

CSR Report of Dongchang Group (2018)

Preface

Dongchang Development Research Institute releases an annual report on corporate social responsibility at the end of December each year. This report is the 12th summary of Dongchang Group's CSR related activities. The construction of corporate social responsibility system is the fourth wave of global enterprise management following the construction of quality management system, environmental protection management system, occupational safety and health management system. Dongchang Group believes that efforts to promote the establishment of a corporate social responsibility system (CSR) are not only in keeping with the world trend and responding to the government's call, but also the intrinsic motivation for Dongchang Group to improve its soft power and realize sustainable development. 2018 is the first year to implement the spirit of the 19th CPC National Congress, the 40th anniversary of China's reform and opening up, and the key year to win the victory of building a well-off society in an all-round way and implementing the 13th Five-Year Plan. Inspired by the spirit of the 19th National Congress of the Party and guided by Xi Jinping's socialist economic thought with Chinese characteristics, Dongchang Group has been pioneering and enterprising, doing solid work to promote enterprises and continuously improving to create outstanding values for all stakeholders and society including shareholders, customers and employees.

1. Company Profile

Dongchang Group, full name of Shanghai Dongchang Enterprise Corporation Limited, was established in Shanghai in 1993. It is a large-scale comprehensive enterprise group with investment in the real economy as its core, registered and domiciled in Lujiazui Financial and Trade Zone and Shanghai Free Trade Zone, Shanghai, China. It is listed as the top 50 Shanghai enterprise groups in comprehensive strength by Shanghai Municipal Bureau of Statistics. The "Dongchang" trademark is a well-known trademark in China recognized by the Trademark Office of the State Administration

for Industry and Commerce. Dongchang's automobile sales and maintenance services have won "Shanghai Famous Brand" for many consecutive years. Dongchang Group is among the first batch of enterprises passing CSR certification in China, and is awarded the title of " Outstanding Model Enterprise for Performing Corporate Social Responsibility ".

Dongchang Group invests in the real economy, banking and other financial industries and runs a number of advanced manufacturing and modern service companies in China. Its industries are located in many provinces and cities in eastern, northeastern and central-western China. Dongchang Group's main businesses include financial services, modern productive services, automobile sales and after-sales, intelligent manufacturing, construction investment and other industries. Dongchang Group's productive service in modern service industry provides equipment life-cycle integrated management service for joint ventures of the world's top 500 in China. With 20 years of service experience and credit, it ensures the service life, working quality and efficiency of production equipment. The service covers nearly 100 large-scale production workshops in Shanghai, Yangtze River Delta, central-western regions and northeast regions, managing tens of millions of pieces of production equipment and spare parts in hundreds of thousands of kinds. Dongchang's flagship enterprise has been rated as the national-level first-class achievement of management innovation and the brilliant star of Shanghai famous brand, and has been recognized as "Shanghai high-tech enterprise" for ten consecutive years. Dongchang Auto is a combination of post-market services for automobiles. Its business scope includes automobile purchase, automobile repair, mortgage, rescue, insurance, licensing, car beauty, and automobile clubs. The brands served cover famous brands of domestic and foreign automobile manufacturers, and its regions of service cover Shanghai, Jiangsu, Zhejiang, Tianjin, Anhui and other provinces/municipalities directly under the Central Government. Dongchang Auto is one of the top ten auto dealers in China, and has been recognized as "China's Famous Trademark" by the State Administration for Industry and Commerce for the first time in China's auto service industry. Dongchang Group takes the financial services being featured, refined and differentiated as its core competitiveness. It has exclusively experimented with auto finance business by focusing on technological innovation SMEs, making full efforts to create specialized solutions and striving to create new model of financial services. Dongchang Group's investment in

construction is the support of its main business industries. The development and construction of "livable, green and environment friendly" residential villa "Eastern Suburb Garden" and the sole commercial office villa "Eastern Suburb Center" are popular among the consumers.

2. Mission of the Company

Dongchang Group's vision is to develop the core business of financial services and industrial investment, strive to become a leading productive service enterprise featuring a full supply chain and "equipment life-cycle integrated management", make a leading brand in the field of domestic automobile consumption, realize the "Chinese Dream" for every employee, bring the dream of automobile life of many Chinese people to truth, and make an outstanding corporate citizen doing more contributions to the society. Dongchang Group's core value is to uphold the principle of "people-oriented, customer first" and the enterprise spirit of "pioneering and enterprising, team work, honest service and continuous improvement". Dongchang Group's development strategy is sustainable development, including enterprise industrial structure optimization and upgrading strategy, enterprise talent strategy, brand cultivation-development-value enhancement strategy, full-staff service innovation strategy, etc. An important task of strategic significance is to improve the corporate social responsibility system and promote the high-quality development of enterprises.

The corporate mission of Shanghai Dongchang Enterprise Group Corporation Limited and its subsidiaries is: to be responsible to employees by providing reasonable remuneration and welfare, as well as a good working atmosphere that allows them to work in peace and contentment; responsible to customers by adhering to the spirit of service first, steadfast management with honesty and integrity; responsible to business partners by maintaining mutual benefits and win-win results, and jointly promoting the development of the whole industry; responsible to the government by improving performance, paying taxes in full, creating jobs, and participating in deliberation of state affairs; responsible to the society by doing our best to give back to the public; and responsible to the environment by saving valuable resources and protecting the ecological environment. Dongchang Group and its subordinates have the courage to assume the responsibilities of rights and interests, environment, integrity and harmony. They are responsible to employees, customers,

business partners, government, society and environment. They actively assume corporate social responsibilities and are committed to becoming outstanding corporate citizens.

3 Enterprise memorabilia

In January 2018, Chairman Ding Jianyong of Dongchang Group participated in the first session of the 15th Shanghai Municipal People's Congress for a week as a representative of the Municipal People's Congress, and submitted two down-to-earth suggestions concerning the people's livelihood, namely, "the last kilometer" and "the renovation of the old district".

On January 30, 2018, Chairman Ding Jianyong of Dongchang Group was invited to participate in the research symposium on the theme of "Optimizing the business environment and promoting the development of private economy" presided by Mayor Ying Yong, and the participants, including Ding and other private entrepreneurs in Shanghai, offered advice and suggestions for optimizing Shanghai's private economy and business environment.

On February 1, 2018, Shanghai Setech Supply Chain Management Co., Ltd. attended the "2018 Industrial Internet Summit" held at the Beijing National Convention Center and joined the "Alliance of Industrial Internet ", hoping to intensify innovation and development in the field of industrial Internet supply chain management.

On February 5, 2018, Shanghai Setech Supply Chain Management Co., Ltd. attended the Shanghai Smart Manufacturing Promotion Conference and the Shanghai Intelligent Manufacturing Industry Association Founding Conference and officially became a member of the "Shanghai Intelligent Manufacturing Industry Association".

On February 25, 2018, Chairman Ding Jianyong of Dongchang Group participated in the 2018 annual meeting of the "China Economy 50 Forum" themed "From high-speed growth to high-quality development".

On May 30, 2018, Dongchang Auto issued the "Notice on Integrity" on its official website to further strengthen the integrity management concept of "Dongchang Auto", the integrity of managers and employees, create an open and transparent business culture, and promote the legal and compliant development of various businesses of "Dongchang Auto".

On June 5, 2018, Changsha Fubang Auto Parts Co., Ltd. welcomed the review team of SAIC Volkswagen Quality Department, which conducted a 2-day Formel-Q quality capability review of the company. On June 7, 2018, Jiangxi Aichi Yiwei Industrial Co., Ltd. New Energy Vehicle Project Expert Group visited the company, and both parties discussed the development and manufacture of wheel assembly project.

On June 14, 2018, Dongchang Group won the Education Empowerment Practice Award of "Warm Financial City • Lujiazui Annual Public Welfare Rank List " for its excellent project of "One-hand-one-heart Rainbow Action " Xinjiang Schoolmasters Training Course funded by Kaiming Charity Foundation for a long time. Other winners of this award are 10 well-known domestic and foreign enterprises and institutions such as China Financial Futures Exchange, Standard Chartered Bank (China) Co., Ltd. and China Life Insurance Shanghai Branch.

On July 5, 2018, under the guidance of the new Hongqi branding strategy, Shanghai Dongchang Hongqi Experience Center, an authorized platform for high-end strategic branding under Dongchang Group, opened in a grand ceremony. The brand-new Hongqi Experience Center built by Dongchang has the concept of "Chinese New Noble Refinement" and will also provide customers with high standard experience of products and services.

On July 12, 2018, Granday Financial Leasing Co., Ltd. officially received the "Notice on Online Application of Enterprise Credit Data Submission Procedures" issued by the Credit Information Center of the People's Bank of China, and was approved to submit enterprise credit data online.

On August 20, 2018, Shanghai Dongyu Materials Co., Ltd won the enterprise certification of "AAA Contract Credit Rating".

On October 15, 2018, Granday Financial Leasing Co., Ltd. was officially approved to enter the national interbank market after being audited by the trading center.

On November 5, 2018, Dongchang Group's Party Working Committee and key management cadres jointly studied the important speech delivered by CPC General Secretary Xi at the private enterprise symposium, and the participants exchanged their thoughts, plans and visions in alignment with the actual work.

On November 5, 2018, Chairman Ding Jianyong of Dongchang Group attended the opening ceremony of the first Shanghai International Import Expo and listened to Chairman Xi's keynote speech. Chairman Xi's speech was majestic and exciting. A series of important policies indicate the path of development for enterprises.

On November 27, 2018, Shanghai Municipal Party Committee Secretary Li Qiang and his party showed up at Dongchang Group for an inspection and discussion, inspected the new energy vehicles invested and developed by Dongchang Group, acquired specific information of the key business sectors of the enterprise, and listened carefully to the opinions and suggestions of the enterprise leaders on the support policies for private enterprises. Secretary Li Qiang hopes that the enterprise will continue to expand and strengthen its main business, intensify its innovation and development efforts in such fields as industrial internet supply chain management, continuously enhance its competitiveness and influence, play a unique role in developing high-end manufacturing, promoting innovation and entrepreneurship, and better participate in serving the construction of Shanghai's "four major brands".

On December 5, 2018, leaders of Shanghai Municipal Public Security Bureau, Pudong New Area Public Security Bureau and Shanghai Exit and Entry Administration Bureau made an investigation into Dongchang Group, listened to the introduction of the Group's business model, and exchanged views on the integration of military, civilian, police and enterprises and the opening up of green channels for enterprise services.

On December 15, 2018, group chairman Ding Jianyong received the interview by Sina financial and economic channel's column "Experiencing Reform Personally-China Economy 50 Forum

Commemorating the 40th Anniversary of Reform and Opening up" and talked about the earth-shaking changes in the business environment in the past 40 years.

4. Responsibility Management System and Performance

4.1 Corporate Governance Structure and Management System

In order to maintain sustained and steady business development and ensure active and effective performance of corporate social responsibility, Dongchang Group has established a sound corporate governance structure and management system. The Group strictly abides by the Company Law of the People's Republic of China and other relevant laws, conducts corporate governance activities in accordance with relevant laws and regulations promulgated by regulatory authorities and in combination with the actual situation of the company, and continuously improves the corporate governance structure. Board of directors and senior management of Dongchang Group and its subordinates perform their respective rights and obligations as entrusted under the Articles of Association. The board of directors has made strict examination and assessment of the managerial staff according to the assessment rules, made resolutions, issued targets for economic, environmental and social affairs, formulated and guided the implementation of a innovative management model with Dongchang characteristics, and continuously optimized the process of this management model, keeping pace with the times. Functional departments and managers of subordinate companies make annual, monthly and weekly work plans according to the requirements of the board of directors, take work logs for daily work, and accept the supervision of the board of directors and authorized agencies. The distribution of benefits and contribution of profits for additional investment among stakeholders is decided by the shareholders' meeting and the board of directors appointed by the shareholders' meeting. In addition, Dongchang Group has continuously improved the organization structure, system and management mechanism of the group and its subordinates to promote the effective, sustainable and healthy development of the enterprise.

4.2 Responsibility Mechanism and Performance in Response to Stakeholders' Demands

4.2.1 Staff

Staff's demands: appropriate salary and benefits; professional training and broader space for career development; suitable working environment; channels for conveying opinions

Dongchang's responsibilities: to provide appropriate remuneration and benefits; provide professional training to ensure the career development of employees; create a safe and harmonious working environment; provide humanistic care by labor union, solicit opinions and rationalization proposals.

Dongchang Group takes "people-oriented" and "customer first" as its core value, attaches great importance to the value of employees, treasures talents, actively creates an employment environment in which people make the best use of their abilities, earnestly protects the legitimate rights and interests of employees, cares for the growth of employees, and improves the career development system. In response to the different demands of employees, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on the demands of employees and assumed its own corporate social responsibility in this reporting year.

In terms of providing appropriate remuneration and benefits, Dongchang Group has a regular medical examination and occupational disease prevention system. Employees are entitled to enjoy paid annual leave according to regulations and pay the social insurance for the employees in full and on time, with a payment rate of 100%. Our salary management system adheres to the principles of fairness, impartiality, openness, transparency and equal pay for equal work for men and women, and encourages the able ones to work more for more pay. A hundred percent of employees have signed the labor contract with the Company, and the wages, bonuses, benefits, subsidies and other remuneration stipulated in the labor contract are paid to the workers according to the contract. Dongchang Group employs workers in accordance with the law, eliminates forced overtime, and pays wages in full and on time according to the labor contract. The wages of employees change in

the same direction as the performance of the enterprise. The rules of working hours, marriage leave, maternity leave, paid annual leave and other rights of employees are implemented in accordance with national laws and regulations.

Dongchang Group provides employees with a clear career development direction and broad career development space, realizes the personal value increment of employees, and realizes the common growth of the interests of the company and employees. In terms of providing professional training and ensuring staff's career development, staff training funds are accrued according to standards. The Human Resources Department formulates strict training plans and organizes various professional trainings. In order to adapt to the fragmentation of time and the increasing number of active learning scenarios in the mobile Internet era, the group has introduced an online intelligent training system to facilitate employees from all over the country to learn autonomously from time to time. As of December 31, 2018, 100% of the employees in the functional departments have opened their learning accounts on Times Platform, which provides 165 online courses, with an average learning time of 600 minutes/year per person and 30 online courses per person. On July 28, 2018, the group outsourced training program "Effective Communication" for the group's employees to improve their communication and team work ability.

In terms of creating a safe and harmonious working environment, Dongchang effectively implements the rules and regulations on labor safety and health, labor discipline and other aspects, and conducts a series of safety knowledge training, competitions, fire prevention field training and other activities every year. On June 28, 2018, Changsha Fubang Auto Parts Co., Ltd., a subsidiary of Dongchang Group, organized the entire staff to carry out fire emergency drills themed "Safe Summer". Dongchang has established and improved the rules and regulations on labor safety and health, labor discipline and other aspects in accordance with the law, regularly organized health and safety training, established a safety management system, strictly implemented the norms such as "Employee Health and Safety Management Manual" and "Safety Management System", eliminated potential safety hazards to the greatest extent, and provided employees with a safe and healthy working environment. In this reporting year, Dongchang had no accidents of personal injury or major property losses.

In terms of the humanistic care of labor union, the labor unions of the group and its subordinates organize employees to take leisure travels, sports events and other cultural and artistic activities every year to enrich the cultural life of employees. The company organizes birthday party for employees every month, celebrating birthday together and giving gifts to those whose birthdays are in that month, giving them the home-like warmth. In every hot summer day, leaders of the company and the labor union always care for the front-line employees, bring summer-heat prevention and cooling supplies, express solicitude and gratitude to the most lovely people who are fighting in the front line. This year, the labor union of the Group launched a full-scale high-temperature solicitude campaign, covering all subordinate enterprises. More than 5000 solicitude visits were paid to the employees, with total amount of solatium more than 600,000 yuan.

Dongchang has a perfect employee participation mechanism in soliciting opinions and rationalization proposals. Each department of the group and its subordinate companies has a weekly meeting system, where attention is paid to the opinions of managers and employees, and their rationalization proposals are encouraged and rewarded. Dongchang has a sound labor union organization and holds labor union congress regularly. On the afternoon of March 16, 2018, the Second Labor Union Congress of Yancheng Dongchang Lexus Auto Sales & Service Co., Ltd and the Second Labor Union Congress of Yancheng Dongchang Baoda Auto Service Co., Ltd were held respectively. On the afternoon of May 3, 2018, the Second Labor Union Congress of Wuxi Keda Auto Sales & Service Co., Ltd. and the Second Labor Union Congress of Wuxi Runtong Auto Sales & Service Co., Ltd. were held respectively. Dongchang Group supports labor unions to carry out various activities according to law, communicate regularly with labor unions, and actively respond to reports, suggestions and opinions submitted by labor unions and their representatives. If the rules and regulations of the enterprise directly involve the vital interests of the workers, they shall be submitted to the workers' congress or all the workers for discussion, proposals and opinions shall be put forth and determined through consultation with the labor union or the workers' representatives on basis of equality. In this reporting year, each labor union congress was held on schedule, and the reports of suggestions and opinions submitted received positive responses. The rules and regulations

of enterprises that involve the interests of workers are discussed and negotiated on an equal footing by the assembly of workers.

4.2.2 Customers

Customers' demands: to provide high-quality services; pay attention to customer's feedback and actively respond to customers' complaints; ensure channels for information exchange unblocked.

Dongchang's responsibility: provide high quality service; build and improve the customer feedback mechanism and actively respond to customer complaints; establish dynamic information exchange platform

Dongchang shall be concerned for customers' needs, strive to provide quality services to customers, establish communication with customers, actively collect and respond to customer's feedback, and realize positive communication. In response to the different demands of customers, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on the demands of customers and assumed its own corporate social responsibility in this reporting year.

In terms of providing high-quality services, Dongchang, has persistently improved the service quality and established a customer e-service system in accordance with the standards of the automobile service industry to provide all-round and professional high-quality services in response to demands of customers of buying or repairing vehicles. Each subordinate has a professional customer service center, which is responsible for collecting customer feedback, solving difficult and complicated problems of customers' car use, and providing warm and thoughtful service. Progress and improvement have been made in terms of customers' satisfaction to and recognition of Dongchang's service. Dongchang Auto and its 4S stores won "Shanghai Famous Brand" many times. Shanghai Dongchang Auto Service Co., Ltd. won the title of "District Chief Quality Award" in Pudong New Area. Dongchang Auto Service is recognized and affirmed universally by the community, the government and the customers.

In terms of improving the customer feedback mechanism and actively responding to customer complaints, Dongchang Auto has established convenient and effective channels to provide timely pre-sale, in-sale and after-sale consultation services to consumers. The "96800 Auto Service Know-it-all" customer service center covers four major businesses of consultation, complaint, rescue and appointment. The fast-responding customer feedback mechanism enables timely and effective handling of customer complaints, and has been rated as model worker group in Shanghai, and the best call center in the whole country.

In terms of building a mobile information platform, Dongchang is determined to innovate by relying on Internet technology, and realize the interconnection of platforms of official website, official microblog and mobile phone APP, making the service more efficient, convenient and considerate. In this reporting year, Dongchang Group and its subsidiaries maintained dynamic update of their official websites and official microblogs with an active frequency, or have started the website construction and/or revision procedures. Customers of Dongchang Auto can obtain the car model information immediately through the information release of Dongchang Auto official website and WeChat Public Number,

Demands of business partners: experience sharing and technology exchange; compliance to business ethics; mutual benefit, win-win and common development

Dongchang's responsibilities: to participate in industry conferences and professional and technical competitions/exchanges; abide by business ethics; strive for mutual benefit, win-win and common development

Dongchang Group's investor relations involve the world's top 500 enterprises, central enterprises and listed companies. Dongchang Group has established a mutual trust partnership with its stakeholders in good faith and has continuously learned from the advanced management experience of our business partners. In response to the different demands of partners, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on the demands of partners and assumed its own corporate social responsibility in this reporting year. In terms of participation in

industry conferences and professional and technical exchanges, Dongchang actively participates in various industry conferences or trainings, strengthens exchanges and cooperation among enterprises, makes common progress and promotes industry development.

In response to the different demands of the government, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on the demands of the government and assumed its own corporate social responsibility in this reporting year. In terms of improving economic performance, Dongchang Group and its subordinates comply with the development trend of the economy from high-speed growth to high-quality development, care about the consuming demands of the customers, pay attention to the resources and environment of the earth, attach importance to the improvement of the comprehensive strength of the country, and strive for truly high-quality development. In 2018, Dongchang had made efforts to realize industrial transformation and upgrading, cultivate intellectual property rights and improve the quality of talents. Shanghai Setech Supply Chain Co., Ltd. has once again been recognized as a high-tech enterprise in Shanghai. The company has made remarkable investment and achievements in research and development with promising progress in innovative development of the supply chains by taking the opportunity of industrial Internet.

In terms of law-abiding operation and legal popularization, Dongchang Group takes laws and regulations as the criterion, industry norms as the basis, and adheres to honesty and law-abiding operation. All the work in this reporting year is carried out in accordance with laws, regulations and administrative norms. On May 30, 2018, Dongchang Auto issued the "Notice on Integrity" on its official website to further strengthen the integrity management concept of "Dongchang Auto", the integrity of managers and employees, create an open and transparent business culture, and promote the legal and compliant development of various businesses of "Dongchang Auto". In addition,

Dongchang Group attaches great importance to the promotion of legal popularization. On December 5, 2018, when leaders of Shanghai Municipal Public Security Bureau and Pudong New Area Public Security Bureau inspected and investigated Dongchang Group, they proposed to carry out in-depth publicity and popularization of legal knowledge in enterprises and raise the legal awareness of enterprise managers and employees.

In terms of paying taxes in full and in accordance with the law, Dongchang Group pays all kinds of state taxes in accordance with the law, in good faith, on time and in full, and does not evade any taxes. In terms of job creation, Dongchang Group and its affiliated companies have provided different types of jobs in administration, finance, human resources, sales and management. As of 2018, Dongchang Group and its affiliated companies have nearly 10,000 registered employees, creating a great many of job opportunities for the society.

In terms of participating in policy-making, planning and survey, Ding Jianyong, chairman of Dongchang Group, acting as a representative of the 15th Shanghai Municipal People's Congress and a part-time vice-chairman of the Shanghai Federation of Industry and Commerce, has been actively participating in the deliberation and administration of state affairs and making suggestions. In January 2018, Ding Jianyong took part in the first meeting of the 15th Shanghai Municipal People's Congress and submitted two down-to-earth suggestions of "the last kilometer" and "the renovation of the old districts" that are related to the people's livelihood. On January 30, 2018, Chairman Ding Jianyong was invited to participate in the research symposium on the theme of "Optimizing the business environment and promoting the development of private economy" presided by Mayor Ying Yong, and the participants, including Ding and other private entrepreneurs in Shanghai, offered advice and suggestions for optimizing Shanghai's private economy and business environment.

In terms of party organization construction, the Party Committee of Dongchang Group hosted the 19th year "Gold-collar Post House" of Lujiazui Financial City, providing platform support for

Lujiazui's innovative and regionalized party construction. The Group's Party Committee takes "first-class party construction to promote first-class performance" as its working concept and continuously explores new model of "Building-based Party Construction" in the new era. More than 2/3 of the top and middle-level managers of Dongchang Group are CPC members. In this reporting year, the Group's Party Committee has paid close attention to the study and implementation of the spirit of the 19th National Congress of the Party, and has established a party building network with vertical lines of guidance and horizontal lines of communication. The Group's Party Committee has formed joint party-building unit with the party branch of the 13th Tax Office of Pudong New Area, and both sides have signed joint construction agreement for the party building. On April 28, 2018, the Party Committee of Dongchang Group and the members Party Branch of the 30th Tax Office of Pudong New Area Tax Bureau gathered to listen to Shanghai Municipal CPC Committee Party School Professor Chen Yongming's lecture on the report of the Party's 19th Congress. On July 19, members of Granday's Party Branch visited the Memorial Hall of the First Congress of the Communist Party of China in Shanghai to review the Party's history. On July 25, the Party Committee of Dongchang Group, in conjunction with the "July 1" commemoration and the "Two Studies and One Action" activities, actively responded to the call of "Caring Milk Project for the Elderly in Communities" supported by the Party's regionalized party-building program of Pudong New Area, and gave a daily milk offer to the elderly aged 70 to 89 from low-income families and destitute-support personnel in Pudong New Area, so as to meet the healthy and nutritional needs of the elderly from poor families and make them feel the warmth of the Party and society. On November 23, the Party-Mass Department of Dongchang Group organized the men and women employees from headquarters of the Group to take part in the tug-of-war competition in Lujiazui Software Park, where our men's team won the third place in the game. In this reporting year, Dongchang Group's party-building

work has made solid progress, with Party members showing their credentials and playing a vanguard and exemplary role in their daily work and social life.

4.2.5 Society

Demands of the society: to promote community construction and development, participate in community activities; support the public welfare and give back to the society.

Dongchang's responsibilities: support community construction and development, respond to community activities; participate in public welfare activities

Dongchang Group actively undertakes social responsibilities, promotes community construction and development, responds to community activities, and supports social public welfare activities by various means.

In response to the different demands of the society, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on the demands of the society and assumed its own corporate social responsibility in this reporting year. In terms of participating in social welfare activities, Dongchang Group responded positively to the participatory poverty alleviation program led by the Poverty Alleviation Office of the Ministry of Foreign Affairs and implemented by the United Nations Development Programme, donating poverty alleviation funds to Jinping and Malipo counties for many years consecutively. The group also donates money to Kaiming Charity Foundation every year to support the development of minority education in Xinjiang. To date, the program sponsored by the Group has trained hundreds of headmasters and secretaries of primary and secondary schools in 12 prefectures of Xinjiang, greatly promoting the development of basic education in Xinjiang. On June 14, 2018, Dongchang Group won the "Education Empowerment Practice Award of Warm Financial City • Lujiazui Annual Public Welfare Rank List" for its excellent

project of "One-hand-one-heart Rainbow Action" Xinjiang Schoolmasters Training Course. Other winners of this award are 10 well-known domestic and foreign enterprises and institutions such as Standard Chartered Bank (China) Co., Ltd., China Financial Futures Exchange and China Life Insurance Shanghai Branch. The "Toward the Light" activity sponsored by Dongchang Group provides free treatment of eye diseases to thousands of cataract patients in poverty-stricken areas every year. Under the guidance of the Group, the subordinate companies also attach great importance to corporate social responsibility. Shanghai Dongchang Automobile Service Co., Ltd. has a tradition of holding "Staff Festival" every year. One of the highlights of the event has lasted for more than ten years, that is the charity bazaar. The employees bought healthy food and daily necessities with all the charity money collected from the charity sale, and donated them to the elderly in the gerocomium of Huamu Community, Pudong, where the company is located, and the benefaction for the elderly has received good social effect. Up to date, this fine tradition has lasted for 11 years.

4.2.6 Environment

Environmental appeal: saving valuable resources; protecting ecology, reducing pollution

Dongchang's responsibility: adhere to the concept of green office and green operation, save resources, reduce carbon emissions and other pollutions

In response to the basic national policy of saving resources and protecting the environment, Dongchang Group adheres to the concept of green development in its production and operation activities, taking resource saving and environment protection as its own responsibility.

In response to the different environmental appeals, Dongchang Group has corresponding responsibility mechanism. Under the operation of the corresponding responsibility system, Dongchang Group has made corresponding feedback on environmental appeals and assumed its

own corporate social responsibility in this reporting year. In terms of adhering to the concept of green office, green operation and saving resources, Dongchang Group conducts education and training on awareness of energy-saving office for employees according to the actual situation, establishes and implements a standardized and effective energy-saving office management system, and actively advocates the concepts of green office and energy-saving office. Under the guidance of the concepts of green office and energy-saving office, Dongchang Group pays close attention to the 5S management standard of "SEIRI (arrange), SEITON (reorganize), SEISO (clean), SEIKETSU (clear) and SHITSUKE (attainment) ", and urges employees to form good habits such as turning off lights in conference rooms in time, adjusting air conditioning temperature reasonably, saving printing and copying paper, sorting garbage, recycling and using recycled paper, etc. to help save the earth's resources. In addition to the green office, Dongchang also attaches importance to saving resources in all links of production and operation, and seeks to reduce energy consumption per unit output value while increasing production and service income. In this reporting year, the environmental protection test reports of subordinate companies all conform to the regulations. Dongchang Group attaches great importance to "green" management of suppliers and customers. Dongchang Automotive Innovation Service advocates "green consumption" for customers in energy conservation. Dongchang's Productive Service manages supply chain node enterprises and customers according to the requirements of "Green Supply Chain". By improving processes, using clean energy and raw materials, adopting advanced technology and equipment, improving management and comprehensive utilization, pollution reduction is achieved from the source, resource utilization efficiency is improved, and hazards to human health and the environment is reduced or eliminated.

5. Response and Prospect

During the year 2018, Dongchang Group and its affiliated companies have achieved their goals made in the previous year in practice of social responsibility, and have completed the plan 2017. Dongchang people never fail to fulfill the strict demands that they set on themselves and never let down the expectation and confidence of the society to Dongchang.

2019 is the 70th anniversary of the founding of New China and the key year to build a well-off society in an all-round way. China's development is still in and will be in a period of strategic opportunities for a long time. At this moment of ring out the old year and ring in the new, Dongchang Group and its subordinates have the same lofty outlook on the practice of corporate social responsibility in 2019. Dongchang Group and its subordinate companies will firmly take the initiative to shoulder corporate social responsibility and continue to forge ahead on the road of corporate social responsibility practice in various aspects such as employees, customers, business partners, government and social environment.