



FAW GROUP

Sustainable Development Report

2022

Embarking on a New Journey to Perform Meritorious Deeds in the New Era



CONTENTS

02 Address from General Manager

04 About Us

10 Sustainable development management

14 Focus on Responsibility

Heading for a Carbon Neutrality Goal and
Rushing to the New Energy Race

18 Focus on Responsibility

Staying Loyal to the Leadership of Party
Building and Staying True to the Original
Aspiration

22 Focus on Responsibility

Firm Commitment to Rural Revitalization and
Continuous Struggle for New Achievements

98 Future Prospects

100 Appendixes

01

**Innovation Oriented • Being
Stronger and Better**

**Pursuing Leap-Forward
Development**

31 All-Round Innovation Driving and All-Out
Technical Breakthrough

35 All-Round Deepened Reform and All-Out
Quality & Efficiency Improvement

41 All-Round Transformation & Upgrading and
All-Out Digital Intelligence Empowerment

02

Concerted Action • Joint Efforts and Sharing

Making concerted efforts

49 Centered on Customer, and Building Brand with Quality

59 Supported by Partners, and Cultivating Ecology with Openness

67 Caring for employees, and Reinforcing Safety with Defense Lines

03

Great Kindness • Dare to Undertake and Practice

Practicing China's Generous Vision

77 Protect Lucid Waters and Lush Mountains, and Building a beautiful China

85 Promoting Rural Revitalization, and Heading for Common Prosperity

89 Cooperating with Public Charity and Enhancing Well-Being of People





Director, General Manager
and Deputy Secretary of the
Party Committee of China
FAW Group Co., Ltd.

邵平

Address from General Manager

Looking back on 2022, FAW advocated Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the spirits of the 20th CPC National Congress and the important speech made by General Secretary Xi Jinping when inspecting FAW. In accordance with the general requirements of "high quality, strong innovative, capacity enhancement and risk control", FAW took challenges, braved difficulties and made concerted efforts to keep its high-quality development rising steadily.

Advancing with the country, keeping up with China's strategy and integrating into the overall situation. We upheld the Party's overall leadership, conscientiously studied and publicized the spirit of the 20th Party Congress, thoroughly implemented the general requirements for Party building in the new era, and resolutely implemented the major decisions made by the CPC Central Committee. We have gained an insight into the decisive significance of Two Establishments, strengthen Four Consciousness, maintain Four Self-Confidences and achieve Two Maintenances. We have persistently deepened enterprise reform, continuously promoted the Four Cans reform, and completed the main task of the Three-Year Reform of State-Owned Enterprises ahead of schedule and with high quality; We shouldered the responsibility as a central enterprise, solidly fulfilled the task of fixed-point assistance and counterpart aid to Tibet, and comprehensively promoted the revitalization of rural industries, talents, culture, ecology and organization. In 2022, FAW invested RMB 59.4 million in fixed-point assistance and counterpart aid to Tibet, which helped us win the highest rating—Excellent in the Central Department Fixed-Point Assistance Program for 6 consecutive year.

Symbiosis with the environment, low-carbon transformation and green development. Guided by the Carbon Peaking and Carbon Neutrality goals, we worked out FAW carbon-neutral strategic plan, established FAW carbon peaking action plan, and steadily promoted the works toward Carbon Peaking and Carbon Neutrality. We unswervingly followed a road of All IN NEW ENERGY, and promoted an all-sided, all-round and all-system transformation to new energy and green products. We devoted great energy to the pilot program of producer responsibility extension, made every effort to build a green operation model covering the full life cycle of products, and constantly laid solid foundation for green development. In 2022, FAW invested RMB 996 million in energy conservation and environmental protection, up 82.75% year-on-year; The overall energy consumption per RMB 10,000 output value decreased by 3.67% and the carbon dioxide emission per RMB 10,000 output value decreased by 10.29%.

Growing together with Chinese auto industry, pursuing leap-forward development and hoping to lead the future. We set great store by the drive of all-round innovation, implement FAW (R.Flag) Technology Development Strategy in depth, accelerated the mastery of key core technologies, speeded up the creation of original technology sources, and made major breakthroughs in a number of key core technologies that lead the development of the industry, which can be exemplified by the largest number of open and authorized patents in the industry. We held a customer-centered philosophy, dedicated to forging the superlative products, experiences and cares, and continuously satisfied the wonderful travel needs of consumers in the new era. We were determined to be the "chain boss" of the modern industrial chain, and make concerted effort with suppliers, distributors and strategic partners to build a green intelligent vehicle industry ecosystem in the new era. In 2022, FAW sold 3.204 million vehicles with an operating income of RMB 589.8 billion, which marked we withstood the foundering fortunes and retained a stable market share. The sales of Hongqi series exceeded 310,000 vehicles, with a 65-fold increase in five years, which marked the firm position as a leader of high-end brands in the domestic automobile market.

Sharing with the society, undertaking social responsibility, and making common progress with love. We stood for the people-centered development thought, practiced the strategy of Benefiting Employees, placed concerns on team capability, career development and life care of employees, and hoped to build a community of career development destiny with pioneering culture. We actively practiced the philosophy of Promoting the Harmonious Development of Society with Love, attached importance to cultural education, child care, ecological protection, traffic safety, employment and people's livelihood. We were committed to creating a public welfare brand group, transmitting energy with public welfare, interpreting responsibility with kindness, and achieving mission with dedication. In 2022, FAW donated a total of RMB 206 million, with a year-on-year increase of 43.72%, and organized total of 30 public welfare programs, with a year-on-year increase of 30.43%.

Living up to our missions and responsibilities, and sparing no efforts to create a new situation and great cause! In the new era and new journey, FAW advocated Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the spirits of the 20th CPC National Congress and the important speech made by General Secretary Xi Jinping when inspecting FAW. We have kept in mind the mission as a central enterprise, shouldered industrial responsibilities, highlighted the primary task of high-quality development, and accelerated the mastery of core technologies. We attached great importance to the development of new energy vehicles, spared no effort to establish a national automobile brand, and placed hope in becoming a world-class enterprise and write a brand-new FAW chapter in the great journey of Chinese modernization!

About Us

Company Profile

China FAW Group Co., Ltd. (FAW for short) is a state-owned super-large automobile enterprise group managed by the central government. Formerly known as China First Automobile Works, it had been listed as one of the key construction projects of the First Five-Year Plan. Established in 1953, FAW not completed and put into operation until 1956. FAW manufactured New China's first truck (Jiefang brand). In 1958, FAW manufactured New China's first car (Dongfeng brand) and first limousine (Hongqi brand), which marked the growth of New China's automobile industry from scratch. After 70 years of development, FAW has built five major production bases in Northeast China, North China, East China, South China and Southwest China, as well as a global R&D layout. In addition to FAW's independent brands such as Hongqi, Jiefang and Besturn, there are also joint venture brands involving FAW-Volkswagen (Audi) and FAW Toyota. By the end of 2022, the total number of employees was nearly 120,000, the total assets were RMB 596.31 billion, and the cumulative production and sales of automobiles exceeded 54 million vehicles. The sales volume ranked first in China's automobile industry and ranked 9th in Fortune Global 500 automobile enterprises. The brand value of FAW ranks first among domestic automobile enterprises, and the brand values of Hongqi and Jiefang rank first among China's passenger vehicles and China's commercial vehicles respectively.

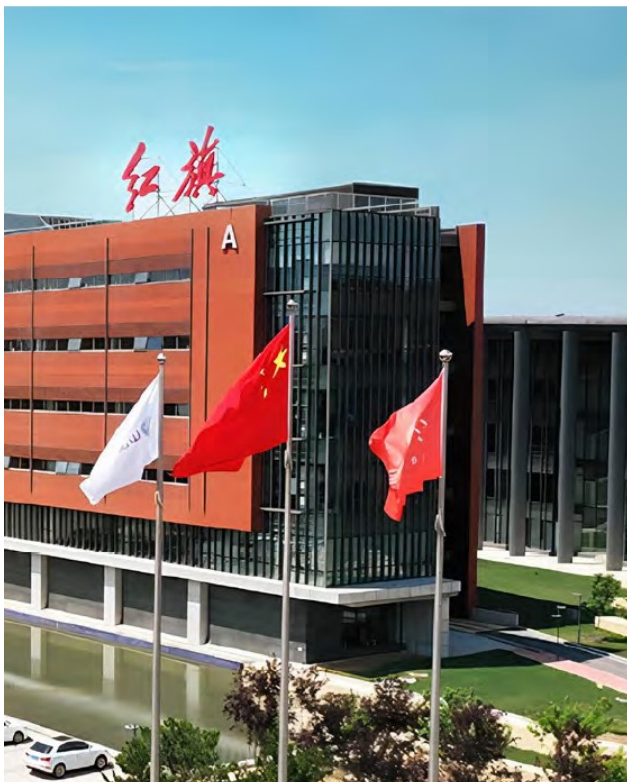
2022

Sales volume	Gross value of industrial output	Operating revenue	Taxes paid
3.204 million vehicles	RMB 535.72 billion	RMB 589.8 billion	RMB 56.22 billion

Ranking in 2022

79th in Fortune Global 500
 7th among the top 500 Chinese manufacturing enterprises

27th among the top 500 enterprises of China
 1st among the top 500 Chinese mechanical enterprises



For 15 consecutive years
 SASAC Performance Assessment on Central Enterprises Rated FAW as **Grade A**

2019-2021
 Central Enterprise Principle Performance Evaluation rated FAW as **Grade A and ranked first**

2022
 State Council SASAC reform leading group selected FAW as **Model Enterprise of the Three-Year Action of State-Owned Enterprises Reform**

For 3 consecutive years
 Central Enterprises Party Building Work Responsibility System Assessment rated FAW as **Grade A**

For 3 consecutive years
 Central Commission for Discipline Inspection and the State Supervision Commission rated FAW as **EXCELLENT**

For 6 consecutive years
 In the Central Department Fixed-Point Assistance Program, FAW was rated as **The highest rating of GOOD**

Corporate Strategy

14th Five-Year Development Plan for FAW

Building a world-class automobile enterprise

One goal

Famous brand, users' favorite, innovation driven, value creating, advanced governance, excellent management, wonderful employees, party building pioneer

Six major businesses

红旗
Let the ideal fly

解放

一汽奔腾
BESTUNE


Joint venture cooperation


Overseas business


Ecological business

Eighteen elements

Brand	Customer	Product	Technology	R&D	Quality
Marketing and service	Manufacturing and technology	Supply chain	Finance	Manpower, organization and leadership	Management
Digital intelligence	Reform	Govern	Party building	Culture	Social responsibility

Corporate Culture

FAW Pioneer Culture



Mission

Control key core technologies
Establish a national automobile brand
Power China's automobile industry
Open up a new road for innovation and development of automobile industry in the new era



Vision

Create a wonderful trip and a beautiful life
Create a world-class, green, intelligent and consumer-favoring mobile travel service provider
Become the pioneer of automobile industry



Values

Stay true to the mission, stay committed to the vision; Love the party and motherland, serve the people;
Clear distinction between public and private, honest and clean; Fairness and justice, democracy and the rule of law;
Create value, cooperate and share; Users first, take into account all stakeholders;
Staff development and common destiny; Dedicate to the cause and contribute to society

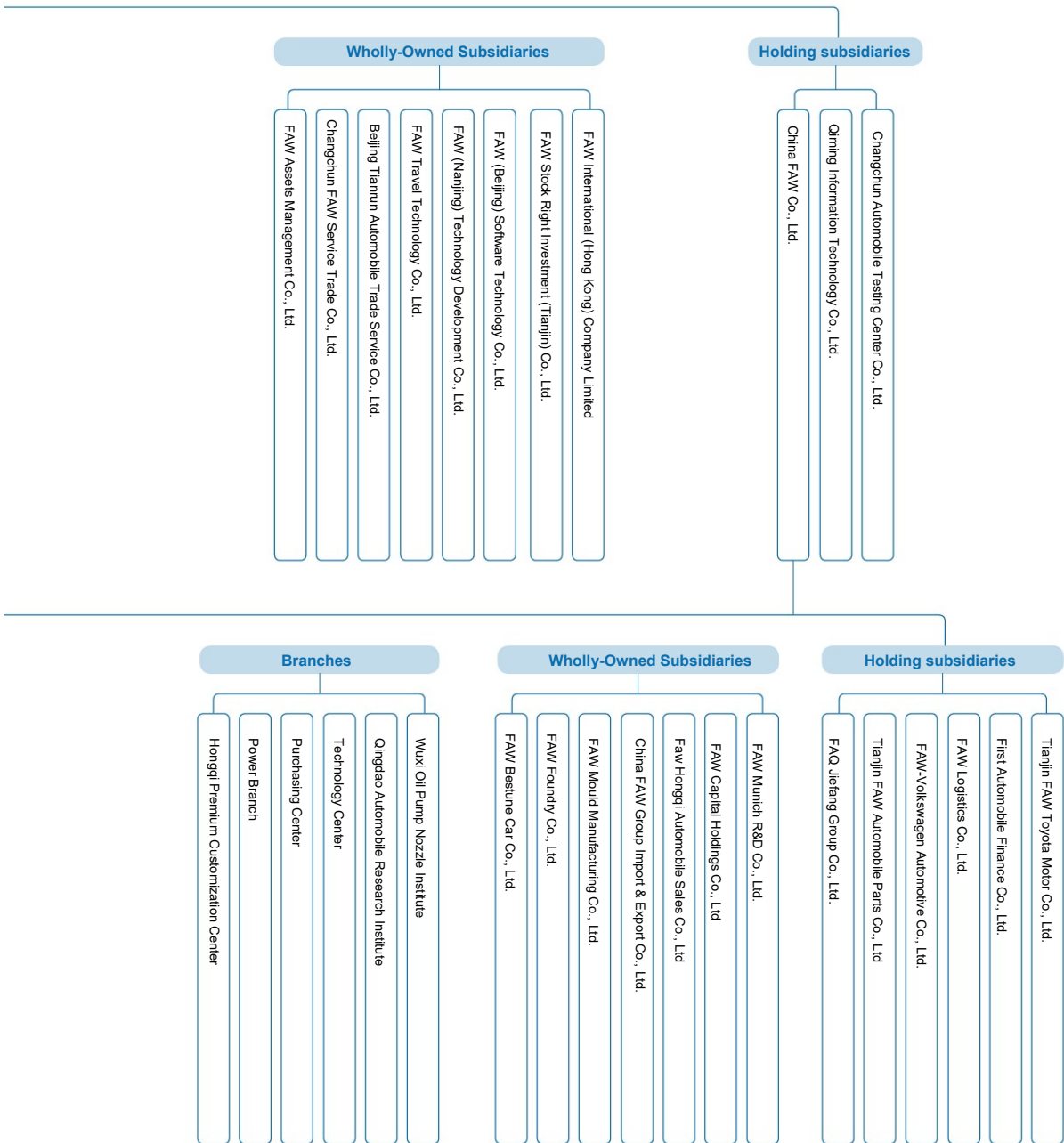


Enterprise Spirit

Brave as a rider of the tides, and endeavor to be the first place; Have a dream, and aim for the highest;
Enthusiasm and dedication; Reform and innovation, struggle and progress;
Pursuing excellence and perfection; Diligent and knowledgeable; Attaining knowledge through studying the essence of things

Organizational Structure



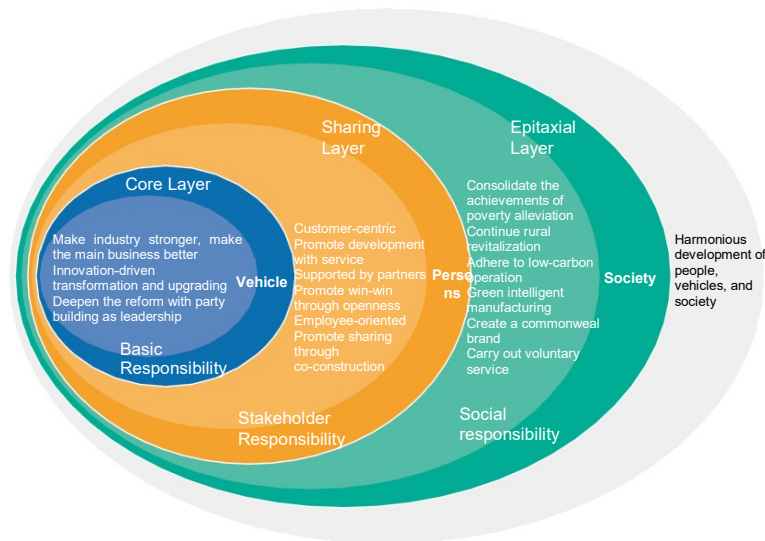


Sustainable Development Management

Conceptual Model

Guided by the responsibility concept of promoting human-vehicle-society harmonious development, FAW has continuously strengthened its responsibility management and deepened its responsibility practice around the three aspects: basic vehicle-enterprise responsibility, people-stakeholder responsibility and social-social responsibility. FAW expects to go forward hand in hand with customers, partners, employees and other internal and external stakeholders to maximize the comprehensive value of economy, environment and society, and dedicates to a pioneer of green, intelligent and sustainable development.

FAW Sustainable Development Model



Responsible Organization

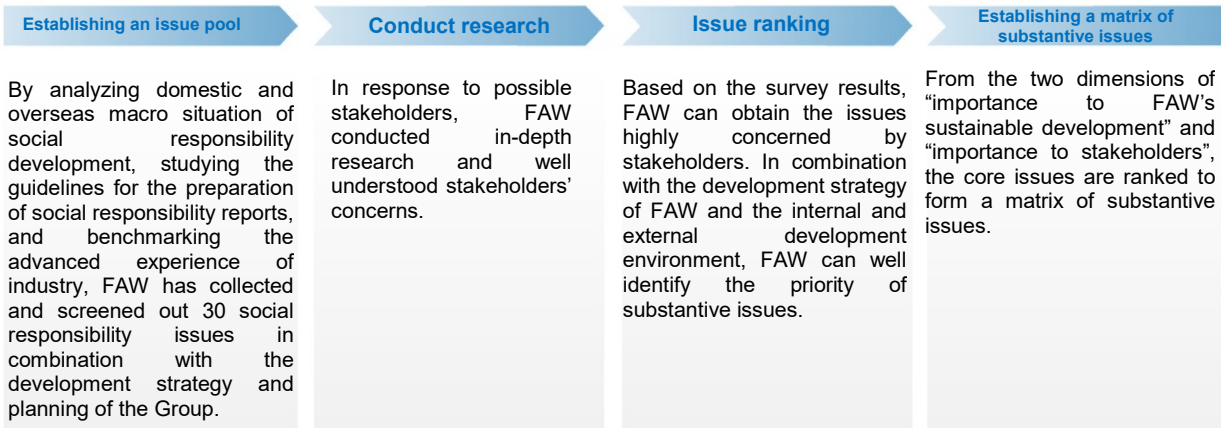
FAW, under the guidance of the Standing Committee of FAW Party Committee, has stepped up the construction of social responsibility management system, defined the leading and executing institutions of social responsibility, and set up personnel in charge of social responsibility. Overall coordination and clear responsibilities have greatly perfected the operational mechanism of social responsibility. FAW has drafted and revised relevant rules and regulations on social responsibility to ensure effective implementation and compliance operation of social responsibility works and build a long-term mechanism for social responsibility management.

<p>Responsibility Governance</p>	<p>Leading body: The Standing Committee of FAW Party Committee is responsible for overall planning of social responsibility and deliberation of relevant major issues. Executing institution: Establish the Marketing Innovation Institute (Brand Public Relations Department), with a Social Responsibility Department responsible for the centralized management of the social responsibility of the Group Company, directly managing and promoting the rural revitalization, charity and social responsibility external communication of the Group Company, and guiding functional departments and molecular companies to carry out social responsibility system construction, external communication and external liaison.</p>
<p>Responsibility System</p>	<p>FAW has drafted and constantly revised social responsibility-related rules and regulations, such as Social Responsibility Management Rules, Fixed-Point Assistance and Counterpart Support Management Rules, and External Donation Management Rules, so as to institutionally guarantee the normalization of social responsibility works.</p>

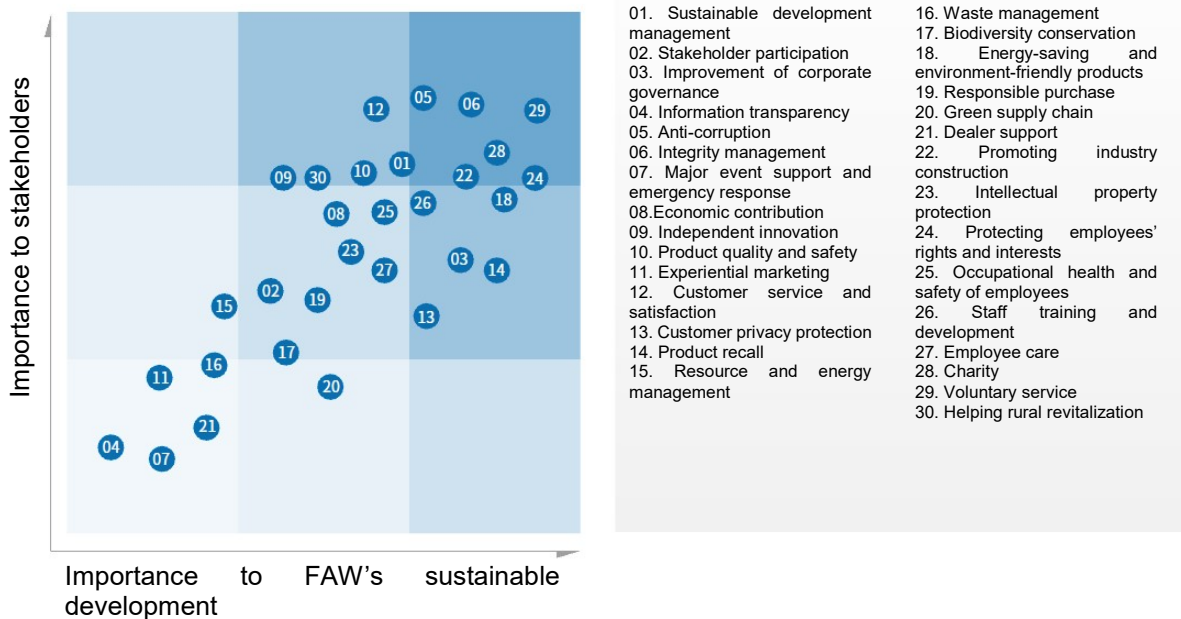
Responsibility Fusion

FAW has accelerated the deep integration of the concept of social responsibility with the strategic operation of the enterprise. It incorporated social responsibility as one of the 18 elements into the 14th Five-Year Development Plan of FAW, set up the 14th Five-Year Plan of Social Responsibility, and set about the brand plan of social responsibility. All these precisely defined the concept, strategic vision, values, work objectives and implementation path of social responsibility, work priorities and the direction of fulfilling responsibilities. FAW actively participated in social responsibility training and related exchange activities, strengthened the sense of responsibility, enhanced the ability to perform their duties, and expanded communication channels. FAW strengthened the management of substantive issues, obtained a matrix of substantive issues after analyzing the macro situation of global social responsibility development and the best practices in the industry, so as to ensure the implementation of social responsibility work.

Analysis of Substantive Issues



FAW 2022 Substantive Issues Analysis Matrix Diagram



Responsibility Communication

FAW highlighted the communication with internal and external stakeholders, and built a communication platform as unblocked communication channels to enrich communication approaches. FAW actively conveyed its social responsibility concepts, promptly disclosed the performance of fulfillment, actively listened to the voices of stakeholders, clearly presented its responsibility stories and shaped its image of a responsibility pioneer.

Responsibility Report

We upheld transparent operation and actively disclosed the information on our responsibilities. Since 2009, we have disclosed the annual social responsibility/sustainable development report for 12 consecutive years, which presented the concept and practical results of corporate social responsibility in a highly centralized and three-dimensional way. FAW constantly made innovation in the communication form of the report, and overall enhanced the communication power of the report with long figures as its carrier. FAW gave full play to the functions of Internet channels like official website and Weibo, presented the fulfillment performance in real time to facilitate convenient communication and daily interaction. FAW organized and participated in social responsibility exchange activities, held Social Responsibility Week for four consecutive years, during which we showed fulfillment performance, shared harvests and expanded fulfillment influence.



FAW sustainable development reports in recent three years






FAW urged branches/subsidiaries to disclose social responsibility reports

Stakeholders Participation

We have upheld responsible communication, started active communication and full understanding with symposiums, enterprise open days and regular reports, and efficiently responded to the expectations and requirements of internal and external stakeholders, whether they are governments, investors, customers, partners or employees. FAW has carried out responsible actions together with stakeholders to create a better future and share a better life.



FAW organized Social Responsibility Week to gather internal and external forces

Stakeholders	 Government and regulatory agencies	 Shareholders and investors	 Customer
Expectations and requirements	<ul style="list-style-type: none"> Observing laws and disciplines Integrity management Risk management Product quality and safety 	<ul style="list-style-type: none"> Preserving and increasing the value of state-owned assets Business performance Market competitiveness Investment and income of major projects 	<ul style="list-style-type: none"> Quality products Intimate services Product and service innovation Drive safety Customer information security
Communication channels and methods	<ul style="list-style-type: none"> Working meetings and reports Company investigation Symposium 	<ul style="list-style-type: none"> General meeting of shareholders/shareholder representatives Financial report Annual report Temporary announcement 	<ul style="list-style-type: none"> Official website Satisfaction survey Symposium Brand activities Open day Safety classroom

Engraved Honors •
Responsibility Management

FAW won the 2022 Responsibility Golden Bull Award—Charity Award, the 2022 China automobile industry charity festival—2022 Automobile Industry Charity Model Excellent Cases, the 7th China Charity Annual Conference—Charity Enterprises of the year and other honorary responsibilities.

FAW's entry—Practicing Social Responsibilities as a Central Enterprise with its Initial Mission and Facilitating a Better Life and a Better Trip, was selected in the Blue Book of Social Responsibilities of Central Enterprises (2022) and won the Excellent Case Award under Responsibility Management Category.

FAW was successfully selected into the Central Enterprise Responsibility Management · Pioneer 30 Index organized by Social Responsibility Bureau of SASAC of the State Council, and ranked 14th.

In the 2022 Corporate Social Responsibility Development Index released by the research team of China Academy of Social Sciences, FAW won the titles of Top 3 in Automobile Industry.

FAW Sustainable Development Report was rated as a five-star class by the China Corporate Social Responsibility Report Rating Expert Committee for the second consecutive year. It is assessed as a model among those corporate social responsibility reports.

FAW Jiefang won the Social Responsibility Award of Listed Companies in the 11th Public Welfare Festival.

FAW Jiefang's entry—Jiefang "Pilot with Love" Public Welfare Program · Caring for Truck Drivers won the Annual Case of the 17th People's Corporate Social Responsibility Award.

FAW Toyota won the 2022 Responsibility Golden Bull Award—Responsible Brand Award.

Partners industries	and	Staff	Environment	Community
<ul style="list-style-type: none"> • Achieve the win-win cooperation • Responsibility procurement • Green supply chain 		<ul style="list-style-type: none"> • Safeguarding employees' rights and interests • Staff training and development • Occupational health and safety • Work-life balance 	<ul style="list-style-type: none"> • Environment-friendly products • Energy saving and emission reduction • Green culture • Mitigating negative environmental impact • Participate in climate change action 	<ul style="list-style-type: none"> • Localization management • Charity cause • Caring for special people
<ul style="list-style-type: none"> • Trade association meeting • Industry seminar & exchange • Annual meeting of suppliers • Dealer annual meeting • Participating in drafting industry standards 		<ul style="list-style-type: none"> • Employees' representatives conference • Staff discussion • Letters and complaints from employees • Visits to employees' families • Survey on satisfaction 	<ul style="list-style-type: none"> • Research and development of NEVs • Green production system • Reducing pollution emissions • Carrying out and participating in environmental public benefit activities • Practice green office 	<ul style="list-style-type: none"> • Public benefit and voluntary activities • Community investment • Organizing and supporting community activities

Focus on Responsibility

Heading for a Carbon Neutrality Goal and Rushing to the New Energy Race

As stressed by General Secretary Xi that the development of new energy vehicles is the only way for China to become a powerful automobile country from a big automobile country. This drew a blueprint and pointed out the direction for the development of new energy vehicles in China. FAW, in a background of profound changes in the automobile industry unseen in a century and “5+5” development trend, has a profound insight into the approach of subversive transformation and upgrading of the automobile industry and the fully opened industry policy. Heading for a carbon neutrality goal, continuing the green and low-carbon transformation and continuously increasing investment in NEVs, FAW has made a new blueprint about carbon peaking and carbon neutrality and rushed to the new energy race.

Aligned with Carbon Peaking and Carbon Neutrality Strategic Planning

FAW has always upheld the philosophy of Lucid Waters and Lush Mountains are Invaluable Assets, kept in line with carbon peaking and carbon neutrality goals, and worked out FAW carbon neutrality strategic plan with the above goals as the guide. FAW has established the FAW carbon peaking action plan, taken concerted action with national carbon peaking and carbon neutrality goals, and dedicated to a pioneer in the carbon peaking and carbon neutrality in the automobile industry.

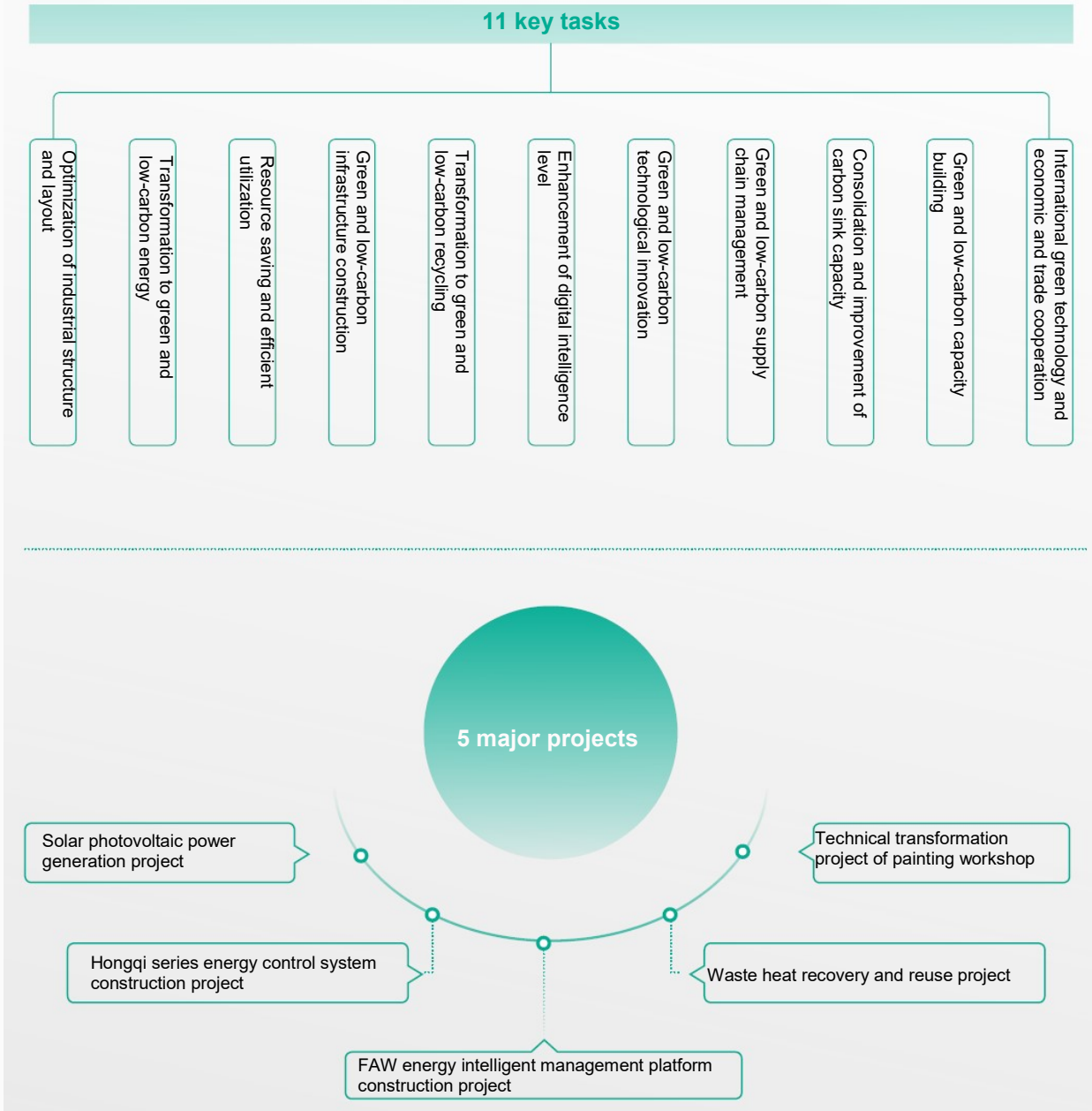
Led by Organizations and Making Overall Management

FAW has set up a Carbon Peaking and Carbon Neutrality Management Committee to co-ordinate the management of the Group’s relevant works. Under the Committee there were a leading group, a working group and special working groups as leaders to form a long-term management mechanism featured with top management as leader, superior and subordinate coordination, clear responsibilities and efficient operation.



Starting with Action Plan, Establishment prior to Destruction

Based on the analysis of energy consumption over the years, as well as enterprise development planning and industry development trend, FAW set up a Carbon Peaking Action Plan. According to the short, medium and long term changes in carbon emissions calculated by the relevant carbon emissions statistical models, 2028 was set as the year of carbon peaking. FAW clearly defined the phased emission reduction targets, and put forward 11 key tasks and 5 major projects. From this point on, FAW promptly established a new mechanism prior to destroying old mechanism, so as to implement Carbon Peaking Action in a planned and step-by-step manner.



Brand Rejuvenation, Leap-Forward Development

Following the current development trend of Electrification and Intelligence in the global automobile industry, FAW has made a forward-looking layout, gathered momentum and made a long-term plan. For Hongqi brand, we have further improved the brand structure, released the new energy strategy, and promoted the electrification of all vehicles under a guiding thought of All IN NEW ENERGY. FAW was ambitious to occupy an authoritative position in the industry in this inspiring new era.

Hongqi brand family

The logo of Golden Sunflower, a sub-brand of Hongqi, is a golden sunflower pattern, which implies Harmony and Prosperity and represents the perfect integration of Hongqi's top craftsmanship and Chinese Millennium civilization.

The logo of Hongqi NEV, a sub-brand of Hongqi, is a pattern of two fluttering wings, which implies A Young Eagle Spreading its Wings and Inspired its Life and represents Hongqi NEV's concerns on nature, cherishes life, new energy and green intelligent travel.

The logo of Hongqi Energy-Saving Vehicle, a sub-brand of Hongqi, is a pattern of Victory, which implies ideal flying and dream coming true, as well as the raised flag, inspiring feelings and national confidence.



Under Hongqi, there are three sub-brands: Hongqi NEV, Hongqi Golden Sunflower and Hongqi Energy-Saving Vehicle.

Hongqi NEV Brand Planning



Mission

Hongqi NEV is supposed to possess key core NEV technologies, establish a high-end national NEV brand, and open a new road for the innovative development of China's high-end NEV brand in automobile industry in the new era.

Vision

Offering a wonderful trip, a beautiful experience and a beautiful life; Creating a world-famous, green & intelligent and consumer-favored NEV brand.

Philosophy

New era, Chinese style, new noble and exquisiteness

Target Customers

New era, Chinese style, new noble, sentimental people

Core of Philosophy

Elegant

Elegant

Green Products with Excellent Quality

Outstanding brand and leading technology may not embody without excellent products. Based on the FMEs super architecture, Hongqi NEV will provide three major products, and launch 15 intelligent NEVs frequently and intensively in the next three years, covering all market segments of A, B, C and D-class cars, as well as SUV and MPV types. In this way more consumers is able to experience and enjoy wonderful trip, comfortable experience and good life in all aspects and scenarios.

E001

The 1st Product Code

The first B-class pure electric limousine with great sense of technology and fashion, which is based on the brand-new design concept and FMEs platform and specially designed for the new and noble pioneer users. It has a rechargeable and upgradeable battery that supports 600~1,000 km driving mileage and has an almost the lowest power consumption of 12.9kWh per 100km among the same class cars. It has 3s-level 0-100 km/h acceleration, intelligent multi-modal active emotional interaction, 5GB/min ultra-high-speed OTA and real-time synchronization in the cloud.



E202

The 2nd Product Code

The second B-class pure electric SUV, which is completely based on the brand-new design concept and FMEs platform and specially designed for the new noble family users. This product is equipped with 800V super fast charge, which can provides 300km endurance mileage after 5min charging. It is also furnished with intelligent air suspension and intelligent four-wheel drive system. The precision automatic driving system can cover most scenes such as high speed, city and parking all day.



E702

The 3rd Product Code

It is a C+ class flagship advanced pure electric car based on the brand-new design concept and FMEs platform and designed for new noble and exquisite users. This product is equipped with advanced intelligent driving safety chassis system and precise automatic driving system, which can bring a suspension experience almost with "zero" impact. It is capable of all-weather, all-scene, "zero"-takeover in 100km and housekeeper-style automatic driving. It is equipped with the world's first immersive 5D cinema, as well as a 7.1.4-channel, 2800W super-power Dolby panoramic sound response system.



In the future, FAW will continuing efforts towards the carbon peaking and carbon neutrality goals, tap the maximum potential of carbon reduction from product end, technology end, supply end and ecological end under the guidance of the Group's Carbon Peaking and Carbon Neutrality Management Committee. Through the implementation of ALL IN NEW ENERGY strategy, FAW strives to embark on a new road of green and low (zero) carbon development and accelerate FAW's striding forward towards the goal of building a world-class automobile enterprise.

Focus on Responsibility

Firm Commitment to Rural Revitalization and Continuous Struggle for New Achievements

FAW has never forgotten the initial intention as a central enterprise, actively advocated the national strategy, strictly implemented the requirements for responsibility, policy, assistance and supervision after poverty alleviation, and continued long-term battle against rural revitalization by investment of more powerful measures and more powerful forces. We are eager to promote the rural revitalization in aspects of industry, talents, culture, ecology and organization, and draw a magnificent picture of rural revitalization.

Counting the Helping, Witnessing the Results

2022

Annual amount invested in paired-up assistance and pairing assistance to Tibet RMB 59.4 million	Annual investment in fixed-point assistance RMB 45.4 million	Carried out assistance programs. 37 programs	Benefited masses 100,000+ people
Trained cadres and professionals 3,567 people	Cadres at the basic level 2392 people	Leaders of rural revitalization 318 people	Professional and technical personnel 857 people
Assistance in finding customers RMB 43.655 million	Introduced free help funds RMB 698,000	Outside investment amount RMB 10 million	
Cadres on attachment were dispatched 6 people	Temporarily-serve vice county magistrate 3 people	First secretary 3 people	In the Central Department Fixed-Point Assistance Program, FAW was rated as Excellent for 6 successive years

Led by Top Management and Pushing the Progress



Xu Liuping (then), Party Secretary and Chairman of FAW, was arranging the rural revitalization works



Qiu Xiandong, Deputy Secretary of FAW Party Committee, Director and General Manager, and his party came to Zhenlai County for investigation.



Dong Yunpeng, Member of the Standing Committee of FAW Party Committee, Secretary of the Discipline Inspection Commission and FAW Ombudsman of the State Supervision Commission, led a team to Helong City for investigation



Liu Yigong, Member of the Standing Committee of FAW Party Committee and Deputy General Manager, organized a symposium to support Zuogong County

The Struggle Place is another Hometown

Wang Zhiping Dispatched by FAW as the Deputy Magistrate of Fengshan County, Guangxi Zhuang Autonomous Region

“Poverty alleviation depends on working, and revitalization depends on education. Focusing on developing education and improving the cultural quality of the whole people is the fundamental support for the revitalization of Fengshan. My mission is to make Fengshan prosperous in industry, prosperous in education and full of happy people.”

Wang Zhiping (first from right) visited the masses▶



Fu Ming Dispatched by FAW as the Deputy Mayor of Helong City, Jilin Province

“The long-term development of rural undertakings is inseparable from systematic thinking. To this end, we must figure out the vertical and horizontal chains of information and master more scientific methodologies.”

Fu Ming (first from right) was investigating the red pepper industry in Longyuan Village▶



Li Fangchao Dispatched by FAW as the Temporarily-Serve Vice County Magistrate of Zhenlai County, Jilin Province

“We are supposed to do our best to benefit the people. Our efforts are worth it as long as their life is good.”

Li Fangchao (second from left) came to Zhenlai County rice production base to investigate crab culture in rice fields▶



Ren Minghua One of the 8th batch of aid cadres dispatched by FAW, Deputy Secretary-General of Changdu Municipal Committee of Tibet Autonomous Region, Member of the Standing Committee of Zuogong County Committee and Executive Deputy County Magistrate

“Tibet is a place lack of oxygen but not lack in spirit. Aiding Tibet is more of a responsibility than mission. I will inherit the spirit of aiding Tibet from FAW’s previous aiding Zuogong cadres with noble ideas realm, and continue to help the rural revitalization of Zuogong County and enhance the sense of gain, happiness and security of people of all ethnic groups.”

Ren Minghua (second from right) was investigating the new teaching building project of Tiantuo Primary School aided by FAW▶



Lyu Hongming One of the 7th batch of aid cadres dispatched by FAW, the Member of the Standing Committee of Zuogong County Committee of Tibet Autonomous Region and the Executive Deputy County Magistrate (then)

“Since the first batch of aid cadres were dispatched to Zuogong County in 2002, no any aid cadres gave up halfway. Now that you have come to Tibet, there is no reason to fear challenges.”

Lyu Hongming (first from right) was helping villagers harvest highland barley▶



Du Chenguang One of the 7th batch of aid cadres dispatched by FAW, the Member of the Standing Committee of Mangkang County Committee of Tibet Autonomous Region and the Executive Deputy Magistrate (then)

He planned the first Xuanzi dance performed by more than 3,600 actors in Tibet. The dance was assessed as “the largest Xuanzi dance teaching class in the world” by the official audit of world record certification, and became a business card for Mangkang cultural tourism.

Du Chenguang (second from left) visited party members in Muxu Village on July 1



Taking root in local culture and writing highlights

Zhenlai County, Jilin Province

FAW invested RMB 12 million in Zhenlai County to build an animal husbandry park where people and livestock are separated for concentrated feeding. It was estimated that the annual output value would reach RMB 40 million, and villagers would gain substantial income.



Helong City, Jilin Province

FAW highlighted the utilization of industrial advantages. FAW organized experts to give on-site guidance to Helong Sunhoo Hi-tech Co., Ltd, a key enterprise in Helong City, to help improve its management, technology, quality and other capabilities and hope to cultivate a leading enterprise. Sunhoo has successfully passed the supplier qualification examination of FAW and listed as one of the first-class suppliers of Hongqi Automobile.



Helong Sunhoo's modern production

Fengshan County, Guangxi

FAW organized a cultural performance themed by celebrating the 20th CPC National Congress in Fengshan County to enrich the spiritual and cultural life of the villagers. FAW also introduced poetry to rural construction to enhance rural cultural taste.



Fengshan county cultural performance



Poetry-to-countryside activity in Fengshan county

Zogang County, Tibet

FAW funded the reconstruction and expansion project of FAW Hope Primary School in Zuogong County. FAW invested in the construction and maintenance of complex building, student dormitories, teachers' homes and other school buildings to continuously improve local school conditions and help improve the quality of basic education in Zuogong County.



Reconstruction and expansion project of FAW Hope Primary School in Zuogong County

Innovative Thinking must be Deepened And Practiced.....

Olmproving people’s livelihood•Ensuring people’s happy life

<p>Combination of soft and hard to improve education level</p>	<ul style="list-style-type: none"> ○ Invested RMB 9.946 million, aided 1049 students with difficulties, trained 254 teachers, and supported the construction of Fengshan County Second Senior Middle School
<p>Constructing a multi-level medical security system</p>	<ul style="list-style-type: none"> ○ Invested RMB 2.565 million to maintain the “helping emergency & difficulty” program. It has benefited 578 seriously ill people, effectively prevented return to poverty due to illness.
<p>Focus on solving the masses’ urgent, difficult, worrying, eager demands</p>	<ul style="list-style-type: none"> ○ Built new dams, reservoirs and other facilities in Banlun Village, Fengshan County to solve the seasonal water shortage for local people and ensure safe drinking water.
<p>Point-to-Point accurately employment supports</p>	<ul style="list-style-type: none"> ○ Distributed special funds amounting to RMB 300,000 for helping 600 Fengshan County’s migrant workers go back to their posts. FAW gave full play to its advantages and recruited 20 students from the fixed-point assistance regions.



Fengshan County No.2 Senior Middle School Construction Project



“Helping emergency & difficulty” program in the target county

OCOnsumer Assistance•Helping Farmers Increase Income

<p>Stabilized Purchase</p>	<ul style="list-style-type: none"> ○ Overcame COVID-19 effects. The annual purchase amount for employees’ welfare and canteens reached RMB 39.1698 million, which indicated a stable purchase.
<p>Broadened Sales Circle of Friends</p>	<ul style="list-style-type: none"> ○ Collaborated with partners and user groups. The vehicle owner platform help sell RMB 4,485,200, up 72.5% year-on-year.
<p>Create a “Full Participation Atmosphere”</p>	<ul style="list-style-type: none"> ○ Promoted activities such as Central Enterprises’ Consumption Assistance and Agriculture Promotion Week, FAW Social Responsibility Week, etc., and formed an atmosphere of full participation.
<p>Helping Cultivate Star Brand</p>	<ul style="list-style-type: none"> ○ Actively recommended the preferred use of Zhenlai County Mengquan mineral water. FAW purchased more than RMB 5.4 million of the water a year, up 35% year-on-year.



Online vehicle owner platform helped sales



Consumer assistance exhibition activities, where they were making special foods

OResource Integration•Telling the Story of Rural Revitalization

External Liaison

○ Through the on-the-spot reports or series of special reports on helping cadres made by core party and government media resources, such as Xinhua News Agency and CCTV, we will continuously expand the influence of rural revitalization.

Internal Coordination

○ The organization of Social Responsibility Week and other activities, in coordination with the Party-Masses, the Marketing Center and other departments to actively create a good atmosphere for internal and external participation in helping rural revitalization.



The Most Beautiful Self-driving Road—Approaching Helong, a program made by CCTV



Hongqi Club participating in rural revitalization

Laying Generous Vision to the Heart of FAW, Shouldering the Responsibility as the Eldest Son of the Republic Looking ahead, FAW will continue the responsibility and mission as a state-owned central enterprise in helping rural revitalization, pay high attention to the fixed-point assistance work, resolutely hold the bottom line against returning to poverty, make strenuous efforts and forge ahead courageously. FAW is always prepared to devote itself to consolidating and expanding the achievements of poverty alleviation and rural revitalization.

01



Innovation Oriented Being Stronger and Better





31
●

Comprehensive
Transformation
and Upgrading
All-Out Technical
Breakthrough

35
●

Deepen the
Comprehensive
Reform
All-Out Quality &
Efficiency
Improvement

41
●

Drive the
Comprehensive
Innovation
All-Out Digital
Intelligence
Empowerment

Our Goals



Our Response

In 2022, FAW gathered advantages, encouraged innovation, overcame difficulties, and achieved a new development leap in its strong field and excellent main business. FAW put innovation in the first place, accelerated the mastery of core technologies, and speeded up the creation of original technology sources. Moreover, FAW deepened reform in an all-round way, push forward the Four Cans reform in depth, and write a FAW exclusive chapter in the reform and development of state-owned enterprises in the new era. FAW also expedited the construction of digital intelligence, and cultivated new kinetic energy and new advantages during transformation and upgrading.

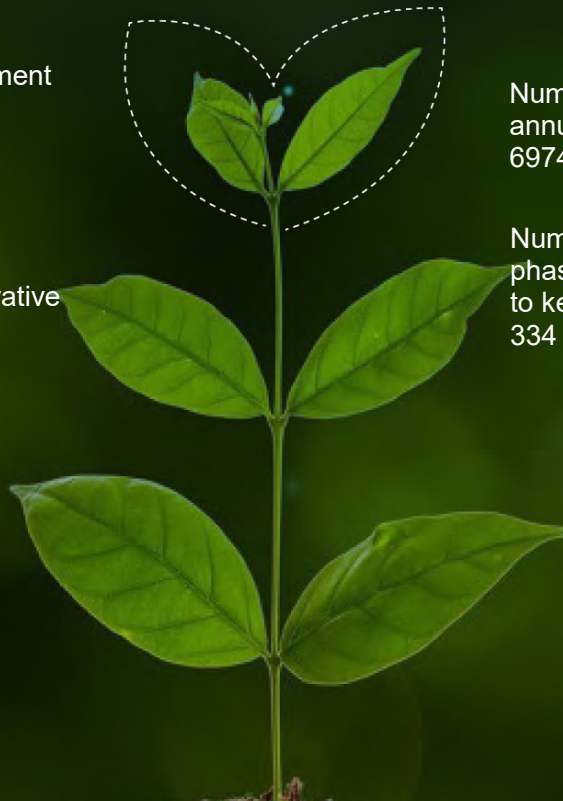
Our Achievements

R&D investment
RMB 14.81
billion

Number of innovative
trains for talents
2457 times

Number of
annual patents
6974 pcs

Number of breakthroughs and
phased achievements related
to key core technologies
334



All-Round Innovation Driving and All-Out Technical Breakthrough

Those who work hard will be in the lead, those who innovate will be strong. FAW upheld the innovation-driven development strategy of the Party and the country, gave full play to the dominant role of enterprise innovation, focused on the total innovation drive, and constantly tackled, explored and took lead in key core technologies. As of today, FAW has mastered key core technologies in the fields of new energy, intelligent networking, and safety and health materials, which are expected to promote the leap-forward growth of our independent brands and defend the development trend of “taking the lead in the development”.

Strengthened Innovation Management

We have always regarded innovation management as the guarantee and well deployed a comprehensive innovation work panorama. Under the lead of FAW Innovation Committee, we have set up a digital and intelligent integrated innovation R&D center to consolidate the long-term mechanism of innovation management. FAW iteratively released the Innovation·2030 FAW (R.Flag 1785) Technology Development Strategy, and prospectively specified technological innovation development paths in the future. Basing in Changchun, where the global innovation R&D headquarters is located, FAW is determined to build a 1+12+X global innovation highland and talent highland. FAW has always placing goals as orientation and burying itself in innovative development, which is embodied task books for overcoming 40 key innovation issues and decisive orders for key organizations to implement total innovation

▶ FAW held a promotion meeting about total innovation driving main works and deployed the annual total innovation works

CASE

In May 2022, FAW held a promotion meeting about total innovation driving main works, at which FAW awarded a letter of appointment to the chief scientist of FAW, issued certificates of Five Brave Generals in Business and the Innovation Generals in the first quarter of 2022, issued a Decisive Battle Order for Total Innovation Driving to key organizations, and issued task books for overcoming key product and technological innovation programs. With the release of the Innovation • 2030 FAW R.Flag 1785 Development Strategy, FAW explained and deployed from the planning objectives, overall principles, fundamental requirements, key directions, basic guarantees, etc., and defined the next work direction and path.



FAW held a promotion meeting about total innovation driving main works

「Extended Reading」 Innovation • 2030 FAW R.Flag 1785 Development Strategy

Scan and learn more about Innovation • 2030 FAW R.Flag 1785 Development Strategy:



1 pcs

General Principles

- Innovative, original, world premiere
- Green, intelligent, exquisite
- Cost-saving, excellent efficiency
- Self-reliance, safety, controllable

7 pcs

Fundamental Requirement

- Creative
- New platforms and modules
- Extreme priority in manufacturing
- Great cost advantage
- Very high integration and fusion
- Very deep software definition
- Strong original innovation

8 pcs

Key Research Directions

- Electrification
- New style of modeling
- Safe and healthy
- Exquisite and consummate
- Intelligent networking
- Driving experience
- Energy saving and consumption reduction
- Prospective research

5 pcs

Basic Guarantees

- Digital intelligence
- Communicable
- Strong resource guarantee.
- Ecological
- Group's overall planning

Stimulation of Innovation Vitality

We valued special research high, and was eager to earlier mastery of key core technologies from its basic research, technological breakthroughs and scientific research incentives, and strived to achieve self-reliance in technology. We were integrating upstream and downstream industry-academia-research-use resources, gathering innovative elements, and continuously improved the platform's technological innovation and industry service capabilities. Through skills training, skills competitions and skills workshops, we vigorously cultivated innovative culture and strived to make innovation the fashion and cultural background of FAW.

By the end of 2022

National high-end automobile integration and control	Academician	Times of Talent	Basis	Collaborative Innovation
Key Laboratories	Work Stations	Innovation Training	Research Laboratories	Laboratories
1 unit	1 unit	2457 times	5 unit	38 unit

Self-Reliance in Technology

Strong incentive

Introduction of Ten Innovations incentive policies, increase in R&D investment, introduction of key talents, innovative projects and incentives for scientific research teams

Awarding for advancement

Regularly assessment of scientific and technological awards to reward the advanced

Establishing platform

Establishment of a six-level growth channel from staff level to scientist level to provide an innovative platform for employees

Promoting Collaborative Innovation

Laboratories

Actively promote cooperation among government, industry, education institutions, research institutes, and manufacturers, build a new type of automobile industry innovation consortium, a collaborative innovation laboratory, and a basic research laboratory for central enterprises, and gather individual innovative elements.

Innovation alliance

Take the lead in establishing Changchun Hongqi Industry-Education-Research Innovation Alliance, attracting more than 50 universities, research institutes, and enterprises to join the alliance.

Incubator

Build the China FAW's first entrepreneurship and innovation incubator - Qizhi Innovation Center, to drive the transformation of knowledge achievements and the incubation of high-quality projects.

Entrepreneurship and innovation platform

Build the China FAW's first provincial-level big-enterprise entrepreneurship and innovation platform - Magic Cube·Cloud.

Cultivating Innovative Culture

Skills training

Build a talent training base and organize and offer skill training courses.

Skills competition

Continuously organize small skill classes for model workers, skills competitions for workers in various trades, and other activities to promote skill learning, practice, and innovation through competitions.

Innovation studio

Create a "Six-level and six-have" (The "six-level" refers to national, provincial, municipal, group, subsidiary, and factory levels, while the "six-have" refers to having leaders, workstations, goals, facilities, teams, and achievements) employee (model worker) innovation studio to cultivate innovative talents.

▶ FAW held the second advanced manufacturing technology “intelligent Manufacturing • iM” high-end forum. CASE

In July, 2022, FAW held the second advanced manufacturing technology “intelligent Manufacturing • iM” high-end forum. Themed by two technical concerns of Zero-Carbon Manufacturing and Intelligent Manufacturing, many academicians and international experts were invited to share advanced technologies and discuss the manufacturing technology directions in the future. FAW also set up sub-forums covering ten professional fields such as stamping, welding, painting and assembly, and carried out technical sharing and in-depth exchanges about nearly 100 innovative technologies and application cases.



2022 FAW 2nd Advanced Manufacturing Technology “intelligent Manufacturing • iM” High-end Forum



In February 2022, Jilin Province and Changchun City held a kick-off meeting to support FAW’s independent innovation and major technology special program



In August 2022, FAW Jiefang signed an agreement with Shanghai Jiaotong University to set up a joint research center

Cultivating Innovative Achievements

We thoroughly implemented the Outline of the National Intellectual Property Strategy, pursued high-quality development, and promoted the transformation of scientific and technological achievements. This year, the number of patents has increased steadily and the quality of patents is more superior. In 2022, the innovation achievements were remarkable.

2022

Number of annual patents 6974 pcs	Number of annual invention patents 5309 pcs	Cumulative number of patents granted 16249 pcs
Year-on-year increase in the number of applied patents 46.6%	Year-on-year increase in the number of invention patents 94.5%	Number of breakthroughs and phased achievements related to key core technologies 334
Cumulative number of registered copyrights 154 pcs	Number of disclosed invention patents 9443 pcs	Number of authorized invention patent 4710 pcs
The Group won provincial-level automotive industry awards. 28	Grow rate 64.5%	Grow rate 292%

Engraved Honors • Innovation Driving

2 organizations has pass the audit for the title of Intellectual Property Demonstration Enterprises

2 organizations has applied for the title of Intellectual Property Demonstration Enterprises

Hongqi H9 won the 23rd China Patent Award
Appearance Design Gold Medal

The Key Technology Innovation and Industrialization Program of Hongqi Luxury Pure Electric Passenger Car won the Science and Technology Award of China Automotive Engineering Society
Special Prize for Scientific and Technological Progress

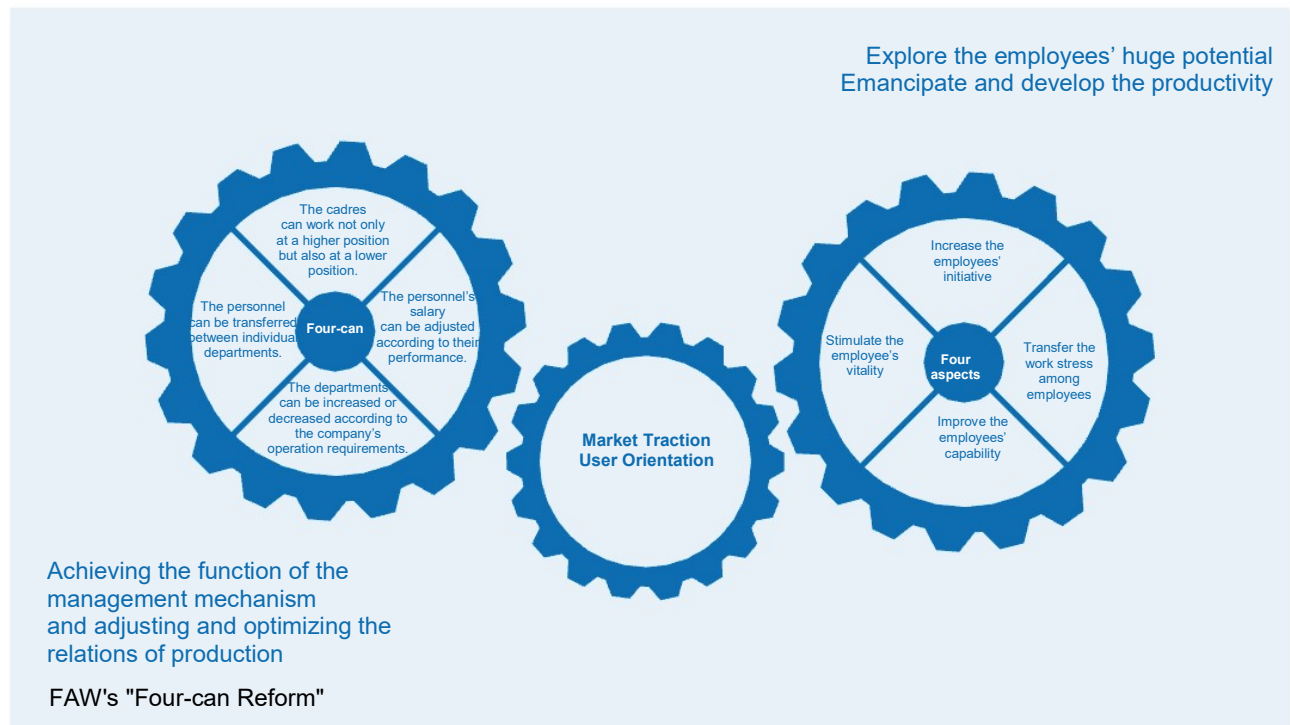
All-Round Deepened Reform and All-Out Quality & Efficiency Improvement

Reform is the way out, reform is the way to live, and reform is more of a broad road. FAW has persistently deepened enterprise reform, kept reform in mind, taken reform responsibility, mastered reform skills, and further deepened the Four Cans reform. The overfulfilment of the Three-Year Reform of State-Owned Enterprises has well interpreted the “new business card for reform”, set a “new project benchmark”, created a “new practical case”, and providing a strong dynamic vitality for building a world-class enterprise.

Deepening the enterprise reform

We have conscientiously studied and implemented General Secretary Xi’s important exposition on the reform and development of state-owned enterprises and party building. In line with the “measurable, assessable, checkable and practical” work requirements, we have developed a Three-Year Reform implementation plan, defined 54 key tasks and 258 reform measures, and broken them down to specific reform actions and key landmark achievements. As a result, we were capable of the entire reconstruction of management system, operation mechanism and corporate atmosphere. By the end of June, 2022, the main tasks of the Three-Year Reform of FAW were completed.

By the end of 2022		
Completion rate of the Three-Year Reform	Completion rate of main measures of the Three-Year Reform	Legal entities that completed the goal of reducing the management levels and legal persons.
100%	100%	5 organizations



Witness **Report card for Three-Year Reform of FAW**



Witness • The Moment of Glory

Promotion meeting for the Three-Year Reform of State-Owned Enterprises

On June 4, 2021, the SASAC of the State Council held the Promotion Meeting for the Three-Year Reform of State-Owned Enterprises at FAW site, at which it highly affirmed the achievements made by FAW in reform, development and independent innovation.

A model of central enterprise reform

For two consecutive years, FAW was selected as a model of the reform of central enterprises by the State Council State-Owned Enterprise Reform Leading Group

Annual special assessment of the Three-Year Reform of State-Owned Enterprises

For two consecutive years, FAW was rated as Level A in the assessment of the Three-Year Reform of State-Owned Enterprises issued by the State Council State-Owned Enterprise Reform Leading Group Office

Special assessment of annual reform and innovation of central enterprises

FAW was assessed as Excellent in the appraisal for Double 100 Enterprises and Technology Reform Demonstration Enterprises in 2021 and 2022, and praised by the SASAC of the State Council

A model state-owned enterprise in governance

In 2022, Faw Jiefang Group Co., Ltd. was awarded the Model State-Owned Enterprise In Governance by the SASAC.

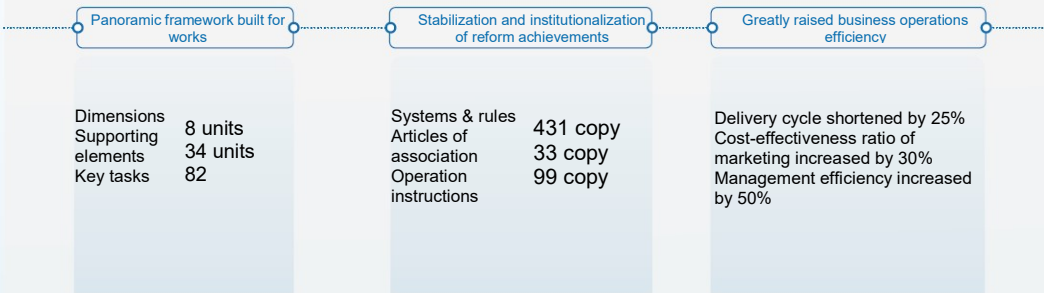
Special action for Benchmarking World-Class Management Improvement

In 2022, two programs—FAW OTD Process Automatic Management System and Hongqi Digital Factory Construction & Operation Management were selected as Benchmarking Projects for SASAC Key Enterprise Management Benchmarking Actions.

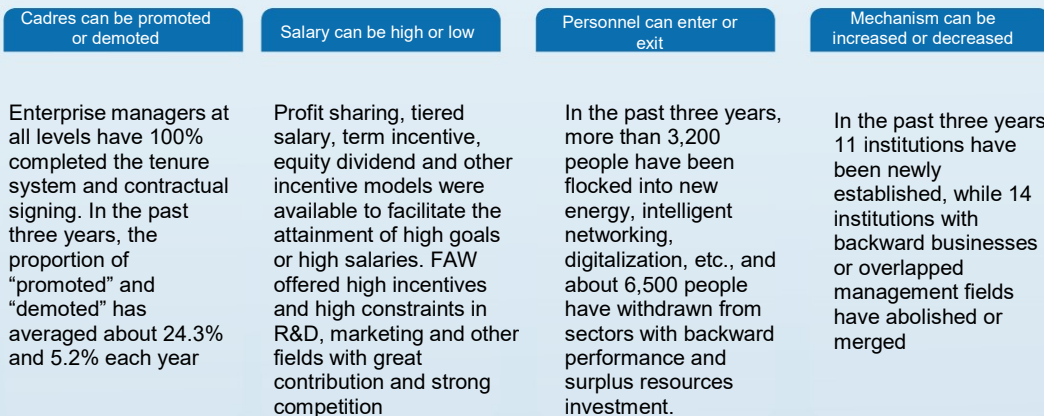


Witness • Illustrating the Reform in Figures

Keeping a close eye on the development trend of the industry and improve the management as a world-class enterprise



Deepen the three system reforms with Four



Law-abiding and compliant operations

Compliance management

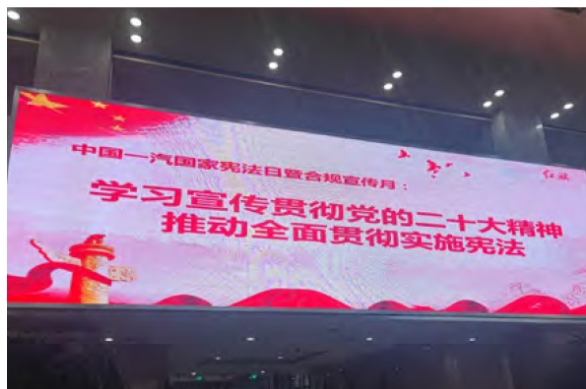
We upheld the high-quality legal compliance construction and promoted the development of high-quality strategic management. We further expanded the scope of legal review regarding FAW's "three majors and one large" matters, and guaranteed the legality and compliance of business decisions. We took special actions, i.e. Strengthened Compliance Management Year and Business Compliance Special Investigation, to build a compliance risk barrier. We emphasized the legal talent pool and team building, prepared a standardized resource database, and distributed the Legal Compliance Management Manual. By now we have kept 65 legal compliance standardization achievements in 6 categories and 17 sub-categories, which could serve to strengthen compliance education and cultivate a compliance culture. In 2022, there were no major violations of laws and regulations.

▶ FAW was invited to participate in the first campaign of Fair Competition Policy Publicity Week in Jilin Province  CASE

In November 2022, FAW was invited to participate in the first campaign of Fair Competition Policy Publicity Week held by Jilin Provincial Department of Market Supervision and Administration. As a representative of invited enterprises, it issued eight compliance initiatives to all sectors of society, including compliance with laws and regulations, business integrity and fair trade. It is committed to carry out tasks and operations in line with laws and regulations, and building a law-abiding, fair and just trade environment for win-win cooperation, a business atmosphere of integrity and compliance, and a healthy and sound business environment.

▶ FAW launched a series of publicity events for "National Constitution Day and Compliance Publicity Month"  CASE

In December 2022, FAW launched a series of publicity events for "National Constitution Day and Compliance Publicity Month", to publicize the knowledge of the Constitution and compliance throughout the Group by PPT playback on the theme the Constitution Day in cycles, release of highlights of the "Compliance Management Strengthening Year", billboards of compliance publicity, Q&A by staff, and communication with BP lawyers in the Legal Affairs and Compliance Department, in order to cultivate a compliance culture, improve employees' capabilities in compliance during work, and enhance compliance management and sound operation.

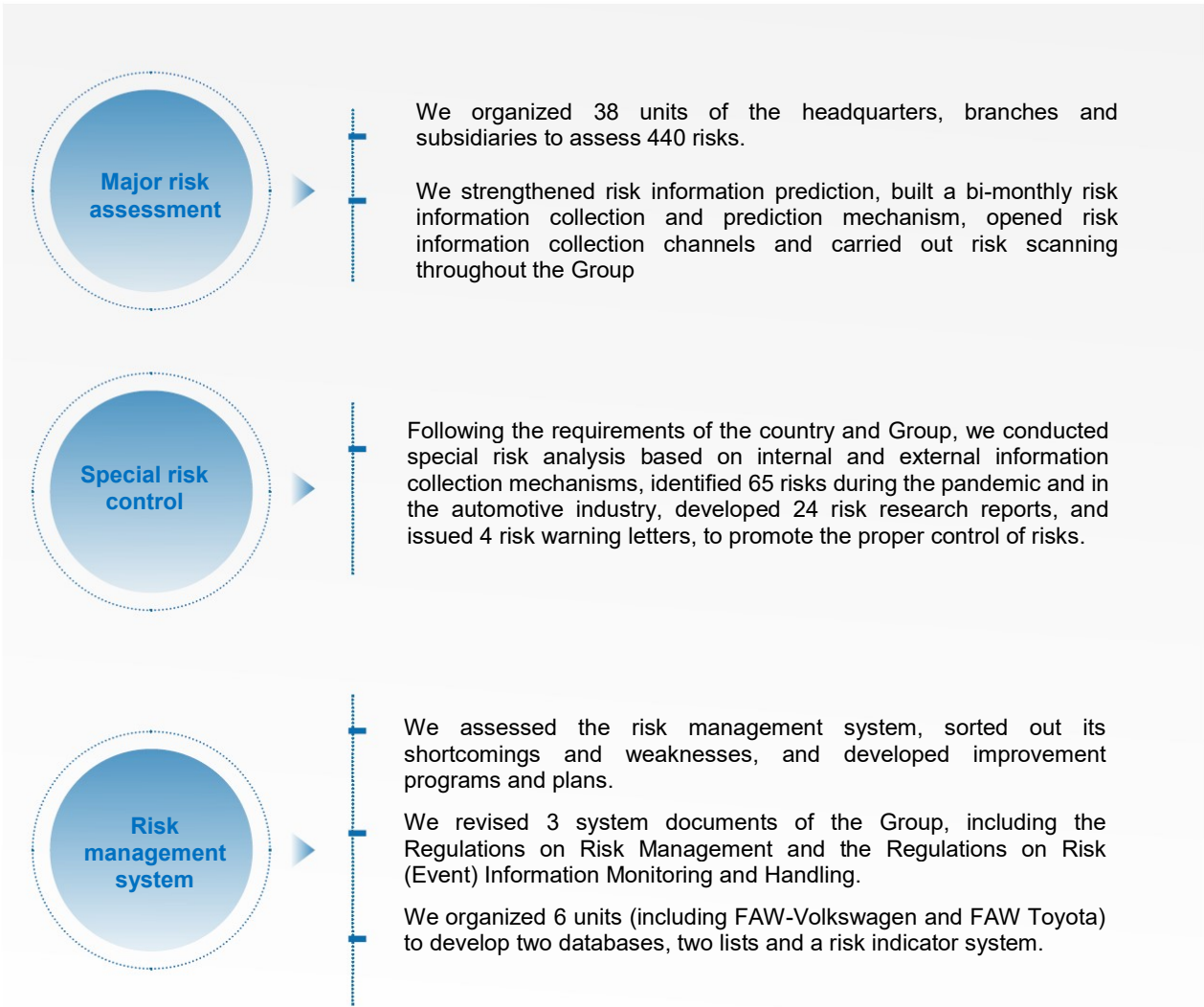


FAW launched a series of publicity events for "National Constitution Day and Compliance Publicity Month"

Risk prevention and control

We have focused on preventing and mitigating annual major risks, deepening the assessment of annual major risks, strengthening the control of special risks, improving the risk management system, evaluating the risk management system, and building a solid risk defense line.

2022				
Special investigation projects	risk	Risk assessment	Identified early risk	Number of units involved in risk assessment
22		440	53	38



Internal audit and control.....

We carried out internal audit and internal control in strict accordance with FAW’s strategic deployment, including the lean audit of work quality and in-depth accountability of illegal business investment, to improve the efficiency of audit supervision. We implemented the requirements for full coverage of internal control self-evaluation, to dig deep into internal control defects in key business areas. We developed internal control standards covering 24 business areas and 261 key control links, to fully improve the standardization of internal control evaluation and guarantee the solid operation.

2022			
Audit projects conducted	Audit recommendations	Number of audit consulting experts in the talent pool	Business exchange meetings in the audit system
38	897	255 people	2 times
Identified problems	Completion rate of rectification	Number of excellent audit cases	Number of the units guided in internal control evaluation
553	100%	16 unit	40

Information security.....

We strengthened the management of network information security, optimized the operation mechanism of the Network Security and Information Committee of the FAW Party Committee, prepared and published 21 security management specifications, fully implemented the network security responsibility system, and actively carried out information security publicity and education activities, to popularize the knowledge of information security, enhance the capabilities in information security protection, and build a network security defense line. In 2022, we performed 22 information security training sessions involving 138579 participants. This year, no major network security events occurred.



All-Round Transformation & Upgrading and All-Out Digital Intelligence Empowerment

The wise always shows flexibility from time to time and is also adaptive to the situation. FAW seized major historical opportunities of subversive changes in the global automotive industry, identified and responded to changes, transformed crises into opportunities and resolutely won the battle of transformation and upgrading with digital intelligence as a tool. With intelligence as the focus, we comprehensively promoted electrification, networking, intelligence and sharing, to actively occupy the high grounds for transformation and upgrading and expand the space for upward development of national automobile brands.

Accelerating the construction of digital intelligence

2022 marks a milestone in FAW's digital intelligence transformation. FAW specified the overall concept of digital intelligence transformation, namely, "1164" mode, determined "double 100" goals, and set up a team for IT integration of six sectors to promote digital intelligence transformation. We launched the designer platform, fully integrating business and IT, to optimize the business model based on data and accelerate the integration of business and data.



Method guarantee

Based on the TOGAF architecture management, we developed a "business unit" with a unified working language and mode. Business is identified at the unit level, and roles are launched on the platform. Processes, organizations, talents and roles are interconnected by the main business, free of department barriers, thus avoiding the separation between processes and IT.



Platform support

We independently built an original cloud platform, in which business is deconstructed by modules and services, and a system is built based on microservices, containers and DevOps. A technical architecture system has been established for the Group, which supports the orderly execution of all system and cloud changes.



Organizational guarantee for staff capabilities

We completed the transformation training certification of 9 leading cadres, certification of 100 data managers, professional off-job training of 64 software engineers, and T-sequence professional reform of data intelligence personnel, greatly improving staff capabilities in digital intelligence.

▶ Flexible production of Hongqi Manufacturing Center (Changqing factory) with new technology CASE

Hongqi Manufacturing Center (Changqing factory) established a multi-model production mode based on its actual conditions, to meet customization needs. It developed the advanced scheduling constraint iteration mechanism and introduces the multi-project synchronous sequencing mode, to improve the multi-model production planning and management; improved the OTD (on-time delivery) order management to promote the construction of OTD configurable order system; built an online production, marketing and resource balance model to shorten the delivery cycle; introduced advanced logistics technologies to improve logistics and optimize the in-plant logistics AGV+SPS mode; optimized the logistics layout for higher logistics efficiency; and developed an intelligent logistics model involving logistics simulation, light selection and automatic stereoscopic storehouses for “unmanned” logistics. The production capacity has rose from 10,000 to 100,000 vehicles, with a 10-fold increase.



▶ Faw-Volkswagen developed a user marketing system, “iCode 5-precision model” CASE

In 2022, FAW-Volkswagen fully launched the digital intelligence transformation 2.0, and developed a data-driven full-link, full-scene and full-domain user marketing system, “iCode 5-precision model”, to elevate precision marketing to a new height by digital means. “iCode 5-precision model” consists of 5 parts: insight precision, to build a full-scene and full-trip precision user insight system; communication precision, to build new links for precision communication based on user insight; digital intelligence precision for higher efficiency, to improve the efficiency of digital intelligence of the whole link by integration and co-construction; operation precision, to provide superior experience for users, thus changing the traffic into retention and facilitate precision marketing; and precision exploration of potential for system resonance, to create a new model of customer collection.

▶ Faw Toyota applied AI technology in vehicle model inspection CASE

In order to overcome the difficulty in identifying vehicle models, FAW Toyota New Energy Branch introduced the AI automatic model inspection system to full improve product quality, flexible production, engineering self-closure, etc.

- Quality assurance

Use the most advanced visual algorithm to identify the DUTs in terms of shapes, colors, features and other aspects, and compare them with standard ones for 100% compliance. Identify

- Production planning

Use collaborative robots in the production line to meet the test needs for different cycles and models, and maximize the flexibility by fast responses.

- Engineering self-closure

Establish a quality assurance system integrating manufacturing and inspection, to extend inspection into manufacturing, to suspend the production lines in case of any problem found, thus avoiding off-line manual repair and ensuring 100% engineering self-closure.

New ecological layout

Aiming at the world's leading and cutting-edge industries and focusing on the six major fields of battery, electric drive, intelligent driving, intelligent control, intelligent sharing, and ecology, we will accelerate the construction of an automobile ecosystem for the future intelligent and green city, which takes the new energy intelligent automotive industry chain as the core chain, and integrates the "Five chains" including new consumption chain, intelligent and green transportation chain, intelligent energy chain, and new infrastructure chain. We will also accelerate the construction of a new ecological environment for new energy, intelligent networking and mobile travel, as a leader of the modern industrial chain, thus advancing the industrial infrastructure and enhancing the modernization of the industrial chain.

New energy

We stick to the parallel development of three new energy technology routes including pure electric, hybrid, and fuel cell, establish a new energy development institute, set up a new energy branch, build a new energy intelligent networking innovation and experiment base, and launch new energy products on the market.

Intelligent networking

We developed and implemented the strategic plan for the "Hongqi Smile" intelligent networking technology, built L1,.L2, and L3 technology platforms to accelerate the formation of five core capabilities such as intelligent systems, chassis-by-wire, and everything networking, and stepped up the implementation of key projects such as the new energy intelligent networking innovation and experiment base and the "Hongqi Intelligence in Changchun" intelligent networking demonstration area.

Mobile Travel

Experience

Build and strengthen the service system, establish a reserve of 1,350 quality drivers in 14 cities, and get management qualifications of Didi and T3 platforms in 12 cities.

Intelligent networking

Build a power change ecology "data monitoring platform", and establish a Qiyu data operation platform from "0", to effectively support the "QiE Chuncheng - Green Jilin" project.



Electrification

Gradually replace self-owned operation vehicles with new energy vehicles across the country. Replace Hongqi H5 models of T3 platform in Changchun with Hongqi E-QM5.

Sharing

Strengthen cooperation with shared travel platforms, and deepen docking with T3, Didi, Ctrip and other leading platforms to steadily promote vehicle operations.

Ecology

Based on the "QiE Chuncheng - Green Jilin" project and the power change mode with vehicle and battery separation, build a new model for promotion of new energy vehicles in seasonal freezing areas, to complete the overall layout of power change network in the whole province. Totally, 20,000 Hongqi E-QM5 vehicles and 52 substations have been put into use.

▶ FAW realized mass production of Hongqi dual-motor hybrid transmissions CASE

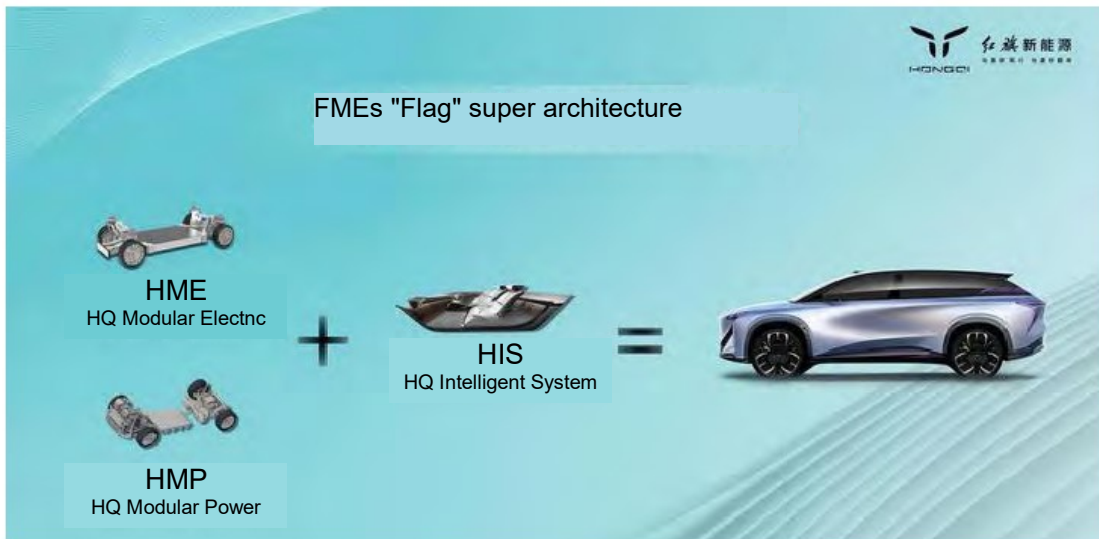
In order to continuously accelerate the layout of autonomous hybrid models, FAW started the development of the first dual-motor DHT (hybrid transmission) in 2019. In 2022, it started mass production after 30 months only. It has completed 24 categories of bench tests and 10 categories of vehicle tests, with the cumulative bench verification of more than 6,000 hours and equivalent verification mileage of 5,000,000 km. This product has a series and parallel hybrid structure, integrating deceleration, acceleration and differential functions. It supports all hybrid working modes of vehicles, including pure electric drive, series drive, parallel drive and direct engine drive modes. Given the ultra-low fuel consumption, it has the advantages of the pure electric drive, namely, high power and quiet running, thus bringing a comfortable experience for users.



Mass production of Hongqi dual-motor hybrid transmissions

▶ FAW built a “Flag” high-end electric intelligent super architecture CASE

The “Flag” high-end electric intelligent super architecture (FMEs) developed by FAW consists of the electric and intelligent integration platform HME and the intelligent and experience integration platform HIS, with five advantages, namely, very innovative design, very high integration, very original concept, very advanced manufacturing and very cost-effective. FAW completed all development work in the first half of 2023. It has nearly 10,000 intellectual property rights, including patents and software copyrights.



"Flag" high-end electric intelligent super architecture

In April 2022, FAW Hongqi signed a contract on “New Flight & Heartful Expectations” for a customer experience ecology in Beijing Guohang Shiji Building. This signing ceremony marks all-around cooperation of both parties in travel services, joint marketing, integration of member rights and interests, etc. Both parties will jointly create a "ground + air" travel service circle and new ecology of customer travel.



FAW Hongqi joined hands with Air China to build a new travel ecology

Engraved Honors • Transformation and Upgrading

In the results of key task assessment of three-year actions for central government-owned enterprises reform in 2021 /2022, issued by the State-owned Enterprise Reform Leading Group Office of the State Council, FAW has been rated Level A for two consecutive years.

FAW Jiefang’s project of “Smart Factory Big Data Integration and Innovation Application of J7 Vehicle based on Industrial Internet” was selected as a pilot demonstration project of big data industry development by the Ministry of Industry and Information Technology. FAW Jiefang is the only automobile manufacturing enterprise in the list.

Faw-Volkswagen was selected as an inducement unit in the national list of "2022 Intelligent Manufacturing Demonstration Factories" and one of the first automobile joint venture in the national 14th Five-Year Plan.



49



**Customer-centric
Building brand
with quality**

59



**Supported by
partners
Cultivating
Ecology with
Openness**

67



**Employee-oriented
Build security with
defensive line**

02

**Concerted Action • Joint Efforts and Sharing,
Making Concerted Efforts**



Our Goals



Our Response

In 2022, FAW worked together with key interested parties for co-construction and sharing to build a concentric circle of development including customers, partners and employees. Adhere to taking customers as centrality to build a first-class brand with excellent quality and service; Adhere to taking partners as support to build a high-quality and sustainable automotive industry chain and supply chain while sticking to openness and cooperation and taking the lead; and adhere to the employee-oriented principle, to build a community of shared future for both the company and employees, i.e., “sharing happiness and sorrows, and sharing weal and woe”, while benefiting employees and upholding the concept of “double cares and double growths”.

Our Achievements

Number of new employees in this year: **5,259**

Investment in work safety: **450 million yuan**

Total investment of RMB **180 million** in employee training

Number of overseas markets: **85**

Centered on Customer, and Building Brand with Quality

Pursue excellence and perfection. Adhering to the customer-oriented principle and aiming at comprehensively improving the customer satisfaction, surprise, loyalty, recommendation level, and dissemination, FAW provides consumers in the new era with wonderful travel experience and creates better life prospects, as a profound interpretation of the business philosophy of "Everything is offered for the customer and to serve the customer, and be respectful to the customer in all aspects".

Creating diverse products

We firmly implement the product innovation strategy of "With the extremely fantastic products, give customers a stunning experience", pay close attentions to customers' consumption preferences and personalized needs, and continuously create star products that attract social attention, lead industry development and make a remarkable sensation in the consumption market. Meanwhile, we design and develop products in response to differentiated needs of special customer groups, so that they can enjoy wonderful trips.

Brand collection	Independent brands	
HONGQI		
		
Hongqi H5	New Hongqi H5	Hongqi HS5
		
Hongqi H7	Hongqi HS7	Hongqi LS7
		
Hongqi H9	Hongqi H9+	Hongqi HQ9
		
Hongqi E-QM5	Hongqi E-HS9	



Jiefang			
Heavy duty truck			
	J7	Yingtū	J6V
			
	JH6	J6P	Han (powerful) V
Medium duty truck			
	J6G	J6L	JK6
		Long (dragon) V	
Light duty truck			
	Lingtū	J6F	Hu (tiger) V
	Buses		
Road vehicles		Buses	Recreational vehicles



BESTUNE		
		
BESTUNE B70	Bestune NAT	BESTUNE T99
		
BESTUNE T77	BESTUNE T55	BESTUNE B70S

Brand collection		Joint venture brands			
FAW-Volkswagen					
Volkswagen					
					
CC	CC Shooting Brake version	Golf 8	Golf GTI		
					
Bora	Sagitar	Magotan	Tango		
					
TACQUA	Tayron	Tayron X	Tavendor		
					
Talagon	ID.4 CROZZ	ID.6 CROZZ	Magotan GTE	Tayron GTE	
Audi					
					
Audi A3	Audi A3 Sportback	Audi A4L	Audi A6L		
					
Audi Q2L	Audi Q3	Audi Q3 coupe	Audi Q5L		
					
Audi Q5L Sportback	New Audi A6L TFSIe	Audi e-tron	Audi Q2L e-tron	Audi Q4 e-tron	
					
VA3	VS5	VS7			



FAW-Toyota



Cars



 **Vios**  **Corolla**

 **Allion**  **Avalon**



SUV

 **Izoa**  **Corolla Cross**

 **RAV4**  **Harrier**

 **Crown Kluger**  **bZ4X**

MPV **Buses**

 **Granvia**  **Coaster**

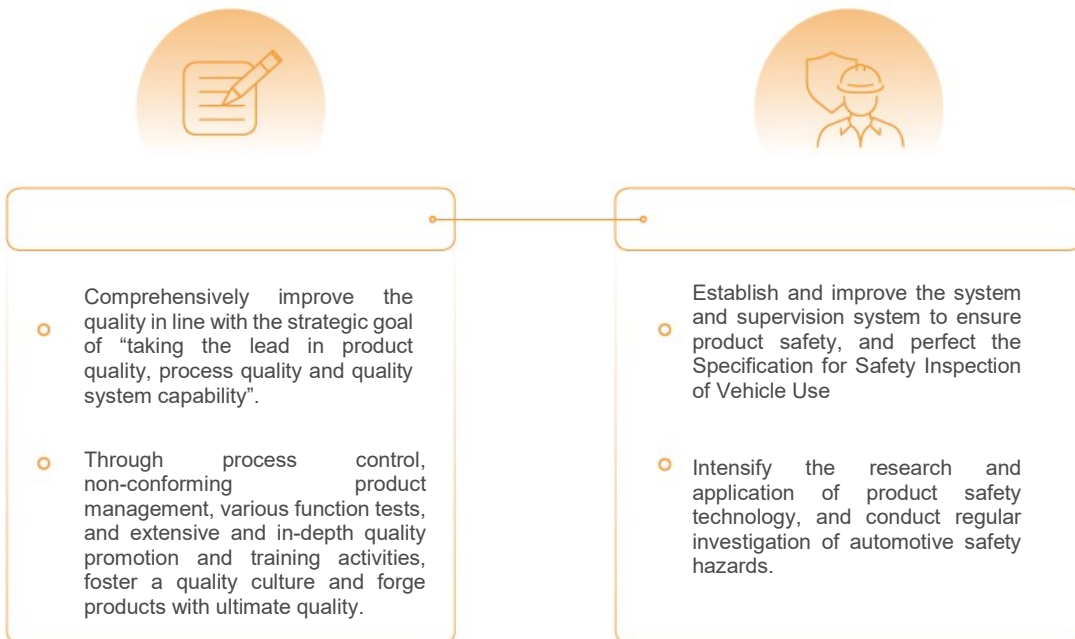
Forging excellent quality

We always give priority to the excellent quality and driving safety during product development and manufacturing, and firmly implement the strategy of “Winning by quality”. Guided by the quality policy, we continue to improve the quality management model, strengthen the quality process control and automotive safety hazard investigation, and strive to build a quality and safety culture covering all employees, systems, positions and dimensions, in order to forge excellent products of ultimate safety and build the best national automobile brand. In 2022, 30 investigations of automotive safety hazards were carried out, and the pass rates of Weishan Plant and Fanrong Plant were 93% during one-time inspection.



Do the best to accomplish every day's work

Hongqi "HQ365+1" quality management mode



▶ FAW organized and conducted a special investigation on product safety problems.



CASE

In 2022, FAW carried out 30 special investigations to three major factories of Hongqi in terms of product safety problems, covering interior trim production lines, exterior trim production lines, chassis production lines, engine assembly lines and power assembly lines. It measured key torques of each vehicle models more than 1,100 times, and verified rectifications in conjunction with after-sales safety issues. The comprehensive compliance rate was 100%. Moreover, special monitoring was carried out to harness tubes of mass-produced vehicles of the whole series, in response to key after-sales issues, and more than 60 vehicles were cumulatively sampled and inspected in order to continuously improve the vehicle reliability and avoid quality safety risks in the market.



FAW organized and conducted a special investigation on product safety problems.

▶ The new Hongqi H5 passed the active safety test of Top intelligence and the domestic first difficult three-car collision test.



CASE

In November 2022, in the automobile safety test organized by China Automotive Technology and Research Center, the new Hongqi H5 passed the intelligent driving assistance, test, extreme SACC advanced cruise test, extreme parking test, extreme AEB test and other tests and the domestic first difficult three-car collision test, showing its extraordinary strength in intelligent safety and body safety.



The new Hongqi H5 passed the domestic first difficult three-car collision test.

Engraved Honors • Product Quality and Safety



Let the ideal fly

FAW
"Hongqi Series Passenger Car Development and Application Project"
20th National Quality Award
Outstanding Project Award

Hongqi Brand
Chinese Automobile Brand Quality Rankings
Independent brands
First Prize

The new Hongqi H5 and Hongqi E-QM5 are listed as the 2022 TOP SAFETY annual challenge models by China Automotive Technology and Research

Hongqi E-QM5 was awarded CA-CAP Platinum Certificate after passing the CA-CAP corrosion resistance test

Hongqi HS5 and Hongqi E-HS9 were listed among "Top Ten Chassis Products in China" by China Automotive Technology



FAW Jiefang won the National Quality Award of Machinery Industry

The J7 tractor of FAW Jiefang passed the WVTA certification implemented in accordance with the EU Vehicle Certification Framework Regulation (EU) 2018/858, as the first Chinese vehicle at the EU VI-E stage.
Its heavy-duty fuel tractor was certified by EU WVTA

In the fourth "Changbaishan Cup" low temperature resistance test and rally racing of new energy vehicles, Jiefang J6P battery swap traction truck won the annual best award of low temperature resistance among pure electric tractor sets, and J6F pure electric truck won the annual best award of low temperature resistance among pure electric trucks.



In the fourth "Changbaishan Cup" low temperature resistance test and rally racing of new energy vehicles, the pure electric vehicle NAT of FAW Bestune won the annual best award of low temperature resistance in the "pure electric passenger car group", and its pure electric passenger car was granted the low temperature resistance certificate.



FAW Toyota ranked first in the J.D. Puck 2022 China Vehicle Reliability Study.



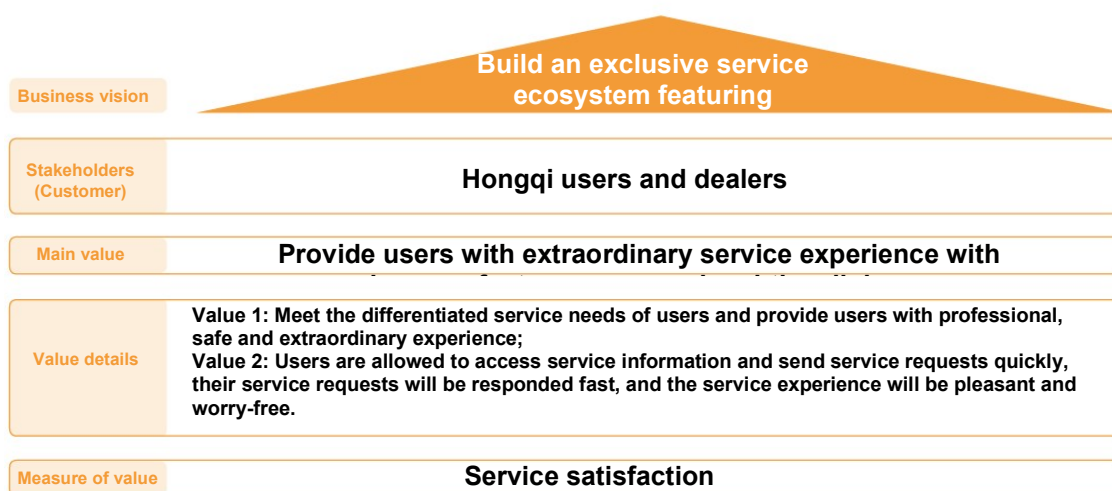
Jetta, Audi and Volkswagen products of FAW-Volkswagen ranked top in Chinese automobile quality list (fuel vehicles).

In the "CA-CAP Corrosion Resistance Test" in Hainan, FAW-Volkswagen ID.4 CROZZ won the platinum certificate with the highest comprehensive score in 2022.

Creating ultimate services

Innovative service experience

Following the brand-oriented and customer-oriented principle, we accurately explore customer needs and pain points to develop better user operation system capabilities, customer service management systems and industry-leading user interaction ecosystem, adhere to a decentralized distributed network layout, to provide users with better service experience by digital means, rapidly promote pop-up stores and super stores, and realize channel diversification, service accessibility and direct user access; and focus on car application scenarios, in order to improve user experience, frequently organize customer care activities, publicize product information by various channels such as official websites, We-media platforms and auto exhibitions, disseminate the product knowledge, lead high-quality green consumption and contribute to sustainable consumption. In 2022, sales customer satisfaction at the Group level and service customer satisfaction both reached 99.8 scores.



Service vision of Hongqi brand



FAW held a 2022 Hongqi Fans Meeting and Netizen Fans Carnival.



FAW Toyota organized a care activity for car owners in autumn




FAW Bestune worked closely together with users to hold the second Bestune All-Star festival

Maintenance of basic rights and interests

We take special care to safeguard the basic rights and interests of customers, strictly comply with relevant regulations, truthfully disclose product information without false marketing; strengthen the building of information protection systems and technology research and development design, protect customers' privacy and intelligent network data security; improve the after-sales service and maintenance guarantee system by warranty and three-guarantees policies; improve customer complaint management procedures, to promptly and properly resolve customers' complaints while guaranteeing the product quality and service and minimize the risks of complaint; intensify the compliant product recall management, construct and run a platform complaint management system, and conduct full-process recall tracking to improve the efficiency and quality of investigation and handling.

2022

Consumer	Complaint	Customer information disclosure	Three guarantees and recall	Recall platform complaints
Complaint response rate	Closure rate	Event occurrence rate	Platform filing rate	Handling rate
100%	100%	0	100%	100%

▶ FAW Jiefang and Tencent Cloud Computing signed an agreement on vehicle information security  CASE

In July 2022, FAW Jiefang and Tencent Cloud Computing signed a strategic cooperation framework agreement on vehicle information security. Accordingly, both parties will give full play to their respective industrial advantages and cooperate deeply in building basic capabilities for vehicle information security and research on product development technology, testing and verification technology, and cutting-edge technology.

▶ China FAW Group Co., Ltd. recalled some Bestune B30EV vehicles  CASE

In January 2022, FAW filed a recall plan with the State Administration for Market Regulation in accordance with the requirements specified in the Regulations on the Management of Defective Automotive Products Recall and the Implementation Measures for the Regulations on the Management of Defective Automotive Products Recall.

Recall period: Since June 27, 2022, a total of 5,280 Bestune B30EV400 vehicles (2019) manufactured between December 13, 2019 and March 19, 2020 have been recalled.

Reason for recalling: manufacturing defects of electronic vacuum pumps may result in damage to internal blades, locked rotors or no vacuum refill of the brake booster system. In this case, vehicles may lose the braking power during normal running. Under extreme conditions, vehicle accidents may occur, which involve safety hazards.

Solution: China FAW Group Co., Ltd. entrusted FAW Bestune to recall the corresponding vehicles and replace electronic vacuum pumps, in order to eliminate safety hazards.

Engraved Honors • Customer Service

FAW HONGQI

Hongqi Automobile Sales Co., Ltd
won "2022 China Auto Golden Wrench Award - Exclusive Service Prize"

FAW-Toyota

Since its first Toyota Global Service Award in 2010, FAW Toyota has won the "Special Gold Award for Toyota Global Excellent Service" in 2013 and 2015-2022, a leading award of the industry. That is, it won this award nine times in total and for eight consecutive years.

It won the first prize of "After-sales Service Satisfaction" of the China Automobile Customer Satisfaction Index (CACSI) in 2022. It has won this award for five consecutive years.

The Harrier model won Hubei "Annual SUV Award of Consumer Satisfaction" in the automobile list, and Corolla Cross won the most popular product award in the automobile list of www.chelife.net.cn in 2022, and SUVbZ4X was listed as a new energy vehicle award of consumer favorite among top automobiles in 2022 in Hangzhou.

Supported by Partners, and Cultivating Ecology with Openness

Work together for common pursuit. FAW keeps on the concept of business integrity, makes a stand against all forms of unfair competitions, strictly perform the supplier management to enable their growth; cooperates with suppliers, dealers and partners to forge common development and jointly create values; and works with strategic partners based on open cooperation and friendly communication, to pursue win-win development, share achievements, and create a new era of green and intelligent vehicle industry ecosystem.

Build a responsible supply chain

We insist on extending the compliance principle and responsibility concept to supplier, strengthen supplier management, and develop strict supplier access criteria, explicit performance evaluation criteria and differentiated rewards and punishments, to enable suppliers to conduct compliant operations and actively fulfill social responsibilities; build a transparent supply chain with electronic bidding and procurement trading platforms as carriers; promote local procurement to prevent supply chain risks and contribute to local economic and social development; and organize training on suppliers' capabilities and social responsibility issues, and strengthen communication and coordination, to enable suppliers to grow and work together to build a sustainable and responsible supply chain.

2022

Number of new suppliers of Hongqi Supplier ELV (hazardous substances) report rate

88

100%

HONGQI Localized procurement rate of auto accessories

Number of potential suppliers rejected due to noncompliance with social responsibility requirements

50%

0



Clean and honest procurement	Responsibility management	Mutual benefit and win-win cooperation
<ul style="list-style-type: none"> Establish and improve the FAW electronic bidding and procurement trading platform, and conduct bidding and procurement activities in an open, transparent, efficient, and reasonable manner. Build specific procurement strategies for different procurement scenarios, and abandon the price based bidding approach. 	<ul style="list-style-type: none"> Admission criteria: Develop a supplier admission process, conduct qualification and capability audits on suppliers, and include occupational health, environmental protection, and other social responsibility indicators in the supplier selection criteria. Performance evaluation: Conduct performance evaluation from dimensions such as product development, quality assurance, cost control, delivery capability, and service assurance. Reward and punishment measures: Provide preferential policies to excellent suppliers; take corresponding punishment measures for unqualified suppliers based on their severity. 	<ul style="list-style-type: none"> Give birth to new business formats and drive new technology suppliers in the development of new products and jointly build an automotive panel laboratory with core suppliers. For suppliers with a weak capital chains, adjust payment cycles appropriately to reduce the pressure on supplier capital turnover.

▶ FAW held 2022 Hongqi supply chain partner conference CASE

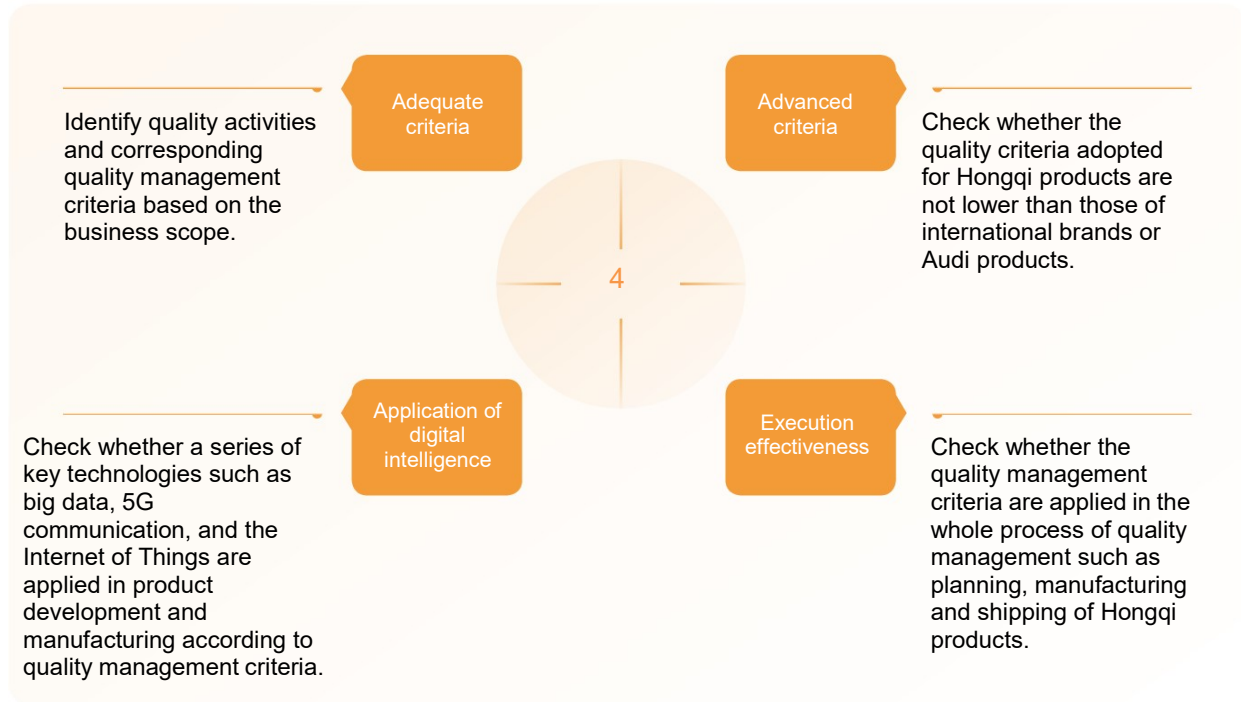
On January 11, 2022, FAW held the 2022 Hongqi Supply Chain Partnership Conference in Changchun, signed the “Integrity Contract” with three suppliers, and praised the suppliers that have made outstanding contributions in 2021 as examples for all partners in the supply chain, in order to cooperate with each other in a clean and honest manner and build a responsible supply chain featuring risk sharing and win-win development.



Representatives of FAW and the supplier signed the “Integrity Contract”

▶ FAW promotes four tools to ensure the supplier quality CASE

In September 2022, FAW deepened the supplier station greening evaluation criteria based on four quality issues, “4816 working method”, in order to guide TOP suppliers to apply, continuously optimize and secure PPAP files (e.g. FMEA and CP), in order to improve suppliers’ station maturity for product design and manufacturing, solve four major problems such as no solution criteria, backward criteria, failure to implement criteria, and poor automatic collection and application of quality data, thus greatly improving suppliers’ process capabilities and product quality.



4 quality issues related to FAW's suppliers

Building of high-value sales chain

We strictly implement the requirements for clean and honest marketing practices, and strengthen dealers compliance management; steadily promote the building of marketing channels by precision planning, and optimize the network layout to fully improve the network coverage, user convenience and service accessibility; and strengthen coaching and training, establish a platform for dealer exchange and learning, carry out skill competitions to assist dealers in improving their capabilities and jointly creating value.

2022

Hongqi authorized experience centers

457

The Hongqi outlet network's nationwide coverage rate in cities nationwide

86.40%

Number of centers in operation

435

Customer satisfaction

99.8 points

Number of centers in operation

35

Hongqi participation in sales training

21,783 in total

▶ FAW held the 2022 Hongqi Partners Conference

CASE

In January 2022, the 2022 Hongqi Partner Conference was held at the Hongqi Meeting Hall, attended online and offline by 310 investors and general managers and more than 2,000 Hongqi partners. In addition to sharing of outstanding cases in "Double 9" marketing, user and Hongqi micro store operation and the like, five awards were granted to excellent teams, including the New Hongqi Extraordinary Service Award and New Hongqi Customer Satisfaction Award, to encourage Hongqi partners in brand improvement and channel construction and comprehensively improve the customer experience.



FAW held the 2022 Hongqi Partners Conference

Expanding the “Circle of friends”

Joint venture cooperation

We continuously deepen the strategic cooperation with international partners such as Volkswagen and Toyota, improve the communication mechanism for shareholders, actively explore the future development plan of joint ventures, constantly enhance the competitiveness and profitability of the Chinese market, and further cooperation in new products, new technologies and new businesses, to continue the joint venture cooperation 2.0. In 2022, FAW-Volkswagen maintains a growth trend in profits due to intense management, cost reduction and efficiency improvement, and FAW Toyota further deepened its reform for quantity and benefit increase, thus bringing about more benefits..



FAW and Volkswagen Jigu (China) jointly signed a strategic 10-year business plan 2.0 for FAW and Volkswagen brands.



Faw Toyota held a shareholders' meeting to resolve key issues encountered in development and facilitate efficient upgrade and growth of FAW Toyota.

International co-operation

We always adhere to implementing the national strategy and actively participate in the overall pattern of the Belt and Road Initiative. We respect local cultural customs, regulations and policies, promote local procurement and management, to deepen friendship and share happiness with local communities. We make full use of domestic and international markets and resources, to accelerate the expansion of overseas high-end automobile markets and improve the layout of the global automotive industry chain. We strive to develop an integrated overseas business operation system, to constantly provide users with ultimate products and services and highlight Chinese image in the global automobile stage.

By the end of 2022

Total vehicle and spare part export amount

RMB **6.14** billion

International production capacity cooperation projects in operation

16

Overseas markets

85

Overseas research and development centers

2

Overseas agents

120

Cumulative vehicle export

398,000 vehicles

Overseas subsidiaries

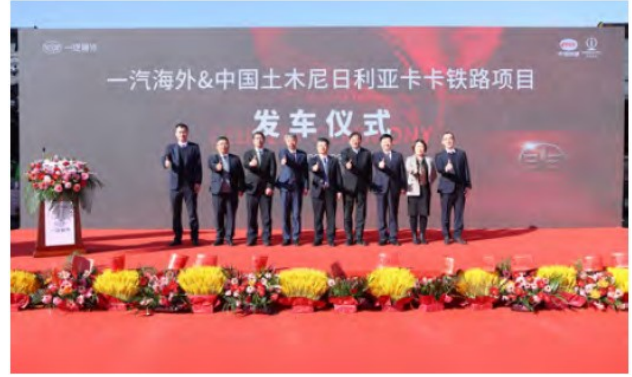
3

Ratio of local employment

95%



In December 2022, Hongqi E-HS9 made a stunning debut at the Dutch Masters Expo 2022, i.e. its Dutch debut



In March 2022, FAW successfully delivered 116 J6 heavy duty trucks to China Civil Engineering Construction Corporation



In November 2022, FAW South Africa Branch launched the 10,000th vehicle

Engraved Honors • Overseas

The Coega Plant of FAW in South Africa was listed as an enterprise construction case of the "Belt and Road" Initiative and released at the "2022 BRI Regional Cooperation" Forum

Hongqi E-HS9 won the "Electric Car Award of the Year" in Qatar, and Hongqi H9 won the "Most Valuable Luxury Car Award" in Qatar



Striving for a better future through extensive consultation, joint contribution and shared benefits

“

I have learnt a lot. I have worked with a lot of Chinese and South African management personnel, and gained a lot of experience from them. I really appreciate the Chinese business. I came here as a single. Now I have a family, a beautiful wife and lovely child. I am very happy.

-- Said by Jaje in an interview of CCTV's Oriental Horizon, Technical Director of FAW's South Africa Plant

This job is very important for me. I can support my family, buy things for them and pay school fees for my two younger brothers. I have learnt a lot here.

-- Said by Luxor in an interview of CCTV's Oriental Horizon, Engineer of FAW's South Africa Plant

Chinese car companies have increased the volume of trade between Coega and China and reduces logistics costs. Here is also a school to teach Chinese, to promote cultural cooperation and exchanges.

-- Said by Pepi Siringa, Director of South African National Port Authority

”

Multiple-channel cooperation

We adhere to resource sharing, mutual benefit and win-win cooperation, continue to deepen strategic cooperation with local governments, high-tech enterprises, research institutes, and focus on core areas such as new energy, intelligent networking, technology research and development, digital construction and financial investment. By cooperation with leading upstream and downstream companies in the industrial chain, we optimize the cooperation management mechanism, to incubate more cooperation achievements and maximize the value.



On August 16, 2022, FAW and CETC signed a strategic cooperation framework agreement



On August 18, 2022, a joint venture of FAW Jiefang & Ningde Times was officially unveiled



On June 16, 2022, FAW signed a strategic cooperation framework agreement with Zhongying Fund Management Co., Ltd., Sunflare (Nanjing) Energy Technology Co., Ltd. in Nanjing



On November 5, 2022, FAW and COSCO Shipping signed a strategic cooperation framework agreement



On February 24, 2022, FAW and the People's Government of Yanbian Korean Autonomous Prefecture signed a strategic cooperation framework



On November 10, 2022, FAW and China Resources signed a strategic cooperation framework agreement

Seeking common development in the industry

We give full play to the leading role in the industrial chain, make use of our comprehensive advantages, actively participate in the formulation of industry standards, and take the initiative to declare and undertake major national and provincial technical tasks. We also build various industry exchange and discussion platforms, introduce and cultivate talents in the automotive industry, and organize and participate in industry events, seek common innovation and development in the industry.

2022

Leading in revision of ISO standard

1

Rate of involvement in released national standards

64%

Leading and participation in formation and revision of national standards

13

In-depth involvement in performance assessment in alpine areas and formulation of regional group standards on intelligent networked vehicle information security

2

Leading and participation in formation and revision of industry standards

9

▶ FAW's "Demonstration Platform of Material Production and Application for New Energy Vehicles" passed acceptance



CASE

In May 2022, the "Demonstration Platform of Material Production and Application for New Energy Vehicles" built by 11 enterprises of the industrial chain under the leadership of FAW passed the acceptance of the Ministry of Industry and Information Technology. In response to the prominent problem of "poor use" of domestic materials, this platform plays a leading role in industrial coordination from the perspective of user needs, driving the stable mass production of high-strength steel, high-performance aluminum-magnesium alloy and fiber reinforced composite materials as well as large-scale applications in the automotive industry, providing a critical support for the development of the national new energy material industry. Through the platform, 2 national standards, 3 industry standards and 11 group standards have been formulated, 47 invention patents and 28 utility model patents have been applied for, and 12 industry leaders and 20 professionals have been trained.

▶ FAW co-hosted the 2022 China Automotive Innovation Conference to seek industrial innovation and development



CASE

In July 2022, FAW jointly hosted the 2022 China Automotive Innovation Conference with China Automotive Technology and Research Center, China Automotive Engineering Society, Changchun Municipal People's Government and Jilin Provincial People's Government. With the theme of "building an innovative chain ecosystem and reshaping the development pattern of the industrial chain", this conference involved in-depth exchanges on scientific and technological innovation, technology integration, chips, industrial chain ecology, intellectual property rights and other related issues. This is an interactive platform for a historic leap of the national automotive industry from being large to strong.



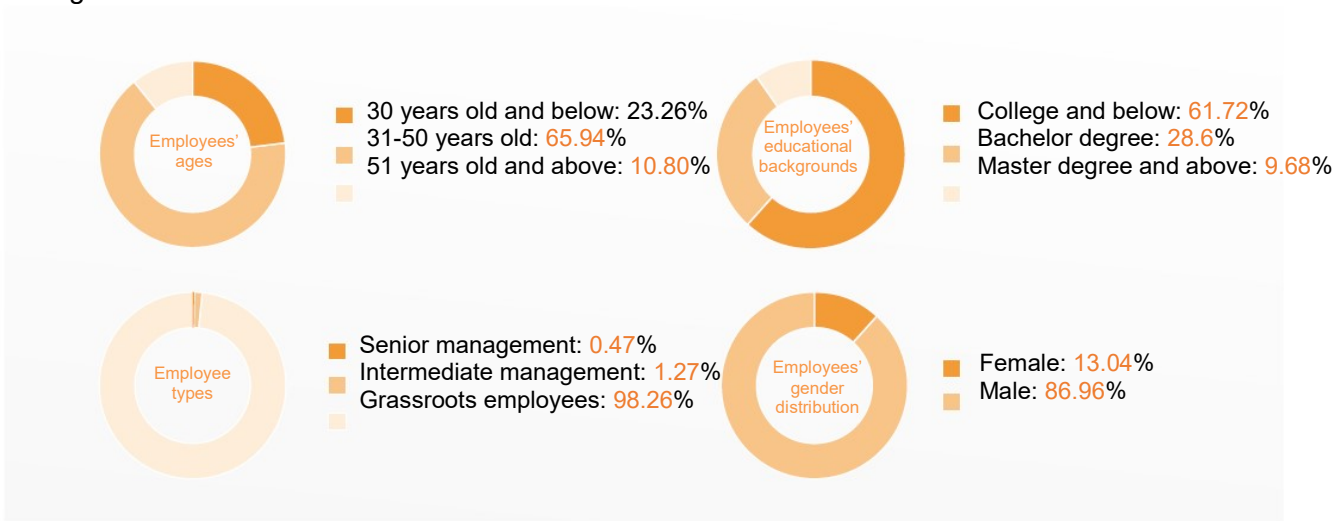
2022 China Automotive Innovation Conference

Caring for employees, and Reinforcing Safety with Defense Lines

The talent reserve must be extensive. FAW forms a solid talent-leading development strategy and sticks to the development depending on employees. We adhere to the concept of "Dual care and dual growth", profoundly implements the strategy of "Benefiting employees", and strives to develop a growth platform, career platform and privileged platform for employees' self-realization, self-surpassing, happiness and harmony, and a community of destiny for FAW development and employee growth.

Safeguarding employees' rights and interests

We strictly abide by labor laws and regulations, insist on equal and diversified employment, and oppose any type of discrimination; establish a more scientific and reasonable salary and welfare system, improve welfare benefits, and make social security payment in full; and attach importance to democratic management, build smooth channels for employees to express their comments and suggestions, and take various measures to effectively safeguard the rights and interests of employees. In 2022, the labor contract signing rate was 100%, the social security coverage rate was 100%, and the proportion of female managers was 15.51%.



Human rights security

- Eliminate discriminatory behaviors concerning nationality, gender, age, race, religion, pregnancy, and disability.
- Definitely prohibit the use of child labor and forced labor, and prohibit harassment and abuse of employees.
- Respect employees' privacy and protect employees' personal information security.



Salaries and benefits

- Improve the salary incentive mechanism integrating the salaries, achievement of business objectives, and growth of benefits and efficiency, and promote the sharing of corporate development achievements among employees.
- Improve the management of welfare items such as enterprise annuity, supplementary medical insurance, health and physical examination, work meals, shuttle buses, and implement welfare guarantees such as holiday subsidies and heating subsidies.



Democratic management

- Build smooth channels for employees to express their concerns so that opinions and suggestions are widely collected through the congress of workers and staff, symposiums, voice bars, and other channels, and respond to concerns in a timely manner.
- Take the work proposal and reporting mechanism as the key point, adhere to the problem-oriented principle, and highlight the full business coverage of all groups. Stimulate the entrepreneurial enthusiasm and creativity of cadres and talents to accelerate their growth.

Respecting the value of talents

We respect the value of talents, firmly implement the strategy of strengthening the country through talents, iterate the “Talent Engine” strategy, and implement the “Millions of Talents” Project; explore diversified talent introduction models for targeted and precise introduction of talents with high-level educational backgrounds, exquisite skills and cutting-edge scientific knowledge. We strengthen the training of high-level scientific and technological talents to accelerate the growth of talents and echelons. Taking performance assessment as a guide and salary distribution as a lever, we refine the classification, strengthen goal orientation, and develop a new co-construction, win-win and sharing mechanism to fully stimulate talents’ initiative and enthusiasm, thus achieving both high-quality development of the Group and sustainable growth of talents.

2022

Jobs

5259 people

Total number of trained employees

844,000 people

Number of employed college graduates

3768 people

Training duration per capita

165 hours

Total investment in employee training

RMB **0.18 billion**

Coverage rate of employee training

100%

Talent Introduction



Diversified talent introduction

We focus on new energy, intelligent networking, digital intelligence and other emerging business areas, and efficiently introduce high-level talents. We have built a “1+12+X” talent highland, and set up research and development institutes in Beijing, Nanjing, Munich and the like, to quickly gather outstanding talents.

Precise recruitment of talents

Through cooperation with Jilin University and other colleges and universities, we organized the “Cloud Enterprise Visit to Increase Jobs and Promote Employment” and other exchange events, a series of campus activities such as “Hongqi on Campus”, and school-enterprise cooperation activities such as the kickoff ceremony for global campus recruitment in Jilin University, to constantly consolidate innovative achievements in talent training and scientific research cooperation with key universities in Northeast China.

Capacity training



Leadership training

With FAWL11339 excellent leadership model as a guide, we develop sand-table drill plans for senior managers, and implemented senior manager reserve plans for the Group.

Professionalism training

We implement project management training and strengthen the talent reserve and echelon construction. Based on FAW’s overseas strategy in the 14th Five-Year Plan, we carried out the international talent reserve and training programs. We also developed talent training software facilitate the implementation of integrated operation modes and building of software development capabilities.

Skill training

We organized “Goldsmith Program” for training of high-level skilled talents and attach importance to a combination of training and practice. We conducted the “Foundry Engineering” training project to improve the ability of new technicians to solve problems. We carried out training of new apprenticeship, and set up new training models for skilled talents. We performed the certification training of vocational skills at various levels to improve job skills.

Development incentive



Adhering to innovation orientation

Focusing on innovative achievements and innovative talents, we promote incentive mechanisms for patent implementation, key technological breakthrough and transformation of scientific and technological achievements, thereby further intensifying salary incentives and rewards for core talents. We implement the “Inducement prize system”, build a powerful project management mechanism, and vigorously promote the incentive and constraint mechanism of salaries in projects.

Gathering talents for development

We carry out the “Double Star” training project for young cadres, focusing on “Reinforcing echelons, optimizing structure and improving ability”, to build an echelon training chain of “selection, cultivation, management, appointment and service” for young cadres. We optimize the talent structure and perfectly complete promotion and recruitment procedures of the Group’s headquarters, giving priority to the performance, competition and selection. We expand the development channels for skilled talents and implement higher requirements for the selection of chief skilled masters.

▶ FAW implemented the “Goldsmith Program” training



CASE

In 2022, FAW organized the “Goldsmith Program” training for chief skilled talents and senior skilled talents, covering concept leading, team leading, innovation leading and professional leading. The training duration per capita was 79 hours. Through a combination of training and practice, 46 reports of experience extraction from practice, 45 inheritance courses, 41 personal research reports and 5 research reports of the Group were chosen.



“Goldsmith Program” training



FAW implemented a “Double Star” training project for young cadres through novel selection models. In 2022, 107 employees were selected, including 47 “Hope Stars” and 60 “Growth Stars”.

Protecting safety and health

Production safety

We strictly and fully adhere to the red line and bottom line of safe development, implement the main responsibility system for work safety, establish and improve safety emergency mechanisms, and take solid actions in three years for work safety rectification. We continue the responsibility identification, risk prevention, supervision strengthening and culture building, to ensure the work safety effectively and vigorously, seek high-quality development with high safety and usher in a new development pattern with a new security framework.

2022

Amount invested in safety production	0.45	0	38%
Year-on-year decrease in production work-related injury accidents			
Coverage of safety standards in shifts of 13 key units	100%	3	3
Compliance rate	95%	3	3
Units passing the national Level I standardization certification of work safety			
Units rated as the national demonstration enterprises for safety culture construction			





- The Standing Committee of FAW's Party Committee organized 7 workshops on relevant issues to improve the work safety responsibility system.
- We strictly implement the work safety responsibility list and performance list, and organically integrate work safety responsibilities and positions to ensure the full coverage of work safety responsibility.



- We develop work safety rules and regulations, and dynamically evaluate and improve them. 14 system procedures have been revised or added at the Group Level, and 259 at the branch and subsidiary level.
- We further promote shift safety standardization. The coverage rate of shift safety standardization in 13 key units was 100%, and the compliance rate was 95%. Three units have passed the national Level I certification of work safety standardization.



- We promote the construction of dual prevention mechanisms, specify the identification and assessment criteria for safety and fire risks, identify key safety and fire risks to be controlled within the Group, and take control measures so that risks are controllable and under control.



- Focusing on 8 specific items (e.g. gas, hazardous chemicals, buildings, logistics and fire protection) in key areas and parts, we comprehensively investigate potential safety hazards and effectively carry out rectification. In the whole year, 4,676 problems were detected and solved, and 127 system measures are strengthened.



- We build a profound safety culture by safety flag raising, safety knowledge competitions and other means based on work safety months, fire protection publicity months and other events.
- We actively push forward the construction of safety culture. In 2022, three units were rated as national demonstration enterprises of safety culture construction.

▶ FAW carried out a series of exhibition activities on advanced collective achievements such as “Demonstration Position of Work Safety of the Youth”

From June to July 2022, FAW carried out a series of activities with the theme of “Work Safety, Youth Action”, organized advanced collectives with the “Demonstration Position of Work Safety of the Youth” for sharing, learning, training and publicity, and instruct the youth to show their charm, pursue breakthroughs and take brave actions in work safety and make efforts to be “Young Pioneer in Work Safety” and “Young Pioneer in Energy Saving, Emission Reduction, Green and Low-carbon Development”, thus supporting the work safety of the Group.



FAW held a work safety knowledge competition



FAW held the kickoff ceremony of work safety month



FAW Jiefang carried out safety inspection



FAW organized a fire emergency drill

Occupational health

We actively build an occupational health defense line, carefully safeguard the health and safety of our employees, strictly manage labor protection equipment, strengthen the monitoring of dust, toxicity, noise and other occupational hazards that influence occupational health, and integrate prevention and control to effectively prevent, control and eliminate occupational hazards. We make employee's health records, organize and carry out health examinations, psychological health assistance, and publicize the occupational health knowledge, to relieve employees' psychological pressure, help employees shape a positive attitude and healthy body, and hold up an “umbrella” for occupational health.

2022

Coverage of occupational health examination

100%

Coverage rate of health records

100%

Number of people with occupational diseases

0

Caring for employee growth

We adhere to the people-oriented philosophy. Guided by the concept of “Dual care and dual growth”, we fully implement the “Happy FAW Employee” action plan, put the digital platform of “Two cards and one network” into normal operation to serve employees, and build a service system for employees’ work and life, integrating employee growth and care for their health and life. We also strengthen the long-acting mechanism to “Serve employees”, strive to solve employees’ urgent, difficult, and concerned problems, and integrate the empowerment and care for employees into daily work, to enhance employees’ sense of gain, happiness and security.

2022

Expansion of diseases covered by mutual-aid funds for employees 140	Assistance 292 employees	Distribution of mutual-aid funds RMB 1.42 million	Benefits for employees 150,000 people
Special funds as consolation money to grassroots employees RMB 36 million	Payment of assistance for employees RMB 1.01 million	Visiting of and assistance for retired employees 98 employees	Settlement of enrollment of employees' children 203 people
Total number of cadres and employees at the frontline of fighting the epidemic, sticking to their posts, working abroad and subject to lockdown 20,000+ people	Total RMB 36 million		The "Serve employees" practical activities were carried out to solve over difficult, and concerned problems. More than 6,700



In February 2022, FAW welcomed employees on the kickoff day



In March 2022, FAW Toyota organized a fun sports meeting for female workers



In July 2022, FAW organized an open day for employees' families



In August 2022, FAW held the fourth "Hongqi Running" marathon

03



Great Kindness • Dare to Undertake and Practice Practicing China's Generous Vision





77



Protect Lucid
Waters and
Lush

85



Promoting
Rural
Revitalization

89



Cooperating
with Public
Charity and

Our Goals



Our Response

In 2022, FAW firmly shouldered its social responsibilities, practiced its original aspiration with sincerity, and dared to undertake and practice China's generous vision. We firmly adhere to the path of ecological priority and green development and steadily promote "carbon peak and carbon neutrality", as a contribution to the green development of beautiful China. We resolutely hold the bottom line against returning to poverty and boost the revitalization and development of rural areas, as a contribution to the happiness in beautiful

Our Achievements

Investment in energy conservation and environmental protection amounted to RMB 0.996 billion

Targeted assistance and one-to-one assistance fund in Tibet amounted to RMB 59.4 million

Energy savings achieved 38,300t standard coal

Total amount of donations made RMB 0.206 billion



Protect lucid waters and lush mountains and building a beautiful China

Green waters wind and green mountains stand opposite to each other. By adhering to the new development concept of "Being low-carbon, energy-saving, circular, balance, and sustainable", FAW takes "carbon peak and carbon neutrality" as the guide, actively explores a new path of ecological priority and green development, and strives to build a green operation model covering the full life cycle of products. We speed up the layout of new energy, develop green products and cultivate an environmental protection culture. We work with others to tackle climate changes, environmental pollution and other issues, thus protecting lucid waters and lush mountains, and building a beautiful China and a community of man and nature coexistence.

Long-term mechanism of green management

Strengthening environmental management•.....•

Taking ecology as a guide, we strive to build a more scientific and perfect environmental management system and environmental emergency mechanism, specify environmental management responsibilities at all levels, organize on-site environmental evaluation, online monitoring management and other environmental work, to accurately control environmental hazards, strengthen the accumulation of environmental protection knowledge and means of digital intelligence, thus conducting long-term fine green management by digital intelligence.

2022

Investment in energy conservation and environmental protection amounted to RMB 0.996 billion	Units that carry out on-site environmental assessment	Annual environmental emergencies
17	0	



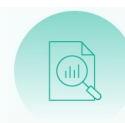
Planning for carbon peak and carbon neutrality in the future

Guided by the national strategy of "carbon peak and carbon neutrality", FAW developed the strategic planning for "1-2573" carbon neutrality, action plan for carbon peak, and Guideline for FAW Carbon Emission Verification, and explore new calculation methods for carbon emissions of processes, to fill the carbon verification gap in the automotive industry.



Control of environmental hazards

Develop assessment standards scientifically. We conducted the on-site environmental assessment to 17 units, involving the detection and rectification of more than 500 problems, to overcome shortcomings in management and operation. We accurately identify major environmental hazards, and carry out online monitoring and management, investigation and treatment of the rain-sewage pipeline network, comprehensive treatment of sewage stations and other special work. Due to the strengthening of operation control, there are no environmental emergencies in this year.



Strengthening of management achievements

We developed the Specification for Greenhouse Gas Emission Calculation and Reporting of Automobile Manufacturers of the China Association of Automobile Manufacturers, FAW's Hazard Identification and Assessment Standards and the like, and collected 363 excellent cases of improvement from employees, prepared the Handbook of Excellent Safety and Environmental Protection Cases of the Group and uploaded it into the knowledge management system for knowledge accumulation.

Engraved Honors • Green Management

December 2022

FAW stood out from more than 280 industry leaders. It was included in the national first list of industrial carbon peak “leaders” issued by the Chinese Industrial Enterprises and Industrial Associations and became the only central enterprise therein in the automotive industry “Building a circular economy model and accelerating green transformation and upgrading”

In October 2022, the Ministry of Industry and Information Technology issued the first pilot list of producer responsibility extension, involving 11 key enterprises in the industry.

FAW was included in the list.

Producer responsibility extension•.....•

Green development

- We implement the principle of pollution control of product sources throughout the process of design and manufacturing of parts, enhance the research on technologies of material substitution and the use of renewable materials, and have realized the alternative application of materials including the bearing bush and damping plate, etc.
- We adopt the platform-based and modular design with standardized interfaces and have achieved a commonality ratio of parts of 90%. We adhere to the forward development of all-round performance, and implement the design concept of easy recycling and easy disassembly in the design

Post-market pattern

- We arrange the construction of recycling networks and the standardized system for scraped cars in advance, actively build the recycling system, and establish 4 recycling networks, with services covering Harbin, Shanghai, Chengdu, Foshan, Wuxi, Qingdao, Dalian and other regions

Comprehensive upgrading of recycling

- The recycling company continuously upgrades and modifies the production site and equipment to improve its operating capability in accordance with higher standards, and does its best to develop and establish the process and standard for the recycling of scraped parts of motor vehicles to make the disposal of scraped motor vehicles more scientific and environmental-friendly, improving the resource utilization

▶ FAW vigorously promotes the construction of the green supply chain



CASE

FAW vigorously promotes the construction of the green supply chain, incorporates the green management system for suppliers, etc. into the admission requirements, signs the Commitment of Partners of the Green Supply Chain, provides special assistance to 40 TOP suppliers, carries out in-situ upgrading in energy, manufacturing, and other aspects, focuses on enhancing the usage of green electricity of suppliers, promotes the "Hongqi Library of Common Measures for Green Management" to mass-production suppliers, supervises and urges suppliers to establish a green development plan that matches with their characteristics, expands and drives the green and low-carbon development of the whole industrial chain.

▶ FAW Jiefang creates an advanced demonstration of remanufactured engines



CASE

In 2022, FAW Jiefang took advantage of its remanufacturing technology. Scraped and used engines can be recovered to their product quality and performance in brand-new condition after processes such as disassembly, inspection of basic parts, recovery, cleaning, general assembly, testing of complete machines, painting and packing. With a cost of about 50%-70% of that for manufacturing new products, remanufacturing engines saves 60% of energy and 70% of materials, producing new commercial values while empowering with environmental protection values.



Workers are performing basic inspections on remanufactured engines

▶ Fawer Smarter Energy establishes a sound digitalized recycling system for batteries



CASE

Aiming for battery recycling in the area of new energy vehicles (NEVs), Fawer Smarter Energy, a subsidiary of FAW, establishes a sound digitalized recycling system, and builds the first production base for cascade utilization of batteries with disassembly, inspection, assembly and testing capabilities, realizing the full-lifecycle ecological operation of retired batteries and creating values.



The first production base for cascade utilization of batteries with disassembly, inspection, assembly and testing capabilities is built, which can realize high-valued utilization of retired power batteries with an annual processing capacity of 5,000 tons/year

Green manufacturing and clean production

Strengthening energy management •

We continuously strengthen the saving of energy and resources, enhance the management of energy and water conservation, organize to carry out energy audits and reviews, promote the reconstruction of technologies for energy and water conservation, vigorously develop a circular economy, effectively improve the utilization efficiency of energy and resources; We increase the proportion of clean energy consumption in multiple ways, vigorously build distributed photovoltaic power plants, solidly promote the green and low-carbon transition of energy, and press the "accelerator button" for the carbon peaking and carbon neutrality process of FAW.

2022				
Implemented energy-saving and cost-reducing projects 242	Implemented reconstruction projects of energy-saving technologies 61	Comprehensive energy consumption per 10,000 yuan output value decreased by year-on-year 3.67%	YOY decrease in comprehensive energy consumption 16.06%	Proportion of non-fossil energy 13.81%
Consumption of green electricity 526 million kW·h	Carbon reduction 300,000 tons		Newly built distributed photovoltaic power plants 53 MW	Cumulative construction completed 168 MW



- Improve water-saving management and strengthen quota management
- Strengthen the reformation of water-saving technologies, promote the reuse of industrial wastewater, and improve the reuse rate of water resources
- Strengthen the publicity and training on water conservation and raise the water-saving awareness of employees



- Strengthen energy consumption management and carry out training on energy conservation and cost reduction
- Enhance technology-based energy conservation and eliminate outdated equipment and processes
- Organize to carry out energy audits and reviews, and improve the database of energy consumption and environment statistics information
- Emphasize the recycling and reuse of raw materials, and improve the utilization of resources and clean energy



Photovoltaic project at FAW Jiefang Liuzhou Factory



Photovoltaic canopies at a parking lot for FAW-Toyota commodity vehicles

Reducing pollution discharge • •

We coordinate our business development and pollution discharge reduction, increase financial investment, and vigorously implement environmental governance projects; Carry out special governance and management improvement action for sewage stations, prepare the Standardization Manual of Sewage Station Management, and effectively improve the capability of environmental governance and the refinement level of management; Take the Standardization Manual of the Group for Hazardous Waste Management as the starting point, strengthen the treatment for hazardous waste pollution; Continuously carry out environmental monitoring with self-owned resources in combination with specialized institutions, and improve the database of environment statistics information to provide effective data support for the enterprise's qualified discharge of water, gases and sound, minimizing the impact on the ecological environment.

2022			
Environment governance projects completed	Inspection of industrial wastewater	Inspection of off-site discharge of pollution sources	Inspection of in-plant noise
67	1610 points	1180 points	47
Chemical oxygen demand decreased year on year	Ammonia nitrogen emissions decreased year-on-year	Emissions of carbon dioxide per RMB 10,000 of output value decreased	
31.59%	34.58%	11.12%	

▶ FAW establishes an online monitoring system for pollutant discharge CASE

FAW establishes an online monitoring system for pollutant discharge that covers COD, ammonia nitrogen, VOC and other major pollutant indicators of wastewater and waste gases. For the transient data that reaches 80% of the discharge limit, an early warning will be provided; for the transient data that exceeds the discharge limit, an alarm will be given and the cause for exceeding the limit will be tracked in the system; for abnormalities, they will be resolved to eliminate the indicator items, and the discharge data and relevant information can be visualized.

▶ FAW Jiefang Qingdao Vehicle Business Division implements the Sewage Treatment Station MBR Re-Upgrading Project CASE

FAW Jiefang Qingdao Vehicle Business Division implements the Sewage Treatment Station MBR Re-Upgrading Project by adding a set of Membrane Bio Reactors (MBR) System on the equipment platform, improving the quality of effluent water, increasing the reuse volume of reclaimed water, and reducing the cost of water use. According to the verification of the online monitoring data of the Bureau of Ecology and Environment and the analysis of monitoring reports of third-party institutions, various pollutant indicators such as effluent COD and effluent ammonia nitrogen are significantly decreased.



The MBR Re-Upgrading Project

Embarking on a New Journey to Perform Meritorious Deeds in the New Era-----

Refining green products*.....*

We insist on exploring new momenta for low-carbon and green development with new technologies and products, focus on three major fields, i.e. the conventional fuel engine, hybrid power, and new energy, while carrying out research and application on environmental-friendly oil-saving technologies, gather advantageous resources, vigorously develop the new energy business, and reserve multiple technical development paths such as the pure electric, hybrid power and fuel cell to push forward the electric transition in all fields with the "All in" posture for new energy, refining green products. Since the second half of 2022, except for models for special uses, all technical innovation investments have been put into NEVs, all added capacity has been used for NEVs, and new investment for technologies and production capacity of conventional fuel-powered vehicles has been stopped.

The area of conventional fuel engines	The area of hybrid power	The area of new energy
We independently control a high-efficiency energy-saving power platform for passenger cars with an engine displacement ranging from 1.0 to 6.0 L, with the thermal efficiency of engines of over 39%	We have broken through 6 core technologies such as the Miller cycle with ultra-high compression ratio and the low-pressure EGR (Exhaust Gas Recirculation System), with the thermal efficiency of engines of over 44%	We have broken through 9 critical technologies such as the high-power motor, high energy density battery, and the early warning for thermal runaway, accelerating the R&D of solid-state batteries, hydrogen-fueled engines and other technologies

New energy brand of Hongqi



Mission

Hongqi NEV is supposed to possess key core NEV technologies, establish a high-end national NEV brand, and open a new road for the innovative development of China's high-end NEV brand in automobile industry in the new era.



Vision

Offering a wonderful trip, a beautiful experience and a beautiful life; Creating a world-famous, green & intelligent and consumer-favored NEV brand.



Philosophy

The Chinese-style new noble exquisiteness in the new era



Target Customers

New era, Chinese style, new noble, sentimental people



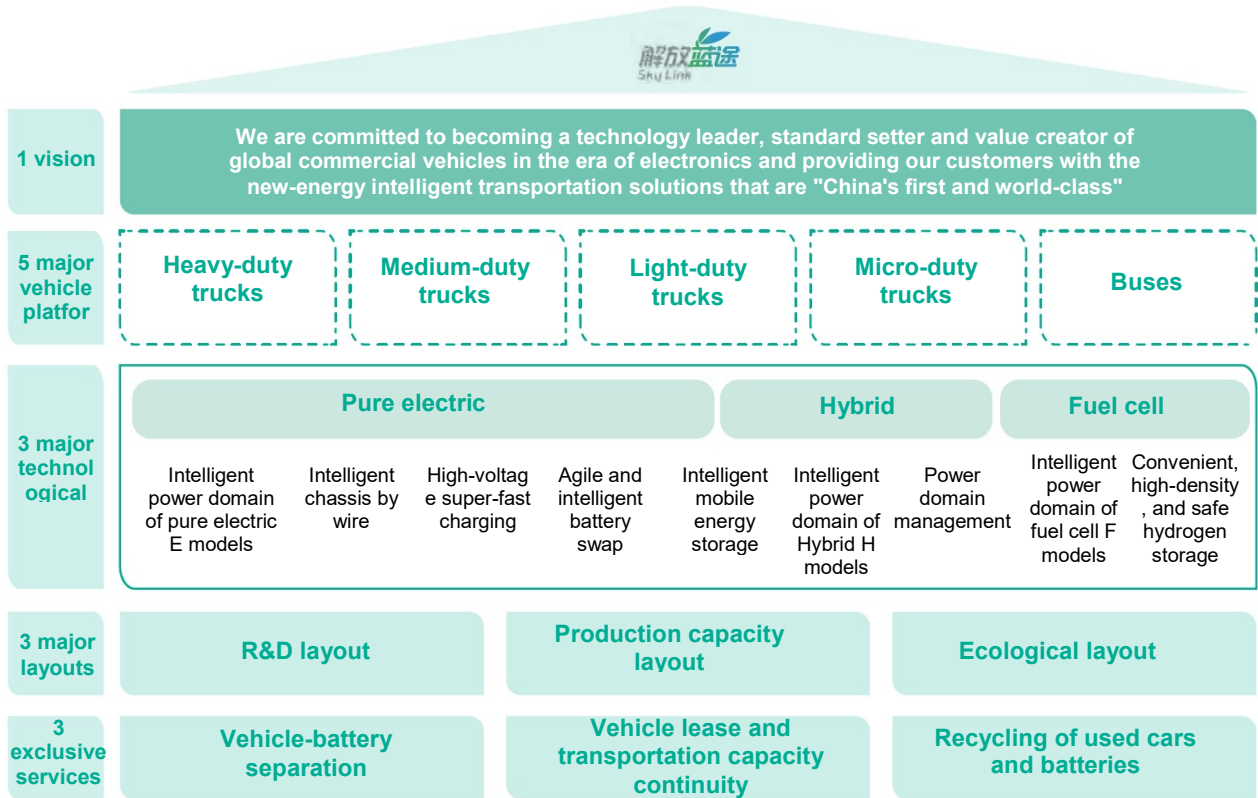
Core of Philosophy

Elegant



Main logo

Qi Miao Two Wings



FAW Jiefang "15333" new energy strategy



In June 2022, the dispatch ceremony for the delivery of FAW Jiefang hydrogen fuel-cell vehicles to Shanghai, Beijing and Shanxi was held

Green culture, low-carbon operation

Practice green office•.....•

We are committed to transforming the environmental protection concept into conscious actions of our employees. We call on the employees to promote the excellent working style of diligence and thrift. Starting from daily matters, we promote green office through digital office, daily water and electricity saving, and use of official vehicles, sharing a green and low-carbon life.



Digital office

Push forward digital projects such as digital factory, customer cloud platform, digital offices, big-data applications for the Internet of Vehicles, digital console, Group's unified reporting platform, and knowledge management platform to enhance the digitalization level of operations and management.



Daily energy saving

Advocate the full use of natural wind, reduce the use of or do not turn on the air conditioner, and strictly implement indoor air conditioning temperature control standards; and make full use of natural light, but eliminate the use of "Daytime light" and "Permanent light". Strengthen the management of official vehicles and reduce fuel consumption.

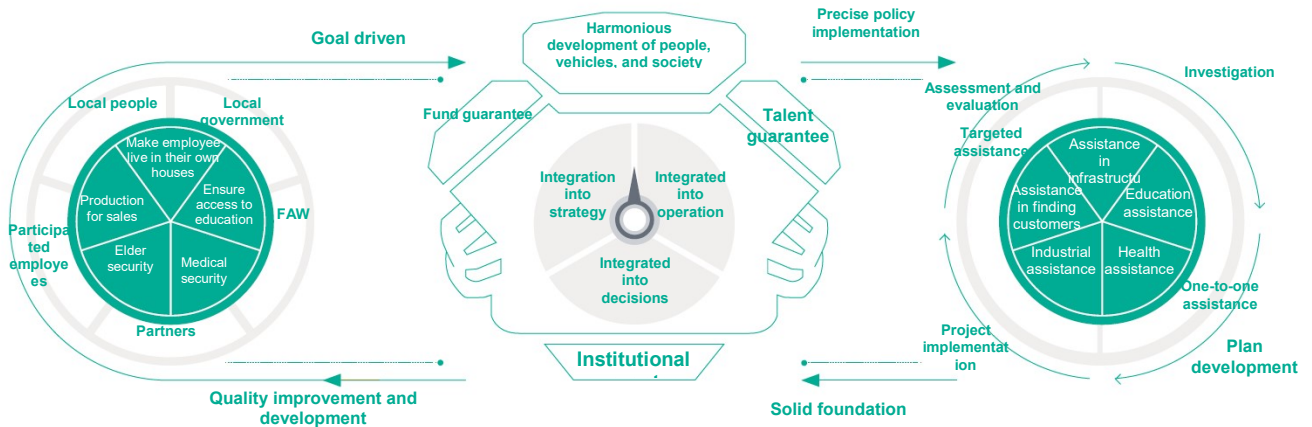
Cultivating environmental protection culture•.....•



FAW organized to carry out the "Knowledge Quiz on Energy Saving and Environmental Protection", "Selection of Original Works on Energy Saving and Environmental Protection", "Selection of the Most Beautiful Pacesetter of Energy Saving and Environmental Protection" and other various publicity activities for energy saving and environmental protection

Promoting Rural Revitalization, and Heading for Common Prosperity

If the rural areas are governed, then the whole country will be stable. FAW always resonates with the national strategies, firmly shoulders the responsibility and mission of central state-owned enterprises (SOEs) to assist rural revitalization, takes the "Five-Sphere Integrated + " targeted assistance mode as the standpoint, gathers stronger forces, and implements more powerful measures to solidly promote the comprehensive revitalization of rural industries, talents, culture, ecology, organizations, etc., playing the "concerto" of rural revitalization and writing a "new chapter" of common prosperity.



FAW's "Five-aspect and one-integration+" precise assistance mode

Led by the organization and strengthen supervision

We adhere to the lead of the organization with a high stance, take the leading group of rural revitalization work covering all team members as the leadership to realize full coverage of surveys in counties that are assisted under the leadership of the Group; By establishing annual plans for the assistance work, holding meetings on special topics, strengthening the process monitoring, carrying out joint supervision, strictly managing cadres in temporary positions, earnestly caring for people in rural areas, and taking other measures, we ensure that the assistance work is implemented solidly and carefully in terms of practical measures, and consolidate the foundation of the management of rural revitalization.

2022

Team members who went to paired-up counties for surveys 2 persons	Times of surveys and supervision 3 times	Cadres in temporary positions who are sent out 6 people
Cumulative times of meetings on special topics 17 times	Various types of supervision carried out 10 times	Identified problems 11
		Supervision reports formed 4 copy

Do practical work and practice earnestly, make great efforts and be diligent

Industrial revitalization•.....•

Industrial revitalization is the foundation and key for comprehensive rural revitalization. We combine the local resource endowment and development demand, and develop eco-agriculture such as husbandry parks, silkworm farming, Chinese mahonia (Chinese medicinal herb) planting, etc. to suit the local conditions, increasing both the industrial and ecological benefits; Focus on building the "Production + Processing + Technology" full industrial chain to facilitate the integrated development of the primary, secondary and tertiary industries; Make the most of the industrial advantages, integrate expert resources, empower local leading enterprises from multiple dimensions such as management, technology and quality, and take various measures to help industries in the assisted regions promote their quality and efficiency.

▶ FAW supports the construction of silkworm farming bases in Fengshan County



CASE

Combined with the landform characteristics of Fengshan County, FAW invested RMB 1.73 million to support the Silkworm Farming Base Project in Wenli Village, constructed infrastructure such as standardized silkworm houses, and purchased equipment for mechanized farming, playing a driving and demonstration role with scientific and standardized farming. This project has become an industrial model in Fengshan County, which drives the prosperity of household farming at the same time, and both indexes of farming scale and new households rank first in Fengshan County.



The construction project of silkworm farming bases in Fengshan County



FAW invested RMB 4 million to build processing workshops for produce such as the glossy ganoderma and hazel mushroom in Helong City, driving the employment and income growth of the masses in the periphery and leaving more value-added benefits in rural areas.

Talent development•.....•

Talent is a key factor for rural revitalization. We enhance the cultivation of rural talents, guided by the concept of "Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime", continuously carry out the talent growth plan for rural revitalization, expand the "3+1" talent and revitalization combined assistance mode, focus on basic education, vocational education and the empowerment training for cadres, create characteristic projects such as the "Hongqi Dream Self-Improvement Class" and "Action for Realizing the Educational Dream", keep on consolidating the outcomes of the assistance for accessing education and building aspirations, and activate the talent engine for rural revitalization.



FAW talent growth plan for rural revitalization



FAW's cadres who serve temporary positions combined their own specialized knowledge and management experience, and lectured for local cadres to help grassroots cadres improve their abilities



FAW organized to carry out training on silkworm farming skills in Fengshan County

Cultural revitalization•.....•

Cultural revitalization is the foundation and soul for comprehensively promoting rural revitalization. We insist on cultivating the traits of rural culture with social civility in rural areas, good family values, and simple and honest folkways, by aiding to build cultural activities venues at the primary level, carrying out theatrical performances, promoting the construction of bringing poetry to rural areas and other actions benefiting the people with culture to enrich the spiritual and cultural life of the masses and boost the rural spirit; At the same time, we inherit and carry forward the red culture in old revolutionary base areas, establish the first rural museum in Helong City, and hold the exhibition commemorating the 70th anniversary of the founding of Yanbian Autonomous Prefecture, carrying on the red legacy and firmly building the "soul" for rural development.



FAW established the first rural museum in Helong City

Ecological revitalization.....

Ecological revitalization is an essential support for rural revitalization. Based on the principle of "address inadequacies and tackle areas of weaknesses", we continuously help the assisted regions improve rural infrastructure and build a beautiful home where people can live and work in peace; We swiftly but steadily push forward the "toilet revolution" in rural areas, and assist the rural living environment upgrade to improve the appearance of villages and polish the green base color of the beautiful countryside.



FAW implemented the comprehensive environmental remediation and other projects in Fengshan County and promote the reconstruction of rural toilets to improve the living quality of peasants

Organizational development.....

The revitalization of organizations is the foundation and guarantee for rural revitalization. With building strong primary-level Party organizations as the key point and pairing up for collaborative construction as the starting point, we solidly push forward the pairing up of 7 units in the Group and 7 villages in the paired-up counties for collaborative construction; We explore multiple paths such as the construction of the breeding base for giant forest hogs, the expansion of planting equipment for vegetable greenhouses, the strengthening of the village-level collective economy, and the development of specialized cooperatives, and vigorously cultivate new agricultural operating entities, strengthening the "root" of rural development.



FAW Capital Holdings paired up with Zhenlai County for collaborative construction



FAW Toyota Chengdu Company carried out collaborative construction activities of Party branches with Zuogong County, Tibet Autonomous Region



FAW Jiefang Liuzhou Branch carried out assistance and collaborative construction activities of Party branches with Fengshan County



FAW Jiefang provided paired-up assistance to Zhenlai County, Jilin Province

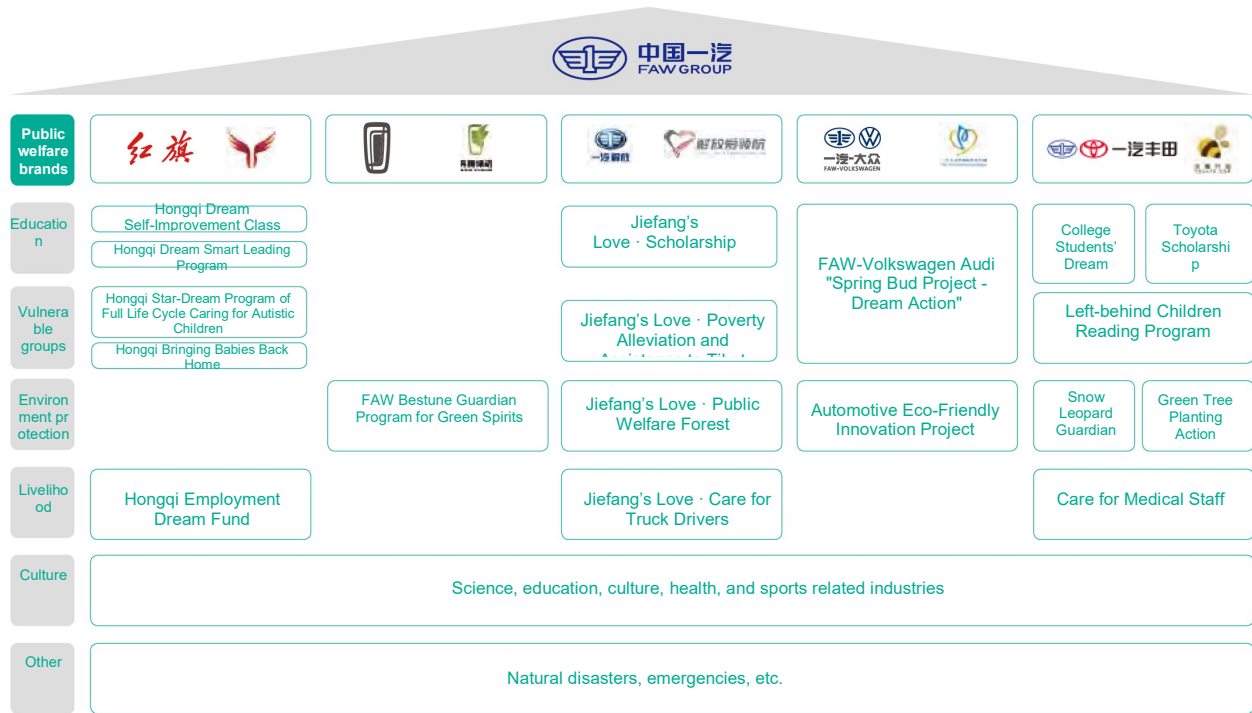
Cooperating with Public Charity and Enhancing Well-Being of People

We reflect our original aspiration with loyalty, and paint our love with colors. FAW cultivates the pure heart, firmly shoulders the social responsibility of Chinese central state-owned enterprises, guided by the responsibility concept of "promoting the harmonious development of people, vehicles and society", continuously plays the pioneering role, integrates the advantageous resources of the Group and even the society, actively takes part in social welfare, carry out public welfare and charitable acts together, jointly promotes people's livelihood and well-being, and build a harmonious society together.

Social welfare system

We uphold the social welfare concept of "promoting social harmony with our love", focus on key areas such as education, environment protection and assistance to vulnerable groups, continuously deepen the practice of social welfare, create the cluster of public-welfare brands, pass on the energy of goodness in the name of great love, and interpret our accountability with public welfare actions. In 2022, FAW invested RMB 147 million in public welfare, carrying out a total of 30 public welfare programs; with 9,410 volunteers and 30 voluntary organizations in total.

2022				
Funds invested in public welfare	Cumulative public welfare	public welfare	Total number of volunteers	Voluntary organizations
RMB billion	programs carried out	unit	people	unit
0.147	30		9410	30



FAW's social welfare system

Social public welfare practices

Supporting education and guarding dreams•.....•

We keep students in our hearts, vigorously support education, focus on basic, higher and vocational education, aim at primary and middle school students, college students, skilled talents and students at various stages and levels, and extensively carry out all kinds of educational assistance such as aiding for the construction of charity schools, donating teaching facilities and daily necessities, and organizing education and training activities to assist children's hopes and guard their dreams. As of the end of 2022, FAW has invested a total of more than RMB 140 million in the area of basic education.



Hongqi Dream

In 2018, the Hongqi brand collaborated with the China Foundation For Rural Development (formerly the China Foundation For Poverty Alleviation) to launch the "Hongqi Dream Self-Improvement Class" public welfare program for educational assistance, which aims for helping students from poor families with excellent performance in character and learning in counties lifted out of poverty along the Long March trail and the paired-up regions assisted by FAW to finish senior high school and harvest a bright future. With "constantly strive to become stronger, and follow your dreams" as the class motto, the "Hongqi Dream Self-Improvement Class" carries out normalized ideological education and social practice activities themed with dreams, self-improvement, patriotism, etc., visits the red trail and carries on the red legacy in forms such as inquiry-based learning and summer camp, guides students to dream big and be determined about their ambition to serve the country.

By the end of 2022



Total funds invested
RMB **83.70** million

Benefited students
More than **12,500**

"Hongqi Dream Self-Improvement Classes" have been established in 122 counties

250 unit

Students who have taken China's national college entrance exam

7075 people



In July 2022, China FAW organized the "Hongqi Dream Self-Improvement Class" social practice summer camp



Hongqi Dream Smart

FAW continuously deepens the educational assistance action, implements the "Hongqi Dream Smart School" program to improve the teaching conditions in areas lifted out of poverty, and performs integrated reconstruction and upgrading of smart education for schools. In 2022, FAW combined the requirements for talent revitalization work of rural revitalization, innovatively implemented the Hongqi Dream Smart Leading Program, upgraded from hardware support to soft support, introduced famous teachers across the country, carried out "Co-Teaching" education and research by means of mathematical intellectualization, focused on helping teachers at county level improve their teaching and research capacities, pushed forward the improvement of educational soft power in areas lifted out of poverty, and assisted in the educational revitalization in rural areas.

By the end of 2022

Hongqi Dream Smart School	Total funds invested RMB 30 million	Smart schools built in 18 counties 19 unit	Benefited teachers and students (more than) 300,000 people
Hongqi Dream Smart Leading Program	Covering 11 counties across the country 28 secondary schools	Benefited teachers 457 people	Benefited students More than 26,000



Jiefang Leading Financial Aid

FAW Jiefang fulfills its responsibility with love, cultivates talents with heart, and creates the "Jiefang Leading Scholarship", "Jiefang Leading Financial Aid", "Love 1+1" public welfare assistance for education and other branded public welfare programs, driving more social power to engage in public welfare in the educational area with drops of love. In 2022, the "Jiefang Leading Scholarship" donated a total of RMB 1 million in scholarships to 5 universities such as Jilin University and Harbin Institute of Technology.

Cultivating engineering talents

We set up the "Jiefang Leading Scholarship" for 5 universities to support the cultivation of engineering talents at Jilin University, Harbin Institute of Technology, Harbin Institute of Technology (Weihai), Wuhan University of Technology, and Beijing Institute of Technology.

Cultivating technical talents

We set up the "Jiefang Leading Financial Aid" for technical schools, establish the industry-education integration and school-enterprise cooperation with various higher and secondary vocational schools across the country to cultivate senior and intermediate technical talents for the maintenance of commercial vehicles.

Emphasizing basic education

We assist in the development of STEAM education with practical actions, and donate an "automotive dream factory" teaching practice classroom to Paotongshu Primary School Dujiangyan Campus in Sichuan to assist in the dissemination of automotive culture and inspire the original technical aspiration of teenagers.



On November 1, 2022, the "automotive dream factory" teaching practice classroom jointly donated and constructed by FAW, FAW Jiefang and FAW Toyota was completed in Paotongshu Primary School Dujiangyan Campus

Providing with warmth and protection, and going along with children.....

We make every effort to protect the physical and mental health of children, focus on "children of the stars" (children with autism), children with diseases and orphans, girls, left-behind children and other groups, continuously carry out caring actions such as material assistance and consolation activities, and call for the attention of the society on the growth needs of children, providing with warmth and protection, and going along with children.

Hongqi "Star-Dream Program" of Full Life Cycle Caring for Autistic Children

Since 2014, FAW has been collaborating with the China Foundation for Disabled Persons (CFDP) in the area of autism assistance, invested a total of RMB 25 million, provided financial aid for more than 900 person-times and over ten research units and institutions, and supported the recovery of younger autistic children, the vocational training for older autistic patients, researches on DNA in the blood of autistic patients and other aspects, bringing hope to the autistic group. In 2022, FAW Hongqi extended the program overseas, jointly organized charitable activities for caring for autistic children with the First Autism Center in Jeddah, Saudi Arabia, and call for the attention of the local society on issues related to the healthy growth of children.



FAW Hongqi collaborates with the First Autism Center in Jeddah, Saudi Arabia to jointly carry out activities for caring for autistic children

FAW-Volkswagen Audi assisting the "Spring Bud Project"

Since 2019, FAW-Volkswagen Audi has been working with the China Children and Teenagers' Fund (CCTF) to assist the "Spring Bud Project", and has successively carried out the "Spring Bud Health Action", "Spring Bud Dream Growth Camp" and "Spring Bud Dream Choir" activities that focusing on the protection of girls. These activities have improved the safety precaution and self-rescue abilities of girls, helping the girls further broaden their horizons and build their dreams to continuously enhance personal moral cultivation and social responsibility.

As of the end of 2022, the Spring Bud Dream Growth Camp has been opened for 3 sessions. A total of 379 children have been granted financial aid for care services, and 3,000 children have been provided with the "healthy growing packages"; The Spring Bud Dream Campus Broadcasting Station Program has completed the construction of 109 campus broadcasting stations in Jilin, Gansu, Liangshan in Sichuan, Guizhou and other regions, guiding more children to accumulate power to follow, build and realize their dreams.



In September 2022, FAW-Volkswagen Audi collaborated with the China Children and Teenager's Fund to aid the construction of campus broadcasting stations

Planting and protecting trees, and sharing a beautiful life

We make every effort to take part in the public welfare for environmental protection, continuously carry out afforestation, protection of endangered animals, public welfare funding for environmental protection, environmental protection technology for automobiles, and other public welfare practices, and create "branded" and "specialized" public welfare programs for environmental protection to paint the ecological base color together and share a green future.



FAW-Volkswagen Automotive Eco-Friendly Innovation Project

Since 2020, FAW-Volkswagen has been collaborating with Tsinghua University and the China Environmental Protection Foundation to creatively implement the FAW-Volkswagen Automotive Eco-friendly Innovation Project, which aims to select and provide financial aid for potential projects in the field by establishing core and cutting-edge subjects in the automotive eco-friendly technology, influence and guide all sectors of the community to continuously invest into and research on automotive eco-friendly technologies, jointly promote the development of the level of automotive eco-friendly technologies in China, and make contributions in building an environmental friendly and public-healthy automotive society and in assisting the construction of ecological civilization. The program has been awarded the "Auto-First Golden Key" Prize of the Corporate Social Responsibility (CSR) of Chinese Automotive Enterprises for three consecutive years.



In August 2022, the 3rd "Automotive Eco-Friendly Innovation Project" was officially launched

Focus

Explore the green future with the power of technologies

2020

The 1st Automotive Eco-Friendly Innovation Project

We provided a total of RMB 4.5 million of seed funds as financial aid for research; 14 projects from 11 universities or research institutions such as Tsinghua University, Beihang University and the Solid Waste and Chemicals Management Center, Ministry of Ecology and Environment were granted with financial aids; The details of the 1st project was formed into the White Paper on Automotive Eco-Friendly Innovation, which was officially published in August 2022.

2021


The 2nd Automotive Eco-Friendly Innovation Project

It focused on 6 major fields such as the carbon-neutral strategy for automobiles, charging infrastructure, new energy vehicles, energy-saving vehicles, intelligent traffic and environmental protection, and prevention and control of automotive pollution. Among them, the Research on Carbon-Neutral Strategies and Policies for the Automotive Industry in China received a grant of RMB 1,000,000; The projects applied by 3 units such as Jilin University and Tsinghua University received a grant of RMB 500,000 respectively.

2022

The 3rd Automotive Eco-Friendly Innovation Project

We followed the orientation of green energy, industrial application, the strategy of core technologies, and the development strategy for the NEV industry, focused on supporting research in 7 areas such as green energy, power battery and charging, hydrogen fuel cell, electric drive system, intelligent chassis, vehicle energy management, and energy-saving vehicles, and received 31 pieces of application materials from 16 universities and research institutions.

 FAW-Volkswagen "Every ID. Counts" tree planting activity

On March 12, 2022, FAW-Volkswagen collaborated with Ant Forest to carry out the tree planting activity themed "Every ID. Counts" in Nanshan Botanical Garden, Chongqing, and held the unveiling ceremony for the ID. forest monument, promoting the concept of green, eco-friendly and sustained development and fulfilling the responsibility for environmental protection with practical actions.




FAW-Volkswagen carried out the "Every ID. Counts" tree-planting activity

 FAW-Toyota "Green Ridge Action" tree planting project


FAW Toyota continuously invests in the area of environmental-protection public welfare. In 2022, it donated public welfare funds of RMB 100,000 to the China Green Foundation, donated a total of RMB 6.35 million exclusively for afforestation, with a cumulative number of participants of nearly 4,000 person-times and the number of trees planted of more than 10,000. We are committed to enhancing ecological protection and restoration, expanding regional green spaces, and striving to build a happy home where lucid waters, lush mountains, and fresh air always exist.

Revering life and guarding safety

We take the double nature of an automotive and SOE, bravely undertake the responsibilities of SOEs, carry out emergency response and step forward in the national fight against COVID-19 and emergency rescues and disaster reliefs, and make every effort to guard the safety of the people's lives; We actively engage and deepen practice in the area of traffic safety, which is closely related to the automotive industry, create public welfare programs for children's traffic safety, and do our best to guard the traffic safety of teenagers and children.

 **Fighting Against COVID-19 Together with One Heart**

In March 2022, the COVID-19 pandemic successively hit some areas of Jilin Province, in which the situation of pandemic prevention and control in Changchun City and Jilin City was particularly severe and complicated. FAW took action rapidly, and donated a total of RMB 80 million in cash together with its Hongqi brand, FAW Jiefang, FAW Bestune, FAW-Volkswagen and FAW Toyota to support the pandemic prevention and control work in Changchun City and Jilin City of Jilin Province. We stood with people in our hometown to overcome the difficulties together.

 **Emergency Rescue and Disaster Relief**

In September 2022, a 6.8-magnitude earthquake struck Luding County, Ganzi Prefecture, Sichuan Province, causing major casualties and heavy property losses of the masses. FAW responded rapidly, and provided emergency aid of RMB 20 million together with its Hongqi brand, Jiefang brand, FAW-Volkswagen and FAW Toyota to support earthquake relief and post-disaster reconstruction in Luding, demonstrating the accountability of an SOE and securing the safety of lives and properties of the people.



Fighting Against COVID-19 Together with One Heart

In 2022, to improve the teaching environment of Boai Elementary School and eliminate potential safety risks, FAW Toyota combined the actual conditions of the school, relied on the Fengshang public welfare fund, and donated RMB 200,000 to exclusively support the updating of hardware facilities in FAW Toyota Boai Elementary School and the cultivation of talents, securing the safety of teachers and students in the school.



The updating of hardware facilities in FAW Toyota Boai Elementary School

Supporting recreation and sports, and assisting for prosperity.....•

We fully support the prosperous development of recreation and sports in China to build stronger cultural confidence, integrate traditional Chinese culture into the automotive industry and brand building, collaborate with the Palace Museum and Dunhuang Academy to create a branded IP with distinct characteristics of Chinese culture, and unveil a brand new chapter of the inheritance and innovation of traditional culture; We continuously assist sports, cooperate with General Administration of Sport of China and gift limousines to prize-winning athletes, and cooperate with China Aerospace Science and Technology Corporation (CASC) to develop the first domestically produced bobsleigh, passing on the Chinese sporting spirit and promoting sportsmanship.



In January 2022, the signing of a strategic partnership between FAW & the General Administration of Sport of China and the delivery ceremony of Hongqi limousines to Chinese prize-winning athletes was held

Focusing on people's livelihood and improving their well-being

We insist on regarding the people's aspirations to live a better life as our goal, focus on key groups such as college students, families with difficulties and truck drivers, widely mobilize the whole Group and even social power, actively participate in employment support, talent cultivation, assisting those in difficulties and other public welfare practices for people's livelihood to improve livelihood, accelerate happiness and warm up life.

Hongqi Scholarship and Teacher Reward Program - school-enterprise cooperation for talent cultivation

To implement the strategy of developing a quality workforce, encourage teachers and students to serve the development of the national economy, devote to the great rejuvenation of the Chinese nation, and be determined to innovatively develop the automotive industry in China, FAW cooperates with Jilin University to establish the Hongqi Scholarship and Hongqi Teacher Reward. With the sincere cooperation between the enterprise and the school, great achievements have been made in talent cultivation in the area of new automotive technologies and the collaborative innovation of major forward-looking technologies. As of the end of 2022, FAW and Jilin University have cultivated more than 200 young talents in areas such as new energy and intelligent connected vehicles in terms of talent cultivation, and have jointly applied 7 major technical projects above the provincial level, such as the Research on the Forward-Looking Technology of Shared Autonomy in terms of collaborative innovation.



In September 2022, "Hongqi shines on the new journey, as we gather in Jilin", the award ceremony for the FAW Hongqi Teacher Award and FAW Hongqi Scholarship was held in Dingxin Lecture Hall, Jilin University

Jiefang Love Leading Public Welfare Plan - Caring for Truck Drivers

FAW Jiefang continuously carries out the "Jiefang Love Leading Public Welfare Plan - Caring for Truck Drivers" program, and provides assistance and life support for truck drivers in difficulties due to disasters, accidents, serious illness, etc. across the country regardless of the brand. In 2022, we collaborated with the Ministry of Transport and the China Foundation For Rural Development to enrich the content of the program, carried out the "Army Day Consolation", the special caring program for veteran truck drivers, granted nearly RMB 2,000,000 to provide consolation and donation for veteran truck drivers, Party members, etc. who are families of revolutionary martyrs and servicemen or in difficulties. The activities covered 50 cities and counties in 4 provinces of Jiangsu, Sichuan, Guizhou and Gansu, benefiting more than 2,800 veteran truck drivers and Party members.

By the end of 2022

Cumulative donation	Truck drivers and families assisted	In which the proportion of truck drivers other than the Jiefang brand exceeds	Number of provinces, municipalities, and autonomous regions that are covered in the assistance
RMB 8.17 million	1131 persons	30%	28 unit



FAW Jiefang cares for veteran truck drivers

Crossing mountains and oceans, showing our love together••

We uphold the oriental cultural concept of "treating all things in a harmonious way", during the collaborative construction of the "Belt and Road", actively undertake social responsibility overseas, and have successively participated in 20 foreign economic assistance programs of 18 countries and territories since 2013. We establish a social responsibility fund in South Africa to support the construction in local education, medical care, epidemic prevention and other areas, facilitate the communication and exchanges between people, strive to build a new ecology with harmonious development of people, vehicles and society, create our brand image, and tell China's stories well. In 2022, FAW donated RMB 28,000 overseas.



FAW South Africa donating to the Rural Youth Football Tournament in Limpopo

Founded in December 2021, the Phatse JUSTICE PITSO Annual Football Tournament is a rural sports development program of the South African government and the largest junior football event in the Masemola Tribe, which is held on the third week of December each year. In December 2022, FAW South Africa went to the Masemola Tribe, Sekhukhune Region, Limpopo Province and donated jerseys, soccer balls, trophies and other articles to 16 junior teams of the Football Tournament.



FAW South Africa made a donation to the Rural Youth Football Tournament in Limpopo

Embarking on a New Journey
to Perform Meritorious Deeds
in the New Era

Future Prospects

Embark on a new journey, and forge ahead in the new era. Looking forward, FAW will always hold high the great banner of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, comprehensively study, disseminate, and implement the spirit of the 20th CPC National Congress, always keep the ambition of "Keep our mission firmly in mind to realize the vision", the aspiration of "Have a dream and aim high", the spirit of "Dare to stand at the forefront of the times, and always fight for the first", and the working style of "Reform and innovate, and pursue excellence", be determined on strategies, raise our fighting spirit, forge ahead with enterprise and fortitude, control critical and core technologies, establish a national automotive brand, build a world-class enterprise, and strive to pave a new road for the innovative development of China's automotive industry in the new era!

Innovation Oriented • Being

- Comprehensively drive innovation, and build the hardcore power for high-quality development
- Comprehensively deepen reforms, and boost the organizational vitality for high-quality development
- Comprehensively carry out transformation and upgrading, and stimulate strong power for high-quality development

Concerted Action • Joint

- Taking customers as centricity to expand the market base for high-quality development
- Supported by partners, and create common values of high-quality development
- Take employees as the foundation, and consolidate the support of talents for high-quality development

Great Kindness • Dare to

Protect lucid waters and lush mountains together, and explore the new code for green development

Promoting rural revitalization, and paint a new landscape of the beautiful countryside

Cooperating with public charity and boost new vitality for excellence and goodness

Appendix.

Key Performance

Economic performance	Unit	2020	2021	2022
Total assets	RMB 100 mn	4889.4	6000.9	5963.7
Operating revenue	RMB 100 mn	6974.2	7057.0	5898.0
YoY growth of total profit	%	6.0	3.1	1.0
Taxes paid	RMB 100 mn	558.5	605.7	562.2
Asset liability ratio	%	49.5	55.4	51.3
Gross value of industrial output	RMB 100 mn	6222.3	6126.6	5357.2
Industrial added value	RMB 100 mn	1273.2	1307.9	1318.8
Output	10,000 units	372.9	334.4	319
Sales	10,000 units	370.6	350.1	320.4
R&D investment	RMB 100 mn	206	219.5	148.1
Number of annual patents	Nos.	3508	4757	6974
Number of annual invention patents	Nos.	1757	2730	5309
Number of breakthroughs and phased achievements related to key core technologies	item	43	63	334
Economic contract performance rate	%	100	100	100
Consumer complaint handling rate	%	100	100	100
Annual sales number of vehicles of self-owned brands	10,000 units	77.3	83.3	56.6
Annual output of vehicles of self-owned brands	10,000 units	78.9	78.1	53.7
Localized procurement rate of auto accessories	%	27.4	23.1	22.9
Number of experience centers (Hongqi brand)	pcs	300	405	435
Number of new suppliers (Hongqi brand)	Nos.	120	72	88
Times of training for suppliers (Hongqi brand)	Times	95	140	80
Participants in training for suppliers (Hongqi brand)	Person times	380	400	550
Social performance	Unit	2020	2021	2022
Total amount of donations made	yuan	19406	14362	20641.13
Annual amount invested in paired-up assistance and pairing assistance to Tibet	yuan	7478	7478	5940
Total number of on-job employees	Persons	121019	119118	119487
Number of staff of business entity -- Foshan	Persons	6023	5574	5496
Number of staff of business entity -- Chengdu	Persons	8684	9137	9145

Social performance	Unit	2020	2021	2022
Number of staff of business entity -- Tianjin	Persons	18577	17604	17442
Number of staff of business entity -- Qingdao	Persons	5817	5960	6003
Number of staff of business entity -- Wuxi	Persons	4093	3948	3799
Number of staff of business entity -- Dalian	Persons	1781	1710	1666
Number of staff of business entity -- Harbin	Persons	1369	1311	1232
Number of staff of business entity -- Qujing, Yunnan Province	Persons	2120	1950	1798
Total number of overseas staff	Persons	342	341	392
Proportion of localized employment of overseas employees	%	62	94	95
Larger work safety accidents and above	Cases	0	0	0
Major personal casualty accidents	Cases	0	0	0
Number of people with occupational diseases	Persons	0	0	0
Number of hidden dangers checked and eliminated	pcs	2859	8856	44227
Number of people with productive work-related injuries	Persons	17	13	8
Coverage rate of physical examination	%	100	100	100
Coverage rate of health records	%	100	100	100
Number of employees recruited in the whole year	Persons	3460	3902	5259
Signing rate of labor contracts	%	100	100	100
Coverage rate of social insurance	%	100	100	100
Proportion of female managers	%	17.37	8.3	15.51
Amount invested in training per capita	RMB	2800	1181	1497
Hours of training per capita	Class hour	141.2	247	165
Total investment in employee training	yuan	11237	14300	18021
Total person times of employee training	10,000 person times	112	126	84.4
Coverage rate of employee training	%	100	100	100
Employee turnover rate	%	1.7	2.9	2
Employee satisfaction	%	73	74	76
Times of emergency drills	Times	236	420	479
Amount invested in safety production	RMB 100 mn	5.4	4.7	4.5
Amount invested in safety training	yuan	626	616	511
Coverage rate of safety training	%	100	100	100

Environmental performance	Unit	2020	2021	2022
Comprehensive energy consumption	tons of standard coal	126.31	117.23	98.4
Coal consumption	Tons	198836	284232	247860
Power consumption	10,000 kWh	361094.218	357228.67	304988.95
Natural gas consumption	10,000 m ³	16823.23	16543.41	16543.41
Heating power consumption	1 million kJ	12197600	8385209.48	6720934.38
Raw water consumption	m ³	20140000	19331000	19331032
Energy savings achieved	Ton of standard coal	816182.05	76463.89	38310
Carbon emissions	Tons	4392200	4180000	3243270
YOY decrease percentage of comprehensive energy consumption per RMB 10,000 of output value	%	8	5.74	3.67
Amount invested in the development and application of energy saving technology	yuan	13800	7159	27800
Number of energy saving reconstruction projects	item	213	78	61
Number of plans for monitoring and testing of energy saving implemented	item	35	12	13
Number of energy audit projects	item	4	2	2
Number of electricity balance projects of corporate	item	3	6	6
Number of water balance projects	item	1	4	4
Number of energy efficiency tests for key energy-consuming equipment	item	43	114	114
Total emissions of chemical oxygen demand	Tons	346.97	267.15	182.76
Emissions of sulfur dioxide	Tons	556	451.36	228.87
YoY decrease of emissions of sulfur dioxide	%	37.13	18.82	49.29
Total quantity of hazardous waste disposed of	Tons	7.77	6.77	4.82
Amount invested in the pollution control and disposal of hazardous waste	RMB 100 mn	5.07	3.20	5.69
Chemical oxygen demand cut	Tons	6611	6587	5582
Leak number of hazardous substances	Times	0	0	0
Total emissions of nitrogen oxide	Tons	1674	1610.11	951.54
Volume of sewage recycled and disposed of	10,000 tons	913.56	851.62	720.80
Volume of reclaimed water produced and used	10,000 tons	188.26	219.05	254.48
Emissions of carbon dioxide per RMB 10,000 of output value	Ton/RMB 10,000	0.069	0.068	0.061
Wastewater reduction	Tons	802700	418908	1308500
Major environmental pollution accidents	Cases	0	0	0
Investment in energy conservation and environmental protection amounted to	RMB 100 mn	6.66	5.45	9.96
Times of environmental protection training	Times	2	6	9

Index for Indicators

Table of Contents		GRI standard	GB/T36001-2015	CASS-CSR4 .0	Page
Address from General Manager		102 -14	Z-1-2	P2.1/P2.2	02
About Us	Company Profile				
	Corporate Strategy	102-1/102-2/102-4/10			
	Corporate Culture	2-5/102-6/102-7/102-10/102-18/201-1	-	P4.2/P4.3/P4.4/P4.5	04
	Organizational Structure				
Sustainable Development Management	Conceptual Model			P4.1/G1.2/G2.1/G2.2/G2.3/G2.4/G3.1/G3.2/G3.3/G4.1/G6.1/G6.2/G6.3	10
	Responsible Organization	102-20/102-21/102-29/102-31/102-32/102-40/102-42/102-43/102-44/102-47/103-1/103-2/103-3	Z-1-3/Z-1-5/Z-1-7/ Z-1-8/Z-1-10/Z-1-11/ Z-1-12/X-1-3		
	Responsibility Fusion				
	Responsibility Communication				
Responsibility focus: Heading for a Carbon Neutrality Goal	and Rushing to the New Energy Race	—	—	P3	14
Responsibility focus: Staying Loyal to the Leadership of Party Building	Stay true to the original aspiration	205-2/205-3	R-2-1/G-1-1/G-1-2/G-1-3/G-1-4/G-1-5/G-1-6	P3 /M1.3 /M3.1	18
Responsibility focus: Firm Commitment to Rural Revitalization	and Continuous Struggle for New Achievements	413-1	R-2-2/S-3-4/S-3-7/S-4-1/S-4-3/S-5-1/S-5-6/S-5-7/S-5-8/S-6-2/S-6-3/S-6-4/S-7-1/S-7-2/S-7-4	P3/S4.5/S4.13/S4.14/S4.15	22
Innovation Oriented Being Stronger and Better, Pursuing Leap-Forward Development	All-Round Innovation Driving and All-Out Technical Breakthrough	201-1/203-2	G-4-1/G-4-3	M2.4/M2.5/M2.6/M2.9/M2.10/M2.11/M2.12/M3.5	31
	All-Round Deepened Reform and All-Out Quality & Efficiency Improvement	102-18/102-22/206-1/419-1	G-2-1/G-2-3	/M1.4/M1.6/M1.7/M1.8/M2.6/S1.1/S1.2/S1.4	35
	All-Round Transformation & Upgrading and All-Out Digital Intelligence Empowerment	201-1/203-2	—	M2.9 /M2.20 /M2.29	41
Concerted Action • Joint Efforts and Sharing, Making Concerted Efforts	Centered on Customer, and Building Brand with Quality	416-1/418-1	X-1-1/X-1-2/X-1-7/X-1-8/X-2-1/X-2-2/X-2-4/X-2-5/X-3-2/X-4-2/X-4-4/X-4-5/X-4-6/X-5-1/X-5-2/X-5-3/X-5-4/X-5-5	M2.2/M2.4/M2.7/M2.14/M2.18/M2.21/M2.22/M2.23/M2.24/M2.25/M2.27/M2.28	49

Table of Contents		GRI standard GB/T36001-2015		CASS-CSR4.0	Page
Concerted Action • Joint Efforts and Sharing, Making Concerted Efforts	Supported by Partners, and Cultivating Ecology with Openness	102-9/102-13/103-2/308-1/308-2/414-1	L-1-9/G-3-1/G-3-2/G-3-3/G-3-5/G-3-6	M2.1/M2.7/M2.12/M3.3/M3.4/M3.6/M3.7/M3.8/M3.10/M3.11/M3.12/M3.13/M3.14/M3.15/M3.16/M3.17/M3.18	59
	Caring for employees, and Reinforcing Safety with Defense Lines	102-8/103-2/401-2/401-3/404-1/404-2/405-1	Z-1-9/R-1-1/R-1-2/R-1-3/R-1-6/R-3-1/R-3-2/R-3-3/R-3-4/L-1-1/L-1-2/L-1-3/L-1-5/L-1-6/L-1-7/L-2-1/L-2-2/L-2-4/L-2-5/L-2-6/L-2-7/L-2-8/L-2-9/L-2-10/L-3-1/L-3-3/L-3-4/L-4-1/L-4-2/L-4-3/L-4-4/L-4-5/L-4-6/L-4-8/L-4-9/L-4-10/L-4-11/L-5-1/L-5-3	M2.5/M2.6/S1.5/S1.6/S2.1/S2.2/S2.3/S2.4/S2.5/S2.6/S2.7/S2.8/S2.9/S2.10/S2.11/S2.12/S2.13/S2.14/S2.15/S2.16/S2.17/S2.18/S3.1/S3.2/S3.3/S3.4/S3.5/S3.6/S3.7/S4.2	67
Great Kindness • Dare to Undertake and Practice Practicing China's Generous Vision	Protect lucid waters and lush mountains and building a beautiful China	103-2/302-1/302-3/302-4/302-5/303-3/305-4/305-5/305-6/305-7	H-1-1/H-1-2/H-1-3/H-1-4/H-1-6/H-1-7/H-2-2/H-2-3/H-2-4/H-3-1/H-3-2/H-3-3/H-3-4/H-3-6/H-3-7/S-6-1	E1.1/E2.1/E2.2/E2.3/E2.4/E2.5/E2.7/E2.11/E2.13/E2.15/E2.19/E2.21/E2.22/E2.24/E2.25/E2.27/E2.28/E3.1/E3.6	77
	Promoting Rural Revitalization, and Heading for Common Prosperity	413-1	R-2-2/S-3-4/S-3-7/S-4-1/S-4-3/S-5-1/S-5-6/S-5-7/S-5-8/S-6-2/S-6-3/S-6-4/S-7-1/S-7-2/S-7-4	S4.5/S4.13/S4.14/S4.15	85
	Cooperating with Public Charity and Enhancing Well-Being of People	103-2/304-3/413-1	H-4-2/H-4-5/H-4-10/X-7-7/R-2-2/S-1-5/S-2-1/S-2-2/S-2-3/S-2-4/S-3-1/S-7-4	E3.3/E3.4/E3.6/S1.5/S4.6/S4.7/S4.8/S4.9/S4.10/S4.11/S4.12	89
	Future Prospects	102-15	-	A1	98
Appendix.	Key Performance	102-55/201-1/302-1/302-3/305-1/305-5/305-6/305-7/401-1/404-1	R-1-1/L-4-1/L-4-6/L-4-10/H-1-3/H-1-6/H-2-2/H-2-3/H-3-2	M1.4/M1.6/M1.7/M1.8/M2.26/M2.29/S1.3/S1.6/S2.20/S3.4/S3.5/S4.6/S3.7/S4.3/S4.8/E1.8/E2.5/E2.7/E2.9/E2.12/E2.14/E2.16/E2.26	100
	Index for Indicators	102-55	-	A5	103
	Rating Report	102-56	-	A4	105
	About This Report	102-1/102-50/102-51/102-52/102-53/102-56			A4/A6/P1.1/P1.2/P1.3

Rating Report

Rating Report for the 2022 Sustainability Report of China First Automobile Works Group Co., Ltd.

Entrusted by China First Automobile Works Group Co., Ltd., the "Chinese Expert Committee on CSR Report Rating" selected experts to form the rating team, who rated for the 2022 Sustainability Report of China First Automobile Works Group Co., Ltd. (hereinafter referred to as "the Report").

I. Rating Basis

The Guidance on Chinese Corporate Social Responsibility Report - Automobile Manufacturing Industry (CASS-CSR 4.0) of the Chinese Academy of Social Sciences, and the Chinese Standard for CSR Report Rating (2020) of the "Chinese Expert Committee on CSR Report Rating".

II. Rating Process

1. The rating team reviewed and confirmed the Confirmation of CSR Report Process Information and the related certification materials submitted by the compilation group of the Report;
2. The rating team assessed the compilation process and content of the Report, and drew up the Rating Report;
3. The Vice President of the Expert Committee on Rating, the team leader and experts of the rating team jointly signed and reviewed the Rating Report.

III. Rating Conclusion

Process (★★★★★)

The Group established the compilation committee of the sustainability report, with the standing committee of the party committee of the group company, who controlled the overall direction and were responsible for the final review of the Report. The Marketing Innovation Institution (Brand PR Department) took the lead in establishing the compilation team of the Report to coordinate the specific preparation work; The Report was positioned as an important tool for disclosing social responsibility information, improving social responsibility management and enhancing stakeholder communication, with clear positioning of functional value; The substantive topics are identified by combining the national macro policies, domestic and international CSR standards, the industry's benchmarking analysis, the Group's development strategies, stakeholder surveys, etc.; The subordinate enterprise FAW Jiefang was promoted actively to prepare and issue the first ESG report independently to deepen the vertical integration of the social responsibility work; A special release conference was planned for the publication of the Report, which would also be presented in digital form, prints, and long form graphics, with outstanding performance in terms of process.

Substantiality (★★★★★)

The implementation of macro policies, management of customer relationship, ensuring of product safety, mechanism of product recall, management of occupational health, safety production, R&D and sales of new energy products, saving of resources and energy, recycling and reuse of equipment, and other topics related to the automobile manufacturing industry are systematically disclosed in the Report, with detailed description and outstanding performance in substantiality.

Completeness (★★★★★)

93.29% of the core indicators in the automobile manufacturing industry are disclosed from perspectives such as "Innovation Oriented • Being Stronger and Better, Pursuing Leap-Forward Development", "Concerted Action • Joint Efforts and Sharing, Making Concerted Efforts", and "Great Kindness • Dare to Undertake and Practice, Practicing China's Generous Vision" in the main content of the Report, showing outstanding performance in integrity.

Balance (★★★★★)

Information on negative data, such as the "larger safety accidents and above", "major personal casualty accidents", "number of people with productive work-related injuries", "employee turnover rate", "leaks of hazardous substances", "major environmental pollution accidents", and "incidence of leakage of customer information", is disclosed in the Report, and the recall reasons of defective automobile products and handling measures are detailed in the Report, which shows outstanding performance in balance.



Chinese Expert Committee on CSR Report Rating

Comparability (★★★★★)

The comparative data of 88 key indicators for 3 consecutive years, such as the "total assets", "investment in R&D", "rate of localized procurement of auto accessories", "investment in safety production", "Total amount of donations", "carbon emissions", and "funds invested in energy saving and environmental protection", is disclosed in the Report, and horizontal comparison is made in terms of the "No. 79 of Top 500 Chinese Machinery Enterprises", "No. 27 of China's Top 500 Brands", etc., showing outstanding performance in comparability.

Readability (★★★★★)

With "Embark on a new journey, and forge ahead in the new era" as the theme, the Report systematically demonstrates the responsibility concept, practices and achievements of the enterprise in key topics such as technological innovation, customer service, employee development, environmental protection, public welfare and charity, and deeply interprets the enterprise's deep understanding of fulfilling social responsibility; The cover and chapter spreads are designed in the Chinese ink wash painting style, with smart integration of landscape and elements of the main business, which increases the recognition of the Report; The "Further reading" sector is set and embedded with QR codes to demonstrate the high-quality practices of responsibility management of the enterprise, expanding the content of the Report; The "Engraving glory" special column is set to demonstrate annual honors, and testimonies from stakeholders are introduced to validate the enterprise's achievements in fulfilling responsibilities, which enhance the communication value of the Report, showing outstanding performance in readability.

Innovation (★★★★★)

Three responsibility subjects, "Heading for a Carbon Neutrality Goal and Rushing to the New Energy Race", "Staying Loyal to the Leadership of Party Building and Staying True to the Original Aspiration", and "Firm Commitment to Rural Revitalization and Continuous Struggle for New Achievements", are set at the beginning of the Report, which focus on the enterprise's powerful actions and achievements in assisting the "double carbon", leading Party construction, rural revitalization, and other aspects, demonstrating the accountability of an SOE; Each chapter begins with the structural form of "Our goals, our responses and our achievements", which is interlocked and forms an independent system, enhancing the communication effect of the Report; It is planned to build a social responsibility management system that includes the social responsibility management model, indicator system and examination & evaluation system to improve the enterprise's level of social responsibility management and the influence of the responsibility brand, showing outstanding performance in innovation.

Comprehensive rating (★★★★★)

After the evaluation by the rating team, the process, substantiality, completeness, balance, comparability, readability and innovation of the 2022 Sustainability Report of China First Automobile Works Group Co., Ltd. reach the five-star level, and the Report is rated "five-star excellent" level comprehensively, setting a model in the CSR Reports.

IV. Improvement Suggestions

Coping with climate change should be an important topic of sustainable development. It is recommended to focus on this topic and disclose the Scope 1, 2 and 3 emissions of greenhouse gases.

Vice President of the Expert Committee on Rating

Zhong Hongwu
Leader of the rating team
Issued on: July 10, 2023

Wei Xiuli
Experts of the rating team

China FAW's sustainability report have been awarded a five-star rating for four consecutive years, and a five-star excellent rating for three consecutive years



Chinese Expert Committee on CSR Report Rating



Scan code to view the corporate rating file

About This Report

This Report is the 13th annual sustainability report issued by China First Automobile Works Group Co., Ltd. publicly to the society since 2009. The management of the Group guarantees that this Report is free of any false records, misleading statements and major omissions, and is responsible for the objectivity and authenticity of the data in the Report.

[Organization Scope]

The main body of this Report is China FAW, which covers the Group company, subordinate branches and overseas branches. To facilitate the presentation, "China FAW", "FAW", "the Group", "the Group company" or "we" and other terms are used in the description of the Report.

[Time Range]

From January 1, 2022 to December 31, 2022 (the time of some contents is beyond the above range)

[Issuance Interval]

This Report is an annual report.

[Compilation standards]

Guiding Opinions of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on the Fulfillment of Social Responsibilities by State-Owned Enterprises (GZFYJ [2008] No.1)

Guiding Opinions of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on the Better Fulfillment of Social Responsibilities by State-Owned Enterprises (GZFYJ [2016] No.105)

Guidance on Social Responsibilities of Chinese Industrial Enterprises and Industrial Associations, China Federation of Industrial Economics (CFIE)

UN Sustainable Development Goals (SDGs)

Chinese Academy of Social Sciences - The Guidance on Chinese Corporate Social Responsibility Report (CASS-CSR4.0)

Sustainability Reporting Standards (GRI Standards), Global Reporting Initiative

ISO26000: 2010 Guidance on Social Responsibility, International Organization for Standardization

Guidance on Social Responsibility Reporting (GB/T36001-2015), the Standardization Administration of the People's Republic of China (SAC)

[Content Selection and Arrangement]

The content scope of the Report is selected in accordance with the principles of substantiality, stakeholder engagement, sustainable development background and completeness of the GRI, combined with the actual conditions of the enterprise. The specific content of the Report is determined through the industry's benchmarking analysis, the enterprise's development strategy analysis, substantial topic identification and stakeholder communication.

[Data Collection]

The data of the Report come from the formal documents and statistic reports of China FAW, and the summery and statistics of social responsibility fulfillment of its subordinate enterprises. To enhance the comparability of the Report, history data is included for some indicators. With the further improvement and precision of the social responsibility management of China FAW, we will gradually optimize and improve the disclosed indicators in future reports.

Except for special indications, the currency units referred in the Report is RMB.

[Report Access]

The Report is available in prints and digital forms. Please visit China FAW's website <http://www.faw.com.cn/>, browse or download this report online.

[Feedback]

Thank you for viewing the China FAW 2022 Sustainability Report. To strengthen the communication with you and continuously improve the social responsibility management, practice, and preparation work of the company, we sincerely wish to hear your valuable comments and suggestions, and are looking forward to your feedback!



Scan to give feedback on your valuable suggestions!



E-Report




Rating File



**Chinese Expert Committee
on CSR Report Rating**

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