



CBIES ESG REPORT

This report reveals the series of sustainability practices of HEBEI CBIES AUTOMOTIVE PARTS CO., LTD. and all achievements to stakeholders.

ENVIRONMENTAL SOCIAL GOVERNANCE

CBIES ESG Report

It is the first time for HEBEI CBIES AUTOMOTIVE PARTS CO., LTD. to publish the ESG report, covers our financial year from 1 December 2023 to 30 November 2024. According to the ESG Reporting Guide of Hong Kong Exchange, this report listed not only the stakeholders of CBIES, but also our target KPI metrics for ESG, the additional details on our approaches to sustainable business, the challenges and work in the future. The report preparation follows the standard requirements, including a communication with relevant parties, analysis of major issues, an information collection, and writing, to ensure compliance with materiality, measurement, balance, and consistency principles.

Concentrating on ESG report, we deploy the business for future by doing good things for the planet. **WE DO EXPECT TO WORK TOGETHER WITH YOU ON THIS SUSTAINABLE DEVELOPMENT GOALS.** A part of the content of this report is forward-looking, including plans and goals for future development. This part of the information is based on management's current expectations, which may be affected by uncertain factors that would cause material differences from actual results. The company does not assume any obligation to update any forward-looking statements in this report.



About CBIES



Corporate
Governance



Sustainable
Development Management



Protect
Ecological Balance



Social Responsibility
Development of CBIES

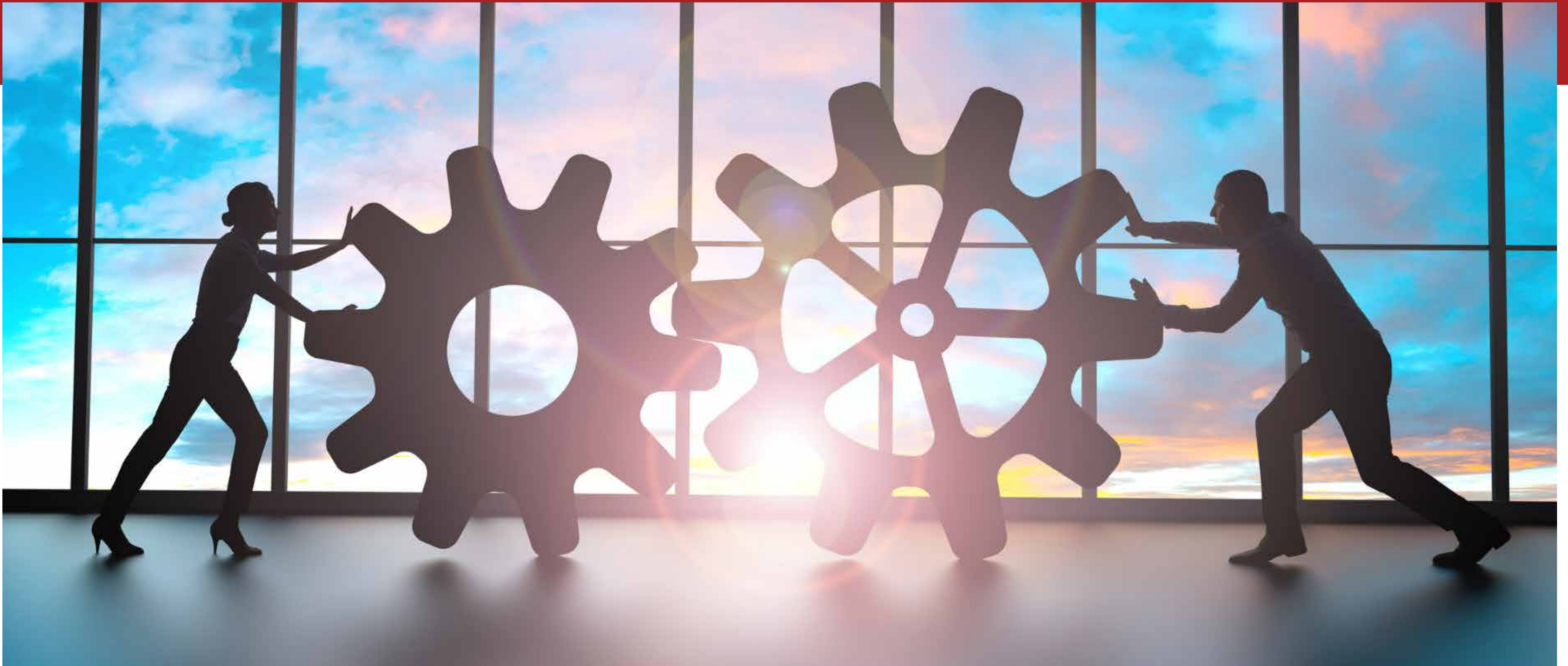


Modern
Corporate System

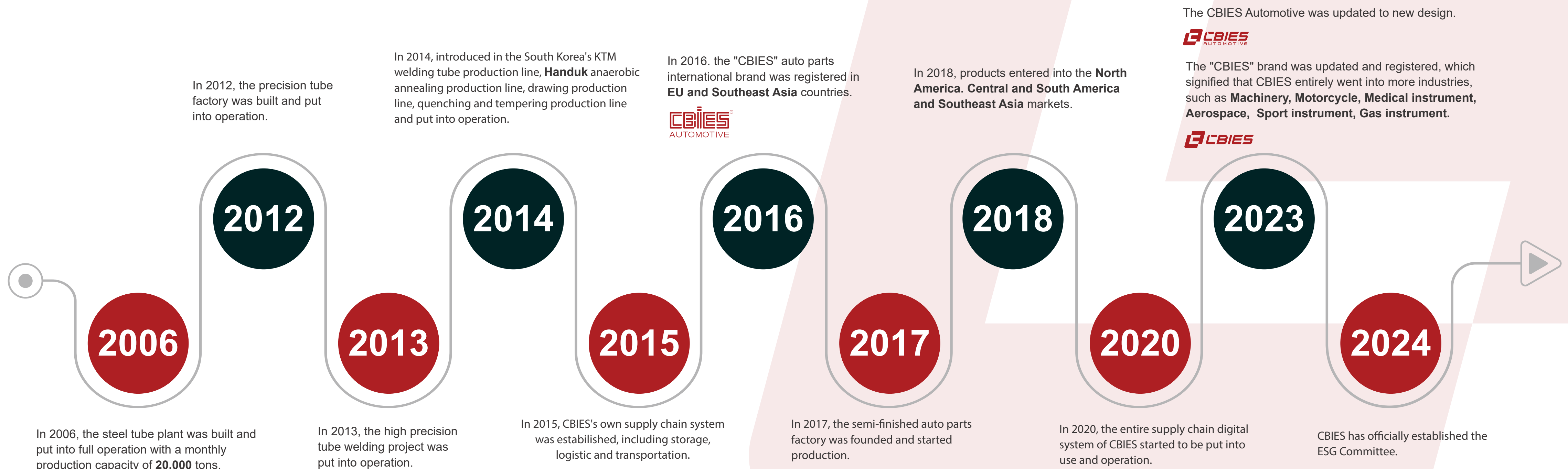


Company Profile

ONE-STOP PROVIDER FOR PRECISION STEEL TUBE AND TUBE PROCESSING SOLUTIONS



CBIES is a leading manufacturer of precision tubes in China, specializing in the designing, manufacturing, and after-sales maintenance of automotive precision tubes and parts with a rich experience of 20 years. CBIES has a strong annual export volume of US\$10 million. The factory covers an area of 50,000 square meters and has an annual production capacity of up to 85,000 tons. It has gathered a professional team of 30 technical personnel and is committed to providing customers with excellent quality and innovative solutions. We deal mainly in precision tubes for such applications of automotive, motorcycle, machinery, and medical instruments. We can offer products like seat frames, cross-car beams, side door impact beams, luggage carrier, shaped steel tube for spinning bike frame, stretcher stainless steel tube, high strength structure steel tube, and other different parts.





Mission

To build a lighter, safer, greener and better world, we are committed to continuous innovation and improvement.

Vision

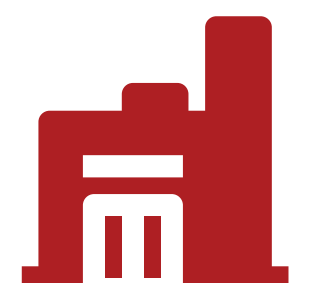
Crafting brilliance, inspiring excellence in steel tube.



20 years



85000 tons
production capacity



50,000
square meters



30+
technical person

Our main markets include North America, Central and South America, the European Union, Southeast Asia, Central Asia, and other regions.





Corporate Governance





Corporate Governance

The company structure is organized as follows:



- ◆ General Manager is in charge of overseeing governance and strategic decisions.
- ◆ HR Department is in charge of recruitment, training and employee relations.
- ◆ Finance Department is in charge of accounting, budgeting and financial planning.
- ◆ Marketing Department is in charge of advertising, public relations, market research.
- ◆ Sales Department is in charge of exportation operation.
- ◆ Logistic Department is in charge of transportation.
- ◆ Quality Department is in charge of supply chain management and quality control.
- ◆ Customer Service Department is in charge of the post service.
- ◆ Legal Affairs Department is in charge of the company legal compliance issues.
- ◆ The project manager is responsible for planning, executing and monitoring projects to ensure that project goals are completed on time, on budget and with quality.
- ◆ Technical Dept. is in charge of the production art and production process improvement.
- ◆ Production Dept. is in charge of the production of precision tubes.



Sustainable

Development Management





ESG Metrics

CBIES takes "Green Manufacturing Makes A Low-Carbon World" as its slogan, proactively paves the way for and invests in a digital administration system and creates shared value together with its stakeholders. To achieve sustainable development, CBIES has completed several environmental and social missions.



Environmental

Items	Target	Year 2023
1. Green House Gas Emission	<ul style="list-style-type: none">2% reduction in GHG emission by 2026.	<ul style="list-style-type: none">180000 tonnes of carbon emitted in 2023 according to our steel purchase volume.
2. Paperless office Work	<ul style="list-style-type: none">100% internal paperless office work by 2024/2025.Supply laptop to employees with 5+ years of dedicated service.	<ul style="list-style-type: none">Reduce the usage of paper.The daily operation almost uses online system as OA, ERP, Qarma system makes us reduce 70% paper than 2021.
3. Office Garbage Classification	<ul style="list-style-type: none">100% Garbage Classification in office by 2024.	<ul style="list-style-type: none">Comply with the guidelines of garbage classification.
4. Zero Emission Transportation	<ul style="list-style-type: none">Empower employees with subsidies for New Energy Vehicle purchases by 2024.Transition to low-carbon logistics, reducing diesel dependency and increasing use of electricity and hydrogen.	<ul style="list-style-type: none">Prefer to cooperate with the logistic partner who only use new vehicles of China VI vehicle emission standards.
5. Energy Saving	<ul style="list-style-type: none">Establish office Energy Saving Rules by 2024The monthly per capita electricity consumption is lower than the average electricity consumption per capita in China by 18%.	<ul style="list-style-type: none">During the summer, the air conditioning must be set at 26 degrees.



Social

Items	Target	Year 2023
1. Training System	<ul style="list-style-type: none">Yearly training time per person reaches to 35 Hours by 2025.	<ul style="list-style-type: none">Establish a key talent training system to empower employees in different systems to meet the diverse growth needs of employees.Yearly training time per person reaches to 30 Hours.
2. Health and Safety	<ul style="list-style-type: none">0 occupational disease incidence.Establish the employee's satisfaction measures system by 2025.2 times of Family Day in CBIES.Year-End Understanding Letter for Employee's Family.5,000 Yuan of Illness Condolence Fund.	<ul style="list-style-type: none">Annual Physical Examination for each employee.Complete the social insurance for each employees.Completed 1 time national travelling.
3. Dream Building Activity	<ul style="list-style-type: none">Continue the Dream Building Fund with a year budget of 30,000 EURO to help more children and teachers in rural areas.	<ul style="list-style-type: none">Donated in hardware teaching equipment and teaching funds to schools and poor students in impoverished mountainous areas.



Governance

Items	Target	Year 2023
1. Governance Structure	<ul style="list-style-type: none">• Establish ESG Committee by 2024 and ESG Executive Team by 2025• Publish yearly ESG Report from 2025	<ul style="list-style-type: none">• CBIES commits to an open, transparent, and publicly operated corporate governance system. The Board Committee has proposed the first ESG Plan.• 3 Female Members in Board Committee.
2. Legal Compliance	<ul style="list-style-type: none">• 2024 Law Training: 2• Monthly Operational Audit: 12	<ul style="list-style-type: none">• Every contract with suppliers and customers in OA system should be evaluated by lawyer.• Annual Law Training Conference: 1• Annual Financial Audit Work: 1• Financial reports, social security reports, environmental and social reports and other information are disclosed to the public in the national administrative information disclosure system before April every year.
3. Supply Chain Management	<ul style="list-style-type: none">• 0 Violations and Compliance by 2028	<ul style="list-style-type: none">• Order approval confirmation sent by Qarma Quality Control System automatically and conduct weekly quality management meetings.• Established the 5S Standard for the production Process Management.



ESG Stakeholders

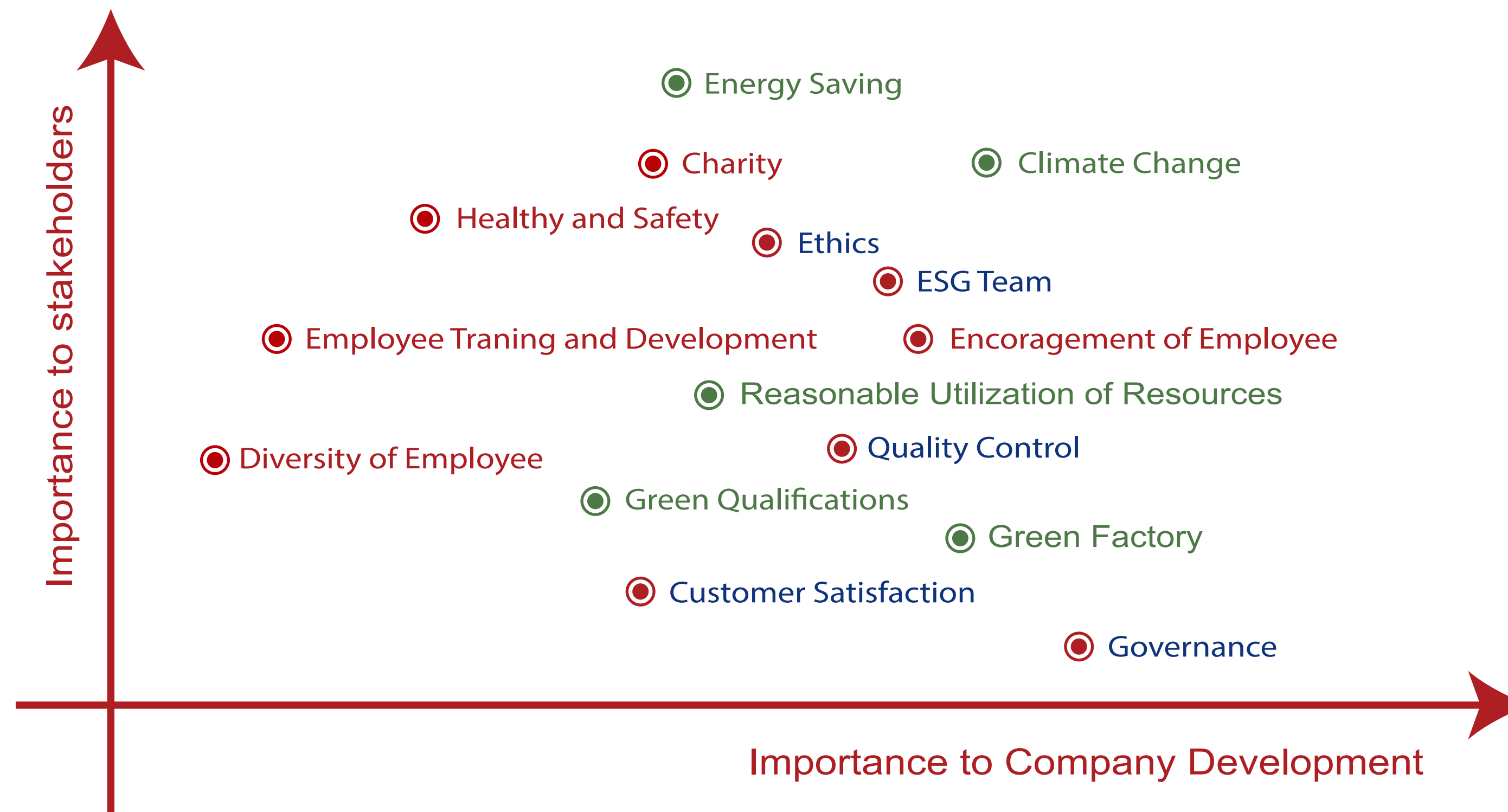
HEBEI CBIES AUTOMOTIVE PARTS CO., LTD. is a company that produces precision steel tube products for different applications, such as automotive, motorcycle, medical parts, machinery parts, and fitness part. The customer are distributed all over the world. Based on the business model, our stakeholder are government, suppliers, customers, employees, community and media.

Stakeholders	Related Concerns	Communication
Government	<ul style="list-style-type: none">• Compliance management• Pay taxes according to law• Energy Saving	<ul style="list-style-type: none">• Information Submission• Conference
Suppliers	<ul style="list-style-type: none">• Cost and Price• Manufacturing Technology Development• Supply Chain Management	<ul style="list-style-type: none">• Visit Factory• Conference• Phone Communication
Customers	<ul style="list-style-type: none">• Product Quality• Service Experience• Information Security and Privacy Protection	<ul style="list-style-type: none">• Online Promotion• Exhibition & Trade Fairs• Market Research
Employees	<ul style="list-style-type: none">• Legitimate interests• Salary and benefits• Training and Education• Health and Safety	<ul style="list-style-type: none">• Staff Meeting• Employee Training• Daily Communication
Community	<ul style="list-style-type: none">• Disaster Relief• Rural Revitalization• Help Disadvantaged Groups• Environmental Protection	<ul style="list-style-type: none">• Participation in Community Activities• Social Welfare Activities• Environmental protection Propaganda
Media	<ul style="list-style-type: none">• Interact with the Media	<ul style="list-style-type: none">• Interview



Analysis of Substantive Issues

The report analyzes substantive issues without an ESG committee, listing ideas for identifying problems and suggesting issues accordingly. However, the actual situation may not align with the establishment of the ESG committee.



• Challenges

Due to the possibility that selective testing (sampling) may not detect errors, fraud, or other irregularities, data provided by third parties may be inaccurate. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided by CBIES have been provided in good faith.



Environmental

Protect Ecological Balance





Developing a Sustainability Qualification

ISO 14001 has become the international standard for designing and implementing an environmental management system. The standard is published by ISO (the International Organization for Standardization), an international body that creates and distributes standards that are accepted worldwide. Until now, CBIES has achieved certification as IATF16949:2016, ISO 4001: 2015, ISO 45001:2018, ISO 9001:2015. In the management system, CBIES integrated ERP and OA systems to ensure workflow online. It helps that the daily work becomes more efficient with less paper usage. It's glad to see that low-carbon workflow has already been accepted by all employees of CBIES. This attitude and habit are just being brought into their lifestyle, such as saving documents on the Cloud, using recyclable paper and bags, and turning off lights after work.





Social Responsibility

Development





Build Dream for Female Employee

At the company, we provide generous maternity and parental leave policies to support female employees in having sufficient time and flexibility for childbirth and childcare. We ensure equal opportunities for female employees in terms of promotions, compensation, and project allocations, actively avoiding gender discrimination. Currently, there are **24** female employees(**34%**) on staff. Additionally, on International Women's Day, the company organizes events to celebrate the occasion, expressing respect and gratitude towards our female employees.

Female Department Managers



Vivi Wang
Project Manager



Samantha Zheng
Marketing Manager

Hebe Han
Vice President





Build Dream for Employee

HEBEI CBIES not only creates a good working environment for its employees but also provides comfortable rest areas. The office dining area is equipped with a microwave and refrigerator, while the lounge area features sofas, sleeping bags, and blankets. Each employee signs a labor contract upon joining and is enrolled in social insurance. Currently, **100%** employees are covered by social insurance. Additionally, the company provides extra coverage with commercial accident insurance to address more medical concerns for its employees.



Employees enjoy benefits during statutory holidays, ranging from 200 to 500 yuan per person according to national regulations. For family members of every employee are cared by CBIES, during sickness or hospitalization. Moreover, the company provides care and condolences for family during pregnancy or childbirth. In terms of healthcare, the company offers free health examination packages for its employees.





Supporting Local communities

Every year, the company organizes an event to visit and express condolences to nursing homes, welfare institutions for disabled children, and similar organizations. Since 2017, an annual donation in hardware teaching equipment and educational funds has been made to impoverished schools and students in mountainous areas every June. This initiative has been sustained for **6** years.



The company ensures a clear delineation of job responsibilities, competency standards, compensation criteria, and employee handbook policies. This is to guarantee a smooth career progression for employees, and the salary levels are consistently maintained above industry standards. This commitment to clarity in roles and expectations, along with competitive compensation, aims to foster a conducive environment for professional growth and job satisfaction among the employees. Employee has taken a full training system from the first day in CBIES, at various stages includes **5** steps.





Governance

Modern Corporate System



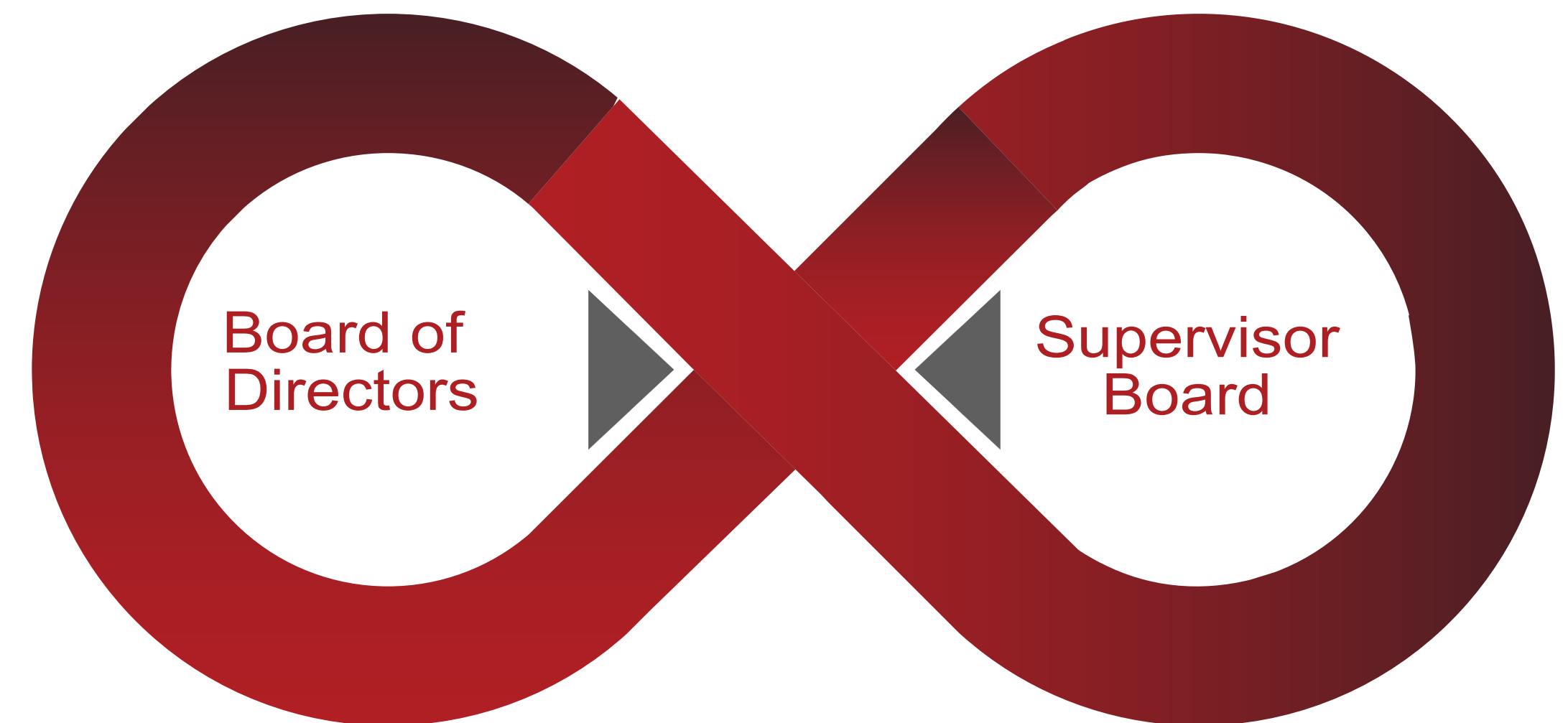


Modern Corporate System

The company has established a Board of Directors and a Supervisory Board, overseeing shareholder equity, leadership transparency, and governance in accordance with the company's articles and shareholder management system.

Risk management is implemented across various departments including Logistics, Finance, Quality Control, and Human Resources. The company has established a comprehensive risk prevention and control management system. This system mandates that each department strictly adheres to ethical guidelines and executes its tasks with high standards of integrity.

Annually the company conducts a financial audit. Before April, the company publicly discloses financial reports, social insurance reports, environmental reports, and other information on the national administrative information disclosure system, ensuring transparency and accountability to the public.





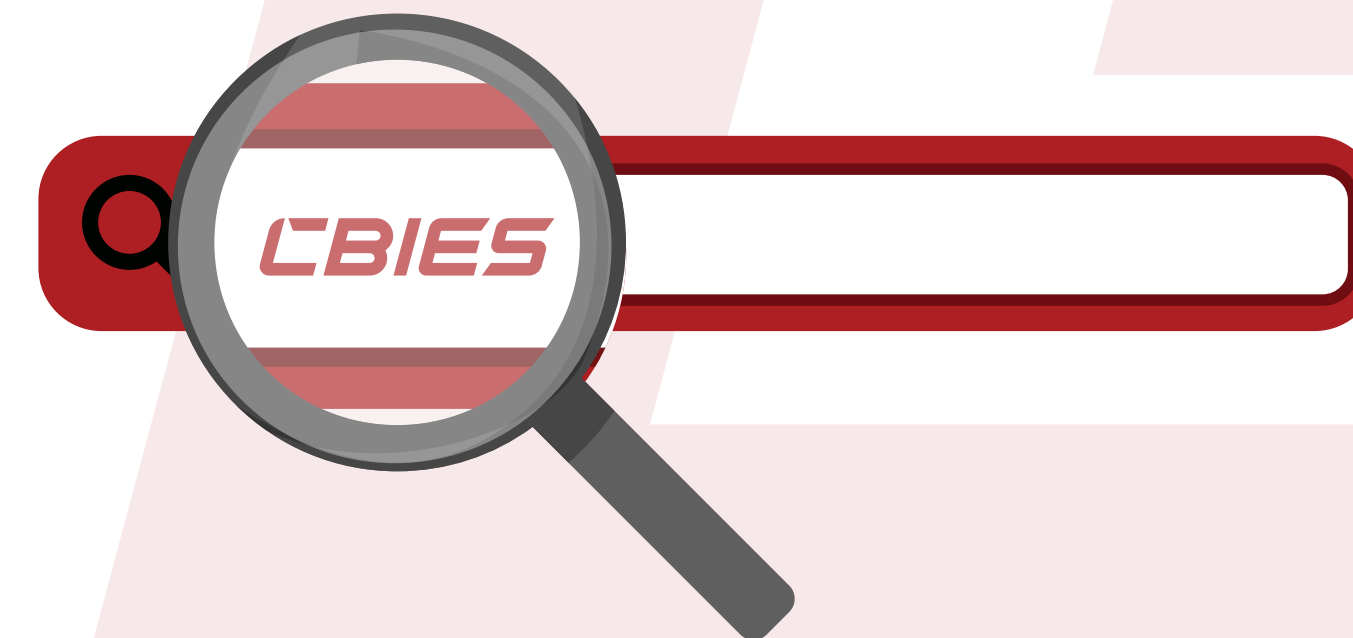
Suggestion

Thank you for reading this report.

1. What additional information do you believe is needed but not reflected in this report?
2. Do you have any suggestions for our future Environmental, Social, and Governance (ESG) reporting?

Please send your feedback to: marketing@cbiesautomotive.com, Thank you very much for your suggestions and opinion.

Contact us



Tel : +86 135 7220 5873

Fax: +86-311 8607 3288

E-mail: sales@cbiesautomotive.com



WEBSITE



WECHAT