



E-Report



Rating File



中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

China FAW Group Co., Ltd.

Address: No.1 Xinhongqi Street, Automobile Economic and Technological Development Zone,

Postal code: 130011

Tel.: 0431-82021756

Website: <https://faw.com.cn/>

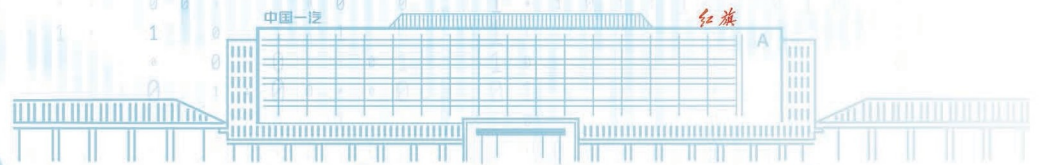


This report is printed on environmentally friendly paper.



中国一汽
FAW GROUP

Drawing up a New Blueprint
Launching a New Journey



2021

FAW Sustainable Development Report

CONTENTS

Address from Chairman	02	Focus on Responsibility	18
Address from General Manager	04	Planning a New Chapter of the Times and Drawing a New Blueprint for Development	18
About Us	06	Pressing forward Party Building with Indomitable Will and Persisting in Uprightness against Corruption	22
Sustainable Development Management	14	Continuing Struggling to Open a New Situation and Pursuing Rural Revitalization to Make a New Contribution	28
		Future Prospects	96
		Appendix	98
		Key Performance	98
		Indicators Index	101
		Rating Report	103
		About this Report	104

01 Heading for High Quality Pursuing for Leap-Forward Development 34

Technology Impetus to Drive the Comprehensive Innovation 37

Strengthening Body to Deepen the Comprehensive Reform 41

Forward-Looking Layout for Comprehensive Transformation and Upgrading 44

03 Cultivating Pure Love Maintaining a Responsibility for Development 72

Committed to Double-Carbon Goals, Protecting Green Water and Castle Peak 75

Prepared for Battle, Continuing Rural Revitalization 81

Gathering Rays into Beam, Building a Commonweal Brand 85

02 Cohering All Stakeholders Seeking Common Development 48

Superior Quality to Optimize Customer Experience 51

Win-Win Cooperation to Make Common Progress 58

People Orientation Philosophy to Help Employees Grow 67

China FAW Group Co., Ltd.
Chairman and Party Secretary

徐百平



Address from Chairman

Looking back on 2021, FAW advocated Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the spirits of the 19th CPC National Congress, the 19th Plenary Session and the important speech made by General Secretary Xi Jinping when inspecting FAW. In front of such serious challenges, whether in severe shortage of chips, COVID-19 epidemic, or the price spikes in raw materials and energies, FAW made quick and active responds, took on challenges, and strived for stability and excellence to maintain the overall situation and minimize losses. We actively rectified internal malpractices, deeply tapped internal potentials, achieved growth of superior benefits against risks, pursued high-quality development in the transformation and upgrading, and pushed FAW to make a crucial step in the beginning of the 14th Five-Year Plan.

This year, we upheld our original aspiration, adapted to the changing world, and worked out the blueprint for our future development. In accordance with the direction indicated by General Secretary Xi Jinping when inspecting FAW, we formulated and implemented the outline for the 14th Five-Year Plan for FAW, affirmed the development vision to build a world-class enterprise, set up the "11245" development goal, strived to open a new road for the innovation and development of China's automobile industry in the new era, and struggled for new contributions to building a socialist modern country in an all-round way.

This year, we overcame difficulties, turned crises into opportunities, and achieved steady progress in enterprise development. In front of the extremely difficult and severe situation, FAW stayed true to the mission and forged ahead. We contended for chips and shares from oversea markets, reduced all possible internal costs, and ultimately harvested growth in both operating income and profits despite the lower car output. In the whole year, the sales reached 3.501 million vehicles, bringing an operating income of RMB 705.7 billion and hitting a new high economic benefit since the 13th Five-Year Plan. "The landscape here was beyond compare". This development trend appeared to be consolidated and ameliorated.

This year, we pushed ahead with victory, scaled new heights, and maintained our own brands at an encouragingly growing trend. The sales of Hongqi series exceeded 300,000 vehicles, up 50.1% year-on-year, ranking first among high-end brands in terms of growth rate. This marked Hongqi had already piled into the high-end market; The sales of Jiefang series exceeded 440,000 vehicles, harvesting "five consecutive championships" in global medium-heavy truck sales and "six consecutive championships" in global heavy truck sales; As to Besturn brand, for which a new brand strategy had been established, frequent adjustments were ongoing and all works were gradually on track.

This year, we stayed passionate about independent innovation to greatly enhance our development potential. The total R&D investment of the Group was RMB 21.42 billion, up 3.9% year-on-year, accounting for 3% of the revenue. We further deepened the reform of scientific research system and mechanism, and piloted innovative practices, e.g. Volunteered to Taking The Lead; We broke through 63 key core technologies, achieved a number of valued technological achievements, and applied for 4757 patents, of which the granted patents ranked first in automobile industry. We also launched a series of innovative products, which had won the favor of consumers.

New era, new FAW, new mission, new journey, new contribution and new glory! Looking forward to 2022, FAW will, as always, hold high the great standard of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, have insight into the decisive significance of Two Establishments, strengthen Four Consciousnesses, maintain Four Self-Confidences and achieve Two Maintenances. With the courage and determination to make a decisive battle, and with the confidence and determination to create history, we will be dedicated to opening up a new road for the innovation and development of China's automobile industry in the new era, accelerate our stride towards a world-class automobile enterprise, continue to make new and greater contributions to the national economic construction, China's powerful automobile industry and the local economic and social development. All efforts will be made to greet the convening of the Party's 20th National Congress!

In this year, we strengthened management and digital intelligence transformation, and reinforced the foundation for high-quality development. As results, the corporate governance has been further improved, and the construction of the board of directors has been significantly strengthened. The management and control level of the Group has been continuously optimized, and the overall planning and guidance ability has been greatly promoted. Focusing on digital intelligence, we strived to improve the whole processes from products, research and development, manufacturing, procurement, logistics, quality, marketing, finance and manpower to safety and environmental protection, security and confidentiality, audit and supervision. We were learning and challenging in practice to continuously enhance our competence.

This year, we reviewed the past hundred years history and realized the true meaning of enforcing strict Party discipline. On this basis, we gave full play to the leading and safeguarding role. Firmly advocating the Two Establishments and resolutely achieving the Two Maintenances, we seriously carried out the study and education of party history, set up a "1+10+100" party building brand matrix, and comprehensively strengthened party building. Additionally we implemented the Benefiting Employees strategy, fostered the Two Cards and One Network, carry out the practical activity of I Do Practical Things for the Masses with heart and affection, and solved more than 7500 urgent problems. The progressive Party conduct, integrity and anti-corruption works have made our political ecology more clean and upright.

This year, we shouldered our responsibilities and took our initiatives to repay the society. We actively fulfilled the social responsibilities as a central enterprise and strived to contribute to national economic construction, local economic development, Six Stabilities and Six Guarantees; We gave high priority to green and low-carbon development, made great efforts to energy conservation and environmental protection, and ensured safe production; In return for the release and implementation of the plan to support rural revitalization and counterpart support, we won the honorary title of National Advanced Collective for Poverty Alleviation and our public welfare program won the China Charity Award.

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



Address from General Manager

In 2021, China FAW, we advocated Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, followed the spirit of General Secretary Xi Jinping's important speech when inspecting FAW, and based on the profound changes in the automobile industry unseen in a century and the "5+5" development trend, stayed perceptive of the "subversive" transformation and upgrading of the automobile industry and fully opened up the industrial policy. In pursuit of "high quality, strong innovation, courage to reform and enhanced capacity", we responded quickly, took on challenges, and strived for stability and excellence to promote the transformation and development to a new level and consolidate the status that "the landscape here was beyond compare".

Abiding by political responsibility and serving the national strategy. We gave full play to the role of central enterprise as a stabilizer and ballast stone for the national economy, firmly implemented the requirements of Six Stabilities and Six Guarantees, took on challenges, turned crises into opportunities, and made due contributions to maintaining a stable and healthy economic environment with high-quality business development achievements. We resolutely practiced the responsibility as a central enterprise and helped consolidate the achievements of poverty alleviation and rural revitalization. In 2021, FAW invested RMB 74.78 million in fixed-point assistance and counterpart aid to Tibet, which was assessed as Excellent in the effectiveness assessment of fixed-point assistance by the central unit for the fifth consecutive year. Besides it won the honorary title of National Advanced Collective for Poverty Alleviation awarded by the CPC Central Committee and the State Council.

Abiding by economic responsibility and serving industrial transformation. We thoroughly applied the innovation-driven development strategy, accelerated the mastery of key core technologies, stepped up the transformation of digital intelligence, and functioned as a high-quality development "accelerator"; We held a customer-centered philosophy, gave insight into demand, improved supply, and continued to provide excellent products and ultimate services; We advocated walking together towards a same end, creating a win-win situation, deepening cooperation and growing together with suppliers, distributors and strategic partners, and building a green intelligent vehicle industry ecosystem in the new era. In 2021, the sales reached 3.501 million vehicles, bringing an operating income of RMB 705.7 billion and hitting a new high economic benefit since the 13th Five-Year Plan. The sales of Hongqi series exceeded 300,000 vehicles, creating an industrial miracle with a 63-fold increase in four years.

Abiding by environmental responsibility and serving green development. We were walking on a green and low-carbon development road, set up the FAW management Committee for Carbon Peaking and Carbon Neutrality, worked out road maps and construction drawings to help achieve the carbon peaking and carbon neutrality goals as scheduled. We vigorously advanced the "FAW E-Powering Spring City and FAW Driving in Jilin" program to build a new ecology of intelligent NEV industry. We also put more investment in technological transformation, promoted pollution and carbon reduction, expanded the application of green electricity, built green factories, and continuously fostered the superiorities of green development. In 2021, FAW invested RMB 545 million in energy conservation and environmental protection, permitting a COD decrease by 23%, an NH₃-N emission decrease by 48% and a decrease of comprehensive energy consumption per RMB 10,000 output value by 5.7%.

Abiding by social responsibility and serving common prosperity. We implemented the strategy of "benefiting employees", upheld the concept of "double cares and double growths", resolutely safeguarded the interests of employees and created a community of career development destiny. We placed continue focus on the fields of culture and education, child care, ecological protection, traffic safety, employment and people's livelihood, create this commonweal brand to convey positive energy covering initiative, goodness and beauty. In 2021, FAW donated a total of RMB 144 million, carried out 23 public welfare programs and organized 248 volunteer activities with 4026 participants.

The blueprint has been drawn, and one can't chase dreams without perseverance. Looking forward, we will focus on high-quality development, uphold strategy, take the initiative, plan in advance and prevent risks, forge ahead to the world-class automobile enterprise with higher quality, faster speed and higher standards, add new strength to China's powerful automobile industry, and make new contributions to the national economic construction and local economic and social development. All efforts will be made to greet the convening of the Party's 20th National Congress!

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 69 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, FAW Audi and FAW Toyota. By the end of 2021, FAW had a total of 119,000 employees, total assets of RMB 600.09 billion, and accumulated sales of more than 50 million vehicles. FAW's sales ranks first in China's automobile industry, and it has been awarded Grade A in the business performance assessment at the meeting of the Heads of Central Enterprises of SASAC for 13 consecutive years. FAW ranks 66th among Fortune Global 500. FAW ranks first in terms of brand value in the domestic automobile industry, and Hongqi and Jiefang rank first in domestic passenger cars and commercial vehicles.

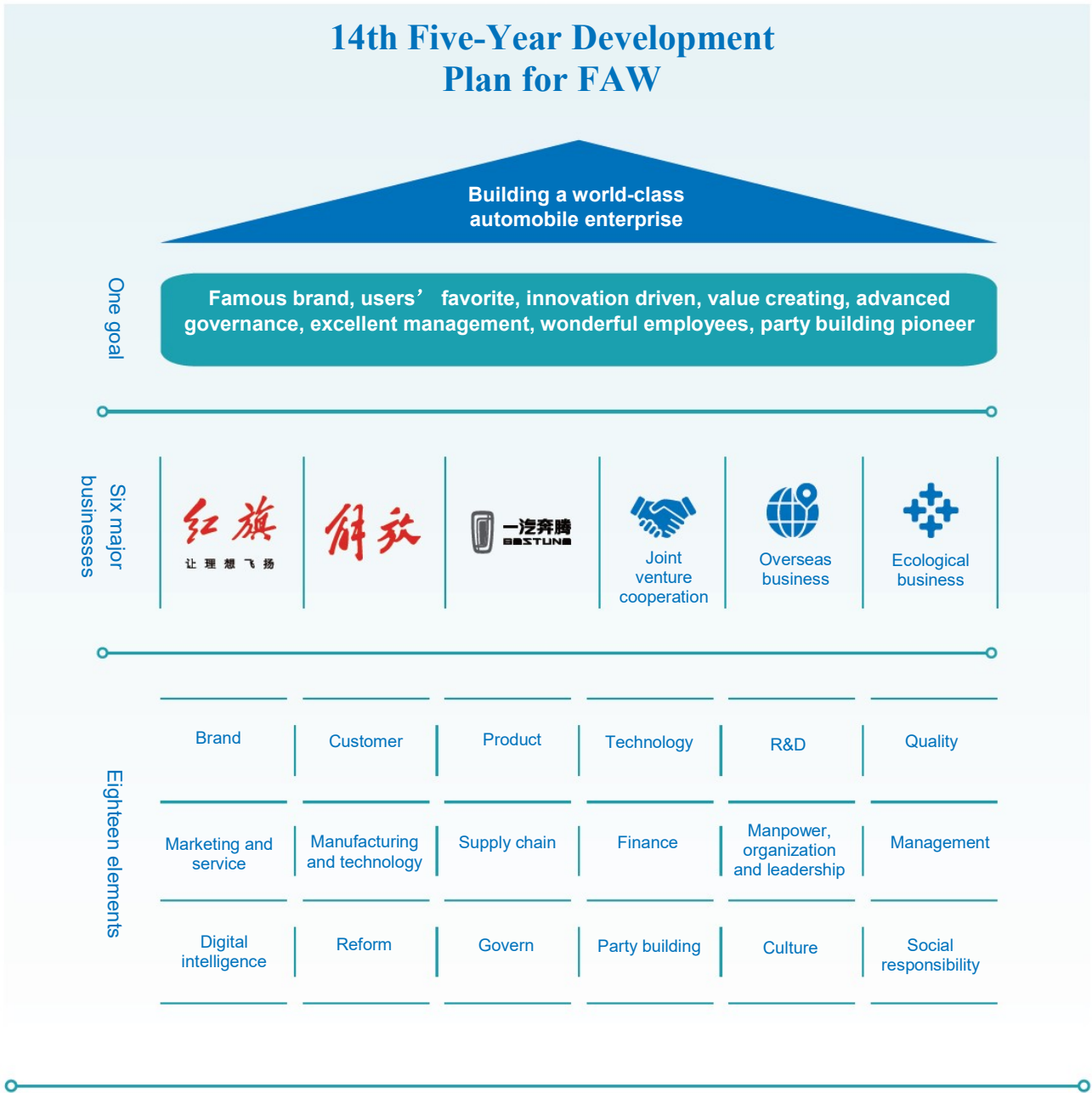


NBD Head Office

2021	Ranking in 2021
<p>Vehicle sales 3.501 million units</p>	<p>66th in Fortune Global 500</p>
<p>Total industrial output value RMB 612.66 billion</p>	<p>20th among the top 500 enterprises of China</p>
<p>Operating income RMB 705.70 billion</p> <p>1.2% YoY</p>	<p>5th among the top 500 Chinese manufacturing enterprises</p>
<p>Tax revenue turned over to the state RMB 60.57 billion</p> <p>8.45% YoY</p>	<p>1st among the top 500 Chinese mechanical enterprises</p>
<p>Hongqi Brand</p>	<p>40th among the top 500 Chinese brands in 2021</p>
<p>200000 vehicles sold in 2020</p>	<p>Achieve No. 1 both in revenue and profit in the automotive industry</p>
<p>More than 300000 vehicles sold in 2021</p> <p>50.1% YoY</p>	



Corporate Strategy



Corporate Culture

FAW Pioneer Culture



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



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



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;



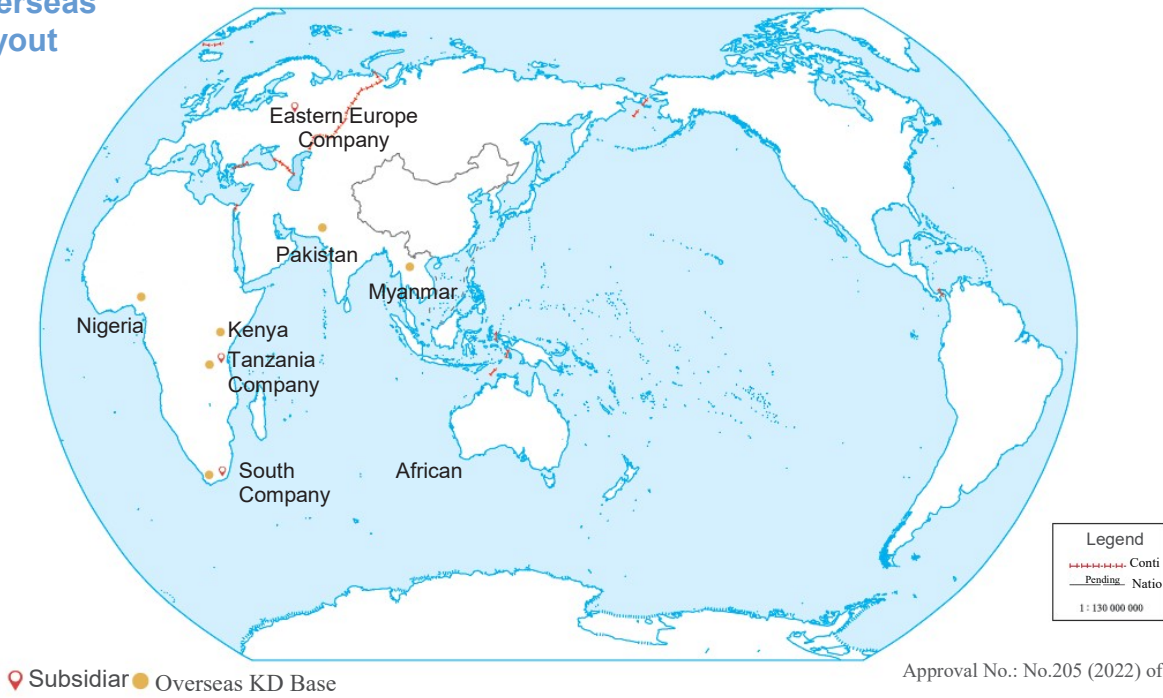
Brave as a rider of the tides, and endeavor to be the first place; Have a dream, and aim for the highest;
 Enthusiasm and dedication; Reform and innovation, struggle and progress;
 Pursuing excellence and perfection; Diligent and knowledgeable; Attaining knowledge through studying the essence of things

Industrial Distribution

Domestic Layout



Overseas Layout



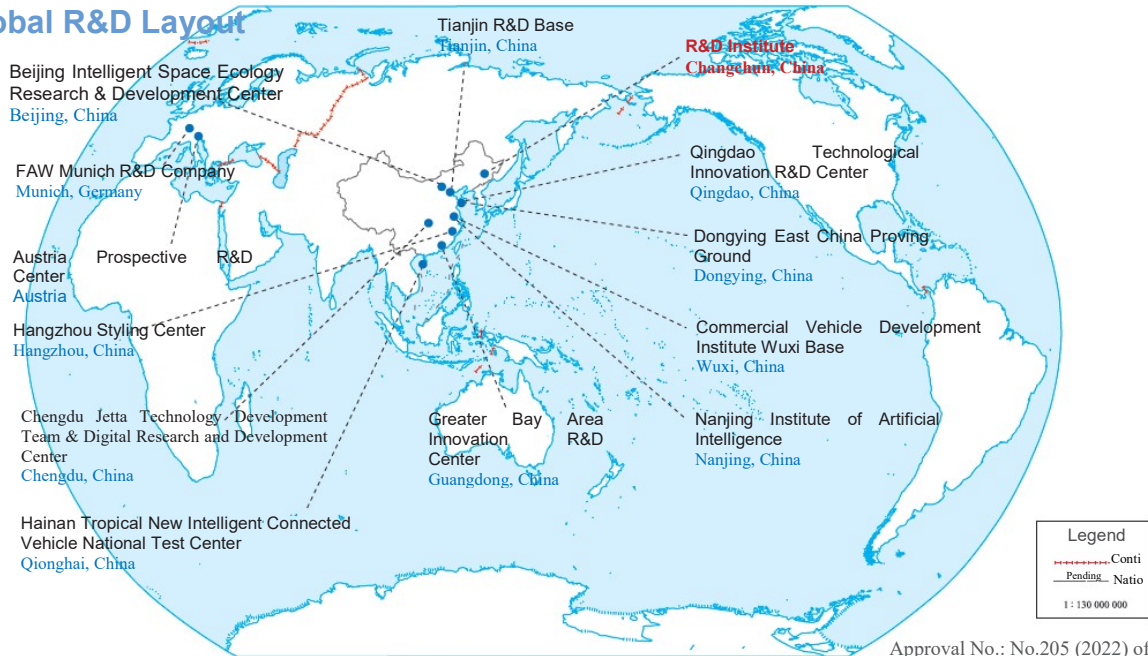
📍 Subsidiar ● Overseas KD Base

3 overseas subsidiaries

6 KD production bases

78 export destination countries and regions

Global R&D Layout



Creating a 1+12+X global talent highland

1

Creating an innovation and talent highland with Changchun as the base camp

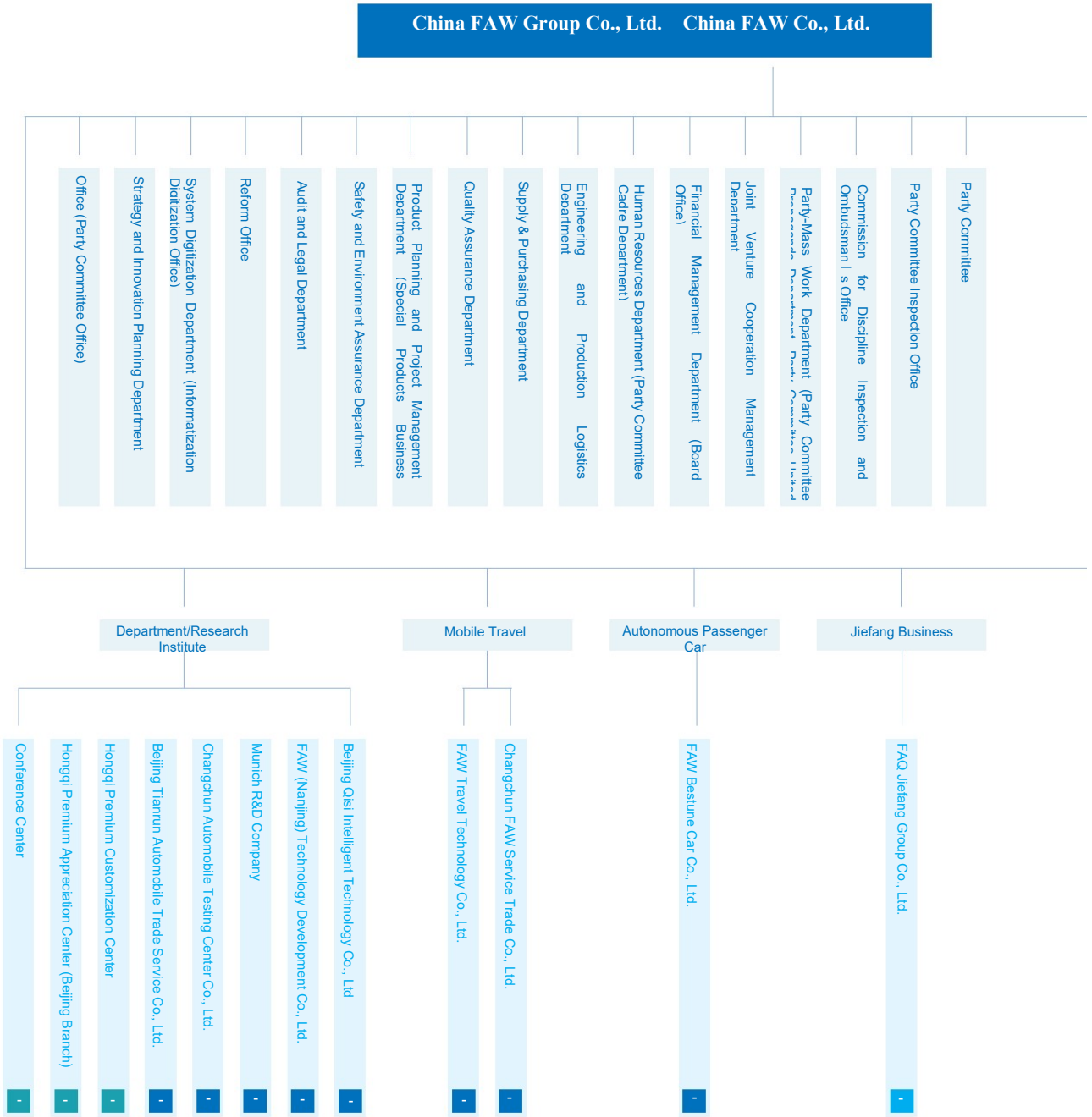
12

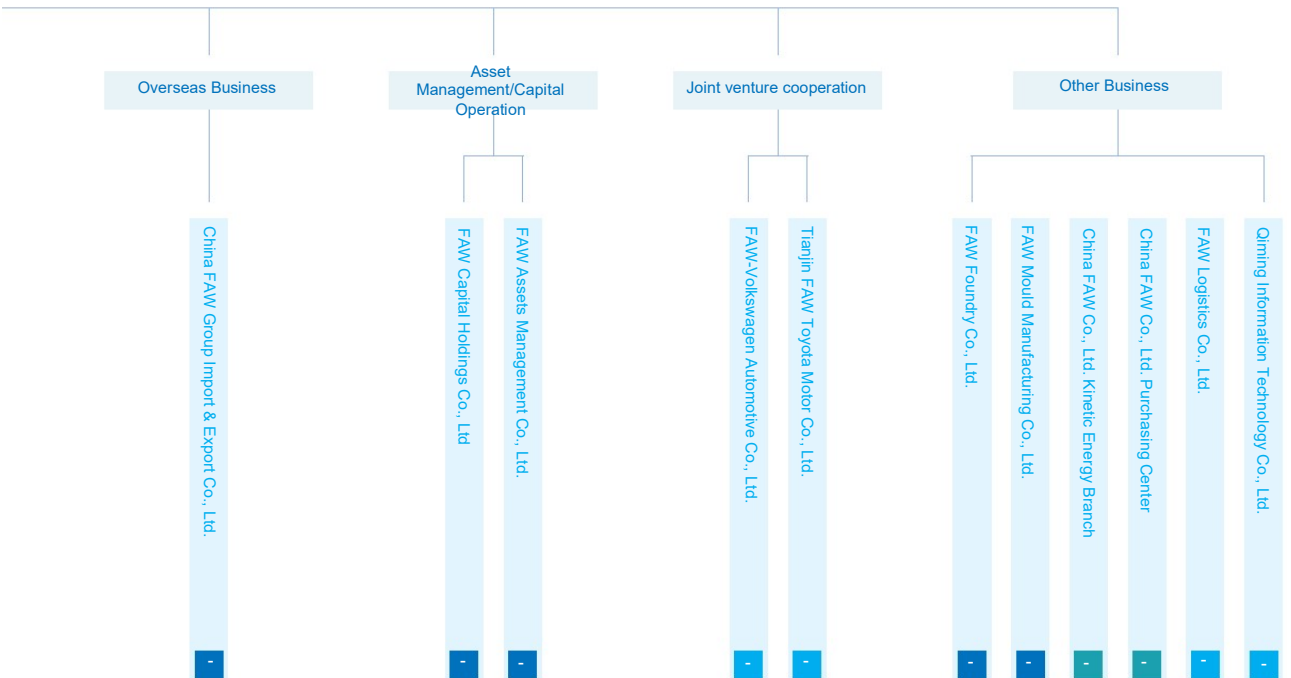
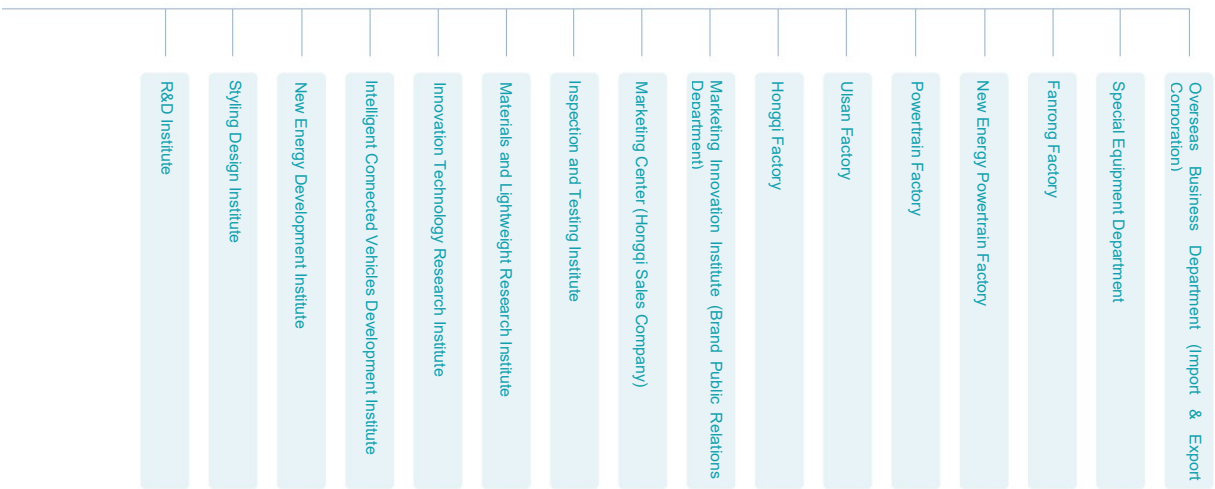
Establishment of 12 important regional innovation centers and talent gathering centers in Beijing + Nanjing + Greater Bay Area + Dongying + Hainan + Qingdao + Wuxi + Tianjin + Chengdu + Hangzhou + Munich + Austria

X

Innovation cooperation modes, construction of innovation alliances, and the good use of innovative talent resources and intellectual resources

Organizational Structure

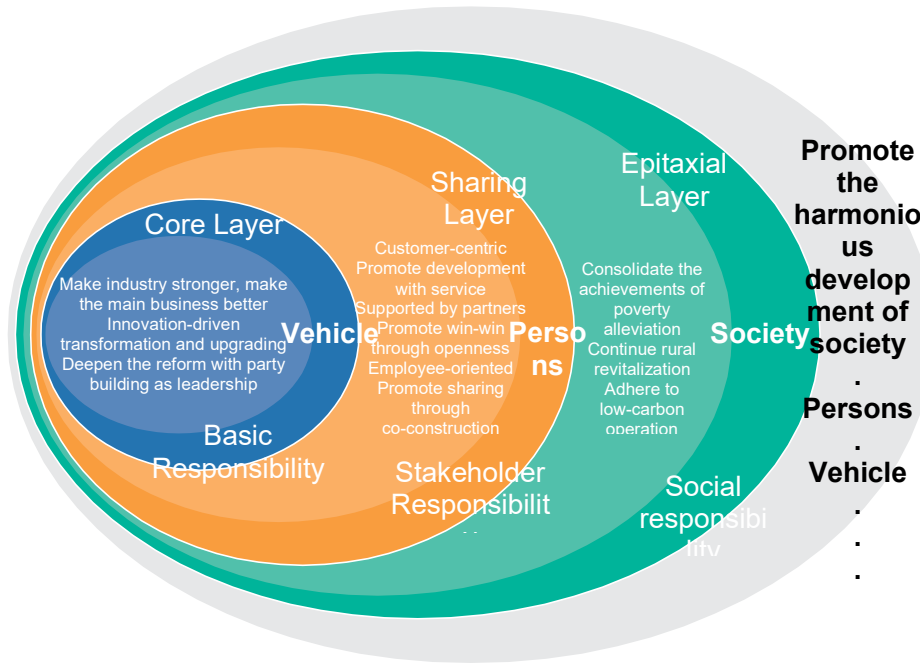




Sustainable Development Management

Conceptual Model

FAW holds the philosophy of “promoting the harmonious development of human-vehicle society” as its responsibility, closely revolves around vehicle-human-society, actively practices the basic responsibilities of FAW, stakeholders and society, continuously strengthens the responsibility management, continuously explores the responsibility practice, maximizes the comprehensive value of economy, environment and society, lays a solid foundation for the high-quality development, and helps to build a harmonious society with sustainable development.



FAW Sustainable Development Model

Responsible Organization

FAW has continuously improved its sustainable development management system and established a top-down social responsibility organization mechanism. At the leadership level, FAW has made clear that the Standing Committee of the Party Committee of the Group Company should co-ordinate the social responsibility work; At the executive level, FAW has set up a centralized social responsibility management department and special personnel to promote social responsibility work in a normal way and consolidate the cornerstone of responsibility management.

Leading Organization

The Standing Committee of the Party Committee of the Group Co., Ltd. shall co-ordinate the overall planning of social responsibility and review relevant major issues.

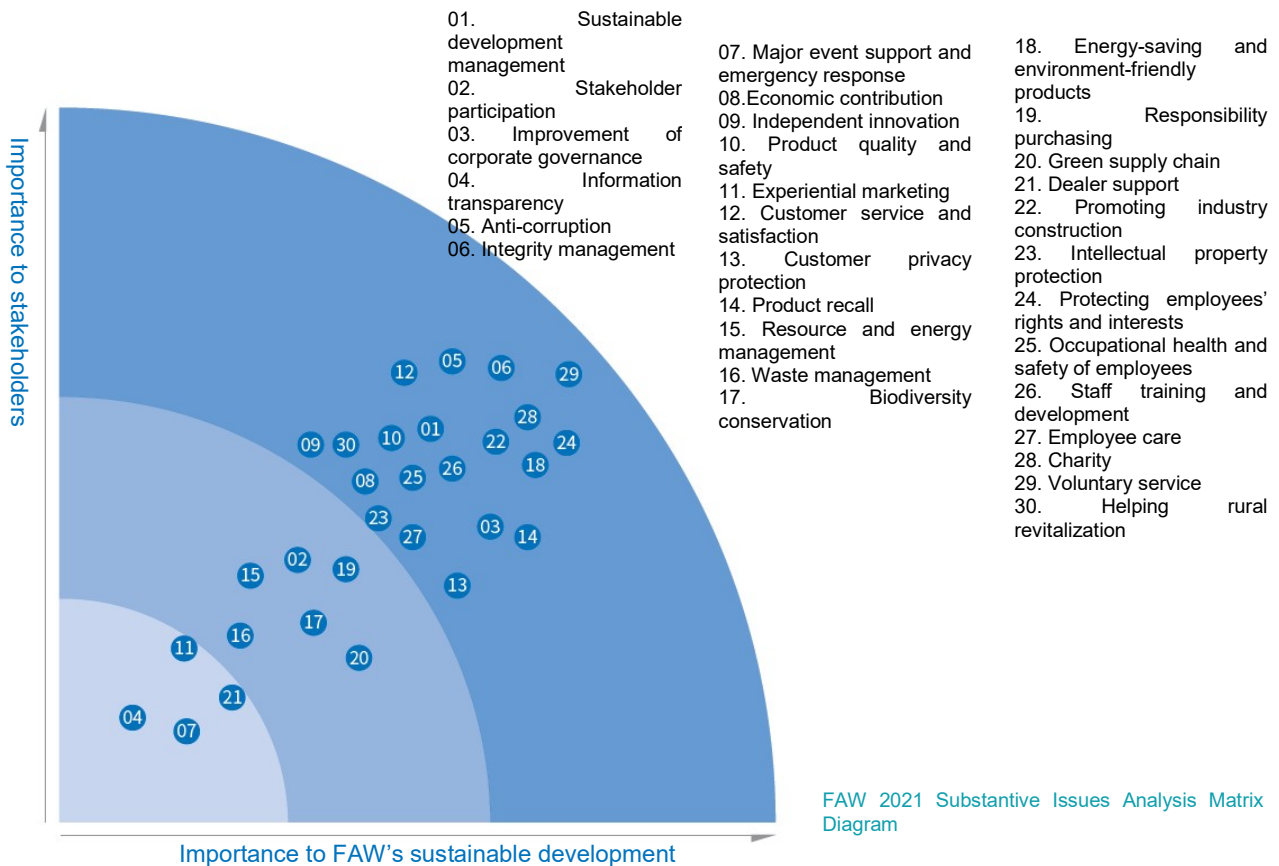
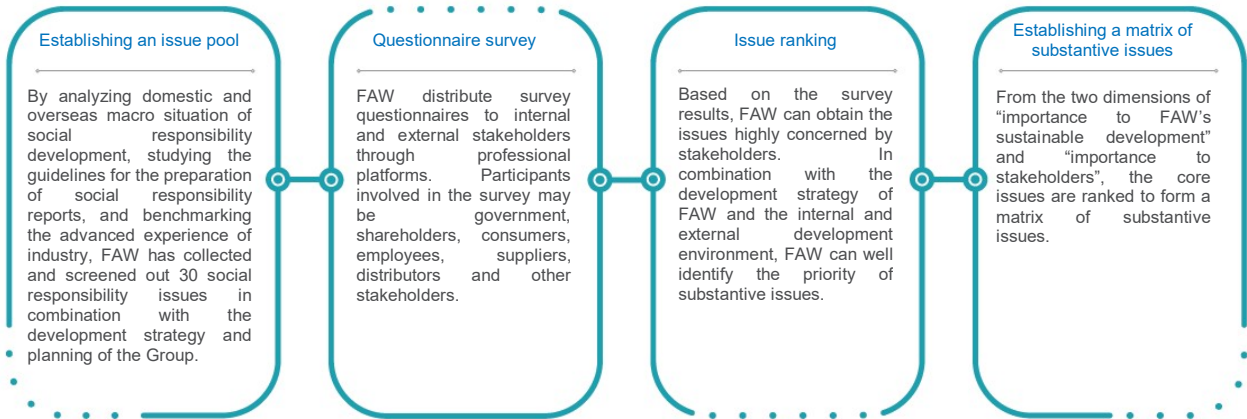
Executing Institute

The Marketing Innovation Institute (Brand Public Relations Department) is 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.

Responsibility Fusion

FAW has incorporated social responsibility into FAW 14th Five-Year Development Plan to promote the integration of social responsibility into corporate strategy and business operation. Focusing on rural revitalization and social welfare, FAW has planned and formulated special development plans for social responsibility; Through active participation in social responsibility research and exchange activities, FAW has enhance its sense of responsibility and the ability to perform responsibilities; By strengthening the management of substantive issues and analyzing the macro situation of social responsibility development, and benchmarking the advanced experience of industry, FAW has summarized and formed a matrix of substantive issues, clarified the key points and cleared the direction of fulfilling responsibilities.

Analysis of Substantive Issues



Responsibility Communication

FAW attaches great importance to communication and exchange with stakeholders, actively broadens communication channels, and innovates in communication methods. FAW is willing to deeply listen to the needs and expectations of stakeholders, promptly publicize corporate social responsibility and performance status, and effectively improve the level of responsibility communication and spread to shape the image of responsibility brands.

Responsibility Report

We have made great efforts to enhance information transparency and proactively disclose information on performance. We have established a regular reporting mechanism, and published the annual social responsibility/sustainable development report for 11 consecutive years since 2009. In particular, we have constantly been innovating the communication form of the report and strengthening the communication power and influence of the report by using long pictures, H5 and videos. We have always highlighted daily communication, enriched communication methods, used official website, official weibo and other Internet channels to timely convey the performance of responsibilities, and organized and participated in social responsibility exchange activities to show performance and share the gains from performance.

Case Social Responsibility Week and the 2020 Sustainable Development Report Conference held by FAW

On July 16, 2021, FAW held the Social Responsibility Week and the 2020 Sustainable Development Report Conference in Changchun, and released the FAW 2020 Sustainable Development Report and FAW's Report on Consolidating Poverty Alleviation Achievements and Helping Rural Revitalization, both of which comprehensively reviewed the performance of enterprises in sustainable development in 2020 and the practical exploration of serving the national strategy and helping poverty alleviation during the 13th Five-Year Plan period, and strengthened communication with all stakeholders.



Social Responsibility Week and the 2020 Sustainable Development Report Conference held by FAW



Witness Glory, Responsibility
Management



In the 2021 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 and Top 10 in State-owned Enterprises.

FAW won the 2021 Responsibility Golden Bull Award— Responsibility Management Award, the Social Responsibility Award of the 14th Consumer Vehicle Festival of China Automotive News in 2021, and the Best Social Responsibility Enterprise Award of the 13th China Car Rank List 2021.

FAW's case of "Consolidating the Achievements of Poverty Alleviation and Helping Rural Revitalization" was selected in the Blue Book of Central Corporate Social Responsibility (2021) and won the Outstanding Case Award of "Rural Revitalization".


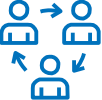





FAW 2020 Sustainable Development Report was rated as a five-star class by the China Corporate Social Responsibility Report Rating Expert Committee. It is assessed as a model among those corporate social responsibility reports.

FAW Jiefang won the Corporate Social Responsibility Industry Model Award in the 10th Public Welfare Festival.

FAW Toyota won the 2021 Responsibility Golden Bull Award—Responsible Supply Chain Award.

Stakeholders Participation

We value the responsibility exchange with internal and external stakeholders such as the government, investors, customers, partners and employees, identify the expectations and requirements of stakeholders through symposiums, enterprise open days and regular reports, build bridges, and respond to the concerns of stakeholders in a timely and efficient manner.

Stakeholders	Expectations and requirements	Communication channels and methods
 Government and regulatory agencies	<ul style="list-style-type: none"> · Observing laws and disciplines · Integrity management · Risk management · Product quality and safety 	<ul style="list-style-type: none"> · Working meetings and reports · Company investigation · Symposium
 Shareholders and investors	<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"> · General meeting of shareholders · Shareholders' congress · Financial statement · Annual report · Temporary announcement
 Customer	<ul style="list-style-type: none"> · Quality goods · Intimate service · Product and service innovation · Travel safety · Customer information security 	<ul style="list-style-type: none"> · Official website · Satisfaction survey · Symposium · Brand activities · Open day · Safety classroom
 Partners industries and	<ul style="list-style-type: none"> · Win-win cooperation · Responsibility procurement · Green supply chain 	<ul style="list-style-type: none"> · Trade association meeting · Industry discussion and exchange · Supplier annual meeting · Dealer annual meeting · Participating in drafting industry standards
 Staff	<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"> · Employees' representatives conference · Staff discussion · Letters and complaints from employees · Family visit to employees · Satisfaction survey
 Environment	<ul style="list-style-type: none"> · Environment-friendly products · Energy conservation and emission reduction · Green culture · Reducing negative environmental impact · Participate in climate change action 	<ul style="list-style-type: none"> · Research and development of NEVs · Green production system · Pollution emissions reduction · Carrying out and participating in environmental public benefit activities · Practice green office
 Community	<ul style="list-style-type: none"> · Localization management · Charity cause · Caring for special people 	<ul style="list-style-type: none"> · Public benefit and voluntary activities · Community investment · Organizing and supporting community activities

Focus on Responsibility

Planning a New Chapter of the Times and Drawing a New Blueprint for Development

Think deeply before any actions. The 14th Five-Year Plan period is the first five years China rides on the momentum to start a new journey of building a great modern socialist country and marching towards the second centennial goal right after China has finished building a moderately prosperous society in all respects and achieved the first centennial goal. As the eldest automobile industry of the Republic, FAW, standing on the context of the great rejuvenation strategy of the Chinese nation and the unprecedented changes in the world in the past century, has a profound insight into the general trend of the transformation and upgrading of the automobile industry. FAW compiled and issued the outline for the 14th Five-Year Plan, so as to continuously consolidate and expand the development trend of “the landscape here was beyond compare” and achieve higher quality development.



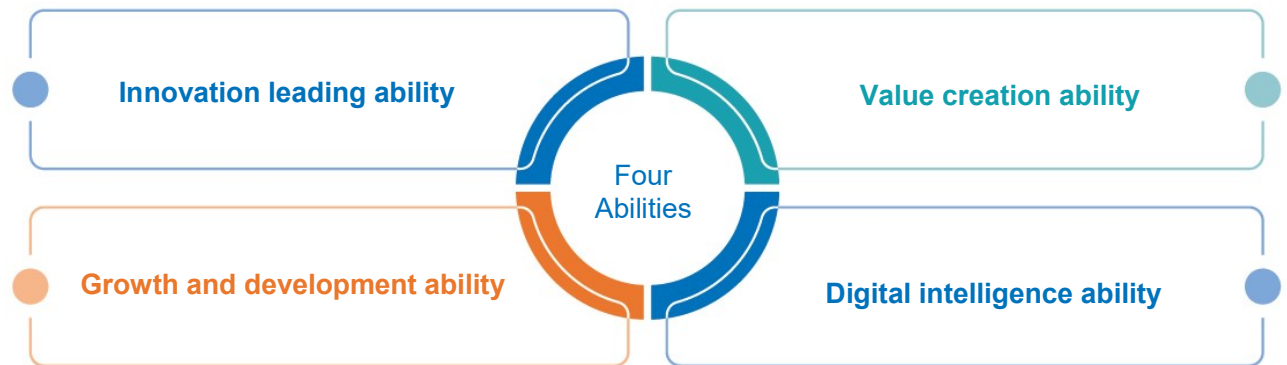
On July 15, 2021, FAW officially released the outline for the 14th Five-Year Plan.

Outline for the Tenth Five-Year Plan: One Goal

One goal: to build a world-class automobile enterprise



Outline for the 14th Five-Year Plan: Four Abilities

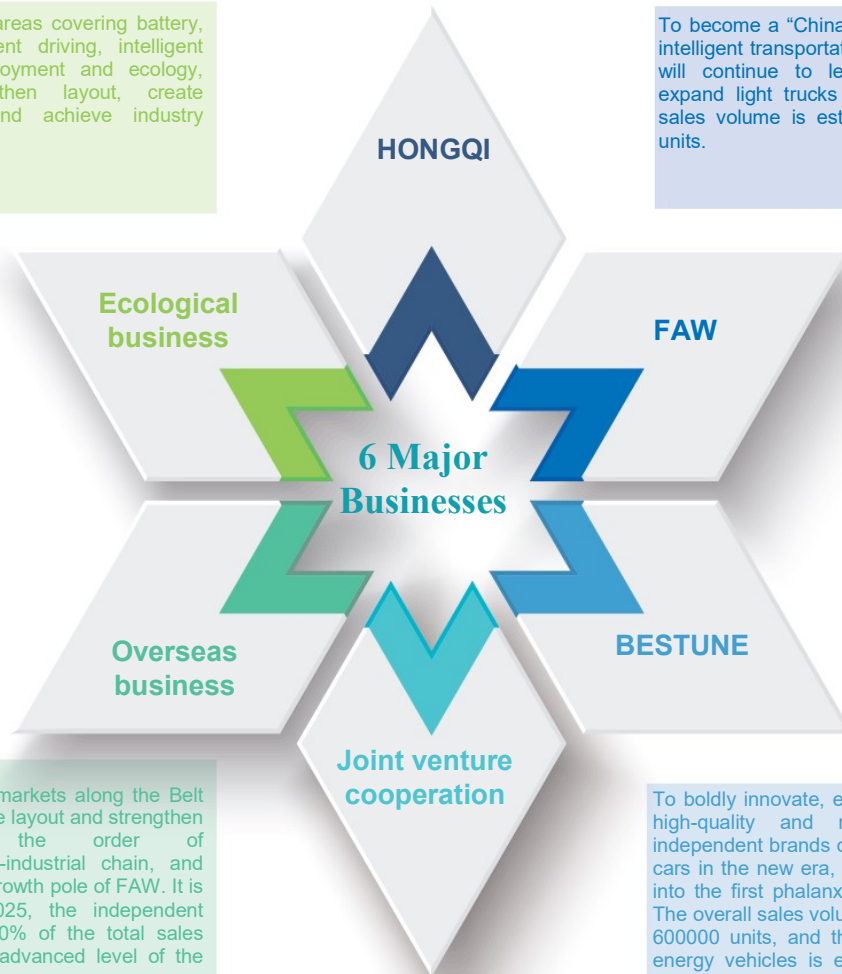


Outline for the 14th Five-Year Plan: 6 Major Businesses

To build a “China’s top 1 and world famous” high-end automobile brand. The overall sales volume will exceed 1 million vehicles, among which the sales volume of Hongqi NEVs will exceed 400,000 vehicles.

To focus on 6 major areas covering battery, electric drive, intelligent driving, intelligent control, intelligent enjoyment and ecology, actively act, strengthen layout, create industrial ecology, and achieve industry leadership.

To become a “China’s top 1 and world-class” intelligent transportation solution provider. We will continue to lead trucks and actively expand light trucks and buses. The overall sales volume is estimated to reach 600000 units.



To focus on the core markets along the Belt and Road, speed up the layout and strengthen management in the order of brand-trade-investment-industrial chain, and gradually form a new growth pole of FAW. It is estimated that by 2025, the independent brands will account 10% of the total sales volume, reaching the advanced level of the industry.

To boldly innovate, embark on a new road of high-quality and rapid development of independent brands of mainstream passenger cars in the new era, and accelerate the entry into the first phalanx of independent brands. The overall sales volume is estimated to reach 600000 units, and the sales volume of new energy vehicles is estimated to account for more than 30%.

To continue to strengthen and deepen strategic cooperation with international partners like Volkswagen and Toyota, continuously improve China’s market competitiveness and profitability, further expand cooperation in new products, new technologies and new businesses, and achieve continuous leadership in the field of joint venture cooperation.

Outline for the 14th Five-Year Plan: 18 Elements

Brand

To resolutely develop the overall brand of "FAW", establish three independent brands of Hongqi, Jiefang and Besturn, and cultivate sub-brands in terms of technology, service, ecology and public welfare. Through continuous enhancement of brand value, we are expected to realize continuous pilot, and strive to become a consumer-favoring brand by 2025. Also, we will vigorously support joint venture cooperation brands.



Customer

To thoroughly implement the Customer-Centered core concept, focus on accurate insight, direct access to the deep place, extreme experience and value transformation, build a five-dimension operation management system of Hongqi brand, refine five-dimension scientific quantitative evaluation indicators, and use data to drive sustained and rapid development in the next five years, so as to reach the top level in the industry earlier.



Product

With the concept of "national car Hongqi, noble and exquisite, beautiful travel, calm courtesy", the general design language of "Chinese neo-noble refinement" and the fundamental requirements of "extremely fantasy, overwhelmingly stunning, excellent quality and exquisite workmanship", we will make every effort to create a large number of outstanding products that lead the consumption trend of the times and win the love of consumers



Technology

With world-class technology as the goal, "seven levels" as the principle, eight technical areas of products and technologies as the key, and "digital intelligence, ecology, dissemination, group planning and strong resources" as the guarantee, we will throw energy into 41 key technical directions and aspire to break through 115 key core technologies.



R&D

We will practice the all-round innovation-driven development concept, enhance the "seven forces" in a down-to-earth manner, take the initiative, build a domestic first-class and internationally advanced R&D system, continuously introduce star, classic and explosive products, refine the R&D culture of "like the army, like the school, like the family", and support the realization of the Group's 14th Five-Year Plan strategic goal.



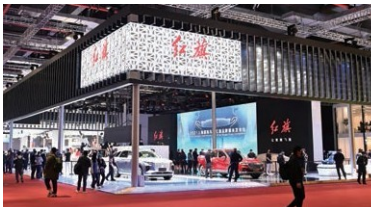
Quality

We will strive to create first-class quality with global advanced standards (product standards, design standards, technical standards, manufacturing standards, service standards, etc.) as the basis, with "safety, quality, health, comfort and experience" as the core, with digital intelligence as the key, and with "global advanced design, advanced technology, advanced manufacturing, advanced management and advanced service" as the guarantee.



Marketing and service

We will uphold the customer-centered concept, take digital intelligence management as the key, and make every effort to build a full-link big marketing service innovation system leading the world automobile industry.



Manufacturing and technology

We will embrace QCD, focus on advanced technology, and value digital intelligence to build an intelligent factory.



Supply chain

Guided by the brand product strategy, we will start with the supply chain optimization management and Big Purchase collaboration, and constantly improve the resource planning ability, project management ability, supply guarantee ability, value creation ability, customer service ability, digital intelligence construction ability, collaborative management and control ability and team culture building ability to build a supply chain system for Million Hongqi Vehicles.



Finance

We will, with value creation as the goal, intelligence as the key and advanced tools and methods as the focus, comprehensively optimize the financial management system, comprehensively assure efficient investment, comprehensively strengthen capital operation, comprehensively implement asset management, strive to reduce costs, strengthen risk control, and attain an industry-leading level and ability.



Manpower, organization and leadership

We will march toward world first class, give full play to our superiorities in digital intelligence, professionalism and innovation, put leadership first, make every effort to build an agile organization, and vigorously cultivate a group of outstanding leading cadres, an outstanding team of entrepreneurs, a group of technical backbones, a group of skilled personnel and an advanced staff team to form a big pattern of five teams supporting development.



Management

We will set up a scientific and leading business system, focus on value and ability, seek changes in six business lines, build a world-class management benchmark, and pursue a leap-forward growth.



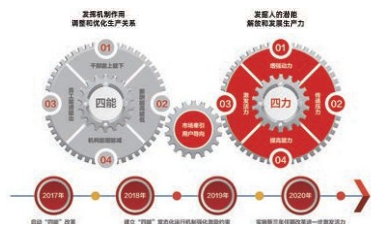
Digital intelligence

We will, with value creation as the goal, intelligence as the key and advanced tools and methods as the focus, comprehensively optimize the financial management system, comprehensively assure efficient investment, comprehensively strengthen capital operation, comprehensively implement asset management, strive to reduce costs, strengthen risk control, and attain an industry-leading level and ability.



Reform

We will resolutely implement the three-year reform of state-owned enterprises, enhance the state-owned economy, both in vitality and efficiency, accelerate the construction of a new development pattern, and enhance our competitiveness, innovation, control, influence and risk resistance. We will continue to deepen the marketization reform to stimulate vitality, improve efficiency and benefit, and provide a strong guarantee for building a world-class automobile enterprise.



Govern

Through the operation of the "1+N" board of directors and the establishment of the "three majors and one large" decision-making system, we will continue to improve the responsibilities of the Standing Committee of the Party Committee, the board of directors and managers, and explore new modes of effective corporate governance. We will give full play to the roles of the Party Committee in "guiding the direction, managing the overall situation and promoting implementation" and the board of directors in "setting strategies, making decisions and preventing risks", and form a modern corporate governance system with scientific decision-making and effective checks and balances.



Party building

We will strengthen Party building in an all-round way, make every effort to build a "pioneer" Party building brand of FAW Party Committee, continuously improve the quality of Party building, continuously deepen the building of a clean and honest party and anti-corruption work, and resolutely build a Party building pioneer among central enterprises that can create a world-class automobile enterprise.



Culture

We will vigorously carry forward the pioneering culture of FAW, learn from it, keep it in mind, practice it, implement it, popularize it, advocate it, innovate it and enrich it, and practice bravely to build a world-class automobile enterprise and revitalize China's automobile industry.



Social responsibility

We will fully fulfill the responsibility as a central enterprise, make contributions to the country, society, environment, consumers and employees in six aspects, be a leading and responsible corporate, and cement our leading place among the industry and central enterprises.

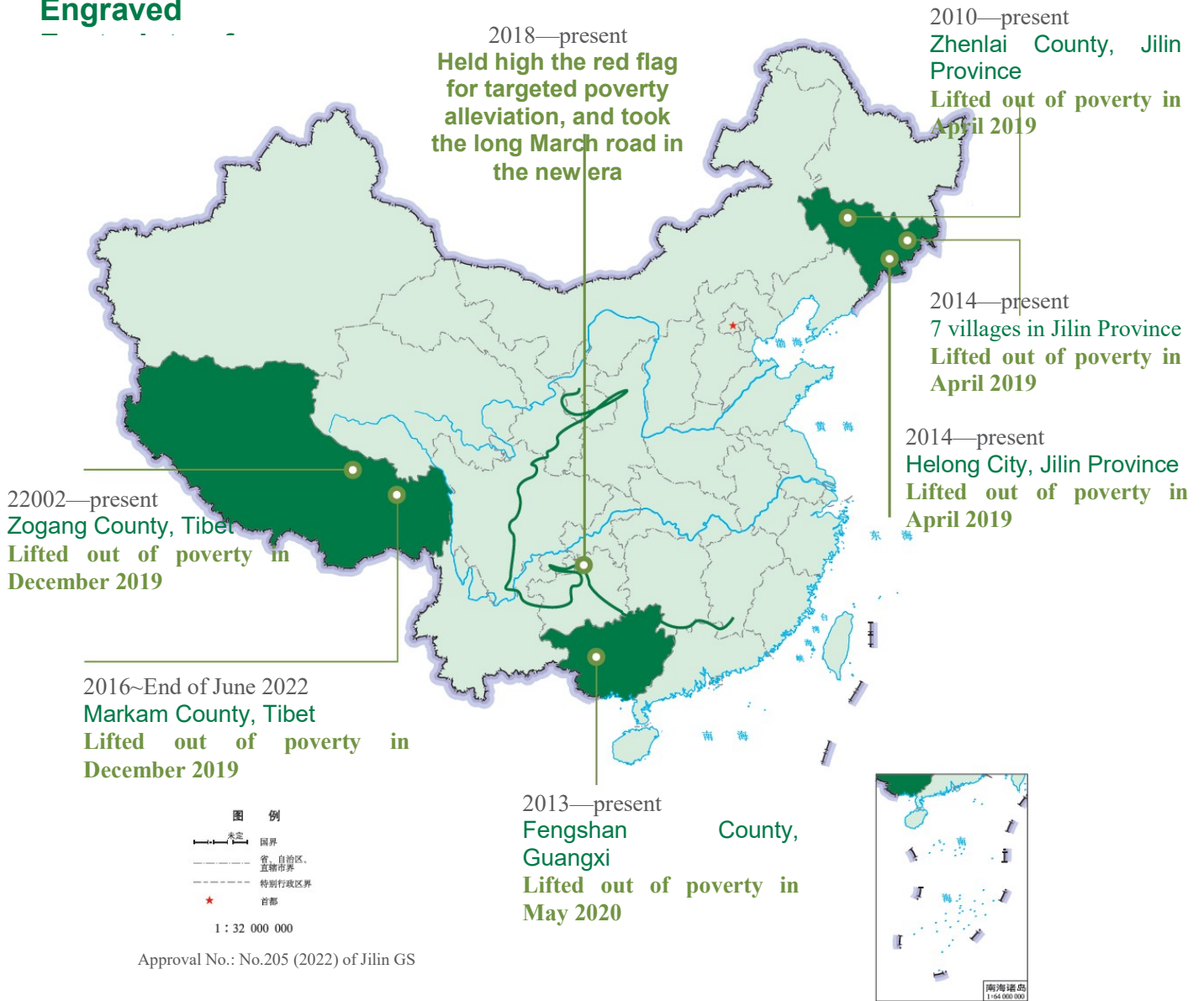


Focus on Responsibility

Continuing Struggling to Open a New Situation and Pursuing Rural Revitalization to Make a New Contribution

In the process of tackling poverty, from the snowy plateau to Changbai Mountain and Songhua River, and from infrastructure construction to industrial cultivation, and to education, medical care and personnel training, FAW has handed over satisfactory papers. On the new journey of rural revitalization, FAW will continue to struggle and make new contributions.

Engraved



Map of FAW's Efforts in Poverty Alleviation

Quantify the Poverty Alleviation Results

By the end of 2021	2021
<p>A total of RMB 1.63 billion had been invested for poverty alleviation</p> <hr/> <p>A total of 12 batches of 40 cadres had been dispatched</p> <hr/> <p>We had implemented more than 400 special programs.</p>	<p>RMB 74.78 million was invested for fixed-point assistance and counterpart aid to Tibet RMB 1.906 million was introduced as free assistance funds</p> <hr/> <p>6 cadres on attachment were dispatched</p> <hr/> <p>We trained 3593 cadres and professionals, including 1700 grassroots cadres, 313 poverty elimination leaders and 1580 technical experts.</p> <hr/> <p>Purchased and helped sell RMB 42.4 million of agricultural and sideline products originated in national poverty-stricken counties.</p> <hr/> <p>Carried out 24 assistance programs.</p> <hr/> <p>Benefited and helped more than 100000 people</p>

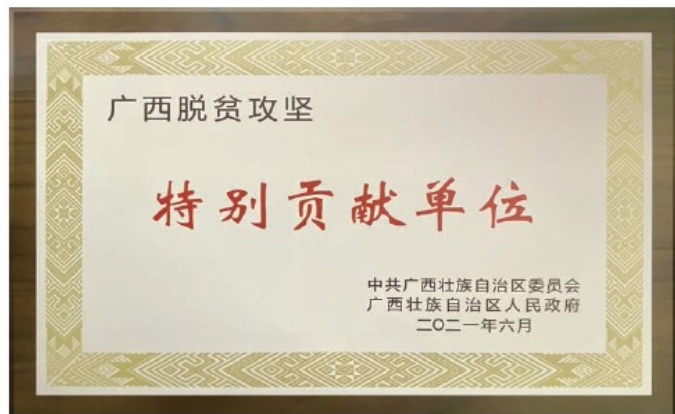
Witness the Honor of Poverty Alleviation

FAW has won the highest rating of Excellent in the performance assessment on the designated assistance work of central enterprises for 5 consecutive years.

6 FAW cadres on attachment were commended by the Provincial (autonomous region) Advanced Individuals for Poverty Alleviation



FAW was awarded the title of National Advanced Collective for Poverty Alleviation by the CPC Central Committee and the State Council



FAW was awarded the title of Special Contributing Unit in the battle against poverty in Guangxi Zhuang Autonomous Region

Voice from the Helped

“This year, the cultured mitten crabs were sold to big cities like Beijing and Shanghai. They all praised the compactness of crab meat and the fullness of crab roe, and expressed their willing to buy the crabs again next year! Moreover, the local aquatic products market only served without any charge. We found where the product demand was and saved our costs. We calculated and figured out that the net profit per acre of land was RMB 500. That was only the gain from culture of crabs! Thank you very much, County Magistrate Li, and FAW.”

—A Farmer in Zhenlai County, Jilin Province



The self-cultured crabs have been sold all over China, and the farmer is grinning from ear to ear.

“Great changes have taken place in recent years! Life was tough before, but now it has totally changed. Thanks to the government’s policy guidance and the help of FAW, we have a good house, a good income, and a promising life.”

—A villager from Yan’an Village, Helong City, Jilin Province



The happy life of the villagers in Yan’an Village, Helong City

“There was little farmland, so we can hardly earn money. We have no skill, so it’s hard for us to go out for work. Fortunately, FAW invested in building a silkworm house to raise silkworms, and we can earn additional RMB 20000 a year there. Thank you, FAW.”

—A farmer in Fengshan County, Guangxi



Integral silkworm house aided by FAW

Strengthen the Supervision over Helping



June 2021: Xu Liuping, Party Secretary and Chairman of FAW, participated in the promotion Meeting for Summary of Poverty Alleviation and Rural Revitalization and deployed works



July 2021: Qiu Xiandong, Deputy Secretary of FAW Party Committee, Director and General Manager, participated in the deployment of rural revitalization work in Social Responsibility Week



November 2021: Wang Guoqiang, Deputy Secretary of FAW Party Committee and Director, led a team to Helong City, Yanbian Korean Autonomous Prefecture, Jilin Province for investigation



March, 2021: 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 Fengshan County for investigation



December 2021: Liu Yigong, Member of the Standing Committee of FAW Party Committee and Deputy General Manager, led a team to Zhenlai County, Jilin Province for investigation



October 2021: Zhou Zhiping, Member of the Standing Committee of FAW Party Committee and Deputy General Manager, led a team to Changdu City, Tibet Autonomous Region for investigation

Highlights of Poverty Alleviation

Zhenlai County, Jilin Province

FAW has invested a total of RMB 35.6066 million to support Zhenlai's beef cattle breeding and centralized construction of breeding bases. Gradually we explored the development model of "government+ leading enterprises + cooperatives + poor households" to promote the standardization, scale and brand development of beef cattle breeding industry. In the three years since the program was put into operation, the beef cattle breeding industry in Zhenlai County has developed by leaps and bounds, with the livestock inventory of single pasture of basic cows ranking first in the province, and the livestock inventory of single pasture of single variety ranking first in the country, benefiting 13000 people in 59 villages.



FAW supported Zhenlai's beef cattle breeding

Helong City, Jilin Province

FAW piloted the construction of FAW Farmhouse Bookstore in Yan'an Village in collaboration with Helong Municipal Government, in order to provide scholarly cultural services for villagers.



FAW Farmhouse Bookstore

Fengshan County, Guangxi

In 2021, FAW invested RMB 7 million to plan and build an idyllic complex project, integrating vegetable planting, sightseeing and leisure agriculture, so as to promote the new development of rural areas.



Complex project integrating vegetable planting, sightseeing and leisure agriculture



Rural revitalization requires hard work. In the future, FAW will uphold the strategy of serving the country, continue to strengthen leadership, take on responsibility and gather collective efforts, take more powerful measures and more powerful forces to comprehensively boost the revitalization of rural industries, talents, culture, ecology and organizations, continuously enhance the sense of acquisition, happiness and security of local people, and make continuous progress towards the great goal of common prosperity for all people.



01

Heading for High Quality
**Pursuing for Leap-Forward
Development**

**Technology Impetus
to Drive the
Comprehensive
Innovation**

**Strengthening Body
to Deepen the
Comprehensive Reform**

**Forward-Looking Layout
for Comprehensive
Transformation and
Upgrading**



Our Goals

Sustainable Goals



Our Response

In 2021, FAW focus on enhance the main business, and strive to defend the development trend of “the landscape here was beyond compare”. We were obsessed with comprehensive innovation, and endeavored to master key core technologies and enhance strong core competitiveness; We persisted in comprehensively deepening reform and fully mobilized the enthusiasm and initiative of the broad masses of cadres and workers; We advocated comprehensive transformation and upgrading, accelerated the construction of digital intelligence, focused on strategic emerging businesses such as new energy, intelligent connected vehicle and mobile travel, and inject inexhaustible new impetus into development.

R&D investment
RMB 21.42 billion

Number of patents applied
4757 pcs

Cumulative number of
collaborative innovation
laboratories established
38

Technology Impetus to Drive the Comprehensive Innovation

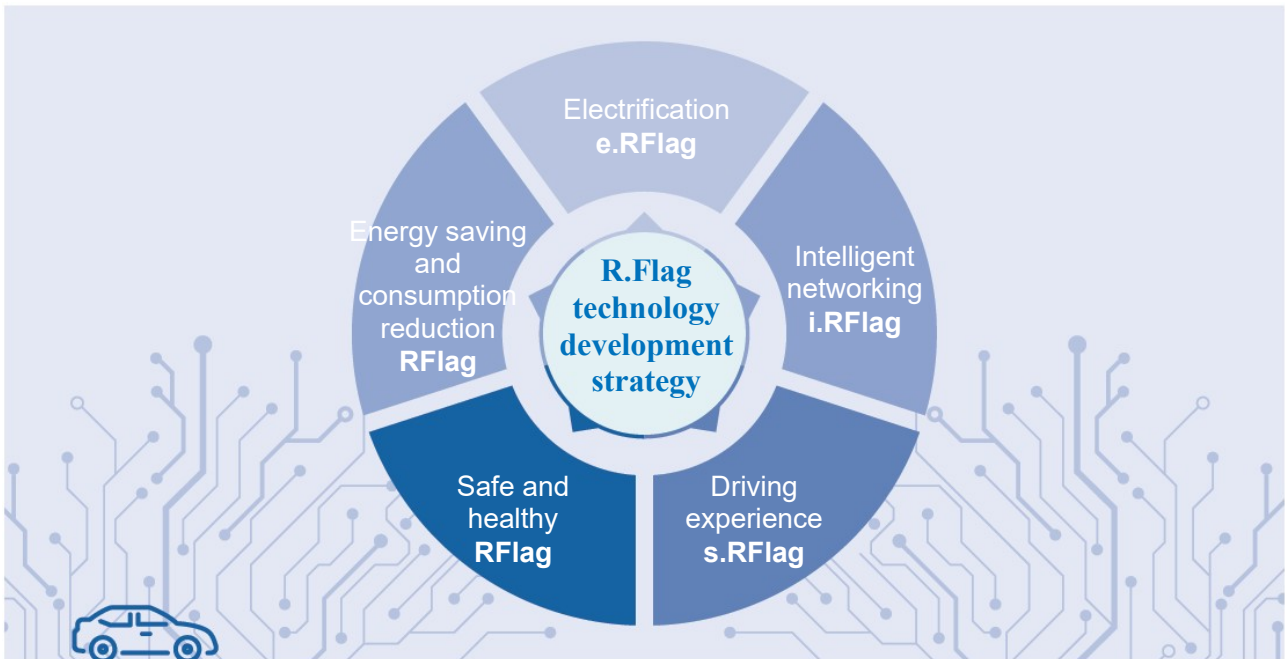
Innovation represents development, and pursuing innovation means pursuing the future. Innovation is the primary driving force for development. FAW fully implemented the innovation-driven development strategy, speeded up the mastery of key core technologies, committed to create the original technology source, boosted the growth of national automobile brand, and strived to open up a new road of industrial innovation and development in auto time.

Continuously Improved Innovation Management

We set great store by top-level design for innovation and development, start with Innovation·2030 FAW (R.Flag) Technology Development Strategy, and specify the path of technological innovation towards “electrification, intelligent networking, driving experience, safety and health, energy saving and consumption reduction”; We are committed to improving the system and mechanism of scientific and technological innovation. To this end, we set up FAW Innovation Committee to study, review and promote the implementation of major scientific and technological innovations; With Changchun as the global innovation R&D headquarters, we further optimized the global R&D layout; With Changchun as the global innovation R&D headquarters, we further optimized the global R&D layout; In front of arduous challenges, we vigorously implemented the 873 Project, the 1025 Special Project and the 3310+N Technical Research Plan to continuously enhance our innovative research and development capabilities.

Case FAW released the technical development outline for the 14th Five-Year Plan

On July 15, 2021, FAW released the technical development outline for the 14th Five-Year Plan, where we proposed goals (inventiveness, originality, debut, self-reliance, win-win cooperation), 8-dimension standards (modeling, safety, health, quality, comfort, driving control, energy saving and experience), key points (electrification, intelligent networking, driving experience, safety and health, energy saving and consumption reduction), focuses (36 specific technologies) and base (digital intelligence, ecology and resource protection) to build a world-class technological innovation system.



Innovation 2030 FAW (R.Flag) Technology Development Strategy

Accelerating Burst of Innovation Vitality

We devoted to tackling key core technologies, focused more on basic research, accelerated technological breakthroughs and increased incentives; We actively promoted industry-university-research integration and innovation, encouraged all innovative elements, and worked together to create an automobile innovation and entrepreneurship ecosystem that integrates talent training, technology research and development, achievement transformation and industrial cultivation; We ploughed fertile soil for innovative culture, hoping to create an innovative atmosphere and development background through skills training, skills competitions and skills workshops.

By the end of 2021

1 State Key Laboratory	5 Basic Research Laboratories
1 Academician Workstation	38 Collaborative Innovation Laboratories

Accelerating Independent R&D

- **Strong incentives:** introduction of Ten Innovations incentive policies, increase in R&D investment, introduction of key talents, innovative projects and incentives for scientific research teams
- **Award for advance:** regularly assessment of scientific and technological awards to reward the advanced
- **Platform establishment:** establishment of a six-level growth channel from staff level to scientist level to provide an innovative platform for employees

Promoting Collaborative Innovation

- **Laboratory:** 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.

Enhancing Innovative Culture

- **Skill 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.

Case FAW collaborates together with multiple companies to establish a collaborative innovation laboratory.

On October 28, 2021, the Second Science and Technology Meeting of the Fourth China FAW Science and Technology Conference was held at the Hongqi Hall. At the meeting, five collaborative innovation laboratories jointly established by FAW, National Innovation Institute of Additive Manufacturing, Tsinghua Shenzhen International Graduate School, Leaguer, Jilin University, China Automotive Technology and Research Center, Beijing Institute of Technology, and Linglong Tire were officially unveiled to jointly strengthen basic research, break through key "Bottleneck" technologies, and push the innovative development of new industry-university-research integration.



In October 2021, FAW held the unveiling ceremony of the Collaborative Innovation Laboratories.

Case FAW focused on vehicle safety and health technologies and held special forums

In October 2021, FAW collaborated with State Key Laboratory of Comprehensive Technology on Automobile Vibration and Noise & Safety Control and other institutes to jointly hold the R. Flag Forum "Together with Hongqi, Special Session for Vehicle Health Technologies" of the Second Technology Innovation Month Series Events, which focused on the internal environment and health of automobiles, national health and vehicle regulations and technology development trends, intelligent health and sound control, application of health materials for passenger vehicles, vehicle electromagnetic compatibility and human health, and other topics.



The R. Flag Forum "Together with Hongqi, Special Session for Vehicle Health Technologies"



In April 2021, FAW Research and Development Institute cooperated with ZGMicro Automotive Chip Joint Laboratory to jointly establish the "Automotive Chip Joint Laboratory".



In October 2021, FAW held the Second Science and Technology Session of the Fourth Science and Technology Conference to grant honors and awards to the technology innovation projects and teams that had made outstanding contributions.



In November 2021, FAW-Volkswagen New Technology Development Center was established in Changchun.

Continuous innovative achievements

We always make continuous efforts to intensify the protection of intellectual property rights, focus on increasing the proportion of invention patents and high-value patents, build a patent group covering a complete technical system, and push the comprehensive opening of the path for the transformation of scientific and technological achievements. In 2021, we achieved fruitful innovation results.

2021

We achieved 63 core technological breakthroughs in 6 key fields.

We filed a total of 5,464 trademark registration applications and completed 9 copyright registrations.

We filed 4757 patent applications, achieving a year-on-year increase of 35.6%.
We filed 2730 invention patents, achieving a year-on-year increase of 55.4%.

We participated in the development of 9 international standards.
We took the lead and participated in the development of 117 national standards and 22 industry standards.

The Group won 16 provincial-level automotive industry awards.

Witness Glory · Drive Innovation



FAW won the Jilin Provincial Science and Technology Awards for 13 projects, among which the "Hongqi High-efficiency, High-power, Low-emission Miller Cycle Gasoline Engine Technology Innovation and Industrialization Project" and "High-performance Electric Vehicle Key Technology Research and Industrialization Project" won the first prize of the Jilin Provincial Science and Technology Progress Award.

The "Key Technology of Ultra-high Performance Permanent Magnet Synchronous Electric Drive System" equipped on Hongqi E-HS9 was awarded the "Global New Energy Vehicle Innovation Technology" in the selection of global new energy vehicle frontier and innovation technologies in the 2021 World New Energy Vehicle Conference.

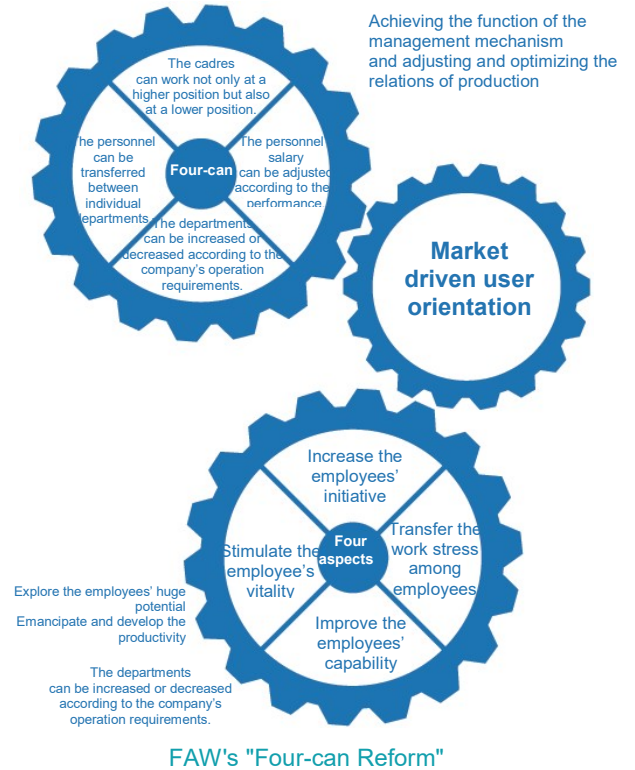
The FAW DCT400 transmission stood out as one of the Fourth "Longpan Cup" World Top 10 Transmissions and was awarded the title of "World Top 10 Transmission".

Strengthening the company's power, and comprehensively deepening the reform

The wise always shows flexibility from time to time and is also adaptive to the situation. FAW adheres to the overall working philosophy of "Have work done quickly, as soon as possible while maintaining work quality, achieving innovations, saving expenditures, and taking prevention measures", firmly establishes a reform mindset, intensifies the sense of reform responsibilities, and enhances reform capabilities, stimulates strong internal impetus by comprehensively deepening the reform, builds a strong risk line by law-abiding and compliant operations, dares to cope with "Tough issues" and bravely wades into the "Deep water zone" for the reform, striving to write an excellent paper for the high-quality development in the current era.

Deepening the enterprise reform

We give prominence to the enterprise reform, stick to the "Two principles" (which include the principle of the Party's leadership over state-owned enterprises and the principle of taking the establishment of a modern enterprise system as the direction of state-owned enterprise reform), deploy and carry out comprehensive and in-depth enterprise reform for three consecutive years, continuously deepen the "Four-can reform", and stimulate the enthusiasm of employees for hard working and entrepreneurship. Also, we stick to a holistic point of view, use the systematic thinking and methods to vigorously promote the transformation of management systems, intensify the corporate governance, implement classified management, accelerate the digital empowerment, and further improve scientific management level and enterprise operational efficiency. In 2021, FAW was identified by the Leading Group for State-owned Enterprises Reform of the State Council as a typical model of central government-owned enterprises reform and the only automotive enterprise selected in the automotive industry.



2021

The completion rate of the three-year reform action tasks is 92.6% and the completion rate of the main measures is 95.7%.

There are 5 legal entities that completed the goal of reducing the management levels and legal persons.

The annual task indicators of the State-owned Assets Supervision and Administration Commission for the divestment of "non-main operations and disadvantage operations" were 100% completed in advance.



On June 4, 2021, the three-year action promotion meeting for central government-owned enterprises reform was held at FAW in China.



On March 2, 2021, FAW held the three-year action promotion meeting for the Group's enterprise reform, and 18 subordinate responsible entities signed the "Letter of Undertaking"

Law-abiding and compliant operations

Compliance management

We always adhere to the concept of law-abiding and compliant operations, actively carry out forward-looking legal research, and optimize core legal management from aspects such as contract management, litigation case management, and standardized articles of association management. Also, we made efforts to perfect the compliance management system and organizational system, and compiled the Group's Compliance Basic Knowledge Manual to push the special compliance management in 8 aspects, such as overseas business, data security, personal information protection, and mobility. Furthermore, we participated in compliance training activities, such as the exchange meeting of the Coordination Group for Central Government-owned Enterprises' Rule of Law Work, the rule of law lecture hall, and the training of compliance coordinators, to proactively foster a compliance culture.



In December 2021, FAW held the first compliance forum.



In May 2021, FAW Jiefang held the 2021 Compliance Conference and released the Compliance Code of Conduct and Compliance Initiative.

Risk prevention and control

We have solidly promoted the annual major risk assessment and control work, organized the investigation of major and special risks, established a risk warning mechanism, strengthened the organic integration of risk management and business management, and built a solid risk defense line. In 2021, no major risk events occurred, including overseas major risk events.

Risk investigation

Focusing on key business areas, we moved forward the review threshold for risk assessment of major decision-making matters, strengthened special risk control, and carried out 5 special risk investigation projects.

Risk assessment

We had solidly promoted the annual major risk assessment and control, organized various units of the Group to comprehensively carry out the annual major risk assessment by adopting the five thoughts of risk management, and identified a total of 406 risk items during the risk assessment among 39 units.

Early risk warning

By establishing an early risk warning mechanism, we identified 86 early risk warning indicators to form the Group's a monitoring indicator library and conduct quarterly monitoring. Also, we made efforts to proactively handle the risks by working with the risk supervision, prevention and control committee.

Internal audit and control

By centering around the group's strategic deployment, we performed internal audit and control , strengthened the quality control in the entire audit process, and established a management mechanism that covers the whole process of pre-audit discussion, process supervision, and post review. Furthermore, we intensified the overall control of the audit system and improved the internal audit management system. To strengthen the internal control construction and evaluation management, we developed an annual implementation schedule for internal control evaluation, carried out internal control self-evaluation and special evaluation of the internal control system, and identified and defined internal control deficiencies to effectively prevent operational risks and plug management loopholes.

2021	
38 audit projects conducted	567 issues found
914 audit recommendations proposed	Rectification completion rate of 98.5%

Information security

We always guarantee network information security, fully implement the network security responsibility system, give compliance special support in the fields of data security and personal information protection, constantly organize information security publicity and education activities, popularize information security knowledge, and create a strong atmosphere of building a network security line of defense. In 2021, we performed two information security training sessions involving 9627 participants. This year, no major network security events occurred.

2021	
2 information security training sessions	9627 participants



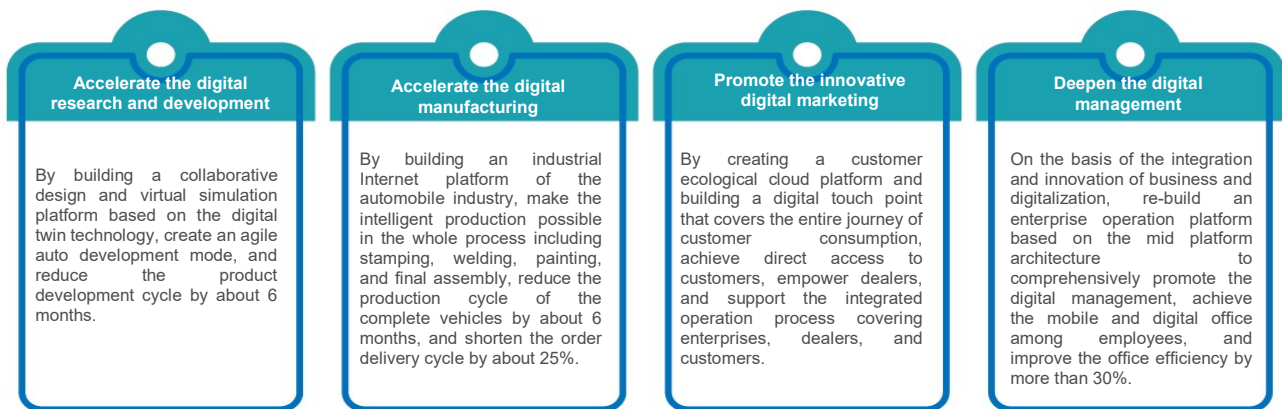
FAW was conducting network security and data compliance training activities

Forward-looking layout and all-round transformation and upgrading

The way of achieving a great success is to follow the current trend of our times. By seizing the huge opportunity for the deep transformation of the global automotive industry and the leading development of China's automotive industry, FAW takes actions by making advantage of the current conditions, and by using the digitization as the tool and the intelligence as the soul, actively occupies the high grounds for the enterprise transformation and upgrading, accelerating the pace of embracing, self-evolution into, and striving to create a new path and pattern for the development of China's automotive industry in the new era.

Accelerating the construction of digital intelligence

We are committed to becoming a "Revolution leader", "Digital intelligence knowledge system builder", and "Digital intelligence transformation promoter". What's more, by sticking to the vision of "Wonderful data driven mobility" and focusing on the four core areas including research and development, manufacturing, marketing, and management, we aim to accelerate the implementation of all-round digital intelligence transformation of products and technology, industry and management, and personnel and capabilities to achieve direct access to data, direct connection, and management intelligence in the whole region, during the whole process, and among all employees, build a world-leading excellent operation system, and comprehensively improve the efficiency of enterprise business operations.



Case FAW Jiefang J7 Intelligent Factory Completed and Put into Production

In December 2021, the completion and production ceremony of FAW Jiefang J7 Intelligent Factory was held in Changchun. Jiefang J7 Intelligent Factory is a digital, flexible, green, low-carbon, and intelligent factory built in accordance with internationally leading design and manufacturing concepts. It integrates automation, flexibility, and digital intelligence, and widely applies cutting-edge technologies in the whole process of production, quality, equipment, logistics, energy, and other sectors, such as data collection and analysis, information intelligent push and intelligent decision-making, building a new intelligent manufacturing model of personalized customization and networked collaboration.



FAW Jiefang J7 Intelligent Factory



On August 25, 2021, the Conference on the Integration of FAW Department Building and Digital Intelligence Building in China was held at the headquarters' conference center.



FAW Hongqi digital production control center

Accelerating the layout of new ecosystems

By focusing on the six major fields of battery, electric drive, intelligent driving, intelligent control, intelligent sharing, and ecology, we actively take actions and accelerate the layout to create an industrial ecosystem and achieve the transformation and upgrading of the automotive industry towards intelligentization, networking, electrification, and sharing. In 2021, FAW compiled and issued a complete industrial ecological innovation solution and released the first version of the full-functionality software for the L4 autonomous parking system. The Hongqi E-HS9 model is equipped with the L3 autonomous driving function. FAW Jiefang released the world's first L3 mass-produced vehicle model.

Mobile Travel

Demonstration operation

We first launched the trial operation of the online charging platform in Changchun and Guangzhou.

Platform building

The Hongqi Mobility app takes Hongqi L4 autonomous driving products as its carrier to accelerate the technological iteration and scenario creation of "Robo Taxi" and "Intelligent bus" commercial demonstration operations, and collaborates with T3 Mobility to expand businesses in new cities.

Emerging business modalities

We launched and promoted the "Hongqi's E mobility in Changchun and across Jilin" project with the business core of "Customized cars+Battery change stations+Battery banks".

We planned to build a Hongqi-themed town in Changchun and an ecological complex for the future smart city that integrates intelligent manufacturing, automotive culture, innovation and entrepreneurship, and talent cultivation.

We kicked off the Qijing Innovation Space Building Project to build an N-dimensional experience space that integrates product showcase, new cutting-edge technology experience, ecological cooperation and negotiations, and high-end forums.

Emerging fields

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 L3, L4, and L5 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.

Case FAW intended to build EcoLin5 "Five-chain Integration" development model

In March 2021, FAW unveiled the EcoLin5 automotive ecology strategy. EcoLin5 is an automobile ecosystem for the future intelligent and green city and a comprehensive green low-carbon and intelligent development solution, which takes carbon peak and carbon neutrality as inputs and the new energy intelligent automobile 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.

Case Release of the full-function software for the FAW L4 autonomous parking system

On June 15, 2021, the first version of the full-function software for FAW L4 autonomous parking system was released. This system is the world's first L4 autonomous parking system based on the vehicle perception, which is equipped with 6 categories of sensors including cameras, ultrasonic radar, millimeter wave radar sensors, and a total of 23 sensors, as well as high-precision parking maps. It can be widely applied in commercial and private parking scenarios, effectively solving users' parking pain points. In terms of its safety, the system adopts multiple redundant designs, such as braking, steering, and electronic and electrical architecture, and by combining with functional safety and information security, can effectively ensure the security and reliability of the system. It is a crucial milestone on the development path to realize the FAW Hongqi's autonomous driving and vigorously pushes the development of the autonomous parking technology industry.



FAW independently developed L4 autonomous parking system



The FAW's first forward-development and mass-produced L4 autonomous vehicle, the Hongqi intelligent minibus, has been put into demonstration operation in multiple cities.



FAW's newly-developed FEEA3.0 electronic and electrical architecture

Witness Glory · Transformation and Upgrade



FAW won three awards in the 2021 Changchun (International) Ice and Snow Challenge of Self-driving Vehicles, including the best commercial value award in the "Mini-bus Around-Jingyue-Lake Performance Competition", the "Urban Ice and Snow Challenge", and the "Off-road Ice and Snow Rally Competition".

The Hongqi H9 model, with its abundant intelligent driving assistance functions and creative intelligent interaction functions, has won the "Annual Intelligent Car Award" in the Second China Intelligent Car Appraisal of the "Horizon Cup".

FAW Jiefang J7 L3 intelligent tractor successfully passed nine tests such as vehicle-following driving and collision warning in the 2021 World Intelligent Driving Challenge, and won the "Intelligent Truck Leadership Award".

The Second Engine Workshop of Hongqi Powertrain Plant was awarded the title of 2021 Benchmark Digital Workshop of China Automotive Industry.



02

Cohering All Stakeholders
**Jointly drawing the
concentric circle for
development**



Win customers with the product quality,
and optimize customers' experience.

Achieve the win-win cooperation
by working together with
partners.

Put people first,
and help employees grow

Our Goals

可持续发展目标

- 3 良好健康与福祉
- 5 性别平等
- 8 体面工作和经济增长
- 10 减少不平等
- 12 负责任消费和生产
- 17 促进目标实现的伙伴关系

Our Response

In 2021, FAW continues to gather consensus, wisdom, and strength and work together with stakeholders including customers, partners, and employees to march forward heart to heart and shoulder to shoulder. By adhering to customer-centric approach, we forge a strong foundation for development in terms of product quality and safety and considerable customer service; insist on taking partners as the support, share responsibilities and achievements with suppliers, dealers and strategic partners, and gather the cohesiveness among them; and stick to taking employees as our foundation by giving care for employees and achieving the growth of employees and the company, and work together with employees to draw a blueprint for the joint development.

Number of employees recruited in the whole year

3902 Person

Total investment in employee training

RMB 143 million

Production safety investment fund

RMB 470 million

Countries and regions covered by overseas businesses

78

Superior Quality to Optimize Customer Experience

Quality first, service first. FAW insists on a customer-centric approach and always adheres to the business philosophy of "Everything is offered for the customer and to serve the customer, and be respectful to the customer in all aspects". With the extraordinary products, experience, and care, FAW constantly meets the consumers' mobility requirements in the new era, and comprehensively improves customer satisfaction, surprise, loyalty, recommendation level, and dissemination.

Creating diverse products

Being driven by the customers' needs and taking the technological innovation as the foundation, 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 lead industry development and make a remarkable sensation in the consumption market. Meanwhile, we focus on special customer groups by creating innovative and different products to boost the wonderful mobility and make the life more vivid and better.

Brand collection | Independent brands

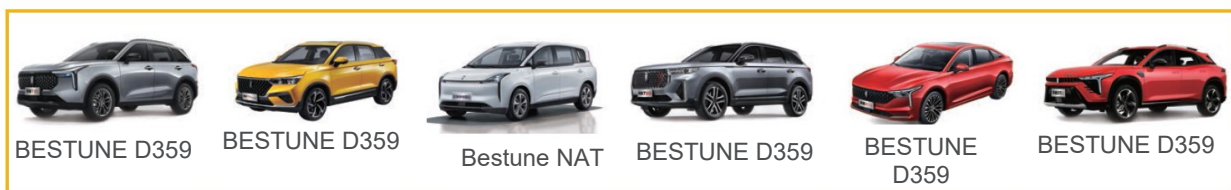
Hongqi · Lighting up dreams



Jiefang · Leading the way



Bestune · Keeping forging ahead



Brand collection | Joint venture brands

FAW-Volkswag

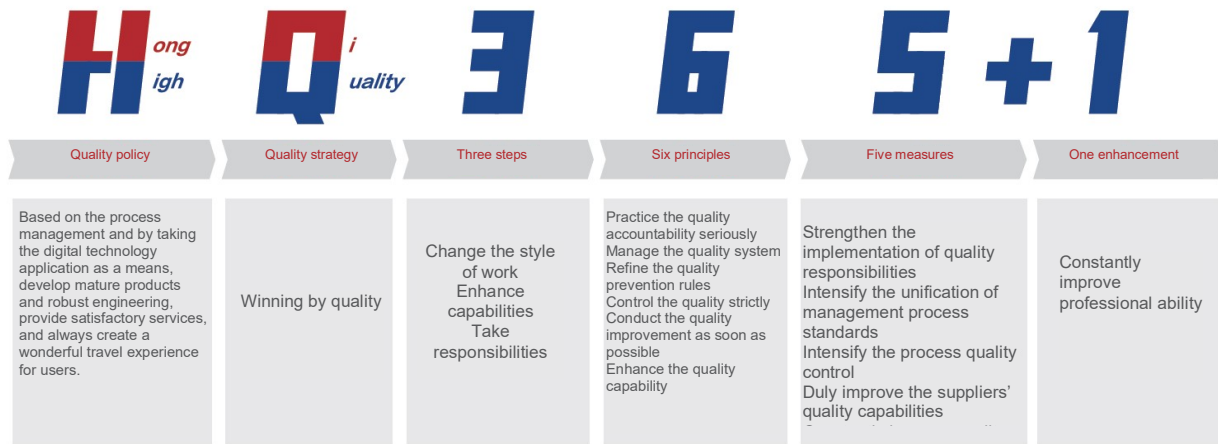
Volkswagen				
Bora	Sagitar	Golf R-line	New CC	Talagon
Tango	TACQUA	Magotan GTE	Tayron GTE	ID.4 CROZZ
Audi				
Audi A3	Audi A3 Sportback	Audi A4L	Audi A6L	Audi Q2L
Audi Q2L e-tron	Audi Q3	Audi Q3 coupe	Audi Q5L	Audi Q5L Sportback
Jetta				
VA3	VS5	VS7		

FAW-Toyota

Car					
	Vios	Corolla	Allion	Avalon	
	SUV				
		Izoa	RAV4	Harrier	Crown Kluger
Buses		Imported vehicle models			
	Coaster			Crown Vellfier	
				GR SUPRA	

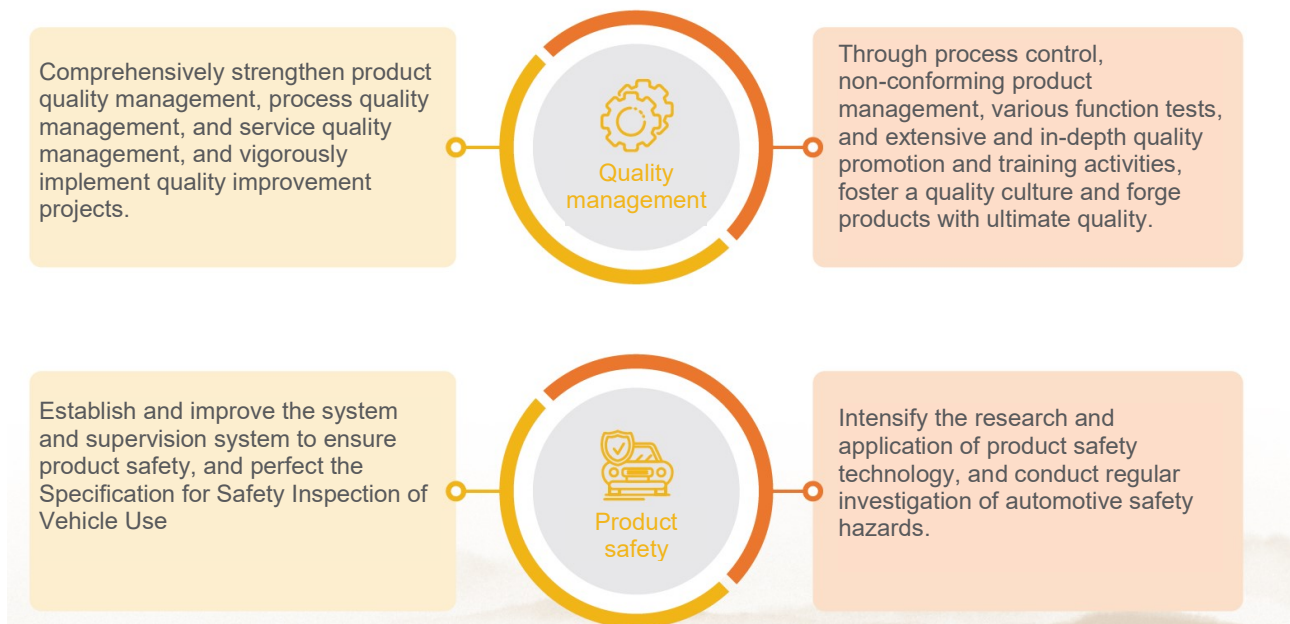
Forging excellent quality

We firmly believe that quality and product safety are the lifeline, red line, and bottom line of all work. We firmly uphold the commitment to the quality and safety, forge products with ultimate quality and safety, and safeguard the safety and wonderful mobility of drivers and passengers. In 2021, the pass rate of the products in the one-time delivery inspection carried out by the Group was 97%, and 34 inspections were performed with respect to the potential automotive safety hazards.



Do the best to accomplish every day's work

Hongqi "HQ365+1" quality management mode



Case The Hongqi H9 and HS5 models successfully passed the world's first public high-speed rear-end collision test.

FAW Hongqi, based on its social responsibility and ultimate safety protection mission, is committed to conducting in-depth and multi-modal research on vehicle collision protection. In October 2021, in the C-NCAP 15th anniversary series event, Hongqi H9 and HS5 participated in and successfully passed the world's first public high-speed rear-end collision test, fully demonstrating the Hongqi brand's all-dimension protection quality and robust safety performance and fully safeguarding the safety of drivers and passengers.



The Hongqi H9 and HS5 models successfully passed the world's first public high-speed rear-end collision test.

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

In 2021, FAW focused on key after-sales issues and conducted multiple special investigations on vehicle safety related problems in multiple component areas such as torque, wiring harnesses, grounding points, and oil pipe. Furthermore, FAW organized special supervisions on key torques of all-series mass-produced vehicles in three factories to intensify quality control in the mass production process, strengthen process assurance and production process guarantee capabilities, and prevent product quality and safety risks.



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



In June 2021, the Hongqi E-HS9 model participated in the first public challenge for the impact test of dual side pillars at the Crash Laboratory of China Automotive Technology and Research Center and won the award in the challenge.



From October to November 2021, FAW organized the "Hongqi Brand+Product Improvement" campaign to conduct extreme all-dimension test on Hongqi products.

Witness Glory · Quality and Product Safety



FAW: was granted the 3C certificate for "Class A Enterprise" in 2021, and won the "Excellent Organization Award" in the "2021 Total Quality Management Knowledge Competition of Central Government-owned Enterprises".

Hongqi brand: In the 2021 J.D.Power reliability ranking, the Hongqi brand ranked the first place among the domestic independent brands and the third place among the mainstream brands in the industry. In the J.D.Power sales satisfaction evaluation, the Hongqi brand ranked the first place among the domestic independent brands. In the customer satisfaction index evaluation conducted by the China Quality Association, Hongqi H5 ranked the first place among the medium-sized sedans under RMB 200,000. Hongqi H9 was listed as the 2021 Top Safety Model in the Annual Challenge of China Automotive Technology and Research Center and won the Ultimate Safety Award for Chinese Automobiles. Additionally, Hongqi H9 was awarded the C-NCAP five-star safety appraisal and Hongqi E-HS9 has become the first ultra-luxury pure electric SUV in China that won the CA-CAP Platinum Certificate.

FAW Jiefang: 5 QC teams, 3 quality trustworthy teams, and 2 quality brand stories won the first prize in the "40th Mass Product Quality Activity of National Machinery Industry".

FAW Bestune: The Bestune T99 model was awarded the "Five-star Safety Certificate" in the C-NCAP collision test by China Automotive Technology and Research Center.

FAW-Volkswagen: FAW-Volkswagen's several products ranked the first place among the products of various market segments in terms of its product quality satisfaction for the 2021 China Automobile Customer Satisfaction Index (CACSI).

Creating ultimate services

Exclusive service experience

By adhering to the principle of directly reaching and caring for users, we continuously improve our customer service management system, and build a high-density and wide-coverage service network; offer innovative user service experience through digital means, and build a manufacturer-to-customer, integrated, real-time, and intelligent large-scale marketing innovation system; strengthen the connection with customers through cross-border cooperation and by establishing joint customer laboratories or implementing mutual assistance and interaction with customer sources; carry out a variety of customer care activities in a planned, rhythmic, and high-frequency manner, and through official websites, self media platforms, car exhibitions, and other channels, make product information available to the public, promote and popularize product knowledge, guide customers' consumption concepts, and boost sustainable consumption. In 2021, sales customer satisfaction at the Group level reached 98 scores, and service customer satisfaction reached 98 scores.

Case FAW creates a customer ecological cloud platform to build a digital contact point that covers the users' entire consumption journey.

By relying on digitalization, FAW creates a customer ecological cloud platform, integrating online and offline resources, and building a digital contact point that covers the users' entire consumption journey. Users can know the brand concept, feel the product charm, and enjoy the brand service in full-scenario and immersive manner through their WeChat accounts, applets, APPs, and other ways. Dealers can use big data, artificial intelligence and other means to deeply grasp vehicle mobility data and listen to users' voices in real-time. After the entire vehicle is sold, Internet of Vehicles and digital twin technologies is used for real-time modeling to dynamically calculate billions of Internet of Vehicles data, ensuring safe mobility for users.



FAW held a Hongqi Fans Meeting and Netizen Fans Carnival.



FAW-Toyota organizes seasonal service and care activities such as car care classes, parent-child handicraft activities, and car owner gratitude experience days

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, and put an end to false marketing; concentrate on solving the pain points in the era of intelligent connected vehicles, strengthen the building of information protection systems and technology research and development design, protect customers' privacy and network data security; improve customer complaint management procedures, promptly and properly resolve customers' complaints, and save our reputation among customers; continuously improve the after-sales service and maintenance guarantee system, implement warranty and three-guarantees policies; intensify the compliant product recall management and build a recall process traceability system to achieve full-process recall tracking and avoid quality recall risks.

2021

The consumer complaint response rate is 100% and the complaint closure rate is 100%.

The occurrence rate of the customer information leakage incidents is 0.

Case FAW-Volkswagen announced the recall of some imported and domestically-made Audi cars.

In September 2021, FAW-Volkswagen 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 time

Starting from September 25, 2021, a total of 74 imported and domestically-made e-tron vehicles produced between November 3, 2020 and March 26, 2021 were recalled.



Reasons for recall

Due to the deviation in the supplier's manufacturing process, the motor assembly (between the motor rotor and the motor shaft) of the electromechanical brake booster has welding defect. In extreme cases of emergency braking of vehicles, the brake assist may function improperly and the ABS and ESC may malfunctions, posing potential safety hazards.



Solution

FAW-Volkswagen entrusted Audi authorized dealers to replace the electromechanical brake boosters with those with acceptable quality for the vehicles within the recall scope free of charge to eliminate potential safety hazards.

Witness Glory · Customer Service



FAW Hongqi Customer Service Center won the "Customer Reputation Award" at the 2021 (6th) China Customer Contact Center Awards.

FAW Jiefang won multiple honors, including ranking the first place in the ranking of the service satisfaction for heavy-duty truck brands in 2021, the "Award of Reputation among Customers" for the 2021 China Customer Contact Center, and the award of "Best Service Case" for the 2021 China Customer Service Festival.

FAW-Toyota ranked the first place in the ranking of the satisfaction index of "Sales Service" and "After-sales Service" in the Automotive Industry of the China Quality Association.

Win-win cooperation and walking hand in hand with partners

“Create opportunities in opening-up and solve problems in cooperation” FAW keeps on the concept of business integrity, makes a stand against all forms of unfair competitions, strictly perform the suppliers management, and works hand in hand with suppliers to build a sustainable supply chain; strengthens the channel construction, cooperates with distributors to forge a coexistence and win-win relationship and jointly create values; expands the breadth of cooperation, explores the depth of cooperation, and works together with partners such as governments, enterprises, and research institutions to achieve win-win development, share achievements, and jointly create a healthy industry ecosystem.

Regulating suppliers’ behaviors by building a responsibilities system

We stick to the basic principles of "Fairness, impartiality, openness, and transparency", comprehensively strengthen suppliers management, push forward suppliers’ compliant operation activities, and actively fulfill social responsibilities; build and improve an electronic bidding and procurement trading platform to achieve honest and upright procurement; actively carry out suppliers capability and social responsibility related training, and work hand in hand with suppliers to create a high-quality and sustainable automotive industry chain and supply chain for mutual benefit and growth.

2021

140 supplier training sessions with 400 person-times of participation	72 new suppliers
Supplier ELV (hazardous substances) report rate of 100%	104 suppliers passing the environmental certification



Case FAW held 2021 Hongqi supply chain partner conference

On April 15, 2021, FAW held the 2021 Hongqi Supply Chain Partner Conference in Changchun, praising excellent supply chain teams and clarifying the five principles of strategic deployment, cluster development, supply chain supplement and enhancement, survival of the fittest, and integrity and compliance to establish long-term cooperation with supply chain partners for mutual benefit and win-win pattern, and achieve coordinated development of the supply chain.



FAW held 2021 Hongqi supply chain partner conference

Making distributors capable by the value

We work hand in hand with dealers to create win-win value, strengthen dealers compliance management, and strictly implement the requirements for clean and honest marketing practices; promote the building of marketing channels, optimize the network layout, and continuously improve network coverage and user convenience; based on practical issues, strengthen coaching and training, establish a platform for dealer exchange and learning, extensively carry out skill competitions, and assist dealers in improving their operational management level and service guarantee ability, achieving sustainable operation.

By the end of 2021

432 Hongqi authorized experience centers 105 new authorized experience centers unveiled this year	A total number of 405 authorized experience centers The Hongqi outlet network has a nationwide coverage rate of 86.60% in cities nationwide
--	--

Case FAW held the "2021 Hongqi Navigation Star & Dragon Star · Skills Competition"

In November 2021, the final of China FAW's "2021 Hongqi Navigation Star & Dragon Star · Skills Competition" dropped the curtain. The participants in this competition covered Hongqi investors, general managers, and business personnel across the country. The assessment content covers seven core key positions in sales and service. Through diversified competition forms, focusing on practices, and holding competition activities for improving skills provide a "Driving force" to the new Hongqi marketing service team to improve service capabilities and enhance customer sales and service experience.



The final of the 2021 Hongqi Navigation Star & Dragon Star · Skills Competition kicked off.



The Award Ceremony for the 2021 Hongqi Navigation Star & Dragon Star · Skills Competition

Case FAW held the 2021 Hongqi Partners Conference

In January 2021, the 2021 Hongqi Partners Conference themed with "Forging the Splendid Future with Our Passions" was held at the Hongqi Hall. More than 570 Hongqi partners, investors, general managers of the Hongqi franchised stores participated in the conference through online and offline means. In the conference, the winning teams were granted awards and honors in the nine items, including the New Hongqi Ultimate Service Award, New Hongqi Customer Satisfaction Award, and New Hongqi Best Growth Award. Hongqi partners were encouraged to continue to adhere to customer-centric business principles and ensure business compliance, and work together with FAW for joint growth.



In January 2021, FAW held the annual Hongqi Partners Conference to grant the winning teams the nine awards, including the New Hongqi Ultimate Service Award and the New Hongqi Customer Satisfaction Award.

Expanding the 'Circle of friends' by the opening-up strategy

Joint venture cooperation

We vigorously carried out the "Tiger Leap" action to continuously deepen the strategic cooperation with international partners such as Volkswagen and Toyota, further expand cooperation in new products, new technologies, new businesses, and other fields, achieve dual growth in joint venture brand profitability and innovative development capabilities, and accelerate the building of the joint venture cooperation 2.0 strategy. In 2021, FAW-Volkswagen increased its procurement of the automotive chips to guarantee its production activities and intensified the innovation input, continuously consolidating its status of ranking the No. 1 place in the industry. Furthermore, FAW-Toyota conducted a bold reform, spared no efforts to compete with other brands, achieving a profit growth rate of 44.9%.



In January 2021, FAW signed an agreement with Audi and Changchun Municipal Government and announced the launch of the Audi-FAW new energy joint venture project in Changchun.



In November 2021, at the 4th China International Import Expo, FAW-Volkswagen and Volkswagen Group (China) signed a memorandum of cooperation on importing complete vehicles and components, with a contract amount of RMB 74.2 billion.

International co-operation

We insist on taking appropriate measures based on the national strategies, spare no efforts to implement the "the Belt and Road" initiative, take "Brand, trade, investment, industrial chain" as the key aspects to expedite our industry layout, strengthen our business management, and continuously deepen international cooperation; actively fit in to local societies, respect local cultural customs and laws and policies, promote localized procurement and management, cultivate local talents, and work together with local societies to create value and share well-being and prosperity.

"Since its establishment, the FAW South Africa Factory has created a large number of job opportunities, allowing employees to achieve their personal value and take pride in manufacturing high-quality trucks."

Steven Erush, safety manager, FAW South Africa Branch

"I am an immigrant to South Africa and the life was very difficult at the beginning. FAW gives me a better life and helps me learn more. Now, I am working hard to become a diesel mechanic."

Jacques Mwanza, diesel mechanic at FAW South Africa Branch

By the end of 2021

The FAW's overseas business covers 78 countries and regions, including more than 70 countries and regions within the scope of the "Belt and Road Initiative".

140 overseas first-class agents

3 overseas subsidiaries

2 overseas research and development centers

21 offices and contact points

Accumulated export of more than 350,000 vehicles

Accelerating the international market layout and building 16 international production cooperation projects

More than 300 overseas local employees employed by the Group

Local employment ratio of 94%

Localization degree of FAW South Africa Company 98%

Witness Glory • Overseas
Layout



On November 16, the Hongqi H9 model won the "Innovative Luxury Car Award" at the 9th Saudi National Automobile Awards.

On November 18, FAW was selected in the case set of the Analysis Report on Overseas Communication Power of Chinese Enterprises (2021) and was awarded the certificate of "Top 20 Chinese Enterprises in Overseas Communication on the 20th Anniversary of China's Entry into the World Trade Organization" by the China

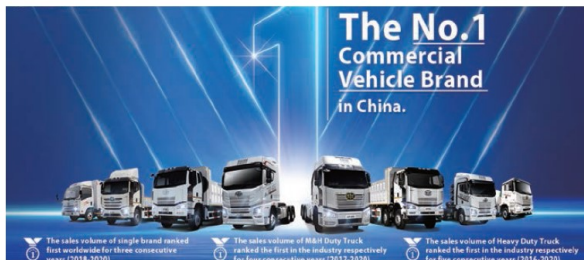
On December 16, FAW was awarded the title of "2021 Twitter China Overseas Leading Brand".



Expanding overseas business and forging a global layout

▶ Opening of the FAW Hongqi's exhibition hall in Riyadh, Saudi

On July 1, 2021, on the 100th anniversary of the Communist Party of China, the FAW Hongqi's exhibition hall in Riyadh of Saudi Arabia opened grandly. This is the third Hongqi Exhibition Hall in Saudi Arabia after the Jeddah and Dammam exhibition halls. The opening of the new exhibition hall marks a new step for the Hongqi brand in its journey to enter the international market.

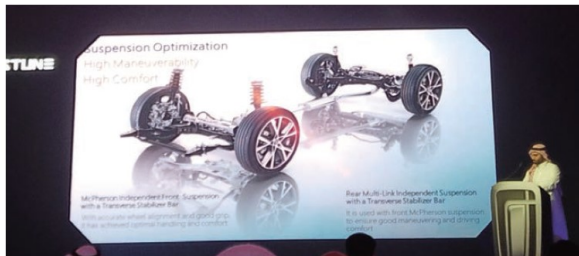


▶ FAW Jiefang's overseas official website and sub-websites in 10 countries were officially launched.

In August 2021, FAW Jiefang officially launched an overseas official website and 10 sub-websites in countries, achieving the function of displaying and querying brand, product, and channel information. This move marks a solid step toward the path of overseas communication based on the principle of "Globally consistent brand image and geographically separated product channels".

▶ FAW Bestune T77 cars were delivered to Russia for the first time.

On September 29, 2021, the first batch of FAW Bestune T77 commercial cars were delivered to Russia through the China-Europe railway, enabling the T77 model to become another new product under the FAW Bestune brand that entered the Russian market after the X80 and X40 models. This further enriches the Bestune product series, enhances the brand influence, and provides strong support for overseas market development.



▶ FAW Bestune T99 officially debuted in Jeddah, Saudi Arabia

In September 2021, the FAW Bestune T99 on sale in Saudi Arabia. This model boasts a design concept of light-weight, suspension, circularity, and thinness, a powerful 2.0T224Ps engine with a high thermal efficiency of 39%, and many advantages such as ultra-large rear seat space+trunk storage space, meeting Saudi customers' driving habits.

▶ Hongqi E-HS9 export to Europe

On September 29, 2021, the delivery ceremony of the Hongqi strategic model - pure electric intelligent SUV E-HS9 - exported, to Europe was held at the FAW's headquarters in China. The successful export of the Hongqi E-HS9 model to Europe has played a vital role in FAW's overseas strategic layout, providing more impetus for FAW's independent innovation and high-quality development.



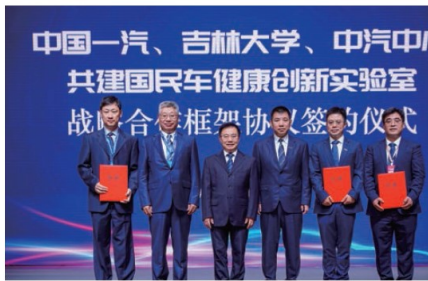
Multiple-channel cooperation

We adhere to the "Two-leg" concept of independent development and openness and cooperation, speed up building an all-round, multi-level, and multiple-channel openness and cooperation pattern, continue to deepen win-win cooperation with local governments, high-tech enterprises, research institutes, and strive to create a new era of green and intelligent vehicle industry ecosystem.

▶ In March, FAW and Anhui Transportation Holding Group signed a strategic cooperation agreement.



▶ In July, FAW, together with Jilin University and China Automotive Technology and Research Center, signed a strategic cooperation framework agreement to jointly build the National Automobile and Human Health Innovation Laboratory.



▶ In July, FAW and ZTE jointly held a signing ceremony for deepening strategic cooperation.



▶ In September, FAW and Liaoyuan Municipal Government jointly kicked off the new energy operation demonstration city project to jointly build the green mobility.



▶ In May, FAW and Huawei signed a strategic cooperation agreement to strengthen cooperation and exchange in digital platforms, intelligent mobility, and joint ecological system building.



▶ In May, FAW and CITIC Group signed a strategic cooperation agreement.



▶ In July, FAW and Phoenix TV signed a strategic cooperation agreement.



▶ In December, FAW Hongqi signed a strategic cooperation agreement with Zhangjiakou Municipal People's Government to jointly build a new chapter in the ice and snow sports industry.



▶ In December, FAW and Tencent signed a strategic cooperation agreement to jointly build the "FAW-Tencent Joint Laboratory".



Building an industry ecosystem by fulfilling appropriate social responsibilities

We always keep the pace with the development of the industry, leverage our comprehensive advantages, actively participate in the formulation of industry standards, actively apply for and undertake major technical special tasks at the national and provincial levels, build communication platforms, cultivate automotive talents, organize and participate in industry events, and boost the high-quality development of the automotive industry.

2021

Four projects recognized as the major special projects of the Ministry of Industry and Information Technology in 2021
Participated in three key special projects of the Ministry of Science and Technology for "New Energy Vehicles" in 2021
Successfully applied for nine major technical special projects and 29 topics in Jilin Province and Changchun City by following the "Inducement prize system".

Case FAW collaborated with Jilin Automotive Electronics Association and other organizations to draft information security standards for intelligent connected vehicles

Information security risk is increasingly becoming one of the important bottlenecks for the comprehensive application of intelligent connected vehicles in market. In this context, FAW Intelligent Connected Vehicles Development Institute, in collaboration with Jilin Automobile Electronics Association, JIT, and Jilin University, studied and drafted the Overall Plan for the Construction of Information Security Technology Standard System for Intelligent Connected Vehicles Based on Commercial Cryptography Algorithms. In December 2021, the first batch of 12 information security standards for intelligent connected vehicles based on commercial cryptographic algorithms were officially published.



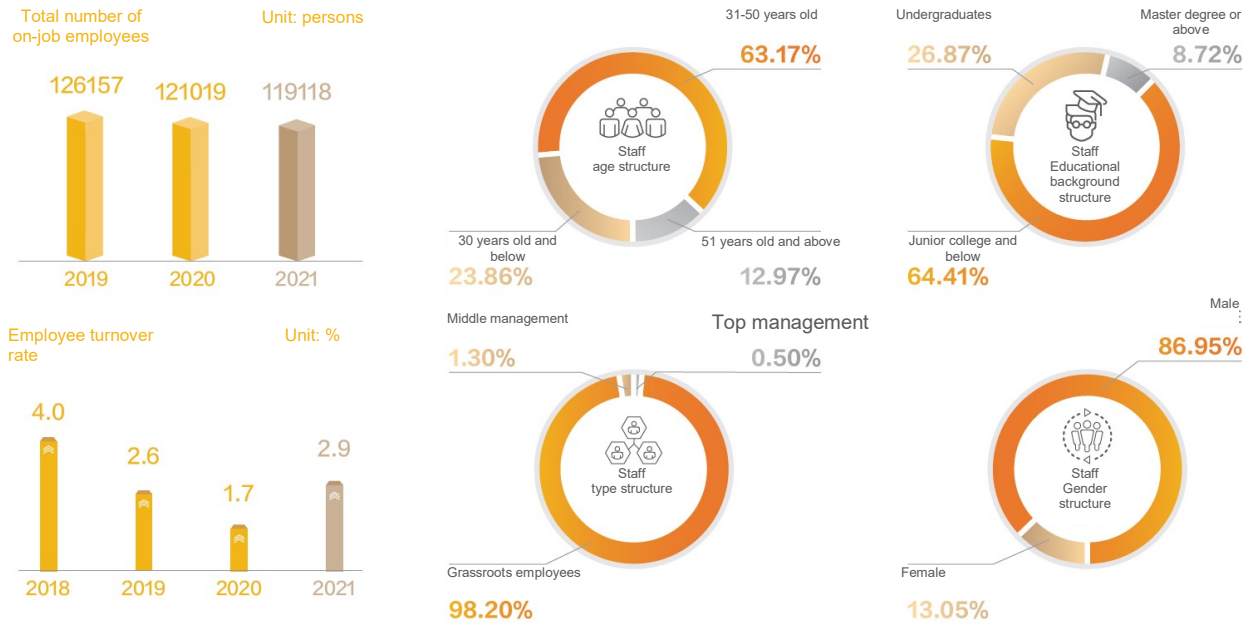
In October 2021, the main forum of the 2021 Sino-Germany Automotive Conference, jointly hosted by FAW and other organizations, was held at the Hongqi Meeting Hall to discuss macro trends and cooperation opportunities mutually concerned by Chinese and German sides and the whole automotive industry.

Putting people first and helping employees grow

The fishes swim around the places where the water is deep, and the birds fly to the places where the trees are dense and lush. FAW forms a solid talent-leading development strategy, firmly implements the strategic requirements of "Benefiting employees", adheres to gathering talents, cultivating talents, providing employees with sufficient rights and interests security, a healthy and safe workplace, and broad career development prospects, as well as is committed to building a community of shared future for both the company and employees, i.e., "sharing happiness and sorrows, and sharing weal and woe".

Employees' rights and interests

By strictly abiding by laws and regulations such as the Labor Law, Labor Contract Law, and Trade Union Law, we insist on equal and diversified employment, perfect salary incentive mechanisms, improve various welfare benefits, build smooth channels for employees to express their concerns, actively listen to employees' voices, and duly protect their fundamental rights and interests. In 2021, the signing rate of labor contracts is 100%, the coverage rate of social security is 100%, and the rate of employees participating in the labor union is 100%.



Human rights security	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Strengthen performance management and improve the salary incentive mechanism of "Be driven by the profit, jointly create value and share the results". Improve the management of welfare items such as enterprise annuity, supplementary medical insurance, health and physical examination, work meals, shuttle buses, and provide holiday subsidies and heating subsidies on schedule.
Democratic management	<ul style="list-style-type: none"> 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.



FAW held the 22nd Congress of Workers and Staff



FAW Toyota Fengyue Company organized a luncheon symposium to conduct a face-to-face and heart-to-heart in-depth exchange on various aspects such as the company's future development, salary and benefits, career planning, employees' life, and supporting facilities construction.

Employees' career development

We always regard employees as the primary resource of the enterprise. Therefore, we vigorously implement the strategy of building a strong enterprise by making the best use of talents, expand channels for talent introduction and reserve, strengthen employee quality education, build smooth career development channels, improve incentive mechanisms, extensively carry out skill competition activities, deeply tap employees' potential, fully stimulate their pioneering spirit and working enthusiasm, help employees achieve their self-worth and career ideals, and make the company possible to achieve transformation, upgrading, and high-quality development.

2021

3902 persons employed

Accumulated employee training person-times of 1.26 million

Employee training coverage rate of 100%

Total investment of RMB 143 million in employee training

Per capita training time of 247 hours

Two employees won the National May Day Labor Medal, one employee won the National Worker Pioneer Title, one employee won the Chinese Youth May Fourth Medal, and three employees won the Provincial and Municipal May Day Labor Medal.

Talent Introduction

- **Targeted talent introduction:** by taking the Hongqi College of FAW-Jilin University as a breakthrough, identify, reserve, and specially cultivate excellent talents in advance in terms of the company's product strategic plan and business needs.
- **Talent cooperation:** establish an internship and practice base at Jilin University; set up the "Hongqi · Innovation Lab" Student Association of Jilin University to launch the social practice training program for college students.

Talent cultivation

- **Skill recognition:** build a digital management platform for independent recognition of vocational skill levels, and obtain the recognition qualification of the independent vocational skill levels granted by the Ministry of Human Resources and Social Security of the People's Republic of China.
- **Horse racing principle:** develop high-level scientific and technological talent competency standards covering 3 competency dimensions and 9 competency elements to accurately identify talents.
- **Platform building:** build a "Project + talent" collaborative training mode and forge a collaborative training system of "On-job practice+centralized training".

Talent motivation

- **Project management:** by following the management mode of "Focus on projects and disciplines, achieve projects collaboratively and efficiently, and leverage the digital intelligence for empowerment", drive the talent growth through projects and in turn implement projects through talents.
- **Inducement prize system:** by focusing on the annual product project bulletin, cultivate talents by implementing major projects.
- **Incentive constraints:** give incentives to outstanding talents, such as honor roll, high-priority promotion, high-priority recommendation and application for honors at all levels and further education at home and abroad, and implement the exit management mechanism for those employees who fail the assessment

Case FAW officially released the "Employee Growth Care Card"

In January 2021, FAW officially released the "Employee Growth Care Card" to help employees know their career development direction, carry out specific empowerment training, and timely help employee grow. The "Employee Growth Care Card" includes three modules: "Growth Footprint", "Growing", and "Cheering me on". In terms of product architecture design, career development can be decoded according to employees' career development expectations. After employees is clear about their development goals, we will perform a holographic diagnosis of their abilities to help them analyze their ability gaps. Also, we provide employees with career development engines, and by combining their personalized ability development demands, provide intellectually customized personal development suggestion. By inviting higher-ups and consulting with higher-ups, Honor Wall, Q&A, and other means, we aim to shape the circle of Hongqi influencers and build a good ecosystem for employee interaction and growth.



FAW held the debuting ceremony of "Employee Growth Care Card".

Employees' health

Production safety

We will do better in production safety according to strict requirements, continuously improve the safety management system and emergency response mechanism, intensify epidemic prevention and control, regularly carry out production safety inspections and potential hazard investigation, safety education and publicity, safety and fire drills and other activities, enhance employees' safety awareness and prevention capabilities, wholeheartedly foster a safety culture, comprehensively build a strong safety defense line, and do our best to prevent safety risks.

2021

Investment of RMB 470 million in production safety	0 safety accident
Death rate of 0.008% in work-related accidents	100% rectification rate of potential hazards that may be resulted from accidents
64 safety-related technical measures and 16 fire protection measures completed	Over 110,000 employees vaccinated and vaccination rate of 96% achieved
Safety and fire target responsibility commitments signed by 20 second-tier companies and 19 functional departments	





FAW conducted Safety Month Consultation Day Campaign



FAW held the 7th "Yifeng Cup" Fire Fighting Skills Competition



FAW Jiefang Transmission Division built a safety training dojo that integrates theories and practices



FAW Toyota conducted full staff safety and awareness training in the safety training dojo

Further reading: What is a safe dojo?

The safety dojo is an innovative mode of safety training, in which multiple experience devices are installed. Under the premise of fully ensuring safety, it simulates accident scenarios and allows all trainees to have a firsthand experience, making the safety training closer to the reality and enhancing the training effectiveness.

Occupational health

We carefully safeguard the health and safety of our employees, strengthen occupational disease prevention and control, strictly manage hygiene and epidemic prevention, and labor protection equipment, and carry out monitoring of dust, toxicity, noise and other occupational hazards that influence occupational health; organize and carry out health examinations, psychological health assistance, and special occupational health training for all employees, popularize occupational health knowledge, and help employees shape a positive mindset and healthy physique. In 2021, the coverage rate of occupational health examinations is 100%, the coverage rate of health records is 100%, and the number of occupational patients is 0.



To avoid the COVID-19 infection risk, FAW Toyota organized employees to receive occupational medical examinations within the company.

Care for employees

We adhere to the concept of "Dual care and dual growth", create a cloud platform for "Two cards and one network" that serves the employees, pay attention to the urgent needs and concerns of employees, and diligently carry out the "Serve employees" practical activities; set up an employee mutual-aid fund, carry out regular assistance activities such as sending warmth support to the employees and giving assistance to the impoverished students in the autumn to help employees solve the matter of extreme urgency; create a series of cultural and sports activities such as employee family open days, employee health running, and collective weddings, give career care for employees, refine life care for employees, deepen cultural influence, and continuously enhance employees' sense of achievement, gain, and happiness.

2021

The "Serve employees" practical activities were carried out to solve over 7500 urgent, difficult, and concerned problems.

Care was delivered to 11,500 anti-epidemic workers and their families, totaling RMB 9,032,200.

Hongqi Mutual-aid Fund raised RMB 13.5746 million.

120,000 person-times of inclusive services for employees.

A special fund of RMB 15 million was paid as consolation money to grassroots employees, an assistance fund of RMB 3,039,100 million was invested in helping the employees in need, and 758 person-times of visits to retired employees were conducted.



In January 2021, FAW officially launched the "Hongqi Space" coffee & book bar and new fitness center.



In June 2021, FAW organized the "Hongqi Running" event in the 25th Workers' Games.

On July 1, 2021, FAW held the "Hongqi Ordes" employees' chorus performance.



On September 17, 2021, FAW held the 25th Workers' Games

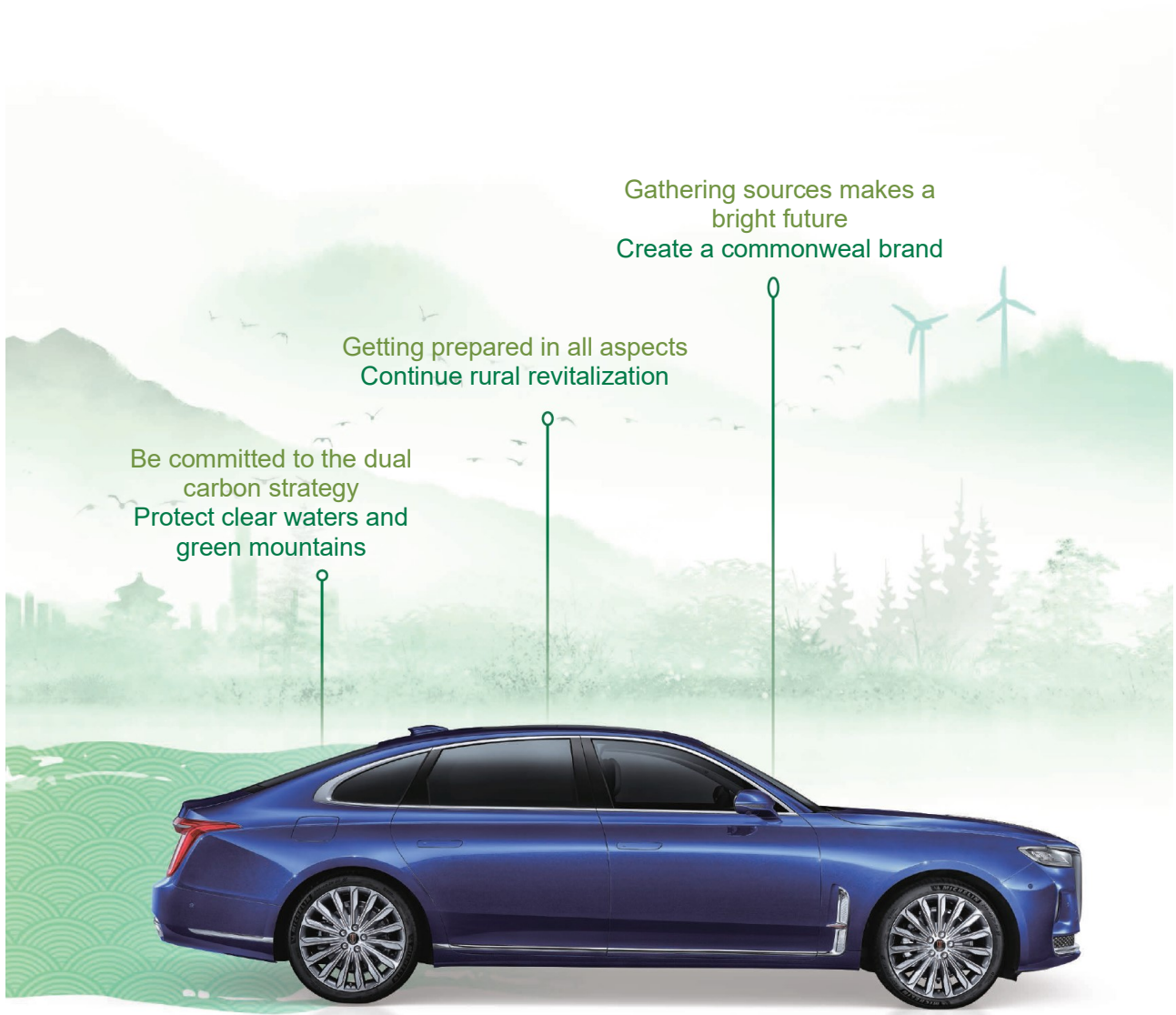
On November 27, 2021, FAW held a collective wedding for the 11th consecutive year, with 106 newlyweds making an imprint of love, reciting their vows of love, and joining hands to embark on their romantic journey.



03

Cultivating Pure Love

**Fulfilling the
development
responsibilities**



Be committed to the dual
carbon strategy
Protect clear waters and
green mountains

Getting prepared in all aspects
Continue rural revitalization

Gathering sources makes a
bright future
Create a commonweal brand

Our Goals



Our Response

In 2021, FAW started performing the mission of central government-owned enterprises, and actively fulfill social responsibilities. FAW firmly adheres to the path of ecological priority and green development to cope with the hardships necessarily encountered in the green and low-carbon development course; continuously consolidates and expands the achievements of poverty alleviation and makes its development goal linked with the national rural revitalization strategy to boost the comprehensive revitalization and development of rural regions; sticks to serving the country and makes continuous feedback to the society, taking the path to building a charity and public welfare brand.

Investment in energy conservation and environmental protection amounted to

RMB 545 million

Energy savings of approx.

76500 tons of standard coal

Targeted assistance and one-to-one assistance fund in Tibet amounted to

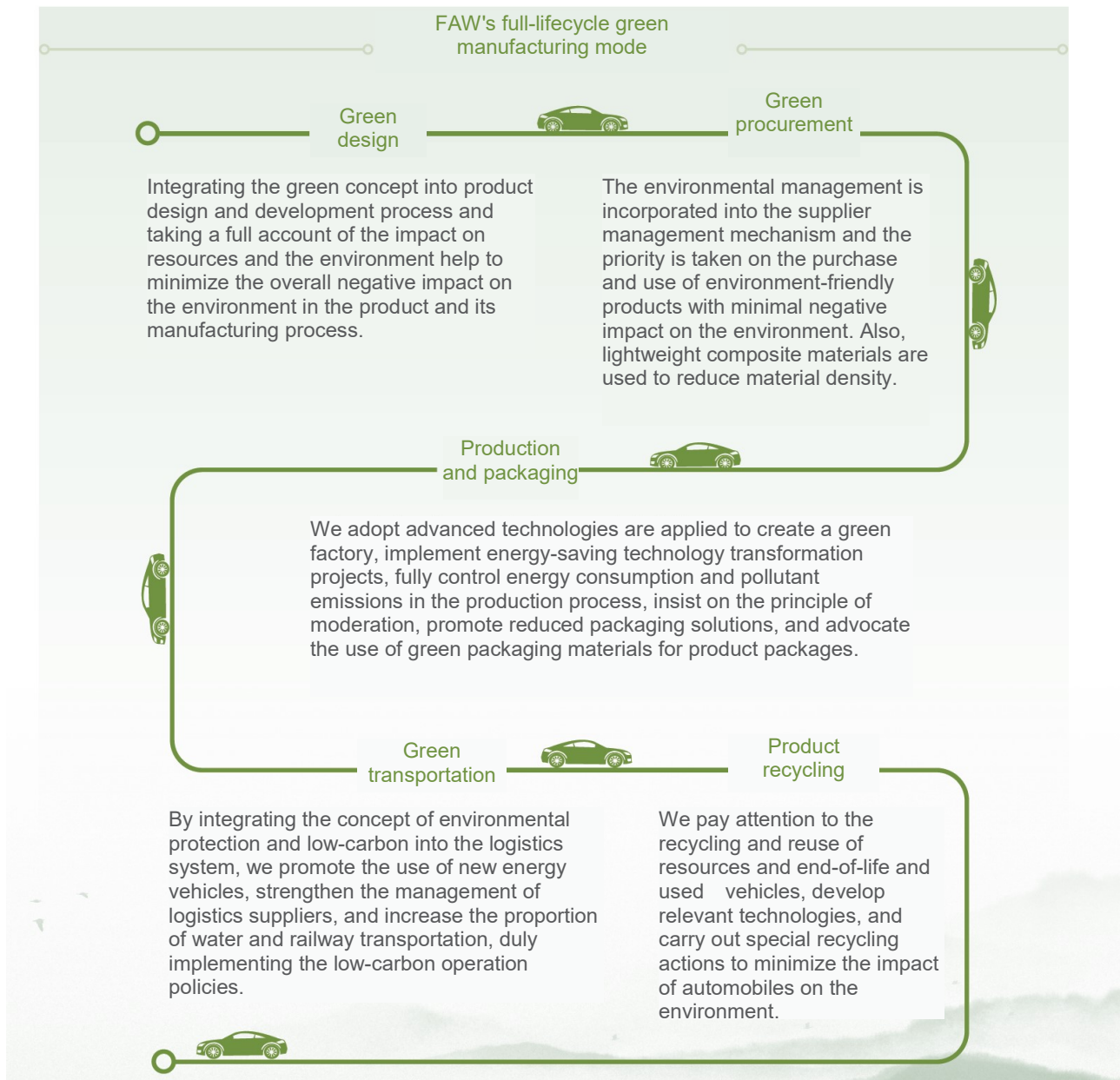
RMB 74.78 million

Total donation fund amounted to approx.

RMB 144 million

Be committed to the dual carbon strategy and protect clear waters and green mountains

Protecting the green mountains makes the environment more beautiful and the people's life better. By adhering to the new development concept of "Being low-carbon, energy-saving, circular, balance, and sustainable", FAW continues to explore new paths for green development, and spares no efforts to build a green manufacturing mode that covers the entire product lifecycle. Through the whole-chain green management including green design, green procurement, green production, green packaging, green transportation, and scrapped and used vehicle recovery, FAW gradually permeates its high environmental protection standards into the industrial chain, drive the green and low-carbon development of the whole industrial chain, and works with the partners to protect clear waters and green mountains, and share a green life.



Taking the green management concept to consolidate a concrete development foundation

We insist on taking the green management concept to lay a concrete foundation for development, continuously improve the environmental management system, perfect the environmental emergency mechanism, accelerate the construction of the energy conservation and environmental protection information platform, conduct regular and special inspections of ecological and environmental protection, lay a concrete cornerstone for green development, and fulfill the commitment to sustainable development.

2021

Investment of RMB 545 million in energy conservation and environmental protection

Regular supervision of 26 units to achieve the supervision of all second-tier units

Zero penalty for energy conservation and ecological environment protection

Environmental management system

Coordinate the preparation of a five-year plan outline for energy conservation and environmental protection to explicitly define the main working objectives and implementation approach.

Clarify the responsibility system for energy conservation and emission reduction targets, sign target responsibility agreements with 13 second-tier units, and explicitly define the allocation of responsibilities.

Establish a weekly, monthly, quarterly, and annual cycle working mechanism to achieve the normal green management.

Special environmental inspection

Guiding by central government's supervision: Develop the Working Plan for Comprehensive Self-examination of Environmental Protection on Special Supervision of Central Government-owned Enterprises, prepare and form the Working Report of the Group on Comprehensive Self-examination of Environmental Protection on Special Supervision of Central Government-owned Enterprises, and lay a solid foundation for environmental management.

Strengthening the internal supervision as the key point: improve the environmental governance assessment system, compile and distribute a list of environmental protection supervision contents, guide individual units to conduct self-examination and self-correction, complete the problem rectification and form a closed loop.

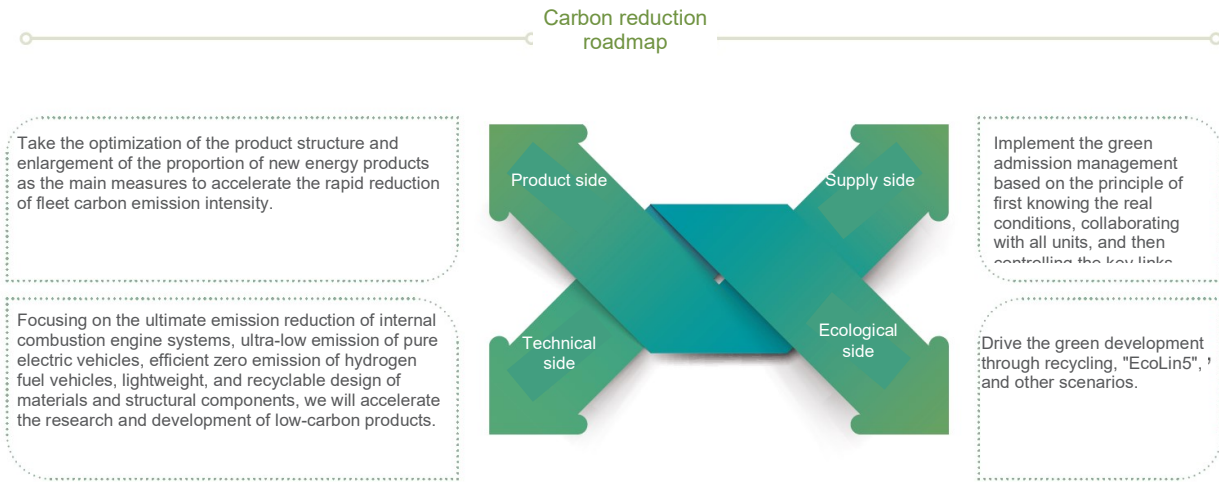
Environmental information platform

Accelerate the digital intelligence transformation, establish a unified, open, and intelligent ecological environment monitoring platform, and gradually enhance the digital regulation and emergency response abilities in environmental businesses.

Green manufacturing, promoting "dual carbon"

Towards "Carbon neutrality"

With the vision of "Zero carbon and neutrality pioneer", we set up the FAW "Carbon peaking and neutrality" management committee to coordinate the "Dual carbon" activities; organize policy discussions, explored the application of green electricity and carbon credits, and compiled the Enterprise Green Electricity Application Guide and Forestry Carbon Credit Guide; establish a "Dual carbon" governance mechanism for the Group's manufacturing sector, and sorted out the carbon emission footprints of the manufacturing sector; comprehensively planned the "Dual carbon" technology route from the product side, technology side, supply side, and ecological side and strive to embark on a new path for a green, low (zero) carbon development.



Energy management

We actively push forward energy conservation and consumption reduction, continuously strengthen energy management, advance energy-saving and water-saving technology transformation, and effectively enhance the efficiency of energy resource utilization; vigorously develop circular economy, and achieve the energy consumption control from the end to the source at three levels including "Energy consumption reduction, reuse, and recycling"; increase investment in the clean energy, push the formation of green and intensive production methods, and strive to create a healthy, low-carbon, and sustainable green factory. As of 2021, there were a total of 13 demonstration "Green factories" certified by the Ministry of Industry and Information Technology.

Energy-saving management	Water-saving management
<p>Strengthen energy management and carry out energy saving and consumption reduction training; develop an energy management and control system, and highlight the digital regulation; enhance technology based energy conservation and eliminate outdated equipment and processes; lay emphasis on the recycling and reuse of raw materials, improve resource utilization and clean energy utilization.</p>	<p>Perfect water-saving management and strengthen the quota management; push forward the transformation of water-saving technology, promote the reuse of industrial wastewater, and improve the reuse rate of water resources; intensify the water-saving publicity and training, and enhance employees' water conservation awareness.</p>

Case The FAW's "Green" Prosperity Factory was completed and put into production.

In 2021, the FAW Hongqi Prosperity Factory with a total investment of RMB 8 billion was completed and put into production. The factory is equipped with a dry paint mist filtration system, which can filter impurities in the air of less than 0.1mg/m³ and send them to the air conditioning system for recycling, reducing energy consumption by 50%. Also, it is equipped with a zeolite roller and RTO incineration treatment plant, achieving the VOC removal rate of 99% in the factory and the heat recovery and utilization rate of 95%. By applying the integrated photovoltaic power generation and cascade battery technology, 94,000 tons of standard coal can be saved annually, 237,000 tons of carbon dioxide can be reduced and 864 tons of sulfur dioxide reduced, substantially ensuring the efficiency, energy conservation, cleanliness, and environmental friendliness of the factory's manufacturing process.



FAW Hongqi Prosperity Factory

Case FAW Jiefang comprehensively pushes forward the photovoltaic power generation project and create a green manufacturing model.

In August 2021, the 8.75MW distributed photovoltaic power generation project at FAW Jiefang Qingdao Jimo factory was selected in the second batch of intelligent photovoltaic pilot demonstration projects by the Ministry of Industry and Information Technology of the People's Republic of China. The project was to mainly utilize the roofs of factory buildings and parking sheds to build a rooftop distributed photovoltaic power station and photovoltaic car sheds. The project operation mode is that the electricity generated by the distributed photovoltaic power station is for self-use and the surplus electricity is transmitted to the national grid. This grid connection operation mode is a major breakthrough in promoting photovoltaic power generation applications by large-scale national automobile manufacturing enterprises, and has been promoted and applied in branches such as FAW Changchun and FAW Foshan.



8.75MW distributed photovoltaic power generation project in the FAW Jiefang Qingdao Jimo Factory



FAW Toyota has vigorously strengthened its solar photovoltaic construction. As of the end of 2021, a total of 55 megawatts of photovoltaic power generation capacity has been built, with an annual power generation of 65 million kilowatt hours, and green electricity accounted for 10% of the total power generation.

Pollution prevention and control

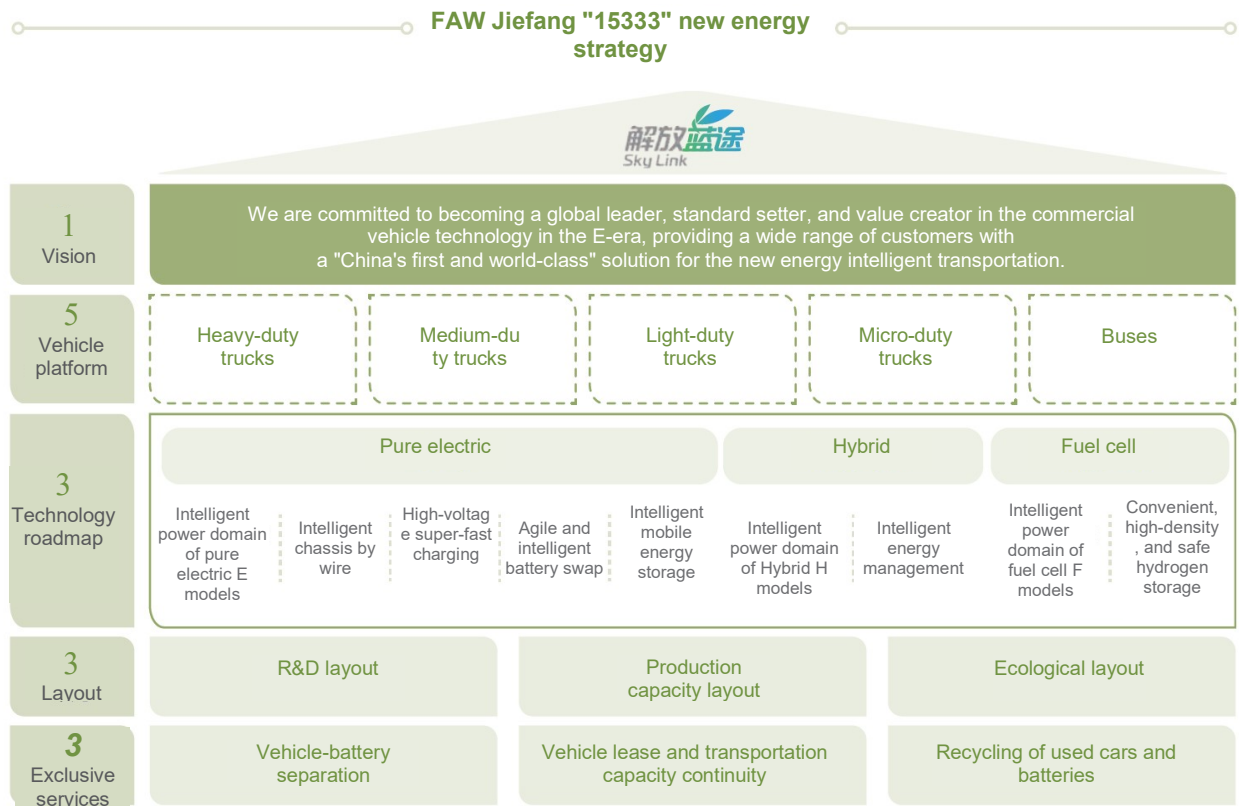
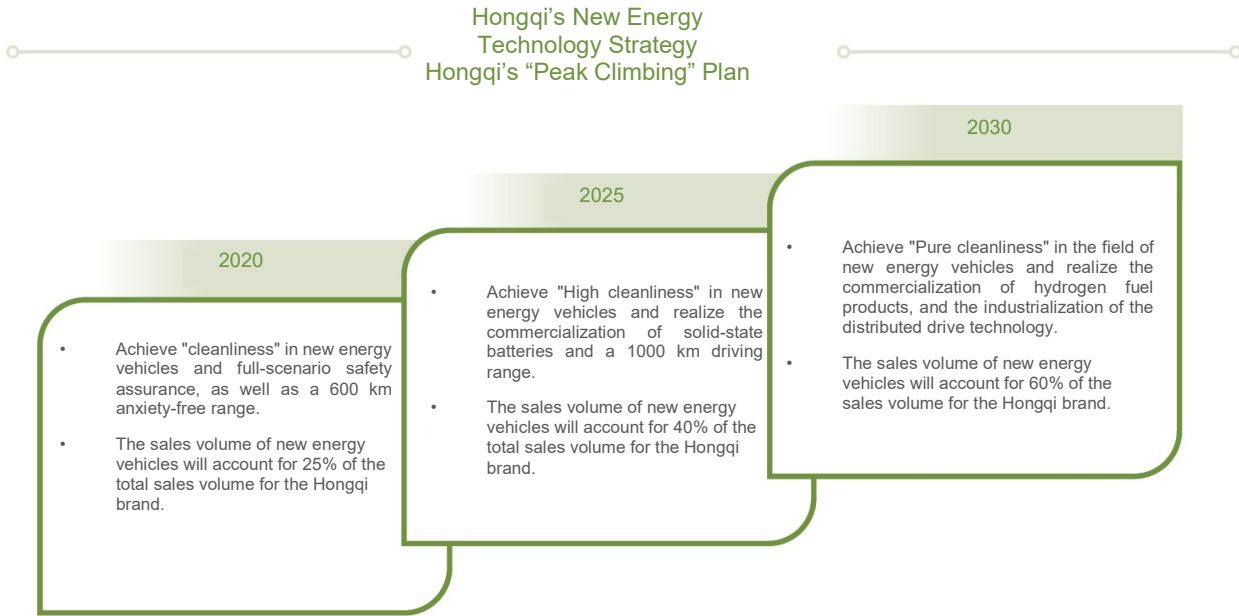
We spare no efforts to do a good job in the pollution prevention and control by making use of our greater determination, higher standards, and stricter measures, increase financial investment, and vigorously carry out environmental governance projects; organize the compilation of the Standard Manual of the Group for Hazardous Wastes Management to intensify the hazardous waste pollutant treatment; utilize our own resources and professional institutions to carry out environmental monitoring activities including monitoring "three industrial wastes", soil pollution, and radiation, build an environmental statistical information database to timely grasp the overall status of ecological environment quality, and lay a solid foundation for high-quality green development of the enterprise.

2021

63 environmental governance projects completed	Sulfur dioxide decreased by 18.82% year-on-year
1,532 industrial wastewater monitoring points, over 900 pollutant discharge monitoring points, and 31 in-factory noise monitoring points	Ammonia nitrogen emissions decreased by 48% year-on-year
Chemical oxygen demand decreased by 23% year on year	Carbon dioxide emissions per 10000 yuan output value decreased by 1.52%
Comprehensive energy consumption per 10,000 yuan output value decreased by 5.74% year-on-year	

Paying more attention to the new energy business

We make the best efforts to increase the enterprise's performance from both the production and consumption sides. In addition to sticking to the strategy of green manufacturing and less carbon emissions from the production side, we vigorously develop the new energy industry, reserve multiple technological development routes such as pure electric, hybrid, and fuel cell technologies, strive to develop innovative new energy products, increase industrial chain cooperation, and create a future intelligent and green city automotive ecosystem, boosting the achievement of the "Dual carbon" goal.





The first hydrogen engine independently developed by FAW is an internationally leading and publicly released internal combustion engine that has a thermal efficiency of 42% and is capable of achieving "Zero carbon emission and zero pollution emission" and "Dual zero emission".

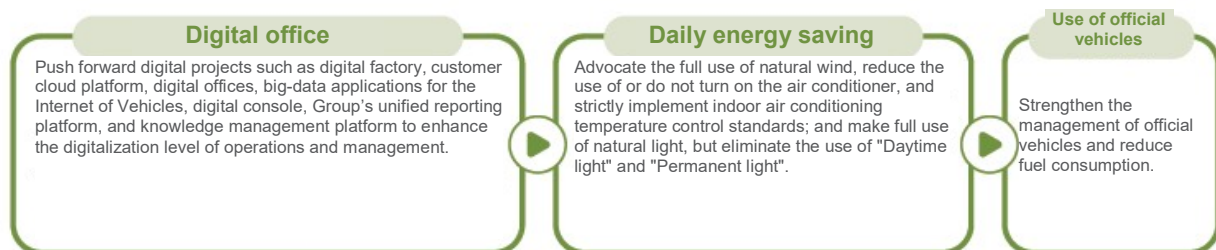


On March 1, 2021, the "Hongqi's E mobility in Changchun and across Jilin" project was officially kicked off, which focused on green city, green transportation, and green mobility, accelerating the promotion and application of new energy battery swap products, as well as the construction and integration of supporting facilities.

Daily green operation

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.



Environmental protection culture

We vigorously promote the construction of environmental protection culture, mobilize employees and car users to participate in various environmental protection activities such as the lecture of excellent energy conservation and environmental protection cases, the exhibition of energy-saving and environmental protection achievements, and the energy-saving and fuel-saving competition, propagating the low-carbon concept, cultivating the green culture, and empowering the sustainable protection of the ecological environment.

Case FAW Mobility held Changchun Hongqi E-QM5 Taxi Energy Saving Competition.

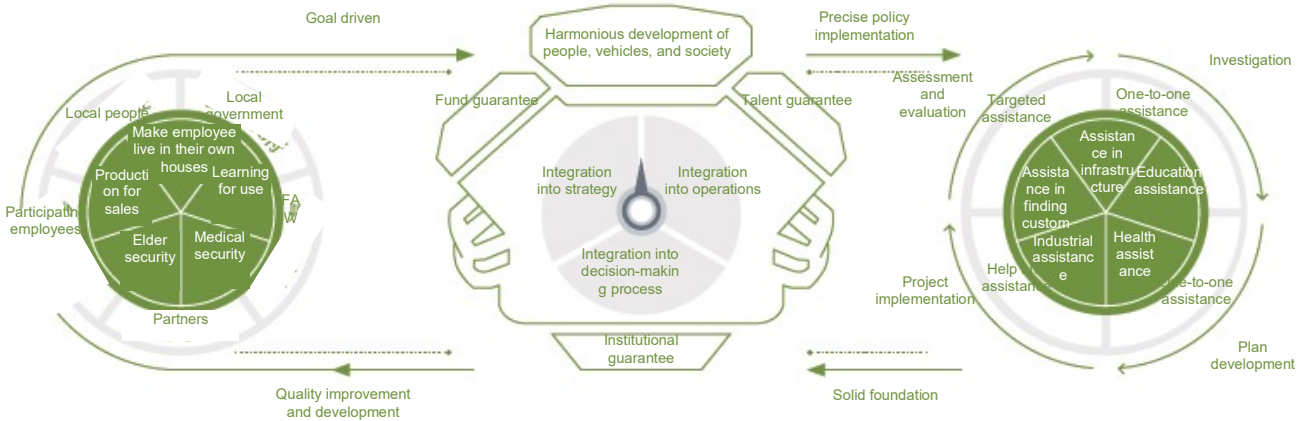
In December 2021, FAW Mobility officially started the Changchun Hongqi E-QM5 Taxi Energy Saving Competition themed with "Mobility · Hongqi E-QM5 Creates Miracles". Together with all participants in the Hongqi E-QM5 taxi competition in Changchun and by taking the high-efficiency energy conservation as its goal, the participants driven a Hongqi E-QM5 taxi to compete for the "Daily energy saving star", "Weekly energy saving star", and "Monthly energy saving star" and guide drivers to establish good driving habits, implement the concept of "Dual carbon".



FAW Mobility held Changchun Hongqi E-QM5 Taxi Energy Saving Competition.

Getting prepared in all aspects to achieve rural revitalization

Winning is easy, but keeping winning is difficult. FAW bases itself on local customer needs, gives full play to its strengths, fulfills the mission of central government-owned enterprises by taking practical actions, helps to develop rural industries, talents, culture, ecology, organizations and achieve all-round revitalization in rural area by practical measures, promotes high-quality and high-efficiency agricultural development, makes rural areas suitable for living and working, and enables farmers to be rich, contributing FAW's wisdom and strength to the grand goal of achieving common prosperity for all people.



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

Putting the management at the first place from the mindset

We always adhere to implementing the national strategy for rural revitalization, devote ourselves to the cause of rural revitalization by upholding a high sense of mission and responsibility, set up a leading group for rural revitalization that covers all team members, and develop a series of management measures such as creating a distinctive model, formulating a five-year plan for rural revitalization, conducting on-site research, and selecting and dispatching temporary cadres to firmly lay a concrete cornerstone for rural revitalization management.

Case FAW released the 14th five-year plan for rural revitalization

On June 25, 2021, FAW held a poverty alleviation summary and rural revitalization promotion meeting, and released the "14th Five-year" plan for rural revitalization on site. According to the plan, FAW will fully implement the decisions and deployments of the Central Committee of the Party and the State Council. Pursuant to the requirements of the "Four-undo" policy, FAW keeps the assistance policies unchanged and does not reduce the fund support, and sets up the "FAW Rural Revitalization Fund" to boost the revitalization and development of rural areas through the "Five efforts and five improvements".



FAW released the 14th five-year plan for rural revitalization

Practical actions are essential for the rural revitalization

Industrial revitalization

Thriving industry leads to the rural prosperity. Based on the actual conditions and resource endowments of individual counties, we work together with the local government to select industry assistance projects, develop special planting, breeding, and tourism industries, and continuously explore new ideas for consumption assistance to boost production and sales, drive people to become rich and increase income, and constantly create vivid "Models" for rural revitalization.

Case Jilin Zhenlai County · Jiheimeng Aquatic Products Trading Market

In recent years, Zhenlai County leverages its water resources and geographical advantages to vigorously promote the "Crab and rice co-existed" ecological aquaculture mode. To help Zhenlai County expand its marketing channels for the crabs bred in rice fields, FAW has invested approx. RMB 9 million in construction of a large aquatic products trading market covering an area of 27389.66 square meters, through which the crabs can be sold to three provinces (regions) including Jilin, Heilongjiang, and Inner Mongolia. Therefore, it can achieve an annual trading volume of 50 million kilograms of crabs and over 90 million kilograms of wild fishes. The trading market was put into operation in September 2021, attracting customers and merchants across the country. The daily trading volume of crabs reached a peak of 250,000 kg, and the trading amount in 2021 reached RMB 130 million.



Jiheimeng Aquatic Products Trading Market in Zhenlai constructed under the support of FAW

Talent development

The key to rural revitalization lies in talents. FAW insists on promoting rural revitalization through talent development, actively carries out the talent growth plan for rural revitalization, and initially creates a "3+1" talent revitalization combined assistance mode. Centering on "Basic education, vocational education, and cadre capability training", FAC carries out "Public welfare support to entrepreneurship and employment" in an innovative manner, implements key projects such as the Hongqi Dream Self-improvement Class and the Hongqi Vocational Education Training Base, and cultivates a group of talents who hope to make a great achievement in their careers, can do something, and have accomplished important things successfully, strengthening the talent support for rural revitalization.



Case FAW carried out "Rural Revitalization Flag-bearer Training Camp" training activities

In 2021, FAW cooperated with public welfare agencies to carry out the "Rural Revitalization Flag-bearer Training Camp" training activities, invited 22 tutors from universities such as China Agricultural University, scientific research institutes such as Chinese Academy of Agricultural Sciences, and agricultural science and technology enterprises to give lectures, offer more than 30 courses, and organized nearly 800 basic cadres, and entrepreneurial leaders to participate in the training. Meanwhile, FAW should pay attention to the timeliness and sustainability of the training, and organize mentors and participating trainees to form groups in pairs, thus providing "Continuous" support and achieving "Training one person to develop an industry".



FAW worked hand in hand with China Youth Entrepreneurship and Employment Foundation to conduct a 3-day "FAW Rural Revitalization Flag-bearer Training Camp" in Fengshan County, Guangxi.

Case FAW built an Automobile Training Base in China to empower and enhance vocational education efficiency.

In 2021, FAW leveraged its advantages in the automotive industry to build automotive training bases in Zhenlai, Helong, Fengshan, Luochuan, and at other places. FAW donated 20 non-commodity training vehicles for teaching and dismantling purposes, deepened industry-education integration and school-enterprise cooperation, aiming to improve the basic capabilities and education quality of local vocational colleges, and cultivate more high-quality skilled talents in the automotive field. Meanwhile, FAW, by combining with the employment needs of enterprises, carried out targeted talents training and employee recruitment activities in various regions, attracting more than 300 vocational college students to work as interns (including 68 students from designated counties), and truly achieving the goal of "Employing one person to make one family rich".



In December 2021, FAW donated 5 Hongqi non-commodity training vehicles to Zhenlai County.

Cultural development

The rural regions needs to not only develop material civilization, but also develop cultural civilization, namely the soul of the beautiful countryside. We stick to the principle of being a cultural man, popularizing scientific knowledge, advocating for changing customs, eliminating outdated customs, and helping to establish civilized rural customs, good family customs, and simple folk customs; assist in building grassroots cultural activity venues to provide a carrier for meeting the spiritual and cultural needs of the local people; integrate special ethnic cultural resources, develop special cultural and tourism industries in rural areas, and gather the civilization forces for achieving rural revitalization from multiple channels.

Ecological revitalization

The appearance and presence of rural areas embodies the quality of rural revitalization. We consider the improvement in the appearance as the key to the rural revitalization, and solidly promote the improvement of rural living environment through assistance in building infrastructures and by planning animal husbandry communities; vigorously develop special ecological industries, plan and construct rural complex projects that integrate vegetable planting, sightseeing tourism, and leisure agriculture, enabling the helped farmers to "Enjoy green mountains and clear waters, and be close to the countryside that seems to be the one in their long-lasting memories".

Organizational development

A powerful organization makes a great prosperity and achievements, just as a strong foundation makes a building safe. Starting with strengthening the grass-roots party organizations, we give full play to the role of the first secretary in the village affairs, carry out the first secretary's party lectures and daily party-themed activities, encourage the subordinate units to work together with the designated key villages and government departments to build party branches, improve the role of grass-roots party organizations, and build a "Bridgehead" for rural revitalization.



In November 2021, the unveiling ceremony of the "FAW Farmers' Bookstore" was held in Yan'an Village, Helong City, Jilin Province.



FAW invested RMB 3.13 million in Xinli Village, Zhenlai County to build animal husbandry communities, develop animal husbandry and stock-breeding, achieving the separation of humans and livestock, and improving the people's living environment



FAW encourages the subordinate units to work together with key villages and government departments in designated assistance areas to build party branches.

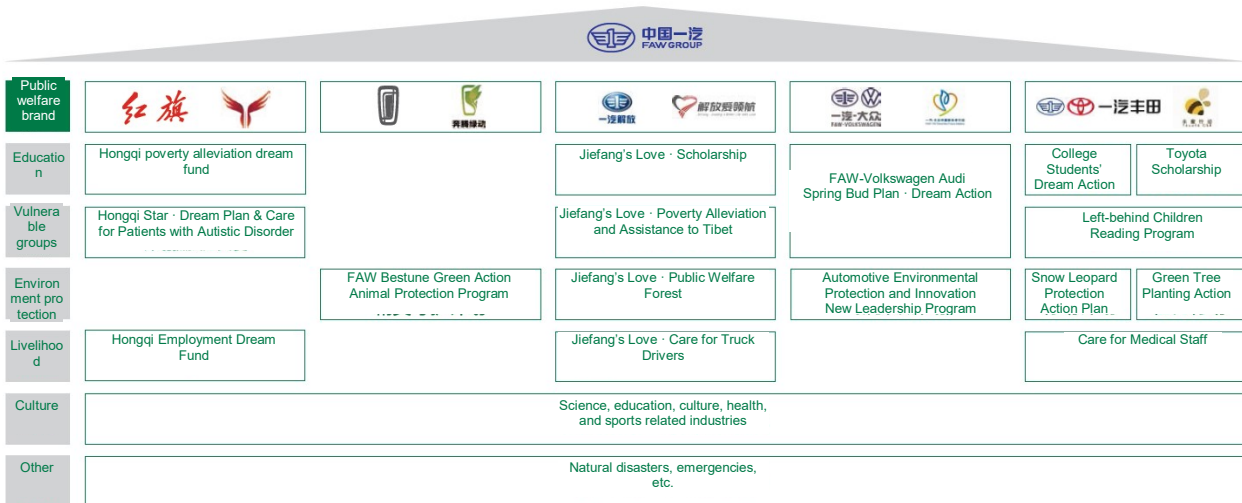


Gathering social resources to build a public welfare brand

Presenting FAR's care for society sincerely and wholeheartedly FAW always sticks to the responsibility concept of "Promoting harmonious development of people, vehicles, and society", insists on sharing development achievements with society, continues to play a pioneering role, mobilizes the entire Group and even social forces to actively participate in public welfare undertakings, raise people's hopes with love, transmits positive energy with public welfare, and interprets the fulfillment of social responsibilities through charity activities.

Social welfare system

By fulfilling the social responsibilities in the name of great love and by taking the concept of "Promoting social harmony by our love" as a public welfare concept, we focus on key areas such as education, child care, environment, safety, culture, employment, and people's livelihood, integrate advantageous resources, and promote social harmony and sustainable development, aiming at building a public welfare brand community. In 2021, the social welfare donations from FAW totaled RMB 68.84 million, involving a total of 23 public welfare projects. The FAW's Youth Volunteers Association and other organizations organized 248 volunteer activities, with 4026 person-times of participants taking part in the volunteer activities.



FAW's social welfare system

Social public welfare practices

Education: lighting up dreams

We are committed to cultivating future talents and actively supporting the education of youngsters. Through various means such as assisting in the construction of schools, donating teaching facilities and living necessities, and conducting education and training activities, we aim to light up children's hopes and dreams and ensure their healthy growth.

Hongqi poverty alleviation dream fund

Since 2017, FAW has launched the "Hongqi Poverty Alleviation Dream Fund" and collaborated with the China Foundation for Poverty Alleviation to jointly carry out the "Marching Forward the Long March Road in a New Era Through Precise Poverty Alleviation" education and precision assistance project in 105 national poverty counties and designated assistance areas along the Red Army Long March Road. Also, FAW continues to carry out characteristic public welfare projects such as the "Hongqi Dream Self-improvement Class", "Hongqi Dream Intelligent School", and "Hongqi Dream Art Classroom", And introduces the "Love" public welfare brand, encouraging employees, partners, car owners and other social forces to participate in public welfare activities and igniting impoverished students' hope for their future.

By the end of 2021

108 Counties lifted out of poverty in 15 Provinces are covered by the programs

15 Hongqi Dream Smart Schools have been built

211 Hongqi Dream Self-Improvement Classes have been established, benefiting 10,575 senior high school students

More than 1,700 grassroots art teachers have been trained at the "Hongqi Dream Arts Class"

The programs have benefited an accumulation of more than 340,000 students



In October 2021, the "Hongqi Dream Smart Libraries" aimed to promote the sharing of high-quality educational resources with informationization and digitalization in were unveiled and put into use in schools of old revolutionary base areas such as Xibaipo, Zunyi and Yan'an



In July 2021, China FAW organized the "Hongqi Dream Self-Improvement Class" social practice summer camp

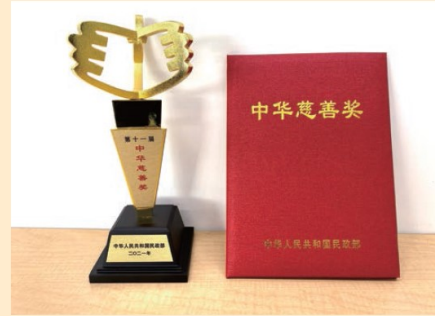


In December 2021, China FAW donated RMB 16.68 million as the 2021 "Hongqi Dream Self-Improvement Class" financial aid to the China Foundation for Poverty Alleviation (CFPA) to support students with difficulties in areas lifted out of poverty to achieve their dreams of study

Witnessing Glory - Public Welfare

The Hongqi Poverty Alleviation Fund program was awarded the Charity Program Award of the 11th China Charity Awards by the Ministry of Civil Affairs of the PRC

The Hongqi Dream Self-Improvement Class was selected as the best Volunteer Service Program in the Publicity and Selection Campaign of the 2021 National "Learn from Lei Feng" Volunteer Service "Four Hundreds" Outstanding Models organized by the Publicity Department of the CPC Central Committee, etc.



Jiefang Leading Scholarship (Financial Aid)

FAW Jiefang has always been concerned about the development of education, supporting the cultivation of automobile talents in the new era, carrying out targeted assistance to universities, vocational schools, and impoverished student groups, and encouraging students with good morality and excellent academic performance to strive to realize their ambitions.

2021

RMB 1,000,000 of the "Jiefang Leading Scholarship" was donated to 5 universities

RMB 500,000 of the "Jiefang Leading Financial Aid" was donated to vocational colleges

RMB 100,000 was donated to Chengdu Paotongshu Primary School for the construction of the Automotive Innovation Classroom



Love 1+1 Public Welfare Assistance for Education

Caring for the disadvantaged groups and providing help to students and families with difficulties in poverty-stricken regions in Shaanxi and Guizhou Provinces, etc. As of the end of 2021, a total donation of RMB 470,000 has been made, with educational assistance of 265 person times

Jiefang Leading Scholarship

For universities, assisting the cultivation of excellent automotive engineering talents in China

Jiefang Leading Financial Aid

For vocational schools, assisting the cultivation of excellent mechanics in China



In 2021, the "Jiefang Leading Scholarship (Financial Aid) focused on assisting colleges and universities in Western China, donating RMB 100,000 to three partner schools: Guizhou College of Electronic Science and Technology, Lanzhou Petrochemical College of Vocational Technology, and Chongqing Industrial & Commercial School



In July 2021, FAW Jiefang's "Love 1+1" Public Welfare Educational Assistance activity came to Butuo County, Greater Liangshan Yi Autonomous Prefecture

For Children: Passing on Warmth

We have been continuously caring for the disadvantaged groups in society, focusing on autistic groups, orphans with illness, girls and other special populations, continuously carrying out material assistance, educational training, caring and consolation, and other assistances, paying attention to the needs in Children's growing, and protecting the physical and mental health of them.

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. In December 2021, FAW-Volkswagen Audi's "Spring Bud Project" was awarded the "Auto-First Golden Key" Prize of the Corporate Social Responsibility (CSR) of Chinese Automotive Enterprises.

As of the end of 2021, the Spring Bud Dream Growth Camp has been opened for 3 sessions. A total of 379 children have been granted with financial aids for care services, and 3,000 children have been provided with the "healthy growing packages".



In October 2021, FAW-Volkswagen Audi donated RMB 7 million to the "Spring Bud Project" and launched the "Spring Bud Dream Choir" on the spot

Lighting up Dreams - FAW-Toyota Accompanies Left-Behind Children for Study

In November 2021, the "Lighting up Dreams - FAW-Toyota Accompanies Left-Behind Children for Study" public welfare activity came to Dukezong Primary School in Jiantang Town, Shangri-La, Yunnan Province, and brought various courses in forms such as reading, recitation and physical education to students for enlightening wisdom and lighting up dreams.



"Lighting up Dreams - FAW-Toyota Accompanies Left-Behind Children for Study" public welfare activity

Environmental Protection: Adding Greenery

We actively engage in the public welfare for environmental protection, create "branded" and "specialized" public welfare programs for environmental protection through various forms such as protection of endangered animals, public welfare funding for environmental protection, and environmental protection technology for automobiles to pass on the green energy, protect our green homeland and help build a beautiful China.

FAW-Volkswagen Automotive Eco-Friendly Innovation Project

Since 2020, together with Tsinghua University and the China Environmental Protection Foundation, FAW-Volkswagen has been creatively implementing the FAW-Volkswagen Automotive Eco-friendly Innovation Project, which focuses on the field of automotive eco-friendly technology. With the establishment and funding of key projects, FAW-Volkswagen influences and guides all sectors of the community to continuously invest into and research on the automotive eco-friendly technology, builds the "biosphere" with a deep integration of industry, university, and research, empowers the eco-friendly innovation with technology, and pushes the further improvement of the level of automotive eco-friendly technology in China. The program has been awarded the "Auto-First Golden Key" Prize of the Corporate Social Responsibility (CSR) of Chinese Automotive Enterprises for two consecutive years.

In 2021, FAW-Volkswagen launched the 2nd Automotive Eco-Friendly Innovation Project, which focuses on 26 topics in 6 major fields such as automotive carbon neutral strategy, charging infrastructure, new energy vehicles, energy-saving vehicles, intelligent traffic and environmental protection, and automotive pollution prevention and control. A total of 31 project applications from 18 domestic universities and research institutions were received.



On March 24, 2021, FAW-Volkswagen launched the 2nd Automotive Eco-Friendly Innovation Project

FAW-Toyota SUV Family Biodiversity Guardian Activity

Since 2018, FAW-Toyota has launched the FAW-Toyota SUV Family Biodiversity Guardian Activity for 4 consecutive years, which aims to improve the living condition of snow leopards and other populations, so as to help maintain the overall ecosystem in the plateau and mountainous regions, and contribute to the local species protection, grassland restoration, water conservation, etc.

In November 2021, FAW-Toyota collaborated with the Management Bureau of Haba Snow Mountain Provincial Nature Reserve, Diqing Tibetan Autonomous Prefecture, Yunnan Province, etc. and launched the "Searching for Realms in Snow Mountain - 2021 FAW-Toyota SUV Family Biodiversity Guardian Action". We surveyed biodiversity in the field through the plant ecology tour, outdoor light hiking experience, landform ecology tour, and cultural interaction experience to build a community with shared life on earth.



FAW-Toyota launched the "Searching for Realms in Snow Mountain - 2021 FAW-Toyota SUV Family Biodiversity Guardian Action"

FAW-Toyota Green Ridge Action

Since 2004, FAW-Toyota has been sponsoring the website "Green Space", which aims to raise the environmental protection awareness of college students. This website is used as a platform to carry out volunteer activities of college students with online and offline interactions, forming the public welfare brand of "FAW-Toyota Green Ridge Action", improving the environmental conditions in the region and assisting the development of environmental protection in the region.

In September 2021, FAW-Toyota collaborated with the China Green Foundation, etc. to launch the "Toyota Spreading Greenery" -- 2021 FAW-Toyota Green Ridge Action. We went to the Alxa Left Banner area in Inner Mongolia to plant saxaul trees and disseminate knowledge on environmental protection, adding more greenery for the construction of a beautiful China.



FAW-Toyota launched the "Toyota Revealing Greenery" -- 2021 FAW-Toyota Green Ridge Action

Safety: Guarding Lives

As the "First born son of the automobile industry of the Republic", we are courageous to undertake social responsibilities. We have implemented responsibilities and acted promptly in the national fight against COVID-19 and in emergency rescues and disaster reliefs, and have been actively involving and making continuous efforts in the field of children's traffic safety. We have been doing our best to guard the safety of lives of people through material donations, emergency rescues, creation of public welfare programs for children's traffic safety, etc. to make larger, better, and more significant contributions in building a better tomorrow.

Fighting Against COVID-19 Together with One Heart

In January 2021, in order to assist the pandemic prevention and control in Tonghua City, Jilin Province and secure the health and safety of medical workers at the front line of the fight against COVID-19 and the people, we immediately launched the special fund for pandemic prevention and control, initiated an action to help Tonghua fight against COVID-19, and donated special materials for pandemic prevention and control to Jilin Province FAW General Hospital, including 5,550 protective suits, 3,000 face shields, 5 tons of antiseptic solution, 200,000 surgical masks, etc., to secure the health and safety of medical workers at the front line of the fight against COVID-19 and the people.



China FAW's special materials for pandemic prevention and control arrived at Tonghua

Emergency Rescue and Disaster Relief

In July, 2021, upon hearing the disaster of extraordinary rainstorm in Henan Province, we immediately took actions and donated RMB 45 million together with our brands to assist Henan, including RMB 30 million in cash for supporting the flood control and disaster relief and the post-disaster recovery, etc.; and RMB 15 million for the rescue, maintenance and services for vehicles of users of our brands. In addition, to further support Henan to win the battle against flood control and disaster relief, we actively carried out emergency rescue, and raced against the clock to provide solid protection for the disaster-affected areas and safeguard the travel of the affected people.



China FAW provided emergency assistance to the front line of the disaster-affected areas

FAW-Toyota "Child Safety Experience Classroom"

Launched by FAW-Toyota together with the China Children and Teenagers' Fund, the FAW-Toyota "Child Safety Experience Classroom" is a public welfare program for the traffic safety of children, which assists the safety education for local pupils by donating and building a Child Safety Experience Classroom to the primary school at the site. Provided with various safety experience devices and a complete safety course system, the classroom turns safety education from textbooks into daily practices with the "scenario + experience" safety class that is both practical and interesting. As of the end of 2021, the program has been carried out for 6 consecutive years, with safety experience classrooms donated and built in 6 primary schools.

Recreation and Sports: Assisting for Prosperity

We strive to push the prosperous development of recreation and sports in China, and work with classic cultural brands for crossover to allow traditional Chinese culture to empower national automotive brands and continuously promote traditional culture; Integrate automotive culture with aesthetic arts through art exhibitions, recreational activities, etc. to continuously promote modern art; Initiate strategic partnership with the Chinese Women's Volleyball Team, National Bobsleigh Team, National Skeleton Team, National Luge Team, etc. to continuously support the development of Chinese sports.

Promoting Traditional Culture

The Hongqi brand is dedicated to integrate traditional culture into the automobile industry and brand shaping. Since 2019, it has been collaborating with the Palace Museum and consecutively launched cultural activities such as "A Riot of Colors -- Special Exhibition of Ancient Relics on Flowers and Trees in China" and "Beyond the Bounds of History -- A Collaborative Exhibition Between the Palace Museum and Dunhuang Academy", and has become a model that empowers national automotive brands with traditional Chinese culture.



On October 11, 2021, The Palace Museum and FAW Hongqi creatively established the "Hongqi-Palace Museum Joint Laboratory on Innovation" to search for fusion points between traditional culture, traditional skills and modern innovation together

Developing Modern Arts

We strive to combine automotive culture with aesthetic arts, by organizing recreational activities such as the Neo-Sublime Aesthetics Art Exhibition and Hongqi Town Carnival, explore the relationship between people and arts, lead the future lifestyle with aesthetic actions, and create more new possibilities.



China FAW organized the 2021 Hongqi Carnival series activities, i.e. the "Hongqi Classic Car Culture Tour", and "Red Revolutionary Time - A Special Concert of Chinese Lute Performance"



China FAW organized the 2nd Neo-Sublime Aesthetics Art Exhibition, which toured successively in four cities: Beijing, Hangzhou, Chengdu and Shenyang

Assisting Sports

We strive to resonate with the spirit of Chinese sports. From hosting or undertaking all kinds of sporting events, initiating strategic partnership with Chinese women's volleyball team, to signing with the Winter Sports Management Center and applying self-developed technology and automobile industry on the R&D of domestically produced bobsleighs, we are getting more determined on the road to help accelerate the construction of a strong sports country, while the road is growing broader.



On September 10, 2021, China FAW delivered the domestically produced bobsleigh equipment to the Winter Sports Management Center, and strategically signed with the Center, officially becoming a strategic partner of the Chinese National Bobsleigh Team, National Skeleton Team and National Luge Team



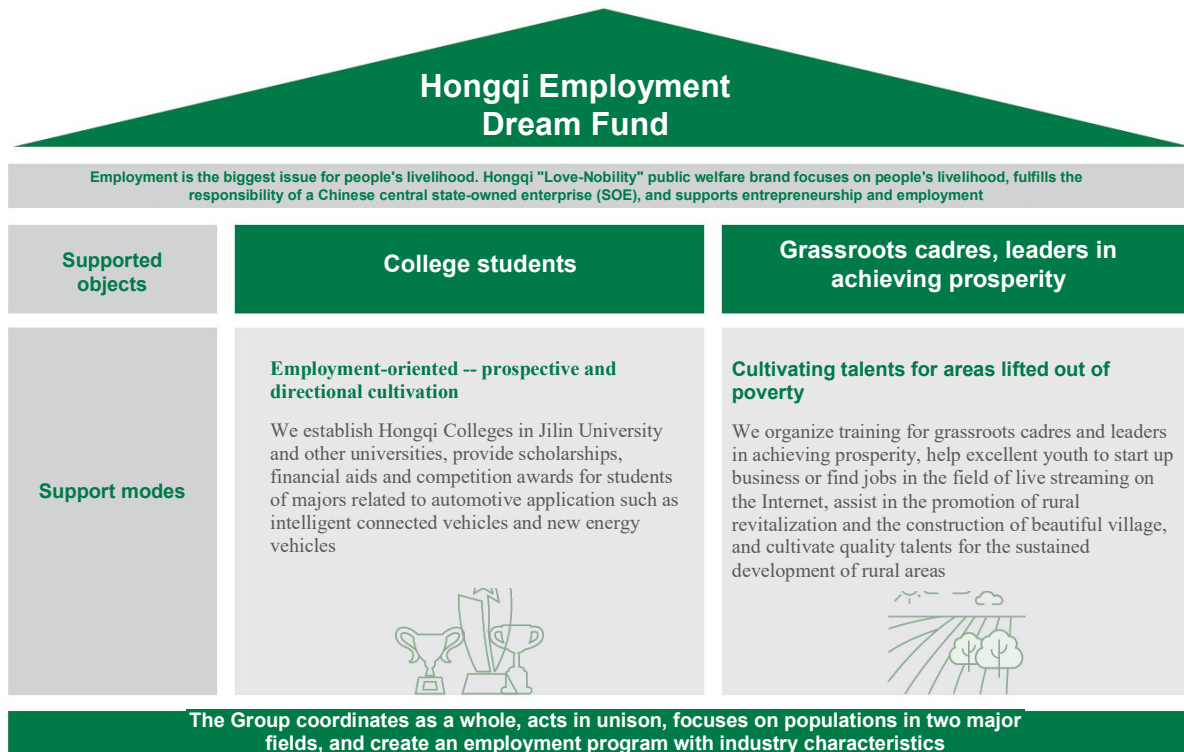
FAW Jiefang donated a Jiefang J7 tractor, which was modified into a snow wax truck for the Beijing Winter Olympics. This tractor will serve the snow events in the Yanqing Winter Olympic Zone to support the Olympic athletes

People's Livelihood: Improving Well-Being

We work with social forces to improve people's livelihood and well-being, focus on college students, families with difficulties, and other key groups, and carry out public welfare practice for people's livelihood such as employment support, talent cultivation and poverty relief to build a harmonious society and share a better life together.

Hongqi Employment Dream Fund

In September 2021, China FAW invested RMB 5 million to establish the Hongqi Employment Dream Fund, which focuses on key groups such as college students, grassroots cadres, and leaders in achieving prosperity. We are concerned about people's livelihood, take action continuously, support entrepreneurship and employment, back up for dreams, empower for happiness, and create an employment program of industry characteristics with all our hearts.



Jiefang Love Leading Public Welfare Plan - Caring for Truck Drivers

Since 2018, FAW Jiefang has been working with the China Foundation for Poverty Alleviation (CFPA) and continuously carrying out the "Jiefang Love Leading Public Welfare Plan - Caring for Truck Drivers" program to provide assistance and life support for truck users and families with difficulties due to traffic accidents, their own illness, their children's illness, etc. In 2021, the program further expanded the channels for online and offline assistance, and launched a survey on the current condition of truck drivers to explore their needs in depth and provide more precise and effective assistance to them.

By the end of 2021

A cumulative amount of RMB 6.17 million has been donated through the program

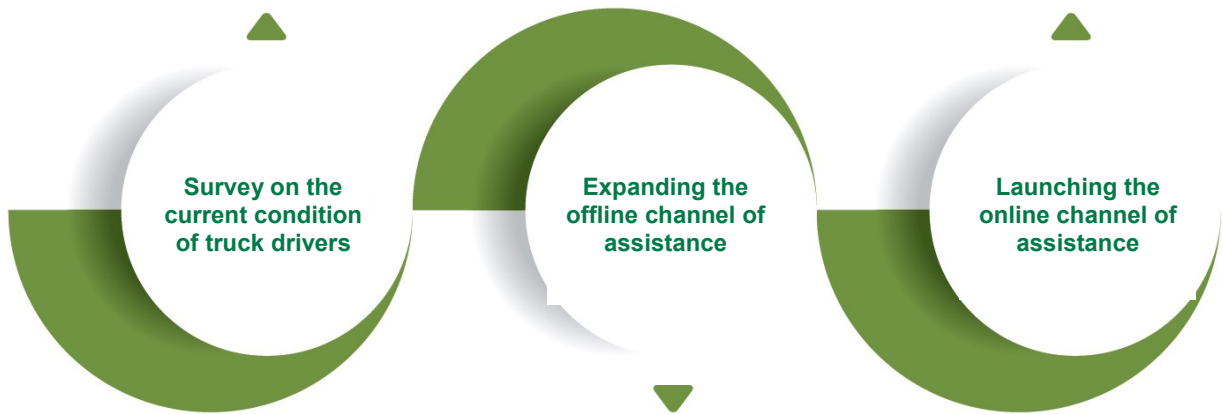
815 truck drivers and families have been assisted

23 Provinces, Municipalities, and Autonomous Regions have been covered

New Progress of the Program in 2021

- Work with accredited institutions and conduct survey on the current living condition, assistance demands, etc. of truck drivers
- The survey covers 30 key cities across the country, and female truck drivers are included in the survey objects

The online application channel of "Jiefang Love Leading • Caring for Truck Drivers" is opened for the centralized review and screening of program materials, and the average number of applicants per month is over 20



Improve the recognition of the program with the caravan national tour, which covers Linyi, Qingdao, and other cities
 cooperate with the Mass Organization Center of Ya'an City, the Women's Federation of Yunan Province and other organizations for the publicity of the program
 in the "China Truck Brothers" platform and expand the channel of assistance application for truck drivers



In July 2021, FAW Jiefang gifted a vehicle to Mr. Song Jialei, the "Train Hero", to help him restore livelihood

Future

With the heavy responsibility on shoulders, one should sincerely implement what he has learned; Keep the responsibility in mind and do one's best to fulfill it. In the future, China FAW will thoroughly study and implement the spirit of important speeches by President Xi Jinping, with the vision of "creating wonderful mobility experiences and a beautiful life, fostering a world-class automotive company, and becoming the pioneer of the automotive industry in the era", and the mission of "mastering critical core technologies, establishing a national brand, strengthening China's automotive industry, and creating a new path of innovative development for the automotive industry in the new era", continue to consolidate and expand the development trend of "taking the lead in the development", and keep moving forward and make new contributions to help achieve the Second Centennial Goal.

Heading for High Quality and Pursuing for Leap-Forward Development

Comprehensively drive innovation to ignite the strong engine for high-quality development

Comprehensively deepen the reform to boost the internal impetus for high-quality development

Comprehensively accelerate the transformation and upgrading to create the "accelerator" for high-quality development

Cohering All Stakeholders and Seeking Common Development

Adhere to taking customers as centricity to expand the market base for high-quality development

Adhere to taking partners as support to expand the space for high-quality development

Adhere to taking the staff as foundation to enhance the talent support for high-quality development



Cultivating Pure Love and Maintaining a Responsibility for Development

Firmly fulfill the environmental responsibility to
answer the essential questions of green and
low-carbon development

Firmly fulfill the political responsibility to pass
on the relay baton for rural revitalization

Firmly fulfill the public welfare responsibility to
make achievements on the path of charity and
public welfare brands



Appendix.

Key Performance

Economic performance	Unit	2019	2020	2021
Total assets	RMB 100 mn	4900.6	4889.4	6000.9
Operating revenue	RMB 100 mn	6177.3	6974.2	7057.0
YoY growth of operating revenue	%	3.99	12.9	1.2
Taxes paid	RMB 100 mn	543.3	558.5	605.7
Asset liability ratio	%	53.2	49.5	55.4
Gross value of industrial output	RMB 100 mn	5502.5	6222.3	6126.6
Industrial added value	RMB 100 mn	1150.6	1273.2	1307.9
Output	10,000 units	349.8	372.9	334.4
Sales	10,000 units	345.9	370.6	350.1
Economic contract performance rate	%	-	100	100
Consumer complaint handling rate	%	100	100	100
Annual sales number of vehicles of self-owned brands	10,000 units	58.4	77.3	83.3
Annual output of vehicles of self-owned brands	10,000 units	63.6	78.9	78.1
Localized procurement rate of auto accessories	%	-	28.35	27.79
Number of experience centers (Hongqi brand)	pcs	200	300	405
Social performance	Unit	2019	2020	2021
Total amount of donations made	yuan	14824	19406	14362
Annual amount invested in paired-up assistance and pairing assistance to Tibet	yuan	7730	7478	7478
Total number of on-job employees	Persons	126157	121019	119118
Number of staff of business entity -- Foshan	Persons	7123	6023	5574
Number of staff of business entity -- Chengdu	Persons	10790	8684	9137
Number of staff of business entity -- Tianjin	Persons	18474	18577	17604
Number of staff of business entity -- Qingdao	Persons	5632	5817	5960
Number of staff of business entity -- Wuxi	Persons	3978	4093	3948
Number of staff of business entity -- Dalian	Persons	1875	1781	1710
Number of staff of business entity -- Harbin	Persons	1483	1369	1311
Number of staff of business entity -- Qujing, Yunnan Province	Persons	2259	2120	1950

Social performance	Unit	2019	2020	2021
Total number of overseas staff	Persons	350	342	341
Major accidents	Cases	0	0	0
Number of people with occupational diseases	Persons	0	0	0
Number of hidden dangers checked and eliminated	pcs	3585	2859	8856
Number of people with productive work-related injuries	Persons	34	17	13
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	3133	3460	3902
Signing rate of labor contracts	%	100	100	100
Coverage rate of social insurance	%	100	100	100
Proportion of female managers	%	7.37	17.37	8.3
Amount invested in training per capita	RMB	1154.36	2800	1181
Hours of training per capita	Hours	65.25	141.2	247
Total investment in employee training	yuan	14600	11237	14300
Total person times of employee training	10,000 person times	95.4	112	126
Coverage rate of employee training	%	100	100	100
Amount invested in assistance to employees with difficulties	yuan	283.93	283.93	303.91
Employee turnover rate	%	2.6	1.7	2.9
Employee satisfaction	%	-	73	74
Times of emergency drills	Times	312	236	420
Amount invested in safety production	RMB 100 mn	4.6	5.4	4.7
Amount invested in safety training	yuan	768	626	616
Coverage rate of safety training	%	100	100	100
Environmental performance	Unit	2019	2020	2021
Comprehensive energy consumption	tons of standard coal	121.4	126.31	117.23
Coal consumption	Tons	260610	198836	284232
Power consumption	10,000 kWh	342278	361094.218	357228.67

Environmental performance	Unit	2019	2020	2021
Natural gas consumption	10,000 m ³	17455	16823.23	16543.41
Heating power consumption	1 million kJ	11700503	12197600	8385209.48
Raw water consumption	m ³	25958200	20140000	19331000
Energy savings achieved	Ton of standard coal	617329	816182.05	76463.89
Carbon emissions	Tons	4372000	4392200	4180000
YOY decrease percentage of comprehensive energy consumption per RMB 10,000 of output value	%	-	8	5.74
Amount invested in the development and application of energy saving technology	yuan	13800	13800	7159
Number of energy saving reconstruction projects	item	119	213	78
Number of plans for monitoring and testing of energy saving implemented	item	11	35	12
Number of energy audit projects	item	2	4	2
Number of electricity balance projects of corporate	item	6	3	6
Number of water balance projects	item	3	1	4
Number of energy efficiency tests for key energy-consuming equipment	item	42	43	114
Total emissions of chemical oxygen demand	Tons	363.17 ¹	346.97	267.15
Emissions of sulfur dioxide	Tons	884.36	556	451.36
YoY decrease of emissions of sulfur dioxide	%	27.87	37.13	18.82
Total quantity of hazardous waste disposed of	Tons	7.59	7.77	6.77
Amount invested in the pollution control and disposal of hazardous waste	RMB 100 mn	5.2	5.07	3.1963
Chemical oxygen demand cut	Tons	5963	6611	6587
Leak number of hazardous substances	Times	0	0	0
Total emissions of ammonia oxide	Tons	1288	1674	1610.11
Volume of sewage recycled and disposed of	10,000 tons	993.83	913.56	851.62
Volume of reclaimed water produced and used	10,000 tons	161.4	188.26	219.05
Emissions of carbon dioxide per RMB 10,000 of output value	Ton/RMB 10,000	0.078	0.069	0.068
Wastewater reduction	Tons	1801700	802700	418908
Major environmental pollution accidents	Cases	0	0	0
Investment in energy conservation and environmental protection amounted to	RMB 100 mn	6.5	6.66	5.45
Times of environmental protection training	Times	8	2	6

¹Due to the statistic specifications, the data disclosed in this Report shall prevail

Index for Indicators

Table of Contents		GRI standard	GB/T36001-2015	CASS-CSR4.0	Page number
Address from Chairman		102-14	Z-1-2	P2.1/P2.2	P02
Address from General Manager					
About Us	Company Profile	102-1/102-2/102-4/ 102-5/102-6/102-7/ 102-10/102-18/201-1/	—	P4.2/P4.3/P4.4/P4.5	P06
	Corporate Strategy				
	Corporate Culture				
	Industrial Distribution				
	Organizational Structure				
Sustainable Development Management	Conceptual Model	102-20/102-21	Z-1-3/Z-1-5/Z-1-7/ Z-1-8/Z-1-10/Z-1-11/ Z-1-12/X-1-3	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	P14
	Responsible Organization	102-29/102-31 102-32/102-40			
	Responsibility Fusion	102-42/102-43 102-44/102-47			
	Responsibility Communication	103-1/103-2/103-3			
Focus on Responsibility: Planning a New Chapter of the Times and Drawing a New Blueprint for Development		—	—	P3	P18
Focusing on responsibilities: Pressing forward Party Building with Indomitable Will and Persisting in Uprightness against Corruption		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	P22
Focusing on responsibilities: Continuing Struggling to Open a New Situation and Pursuing Rural Revitalization to Make a New Contribution		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	P28
Heading for High Quality and Pursuing for Leap-Forward Development	Technology Impetus to Drive the Comprehensive Innovation	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	P37
	Strengthening Body to Deepen the Comprehensive Reform	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	P41
	Forward-Looking Layout for Comprehensive Transformation and Upgrading	201-1/203-2	—	M2.9 /M2.20 /M2.29	P44
Cohering All Stakeholders and Seeking Common Development	Superior Quality to Optimize Customer Experience	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	P51
	Win-Win Cooperation to Make Common Progress	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	P58

Table of Contents		GRI standard	GB/T36001-2015	CASS-CSR4.0	Page number
	Putting people first and helping employees grow	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	P67
Cultivating Pure Love and Maintaining a Responsibility for Development	Be committed to the dual carbon strategy and protect clear waters and green mountains	103-2/302-1/302-3/ 302-4/302-5/303-3/ 305-4/305-5/305-6/ 305-7/302-4	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/E2.19/ E2.24/E2.25/E2.27/E2.28/ E3.1/E3.6	P75
	Getting prepared in all aspects to achieve rural revitalization	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	P81
	Gathering social resources to build a public welfare brand	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/S4.10/S1.5/ S4.6/S4.7/S4.8/S4.9/S4.10/ S4.11/S4.12	P85
Future Prospects		102-15	—	A1	P96
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	P98
	Index for Indicators	102-55	—	A5	P101
	Rating Report	102-56	—	A4	P103
	About This Report	102-1/102-50/102-51/ 102-52/102-53/102-56/ 6/	—	A4/A6/P1.1/P1.2/P1.3	P104

Rating Report



中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

Rating Report for the 2021 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 2021 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 Chairman and Secretary of Party Committee as general directors, 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 CSR 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 (★★★★★)

92.73% of the core indicators in the automobile manufacturing industry was disclosed from perspectives such as "Heading for High Quality and Pursuing for Leap-Forward Development", "Cohering All Stakeholders and Seeking Common Development", and "Cultivating Pure Love and Maintaining a Responsibility for Development" in the main content of the Report, with outstanding performance in completeness.

Balance (★★★★★)

The information on negative data, such as "considerable and above safety accidents", "death rate of work-related injuries", "number of people with productive work-related injuries", "leak number of hazardous substances", and "major environmental pollution accidents", is disclosed in the Report, and the causes and solutions of automobile products recall are detailed in the Report, showing outstanding performance in balance.

Comparability (★★★★★)

The comparative data of 75 key indicators for 3 consecutive years such as "operating revenue", "annual sales number of vehicles of self-owned brands", "amount invested in safety production", "annual amount invested in paired-up assistance and pairing assistance to Tibet", "carbon emissions", "amount invested in energy saving and environmental protection" are disclosed in the Report, and horizontal comparison is made through "Top 1 of Top 500 Chinese Machinery Enterprises", "Top 40 of China's Top 500 Brands for 2021", etc., showing outstanding performance in comparability.

Readability (★★★★★)

With "Draw the new blueprint and embark on a new journey" as the theme and "development" as the key word throughout the whole text, the responsibility concept, practices and achievements of the enterprise in key topics such as technology innovation, customer service, employee development, environmental protection, public welfare and charity are elaborated in the Report, and the expectations and demands of stakeholders are responded; The cover and chapter spreads are designed in the Chinese ink wash painting style, and integrated with elements of the main business to outline the scene of a beautiful life, which increase the recognition and reading pleasure of the Report; The "Witnessing Glory" special column is set to focus on the highlighted projects or actions of the enterprise. The testimonies from stakeholders are introduced to support the enterprise's achievements in fulfilling responsibilities. The "Extended reading" is set to explain the content of the Report. The communication value of the Report is enhanced, with outstanding performance in readability.

Innovation (★★★★★)

Three responsibility subjects, "Plan for a new chapter in the era and draw the new blueprint for development", "Enhance the roots, nurture the soul of the nation to strengthen party development, and promote integrity to keep the bottom line of honesty", and "Continue to strive for a new landscape, and revitalize the rural areas to make new contributions" are set in the Report, which focus on the responsibility actions and practices of the enterprise in terms of strengthening Party construction, assisting rural revitalization, etc., showing the accountability of a Chinese central state-owned enterprise; "Our goals" and "Our responses" are set at the beginning of each chapter, benchmarking with the UN Sustainable Development Goals (SDGs) and demonstrating the responsibility leadership of the enterprise and that the Report is keeping up with the times; The CSR Brand Planning of China FAW is planned to be issued, which determines the overall structure, strategic vision and responsibility concept, and enhances the unity and specifications of external communication of social responsibility, with outstanding performance in innovation.

Comprehensive rating (★★★★★)

After the evaluation by the rating team, the process, substantiality, completeness, balance, comparability, readability and innovation of the 2021 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.



中国企业社会责任报告
评级专家委员会
Chinese Expert Committee on CSR Report Rating

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

IV. Improvement Suggestions

Add disclosure of the industry's core indicators to further enhance the completeness of the Report.

黄群慧

Vice President of the Expert Committee
on Rating

张洪忠

张喜

Leader of the Experts of the
rating team rating team

Issued on: August 31, 2022



Scan code to view the
corporate rating file

About This Report

This Report is the 12th 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, 2021 to December 31, 2021 (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/T 36001-2015), 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 summary 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/> for online viewing or download of the digital version of the Report.

Feedback

Thank you for viewing the China FAW 2021 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 of
your valuable
suggestions!

