon request.

During the Reporting Period and up to the date of this Report, the composition of such committees is as follows:

Name of Committee	Members (during the Reporting Period)	Members (up to the date of this Report)
Audit Committee	Bao Xiaoli (Chairman) Lin Zheyong Liang Yanjun	Lau Wai Leung Anders (Chairman) Lin Zheyong Liang Yanjun (Bao Xiaoli, former Chairman of the Audit Committee, resigned on 8 March 2019)
Remuneration and Evaluation Committee	Lin Zheyong (Chairman) Bao Xiaoli Koh Tee Choong	Lin Zheyong (Chairman) Lau Wai Leung Anders Koh Tee Choong (Bao Xiaoli, former member of the Remuneration and Evaluation Committee, resigned on 8 March 2019)
Nomination Committee	Lin Zheyong (Chairman) Liang Yanjun Koh Tee Choong	Lin Zheyong (Chairman) Liang Yanjun Koh Tee Choong
Risk Management Committee	Lin Fan (Chairman) Shao Yongjun Bao Xiaoli	Lin Fan (Chairman) Shao Yongjun Lau Wai Leung Anders (Bao Xiaoli, former member of the Risk Management Committee, resigned on 8 March 2019)

### Audit Committee

The Audit Committee is mainly responsible for:

- reviewing the financial information and reporting procedures of the Company;
- reviewing the internal control and risk management systems of the Company;
- reviewing and monitoring the audit plan and relationship with external auditor; and
- reviewing the arrangements that enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.



As the Company was only listed on the Stock Exchange on the Listing Date, the Audit Committee did not hold any meeting for the year ended 31 December 2018. From 2019 onwards, the Audit Committee will make arrangements for holding at least two meetings a year to review the interim and annual financial results and reports and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the scope of work and appointment of external auditor and arrangements for employees to raise concerns about possible improprieties.

### ***Remuneration and Evaluation Committee***

The Remuneration and Evaluation Committee is mainly responsible for:

- reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and making recommendations to the Board on the remuneration policy and structure for all Directors and senior management; and
- establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

As the Company was only listed on the Stock Exchange on the Listing Date, the Remuneration and Evaluation Committee did not hold any meeting during the Reporting Period.

For the details of remuneration paid to Directors and senior management, refer to the accountant's report as set out in the prospectus of the Company dated 14 March 2019.

### ***Nomination Committee***

The Nomination Committee is mainly responsible for:

- reviewing the structure, size and composition of the Board;
- monitoring the implementation of the Board Diversity Policy;
- making recommendations to the Board on the appointment and succession planning of Directors; and
- assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend to the Board for adoption.

As the Company was only listed on the Stock Exchange on the Listing Date, the Nomination Committee did not hold any meeting during the Reporting Period.



### ***Risk Management Committee***

The Risk Management Committee is mainly responsible for:

- considering and developing the comprehensive risk management strategy;
- reviewing and assessing the risk policies, management status and risk tolerance ability of the Company, and advising on improvement of the risk management and internal control of the Company; and
- reviewing the management of connected transaction of the Company on a regular basis.

The Risk Management Committee held one meeting during the Reporting Period.

### ***Risk Management and Internal Control***

The Board acknowledges the responsibility for maintaining an effective risk management and internal control system to safeguard the Shareholders' interest and the assets of the Company. The management of the Company has established a set of comprehensive policies, rules, and procedures in areas of operational, financial, and risk monitoring for safeguarding assets against unauthorized use or disposition; for maintaining proper accounting records and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has also conducted a review of the effectiveness of the risk management and internal control system of the Company, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting function, which is deemed as effective and sufficient. The Company also has internal audit function in place to carry out analysis and independent assessment over the sufficiency and effectiveness of these systems. Furthermore, the Company has procedures in place to keep information confidential and manage actual or potential conflict of interest. The stringent internal structure of the Company is established to prevent misuse of inside information and conflicts of interest.

### ***Corporate Governance Functions***

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuing professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Company's securities dealings code, and the Company's compliance with the CG Code. The Company will fully comply with the code provisions set out in the CG Code from the Listing Date.

### ***Directors' Responsibility for the Financial Statements***

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

### ***Company Secretary***

Ms. Yao Wen, secretary to the Board and chief risk management officer, and Ms. Yu Wing Sze of TMF Hong Kong Limited, an external service provider, are the joint company secretaries of the Company. Ms. Yu's primary contact person in the Company is Ms. Yao Wen.

### ***Directors' Securities Transactions***

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). The Company has not been listed on the Stock Exchange during the Reporting Period. Therefore, the Model Code did not apply to the Directors of the Company during the Reporting Period.

### ***Responsibilities and Contributions of the Board and Management***

The Board is collectively responsible for leadership and control of the Company, as well as oversight over the Company's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Directors make objective decisions in the interests of the Company.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company. The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his or her responsibilities to the Company.

The Board reserves the right to make decisions on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflicts of interest), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

### ***Shareholders' Rights***

To safeguard Shareholders' interests and rights, separate resolutions will be proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules (except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) and poll results will be posted on the websites of the Company and of the HKEx after each general meeting.



### ***Extraordinary General Meetings to be convened by Shareholders***

The Company protects Shareholders' rights strictly in compliance with the regulatory requirements and Articles of Association. Two or more than two shareholders holding 10% or more of the voting rights (the "Proposed Shareholders") shall sign one or several counterpart requisitions in writing stating the object of the meeting and requiring the Board to convene an extraordinary general meeting or class meeting. The Board, in accordance with laws and regulations and the Articles of Association, give a written reply as to whether or not it agrees to convene an extraordinary general meeting within ten days after receiving the written requisition.

In the event that the Board agrees to convene an extraordinary general meeting, the notice of the meeting shall be issued within five days after the Board makes such resolution. Any changes to the original proposal set out in the notice are subject to prior consent of the Proposed Shareholders. If the Board does not agree to convene an extraordinary general meeting or fails to furnish any reply within ten days after receiving a requisition, the Shareholders individually or jointly holding 10% or more of the shares of the Company shall be entitled to propose to the Board of Supervisors to convene an extraordinary general meeting, provided that such proposal shall be made in writing. In the event that the Board of Supervisors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receipt of the request. Any changes to the original proposal set out in the notice are subject to prior consent of the Proposed Shareholders. Failure of the Board of Supervisors to issue a notice of general meeting within the prescribed time limit shall be deemed as the Board of Supervisors do not agree to convene and preside over a general meeting. The Shareholders individually or jointly holding 10% or more of the Company's shares for 90 consecutive days may convene and preside over the general meeting.

### ***Putting Forward Proposals at General Meetings***

According to the Company's Articles of Association, the Shareholders individually or jointly holding 3% or more of the Company's shares may submit temporary proposals to the general meeting in writing within ten days before the general meeting. A supplemental notice of the general meeting shall be issued by the convener within two days after receipt of such proposal.

### ***Putting Forward Enquiries to the Board***

Shareholders of the Company may send their enquiries to the Board, and have the right to obtain relevant information in accordance with the Articles of Association. Copies of the minutes of general meetings shall be made available for inspection free of charge by the Shareholders during the business hours of the Company. Where a shareholder requests a copy of relevant minutes from the Company, the Company shall send a copy of such minutes to him within seven days after receipt of a reasonable fee. Where a shareholder requests to inspect or obtain the relevant information mentioned above, he/she shall provide written proof stating the class and number of the shares of the Company held by him/her to the Company. Upon the verification of the identity of the shareholder, the Company shall provide the shareholder with the relevant information as requested.

### ***Communication with Shareholders and Investors***

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and investor understanding of the Company's business performance and strategies. The Company endeavours to maintain an on-going dialogue with the Shareholders and in particular, through annual general meetings and other extraordinary general meetings. At the general meeting, the Directors are available to meet the Shareholders and answer their enquiries.

The Company's website provides updated information on investor relations, corporate governance and other latest news of the Company to enable the Shareholders and investors to have timely access to information about the Company.

The Investor Relations Department of the Company is responsible for handling the communications with our investors, regularly organising road shows and one-on-one meetings with institutional investors and financial analysts to promote better understanding of the Company and keep continuous dialogues with professional investors.

If the investor has any doubt about the matters herein or if the Shareholder has any suggestions or inquiries, please contact:

Address: Unit ABC, 30/F, Mirae Asset Tower, No.166, Lu Jia Zui Ring Road, Shanghai, PRC  
Tel: +86-21-2068 9999  
Fax: +86-21-2068 9996  
Email: ir@dongzhengafc.com

### **Constitutional Documents**

The Company has adopted an Amended Articles of Association pursuant to resolutions passed by the Shareholders on 16 August 2018 when preparing for the listing of the shares on the Stock Exchange. The Amended Articles of Association became effective on the Listing Date. During the period from 16 August 2018 to 31 December 2018, the Company has not made any changes to its Articles of Association.

The Company's Articles of Association has been published on the respective websites of the Company and the HKEx on 2 April 2019 and 25 April 2019 (certain terms on the Company's share capital in the Articles of Association has been adjusted according to the issuance).

### **1.3 Recognitions and Awards**

<b>Awarding Bodies</b>	<b>Name of Awards</b>	<b>Date of Award</b>
Shanghai Branch of the People's Bank of China	Second Prize of Statistical Report Award of the People's Bank of China in 2017 (2017年度人行統計報表二等獎)	January 2018
Shanghai Pudong New Area People's Government	Outstanding Contributions to Economy of 2017 (2017年經濟突出貢獻獎)	April 2018
Zhaopin.com	China's Best Employer Nomination Award in 2018 (2018年中國年度最佳僱主提名獎)	September 2018



## 1.4 Key Performance Indicators

*Table of Key Performance Indicators*

Type of Indicator	Name of Indicator	Unit	2018
Economic Indicators	Operating income	RMB100 million	8.16
	Net profit	RMB100 million	4.53
	Basic earnings per share	RMB	0.28
	Total assets	RMB100 million	95.32
	Total loans	RMB100 million	85.62
	Total deposits <sup>1</sup>	RMB100 million	6.80
	Return on average total assets	%	5.72
	Return on average equity	%	19.92
	Non-performing loan ratio	%	0.27
	Provision coverage ratio	%	582.29
	Capital adequacy ratio	%	31.26
Social Indicators	Total paid taxes	RMB100 million	2.21
	Charity donation	RMB10,000	206.99
	Social contribution per share <sup>2</sup>	RMB	0.66
	Total headcount	Person	433
	Percentage of female employees	%	54.97
Environmental Indicators	Satisfaction rate for customer's complaints	%	100
	Electricity consumption in office	10,000 kWhs	15.8
	Water consumption in office	Tonne	34.9
	Paper consumption in office	1 million sheets	0.6
	Oil consumption in office	Litre	14,452.5
	Number of video conferences	Times	—

1 Total deposits = Shareholder deposit + Pledged deposits

2 Social contribution per share = earnings per share + (total tax payments + staff cost + interest payment + charity donations - social cost) ÷ total number of shares at the end of the period

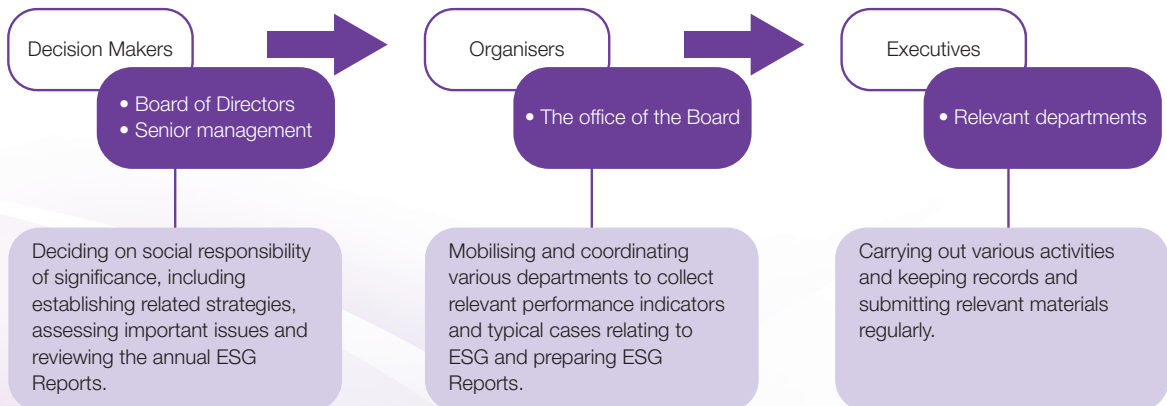
## II. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

### 2.1 Social Responsibility Philosophy

- Vision: To become the leading automotive finance company in China
- Mission: To build a wonderful driving experience for customers with quality financial products and services
- Corporate values: Innovation, integrity, persistence, caring, efficiency and sharing

### 2.2 Responsibility Management System

To orderly fulfil the social responsibility, the Company has established a social responsibility management system, under which all departments of the Company perform their duties properly through coordination and collaboration and carry out social responsibility-related activities in the ordinary course of business, thereby incorporating social responsibility philosophy into daily practices.





## 2.3 Stakeholder Communications

The Company values communication with stakeholders and has established various communication channels and maintained regular communication with the stakeholders, fully listening to the feedback from the stakeholders and forging a positive interaction with the stakeholders.

Stakeholders	Expectations and Propositions	Means of communication	Responses and measures
Government	<ul style="list-style-type: none"> <li>• Real economy support</li> <li>• Implementation of macroeconomic policies</li> <li>• Promotion of local economic development</li> <li>• Inclusive finance development</li> </ul>	<ul style="list-style-type: none"> <li>• Documents and guidelines on policies</li> <li>• Work meetings</li> <li>• Information distribution</li> <li>• Specific topic reports</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the “Belt and Road Initiative”</li> <li>• Active promotion of supply-side structural reform</li> <li>• Implementation of the policy of “cutting overcapacity, de-stocking, de-leveraging, reducing costs and improving weak links”</li> <li>• Support for key project construction</li> <li>• Provision of innovative services to small and micro enterprises</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Compliance with regulatory requirements</li> <li>• Maintenance of financial stability</li> <li>• Assuming social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory policies</li> <li>• Inspection and supervision</li> <li>• Progress reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancement of internal control</li> <li>• Promotion of a clean and honest party development</li> <li>• Assistance in charity and poverty alleviation</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Sustained business operation</li> <li>• Improving profitability</li> <li>• Increasing shareholder returns</li> <li>• Increasing corporate value</li> </ul>	<ul style="list-style-type: none"> <li>• General meetings of shareholders</li> <li>• Information disclosure</li> <li>• Performance roadshows</li> <li>• Investor research and communication</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the corporate governance structure</li> <li>• Formulation of corporate development plans</li> <li>• Timely disclosure of information</li> <li>• Enhancing investor relation management</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Improving service quality and efficiency</li> <li>• Provision of a richer selection of financial products</li> <li>• Safeguards for information and fund security</li> <li>• Service channel expansion</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing activities</li> <li>• Customer service hotline</li> <li>• Surveys</li> <li>• Digital platforms such as mini program of WeChat, APP</li> </ul>	<ul style="list-style-type: none"> <li>• Enhancing customer experience</li> <li>• Innovation of financial products</li> <li>• Protection of consumers’ rights and interests</li> <li>• Development of consumer finance</li> <li>• Promoting financial knowledge to the public</li> </ul>



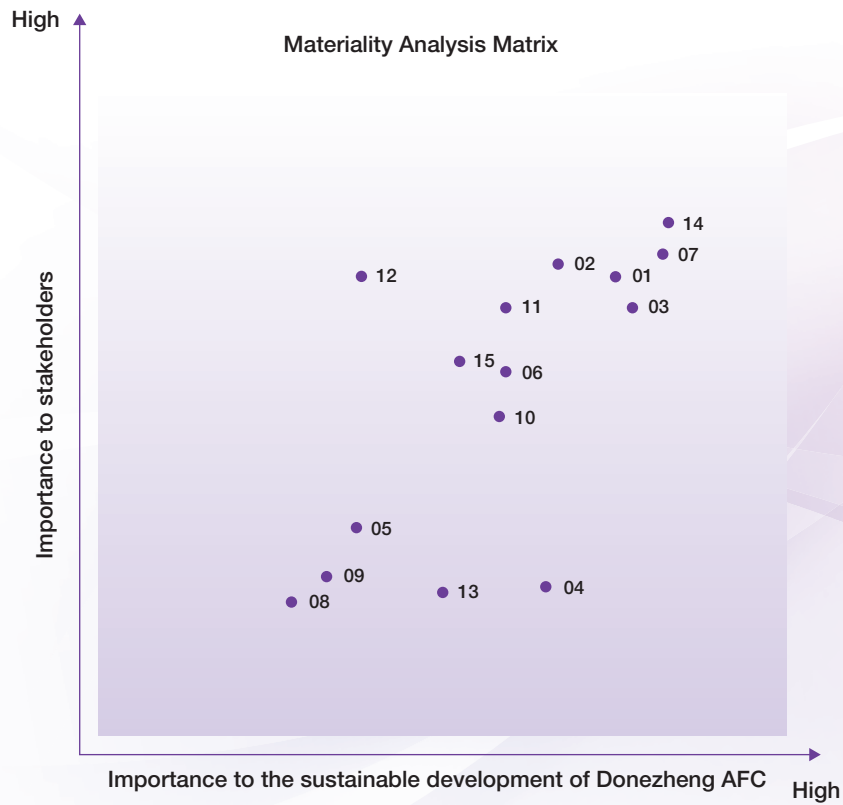
Stakeholders	Expectations and Propositions	Means of communication	Responses and measures
Employees	<ul style="list-style-type: none"> <li>Improving employees' benefits</li> <li>Protecting employees' rights and interests</li> <li>On-job trainings and development</li> <li>Enriching free-time activities</li> </ul>	<ul style="list-style-type: none"> <li>General meetings of employee representatives</li> <li>Feedback</li> <li>Visits and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Improving the compensation and welfare system</li> <li>Multiple channels for collecting employee suggestions</li> <li>Improving training systems</li> <li>Organization and construction of staff home</li> <li>Offering care to employees in need</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair procurement</li> <li>Cooperation for win-win outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Negotiation</li> <li>Cooperation agreement</li> <li>Tendering and bidding</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of a procurement management system</li> <li>Enhancing business cooperation</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Mutually beneficial cooperation</li> <li>Communications and exchanges</li> </ul>	<ul style="list-style-type: none"> <li>Meetings</li> <li>Project cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Continually deepening banking cooperation</li> <li>Enhancing exchanges and cooperation with industry peers</li> </ul>
Communities	<ul style="list-style-type: none"> <li>Caring for disadvantaged groups</li> <li>Organizing charity events</li> </ul>	<ul style="list-style-type: none"> <li>Visits</li> <li>Seminars</li> </ul>	<ul style="list-style-type: none"> <li>Financial aid to students</li> <li>Employee voluntary activities</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Environmental protection with low carbon</li> <li>Sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>Policies on energy conservation and emission reduction</li> <li>Green public service activities</li> </ul>	<ul style="list-style-type: none"> <li>Green finance</li> <li>Green services</li> <li>Green operation</li> </ul>



## 2.4 Materiality Analysis

The Company identifies social responsibility issues on the basis of the expectations and needs of various stakeholders, as well as the development strategy of the Company. The Company performs a materiality assessment of these issues, analysing and comparing the materiality of different social responsibility issues on the sustainability development of the Company and the stakeholders and thus identifying issues of materiality.

Materiality Analysis	Identification	• Analysis of macro-economy and hot topics of the industry
		• Identifying issues of social responsibilities materially related to the Company based on its development strategy
		• Making reference to the guidelines from the industry and ESG Guide
Evaluation	• Prioritizing the issues by materiality based on surveys to our customers, staff and other stakeholders	
Selection	• Establishing an analysis matrix of materiality, assessing the materiality of issues and giving more disclosure on issues of greater materiality	



1	Employee career development	6	Persistence in anti-corruption campaigns	11	Improving corporate governance
2	Protecting employees' rights and interests	7	Safeguarding compliance operation	12	Improving information disclosure
3	Development of internet finance	8	Green operation practices	13	Improving fair procurement
4	Innovating financial products and services	9	Supporting social welfare	14	Financial risk prevention and control
5	Promoting financial knowledge to the public	10	Improving services quality	15	Protection of consumers' rights and interests

### III. IMPROVEMENT OF SERVICES QUALITY

#### 3.1 Optimizing Customer Experience

Dongzheng AFC has been providing professional and meticulous services to build best customer experiences. Focusing on the constant improvement of simplicity, flexibility and timeliness, the Company markets its products to high-end luxury car customers, with a view to providing customers with exclusive financial solutions and VIP services. In this regard, we have made great efforts to improve our service quality by strengthening business training in terms of staffing; maintaining system updates and upgrades in terms of system; and constantly optimizing product processes from customers' perspectives in terms of process.

#### 3.2 Promoting Product Innovation

With focus on product innovation, we constantly increase our efforts in product research and development, as well as resources and investments. By paying attention to the business experience of financial consumers, and adhering to the service concept of "customer first", we continue to develop featured financial products to meet customers' diversified needs for automotive financial services. Committed to building a better driving experience for customer with quality financial products and services, we continue to promote the comprehensive upgrading of risk decision-making system, and actively optimize business processes and product models. In addition, we continuously improve product service quality based on customer needs. We will continue to launch more high quality financial products and services in the future.



### 3.3 Protecting Customers' Rights and Interests

The Company attaches great importance to the needs and opinions of customers, who are important assets of the Company. In order to maintain customer satisfaction and improve customer loyalty, as well as enhance its brand profile and position in the industry, the Customer Service Management System of the Company was revised and amended twice in 2018 in accordance with the “Measures for the Administration of Automotive loans”, the “Administrative Measures on Governing the Automotive Financing Company” and relevant laws, rules and regulations. It establishes and improves the rapid response mechanism for customer problems, such as 1) manned hotline service available from 8:45 to 17:45 on every working day; 2) time limit for handling consultations and enquiries, where consultations and enquiries are immediately handled or handled after confirmation; 3) responses to customer complaints, where responses are given from 2 to 5 working days under normal circumstances; and 4) complex complaints or problems that cannot be solved immediately, in which case, the head or manager of the department will designate and engage specific staff in active communications with customers. The mechanism to address customer complaints is embedded in our online and offline service process, which connects to our front office, middle office and back office so that customer complaints are resolved by the Company throughout the company-wide network based on the concept of protection of customer rights and interests, eliminating issues involving “indifference”, “routing” and “industrial practice”. By fully implementing the service concept of “customer first”, the Company actively responds to customer needs and resolves their business issues. During the Reporting Period, the Company received a total of 9 customer complaints and the customer satisfaction rate was 99.03%.

In 2018, the Company specified requirements for collecting, storing and accessing customer information and was in strict compliance with such requirements in the ordinary course of business by means of training to protect customer information and fund security. For example, disclosure of customer information to any person or any institutions without authorization is strictly prohibited, while the operation process for enquiries on personal credit reports is strictly regulated. Prior written authorization from individual loan applicants and related persons shall be obtained for enquiries into their personal credit reports and for providing the Financial Credit Information Basic Database of the People’s Bank of China with the information pertinent to the borrowers and related persons, which shall also be included in the borrower’s contract.

## IV. ENVIRONMENTAL PROTECTION

### 4.1 Green Operations Practices

Category	Unit	2018
Water consumption in office	Tonne	34.9
Electricity consumption in office	10,000 kWh	15.8
Paper consumption in office	1 million sheet	0.6
Exhaust gas emissions	Kg	128.1
— Sulfur oxides	Kg	0.2
— Nitrogen oxides	Kg	127.9
Total greenhouse gas emissions	Tonnes of carbon dioxide equivalent	230.3
— Direct greenhouse gas emissions (Note 1)	Tonnes of carbon dioxide equivalent	34.1
— Indirect greenhouse gas emissions (Note 2)	Tonnes of carbon dioxide equivalent	196.2

Note:

1. Direct greenhouse gas includes greenhouse gas emissions from natural gas and gasoline consumption
2. Indirect greenhouse gas includes greenhouse gas emissions from electricity and municipal heating consumption

#### ***Energy Saving and Emission Reduction Measures***

The Company is in compliance with the relevant laws and regulations, including “Environmental Protection Law of the People’s Republic of China” and “Energy Conservation Law of the People’s Republic of China”. By upholding the business philosophy of energy saving and environmental protection, the Company implements the electronic office processes and reduces delivery of paper printed materials. As for electricity consumption, employees are reminded to power off computers and water dispensers before leaving the office to eliminate waste. Furthermore, professional personnel are organized to conduct regular inspections of equipment and facilities at the Company’s office premises, and provide repair work on a timely basis to reduce running loss and ensure efficient operation. As for water consumption, we enhance efficient consumption of water by strengthening the maintenance and management of water equipment and encouraging employees to save water and reduce waste of water resources. As for energy consumption, we exercise strict control over vehicle use for office needs, enhance fuel management, and make reasonable arrangement of vehicle routes to reduce gasoline and diesel consumption, as well as to minimize pollutant emissions. Domestic waste of the Company is collected and handled by personnel designated by a specialized property management company. Multiple measures are taken to foster an environmentally friendly office environment that efficiently consumes energy and constantly reduces carbon emissions. During the Reporting Period, the Company reported total emissions of nitrogen oxides, sulfur oxides and particulate matters, amounting to 127.9 kg, 0.2 kg and 12.3 kg, respectively.

### ***Waste Treatment***

During the working process of the Company, no significant hazardous waste was generated. A qualified professional agency is appointed to carry out specialized treatment of hazardous wastes existing in office waste. The Company is mainly engaged in providing financial services to its customers without substantial use of packaging materials during the course of business. We exercise strict control over vehicle use for office needs, enhance fuel management and make reasonable arrangement of vehicle routes to reduce gasoline and diesel consumption, as well as to minimize pollutant emissions. Meanwhile, regarding to sewage and waste disposal, domestic sewage generated by the Company is discharged into the municipal sewage treatment system for unified treatment, and domestic garbage is collected and handled by personnel designated by a specialized property management company.

### ***Improvement of Resource Use Efficiency***

The Company promotes use of natural lighting, implements centralized management of vehicles and unified deployment, and avoids unnecessary vehicle air-conditioning, which greatly improves energy efficiency. Policies for shutting off utilities after work, as well as mechanisms to recycle remaining water at the pantry and reuse cleaning water, are formulated. In the meanwhile, we strengthen the administrative measures for use of vehicles and fuel consumption by implementing a fuel card policy. We also achieved effective water conservation by implementing the “weekly inspection” program. Our security patrol covered the security check of the buildings. Use of vehicles was optimized, as inspections were conducted over their access to oil products, volume, and fueling sites. The results will be reported for future supervision and management so that conservation practices will be adopted by various departments.

In order to further enhance the environmental awareness of all employees, the Company has included articles governing water, energy and electricity conservation to prevent waste of resources into its articles of association, which specifies the rules and principles for using air conditioners, computers, electric lights and other high-power equipment. All employees are also required to conserve water. During the Reporting Period, the Company had no finished products, nor were packaging materials used for finished products. During the Reporting Period, our electricity consumption was 158,000 kWh. The electricity consumption per capita was 365 kWh/person, and the water consumption per capita was 0.08 tonnes. The copy paper consumption was 1,385 sheets/person.

### ***Environmental Responsibility***

Since the inception, the Company has regarded protection of the environment and resources as an important responsibility. The Company has been in strict compliance with the relevant laws and regulations, such as the “Law on Air Pollution Prevention and Control of the People’s Republic of China”, the “Environmental Protection Law of the People’s Republic of China”, the “Energy Conservation Law of the People’s Republic of China” and the “Water Law of the People’s Republic of China”. Some of our businesses have already adopted electronic and paperless means to lower carbon emissions for environmental protection. In active response to and in a bid to facilitate the development of green financial reform and pilot innovation zone, the Company continues to pursue the green development values. For “fully creating a new landscape of innovation and development through new orientation, thinking, and action”, we actively promote the management and development of electronic and online business by innovating our management models and product channels. Meanwhile, the Company has launched the WeChat enquiry platform to provide access to checking account repayment records and details, online customer services, etc., further expanding the service scope and enlarging the customer base.

#### 4.2 Development of Internet Finance

To secure customer channels, the Company actively explored cooperation with automotive e-commerce platforms to increase brand exposure and improve financial penetration and financial conversion rate. In terms of customer services, the Company launched the WeChat official account and Mini Program in July 2018, on which customers can check the repayment plan and submit early repayment applications online. In terms of paperless business, the Company uses internet-based techniques to engage in a remote paperless operation with customers for signing contracts, which has improved business flexibility and accuracy and achieved environmentally friendly development.

## V. ACTIVELY GIVING BACK TO SOCIETY

### 5.1 Employee Career Development

	Classification	Number of people (person)	Percentage (%)	Turnover rate (%)
Total number of employees		433		27%
By gender	Male	195	45%	39%
	Female	238	55%	18%
By age group	Below 30 years (inclusive) old	215	50%	19%
	31 to 40 years (inclusive) old	188	43%	38%
	41 to 50 years (inclusive) old	26	6%	19%
	Over 50 years old	4	1%	25%
By region	Shanghai employees	164	38%	36%
	Non-Shanghai employees	269	62%	22%
By academic qualifications	College	175	40%	19%
	Bachelor	197	46%	36%
	Master degree and above	42	10%	29%
	Other	19	4%	5%
Newly recruited employees	—	241	56%	—
Employees of ethnic minorities	—	13	3%	—
Trainees	—	433	100%	—



The Company is conscientiously implementing and fulfilling the requirements of the Chinese relevant laws and regulations, including the “Labour Law” and “Labour Contract Law”. Fair treatment is given to our employees of different ethnicities, genders and cultural backgrounds, as great efforts has been made to ensure justice and fairness in such areas as recruitment, training, remuneration, career development and promotion, and to prevent discrimination. The Company pays attention to employee development by assisting them in pursuing all-round career development and planning, which will in return improve their core competence and professional knowledge and skills.

	Number of people (person)	Training time (hours)	Time per capita (hours)
Male employees	230	920	4
Female employees	251	1,004	4
Senior management	5	20	4
Middle-level management	15	60	4
Frontline employee	461	1,844	4

Trainings are provided throughout the Company to enable both male and female employees to enjoy equal training opportunities. In addition, the Company has provided its employees at different levels with targeted training activities based on the frontline-, middle-, and high- levels. The establishment of a comprehensive training system enables employees at all levels to receive on-the-job training within the department, while receiving online and offline education at the company level. The training coverage rate reaches 100%.

## 5.2 Protecting Employees' Rights and Interests

According to the Chapter 9 of the “Labour Law”, the Company makes full contribution to the “Five Insurances and One Fund” (being pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing provident fund) for all employees on time pursuant to local standards. The Company arranges the work/rest schedule for its employees according to the labour time, labour intensity and statutory holidays as stipulated in Chapter 4 of the “Labour Law”, and provides paid leave for qualified employees. In addition to strict compliance with the regulations related to national statutory holidays, the Company will also organize various non-work activities for its employees. The Company regularly organizes physical checks for all employees, and encourages its employees to participate in cultural and sports activities to further enhance their physical fitness. The Company has formulated rules and organized employee training so that its employees strengthen their ability to prevent fire accidents and implement emergency measures to prevent occupational safety risks. During the Reporting Period, the Company did not identify any employee injury or fatal accident during the course of business.

In 2018, the Company safeguarded employees' labour rights in accordance with the law. Subject to the law, contribution to basic pension and medical insurances was made for employees, without use of child labour. In the course of business, no injury or fatal accident happened to our employees at work. Unemployment, work injury, maternity and other basic social insurances were provided, and other employee welfare systems, including the housing provident fund, enterprise annuity and supplementary medical insurance were established. The Company fully protected employees' rights of work and rest period according to the law by specifying pension and medical insurances and provisions related to working hours, rest period and vacation, labour protection and working conditions in the contract. The Company did not identify any case of forced (overtime) work, and complied with the laws and regulations regarding employee health, safety and the environment. The Company was committed to protecting human rights, establishing a respectful, honest and fair working environment for employees and customers. The Company was in compliance with all applicable laws and regulations, particularly those that have a significant impact on the Company and laws related to labour. These laws and regulations include the "Labour Law of the People's Republic of China" and the "Labour Contract Law of the People's Republic of China". The Company did not identify any major non-compliance case during the Reporting Year. The Company strictly prohibits use of forced labour and child labour. The Company has set up strict requirements for selecting employees, pursuant to which, the applicants are required to provide identity documents, the highest academic qualification, professional certificate and certificate of resignation for the verification purpose when recruiting employees. Where any department of the Company is found in violation by using child labour or forced labour, the Company will immediately terminate related labour contract, identify the causes, hold the involved personnel accountable, and impose penalties against such personnel for misconduct. During the Reporting Period, the Company did not identify use of forced labour and child labour.

### 5.3 Enhancing Fair Procurement

The suppliers of the Company mainly provide IT solutions, daily office supplies, transportation vehicles and decoration services, business process outsourcing, and information consultation for the Company. Effective supply chain management represents an important part of the Company's operations. Though supply chain management is not a major business segment for a service provider, long-term and stable cooperation established with suppliers can enhance our corporate image and lower business risks, thereby promoting the Company's development. In this regard, the Company has formulated relevant regulations on supplier evaluation, selection and supervision. For the evaluation of suppliers, the Company has established evaluation criteria for quality, price, health, environment, safety, ethics, and other indicators, which are given weight in different areas. For the purpose of assessment, the Company strictly complies with these criteria to identify high quality suppliers that meet the standards. To select a supplier, its performance is evaluated according to the evaluation criteria, and its reputation, as well as the suitability for establishing long-term and stable cooperation, also constitutes important references. For large-scale procurement or infrastructure projects, the Company has established specific tender policies to ensure a fair and impartial selection process. As for the approved suppliers, the Company will continue to monitor their performance and regularly check whether their behaviors meet the Company's evaluation criteria. As of the end of 2018, the Company had 26 major suppliers, including 24 suppliers in Shanghai and 2 suppliers outside Shanghai.



#### 5.4 Persistent Efforts in Anti-corruption

After the “eight policies” promulgated by the central government, the Company actively carried out people-oriented rectification of undesirable work practices such as indolence and extravagance according to those regulations. The Company deeply recognizes the importance of compliance and steady development, and believes that lawful and regulated operations represent the strongest foundation for the Company to achieve prosperity and growth. The Company is required to incorporate pragmatism and efficiency into all aspects of its operations to prevent extravagance and waste. The Company strictly abides by the laws and regulations on anti-commercial bribery, such as the “Anti-Money Laundering Law of the People’s Republic of China” and the “Prevention of Bribery Ordinance of Hong Kong”, in which case, all employees are prohibited from accepting or offering gifts from or to customers, or participating in various consumption and entertainment activities arranged by customers. Systems related to anti-fraud and anti-commercial bribery, as well as the code of conduct of employees, are formulated to prevent corruption and crack down on bribery. During the Reporting Period, the Company did not identify any internal corruption, and there was no corruption-specific lawsuit filed and completed against the Company or employees.

#### 5.5 Promoting Financial Knowledge

To implement the relevant requirements of the regulators and improve the quality of services, in 2018, the Company launched the special promotion campaigns, such as “Financial knowledge to the General Public” and “Anti-money Laundering Education”, which fully use the advantages of online media for promotions among our corporate and potential customers and expanded the publicity range. In addition, the Company has also joined forces with 8 regional cooperative dealers to promote the relevant law education.

Meanwhile, the Company prepared anti-money laundering education courseware based on the anti-money laundering characteristics of automotive finance companies according to the regulations relevant to anti-money laundering, and held seminars within various departments of the Company to explain comparatively mundane anti-money laundering knowledge in a conversely relaxing and pleasant atmosphere, which involved positive interactions. These seminars have successfully raised the awareness of the personnel at various departments of the Company on the criminal behavior of “money laundering”.

#### 5.6 Supporting Social Welfare

As part of society, the Company persists in actively fulfilling social responsibilities. Over the years, the Company has been actively fulfilling corporate citizenship responsibilities by advocating and participating in charity undertakings throughout the Company, and striving for harmonious development between enterprises and society. Since its inception, the Company has been committed to building a stable and sustainable community. During the Reporting Period, the Company actively participated in community charity activities, such as a donation of US\$300,000 to New York University Shanghai.

## VI. OUTLOOK

**Responsibility Management:** Dongzheng AFC will continue to improve the overall social responsibility management, and will assign related social management responsibilities to the responsible officer at each level to achieve normalized professional management. Furthermore, the overall internal control procedures of the Company will take into consideration the social and environmental factors to identify the opportunities and risks that the social and environmental factors bring to the Company.

**Products and Services:** we will continue to expand geographically and optimize our dealer network by further extending strategic cooperation with automakers and dealers and focusing on retail finance products and services; optimize our product and service structure by developing more innovative products and provide more customized services; and strengthen technical investment to improve the product and service competitiveness and operation capabilities through the application of information technology.

**Talent Development:** we will increase investments in human resources, maintain continuous improvement in the various aspects such as recruitment, training, promotion, welfare package, employee care, and corporate culture development. Furthermore, a talent echelon through a talent development program will be built so that our employees will gain continuous growth and achieve their own value.

**Environmental Protection:** besides adhering to the mission of environmental protection, we will continue to promote paperless operation, and support the green development and environmental protection through scientific and technological innovation. Meanwhile, we will actively promote green office and resources conservation to reduce our environmental impacts.

## ESG REPORT INDICATOR INDEX

Subject Areas and Aspects	General Disclosures	Reference Page Number	Key Performance Indicators	Reference Page Number
<b>A. Environmental</b>				
A1 Emissions	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Page 19-20	A1.1 The types of emissions and respective emissions data. A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). A1.5 Description of measures to mitigate emissions and results achieved. A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Page 19 Page 19 N.A Page 19 Page 19 Page 20
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	Pages 19-20	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). A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). A2.3 Description of energy use efficiency initiatives and results achieved. A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Page 19 Page 20 Page 20 Page 20 N.A
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Page 20	A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 20
<b>B. Social</b>				
B1 Employment	Information on the policies; and 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.	Page 21	B1.1 Total workforce by gender, employment type, age group and geographical region. B1.2 Employee turnover rate by gender, age group and geographical region.	Page 21 Page 21

Subject Areas and Aspects	General Disclosures	Reference Page Number	Key Performance Indicators	Reference Page Number
B2 Health and Safety	Information on the policies; and 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.	Page 22	B2.1 Number and rate of work-related fatalities. B2.2 Lost days due to work injury. B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	N.A Page 22 Page 22
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 22	B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). B3.2 The average training hours completed per employee by gender and employee category.	Page 22 Page 22
B4 Labour Standards	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Page 23	B4.1 Description of measures to review employment practices to avoid child and forced labour. B4.2 Description of steps taken to eliminate such practices when discovered.	Page 23 Page 23
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	Page 23	B5.1 Number of suppliers by geographical region. B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Page 23 Page 23
B6 Product Responsibility	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Pages 18	B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. B6.2 Number of products and service related complaints received and how they are dealt with. B6.3 Description of practices relating to observing and protecting intellectual property rights. B6.4 Description of quality assurance process and recall procedures. B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	N.A Page 18 N.A N.A Page 18
B7 Anti-corruption	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Page 24	B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	N.A Page 24
B8 Community Investment	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.	Page 24	B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). B8.2 Resources contributed (e.g. money or time) to the focus area.	Page 24 Page 24



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