



Guangxi LiuGong Machinery Co., Ltd.
ESG Strategic Plan 2030

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1958**Factory Construction: Embarking on a Journey of Glory and Dreams**

527 workers from Shanghai and other regions came to Liuzhou to build the factory from scratch. They established Liuzhou Construction Machinery Manufacturing Plant, the predecessor of LiuGong, which marked the official founding of LiuGong.

1966**Industry Pioneer: Launching China's First Wheeled Loader**

LiuGong successfully developed China's first wheel loader "Z435" under the "Dongfeng" brand (East Wind), which marked the beginning of China's independent research and development of wheel loaders.

1987**Improvement and Innovations: Starting a Wave of Technological Innovation**

LiuGong introduced Caterpillar technology and carried out large-scale technological transformations, laying the foundation for the exploration of new technologies and products.

1993**Listing on the Shenzhen Stock Exchange: Becoming the "First Stock" of Guangxi and China's Construction Machinery Industry**

LiuGong was listed on the Shenzhen Stock Exchange, becoming the first listed company in Guangxi and in China's construction machinery industry.

1995**Win-Win Cooperation: Starting the Layout of Independent and Controllable Systems of Core Components**

LiuGong, in cooperation with ZF Friedrichshafen AG, jointly invested in establishing Liuzhou ZF Machinery Co., Ltd., marking the beginning of LiuGong's development of controllable systems for core components.

2000**Marching Eastward: Pioneering Mergers and Acquisitions in China's Construction Machinery Industry**

LiuGong acquired the Jiangyin Road Machinery Plant and successively set up plants in Shanghai, Anhui, Jiangsu, and Shandong, becoming a pioneer in exploring diversified development within China's construction machinery industry.

2020**Breakthrough Reform: Revitalizing Corporate Development**

LiuGong's mixed-ownership reform project focusing on promoting "Reform through Mixed Ownership" successfully attracted investment, injecting new momentum into the Company's high-quality development.

2019**AI Leadership: Leading the New Era of 5G Remote Control and Electrification**

LiuGong launched the world's first commercial 5G remote control loader and three purely electric loaders, marking a solid step forward in the industry's digital and intelligent transformation.

2015**Scientific Research: Promoting the Settlement of "National Earthwork Machinery Engineering Technology Research Center" at LiuGong**

LiuGong Global R&D Center, also the National Earthwork Machinery Engineering Technology Research Center, has been completed, laying a solid foundation for LiuGong to accelerate the achievement of its goals for electrification, digitalization, interconnection, automation, and sharing.

2011**Cooperation Alliance: Providing Driving Engines for Equipment Products**

LiuGong and Cummins established the world's first joint venture specified in construction machinery, providing exclusive power for the global construction machinery market.

2007**Overseas Layout: Establishing LiuGong's First Overseas Factory**

LiuGong invested in building a factory and a subsidiary in India, taking the first step in building overseas manufacturing facilities. Since 2007, the Company has publicly issued a social responsibility report on an annual basis.

2002**Entry into the Global Market: Starting LiuGong's Journey to Global Expansion**

The strategic goal of "Building an Open and Internationalized LiuGong" was put forward, which opened the prelude to LiuGong's exploration of international businesses.

2021**Ongoing Efforts: Striving for Self-improvement and Excellence**

On April 26, 2021, General Secretary Xi Jinping visited LiuGong and delivered an important speech, highly praising the innovative development achievements of LiuGong.

2022**Intelligent Manufacturing: Accelerating the Pace of High-quality Development**

The completion of Phase 1 of LiuGong Loader Intelligent Factory and the groundbreaking of LiuGong Intelligent International Industrial Park represented an important step for LiuGong in improving intelligent manufacturing levels.

2023**Leap cross 10 Billion: Embarking on Robust International Expansion**

LiuGong's overseas business revenue reached a new high, over RMB 10 billion, further enhancing the international influence of LiuGong.

2024**Leadership in New Quality Productivity: Facing Challenges and Striving for Victory!**

Due to the global leap driven by the strategy of "Total Solution, Total Intelligence, Total Internationalization", the main product sales growth leads the industry and the Company's total revenue and net profit both hit historic highs. LiuGong issued its first environmental, social and governance (ESG) report and established an ESG management framework.

2025**Building on Heritage and Innovation: Forging Ahead to Promote Green Transformation**

The latest achievements of LiuGong's smart manufacturing ecosystem — the Intelligent Excavator Factory and Intelligent Loader Factory — drew extensive attention from state-level media. The Company's Wind ESG rating was upgraded to A and Huazheng ESG rating to AA, and it received multiple ESG awards and honors.

LiuGong ESG Evolution

LiuGong ESG Strategic Formulation Guiding Philosophy



Guiding Philosophy

LiuGong holds the mission of "Empower People with Intelligent Green Machinery" and the vision of "To be the World Leading Equipment and Technology Solutions Provider". Guided by its strategic vision for the next decade and inspired by new brand and culture, the Company is committed to creating greater value for customers, developing together with partners, and building a distinctive ESG strategic system that embodies the unique characteristics of LiuGong.

Basic Principles

Strategic Alignment Principle, Coordinated Advancement Principle, Continuous Improvement Principle.

Advancement Approach

LiuGong has innovatively established an ESG planning "Pyramid", focusing on three levels: "Foundation and Empowerment, Systematic Deepening, Global Leadership". Through layered implementation and coordinated advancement, the Company aims to achieve efficient execution and continuous refinement of the ESG strategy.



LiuGong's three-phase ESG strategy is centered on the three levels of the ESG planning "Pyramid", forming a "Step-by-Step" development pathway to ensure the goals at each stage are progressive and organically connected.

Stage	Core Task	Strategy
Phase 1: Foundation and Empowerment (1 Year)	Establish an ESG governance framework, and unify the standard system.	<ul style="list-style-type: none"> Improve the ESG governance framework, establish ESG system regulations, and form an effective ESG management system; Formulate an ESG strategy, define priority improvement areas, and set corresponding goals and measures.
Phase 2: Systematic Deepening (2 Years)	Promote ESG integration across the entire operational chain, and build digital governance capabilities.	<ul style="list-style-type: none"> Execute the ESG strategy, and fully incorporate ESG indicators into management performance evaluations; Integrate ESG management for overseas subsidiaries, improve ESG indicator system and working mechanisms, and enhance the ESG professional capabilities of all employees; Launch an ESG digital management platform to achieve automatic data collection and analysis.
Phase 3: Global Leadership (3 Years)	Achieve global ESG leadership, and drive the formulation of industry standards.	<ul style="list-style-type: none"> Join the United Nations Global Compact (UNGC); Continuously execute the ESG strategy, and integrate ESG management as standard practice in overseas subsidiaries; Lead the formulation of ESG disclosure guidelines for the construction machinery industry.

LiuGong ESG Strategic Framework and Strategic Model

Vision and Mission

Vision

“Safeguarding Our Green Home and Building a Better Future for Humanity”

Interpretation: “Safeguarding Our Green Home” transforms environmental protection from an abstract concept into a tangible act of “Home Protection”, reflecting the Company’s awareness transformation of elevating environmental protection from a compliance obligation to an intrinsic mission. “Building a Better Future for Humanity” goes beyond a single environmental goal, emphasizing the synergy between environmental governance and social well-being. The entire statement revolves around environmental protection and sustainable human development, demonstrating LiuGong’s deep appreciation for the Earth’s ecology and its sense of responsibility toward the shared future of humanity.

Mission

“Empowering People with Intelligent Green Machinery”

Interpretation: As a leading enterprise in China’s construction machinery industry, LiuGong has identified “Intelligence” and “Green” as its two major development directions for the future. By integrating technology, environmental protection, and productivity, the Company demonstrates its vision of achieving sustainable development through technological innovation and helping to create a better future for mankind.

CREST Strategic Model

The CREST strategic model is derived from the initials of LiuGong’s five ESG strategic directions, symbolizing the meaning of “Peak” or “Summit”, which aligns with the Company’s values of being proactive and striving for excellence. By setting high standards and continuously challenging itself, the Company strives to achieve improvement and development across multiple key areas such as product quality, R&D innovation, service levels, environmental protection, social responsibility, and corporate governance, aiming to reach industry-leading positions and thereby achieve long-term success and sustainable development.



2030 ESG Strategic Development Goals

To build a synergistic “Five-Pronged Technology” system to become a trusted global provider of equipment and technical solutions
Key Measures:

- Build multiple types of scientific research platforms
- Improve the quality management system
- Optimize the customer service system



To establish a healthy compliance governance system and promote the steady development of the Company
Key Measures:

- Conduct ESG due diligence for all stakeholders
- Build a comprehensive compliance management system
- Conduct in-depth risk assessment on integrity and anti-corruption



To build a responsible ecosystem featuring mutual prosperity and become a benchmark in supporting the construction of a harmonious society
Key Measures:

- Build and improve a digital safety management platform
- Continuously optimize the employee grievance handling system
- Establish medium and long-term plans for domestic and international social welfare initiatives



To build a value network for win-win cooperation and create a sustainable industry ecosystem
Key Measures:

- Establish a sustainable supply chain management system
- Achieve 100% talent development coverage for the Company's global workforce
- Deeply participate in the formulation of industry standards



Build a scientific and standardized environmental management system to support the Company's dual carbon goals
Key Measures:

- Dual carbon goals: achieve carbon peaking by 2030 and carbon neutrality by 2055
- Conduct carbon inventory and carbon verification
- Create factories that feature low emissions and low energy consumption externally, and are employee-friendly internally
- Build a sustainable circular ecosystem for raw material regeneration and recycling
- Continuously optimize the energy management system



Strategic Implementation Support

Organizational System Support



LiuGong has established a sustainable development framework featuring a complete structure, clear hierarchy, well-defined roles and responsibilities, and efficient operations. To ensure the smooth and effective implementation of LiuGong's ESG strategy, the Company further clarifies day-to-day responsibilities within its ESG management system while strengthening human resource support. Through the creation of specialized positions, development of a localized talent pool, establishment of a tiered training system, and enhancement of incentive mechanisms, the Company provides critical human capital support for the continuous optimization of its sustainable development systems and mechanisms.

Internal Mechanism Support



To effectively fulfill its ESG responsibilities, LiuGong has established internal ESG safeguard mechanisms, including information management mechanisms, internal reporting mechanisms, ESG risk monitoring mechanisms, ESG budget management mechanisms, and ESG performance appraisal mechanisms, among others.

Corporate Culture Support



Through multi-dimensional measures such as policy revision, culture cultivation, employee engagement, and incentives and recognition, the Company systematically integrates ESG principles into daily operations and core values, thereby fostering a sustainable corporate culture that is embraced and practiced by all employees.

Digital & Smart Innovation Support



Leverage information and digital technologies to drive ESG data transparency, refined management, and intelligent decision-making. Digitally empower green manufacturing by promoting remote intelligent operation and maintenance platforms, reducing on-site equipment service frequency, and lowering customers' carbon footprint during the use phase.

Communication with Stakeholders



By building a multi-level internal and external collaborative network, including deepening sustainable supply chain cooperation, improving systematic communication mechanisms, and expanding industry and international partnerships, the Company deeply integrates stakeholders into the ESG governance process. This helps build consensus, manage risks, and enhance overall ESG performance, ultimately achieving systematic ESG governance, industry synergy and international alignment.

Financial Empowerment Support



Actively expand cooperation with financial institutions, integrate ESG factors into corporate financing and investment decision-making processes, and promote the application of green financial instruments to provide stable financial support and innovative impetus for the implementation of the company's ESG strategy. By leveraging green credit, sustainability-linked bonds, ESG-specific funds, and other channels, we will optimize the financing structure, lower financing costs, and enhance capital utilization efficiency.





延伸人類力量

TOUGH WORLD. TOUGH EQUIPMENT.

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