



東風汽車集團股份有限公司

DONGFENG MOTOR GROUP COMPANY LIMITED\*

Stock Code: 489

# 2021 Environmental, Social and Governance Report



\* For identification purposes only

# CONTENTS

<b>ABOUT THIS REPORT</b>	2
<b>CHAIRMAN'S STATEMENT</b>	5
<b>Special section: Building a new energy ecological chain (Forms of expression)</b>	7
<b>Special section: Building a new energy ecological chain (textual content)</b>	8
<b>Knowing the responsibilities and developing steadily</b>	15
Building a responsible enterprise	15
Corporate Profile	15
Business Assurance	16
2021 Highlights	20
<b>Strengthening the roots of governance</b>	22
Risk Management	22
Integrity Management	24
ESG Management	26
<b>Improving personnel security</b>	32
Compliance Recruitment	32
Employee Rights	34
Talent Development	42
Health and safety	48
<b>Innovation-driven, industry synergy</b>	55
Strengthened R&D innovation	55
Deepen R&D	55
Innovative achievements	58
<b>Putting quality first</b>	61
Outstanding products	61
Quality Service	70
<b>Promoting industry collaboration</b>	75
Supplier Management	75
Industry cooperation	81
<b>Making the environment more beautiful, making people's lives more colourful</b>	85
Anchoring low carbon development	85
Environmental Management	85
Green Production	90
Low-Carbon Operations	106
<b>Giving back to society and people's livelihood</b>	114
Rural vitalization	114
Social welfare	118
<b>APPENDIX</b>	124
Applicable Laws and Regulations	124
ESG Performance	126
Environmental performance table	126
Social performance table	128
Content index of environmental, social and governance reporting guide	130





## ABOUT THIS REPORT

This report represents the sixth environmental, social and governance (hereinafter referred to as the “ESG”) report issued by Dongfeng Motor Group Company Limited, which focuses on the disclosure of relevant information on the environmental, social and governance performance of the Group for the period from 1 January 2021 to 31 December 2021 (Reporting Period).

### ***Guiding Principle***

This report has complied with all the “mandatory disclosure requirements” and “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules issued by The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”). The contents of this report are determined based on a set of systematic procedures. Such procedures include: identifying and prioritizing key stakeholders, identifying and prioritizing ESG issues by materiality, determining the scope of this ESG Report, collecting relevant materials and data, compiling the report based on relevant information, and reviewing information in the report.

### ***Scope and Boundary of the Report***

The ESG related policies, statements, implementation of policies described, and the data performance quantified in this report mainly cover the headquarters, subsidiaries, joint ventures, associated corporations (including those companies in which equity interests are, directly or indirectly, held through subsidiaries, joint ventures, associated corporations) of Dongfeng Motor Group Company Limited. Among which, a small part of the data covers the scope less than the above, and separate explanations will be given for any mention of Dongfeng Motor Corporation (formerly known as “Dongfeng Motor Corporation”), the parent of Dongfeng Motor Group Company Limited in certain parts hereof.

### ***Appellation Explanation***

For the convenience of wording and reading, any reference to the “Group” “Dongfeng Motor Group” and “we” or “us” in this report refers to Dongfeng Motor Group Company Limited (hereinafter refer to the “Group”) and its subsidiaries, joint ventures, associated corporations (including those companies in which equity interests are held, directly or indirectly, through subsidiaries, joint ventures, associated corporations).

## ABOUT THIS REPORT (Continued)

Set out below are other definitions:

Dongfeng Passenger Vehicle Research & Development Centre	Dongfeng Passenger Vehicle Company (Branch)
Dongfeng Honda	Dongfeng Research & Development Centre (Branch)
Dongfeng Honda Engine	Dongfeng Honda Automobile Co., Ltd.
Dongfang Dingxin Power System	Dongfeng Honda Engine Co., Ltd.
Dongfeng Parts and Components	Dongfang Dingxin Power System Technology Co., Ltd.
Dongfeng Liuzhou Motor	Dongfeng Parts and Components (Group) Co., Ltd.
Dongfeng Automobile	Dongfeng Liuzhou Motor Co., Ltd.
Dongfeng Automobile Trade	Dongfeng Automobile Co., Ltd.
Dongfeng Nissan	Dongfeng Automobile Trade Co., Ltd.
Dongfeng Commercial Vehicle	Dongfeng Nissan Passenger Vehicle Company
Dongfeng Special Commercial Vehicle	Dongfeng Commercial Vehicle Co., Ltd.
Dongfeng Wuhan	Dongfeng Special Commercial Vehicle Co., Ltd.
Dongfeng Off-road Vehicle	Dongfeng Motor (Wuhan) Co., Ltd.
VOYAH	Dongfeng Off-road Vehicle Co., Ltd.
Peugeot Citroën Automobile	VOYAH Motor Science and Technology Company
Zhengzhou Nissan	Dongfeng Peugeot Citroën Automobile Co., Ltd.
Zhixin Technology	Zhengzhou Nissan Motor Co., Ltd.
	Zhixin Technology Co., Ltd.

### ***Source of Information and Reliability Assurance***

The information and the cases presented by the report are mainly derived from the Group's statistical reports and relevant documents. The Group undertakes that this report does not contain any false information or misleading statement and accepts responsibility for the contents hereof as to authenticity, accuracy and completeness.





## ABOUT THIS REPORT(Continued)

### ***Confirmation and Approval***

This report was approved by the Board on 29 March 2022 after confirmed by the management.

### ***Access to and Feedback for this Report***

This report is available for inspection in both Traditional Chinese and English. Based on the consideration of environmental protection, we recommend reading the electronic version of the report which can be obtained within the “Financial Statements/ESG Information” category of Dongfeng Motor Group Company Limited at the website of Hong Kong Stock Exchange or at the official website of the Company.

We hold the opinions of stakeholders in high regard and we are glad to answer any readers who get in touch with us via the following contacts. Your opinions will be helpful for us to further improve this report as well as enhance the overall environmental, social and governance performance of the Group.

### ***Contacts***

Email : [ir@dfmc.com.cn](mailto:ir@dfmc.com.cn)

Address: Special No. 1 Dongfeng Road, Economic and Technology Development Zone, Wuhan, Hubei

## CHAIRMAN'S STATEMENT

I am very honored to present to all of you the 6th ESG report of Dongfeng Motor Group Company Limited to share with you our ESG performance in 2021.

2021 is a year of new challenges and new opportunities. Adverse impacts such as counter-globalization, continued COVID-19, chip shortages and soaring raw material prices have brought many uncertainties to the development of the automotive industry, while the new round of technological revolution has provided an opportunity to empower the transformation of the automotive industry, accelerating the development of electrification, intelligence, networking and digitization, and prompting the development of the automotive industry to enter a new stage. During the year, Dongfeng Motor Group faced up to the difficulties and strengthened its efforts in various aspects, including basic management, strategy implementation, resource synergy and internal tapping, to seize opportunities and accelerate innovation while maintaining a stable “base” and high-quality operation.

Looking back on 2021, the Dongfeng Motor Group made new progress and breakthroughs in various areas of work. We clarified our corporate positioning and built a business pattern of “one main and two wings” for integrated development. Based on new energy core resources, we built a new energy ecological chain, strategically promoted green and low-carbon development, and contributed to the achievement of the “double carbon” target by providing green products, promoting green manufacturing and building a green ecology.

Facing ourselves, we were aware of our responsibilities to achieve sound development. We constantly improved our internal construction, focused on institutional achievements and greater governance effectiveness, continued to build the “Clean Dongfeng” brand, and gave back to our shareholders, employees, and society through sustainable and high-quality operations by continuously strengthening the foundation for corporate development. We also focused on the source of power for corporate development and continued to promote the building of a high-quality team of human resources. Being guided by the “three pillars” management model of human resources and the policy of “strengthening the enterprise with human resources, improving quality and efficiency, driving innovation and win-win development”, we build a new advantage to be created and shared with employees.

Facing the industry, we were driven by innovation and promoted industrial synergy. We continued to incorporate new application scenarios and explored new business models, laid out key next-generation technologies in advance to provide technical assurance for product development, and insisted on cultivating a team of high-end talents to accelerate the application of “five technologies”, to break the blockade of key technologies and enhance our core competitiveness. We also promoted a dynamic and balanced relationship between innovation and consumption through excellent product quality and a “customer-centric” marketing concept, empowering consumers for a better automotive life. At the same time, we were deeply committed to industrial synergy, insisting on expanding openness and sincere cooperation, proactively playing our own advantages in cooperation, and promoting the stability and win-win development of the entire value chain of the industry.



## CHAIRMAN'S STATEMENT (Continued)

Facing the society, we were committed to making the environment more beautiful and making people's lives more colourful. Guided by the ideology of ecological civilization, we actively responded to the strategy of the "Battle of Pollution Prevention and Control", continuously improved our energy-saving and environmental protection management system, and made every effort to address climate change. We strove to promote energy saving and emission reduction throughout the life cycle and industry chain of automobiles, and provided green energy to the upstream and downstream of the industry on the basis of practicing green production. We also took rural revitalization and public welfare as our focus, giving back to the community with an attitude of not taking refuge and not seeking the easy way out, so as to ensure the unity of economic and social responsibility and build a good corporate image.

Looking forward to 2022, we will adhere to the development policy of "four improvements, two undertakings and one leap (四提兩干一跨越)", carry forward the practical spirit of "being responsible for the land and taking responsibility for the land", to make new breakthroughs in our independent undertakings, build new advantages in new undertakings, improve our core competence, optimize our business layout, and to achieve a new level of joint creation and sharing, so as to lay a solid foundation for building a world-class enterprise with global competitiveness.

**Zhu Yanfeng**  
*Chairman*



## Special section: Building a new energy ecological chain (Forms of expression)





## Special section: Building a new energy ecological chain (textual content)

### 1. Deploying a “new” strategy

#### ***Strengthening technology***

With the new round of technological revolution and the reshaping of the automotive industry landscape, it is imperative to strengthen the innovation drive in order to enhance the core competitiveness of enterprises. The Group is committed to transforming into a technology-based enterprise, and the leapfrog initiative is cultivating the roots of independence. We will strive to enhance the level of scientific and technological innovation, further strengthen the construction of the “three-in-one” R&D system of basic research, commercial development and forward-looking research, build an open, cooperative and shared innovation platform with the Company's Technology Centre and the Dongfeng Commercial Vehicle Technology Centre as the engine, implement the Science and Technology Leapfrog Initiative, promote the industrialization of science and technology, and empower the development of the new energy vehicle industry.

#### ***Practicing Low Carbon***

The Group will actively develop energy-efficient power technologies. We will build the “Longqing” power brand for commercial vehicles to consolidate our technological advantages of wisdom, reliability, and greenness, and develop the “Mach” power for passenger cars to build a product matrix covering engines, transmissions, and hybrid powertrains to build up three core advantages of surging power, superb driving control and high efficiency. In order to comprehensively promote the achievement of the carbon peak and carbon neutral strategic objectives, the Group will comprehensively advance in the core assembly of three electric vehicles, vehicle platform architecture, charging and switching technology and hydrogen energy, and continue to explore technological innovation and new business models.

### 2. Offering “new” products

#### ***New energy passenger vehicles***

The Group is committed to leading green development and driving the construction of a low-carbon value chain with reliable technology. In passenger cars, we will focus on building the DSMA energy-efficient vehicle platform and four pure electric platforms, including S1, S2, S3 and MORV, with the VOYAH brand, M high-end electric off-road and Dongfeng Fengshen as our focus. By 2025, the production and sales target of VOYAH brand, the Dongfeng's high-end electric vehicle brand, will be increased from 150,000 units to 200,000 units; the sales target of Dongfeng Fengshen will be increased from 300,000 units to 400,000 units, and by 2024, the entire Fengshen brand will achieve 100% electrification.

The first model of VOYAH, the FREE, was launched in June this year and the second model, the Dreamer, was launched in November. Starting from 2021, VOYAH will launch no less than one new mode of vehicle to the market each year, and over the next five years, the brand's product range will cover multiple segments such as sedans, SUVs and MPVs, expanding its product portfolio of high-end new energy passenger cars.

## Special section: Building a new energy ecological chain (textual content) (Continued)

### *New energy commercial vehicles*

With the demand for high safety, high efficiency, low cost and low emission in the transportation industry, the Group has always adhered to the operational philosophy of creating higher value for our customers. We have made outstanding achievements in the new energy sector, with the industry's top delivery of pure electric medium and heavy trucks in the market, launch in batches of hydrogen-fuelled heavy trucks and delivery in batches of L4-class intelligent heavy trucks. We are meeting the multi-level needs of different categories of customers through innovation in technology and models, forming a full-scene layout and providing new energy solutions across the entire life cycle.

In the context of multi-discipline integration, the launch of “Kunyue”, the eco-brand of Dongfeng Commercial Vehicle, has created a more professional and complete green and intelligent logistics ecosystem for the transportation industry, providing green and intelligent solutions for various logistics scenarios, including power exchange logistics solutions and L4 intelligent port solutions, meeting the needs of the entire transportation industry to transform and upgrade to green and intelligent.



### *The “three electric” sector*

Technology is the core competitiveness of new energy vehicles, of which the core “three electric systems”, i.e. battery, electric motor and electric control technology, are particularly crucial. The Group has responded to market demand with a diverse range of BEV<sup>1</sup>, PHEV<sup>2</sup> and FCV<sup>3</sup> technologies, and has established a R&D and industrialization system for the “three electric” systems. Our self-developed electric drive technology (including hybrid) has reduced power system energy consumption by over 40%, directly reduced carbon emissions by approximately 70g/km, and increased power battery energy density from 76Wh/kg to 175Wh/kg.

At the same time, we welcomed the first batch of IGBT<sup>4</sup> chip modules produced independently, promoting the independent control of IGBT core resources, marking the successful structural upgrade of the Group's component products and supporting our transformation from a manufacturing-oriented enterprise to “a superior technology enterprise providing quality automotive products and services to customers”.

<sup>1</sup> BEV: Battery Electric vehicle

<sup>2</sup> PHEV: Plug-in Hybrid Electric vehicle

<sup>3</sup> FCV: Fuel cell vehicle

<sup>4</sup> IGBT: Insulated Gate Bipolar Transistor



## Special section: Building a new energy ecological chain (textual content) (Continued)

### 3. Promoting “new” manufacturing

#### *Manufacturing quality*

The Group's long-standing goal is to create new advantages for new businesses. We will continue to enhance our R&D, verification and application capabilities with the aim of ensuring manufacturing quality and improving the quality of our new business products by creating a management model to demonstrate advanced quality and to ensure that we achieve the advantages of product experience and low-carbon effects in the new energy sector.

In the fields of hydrogen fuel vehicles and hydrogen energy industry chain, the Group has reached strategic cooperation with Sinopec Corp. to jointly build demonstration operation projects around hydrogen fuel vehicles and hydrogen energy industry chain. During the reporting period, our three technology brands of “Dongfeng Qingzhou” fuel cell vehicle and power platform, “Dongfeng Qingyuan” fuel cell system, and “Qingxin” fuel cell stack have developed stacks and fuel cell systems, powertrain system matching, high-pressure hydrogen storage system design, vehicle installation, fuel cell vehicle testing and verification, etc. As of the end of the reporting period, the Group has completed the development of an 80kW fuel cell system, and achieved a cold start of the stack at minus 20° C without an auxiliary heat source. At the same time, the full-power hydrogen fuel cell vehicle developed by us has achieved demonstration applications, and its carbon emission during the use phase was zero.



## Special section: Building a new energy ecological chain (textual content) (Continued)

### ***Manufacturing speed***

On the basis of ensuring product quality, continuously improving the manufacturing speed to meet the demand for mass production is the direction of the Group's continuous efforts, and it is also a powerful measure for us to ensure the rapid development of the new energy business. The Group has thoroughly explored the standardization, process-oriented and informatization of new energy manufacturing technology, and made every effort to increase the speed of manufacturing, so as to prepare for the booming market of new energy vehicles.

On June 30, 2021, the first mass-produced VOYAH car slowly drove out of the general assembly workshop, and the Group's 52 million cars were announced to be off the assembly line. This is a witness to the strength of "VOYAH speed", a new milestone for us to surpass ourselves, and another moment to witness the manufacturing speed in the development history of the new energy automobile industry.



## **4. Building a “new” ecology**

### ***External cooperation***

External cooperation is an important channel for us to promote the ecological layout of new undertakings. The Group actively works with industry partners, strategic partners, universities, the government and other relevant parties to promote the R&D and application of new energy and jointly explore the development of new energy.

## Special section: Building a new energy ecological chain (textual content) (Continued)

In 2021, Dongfeng Motor Group, the parent company of the group, released major strategic cooperation projects of Dongfeng and held a strategic cooperation signing ceremony with its partners. Focusing on the fields of battery leasing, operation, big data analysis and management, technical services and battery echelon utilization business, we have jointly established a battery management technology company with China FAW, China Three Gorges and Wuhan Economic Development Zone to build a new energy source management system through battery management, storage, charging and replacement of power stations, and promote the establishment of national unified power exchange standards; In the field of automatic driving, together with Wuhan Development Zone, we take the lead in building the largest automatic driving demonstration operation platform with the richest scenes, the most advanced technology and the largest scale in China and even in the world. In the next five years, the scale of intelligent Internet connection core industry will reach RMB10 billion, driving the scale of related industries to reach RMB100 billion; In the field of automotive chips and intelligent driving, we have reached strategic cooperation with China Xinko. The two sides will focus on four areas: automotive chip, intelligent driving, communication infrastructure and demonstration operation to enable the Internet connection of intelligent vehicles. At the same time, we have jointly built a joint laboratory with Songshanhu laboratory and Wuhan University of Technology to promote the application of scientific research achievements, and jointly built an advanced materials joint laboratory with Wuhan University of Technology to create a technical working platform for the application and research of advanced materials and the transformation of achievements, promote the application of scientific research achievements and enable the upward development of China's independent brands.





## Special section: Building a new energy ecological chain (textual content) (Continued)

### ***Brand promotion***

The Group actively disseminates brand ideas and shares cutting-edge technologies. Based on the comprehensive performance, deductive cognition and credibility of products, we are committed to carrying out communication and sharing activities for the whole society to improve the public opinion value of the industry and the popularity and credibility of cutting-edge products, which plays a role in promoting the development of emerging fields of the industry with half the effort. At the same time, extensive external feedback will support the overall optimization of the industry, and make the enterprise keep pace with the times and full of vitality, so as to enhance the social attention and external recognition of the whole industry.

In order to better demonstrate the Group's transformation to a science and technology enterprise, during the reporting period, we carried out the brand autumn press conference and the sixth science and technology innovation week. A total of 220 people including experts from industry associations, banks, external directors and supervisors, cooperation guests, media teachers and internal personnel were invited to participate in the event. We carried out scientific and technological transition simultaneously - an exhibition of core technological achievements, three industry summit forums and Dongfeng dream night of Cars to comprehensively show the development direction and scientific and technological strength of the group in the 14th five-year plan.



## Special section: Building a new energy ecological chain (textual content) (Continued)

### ***Cultural communication***

The Group regards positive cultural communication as its social responsibility. Taking the cause of new energy as the medium, we work with external partners to jointly promote the transmission of traditional and positive culture, fulfill our commitments with a sense of responsibility, and witness change with a sense of science and technology.



This year, VOYAH Motors and Xinhuanet jointly shot a large-scale micro-documentary *New 219 National Road*. Taking China's longest highway "G219" as the carrier, we shot the view from 30 locations in the Xinjiang section of 219 National Road with Kanas as the end, and showed the world the Chinese cars and showed the Chinese people the rise of China's intelligent manufacturing. At present, the documentary has only aired 6 episodes and has received 23.768 million views.

## Knowing the responsibilities and developing steadily

### Building a responsible enterprise

The Group has always been committed to becoming an outstanding technology enterprise with sustainable development. We continue to promote internal business risk control, strengthen compliance operation, deepen the concept of sustainable development, and build equal and diversified employment relations with employees while fulfilling social obligations, so as to show a good corporate style.

### Corporate Profile

Dongfeng Motor Group Co., Ltd. is headquartered in Wuhan City of Hubei Province in the People's Republic of China (PRC). The Group's businesses cover full-series commercial vehicles, passenger vehicles, new energy vehicles, key assembly, auto parts, vehicle equipment and automotive-related businesses. The Group's business bases are distributed in more than 20 cities in mainland China, such as Wuhan, Shiyan, Xiangyang and Guangzhou.



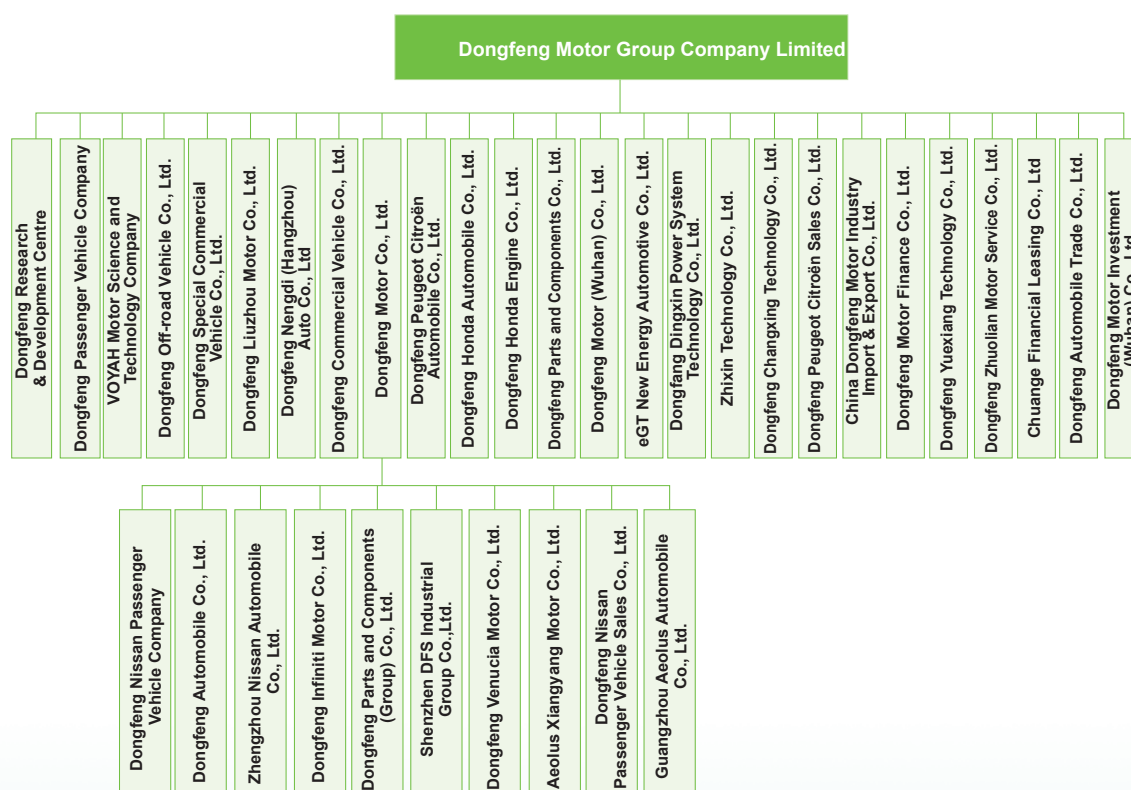
Domestic business layout of Dongfeng Motor Group Limited



## Knowing the responsibilities and developing steadily (Continued)

Since its establishment in 1969, the Group has been deeply engaged in the automotive industry. Through nearly half a century of development and construction, the Group has accumulated profound scientific, technological and cultural heritage, and then obtained the industry-leading product R&D ability, production and manufacturing ability, marketing ability and customer service ability. On this basis, we adhere to the mission of “let cars drive dreams”, actively develop people-friendly and innovative automobile brands, and make unremitting efforts to promote national economic development, promote social employment and improve people's well-being. In 2005, Dongfeng Motor was listed on the Hong Kong Stock Exchange (stock code “00489”), opening a new chapter in enterprise development.

As at the 31 December 2021, our organizational structure is as follows:



Dongfeng Motor Group Limited Organization

### Business Assurance

In 2021, in the face of chip shortage, raw material supply, epidemic prevention and control and other matters that have had a significant impact on the automotive market, the Group seized the opportunity, accelerated innovation, and strengthened basic management and strategic implementation, so as to promote a good start of the 14th five-year plan, continuously enhance the core competitiveness of the enterprise and make steady progress on the road of sustainable development.

## Knowing the responsibilities and developing steadily (Continued)

This year, we focused on the two major fields of independent passenger vehicles and independent commercial vehicles, continued to promote the independent mastery of key core technologies, sorted out company-level strategic control projects, and achieved corresponding major achievements while moving forward in multiple fields.

The Group's priorities for 2021		
Field of study	Area of focus	Specific content
Independent passenger vehicles	Intelligent driving	<ul style="list-style-type: none"> <li>Actively promote the R&amp;D and demonstration operation projects of automatic driving.</li> <li>Establish a cloud core team at the group level and gradually internalize the development capabilities of Windlink<sup>5</sup> application.</li> <li>Take the whole stack self research as the ultimate goal, focus on both hardware and software, vigorously promote the R&amp;D of domestic chips, and complete the detailed design of various gateways and DF30 chips.</li> </ul>
	New energy	<ul style="list-style-type: none"> <li>Establish a world-class automotive power semiconductor production line based on the sixth generation IGBT technology.</li> </ul>
	Prospective study	<ul style="list-style-type: none"> <li>Focus on hydrogen energy, solid-state batteries and other fields, continue in public relations, and meet subsidies and customer needs.</li> </ul>

<sup>5</sup> Windlink: The vehicle interconnection mobile application customized by Dongfeng Motor Group for users.

## Knowing the responsibilities and developing steadily (Continued)

The Group's priorities for 2021		
Field of study	Area of focus	Specific content
	Basic research field	<ul style="list-style-type: none"> <li>Take the lead in realizing the industrial application of 2Gpa<sup>6</sup> ultra-high strength steel in China.</li> <li>Realize the industrialized application of magnesium alloy wheel hub, instrument panel framework, display screen lifting support and aluminum alloy semi-solid gas chamber support</li> <li>Realize the industrial application of carbon fiber reinforced composites in outer body panels</li> <li>Establish vehicle development weight management process and lightweight workflow, and cover newly developed models.</li> </ul>
Independent commercial vehicles	Independent R&D Layout cooperation	<ul style="list-style-type: none"> <li>Focus on the development of the new generation of Dongfeng Kingland Flagship, new Kingland heavy truck, new Kingrun medium truck and other national six strategic commodities developed independently.</li> <li>Strive to create new advantages in the field of "five modernizations", carry out the layout of pure electric, hybrid and hydrogen fueled commercial vehicles, and provide a new mass production technical route for realizing the national carbon peak and carbon neutralization strategy.</li> <li>According to different application scenarios, complete the public test of tractor Expressway automatic driving, demonstration operation of automatic driving washing and sweeping vehicle in closed areas, and automatic driving test in closed construction sites.</li> <li>Cooperate with Tianjin port and China Merchants Port Group to obtain leading technology and opportunities in the port scene application market.</li> </ul>

## Knowing the responsibilities and developing steadily (Continued)



### The "14th Five-Year Plan" planning system has been comprehensively formulated

On April 17, 2021, Dongfeng Motor Group Co., Ltd., the parent company of the Group, officially released the "Rising Dongfeng" plan and the "Leap Forward Action" of scientific and technological innovation, and issued the outline of the "14th five year plan" development plan on September 26, providing guidance for the strategic planning and development of the Group.



### Maintain high-quality operation and ensure terminal delivery

- In 2021, the total sales volume reached 2.7751 million, and the pre-tax profit reached RMB12.76 billion, a year-on-year increase of 4.7%.
- The Company's ISO 14001 certification coverage reached 93.3%.



### The pace of scientific and technological innovation has accelerated, and the scientific and technological leap forward action has achieved phased results

- Significant progress has been made in many brand products.
- The construction of complete vehicle and engine platforms of independent passenger vehicles and commercial vehicles has been accelerated.
- The first product of VOYAH brand was successfully launched.



### Multiple brands show new technology and new life with blockbuster models

- The world's first large-scale luxury electric MPV of VOYAH and the second model of VOYAH "VOYAH dreamer" were officially unveiled. VOYAH participated the Guangzhou auto show for the first time with its brand family products.
- Dongfeng Nissan appeared with its dual brand and full range of models, bringing consumers a new driving experience with top-level electric drive technology.
- The popular brand-new 7-seat family car officially appeared and was named "Fengshen · yacht".



### Brands have developed healthily and exceeded the annual sales limit

- Dongfeng passenger cars challenge the impossible with more than 120,000 vehicles of sales.
- Dongfeng Peugeot-Citroën made a breakthrough, with more than 100,000 vehicles of sales.



### Deepen industrial cooperation and focus on county market

- The Group started industrial cooperation with Fangxian County People's government, Shiyan government and other institutions, and achieved more than 7,000 vehicle sales throughout the year, with more than 30% of market share.



# Knowing the responsibilities and developing steadily (Continued)

## 2021 Highlights

In 2021, the Group was widely recognized by the industry and society with its excellent governance level, excellent product quality and humanistic spirit of caring for the society.

### February

Dongfeng won the “excellent” evaluation of the national enterprise technology center again, ranking second in the automotive industry

The general office of the National Development and Reform Commission, the Ministry of science and technology, the Ministry of finance, the General Administration of customs and the State Administration of Taxation

### July



VOYAH won 11 awards in the 8th CEVR Around Qinghai Lake Electric Vehicle Challenge

Qinghai Provincial People's government, Ministry of science and technology, Ministry of industry and information technology, China electric vehicle hundred people's Association

### August

The financial integrated management project of large enterprises of Dongfeng Nissan Passenger Car Company and Dongfeng Motor Co., Ltd. was selected into the list of “three benchmarks”

SASAC



## Knowing the responsibilities and developing steadily (Continued)

October



Dongfeng Citroen Versailles C5X has won the “2021 Top Ten Car Bodies in China” and the global quality of “Made in Chengdu and Sold All Over the World” has won the authoritative certification

China Automotive Technology Research Center Co., Ltd., China Steel Research Technology Group Co., Ltd

December

VOYAH i-LAND was shortlisted for 2021 Automobile Design Award - Concept Car Award

《Auto & Design》<sup>7</sup>



VOYAH FREE and Dongfeng Citroen Versailles C5X won the “Top Ten Cars of the Year”

Automotive Business Review, EFS Austria

<sup>7</sup> Auto & Design: Italian magazine Auto & Design

## Strengthening the roots of governance

A sound ESG governance system is essential to sustainable corporate development. With the theme of “Safe, Healthy and Sustainable” in mind, the Group places a high priority on identifying, assessing, analyzing and addressing risks that affect the sustainable development of the Company, and continues to strengthen the foundation of governance. We are also committed to building a clean corporate image by upholding ethical boundaries.

### ***Risk management***

The Group attaches great importance to enterprise risk management and continuously optimizes its risk management system and internal audit work. In 2021, we insisted on the principle of “no slackening in thinking, no slackening in measures and no slackening in responsibilities” and put forward four key tasks for risk prevention and control, in order to continuously strengthen the bottom-line thinking and awareness of responsibilities of staff at all levels, enhance enterprise risk research and judgment and response capabilities, and prevent and resolve various risks in all aspects.



**Key work of risk prevention and control of Dongfeng Motor Group Limited in 2021**

## Strengthening the roots of governance (Continued)

### **Risk control**

The Group promoted risk control in line with the actual situation of the enterprise and ensured close integration between business development and risk control system. During the year, we did a good job in controlling the compliance risk of double credit-point and preventing and controlling the risk of independent control of key and core technologies to further strengthen the foundation of governance and achieve long-term stable operations.

#### Compliance risk prevention and control of double credit-point

- Active communication to obtain preferential credit-point policy;
- Internal coordination of the reporting of out-of-cycle technology awards in 2020;
- Coordinating the procurement of external points in a “separately pursuant to the united negotiation” mode to save money;
- Organising internal credit-point trading within the Group;
- Vigorously promoting the launch and marketing of new energy vehicles.

#### Risk prevention and control of Independent control of key and core technologies

- Completed the “928” medium and long-term science and technology development plan, which contains five major parts, including environmental analysis, technology trends and benchmarking;
- Strictly promoting the implementation of the “928 Project”.

### ESG risk management measures carried out by Dongfeng Motor Group Limited in 2021

In 2021, we further defined the responsible units and departments and reported five major risks to the Board of Directors during the year, and formulated specific risk management strategies and response plans based on the risk categories and the actual situation of the Group.

### **Risk Audit**

In order to focus on key areas and key aspects of the Company's business management and enhance the effectiveness of audit supervision, the Group cooperated with the economic responsibility audits implemented by the State Audit Office in 2021, as well as regular audit investigations in nine areas, including the implementation of rent reduction policies during the epidemic, investment in industrial parks, treatment of rigidities and difficulties, socialization of retirees and charges related to enterprises. We implemented the relevant provisions of the two offices on economic responsibility audits, steadily promoted economic responsibility audits mainly in the middle of the term, shifted the audit gate, focused on the implementation of national policies and key areas and key aspects of corporate management, strengthened special audits on internal control in important business areas, revealed risks and played the role of “economic check-up”. By the end of the reporting period, we had carried out 20 internal audit projects and identified 326 issues and risks, achieving the internal audit target of “three-year full coverage” of term audits and full coverage of key areas.



## Strengthening the roots of governance (Continued)

### Integrity Management

The Group strictly abided by the *Criminal Law of the People's Republic of China* (《中華人民共和國刑法》), the *Interim Provisions on Prohibiting Commercial Bribery* (《關於禁止商業賄賂行為的暫行規定》), and the *Anti-Unfair Competition Law of the People's Republic of China* (《中華人民共和國反不正當競爭法》), formulated and implemented the *Business Ethics Convention* (《商業道德公約》) and *Anti-corruption and Compliance Handbook* (《反腐敗合規手冊》). And the Group required its subsidiaries to sign cooperation agreements such as the *Co-construction Agreement on Compliance and Integrity* (《合規廉潔共建協議》) and *Commitment on Co-construction on Compliance and Integrity* (《合規廉潔共建承諾書》) with cooperating suppliers and distributors. The Group also established multiple effective channels for reporting complaints, promoted the concept of cleanliness and honesty, promoted internal anti-corruption training and education, and continued to strengthen the supervision and management of corruption in key areas.

### Integrity Supervision

We actively respond to external regulatory policies, and based on the spirit of relevant documents at higher levels and the requirements of discipline inspection and supervision, we received letters and visits from the internal and external related party by setting up dedicated personnel and positions, a fixed reception place, a whistleblowing website, releasing a whistleblowing hotline and a whistleblowing mailbox, etc. to ensure the effective operation of the dimensional reporting platform for letters, visits, telecommunications and internet, and the smoothness of public reflection of problems so as to promote the high-quality development of discipline inspection and supervision work, effectively resolve the concerns of relevant parties, and maintain the stable development of the Group.

### Integrity Training

Simultaneously, we adhered to the combination of positive guidance and negative warning, the combination of daily education and special education, and the combination of online education and offline education, and deeply carried out anti-corruption publicity and education activities. During the reporting period, we carried out the WeChat quiz activity on the knowledge of party regulations, party discipline and national laws and regulations, organized party members and cadres and employees at key positions in key fields to "audit court trials", filmed warning education films based on typical cases, compiled confessions of those who violated discipline and law, and organized and carried out the 2021 party style and clean government publicity and education month activities, etc. The Group headquarters and its affiliated enterprises have carried out more than 1,000 learning and education activities, and the coverage of enterprise employees and board members has reached 100%.

## Strengthening the roots of governance (Continued)

### Publicity and education month

- In 2021, the 25th publicity and education month on the construction of a clean and honest government was launched with the theme of “building a new and healthy atmosphere and creating a clean and honest east wind”, which was included in the important learning contents of “three meetings and one course” of the theoretical learning center group of Party committees at all levels and the grass-roots party branches.

### Warning education

- Nearly 400 party members, leading cadres and personnel in key positions in Wuhan and Shiyan were organized to attend the court trial of former leaders and colleagues suspected of bribery, and used painful cases to warn cadres and employees to strictly abide by the bottom line of discipline and law.
- Two special warning education conferences were held at the group level to publicize the anti-corruption situation and report typical cases.

### WeChat official account

- Open the WeChat official account of “clean east wind”, guide the cadres in the discipline to abide by the law, spread externally the anti corruption voice, and create a good atmosphere of public opinion.

### Cultural construction

- Shoot and produce three warning education films, including *Sword Hanging High* (《利劍高懸》), *Vanishing Heart at the Beginning* (《初心泯滅》) and *Breaking the Net* (《破網》), and organize party members and key personnel to watch them.
- take 14 cases of Party members and cadres violating discipline and law as materials, compile and print the confession of Party members and cadres violating discipline and law of Dongfeng company, send it to all senior executives for learning, and warn party members and leading cadres to take a clean life with confession in “blood and tears”.

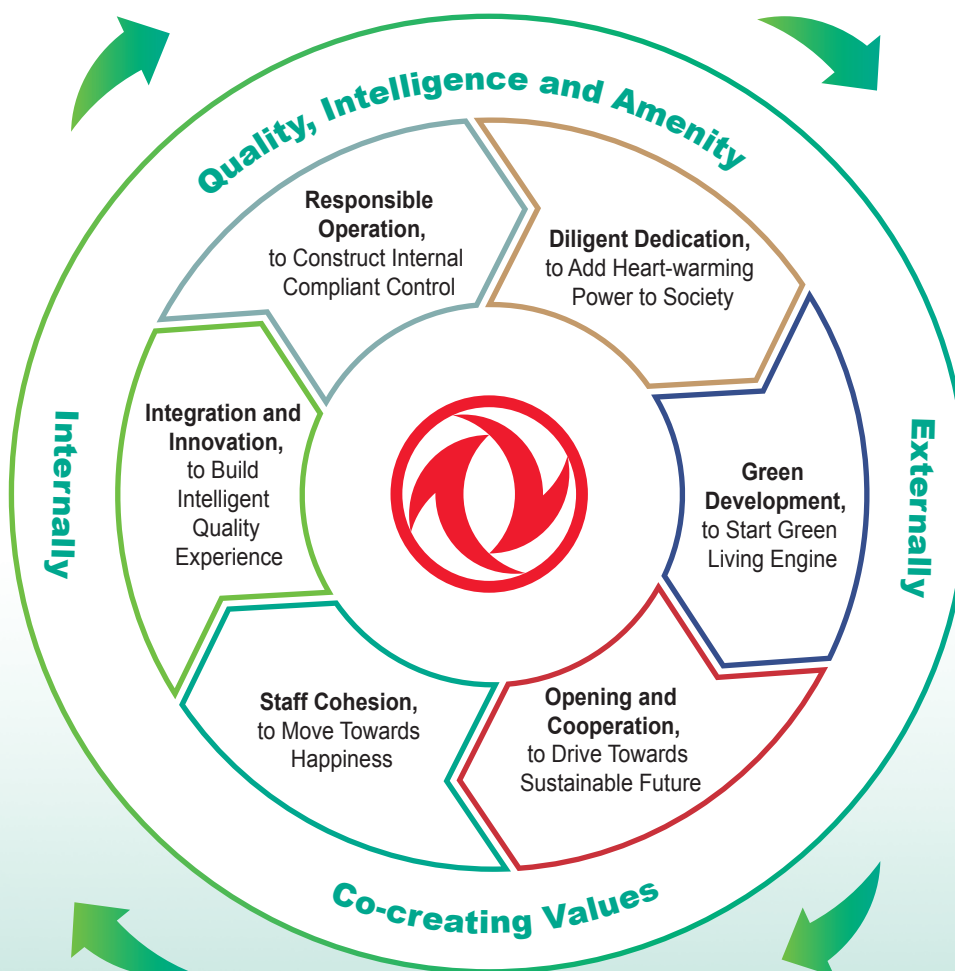
PIncorruptible and civilized activities carried out by Dongfeng Motor Group Limited in 2021

## Strengthening the roots of governance (Continued)

In 2021, we also adopted a “zero-tolerance” approach to corruption in accordance with the relevant laws and regulations, and continued to strengthen our efforts in handling accountability and irregularities, referring them to the judicial authorities for serious treatment when necessary. During the reporting period, we handled a total of two accountability cases.

### ESG Management

The Group adheres to the six ESG development concepts of “responsible operation, integration and innovation, employee cohesion, opening and cooperation, green development, contributing to the society” as its guiding principle, deeply implements the idea of sustainability and, while studying and deploying the national strategies of “carbon peaking and carbon neutrality” and “pollution prevention and control”, continues to promote ESG work with the implementation of the responsibility system as the focus and “Green Dongfeng 2025 Action” and “deepening the pollution prevention and control battle” as the anchor points.

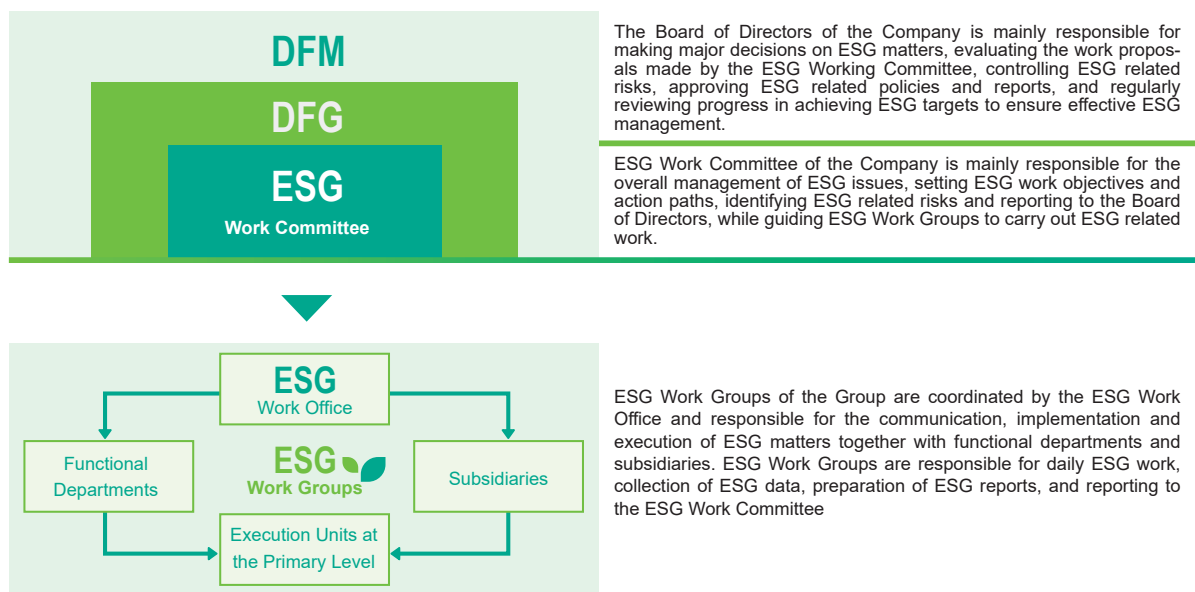


Dongfeng Motor Group Limited ESG Concept

## Strengthening the roots of governance (Continued)

### ESG Governance

At present, we have established a top-down ESG management framework, with the Board of Directors taking the lead, the ESG Work Committee overseeing and the ESG Work Groups implementing, to control, implement and follow up on decisions related to corporate governance, environmental protection and social responsibility in our daily production life.



### ESG Governance Framework of Dongfeng Motor Group Limited

Statement by the Board of Directors of Dongfeng Motor Group Limited	
Board of Directors' principal responsibilities	The Board of Directors of the Group, as the coordinating body in the ESG governance framework, always focuses on the control of ESG related risks and the approval of ESG related policies and reports. The Board formulates ESG strategies and reviews the progress of ESG objectives to ensure that the Group maintains a stable and efficient ESG practice by coordinating the work of its ESG work committees and ESG work groups, taking into account the actual situation of the Company.
ESG work implementation	The ESG Work Groups are responsible for the implementation and execution of the Group's daily ESG work. The ESG Work Groups are coordinated by the ESG Work Office, which collect ESG related data from various functional departments and subsidiaries, prepare and disclose ESG reports, and also report regularly to the ESG Work Committee to promote the smooth implementation of the daily ESG work from the grassroots level.



## Strengthening the roots of governance (Continued)

### Statement by the Board of Directors of Dongfeng Motor Group Limited

ESG Risk Identification	The Group maintains close communication with internal and external stakeholders to identify and assess material ESG risk issues for the purpose of formulating ESG development strategies. The Group discusses and approves the significant ESG issues identified at a hierarchical level, formulates corresponding risk management initiatives and regularly reviews the related work so as to rationalize the allocation of the Group's resources. The ESG Work Groups support the Board's ESG risk identification work by collecting data on relevant ESG issues in its daily work and reporting to the Work Committee on a regular basis. During the reporting period, the Group carried out risk identification and risk control work on topics such as supply chain protection, intellectual property protection and product safety and quality.
ESG goal formulation and supervision	As a subordinate body of the Group's Board of Directors, the ESG Work Committee identifies and collates the major issues of concern to stakeholders after comprehensive and close communication with them. Based on this, the ESG Work Committee identifies and reports to the Board of Directors the main ESG objectives for the year, and guides the ESG Work Groups to carry out relevant work and control the achievement of ESG related performance targets.

### **Stakeholder Communication**

The Group attaches great importance to communication with stakeholders and is committed to building a cooperative relationship with all types of stakeholders that is equal, friendly, and mutually beneficial. Therefore, we have established diversified communication channels to listen carefully to the issues and suggestions raised by stakeholders on corporate governance, environmental protection and social welfare, and provide timely feedback and rectification.

During the reporting period, the Group actively conducted annual communication and exchange activities and based on the current situation of the company, classified nine categories of stakeholders who have a close connection with the daily operation of the Group, and then collected and compiled a list of the most important issues of concern to the Company's stakeholders in 2021, as shown in the following table:

## Strengthening the roots of governance (Continued)

Stakeholders	Issues	Channels of communications/ feedback	Communication frequency
Shareholders	Business performance ESG management Compliant operations	<ul style="list-style-type: none"> <li>• General meeting</li> <li>• Results briefing</li> <li>• On-site investigations</li> <li>• Roadshows and reverse roadshows</li> <li>• Multi-channel meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Annually Shareholders' meeting</li> <li>• Extraordinary general meeting for major events or special circumstances</li> <li>• Roadshow and reverse roadshow once a year</li> </ul>
Investors	Corporate governance Product safety and management Green product Industry Communication	<ul style="list-style-type: none"> <li>• Teleconference</li> <li>• Telephone seminar</li> <li>• Customer visit to the Company</li> <li>• Domestic and overseas investment conference</li> <li>• Roadshow and reverse roadshow</li> </ul>	<ul style="list-style-type: none"> <li>• Company visits</li> <li>• One-to-one teleconference</li> <li>• Organized or attended domestic investment summits</li> <li>• Annual results briefing</li> <li>• Roadshow and reverse roadshow at least once a year</li> <li>• Interim results teleconference</li> </ul>
Employees	Employee rights Employee occupational health and safety Remuneration and benefits	<ul style="list-style-type: none"> <li>• Staff training</li> <li>• Labor union activities and Youth League Committee activities</li> <li>• Staff representative meeting</li> <li>• Solicitation of opinions and reasonable suggestions</li> </ul>	<ul style="list-style-type: none"> <li>• On-line and off-line staff training</li> <li>• Labor union activities</li> <li>• Youth League Committee activities at least once a year</li> <li>• Staff representative meeting at least once a year</li> <li>• Employee satisfaction survey once a year</li> </ul>
Distributors	Product safety and quality Customer services Contributions to community	<ul style="list-style-type: none"> <li>• Product training</li> <li>• Clients' complaint processing</li> <li>• Product maintenance and repair</li> </ul>	<ul style="list-style-type: none"> <li>• Irregular product training</li> <li>• Consumer satisfaction survey every year</li> </ul>

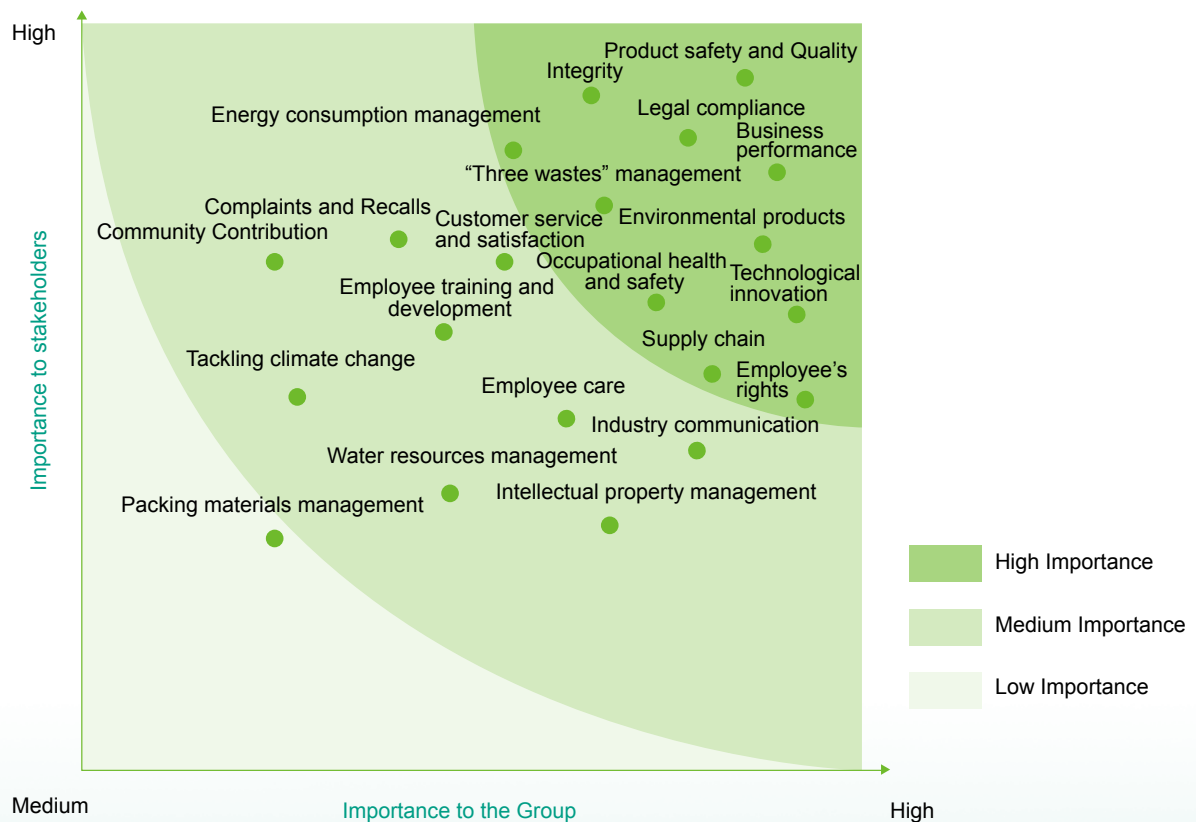
## Strengthening the roots of governance (Continued)

Stakeholders	Issues	Channels of communications/ feedback	Communication frequency
Suppliers	Supply chain management Product safety and quality Business performance	<ul style="list-style-type: none"> <li>On-site survey</li> <li>Supplier appraisal</li> <li>Communication on quality</li> <li>Telephone/written correspondence</li> <li>Setting-up of on-site office</li> <li>Supplier meeting</li> <li>Open procurement and tendering</li> </ul>	<ul style="list-style-type: none"> <li>Annually supplier meeting</li> <li>Semiannually supplier appraisal</li> <li>Supplier access assessment</li> <li>Irregular on-site office</li> </ul>
Customers/consumers	Product safety and quality Technology and innovation Environmental products	<ul style="list-style-type: none"> <li>On-line promotion and off-line promotion</li> <li>Press conference</li> <li>Market survey</li> <li>Customer satisfaction survey</li> <li>Clients' complaint processing</li> </ul>	<ul style="list-style-type: none"> <li>To be conducted in light of actual conditions from time to time</li> </ul>
Governmental authorities	Pollutant discharge management Compliant operations Integrity Tackling climate change	<ul style="list-style-type: none"> <li>On-site survey</li> <li>Communication and interview</li> <li>On-the-spot sampling</li> <li>Participation in analysis and formulation of policy, standard and planning</li> </ul>	<ul style="list-style-type: none"> <li>To be conducted in light of actual conditions from time to time</li> </ul>
Community	Public welfare and charity Contributions to community	<ul style="list-style-type: none"> <li>Community public welfare activities</li> <li>Communications with community</li> <li>On-site survey</li> </ul>	<ul style="list-style-type: none"> <li>To be conducted in light of actual conditions from time to time</li> </ul>
Media	Public welfare and charity Consumer satisfaction Environmental Products Tackling climate change	<ul style="list-style-type: none"> <li>Press conference</li> </ul>	<ul style="list-style-type: none"> <li>To be conducted in light of actual conditions from time to time</li> </ul>

## Strengthening the roots of governance (Continued)

### ESG Materiality

During the reporting period, we conducted more than 10 in-depth interviews with relevant investors and ranked various issues based on their significance in terms of the levels of impact on our strategic operations and our stakeholders through media analyses and industry benchmarking results, and identified 11 ESG issues with high importance, 9 with medium importance and one with low importance. Through the analysis, we found that stakeholders still consider that product safety and quality as the most crucial risk issues in production and operation. As compared with 2020, stakeholders' focus on energy consumption management, environmental products, supply chain management, Technology and innovation, and public welfare in the community have been increased slightly. We will explicit the material issues concerned by stakeholders of the year in this report.



Materiality Matrix of Dongfeng Motor Group Limited in 2021



## Improving personnel security

The Group always adheres to the idea of people-oriented, implements the policy of “strengthening the enterprise by talents, improving quality and efficiency, innovation-driven, win-win development”, continuously improves the Group’s human resources management system, focuses on providing employees with a comfortable and good working environment, a fair and just development path and an industry-competitive remuneration and welfare system, truly puts the humanistic care of the enterprise into practice and makes talents the strongest driving force for sustainable development of the enterprise.

### Compliance Recruitment

The Group strictly abides by the national laws and regulations such as the *Labor Law of the People’s Republic of China* (《中華人民共和國勞動法》), the *Labor Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法》), the *Implementation Regulations of Labor Contract Law of the People’s Republic of China* (《中華人民共和國勞動合同法實施條例》). Based on its actual business situation, the Company has established, improved and strictly enforced the recruitment management system to provide institutional safeguards for the conduct of the recruitment process.

### Fair Employment

We are guided by the “three pillars” management model of human resources and carry out recruitment activities through campus recruitment, social recruitment and recruitment sharing. During the recruitment process, the Group adheres to recruitment principles of “fair competition, just selection, selection of the best according to the quantity, and adaptation to the job position”. While ensuring a smooth flow of information on job seeking, the Group treats every job seeker equally, and there is no employment discrimination due to factors such as ethnicity, race, gender, region, registered permanent residence, employment form and other factors, and unhealthy competition. We also fully respect the freedom of choice of employment and freedom of work of employees, and do not restrict their personal freedom in any way, resolutely ending the use of child labor and forced labor. In 2021, the Group did not employ child labor or forced labor.

#### Campus recruitment

In terms of paralleled online and offline approach for fresh graduates, the Group have held special air briefings and large offline boutique double-opportunities in Wuhan, and visited 16 universities across the country to make presentations and recruitment efforts to ensure a diversified source of graduates.

#### Social recruitment

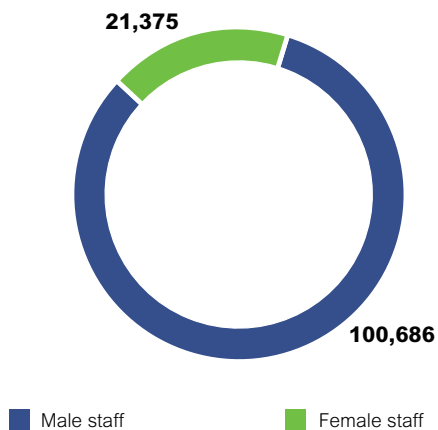
According to the recruitment sharing mode, the Group’s personnel sharing service center publishes recruitment information on the recruitment official website of Dongfeng Company, 51job, Zhaopin, Liepin and other mainstream recruitment platforms, and conducts interviews in strict accordance with the internal standardized process.

**Main forms of recruitment of Dongfeng Motor Group Limited**

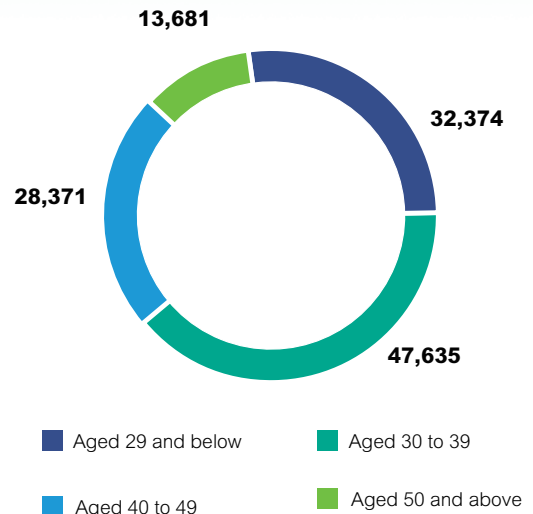
## Improving personnel security (Continued)

During the reporting period, the total number of employees of the Group was 122,061. The composition of the Group's workforce by gender, age group, employment type and geographical location are shown in the chart below.

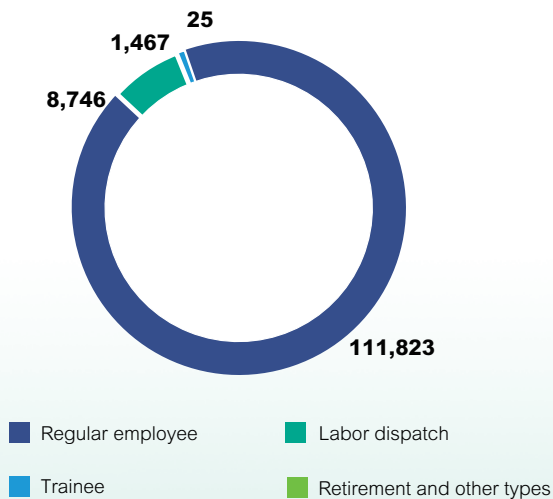
**Distribution of Employees Classified by Gender**  
(person)



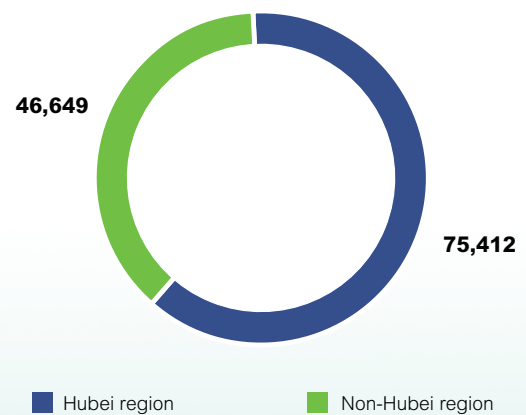
**Distribution of Employees Classified by Age**  
(person)



**Distribution of Employees Classified by Employment Type**  
(person)



**Distribution of Employees Classified by Region**  
(person)



## Improving personnel security (Continued)

### *Localised recruitment*

The Group is committed to contributing to the localization of its workforce and promoting the attraction and retention of local talents. To ensure a stable workforce, each subsidiary will prioritize local recruitment to promote local employment in its operations.



Local Recruitment Events of Dongfeng Motor Group Limited

### **Employee Rights**

The Group is well aware that employee rights and interests are the basis for maintaining the stable development of the enterprise. We fully consider the needs of employees, constantly improve the communication channels of employees, and on this basis, provide employees with comprehensive salary and benefits, transparent incentive system and rich employee care activities, so that employees can feel the warmth and harmony of the enterprise. Employees' happiness and sense of belonging are continuously improved.

We always firmly believe that the establishment of diversified communication channels is the basis for safeguarding the rights and interests of employees. In 2021, the Group and its subsidiaries continued to optimize communication channels, listened carefully to the voices of employees, effectively addressed employees' reasonable demands, and promptly discovered and resolved problems in employees' life and work.

## Improving personnel security (Continued)

### Remuneration Incentives

In 2021, focusing on the construction of performance informatization and the transformation and upgrading of enterprise services, the Group optimized the relevant systems of salary and performance evaluation, so as to continuously deepen the construction of the whole system and realize the normal operation of comprehensive performance management. At present, the Group has implemented a compensation mechanism composed of performance participation for all employees.

#### Salary system optimization

- Build and continuously improve the three-tier performance management system of "system, process and tool", and realize the normalized comprehensive performance management of "quarter + year".

- Carry out annual KPI setting and quarterly and annual performance evaluation, and implement grade promotion and performance salary adjustment of employees in 2021.

#### Social recruitment

### System optimization of Dongfeng Motor Group Limited in 2021

At the same time, we adhere to the distribution concept of focusing on the struggle and value contributor, take the *Compilation of Incentive Policies* (《激勵政策彙編》), the *Guidelines for the Sharing of Excess Profits of the Company* (《公司超額利潤分享指引》), the *Guidance for the Practical Operation of Dividend Incentive for Scientific and Technological Enterprises Version 2.0* (《科技型企業分紅激勵實操指導書2.0版》) and other internal regulations as the guidance, flexibly use all kinds of medium and long-term incentive policies and tools, continuously strengthen the core talents incentive matching with the salary performance in regard of the four fields of R&D, executive incentive, marketing and new business, so as to create a good atmosphere of "everyone becomes talented and everyone makes the best use of their talents".



## Improving personnel security (Continued)

### R&D field

- Formulate the salary incentive system scheme of the technology center;
- Clarify the system that the person in charge of the technical project is listed as the leader, and implement one salary to one post according to the type of project, and salary changes with the change of post, so as to stimulate the vitality of talents.

### Senior management incentive

- Formulate the salary plan for senior executives of special units, increase the sales incentive for Dongfeng Passenger Vehicle, Peugeot Citroën Automobile and other units, and implement the professional manager mechanism for VOYAH;
- Establish incentives in linkages with key R&D nodes for the technology center;
- Add special target award to the special awards, and intensify the incentive for units that promise special targets.

### Marketing field

- Promote the implementation of stepped marketing incentive salary scheme of marketing coordination center;
- Starting from the combination of ideal incentive, belief and material and spiritual incentive, carry out the subject of marketing incentive and promote the pilot implementation of Dongfeng new retail platform.

### New business

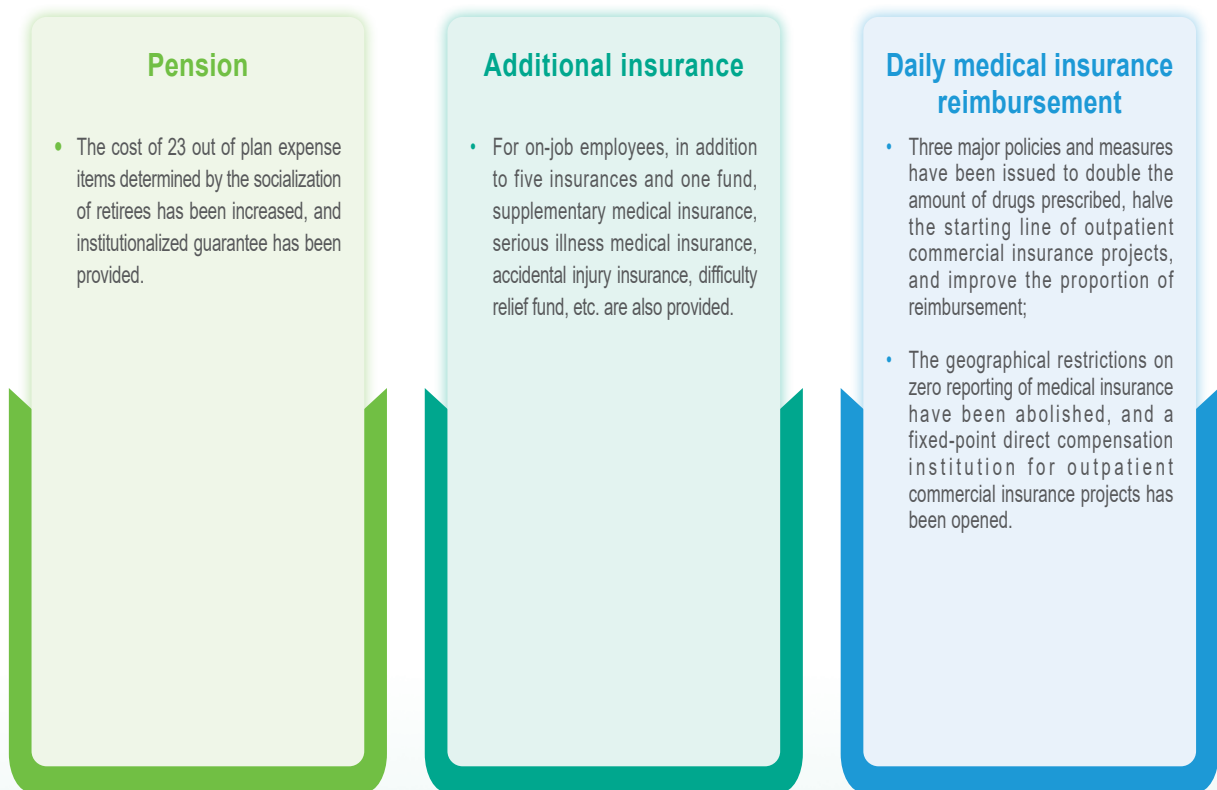
- Starting from the project follow-up investment, shareholding, and other incentives of core employees, promote the following investment of VOYAH, the optimization of salary system of Dongfeng Asset Management, the construction of salary system of M business division and other topics.

## Improving personnel security (Continued)

### Caring for employees

The Group focuses on creating an advantageous welfare system for our employees and provides additional benefits, including corporate annuity, supplementary medical insurance, medical insurance for major diseases, accidental injury insurance, while implementing statutory benefits such as social insurance, a housing provident fund and pension payment for all employees. At the same time, we sign collective contracts with trade unions, establish a sound collective consultation mechanism and carry out a regular communication to keep abreast of staff needs and continuously improve staff satisfaction.

In 2021, we completed the adjustment and optimization of a number of welfare systems in strict accordance with the relevant internal regulations of the enterprise and the general tone of “compliance according to law, overall assistance, healthy sustainability and dynamic optimization”.



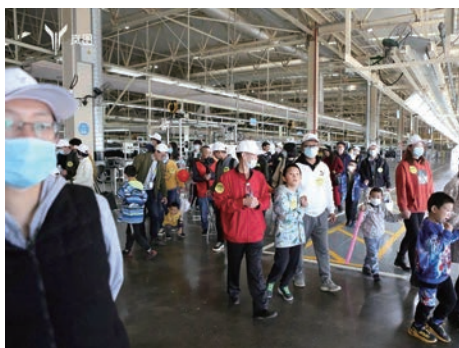
#### Optimizations of the welfare system of Dongfeng Motor Group Limited in 2021

We are also committed to caring for all aspects of employees. Starting from multiple angles, we have carried out diversified cultural and caring activities such as national fitness, difficulty assistance and employee sympathy, so as to enrich employees' amateur life, improve employees' living environment and enhance employees' happiness to the greatest extent.

## Improving personnel security (Continued)

### VOYAH Motor annual employee family visit day

In November 2021, in order to balance the work and life of the staff and to show the good appearance of the Company, VOYAH Motor organized the 2021 annual staff family visit day. In this event, VOYAH Motor hosted a total of 180 families and relatives of employees, and carried out activities such as group photos, company tour, company meal, family fun punch card, hand painted VOYAH, etc., which profoundly brought the families of employees closer to the Company and increased the value recognition of the employees' work and the Company.



## Improving personnel security (Continued)

### VOYAH Motor EAP Mental Health Mini Event and Youth Singles Dating Event

In order to effectively improve the physical and mental health and well-being of employees and continuously promote the EAP<sup>8</sup> employee care program, VOYAH Motor carried out a psychological stress assessment and emotional stress combining improvement for employees in November 2021, and organized a single dating activity for 40 single male and female employees each in the bookstore of Jiangnan University.

During the activity, the single male and female employees explored their minds through the EAP<sup>8</sup> and interacted with the opposite sex they liked. In the end, a total of 7 pairs of single men and women successfully held hands, and the event was a complete success.



While carrying out employee care activities, we pay close attention to the protection of the rights and interests of female employees and vulnerable groups. In 2021, while ensuring equal pay for equal work for men and women, we took female employees as the theme, carried out a variety of theme activities such as “March 8” women's day, and configured heating equipment for the mother and baby room according to the actual needs of lactating female employees, so as to truly implement an equal and diversified working atmosphere.

<sup>8</sup> EAP: Employee Assistance Program



## Improving personnel security (Continued)

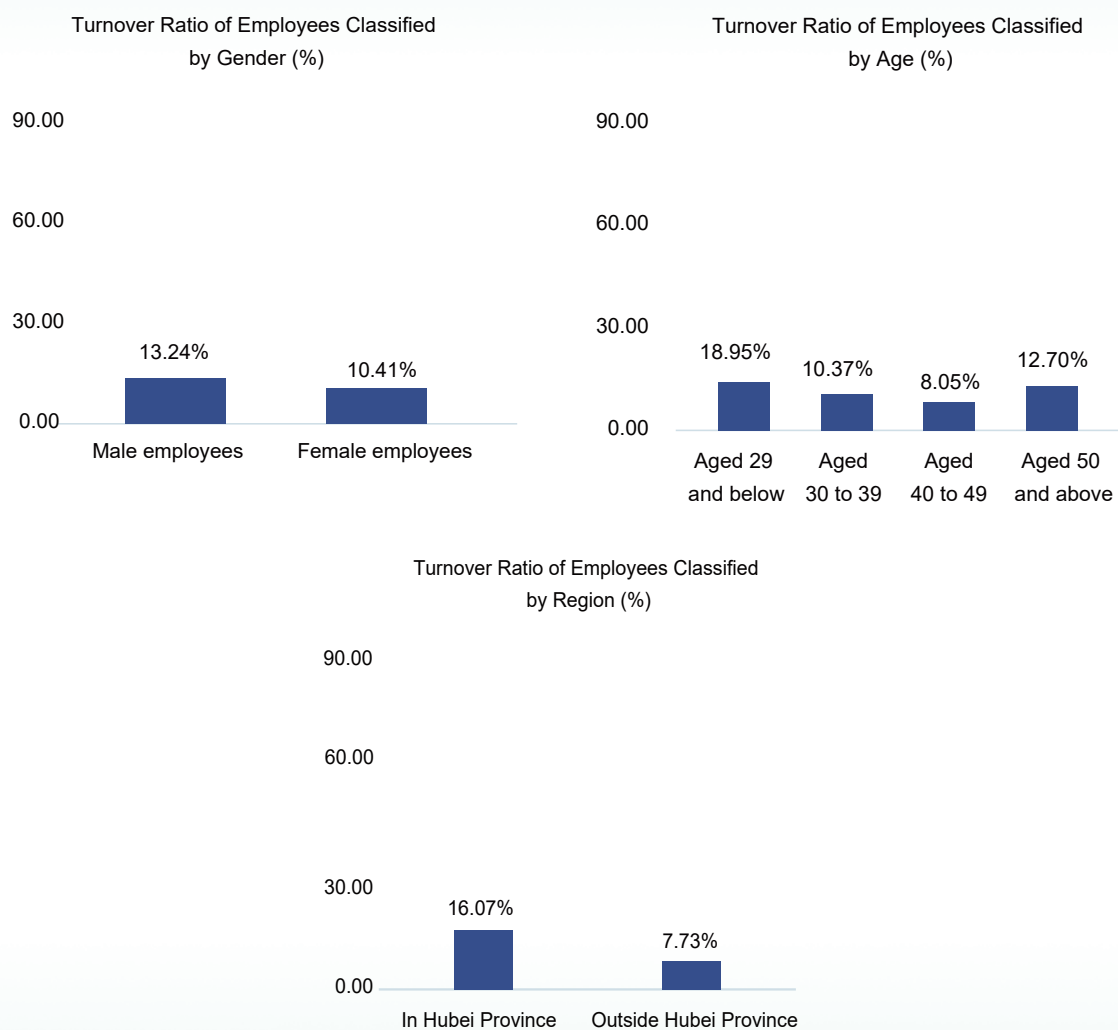
### Dongfeng Wuhan carries out the theme activity of “March 8” women's Day

In order to practice the caring activities for female employees, Dongfeng Wuhan carried out the theme activity of “March 8” International Women's day in 2021, calling on female employees to continue to change their ideas with full enthusiasm and proactive work attitude, invest in various work tasks of the new company, and play value based on their posts.



## Improving personnel security (Continued)

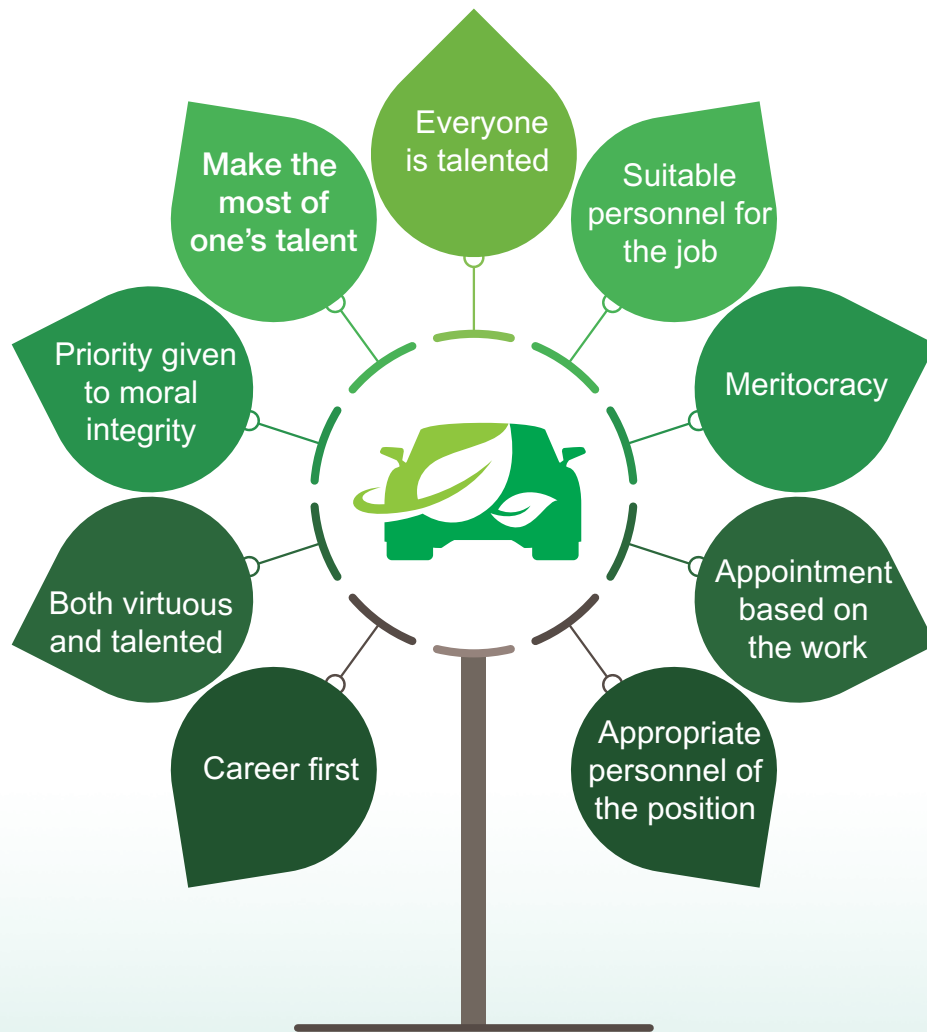
Relying on comprehensive employee rights and interests protection and care measures, the turnover rate of the Group's employees during the reporting period decreased by 11% compared with that in 2020, and the total turnover rate was 8.7%. The employee turnover rate by gender, age group and region are shown in the chart below.



## Improving personnel security (Continued)

### Talent Development

The Group has always been committed to the development and construction of a high-quality talent team. We closely focus on the strategy of strengthening the Company with talents, deeply implementing the talent concept of the whole value chain, optimize the internal talent training system, consolidate the development foundation of the Group, and strive to build an open, efficient, harmonious, and professional talent team to provide a strong guarantee for the Group to achieve long-term corporate strategic goals and sustainable development.



Talent concept of Dongfeng Motor Group Limited

## Improving personnel security (Continued)

### Training resources

The Group is well aware that the long-term development of an enterprise is inseparable from the accumulation and training of high-quality talents, and is committed to building a diversified training system. Guided by the *2018-2022 Management Personnel Education and Training Plan of the Company* (《公司2018-2022管理人員教育培訓規劃》) and the *14th Five-Year Plan Leading Leap 2025 Human Resource Planning of the Company* (《公司「十四五」領躍2025人力資源規劃》), we have built a learning and development system with Dongfeng characteristics in combination with the actual situation of the Company and the training needs of employees at different levels, to provide strong support for the Group's "14th Five-Year Plan" to make a good start.

In 2021, in order to further standardize the management of lecture fees and evaluation fees of the Group, we actively responded to the *Supplementary Regulations on the Management of Lecture Fees and Evaluation Fees* (《關於講課費和評審費管理的補充規定》) formulated by our parent company Dongfeng Motor Group Co., Ltd., so as to implement the strategy of strengthening the company with talents, make good use of all kinds of talents, and provides system and resource guarantee for the training and development of the majority of employees.



Encourage outstanding employees to take the stage, promote internal knowledge accumulation and experience inheritance



Play the role of review experts as gatekeepers to promote review project management and work efficiency



Make full use of excellent teachers and review experts inside and outside the Group to strengthen resource collaboration and co-creation and sharing

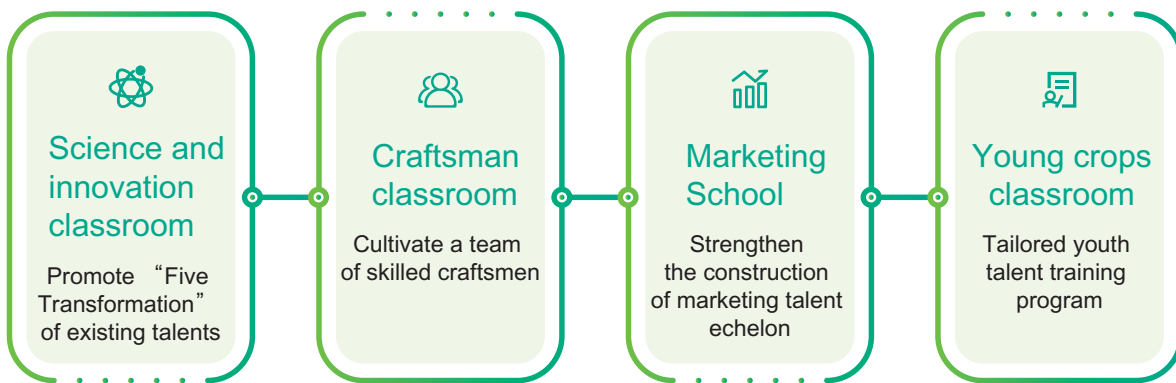
**The strategy of “strengthening the Company with talents” of Dongfeng Motor Group Limited**



## Improving personnel security (Continued)

### Training programs

The Group and its subsidiaries have also carried out various relevant personnel training and development work. In order to integrate convenient life and learning service functions and provide professional learning platform for employees, the Group has established the “Dongfeng V academy” digital learning platform. Combined with the digital standard of distance education in the industry and the original and special user embodiment technology, the platform launched interactive e-learning systems such as learning management and knowledge management, and provided free enabling resources for employees in combination with many functions such as online training, online examination, special exercises, live classroom and so on. By the end of the reporting period, the “Dongfeng V academy” digital learning platform had a total number of 70,000 people activated, received 560,000 times of online learning with a total of 870,000 learning hours, and launched 2,395 internal courses such as operation and management and professional skills.



Diversified Classroom of Dongfeng Motor Group Limited

## Improving personnel security (Continued)

Name of subsidiary	Specific course content
Dongfeng Parts and Components	<ul style="list-style-type: none"> <li>Widely carry out skills competition and on-job training activities such as digital control and TPM<sup>9</sup> in line with their own characteristics, so as to improve the work efficiency of their own posts</li> <li>Organize training and competitions on data modelling and equipment principles, as well as comprehensive 5S improvement and renovation work, to effectively improve staff skills and knowledge</li> </ul>
Dongfeng Passenger Vehicle	<ul style="list-style-type: none"> <li>Strengthen the cadre's customer awareness and promote management ability to undertake the Group's Youth Marketing Task Force project to build a team of young marketing talents</li> <li>Cultivate on-site management personnel, strengthen the training of highly skilled personnel and create artisanal employees</li> <li>Optimize the training path of college students who have just started to work</li> </ul>
VOYAH Motor	<ul style="list-style-type: none"> <li>Establish talent training mechanism</li> <li>Carry out training on preparation specifications of technical documents</li> <li>Define the three-year training framework for college students who have just started to work</li> <li>Train qualified part-time lecturers</li> </ul>
Dongfeng Commercial Vehicle	<ul style="list-style-type: none"> <li>Hold training on the comprehensive ability improvement of "Jiaolong" and "Qianlong" talents, including the ability evaluation of young high potential talents, marketing, U + temporary employment, etc.</li> <li>Development of curriculum system of "Five Transformation Technology"</li> </ul>

In addition, in order to meet the requirements of the "14th Five-Year Plan" policy and improve the Company's talent planning, the Group has formulated and released a series of rules and regulations such as the *Administrative Measures for the Recognition of Vocational Skills Levels* (《職業技能等級認定管理辦法》) and *Guidelines for Compensation and Incentives for Skilled Talents* (《技能人才薪酬激勵指導意見》) based on indicators such as the proportion of high-skilled talents, the number of Dongfeng craftsmen, the number of first-level high-skilled experts and the construction of company-level skill positions, smoothing the vertical growth channel of skilled talents in "three tiers and seven levels".

<sup>9</sup> TPM: Total Productive Maintenance

## Improving personnel security (Continued)

We actively carry out various talent training projects, internal trainer competitions and other activities to establish a sound evaluation system and a team of judges to promote the identification of talent capabilities while continuously improving the professional and technical level and management capabilities of our staff, providing a constant talent pool for the development of the enterprise.

### **Dongfeng Passenger Vehicle high skilled personnel training**

In order to strengthen the training of highly skilled talents and create craftsman employees, Dongfeng Passenger Vehicle promotes training through competition, and actively organizes and carries out various skills competition training, including the seventh national industrial robot skills competition, the sixth employee skills competition of Dongfeng Passenger Vehicle Company, etc. The employees of the Company have made excellent achievements in various competitions, including the operation adjustment of industrial robots, ranking first and third in the competition area of Hubei Province.

### **Zhengzhou Nissan internal trainer competition**

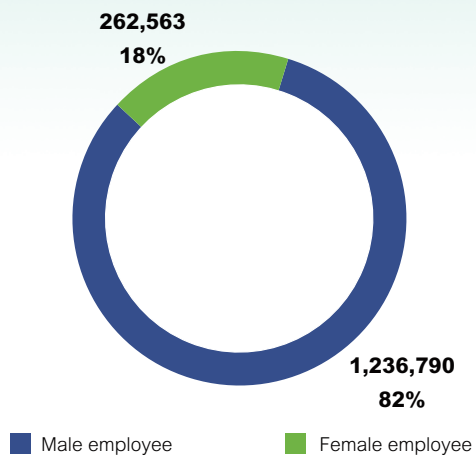
The internal trainer competition is an integral part of the ninth skill competition of Zhengzhou Nissan and also serves as the path for the promotion and evaluation of the Company's internal trainers. In 2021, Zhengzhou Nissan added online micro course training camp and internal "top ten micro courses" evaluation in the internal trainer training system, and recommended 6 micro courses to Dongfeng Company.

In terms of traditional teacher course competition, we have carried out the special training of primary and intermediate internal trainers by means of training through competition and promoting learning through competition, and selected talents through lecture competition and lecture competition. The training had a total of 83 participants and 28 courses; In the event assessment, a total of 9 people were promoted to intermediate internal trainers and 4 to senior internal trainers.

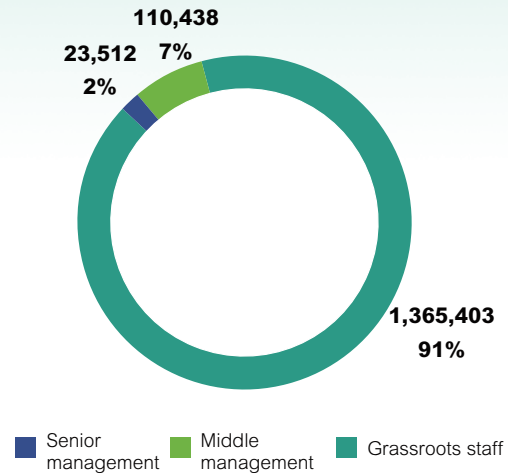
During the reporting period, the Group invested a total of RMB82.6175 million in training funds and conducted 34,200 training sessions, with a total of 1.4994 million trainees and 65.24 class hours per capita. The training by gender, employee rank and employee category is shown in the chart below:

## Improving personnel security (Continued)

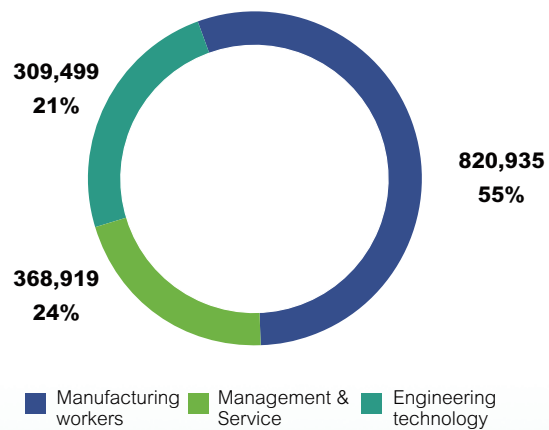
Number of Trained Employees by Gender  
(person)



Number of Trained Employees by Employee  
Rank (person)

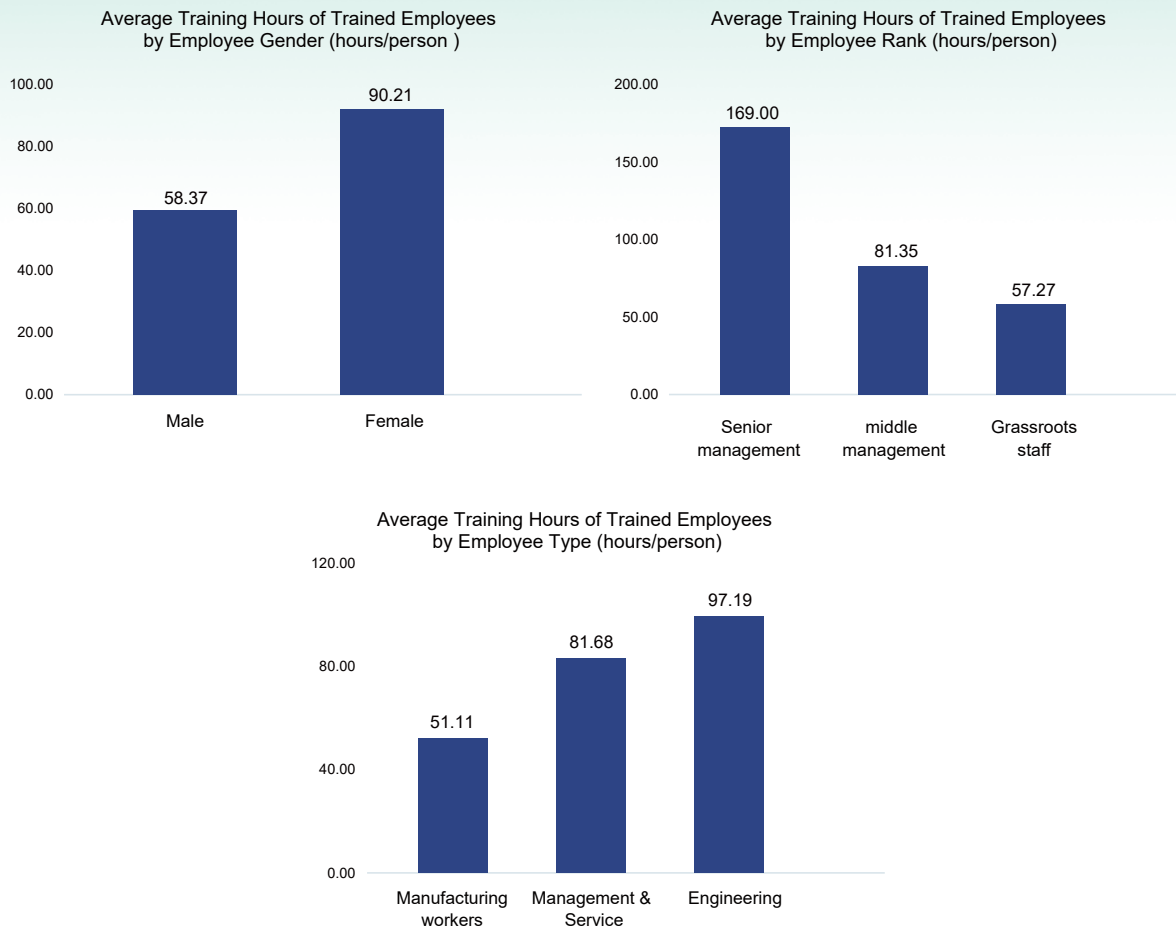


Number of Trained Employees by Employee  
Type (person)





## Improving personnel security (Continued)



### Health and Safety

The Group regards the physical and mental health of employees as the key pillar of the Company's development. We strictly follow the requirements of various laws and regulations on occupational health and safety, constantly optimize the safety production system and occupational health management system, focus on the physical and mental health of employees, strive to improve the working environment of employees, and think about the health and safety of employees in an all-round way.

### Safe Production

Good safety culture is the endogenous driving force to promote the continuous improvement of safety production situation. By strengthening safety awareness, safety behavior, safety system and intrinsic safety culture, the Group further improves the Company's safety culture system, adjusts the safety and environmental protection committee to strengthen the function of deliberation and decision-making, and leads the health and safety development of employees with a sustainable safety culture system.

## Improving personnel security (Continued)

In 2021, the Group had strictly complied with the relevant safety production regulations such as the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》) and the *Emergency Response Law of the People's Republic of China* (《中華人民共和國突發事件應對法》), and organized all subsidiaries to earnestly implement internal management regulations. In addition, the Company has followed the safety dynamic hierarchical management and control mechanism, and has formed a work plan including 2 topics, 14 fields and 43 projects. At the same time, we have organized various subsidiaries to conduct comprehensive and multi-angle self-examination and self-improvement in key areas such as responsibility implementation, safety protection, special equipment, hazardous waste treatment, fire prevention and explosion protection for safety management and on-site risks.

During the year, we achieved our target of controlling work-related accidents while achieving 89% of our internal rectification target. As of the end of the reporting period, the Group had a total of 8 production safety accidents with an accident frequency rate of 0.066‰, a decrease from last year, and there have been a total of 3 work-related fatalities in the past three years (including the current year).



**Safety dynamic hierarchical control mechanism of Dongfeng Motor Group Limited**

## Improving personnel security (Continued)

### 5S Monitoring and Management of Dongfeng Honda Engine Site

In the face of untimely rectification, leakage of oil and water from old equipment and facilities and addition parts in the workshop occupying road due to the rapid changes of layout in the production site under the rolling development model, Dongfeng Honda Engine conducted strengthened measures regarding the 5S monitoring and management to eliminate operation safety risks arose by the inappropriate 5S management in 2021, as follows:

- Clarifying 25 5S Standards in nine categories through formulating 5S Management System in Operation Site to ensure clear responsibilities and supportable evidence;
- Preparing 5S Implementation Practices, providing training to workshop heads, safety officers and staffs to improve 5S awareness;
- Organizing workshops to actively conduct sorting, rectification, and cleaning activities, classifying the highlighted 5S problems on the MAP<sup>10</sup> chart, clarifying the priority of rectification, conducting thorough remediation in conjunction with the relevant segment personnel.

Dongfeng Honda Engine successfully improved employee's working environment, significantly reduced operation safety risks and further ensured employee's safety through a series of rectifications.

### Promotion of crossing finger KY<sup>11</sup> safety confirmation for all employees of Zhengzhou Nissan

In order to ensure the safety of employees walking around the factory, Zhengzhou Nissan has commenced to promote crossing finger KY safety confirmation activity for all employees since June. After in-plant publicity and education, mandatory promotion and off-site promotion for 4 months, Zhengzhou Nissan achieved a 98% KY confirmation rate, successfully improved the safety awareness of all employees, and accelerated the establishment pace of safety culture at the plant.

---

<sup>10</sup> MAP chart: Manifold Absolute Pressure Sensor, being the ignition control curve required by the engine under various operating conditions

<sup>11</sup> KY: Kiken Yochi Training, abbreviation for hazard prediction and early warning activity, which is a typical safety management method for employees to manage themselves and reduce human errors.

## Improving personnel security (Continued)

### Safety training and drills

In the basis of consolidating the foundation of safe production management, the Group never slackened its efforts in safety training for employees. During the reporting period, the Group and its subsidiaries conducted “Monthly Safety and Environmental Protection Programme” educational and promotional activities under the theme of “Implementation of Safety Responsibility, Promotion of Safe Development and Harmonious Co-existence between People and Nature”, including themed studies, themed activities, warning education and specialized activities, to ensure that employees have an accurate understanding of safety production.

At the same time, we organized the preparation of the *Safety Code for the Manufacture of New Energy Vehicles* (《新能源汽車製造安全規範》) and the *Safety Code for Special Equipment and Special (Hazardous) Operations* (《特種設備與特種(危險)作業安全規範》) to effectively curb various safety risks, and actively carried out various safety training and drill activities.

### Safety Management Training for Middle and Senior Management at Dongfeng Honda

In 2021, in the face of new safety laws and regulations, Dongfeng Honda organized staff at all levels to actively study the contents of the new Safety Production Regulation, optimized safety-related matters, conducted offline training and education, online video viewing and safety quiz activities for middle and senior management, department heads and in-service employees to enhance the safety awareness and safety skills of employees at all levels. During the reporting period, a total of 1,164 people participated in offline training and 3,647 people watched online safety videos and took part in quizzes.





## Improving personnel security (Continued)

### Routine meeting of “Good Safety Habits” of Dongfeng Commercial Vehicle

Dongfeng Commercial Vehicle takes the project management of good safety habits as a carrier and the “three core” teams as a unit, specifies quarterly and monthly themes, and holds regular meetings on “good safety habits”. The good safety habits are extended to functional departments (administration, R&D, marketing, and procurement) and moved down to the grassroots teams, and activities were held to become the “safe and reliable persons” for all employees to strengthen and solidify the effectiveness of good safety habits.

### DFM Wuhan conducts emergency response drill

At the beginning of 2021, Dongfeng Motor Wuhan carried out emergency plan untangling, identified environmental and safety hazards again, prepared plans and conducted drills for environmental emergencies. During the reporting period, we carried out flood prevention drills and fire escape drills one after another, and invited professionals to conduct relevant knowledge training to improve the overall awareness of employees in dealing with emergencies.



### Emergency drill for hazardous chemical leakage of Dongfeng Parts and Components

On June 22, 2021, an emergency drill of hazardous chemical leakage was organized by the production management department of the Company and completed within 25 minutes. During this drill, the staff had strong emergency response ability to the emergencies and could quickly carry out initial effective rescue of the victims and rapid containment and collection of leaked materials, and no safety environmental problems occurred during the drill, and the purpose of the emergency drill was achieved.

## Improving personnel security (Continued)

In the future, we will further strengthen the implementation of safety responsibilities for all employees on the basis of 2021, proceed the three-year special rectification of production safety and the construction of production safety information technology, prevent and control major safety risks, promote the transformation of production safety systematization, standardization, information technology and digitalization, and continuously improve the capability of safety management system.

### The production safety objectives of the Group for 2022

#### Five eliminations

- Eliminate large and above production safety accidents
- Eliminate major explosions in boilers, pressure vessels and pressure pipes
- Eliminate major fire accidents
- Eliminate major leaks and explosions of hazardous chemicals
- Eliminate major occupational poisoning accidents

#### Two controls and one improvement

- Accident frequency is controlled within 0.6‰
- Accident rate of serious injury and above are controlled within 0.1‰
- Occupational disease hazards detection rate is improved by 0.2%

#### Three 100%

- 100% special (hazardous) operators hold a certificate
- 100% special equipment under lawful inspection
- 100% special equipment under qualified utilization

### Occupational Health

In order to thoroughly implement the 14th Five-Year Plan on safety and occupational health, the Group continued to conduct safety and occupational health management assessment and improvement work, enhance safety and occupational health self-management level, move forward the control of occupational disease KPIs, organize the preparation of the five-year plan to improve the rate of compliance with the monitoring of occupational hazards, and carry out a number of actions to protect the occupational health and safety of employees during the reporting period.

## Improving personnel security (Continued)

### Continuous conduction of hearing protection program

In 2021, the Group organized the subsidiaries to continue to carry out hearing protection program, organized workshops and departments to implement hearing protection program in terms of the implementation rate of “three simultaneous” at safety and health of construction projects, the treatment rate of noise exceedance points, the qualified rate of hearing protection for personnel exposed to noise, and the transfer placement rate of personnel with contraindicated certificates for noise work, at the same time we also actively carry out noise work site inspections at all levels, and effectively prevented and controlled noise occupational disease hazards, to protect the hearing health of employees.



### Detection and treatment of occupational disease hazards of Dongfeng Commercial Vehicle

In 2021, Dongfeng Commercial Vehicle enhanced the treatment of occupational disease hazards. According to the situation of factory relocation, equipment renewal and process adjustment, under the guidance of Shiyan City Occupational Disease Prevention and Control Institute, we carried out the hazard testing points work to make the occupational disease hazard points more representative. During the reporting period, a total of RMB8.823 million was invested, completing 25 treatments, covering 35 positions and protecting 129 employees.

## Innovation-driven, Industry Synergy

### Strengthened R&D innovation

With the positioning of "an outstanding technology enterprise providing quality automotive products and services to customers" and the operation theme of high-quality development, the Group continues to enhance its vehicle business, strengthen its technology segment and expand its service ecology by focusing on two strategic directions of green and low-carbon and digital intelligence, to continuously empower consumers' better automotive life through technological innovation.

### *Deepen R&D*

We regard innovation origin as the core position of the overall construction and technological self-improvement as an important direction of strategic support. Our Group anchors on the strategic guidelines of industrial planning, stimulates innovation power and vitality on all fronts, enhances intellectual property control and collaborative innovation capability, cultivates, and gathers all kinds of scientific and creative talents with more open and inclusive policies and environment, and promotes enterprise achieving continuous breakthrough progress in scientific and technological innovation.

### *Technological innovation incentive*

High-quality and efficient technological innovation is a strong guarantee for the implementation of the Group's industrial planning strategy. In this year, we initiated to implement internal innovation incentives from four aspects of system guarantee, structure optimization, model synergy and efficiency improvement, and committed to create a good atmosphere of "everyone becomes talented and everyone makes the best use of their talents", to continuously strengthen enterprise science and technology innovation vitality and ability.

We equally value external innovative views and continue to explore models that empower our own technology research and development with external resources. The Group has built an online open platform for all employees by utilizing popular innovation platforms and innovation resources such as the mass innovation platform, smart ecosystem, and Wuhan PNP<sup>12</sup> to tap into shared ideas related to automotive products. At the same time, we further facilitate the transformation of innovation results through offline full value chain idea implementation, further stimulate the sharing of suggestions from external related parties and form a technology reserve.

<sup>12</sup>

Wuhan PNP: Plug and Play (Wuhan) Technology Innovation Co., Ltd.



## Innovation-driven, Industry Synergy (Continued)

### System guarantee

- Vigorously carry out market-oriented, diversified and differentiated incentive mechanism, stimulate the talent effectiveness of scientific and technological innovation, and continuously strengthen the scientific and technological innovation incentive system

### Structure optimization

- Insist on the de-administration of the technical field, create a scientific research atmosphere of professionals doing professional work, organize technical experts in various fields to set up a technical committee and act as the highest decision-making body in the technical field

### Model synergy

- Form a virtuous cycle that scientific research promotes commercial development and commercial development generates revenue, and lay out next-generation key technologies in advance to provide technical guarantees for commodity development through continuously combining new application scenarios and exploring new business models

### Efficiency improvement

- Actively cultivate a team of high-end talents, cater bottleneck technologies in the form of research projects, develop incentive programs for research projects, accelerate the application of "five transformation" technologies, break the blockade of key technologies and enhance the core competitiveness of enterprises

Science and Technology Innovation Incentive Mechanism of Dongfeng Motor Group

## Innovation-driven, Industry Synergy (Continued)

### Intellectual Property Protection

The Group attaches great importance to the protection of intellectual property rights and strictly abides by the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other laws and regulations related to intellectual property rights, and continues to enhance the innovation protection capability of the enterprise through the implementation of intellectual property management, to provide solid protection for innovation achievements.

During this year, we aimed at high-quality creation, protection, management and application of intellectual property, and constructed an intellectual property management system integrating patents, trademarks, software copyrights and scientific and technological achievements. In order to make invention patents more systematical and standardized, and increase the incentive for the transfer and transformation of patent achievements, we revised and released the *Patent Management Measures* and other documents to provide a solid underlying system guarantee for good inventions, good patents and good products.

For each aspect of intellectual property management, we have carried out work evaluation and experience promotion from the dimensions of system construction, talent training and information security, so as to improve the overall intellectual property management level of the Group. At the same time, the Group continues to strengthen the construction of intellectual property culture and continues to consolidate the protection of intellectual property from the perspective of personnel awareness enhancement.

### Optimize the application of intellectual property protection technology and build information security

In order to improve the patent management efficiency, Dongfeng Nissan added a library of search system tools purchased from third-party companies during the year. As of the end of the reporting period, we applied the Global Patent Search Database, IncoPat search system, Patsnap analysis database, IPLine and patent proposal system, at the same time, established the intellectual property website and DOA via the internal platform, formed a systematic management, and provided better information security.

### Conduct infringement risk analysis and strategically manage intellectual property

In order to promote the independent breakthrough of core technology and the research and development progress of green low-carbon digital intelligence, Dongfeng Dingxin Power formulated the "14th Five-Year" invention patent improvement plan in this year. We carried out the global patent FTO project of the parking brake for the first time, conducted analysis on the infringement risk of 53 patents with possible infringement risk, and guided the direction of the subsequent product avoidance design and patent layout.

## Innovation-driven, Industry Synergy (Continued)

### **Innovative achievements**

The Group steadfastly promoted the independent mastery of key core technologies, sorted out and promoted strategic control and management projects, advanced in parallel in multiple fields, and achieved fruitful technological achievements with forward-looking innovative concepts and comprehensive research and development capabilities. During this year, we persisted in technological assertion, which led to new enhancement of core capabilities; anchored on low-carbon development strategy, which built new advantages for new businesses; and explored the process of smart vehicles, which achieved new breakthroughs for independent businesses.

As of the end of December 2021, the Group owned an aggregate of 13,976 patents, including 2,362 invention patents, 8,627 utility models and 2,987 exterior patents. During the reporting period, the Group was granted 2,797 new patents, including 1,203 invention patents, 1,146 utility model patent applications and 448 exterior patents.

### ***Self-reliance business innovation***

Self-reliance business is the foundation of the Group's high-quality development. We have continued to promote scientific and technological innovation and self-reliance, which has led to a solid foundation for development and the accumulation of development momentum and further enhanced our development ability for "next-generation vehicles". We vigorously promote basic research, forward-looking technology research and adaptive development, establish a positive development system, and are capable of developing and integrating complete vehicles, fuel-powered, electric and other key assemblies and components.

As of the end of the reporting period, the comprehensive evaluation of the "Full power fuel cell and passenger vehicle power system platform and vehicle development" project where the Group participated in the national key research and development program, successfully passed the acceptance, and the performance index of the flat wire motor reached the domestic advanced level. At the same time, the first automotive-grade IGBT modules rolled off the production line (insulated gate bipolar transistor), and accelerated the strategic layout of chips.

## Innovation-driven, Industry Synergy (Continued)

### Dongfeng technology center increases efforts in chip technology research



This year, Dongfeng technology center and China Xinke focused on cooperation in the areas of automotive chips, intelligent driving, communication infrastructure and demonstration operations. By complementing each other's strengths on the chip side and application side, we are committed to jointly building a technology ecology of automotive chips and jointly optimizing the layout of the entire chip industry chain. Both sides will play the role of "chain leader" of central enterprises, focus on automotive MCU chips, build a joint laboratory for automotive chips and promote the layout of automotive-grade MCU chips in Wuhan.

### New Business Development

The booming development of intelligence is driving the leap from "Internet of Everything" to "Smart Connection of Everything". In response to the needs of different scenarios and market demands, the Group has launched large-scale businesses such as smart car products, smart mobility and smart logistics. In order to promote the scale, market and commercialization of smart vehicles, we have adopted the development path of progressive and iterative innovation for passenger cars and integrated solutions for commercial vehicles to promote the formation of a sustainable smart ecology.

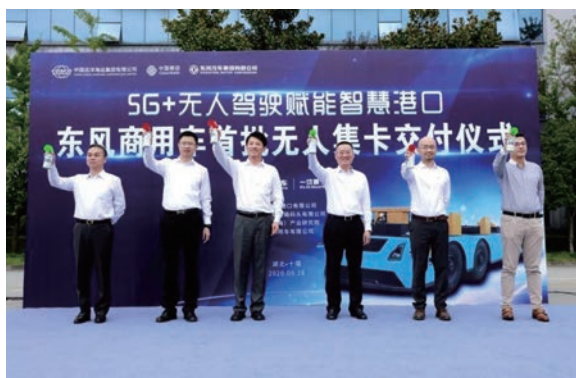
During the year, our Telematics technology is installed to more than 80% of the new vehicles, and the penetration rate to new L2-L3 new vehicles has increased to more than 50%, while L4 smart driving vehicles have achieved large-scale demonstration operations and the driving experience has reached a leading level in China. We have built a three-network integration system of vehicle-cloud network, vehicle-internal network and inter-vehicle network, promoting the integration of "human-vehicle-road-net-cloud" information, and realizing collaborative intelligent transportation and high-grade autonomous driving applications.



## Innovation-driven, Industry Synergy (Continued)

### The first "driverless container truck" to empower smart ports

Dongfeng Commercial Vehicle launched the first "driverless container truck" in China, breaking through key core technologies such as unmanned container truck sensing system and driving system, independent research and development and technical control of equipment, and realizing the mass production and transformation engineering of unmanned container trucks. At the same time, we focus on creating the overall solution of driverless smart port, promoting the construction of "5G+Smart Port", and are committed to promoting the upgrade of the industry standard of driverless smart port to national standard.



## Putting quality first

The Group takes meeting customer needs as its starting point and anchor point, and continues to promote a balance between product and market demand. We insist on the organic unity of product quality, corporate quality and human quality: we insist on providing reliable products and services to users and protecting the rights and interests of consumers; we insist on operating in compliance and sincerity, so that the blood of morality always flows through the enterprise; we insist on achieving integrity and dedication, and building finely crafted products with the heart of an artisan. Relying on the process of modern industrial civilization, we continue to achieve a high quality of life for our customers, convenient and intelligent travel, and a pleasant life of harmony and comfort.

### Outstanding products

The Group is committed to becoming a superior technology company that provides quality products to our customers and insists on quality-wise products. In order to achieve leading product quality, we continue to optimize our management system and mechanism, and continue to practice quality manufacturing in a mode that integrates management innovation, technological means, advanced processes and personnel capabilities to protect the quality of our products.

### *Quality management system optimization*

The quality management system is the cornerstone of our product excellence. The Group has built a comprehensive quality management system covering the product lifecycle, and continues to optimize and update the system assurance system and process documentation, and enhance the effectiveness and practice of the quality management system through quality audits and feedback in a closed-loop manner.

In this year, we further optimized the product quality system and product safety system, and further promoted the construction of the Dongfeng Quality Excellence Evaluation System, incorporating the contents of product planning, new energy and intelligent network technology, and automotive after-market into the new version of the Dongfeng Quality Excellence Evaluation System standard, expanding the field of Dongfeng quality excellence evaluation and achieving full coverage of the Dongfeng Quality Excellence Evaluation System. In 2021, we revised the quality management system documents, and released a new version of the *Quality Manual*, revised one process management document, added six new process management documents, and revised and released a total of 23 quality technical standards.

In order to ensure the effective operation of the quality management system, the Group appointed professional internal auditors to conduct internal audits of the headquarter functional departments, technology centres and other units covered by the headquarter quality system during the reporting period, requiring the relevant units to implement rectification and closure of non-conformities in accordance with the requirements of the quality management system. All units under the Group have carried out quality management system certification and internal and external audits in accordance with the requirements of the standards, and rectified and improved the performance of the quality management system continuously in response to the issues identified in the audits.

## Putting quality first (Continued)

### Practice closed-loop management and strengthen the quality tracking system

Under the management of a strengthened quality system, Peugeot Citroën Automobile is committed to "focusing on quality with the same efforts in fighting corruption". We issued the *Quality Incident Accountability Management Scheme* and held 20 quality incidents accountable during the year, while nine quality issues were pursued and dealt with, and a total of 25 field staff were rewarded, continuing to foster a culture of "courageous quality commitment and customer satisfaction".

### Continuous promotion of optimization and building a mature quality system

Dongfeng Dingxin Power conducted a quality system internal audit and management review in 2021 and completed improvements to the audit findings. Through continuous monitoring of the quality system process KPIs, Dongfeng Dingxin Power achieved a good average compliance rate of 92% in 2021. At the same time, Dongfeng Dingxin Power carried out continuous improvement of quality system documentation, organizing the identification of documents that need to be optimized and tracking improvements as planned. During the year, Dongfeng Dingxin Power updated and released a total of 115 documents and records. By applying the standard of *Dongfeng Quality Excellence Evaluation System* in all aspects, and conducting detailed benchmarking and filling in shortcomings, Dongfeng Dingxin Power has improved the maturity of its quality system.

### Quality improvement

We actively promote quality improvement throughout the value chain, strengthen development quality control and strict manufacturing process management as a means to build a strong quality enterprise. We focus on the overall quality of our products and form safeguards by building value chain quality control initiatives; we focus on the difficult aspects of product quality and contribute to tackling them by implementing advanced technologies and methods of quality management; and we focus on product quality communication and create synergies through technology management sharing models.

## Putting quality first (Continued)

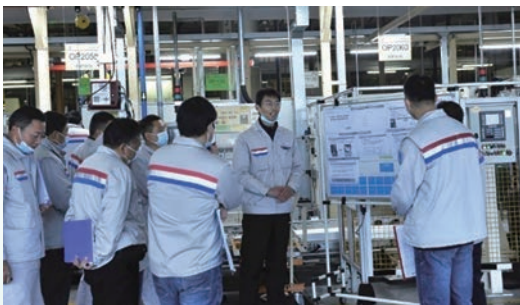
### Building perceptual quality management mechanisms across the value chain

This year, Dongfeng Passenger Vehicle took "customer satisfaction" as its target vision, focused its quality management work on the three core customer needs of "power, styling and intelligence", stabilized the quality of use, focused on the breakthrough of perceived quality, and continued to carry out the construction of a customer-centric quality excellence management system, realized the control of perceived quality especially in the whole value chain, and the perceived quality management system was initially completed.

Dongfeng Passenger Vehicle continued to promote the implementation of the quality medium-term business plan through design and development quality assurance, new project production preparation quality assurance, manufacturing quality assurance, market quality improvement and other links, strengthening system operation, full staff capability improvement and culture dissemination, and continuing to carry out the whole value chain to reduce quality costs. Dongfeng Passenger Vehicle received 9% year-on-year optimization of Dongfeng Quality Excellence Evaluation and successfully reached the quality improvement target.

### Focusing on quality issues to improve performance

Peugeot Citroën Automobile focused on the implementation of the "3MR<sup>13</sup> TOP70 improvement action" during the year, strengthening rapid response, focusing on quality complaints from the user's perspective, focusing on quality tackling of major issues and promoting quality problem solving. Based on efficient quality management work, the 3MR failure rate has improved significantly, with December's 3MR failure rate improving by 53% compared to 2020, which is already at a better level in the industry. In addition, Peugeot Citroën Automobile has achieved further improvements in user ratings in terms of performance satisfaction, with the latest survey results showing good performance in terms of product interior style and quality reliability and ride quality.



<sup>13</sup>

3MR: 3 month warranty failure rate



## Putting quality first (Continued)

### *Talent capacity and awareness building*

The Group conducts extensive training and exchanges on quality management, promotes advanced technologies and methods of quality management and uses them to foster quality innovation. We actively develop technical division tools and build a talent exchange platform to promote further improvement in quality assurance. At the same time, we place emphasis on building a quality culture and awareness to improve quality management standards at source by developing a quality awareness that covers all employees.

### **Implementation of internal work quality enhancement activities**

During the year, there were many points of change in Dongfeng Honda target management, environmental changes, quality assurance and production system. In order to eliminate the quality fluctuations caused by the change points and to ensure the smooth achievement of business goals, the company carried out internal work quality strengthening activities. The campaign was based on one central theme – "Eliminate hidden problems and strengthen the body, improve together", promoted three enhancements – "Improve quality awareness, improve personnel capability and improve process capability", and conducted 8 special activities – "WeChat knowledge quiz, quality skills training, quality technology lecture, quality flash measurement activities, quality abnormality exercise, 4M<sup>14</sup> change point management, operation standard general point inspection, internal work QAV<sup>15</sup> inspection", in order to stabilize and improve the level of internal work quality.



<sup>14</sup> 4M: Man, Machine, Material and Method.

<sup>15</sup> QAV: Quality Assurance Verification.



## Putting quality first (Continued)

### Building a quality talent development center

In 2021, Dongfeng Automobile inaugurated the "Quality-Wise Learning Development Center". The center will be based on training professional quality personnel to support the implementation of the MUST quality strategy. The training will cover market quality improvement, vehicle quality assurance and other aspects, and it is planned that within 2-3 years, the coverage rate of the business will reach 100% and the number of courses will reach over 70. By the end of the reporting period, we have held 6 thematic classes for training and expect the trainees to become the builders and disseminators of the company's quality academy.



The opening ceremony of 2021 MUST Quality Forum of Dongfeng Automobile Co., Ltd. was held in Xiangyang

## Putting quality first (Continued)

### Forming a permanent management of quality culture

In this year, Dongfeng Special Commercial Vehicle carried out the quality month activity with the theme of "improving the capability of quality foundation system and helping brand renewal", all units responded positively, carried out publicity and education in all aspects, fully mobilized the creativity of the staff, summarized the previous "quality month" activities on the basis of summarizing the previous "Quality Month" activities, we organized carefully, planned carefully, formulated the "Quality Month" activity promotion plan scientifically, and promoted the implementation strictly in accordance with the activity planning plan to ensure that the activity achieved good results, while building a good quality for the Company's "9.19 Dongfeng Huashen Brand Activity Day" in 2021.



### Product Health and Safety

The formation of good quality requires not only scientific planning in product design, production, manufacturing, etc., but also strict testing before putting on the market to verify product quality and pursue excellence. In order to ensure product health and safety, the Group implements high standards and strict requirements for product safety testing, actively promotes the harmonious relationship among people, vehicles and society, and builds a sustainable society.

## Putting quality first (Continued)

### Pursuing ultimate quality through quality testing under extreme environment

The winter test is a large vehicle test project that Dongfeng Automobile needs to carry out every year. In January 2021, Dongfeng Automobile participated in the test projects of vehicle cold start, drivability, carbon accumulation, charging and discharging, etc., so that it can be tested in the most stringent environment to consolidate product performance. During the whole test process, the test vehicles performed well, with excellent performance in terms of power, endurance, braking and charging, which fully demonstrated the reliability and stability of the products in the extreme environment.



## Putting quality first (Continued)

### Dongfeng Nissan applied the intelligent safety system and won the Automobile Safety Award

The new-generation X-Trail, a strategic model of Dongfeng Nissan, was officially launched during the year, bringing consumers a safe and worry-free driving experience. This model has undergone the test evaluation of the 2020 version of C-IASI<sup>16</sup>, which predicted that the three sectors of occupant protection, pedestrian protection, and safety assistance would reach an excellent level, and won the C-NCAP<sup>17</sup> 15th Anniversary "Automobile Safety Driving Award".



<sup>16</sup> C-IASI: the China Insurance Automobile Safety Index, an evaluation system jointly formulated by the China Automotive Engineering Research Institute and the China Insurance Research Institute of Automotive Technology.

<sup>17</sup> C-NCAP: the Chinese New Car Evaluation Regulations, issued by the China Automotive Technology and Research Center.



## Putting quality first (Continued)

### ***Product Quality Recall***

For defective products, the Group insisted on being responsible to customers and taking active recall measures to eliminate automobile defects and ensure customer safety. During the year, we carried out defective automobile product recall and related work in compliance with the *Regulations on Recall Management of Defective Automobile Products*, the *Regulations on Recall Management of Motor Vehicle Emissions* and the *Implementation Methods Regulations on Recall Management of Defective Automobile Products*.

We attached great importance to the quality, safety and emissions of vehicle products, actively tracked, researched, interpreted and publicized relevant policies and regulations on recalls, extensively collected market quality information, scientifically analyzed the development trend of product quality, conducted in-depth investigations into potential quality problems, thoroughly investigated potential quality problems, and quickly responded to and recalled vehicle products with defects or emissions hazards. Once the product recall is confirmed, we will file a record with the State Administration for Market Regulation according to law, notify customers through registered mail, telephone, SMS, WeChat, etc. according to relevant internal systems, and arrange free recall inspections and maintenance to ensure the maximum protection of customer safety and rights.

During the reporting period, the Group provided a stable guarantee for product quality, and there were no serious adverse events caused by product quality problems. In terms of active recall of products, the Group has implemented 8 active recalls of defective automobile products, recalling a total of 91,727 vehicles.

### **Improving product assurance measures to safeguard consumer rights**

Zhengzhou Nissan has established a sound management system for important conditions, as well as a management mechanism for handling important conditions in the market, and regularly held important product review meetings and important conditions review and disposal meetings to effectively meet the national requirements for automobile product recall management, safeguard the rights and interests of automobile consumers, and ensure the quality of the Company's products.



## Putting quality first (Continued)

### Quality Service

The Group has established a customer-centric compliance service guarantee to systematically protect the rights and interests of customers in all aspects. We strive to build service quality management tools and methods, and form a business improvement benchmark for problem-oriented improvement and special target improvement. By optimizing the response mechanism of customer feedback, we strive to achieve one-stop process management from customer needs to countermeasures and reviews, and focus on the implementation and practice of high-quality services.

### *Listening to Customer Opinions*

Customer opinions and feedback can provide accurate direction for our improvement and optimization. The Group attaches great importance to listening to and collecting customers' opinions, and extensively understands customers' opinions and actual needs by reforming the feedback collection mode and providing incentives. We continue to iterate the way of handling feedback information, and we are committed to summarizing and reviewing customer opinions in a more scientific, objective and responsible manner, so as to lay a solid foundation for further improvement. During the reporting period, the Group received a total of 39,809 customer complaints.

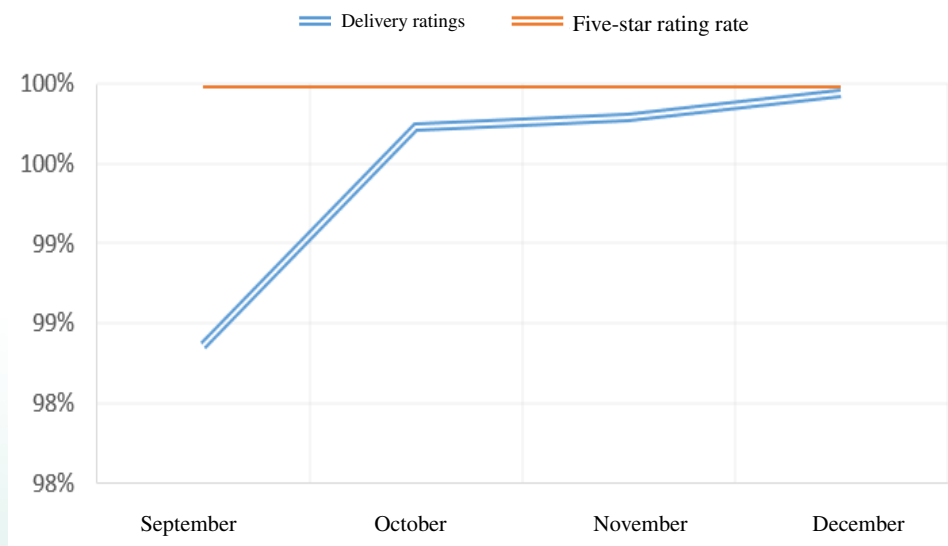
## Putting quality first (Continued)

### Efficiently collecting customer feedback using the Internet model

As a user-oriented enterprise, VOYAH Motor attaches great importance to listening to customers' voices and meeting their individual needs. In terms of channel construction, VOYAH provides direct accesses to users. Offline, four different forms of stores, namely VOYAH flagship store, VOYAH space, delivery service center and full-featured user center, with a team of product experts, are able to perceive customer feedback on the first spot.

VOYAH Motor adopted the new power or Internet model, and collects user satisfaction through online five-star rating in the APP. Once the service was completed, VOYAH Motor would immediately push the rating and complete the whole process. In order to increase the sample size of the rating, VOYAH Motor provided reward points after the users completed the rating. In the event of a 1-2-star low-score rating, the information would be directly pushed by the User APP to the CCC system, and the customer service center would follow up on the user's complaint form; 3-4 star rating would be sent by the User APP to the customer service manager of the service outlets, which would be directly followed up by the outlets and updated to the DMS service assistant; users' problems would be followed up and solved in a timely manner and a closed loop would be formed.

Based on effective rating incentive measures and problem solving methods, VOYAH showed a significant upward trend in the number of delivery ratings and the five-star rating rate.



## Putting quality first (Continued)

### ***Customer Satisfaction Improvement***

As customers' requirements for product and service quality continued to rise, the Group regarded continuous quality improvement as a consistent development task. Focusing on service process, technical management and personnel capacity building, we comprehensively improved customer experience, adhered to the customer-oriented optimization concept, truly listened to customers, understood customers, and reflected customer opinions in our products and services, so as to constantly push customer satisfaction to new heights with sufficient patience and determination.

#### **Comprehensively improving product and after-sales satisfaction**

In 2021, Dongfeng Peugeot Citroën continued to improve customer satisfaction with its products and after-sales services. In terms of product satisfaction, we have identified Top 6 product problems such as audio entertainment and noise with low user satisfaction, and implemented over 10 actions from three dimensions including design, compliance and after-sales. Based on all-round product satisfaction improvement measures, the customer complaint rate for the year decreased by 8%.

In terms of after-sales service satisfaction, we focused on the improvement of Top 5 problems such as maintenance quality and maintenance costs. We adopted WeChat satisfaction surveys, mysterious customers, regional managers, etc. to check the implementation of commitments; for the maintenance quality that users were most concerned about, a special team has been set up to tackle key problems, and the one-time maintenance pass rate has been improved through regular meetings.

Considering the different conditions of each outlet, we implemented a one-store-one-strategy and urged about 400 outlets to carry out 971 actions. In response to the problem of high maintenance costs, we collected price feedback from the front line of after-sales service, sorted out and optimized the prices of spare parts, resulting in an average price reduction of 47% for 481 common spare parts.

In addition, we also actively listened to and solved users' problems by announcing the general manager's hotline, the service director's phone call, and organizing service director-user symposiums to users, achieving a significant improvement effect of a 27% increase in after-sales service satisfaction in 2021.

## Putting quality first (Continued)

### Improving customer experience through technology management and innovation

For the quality of customer use, Dongfeng Passenger Vehicle has built three major centers (intelligence/data/analysis) of QRQC<sup>18</sup>, focusing on the early identification and control of key risks, and relying on the technical center to build virtual platforms to timely respond to market problems. During the reporting period, our average improvement days of market problems were shortened to 23 days from 25 days in 2020, which greatly improved the speed of market quality improvement.

In order to improve customer quality experience, Dongfeng Passenger Vehicle has established a rapid diagnosis mechanism for customer vehicle failures, providing strong technical support to the three-guarantee repair and disposal of faulty vehicles at the after-sales service side, shortening vehicle failure maintenance time, and greatly improving after-sales service quality. In response to customer complaints, we carried out upgraded and hierarchical management of customer complaints to achieve rapid response to customer complaints. At the same time, we continued to provide training for dealers and service personnel, conduct targeted warranty inspections, and standardize the product warranty services of customers.

From the perspective of forward-looking management, we carried out market quality crisis early warning management. Through analysis of the General Administration for Market Supervision, 400 customer complaints, WeChat customer complaints and online media reports, a total of 516 complaints were received, and 15 market crisis warning information were released to solve quality problems for customers in a timely manner and improve customer experience.

### Compliance Service Guarantee

The Group attaches great importance to customer experience and regards service compliance guarantee as the basis for providing high-quality services. We are customer-centric to guarantee compliance throughout the entire process from reaching customers to serving customers.

In terms of compliance marketing, the Group strictly abides by the legal requirements and industry guidelines applicable to the location of business operations, including the *Advertising Law of the People's Republic of China* (《中華人民共和國廣告法》), to ensure the accuracy, openness and consistency of information provision. In order to ensure that front-line employees can fully implement compliance marketing regulations, we continue to carry out training programs on product knowledge, marketing methods and other contents, and comprehensively fulfill responsible marketing by improving the compliance ability and awareness of all business personnel. At the same time, we conduct regular inspections on business personnel to ensure that our external exchange and communication uses compliant, accurate and unified standards.

<sup>18</sup>

QRQC: Quick Response Quality Control

## Putting quality first (Continued)

In terms of information security, the Group strictly abides by the privacy protection policy and attaches great importance to customer information management and protection. In terms of system protection, we have established a strict customer information confidentiality system to provide comprehensive protection for customer information. In terms of process management, we implement hierarchical management and authority setting for business behaviors related to customer information, and implement a strict approval system. At the same time, we continue to strengthen the privacy protection awareness of relevant personnel, and protect customer information security from the source by signing confidentiality undertakings and awareness promotion.

### **Strengthening internal control and strictly protecting customer information security**

Dongfeng Off-road Vehicle attaches great importance to the protection of customer information security. All customer-related information is stored in a centralized system and managed by encryption transmission, online use and offline backup.

In terms of data management, we manage the entire life cycle information of vehicles and the whole process of data visualization and tracking through 360-degree comprehensive customer information management via the after-sales service e-commerce platform (ECS system), and effectively control the confidentiality of information through targeted permission management settings and special personnel.

In terms of internal use, we implement hierarchical management on the inquiry and use of customer information, and set different calling rights for employees at different positions and levels. Any department or personnel that needs to enquire or use customer information must submit a written application to the relevant department, and the power can be used only after the approval is granted at each level, so as to avoid the loss of customers' rights and interests caused by the leakage of customer information and protect customer information security to the greatest extent.



## Promoting Industry Collaboration

The Group is committed to learning from each other and making progress together with industry partners on the basis of stable and long-term development. Through cooperation with various stakeholders such as suppliers, strategic partners, and universities, we have accumulated advantages in opening up, and joined hands with the industrial ecosystem to deepen industrial cooperation and contribute solutions to the development of the automotive industry.

### ***Supplier Management***

The Group attaches great importance to the dynamic collaboration and development of the supply chain structure in terms of duties, responsibility, rights and interests. It is committed to effectively enhancing the overall value of the industry through sound supply chain management, and effectively achieving win-win cooperation and complementary advantages through collaborative resources of all parties to create maximum industry value. We pay attention to the empowerment of suppliers, and build the trust, compatibility and responsibility of the supply chain by improving the ability and awareness of suppliers to fulfill their responsibilities.

During the reporting period, we cooperated with a total of 2,820 first-tier suppliers of parts and components. The breakdown of suppliers by region is as follows:



## Promoting Industry Collaboration (Continued)

### ***Supplier Management System***

In order to ensure the comprehensive and effective supply chain management, the Group has formulated internal systems such as the *Non-Bidding Procurement Management Measures* (《非招標採購管理辦法》) and *Procurement Evaluation Standards* (《採購評價標準》), and established a complete supplier management system, which provides a reliable basis for supplier access, risk assessment, hierarchical management and regular evaluation.

In order to further enhance the level of supply chain management, the Group actively responded to the call to carry out work related to the *Notice on the Conduct of Procurement Management Benchmarking Assessment Work in 2021* (Gai Ge Han [2021] No. 7) (《關於開展2021年採購管理對標評估工作的通知》(改革函[2021]7號)) issued by SASAC, and carried out procurement management enhancement work during the reporting period. Through the benchmarking self-assessment, external expert assessment and on-site benchmarking exchanges, the Group's procurement management system and mechanism were gradually improved, the scope of centralized procurement was continuously expanded, the supervision and control of bidding and tendering was continuously strengthened, supplier management was more standardized and the mode was more optimized, the basic management of procurement was effectively consolidated, and the Group's procurement management was gradually becoming systematized, intelligent and efficient. At the same time, we established a state-owned procurement data collection platform this year to promote the process of refining supply chain management through data-based means.

Each of the Group's second-tier units established a complete supplier management system to promote continuous improvement of suppliers through the monitoring of suppliers' compliance with procurement, performance and ESG performance, and to form a regular supplier management mechanism.

### **Carrying out comprehensive supplier audits to consolidate supply chain quality assurance**

In order to improve the supplier quality assurance system, Dongfeng Commercial Vehicle passed an independent internal system audit in 2021, covering 12 core businesses, with a total of 147 audit requirements, and a total of 34 audits completed, covering 5 sections and 8 core businesses, identifying a total of 259 problems. In terms of annual monitoring and support, we carried out on-site supplier monitoring of a total of 211 suppliers, completing 163 as planned with a planned implementation rate of 77.25%, monitoring 1,554 issues (and 9.53 issues per supplier) involving 149 suppliers, and closing 1,427 issues.

## Promoting Industry Collaboration (Continued)

### Dongfeng Honda continued to optimize supplier ESG management

Dongfeng Honda has regarded supplier ESG management as an important part of supply chain management, and carried out improvement work on supplier ESG investigation, verification and evaluation during the year. A comprehensive survey with 100% coverage to suppliers was conducted to fully grasp ESG risk factors. At the same time, Dongfeng Honda selected ESG weaknesses for PDCA promotion and implemented on-site supplier audits to prevent from occurring. By implementing regular supplier evaluations, Dongfeng Honda realized closed loop on ESG issues and effectively prevented the recurrence of ESG risk events.



## Promoting Industry Collaboration (Continued)

### Supply Chain Assurance

Relying on a sound supply chain management system, the Group is committed to continuously strengthening supply chain risk management, enhancing resource assurance and providing solid protection for mass production and business layout with a forward-looking perspective. During the year, in the face of the multiple impacts on the supply chain due to external market turbulence, epidemics and energy control, the Group carried out efforts to expand partnerships, strengthened supply chain coordination and emergency response, and formulated short, medium and long term risk management measures to ensure stable production and business advancement. At the same time, we compiled statistics on the Group's component and raw material suppliers during the year, and made a supplier map to enable queries on supplier distribution and purchase amounts by geographic region, mainframe plant and procurement category, further helping the Company's supply chain risk management.

#### Long-term response measures

Focus on the classification, selection and coordination of chips in the component development process, and gradually reduce the types of control chips. Conduct special communication with important chip manufacturers, obtain support to establish a daily working mechanism, and improve resource guarantee

#### Mid-term response measures

Focus on the classification, selection and coordination of chips in the component development process, and gradually reduce the types of control chips. Conduct special communication with important chip manufacturers, obtain support to establish a daily working mechanism, and improve resource guarantee

#### Short-term response measures

Maintain the daily information communication mechanism with major suppliers and spot agents to expand supply channels and coordinate for chips in emergency need

### Dongfeng Motor Group's Chip Resource Risk Response Measures

On the basis of ensuring the stability of the supply chain, the Group is committed to continuously optimizing the supply chain process, sharing supply chain information, and standardizing supply chain logistics, so as to realize the transmission and appreciation of supply chain value and build core competitiveness. This year, we built a collaborative centralized procurement system, clarified the responsibilities and work areas of collaborative centralized procurement, improved the collaborative centralized procurement management and operation mechanism, and established a collaborative project management and control method. At the same time, we released the *Management Measures for Collaborative Centralized Procurement Projects* (《協同集采項目管理辦法》), which determined the promotion process and method of centralized procurement, and maximized the overall value of the supply chain by establishing a cross-organizational win-win business process structure.

## Promoting Industry Collaboration (Continued)

### Addressing the risk of chip shortages and strengthening supply chain stability

- Establishing a daily work mechanism to improve resource assurance

The Group established a chip and controller resource supply coordination group with a number of suppliers, and designated a contact person to be responsible for daily information communication and supply planning. At the same time, the Group signed strategic and business cooperation agreements with Sunwoda and CATL to secure demand and price and increase the resource guarantee rate. It has expanded the field and scope of cooperation, and established a joint development mechanism in the field of new energy vehicle technology research and development.

- Dongfeng Liuzhou Motor established chip procurement plan and deepened strategic cooperation relationship

Dongfeng Liuzhou Motor established a risk supplier resource monitoring and management table to monitor the supplier's business risks, legal risks, after-sales claims disputes, supply chain bottlenecks and other risks in the system through various methods and channels, so as to identify the results of risks in advance, and take corresponding countermeasures to strengthen supply and demand coordination and relieve or reduce risks. In 2021, Dongfeng Liuzhou Commercial Vehicle conducted 170 special on-site audits and inspections for 29 risky suppliers to ensure the implementation of various supply guarantee measures.

In response to the risk of shortage of chip supply, Dongfeng Liuzhou Motor and its suppliers jointly formulated a chip procurement plan, and changed the billing method for the ABS ESC parts supplied by them from billing after use to billing on delivery, and Liuzhou Motor assumed the chip spot premium to deepen the strategy. The partnership guarantees normal production and relieves the risk of subsequent supply.

- Dongfeng Commercial Vehicle coordinated chip resources to promote localized chip replacement

Dongfeng Commercial Vehicle has attached importance to supply chain stability. During the reporting period, we combined through a total of 75 parts in 12 categories of risky components, involving 37 suppliers, taking into account the bottleneck technology, resource shortcomings exposed by the epidemic and suppliers' willingness to cooperate. We carried out risk management work and worked to improve bottleneck capacity to ensure high production for the company.

For chip resources, Dongfeng Commercial Vehicle focused on risk pre-judgment work and asked suppliers to prepare chip reserves in advance to cope with high production. Dongfeng Commercial Vehicle directly liaised with chip suppliers and established a weekly meeting mechanism to coordinate chip resources. At the same time, we promoted suppliers to carry out localized chip replacement and provided cash support to suppliers to bear the additional costs brought about by the high price sweep.



## Promoting Industry Collaboration (Continued)

### **Reaching the objectives of the epidemic prevention and resumption: preserving resources, balance and customers**

In August 2021, Zhuankou Street in Wuhan Economic and Technological Development Zone was listed as a medium risk area in the epidemic and the movement of people and logistics was restricted. The Group maintained close cooperation with the Management Committee of the Development Zone to promote the limited and orderly resumption of work by vehicle factories and suppliers in the closed area. We mapped and tracked the impact of the epidemic on production and supply chain work, grasped key points, ensured breakpoints, unblocked points and passed nodes (including personnel, production, suppliers and support matters), and carried out various emergency handling work. We ensured that all protective measures against the epidemic were in place, while making preparations for personnel, production materials and logistics, and basically achieved the target of resuming production work against the pandemic.

### ***Supplier Empowerment***

The Group is committed to creating a new win-win partnership by enhancing suppliers' ability to conduct independent audits and self-improvement management, achieving deep upstream and downstream integration, reshaping supply chain relationships and working together to solve practical production and manufacturing problems in the industry. We focus on the steady growth of our suppliers, and empower them with quality management, operational support and other aspects to facilitate long-term cooperation.

### **Empowering supplier quality management and driving long-term partnerships**

This year, Dongfeng Liuzhou Motor carried out focused assistance to 29 suppliers who had drawn up long-term close cooperation and had deficiencies in quality management, regularly reviewed the situation and progress of problem closure and enhanced the weak work of suppliers. In terms of quality management, we organized training on quality management tools for suppliers and improved the problem analysis capability of supplier quality management personnel by conducting activities to learn how to analyze quality problems. In terms of audit inspection, we insisted on carrying out high-frequency monitoring and inspection activities for local suppliers in Liuzhou, and ensured stable and orderly production processes for suppliers by carrying out activities such as critical process audits, control plan audits, health diagnostics and inventory control monitoring and inspection. In terms of improving the ability of suppliers to conduct independent audits, Dongfeng Liuzhou Motor has guided suppliers to conduct independent monitoring and diagnosis, and achieved a steady improvement in the level of independent supplier monitoring.



## Promoting Industry Collaboration (Continued)

### Helping disaster-affected suppliers and delivering social responsibility missions

This year, Wuhan Leibo Automotive Electric Co., Ltd., the expansion tank supplier of VOYAH, suffered serious damage to its workshop and equipment due to the tornado. In order to further convey the sense of social responsibility of VOYAH, considering the active cooperation between the supplier and VOYAH and future cooperation prospects, we made on-site condolences to the supplier in the form of cash donation.



### Industry cooperation

Strengthening industry cooperation is an inevitable requirement to promote the open and inclusive development of the enterprise economy, and it is also a solid guarantee for responding to changes in the external environment. The Group makes full use of all opportunities, integrates industry resources to cooperate to meet all challenges, and is committed to jointly guiding the sustainable development of the industry and developing towards a more open, inclusive, inclusive, balanced and win-win direction.

#### *Industrial chain cooperation*

The Group regards industrial chain cooperation as an important link in achieving long-term development. On the one hand, upstream and downstream enterprises in the industry chain work together to actively seek industry resources and open up key links, promoting the integrity and stability of the industry chain; on the other hand, we innovate and reconstruct the industry value cycle based on the principle of win-win cooperation through industrial synergy and upgrading and technological innovation cooperation, gradually enhancing the overall function of the industry chain and promoting the industry to move steadily forward in emerging areas.

## Promoting Industry Collaboration (Continued)

### **Promoting synergy in the automotive industry chain by taking into account both internal and external cooperation**

Dongfeng Wuhan continues to promote upstream integration and innovation in the industry chain. On the one hand, it continues to break through in the external market, and on the other hand, it also ploughs deep into the internal market of the Group, continuously accelerating the value chain to advance towards the high-end, achieving mutual benefits and win-win situation with customers, in order to become the most trustworthy partner in the field of new energy.

This year, Dongfeng Wuhan made breakthrough in the external market and seized an opportunity to supply 472 cylinder blocks to BYD Fudi Power. This engine is equipped within BYD's latest DM-i powertrain, making it the hottest Chinese new energy brand in the global market. At the same time, we entered into a strategic partnership with the Dongfeng Nissan HR13 project to supply HR13 3C parts to Dongfeng Nissan, which will be installed in one of the most popular models of small SUVs, the Qashqai, in the future.

### **Adhering to the principle of win-win and promoting “smart” progress**

The Group places emphasis on businesses such as smart automotive products, smart mobility and smart logistics. In order to vigorously promote the progress of the smart industry, we are actively cooperating with external partners to jointly promote digital progress on the basis of mutual benefits and win-win situation for both parties.

- Huawei's intelligent products have been applied to a number of models

The Group and Huawei signed a strategic cooperation agreement in 2018 and have landed more than 40 cooperation projects in nine major areas, namely intelligent architecture, intelligent network connection, intelligent cockpit, intelligent driving, intelligent electric, intelligent vehicle control and intelligent vehicle cloud services. During the reporting period, Huawei T-box, OBC, hiLink and many other products were applied in mass production in models such as Fengshen and VOYAH.

- The digital marketing platform developed in collaboration with Tencent has been put into used online

The Group entered into a strategic cooperation agreement with Tencent in 2019, with seven projects in the areas of digital transformation, automotive safety and autonomous driving testing. During the reporting period, the digital marketing platform jointly developed by the two parties was launched and applied in VOYAH Free.

## Promoting Industry Collaboration (Continued)

### ***School-enterprise cooperation***

The Group actively carried out school-enterprise cooperation projects to pool together quality R&D resources and enhanced the agility of R&D innovation and industrial development. At the same time, we were committed to creating a practical platform for school students to work together peacefully, learned from each other and achieve mutual benefits, dovetailing with industry strengths and development plans to deepen the integration of interests. By conducting joint school-enterprise projects, we catalyzed and accelerated the formation and widespread application of industry innovation practices through collaboration, enhanced the agility and adaptability of industry changes, and enabled the new generation of mainstays to gain the opportunity to move rapidly into emerging industry chains, thereby continuously enhancing the overall value and future development prospects of the industry.

### **Relying on school-enterprise joint laboratory to implement scientific research and technology research**

In 2020, the Group signed a strategic cooperation framework agreement with Wuhan University to establish the "New Generation Electronic and Electrical Architecture Joint Laboratory" and "Innovative Electric Drive Joint Laboratory" in cooperation with Zhixin Technology, and the "Sharing-X Mobile Technology Service Platform Joint Laboratory" in cooperation with Dongfeng Motor Technology Centre. We made significant progress in research based on the university-enterprise research platform.

- Joint Laboratory for Next Generation Electrical and Electronic Architecture

In 2021, the two sides negotiated the content of joint training courses, cooperated in the declaration of the Ministry of Science and Technology's "Cyberspace Security Governance" key special project "Lightweight security protection of heterogeneous networks inside smart driving cars", jointly applied for and obtained approval for the Hubei Automotive Information Security Innovation Centre, and at the same time carried out research on automotive intelligence and information security technologies, risk analysis (TARA) and hazard analysis and risk assessment (HARA) of safe electronic and electrical architectures, and technology research on safe working areas (SOA).

- Joint Laboratory for Innovative Electric Drives

We organized technical exchanges for the Dongfeng Honda project, and carried out technical communication on abnormal thermal temperature rise and flow resistance problems of the motor shell of the ID2-160 project, the communication on thermal performance improvement of the water-cooled electric drive system, and the technical communication on simulation and analysis of oil-cooled motor example algorithms and finite element algorithms. At the same time, we completed the preparation and submission of the paper "Optimization Analysis of Axial Shell of Energy Water-cooled Motor" for the 2021 ICEMS conference, as well as the scheme design and optimization of oil-cooled motor testing for the Dong'an project.



## Promoting Industry Collaboration (Continued)

- Joint Laboratory for Sharing-X Mobile Technology Service Platform

In 2021, we advanced two technologies, being real-time target 3D fusion detection by monocular vision and LIDAR, and real-time segmentation of road and driving area obstacles in monocular camera images, to realize real vehicles installation, strongly supporting the stability of Dongfeng Yuexiang products in open road operations, improving safety and rider comfort, and taking a solid step towards a more mature mass production implementation.

### **Conducting university-enterprise collaborative R&D to help commercialise research projects**

This year, Dongfeng Automobile, together with Wuhan University of Science and Technology, successfully declared the Hubei Province Key Research and Development Program project – "Research and Development of Key Technologies for Intelligent Networked Light Vehicle Autonomous Driving and Demonstration Application", and started cooperation between industry, academia and research in various aspects such as the selection of multi-scene sensing components and scenario library modeling approach technology research, the design of high-performance decision/execution controller system, vehicle-road coordination system and intelligent networked vehicle dispatching and distribution technology on the cloud, etc., forming the "Zhixing Longzhong" ecosystem in the province and driving the development of upstream and downstream industries in the automotive industry, exporting four invention patents and four software publications.

In addition, we cooperated and exchanged with Jilin University on the light truck hybrid project, which mainly includes hybrid controller system design, software development, HIL/bench testing, etc. Through in-depth cooperation and exchanges, the two parties improved the development capabilities of hybrid vehicle controllers and laid the foundation for the smooth development of light truck hybrid projects.



# Making the environment more beautiful, making people's lives more colourful

## Anchoring low carbon development

Guided by the idea of ecological civilization, the Group comprehensively implemented the new development concept and studied the implementation of the national strategies of "Carbon Peak – Carbon Neutral" and "Pollution Prevention and Control Battle". Focusing on the implementation of the accountability system and the "Green Dongfeng 2025 Action" and "Deepening the Battle of Pollution Prevention and Control", we have been pushing forward the work of energy conservation and environmental protection in an orderly manner, continuously improving the effectiveness of energy conservation and environmental protection management, so as to provide a better environment and good start for the "14th Five-Year Plan", and give the environment a bright future with clean waters and green mountains.

## Environmental Management

The Group has continued to consolidate the foundation of environmental management, guide the work direction by strengthening top-level design, and optimized work resources by accelerating the construction of green informatization. We have paid attention to the long-term performance of environmental performance, reduced potential hidden dangers by carrying out risk management, and solidly promoted green construction by establishing goal orientation.

### *Environmental Management System*

We strictly abided by the national and local laws and regulations such as the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and *Cleaner Production Promotion Law of the People's Republic of China* (《中華人民共和國清潔生產促進法》), and other laws and regulations in the places where it operates, and has formulated and improved the *Management Measures of Construction Projects for Environmental Protection* (《建設項目環境保護管理辦法》), *Management Methods for Energy Conservation and Environmental Protection* (《節能環保管理辦法》), and *Management Measures for Performance* (《績效管理辦法》) and other internal systems to guide the orderly development of environmental management. As of the end of period, the Group had a total of 70 secondary units and subsidiaries certified by ISO 14001.

We have established an "5+1" Energy-saving and Environmental Protection Management System and practiced an environmental management model with corporate characteristics. With the control, testing, regulation system and target assessment system as the management basis, the business plan system as the action guideline and the information exchange platform as the technical support, we have continued to accelerate our stride towards a green development model in which people, vehicles and nature share living and prosperity.

In order to comprehensively plan environmental management work and rationally deploy corporate resources, we have established a three-level responsibility system for energy conservation and environmental protection covering the group headquarters, secondary units and subsidiaries (factories). Among them, the Group headquarters is responsible for supervision, responsible for decision-making, supervision and assessment of environmental management work; the second-level units are responsible for management, the promotion of specific work and measures, resource allocation, technical and operational support; the factory and its subsidiaries assume the main responsibility of the enterprise, responsible for implementing the environmental management work of the whole value chain management.

## Making the environment more beautiful, making people's lives more colourful (Continued)

At the same time, we have taken the initiative to release the Regulations on the Management of Work Safety and Environmental Protection Responsibility Fulfillment in All Business Areas to define a clear scope of responsibility for environmental protection and to promote the work of the environmental protection responsibility system in a closed-loop management mode. We actively organized the reporting of the performance of responsibilities by managers at all levels, and regularly reviewed the implementation and actual effectiveness of the environmental responsibility system. In addition, we also drafted audit guidelines for the Environmental Management Audit and reviewed the issues identified in the 2019 audit of secondary units.

During the reporting period, the Group had no environmental pollution incidents or major environmental violations.

### ***Environmental Risk Management***

In order to build a forward-looking awareness of risk control and to reduce potential hazards in the environmental field in all aspects, we have formulated and operated the Regulations on the Management of Important Link Risks, which stipulated risk classification standards and hidden danger investigation contents based on business operations, providing an effective basis for the supervision of risk management. At the same time, we have established a dynamic hierarchical management and control mechanism to effectively manage environmental risks in three areas: improving the risk control system, conducting hidden danger inspection and establishing a supervisory mechanism to ensure long-term and stable green operations.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Improve the risk management and control system

#### Risk management grading:

each unit identified a total of 585 environmental risk points, and according to the environmental sensitivity of the area where the environmental risk points were located, management level, pollutant emissions and emission concentrations, etc., the environmental risk points were graded into 42 important environmental risk points of Grade I, 153 important environmental risk points of Grade II and 390 general risk points, and control measures were formulated and implemented one by one to eliminate and reduce the risk level in a timely manner.

#### Risk management special:

This year, we completed special supervision of 17 Level I important risk special.

### Carry out hidden danger investigation

#### Risk identification system:

In response to changes in external regulatory requirements, 11 types of possible risks were identified, and a risk ranking system was updated and released, such as the "Important Environmental Risk Ranking Guide of Dongfeng Motor Company Limited (2021 Version)".

#### Risk identification training:

Organized special training on new regulations and identification guidelines, and output three-tier environmental risk control checklists on the basis of independent identification.

#### Risk identification and rectification:

Each plant organized rectification and cancellation in accordance with the hidden hazard cancellation management process.

### Carry out hidden danger investigation

#### Carrying out self-examination and self-correction:

Based on the evaluation carried out by each secondary unit on its own, the Group conducted a total of 11 units to evaluate the level of energy conservation and environmental protection, and the evaluation results were used as the main basis for important risk control and review of the performance of each business area.

#### Acceptance of external supervision:

The Group actively cooperated with environmental protection inspections from environmental authorities and passed the inspections with excellent performance. During the reporting period, we were not notified by any environmental protection inspectors.

## Making the environment more beautiful, making people's lives more colourful (Continued)



### Dongfeng Liuzhou Motor actively carries out environmental risk identification work

During the reporting period, Dongfeng Liuzhou Motor conducted a web-based inspection of all production and operation sites through the identification method of risk substances, the identification method of three wastes discharge, the identification method of risk unit and the identification method of major hazard sources, output 4 important environmental risks, identified 3 types, formulated 10 risk front-end judgment standards and 50 risk early warning measures to effectively manage and control environmental risks in an all-round way.



### Dongfeng Nissan actively conducts corporate environmental risk assessment

Each production base of Dongfeng Nissan conducted environmental risk assessment in strict accordance with national laws and regulations, and formed environmental risk assessment reports. Based on the assessment results, Dongfeng Nissan prepared emergency response plans for various types of risks, updated them dynamically, and improved its ability to respond to environmental risks by formulating drill plans and conducting regular drills.

For environmental pollution accidents, adopt teams (posts) workshops and factories to implement three-level management

The team conducts daily monitoring of the shift environment and supervises the workforce to carry out operations in strict accordance with the standard workbook

The workshop carries out daily supervision and management of the environmental generation points in the department

Safety and technology department conducts daily inspections of key hazardous sites

Regularly conduct special or comprehensive safety diagnosis and inspection of environmental protection equipment and facilities

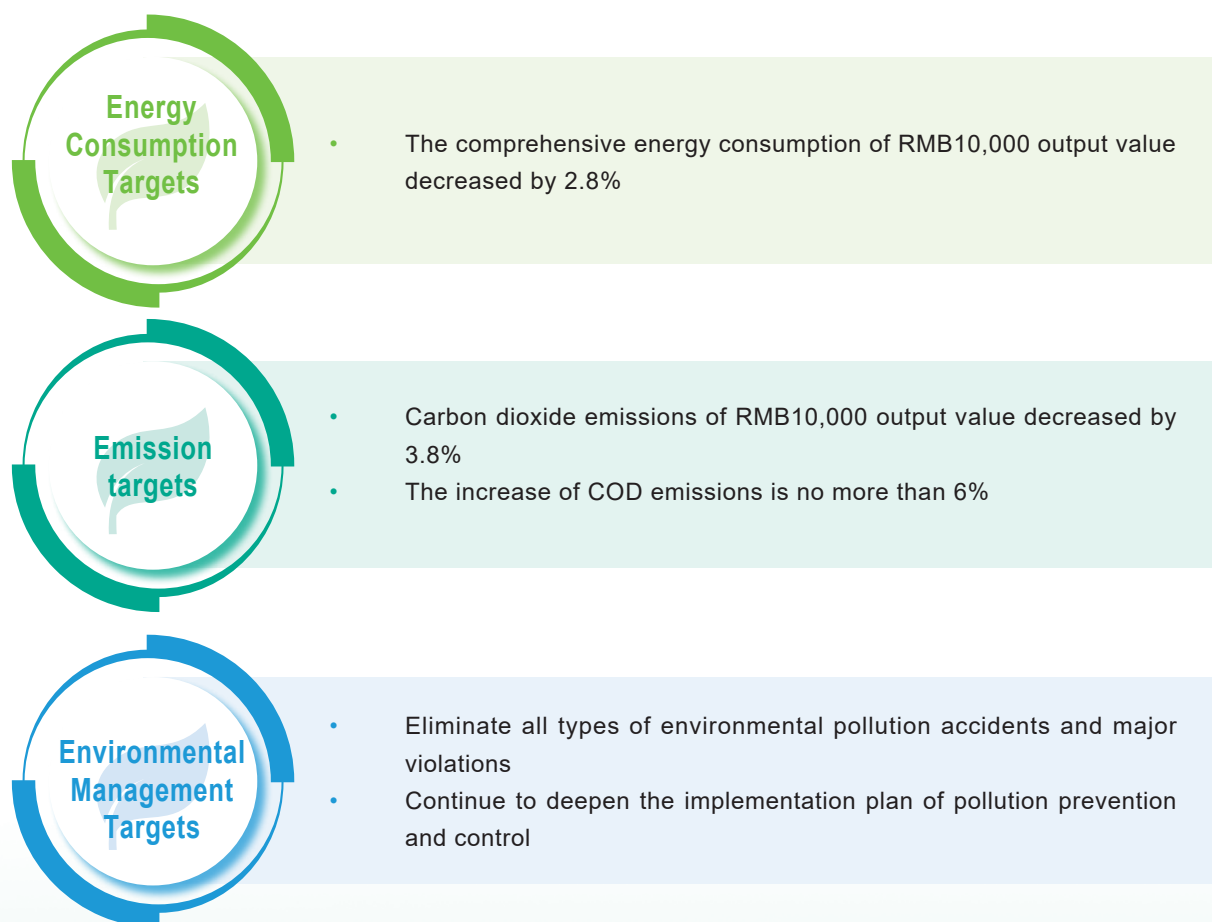
All inspections are recorded, problems or hazards are included in the rectification plan, and the rectification is followed up and confirmed

Dongfeng Nissan Environmental Risk Management Process

## Making the environment more beautiful, making people's lives more colourful (Continued)

### *Environmental goal setting*

In order to practice the concept of planning ahead and further promote the closed loop and improvement of environmental management, we have established a goal-oriented management mechanism. With the approval of the Board of Directors, the Group has set up various environmental goals for 2022 with 2021 as the base year, and has clarified the implementation path of the goals in light of its own conditions, and has effectively implemented energy consumption, carbon emissions, pollutant emissions and environmental management. oriented management to further enhance the Group's performance in environmental aspects.



### 2021 Dongfeng Motor Group Environmental Goals



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Green Production

Guided by green production, with the goal of energy saving, consumption reduction and pollution reduction, and management technology as a means, the Group continuously promotes the environmental control management and environmental protection technology upgrade in the whole process of industrial production, and continuously improves our environment in the production process. performance. During the reporting period, the Group invested a total of RMB544,733,200 in energy conservation and environmental protection.

### Energy Management

The Group and its subsidiaries strictly complied with national and local laws and regulations such as *Energy Law of the People's Republic of China* (《中華人民共和國能源法》), *Energy Conservation Law of the People's Republic of China* (《中華人民共和國節約能源法》) and the *Metrology Law of the People's Republic of China* (《中華人民共和國計量法》), and implement internal systems such as *Energy Conservation Management Measures* (《能源管理辦法》) to clarify the responsibilities of various departments and energy management personnel and standardize energy management work, so as to optimize and improve the energy conservation and environmental protection management mechanism.

In order to clarify the subjects and scope of responsibility for energy management, we continued to deepen the construction of energy conservation and environmental protection performance and responsibility systems in each business area and supervised the implementation of energy conservation and environmental protection responsibilities in each business area. During the reporting period, the Group issued the *Safety and Environmental Protection Performance Checklist (Version 2)* (《安全環保履責清單(第二版)》), which provides a basis and guarantee for energy management work by updating the key points of performance and optimizing the verification methods.

At the same time, the Group continued to promote energy monitoring work, using the energy monitoring system as a policy guarantee and the information technology system as technical support, combined with self-inspection and self-correction to carry out random checks and audits on the implementation of energy conservation and environmental protection responsibilities of each unit and business area.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Develop energy audit standards

Dongfeng Wuhan actively formulated energy audit standards and conducted energy audit activities

### Conduct annual energy self-inspection

Dongfeng Honda Engine carried out an annual energy self-inspection, carried out energy consumption analysis and conclusion on a monthly basis and conducted a comprehensive self-inspection on the completion of the total energy consumption in the previous year

### Carry out energy-saving diagnosis

Dongfeng Nissan carried out a three-tier diagnostic model of PV energy-saving diagnosis, factory self-diagnosis and shop floor energy-saving audits, resulting in a total of 246 energy-saving improvement projects, cutting 21,300 tCO<sub>2</sub> emissions and saving a total of RMB13.26 million

### Optimize information system

Dongfeng Commercial Vehicle continued to improve its energy management information system and laid out the second phase of the system's development, striving to achieve the demand for online inspection and online management of energy consumption data of key energy-using units

### Dongfeng Motor Group Energy Monitoring Work

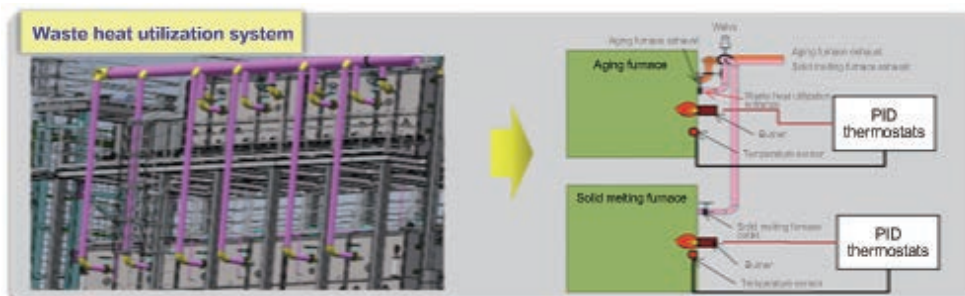
## Making the environment more beautiful, making people's lives more colourful (Continued)

Based on an excellent energy management system, the Group continued to promote the construction of a green manufacturing system and continued to improve energy efficiency, reduced energy consumption and promoted the construction of a "green factory" through the upgrading of production processes, the application of energy-saving technologies and the introduction of energy-saving equipment. During the reporting period, eight units under the Group received a total of 18 awards from national and local governments for their energy saving and environmental protection work.

### Introduction of energy-saving equipment

During the reporting period, Dongfeng Honda Engine invested RMB6 million to introduce an energy-saving T6 heat treatment furnace. The treatment furnace adopts double-layer structure furnace body and waste heat reuse technology. Through self-designed waste heat pipeline and control valve set, the aging furnace can achieve the desired temperature rise without burning natural gas for heating.

The introduction of the new heat treatment furnace not only enhanced the heat treatment production capacity of the equipment, but has also greatly saved energy usage. The use of natural gas in the new furnace has dropped by more than 20% compared to the old furnace, which translated into a saving of 1.33 nm<sup>3</sup>/unit of gas per unit and an annual saving of 412,000 cubic meters of natural gas, effectively reducing energy consumption from the source.



Casting waste heat recycling technology

## Making the environment more beautiful, making people's lives more colourful (Continued)



### Energy saving technology application

- Dongfeng Nissan launched indirect burner waste heat recovery project

The project of reusing the waste heat from the exhaust of the indirect burner in the painting and drying room recovered the heat from the high temperature exhaust of the indirect burner through heat pipe heat exchanger and pre-heats the recovered heat to the new air, thus reducing the gas consumption, with an energy saving rate of 17.4% and a reduction of 1,237 tons of CO<sub>2</sub>/year.

- Zhengzhou Nissan explored heat adsorption dryer applications

Zhengzhou Nissan used the heat from the hot compressed air produced by the compressor to dehydrate the compressed air, making the dew point of the compressed air lower by more than 30°C. This increased the quality of the compressed air supply while reducing the power consumption required to dry the air.



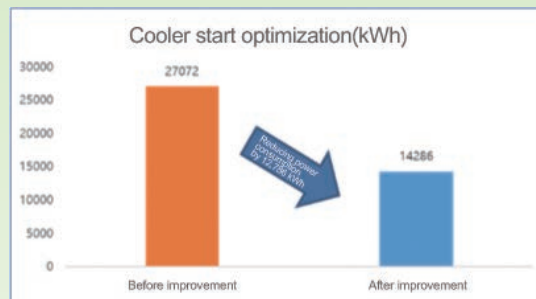
Thermal adsorption dryer

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Process optimization

- VOYAH optimized the operation mode of the refrigeration unit

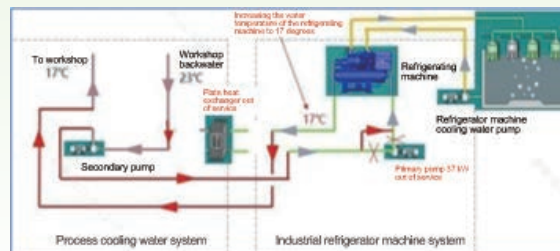
VOYAH optimized the operation mode of the refrigerator, shut down the refrigeration unit in winter, and used the cooling tower to directly cool the chilled water, saving the use of electricity. The improvement may save 12,786 kWh of electricity usage.



#### Chiller optimization effect

- Dongfeng Dingxin process cooling water system modification

By changing the process cooling water system from the secondary pump supply to the primary pump supply, the electricity consumption of the refrigeration pump of the refrigerator is saved, the heat exchange loss of the plate heat exchanger is avoided, and the efficiency of the refrigerator is improved, and the annual saved electricity consumption is about 480,000 kWh.



#### Schematic diagram of cooling water system renovation



## Making the environment more beautiful, making people's lives more colourful (Continued)

During the reporting period, the Group's consolidated energy consumption was 617,500 tons of standard coal, representing a decrease of 5.09% as compared to 2020; the consolidated energy consumption of RMB10,000 output value was 12.94 kg of standard coal per RMB10,000, representing a decrease of 2.27% as compared to 2020.

Indicator	Unit	2019	2020	2021
Purchased electricity	10,000 kWh	299,950	298,622	284,620
Natural gas	10,000 standard cubic meters	12,372	11,658	11,943
Diesel oil	Tons	20,087	22,116	19,922
Gasoline	Tons	15,904	13,420	13,241
Heat	MkJ	914,354	650,131	438,097
Others (including coal, fuel oil, coal oil, lubricating oil, etc.)	Ton of standard coal	46,807	54,353	45,379
Comprehensive energy consumption	Ton of standard coal	663,841	650,603	617,523
Comprehensive energy consumption per RMB10,000 output value	Kg standard coal/ RMB10,000	14.06	13.24	12.94

On the basis of reducing energy consumption, the Group continued to promote the in-depth optimization of the energy structure, actively explored the use of renewable energy, expanded the proportion of green energy use, and accelerated the progress of low-carbon green transformation. During the reporting period, various subsidiaries of the Group contributed to the Company's green manufacturing level through the application of renewable energy.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Dongfeng Liuzhou Motor promoted photovoltaic power generation project

In the process of production and operation, Dongfeng Liuzhou Motor attaches great importance to the green development of the enterprise. After years of efforts, the construction of the photovoltaic power generation project of Dongfeng Liuzhou Motor was successfully completed in March 2021, and all five photovoltaic power generation sites was connected to the grid with a total installed capacity of 23 MW. 18,613,500 kWh of cumulative power generation was generated in 2021, effectively alleviating the impact of power limitation in Liuzhou City in 2021.



**Dongfeng Liuzhou Motor Photovoltaic Power Generation Project**

### Dongfeng Parts and Components Intelligent Equipment Industrial Park Distributed Photovoltaic Project

The distributed photovoltaic project in Dongfeng Parts and Components Intelligent Equipment Industrial Park Distributed Photovoltaic Project has a planned construction capacity of 22 MW, of which the installed capacity of BIPV PV building integration is about 18.5 MW and the installed capacity of PV carport is about 3.5 MW, with an estimated total investment of RMB115 million. The project is synchronized with the construction of the factory buildings (PV roofs) and has already completed the installation of PV roofs on four factory buildings, and the installation of PV on five factory buildings and parking place will be progressed on schedule. Upon completion, the project is expected to generate 21 million kWh of electricity per year and reduce carbon emissions by 11,000 tons per year.



**Construction of distributed photovoltaic projects in industrial parks**

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Dongfeng Nissan actively invested in solar photovoltaic power generation projects

As of the end of the reporting period, Dongfeng Nissan actively explored solar photovoltaic power generation projects through third-party investment. Dongfeng Nissan's solar photovoltaic power generation project has a cumulative capacity of 55 MW, generating 60 million kWh in 2021 and reducing CO<sub>2</sub> by a total of 36,600 tons. In addition, the HD/CZ project under construction has 18 MW, which is expected to achieve a reduction of 10,000 tons of CO<sub>2</sub>.

### Dongfeng Passenger Vehicle launched photovoltaic power generation project in the parking lot of commercial vehicles

Dongfeng Passenger Vehicle actively promoted the progress of the photovoltaic power generation project in the parking lot of commercial vehicles. The project adopted the model of "self-generated and self-used, surplus electricity connected to the Internet", and was invested, constructed, maintained and operated by a third party. As of the end of the reporting period, Dongfeng Passenger Vehicle was completed the construction drawing design and civil engineering, and was currently undergoing electrical installation. It was expected to complete the construction and begin to use in 2022.

During the reporting period, the Group's greenhouse gas emissions (Scope 1 and Scope 2) were 2,066,488 tons of carbon dioxide equivalent, a decrease of 4.38% compared with 2020; the greenhouse gas emissions per RMB10,000 of output value (Scope 1 and Scope 2) were 0.043 tons of carbon dioxide equivalent/RMB10,000, a decrease of 1.6% compared with 2020.

### **Resources management**

The Group strictly complied with *Water Law of the People's Republic of China* (《中華人民共和國水法》) and other laws, regulations and relevant systems of the places where it operated, actively identified and managed the risks of water resources used in the enterprise, and planned and utilized water resources in a rational manner. We continued to improve the efficiency of the Group's water resources by reducing water use at source, promoting water reuse at the recycling end, upgrading water-saving equipment, applying water-saving technologies and promoting recycling.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Initiatives at source: reducing water use

- Dongfeng Honda Engine updated environmentally friendly intelligent integrated cooling towers to reduce water consumption
- Dongfeng Commercial Vehicle widely used new water-saving methods such as high-efficiency energy-saving pumps and automatic induction water-saving devices to reduce industrial water consumption

### Recycling end initiatives: promoting water reuse

- Dongfeng Parts and Components other units improved the equipment of water technology measuring instruments and reused of reclaimed water
- After Dongfeng Honda Motor conducted "ultrafiltration + reverse osmosis" treatment on the reclaimed water, it replaced the new water and reuses it as the auxiliary production water for painting

### Dongfeng Motor Group's Water Saving Measures in 2021

During the reporting period, the Group's water consumption for production was 15,347,500 tons, representing a decrease of 5.84% as compared with that in 2020; the water consumption of RMB10,000 of output value was 0.32 tons per RMB10,000.

The sustainable management of packaging materials is critical to enhance the efficiency of resource usage. The Group's packaging material consumption mainly comes from external sales of parts and components, and the delivery and shipment of complete vehicles do not involve the use of packaging materials. In order to enhance the efficiency of the use of packaging materials, we continue to promote the reduction, lightness and substitution of packaging, and explore the application of low-carbon and recyclable green packaging through technological innovation and process optimization to minimize the impact on the environment.

During the reporting period, the Group's consumption of packaging materials was 1,903 tons, of which the consumption of recyclable packaging materials was 1,827 tons, accounting for approximately 96%.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Zhengzhou Nissan increased the proportion of recyclable packaging

Zhengzhou Nissan has adopted the "4R<sup>19</sup>" approach to packaging. For the new parts packaging this year, we give priority to biodegradable, recyclable and recyclable materials and packaging solutions to reduce the impact on the environment. Zhengzhou Nissan strictly regulated the content of the review of packaging solutions, banned the use of disposable packaging and reduced the use of disposable auxiliary materials.

By the end of the reporting period, Zhengzhou Nissan's recycled packaging ratio increased to 94%, significantly improving the sustainability of packaging materials.



**Zhengzhou Nissan recyclable green packaging**

### Dongfeng Wuhan launched replacement of disposable packaging materials

Dongfeng Wuhan used recyclable packaging materials in the MR20 block transport process. Through foldable iron material baskets and recyclable blister trays and covers, the frequency of use of shipping packaging materials was increased, the use of disposable packaging materials was reduced and the consumption of packaging materials was reduced.



**Foldable iron basket**



**Reusable blister tray and cover**



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Dongfeng Liuzhou Motor used polydicyclopentadiene (PDCPD) material instead of plywood

For the sleeper pad material, Dongfeng Liuzhou Motor is now using EPP (polypropylene plastic foam material) to replace the use of plywood. EPP material has the advantages of environmental protection and light weight. The use of EPP sleeper can reduce the weight of the whole vehicle by about 20 kilograms (about 60% of the weight), which can effectively reduce the fuel consumption of the vehicle and reduce vehicle exhaust emissions, thereby reducing damage to the environment. On the other hand, the main material of the original plywood is wood, and the use of EPP material instead of plywood can greatly reduce the use of wood.



EPP sleeper pad

### ***Emissions management***

The Group attached great importance to the management of pollutant emissions. With the implementation of national regulations as the basis, the implementation of accountability as the focus, and the "deepening of the battle against pollution" as the focus, we continued to explore innovative management methods and enhance green production capacity to minimize the impact of our production operations on the environment.

In respect of the management of exhaust emissions, the Group mainly produces pollutants such as nitrogen oxides, sulphur dioxide and volatile organic compounds in the course of production and operation. We have strictly followed the laws, regulations and norms of the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* (《中華人民共和國大氣污染防治法》), resolutely implemented regulatory requirements such as *Opinions of the Central Committee of the Communist Party of China (CPC) and the State Council on the In-depth Fight against Pollution* (《中共中央國務院關於深入打好污染防治攻堅戰的意見》), fully implement emission standards such as the *Integrated Emission Standard of Air Pollutants* (《大氣污染物綜合排放標準》) and *Standard for Fugitive Emission of Volatile Organic Compounds* (《揮發性有機物組織排放控制標準》), regularly measured, monitored and analyzed the emissions of exhaust gases and their pollutants, and ensure compliance with emissions, and continuously reduced pollutant emissions.

The Group and its subsidiaries continued to strengthen the level of waste gas management, strictly carried out grading evaluation of heavily polluted weather, unorganized investigation of waste gas, etc., and implemented relevant emission reduction and rectification measures. During the reporting period, 3 subsidiaries of the Group were listed as Grade A enterprises in key industries with severe pollution weather by the local government.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Dongfeng Honda actively carried out heavy pollution weather classification evaluation

In order to ensure the smooth implementation of the heavy pollution weather performance rating work by the end of 2021, Dongfeng Honda continued to organize the heavy pollution weather performance rating work in areas such as "industrial painting" and "foundry industry". Combined with the requirements of the Code, Dongfeng Honda conducted a comprehensive survey on the environmental management level of the foundry and synthetic resin-related fields in eight aspects, including raw and auxiliary materials, pollution control, compliance with emission standards and disorganized emissions, to make up for the shortcomings and avoid the impact of heavy polluting weather.

At the same time, Dongfeng Honda compiled a volatile organic compound "one policy for one plant" management plan, completed the information reporting of volatile organic compound data, and further improved the management capability of volatile organic compound emissions.

During the reporting period, the plants of the Group actively carried out the emission control of exhaust gas pollutants through various means such as technological improvement and the addition of environmental protection equipment. We tried to explore the means of informatization, and successfully realized the online monitoring and effective supervision of volatile organic compounds with the help of Internet of Things technology. During the year, Dongfeng Honda Parts and Components and Dongfeng Honda Engine and other units have completed the online installation of online monitoring equipment for volatile organic compounds, which has enhanced the Group's ability to dynamically manage exhaust pollutants.

#### Organized Exhaust Emission Control

- Peugeot Citroën Automobile Chengdu plant implements deep purification of paint spraying waste gas incineration to meet the special emission limits of the regulations

#### Unorganized Exhaust Emission Control

- Four units including Dongfeng Commercial Vehicle carried out the treatment of unorganized emission of welding fume by adding a fume collection and purification system
- Dongfeng Dingxin and other 2 units improved the fugitive emissions in the heat treatment process by adding oil mist collection and treatment equipment

### Dongfeng Motor Group's Exhaust Gas Pollutant Control Measures in 2021

## Making the environment more beautiful, making people's lives more colourful (Continued)

During the reporting period, the emission of nitrogen oxides (NO<sub>x</sub>) of the Group was 251.64 tons, and the emission of sulfur dioxide (SO<sub>2</sub>) was 52.20 tons.

In respect of wastewater discharge management, the Group has strictly complied with national laws and regulations such as *Law of the People's Republic of China on the Prevention and Control of Water Pollution* (《中華人民共和國水污染防治法》) and adopted targeted wastewater treatment processes based on the types and concentrations of wastewater pollutants generated from each plant to ensure that the wastewater discharged from the plant complies with the requirements of the *Integrated Wastewater Discharge Standards* (《污水綜合排放標準》) (GB 8978-1996), *Pollutants Emission Standards of Urban Sewage Water Treatment Plant* (《城鎮污水處理廠污染物排放標準》) (GB 18918-2002) and other discharge standards of the place of operation.

The Group is equipped with an industry-leading wastewater treatment system and recycling system for wastewater collection and treatment at different stages of the manufacturing process. At the same time, we continue to optimize process technology and wastewater treatment technology, and efficiently promote the work process of wastewater pollutant treatment with innovative governance concepts.



### Wastewater treatment technology optimization measures

Through technical transformation, Dongfeng Honda Parts and Components collected the wastewater produced by the painting pure water unit separately, transported it to the process end of the wastewater station, skipped the bottleneck process (physical and biochemical treatment), disinfected and filtered it for reuse, or used it for the cooling tower make-up water of the refrigeration station, cutting the painting wastewater discharge by 36 square meters per day.

During the reporting period, the Group's total industrial wastewater discharge amounted to 8.37 million tons, of which chemical oxygen demand (COD) emissions were 459 tons and ammonia nitrogen emissions were 43 tons. Through the reuse of industrial wastewater, the total amount of recycled water used by the Group was 3.34 million tons.

In respect of waste discharge management, the Group has strictly complied with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* (《中華人民共和國固體廢物污染環境防治法》), *National Hazardous Waste List* (《國家危險廢物名錄》), *Solid Waste Identification Standards-General Principles* (《固體廢物鑑別標準——通則》) (GB 34330-2017), *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Waste* (《一般工業固體廢物貯存、處置場污染控制標準》) (GB 18599-2001), *Standards for Pollution Control on Hazardous Waste Storage* (《危險廢物貯存污染控制標準》) (GB 18597-2001) and other laws, regulations and standards of the places where it operates, and conducted the whole-process management of the waste generated in the production and operation process, covering all aspects such as collection, classification, temporary storage, and compliance disposal. During the reporting period, we continued to optimize our management system, which covers all aspects of collection, sorting, storage and temporary storage and compliant disposal.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Comprehensive management system

- Dongfeng Special Commercial Vehicle adopts the responsibility system for the prevention and control of hazardous waste pollution, and establishes a hazardous waste emergency plan. At the same time, a leading group for environmental protection work was set up to make decisions, supervise and coordinate various environmental protection work of the company.

### Refinement of management process

- VOYAH Motor invested RMB4.5 million to build a 1,732-square-meter solid waste warehouse according to specifications. In response to the problem of blurred boundaries in the process of industrial solid waste disposal, it further optimized the industrial solid waste list and promoted the refinement of solid waste management.

### Digital management

- Zhengzhou Nissan monitored the disposal of solid and hazardous waste in real time through the Hazardous Waste Network to ensure the safe disposal of hazardous waste in compliance with laws and regulations.

On the basis of practicing compliant emissions, the Group continued to reduce waste generation through technological upgrades and technological process optimization during the reporting period, thereby reducing the impact of waste emissions on the environment from the source. With exemplary waste reduction measures, various subsidiaries of the Group were awarded the honorary title of “Advanced Unit in the Action Plan for Pollution Prevention and Control” in 2021.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Control waste generation from source

- Zhengzhou Nissan implemented paint residue lightweight technology

In June 2021, Zhengzhou Nissan adopted paint slag light weighting technology and low-temperature fully enclosed internal circulation mode to increase the single loading slag volume through circulating air low-temperature condensation technology combined with heat recovery technology, effectively reducing the water content from 69% to 28%, which is expected to achieve a paint slag weight reduction of  $\geq 80$  tons/year.

- Dongfeng Passenger Vehicle actively promoted the development of solid hazardous waste reduction projects

Dongfeng Passenger Vehicle carried out research on hazardous waste reduction and promoted sludge drying, paint sludge dewatering and other hazardous waste reduction projects. By 2021, through the stable operation of the equipment, Dongfeng Passenger Vehicle has achieved a significant reduction in solid waste, achieving a reduction in hazardous waste of approximately 30%/year.

- Dongfeng Liuzhou Motor used high-temperature pyrolysis technology to reduce waste generation

In 2021, Dongfeng Liuzhou Motor used high-temperature pyrolysis technology for hazardous waste reduction, harmless disposal and resourceful reuse, so that the Company's total hazardous waste emissions was reduced by more than 60%.



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Actively carried out waste recycling

- Dongfeng Off-road Vehicle implements solvent recovery measures

Dongfeng Off-road Vehicle has carried out a solvent recovery machine project in the paint shop, with a maximum recovery capacity of 20 litres per hour. The equipment has now been installed and commissioned, and the recovery efficiency has reached over 80%, recovering approximately 40 litres of solvent per day. In 2021 the workshop recovered a total of 2,571 kg of solvent.



Paint shop solvent recovery machines

- Dongfeng Honda Parts and Components carries out steel scrap recycling

According to the Company's production process and product characteristics, Dongfeng Honda Parts and Components can classify and collect steel scraps and iron scraps through the application of the collection and processing system. The collected steel filings and iron filings are briquetted by a briquetting machine to remove water and realize the melting and reuse of iron filings, with an annual recycling volume of about 20,000 tons.

### Dongfeng Motor Group's Waste Management Measures in 2021

During the reporting period, the Group disposed of a total of 38,521 tons of hazardous waste, with a hazardous waste disposal volume of 0.81 kilograms per RMB10,000 of output value; and a total of 41,061.66 tons of general solid waste, with a general solid waste disposal volume of 0.87 kilograms per RMB10,000 of output value.

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Low-carbon operation

The Group actively responded to the "Green Dongfeng 2025 Action Plan" formulated by its parent company, Dongfeng Motor Group Company Limited, and continued to promote the low-carbon process by exploring the construction of a life-cycle carbon emission management system for automotive products, participating in market-based trading of carbon emission rights, strengthening the management of carbon footprints in various segments of the automotive industry chain and enhancing the application of energy-saving and low-carbon technologies and improvement of energy-saving management.

### *Taking Action on Climate Change*

While promoting low-carbon development, the Group has actively responded to the national dual carbon goal by incorporating climate change risk identification as an important part of corporate management. According to the Task Force on Climate-related Financial Disclosures (TCFD), climate-related risks consist of transition risks and physical risks. Transition risks come from the low-carbon economic transition to better adapt to the global climate, including risks related to policy, law, technology, market and reputation. Physical risks are related to extreme weather and the rise of the global average temperature, including acute risks (typhoons, floods), chronic risks (rising mean temperatures, rising sea levels) and other risks.

During the reporting period, the Group completed the identification of climate-related risks according to the geographical location of our operations, government planning and policies, and extreme weather events. We have formulated targeted countermeasures through evaluating the relevance and impact of a range of risks to the Group's business, actively explored the direction of low-carbon transformation while reducing future risks, and continued to improve our low-carbon development capabilities. During the reporting period, we identified the following climate change risks, as follows:

## Making the environment more beautiful, making people's lives more colourful (Continued)

Risk Type		Risk parameters	Response initiatives
Physical risk	Acute	Extreme weather events such as typhoons, floods, droughts, extreme heat and cold weather	<ul style="list-style-type: none"> <li>• Keep a close eye on the weather forecast to ensure the safety of production staff and make adequate preparations;</li> <li>• Make contingency plans to deal with the impact of unexpected weather events on production;</li> <li>• Proactive risk identification and assessment of chronic climate risks and factoring into production planning.</li> </ul>
	Chronic	Influences such as changes in temperature and rainfall	
Transition Risk	Policies and Laws	Influences such as changes in production planning, as changes in temperature and rainfall	<ul style="list-style-type: none"> <li>• Keep abreast of and comply with relevant regulatory laws and regulations;</li> <li>• Take environmental protection factors into consideration in the process of product development, design and production management;</li> </ul>
		Stricter emissions reporting obligations and compliance requirements	<ul style="list-style-type: none"> <li>• Continuous updating and improvement of the company's product standards and raw material procurement standards;</li> </ul>
		Changes in regulatory requirements and standards in the automotive industry	<ul style="list-style-type: none"> <li>• Progressive exploration of new opportunities for carbon offsetting, carbon removal, etc.</li> </ul>
	Technology	Transformation of low-carbon technologies	<ul style="list-style-type: none"> <li>• Keep abreast of government incentives for low-carbon technologies;</li> </ul>
		Failed investments in new technologies	<ul style="list-style-type: none"> <li>• Continuous integration of energy saving and emission reduction concepts into product design and development;</li> <li>• Strengthen the feasibility analysis of the project to reduce the risk of investment failure and unstable effect.</li> </ul>
	Market	Increased customer demand for low-carbon products	<ul style="list-style-type: none"> <li>• In-depth market research, continuous attention to market trends, and gradually increase investment in research and development and production of new energy vehicles and other low-carbon products;</li> </ul>
		Rising raw material costs	<ul style="list-style-type: none"> <li>• Actively identify changes in the raw material market, establish a supplier cooperation mechanism, reduce supply chain risks, and improve supply chain risk resistance capabilities.</li> </ul>
	Reputation	Customers' concerns about the image of corporate sustainable development	<ul style="list-style-type: none"> <li>• Gradually promote the low-carbon transformation of products to meet customer needs;</li> <li>• Pay more attention to the disclosure requirements related to sustainable development and climate change, and optimize the external communication channels of enterprises while ensuring compliance;</li> </ul>
		Stakeholders' attention to negative news	<ul style="list-style-type: none"> <li>• Continuously focus on and participate in highly recognized or applicable international and domestic green activities to enhance the competitiveness of the industry.</li> </ul>

## Making the environment more beautiful, making people's lives more colourful (Continued)

### *Green Supply Chain*

The Group continues to explore the construction and implementation of a green supply chain to support our philosophy and commitment to sustainable development. We explore and pilot the practice of green procurement and centralized logistics based on compliance, environmentally friendly design as the fulcrum, and total supplier management as the methodology to achieve sustainable use of resources. We focus on the environmental performance of our suppliers, such as compliance and reduction of hazardous substances and environmental management system certification and encourage suppliers to adopt environmentally friendly materials and low-carbon processes to guide upstream enterprises to transform towards sustainability.



#### **Advancing supplier environmental management performance to create a green supply chain**

Corporate social responsibility and environmental awareness are important factors in selecting partners and creating a green supply chain for Dongfeng Commercial Vehicle. To implement the concept of "green development", Dongfeng Commercial Vehicle has continued to promote the timely renewal of ISO 14000 certification for suppliers' environmental management systems. By the end of December 2021, a total of 413 suppliers' certificates were valid, with an efficiency rate of 93%, an increase of 5 percentage points year on year.



#### **Urging suppliers to use environmentally friendly materials to meet EU REACH requirements**

Through the collaborative work of the entire supply chain, Dongfeng Commercial Vehicle completed a comprehensive inspection and improvement of 154 suppliers of high-risk components and materials, more than 1,200 types of components and 2,500 types of materials, and met the EU laws and regulations on banned and restricted substances, thus ensuring the timely delivery of the complete vehicle export of commercial vehicles H03E.

At the same time, we provided training and support to nearly 200 suppliers involved in high-risk components and materials, and provided training and information to suppliers on the content and requirements of the EU REACH and POPs regulations, the list of high-risk components and materials that need to be checked, the list of key substances banned by REACH and POPs, and the requirements for suppliers to send inspection and provide test reports. The training and dissemination were conducted to help suppliers meet the regulatory requirements through improvement.

## Making the environment more beautiful, making people's lives more colourful (Continued)



### Building a green procurement system and a low-carbon supply chain

Dongfeng Honda used the concept of green value chain to guide enterprises to achieve environment-friendly and resource-saving development. Efforts were made to strengthen green procurement and centralized logistics, and cared for every vehicle from the source of procurement and distribution channels. We established a slim office Honda green procurement system and continued to strengthen supplier green management.

By the end of 2021, a total of 223 key suppliers imported the slim office Honda green procurement system, and uploaded their GHG (greenhouse effect gas) emissions results every year. Data show that Dongfeng Honda's supplier emissions in 2021 were reduced by 1.95% compared with 2020.

### *Green Logistics*

The Group advocates the concept of green logistics in the whole process from the perspective of parts supply, factory production and processing, product storage and transportation, and product consumption, and continuously applies and develops logistics technologies based on "low energy consumption, low pollution and low emissions", and continuously promotes logistics mechanization, logistics automation and logistics informatization to reduce the carbon footprint of products. During the reporting period, the Group took various measures to implement green logistics, improved the green manufacturing system and promoted the implementation of the "Double Carbon" strategy.



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Purchasing

- Clarifying principles for the use of packaging materials in the *Supplier Management Manual*
- Urging suppliers to use recyclable packaging for parts and components

### Delivering

- Improving the mode of transportation, completing the construction of a three-in-one logistics guarantee system for passenger vehicles, developing multimodal transportation, increasing the ratio of railway and water transportation, improving the efficiency of logistics and delivery, and reducing the carbon emissions of vehicle distribution.
- Formulating the *Transportation Vehicle Management Requirements*, realizing the low carbonization of transportation vehicles
- Continuously improving the third-party logistics management, and simplifying the distribution process
- Improving vehicle loading rates and reducing transport times

### Warehousing

- Designing reasonable inventory strategies, use information systems and digital means to improve inventory turnover
- Improving the electrification of forklifts and tractors in logistics operations to reduce carbon emissions in warehousing

### Selling

- Developing point-to-point sales and reduce shipping miles

## Making the environment more beautiful, making people's lives more colourful (Continued)

### Zhengzhou Nissan actively carried out green logistics work

Starting from changing the transport structure, Zhengzhou Nissan actively carried out the application of innovative logistics technology to improve logistics efficiency, reduce logistics carbon emissions and promote green logistics development through digital and intelligent means.

- **Optimizing transportation structure**

Zhengzhou Nissan actively improved its transport methods, optimizing from road transport to rail transport or water transport, making effective use of vehicles, reducing vehicle operation and improving distribution efficiency. It also innovated transportation organization modes, developed multimodal transportation, improved information technology, increased the proportion of railway transportation, which is the most energy-efficient and low-carbon among various transportation modes, and reduced exhaust emissions, noise and traffic congestion caused by road transportation. During the reporting period, Zhengzhou Nissan shipped 2,100 units of rail transport, an increase of 75% compared to 2020.

- **Using digital tools**

Zhengzhou Nissan used digital analysis tools to build a mathematical model to optimize the front-end pick-up route layout method and the proximity shipping mode, reducing the transport route distance by 2% during the reporting period. At the same time, Zhengzhou Nissan established a VDC transit depot model for vehicle logistics, using dealer warehouses to transport commercial vehicles to the transit depot in advance in bulk, improving loading rates and transport efficiency.

- **Actively exploring logistics technology**

Zhengzhou Nissan actively innovated logistics technology, and strived to promote the transformation and upgrading of the automotive logistics industry in the direction of marketization, specialization, platformization, intelligence and ecology. During the reporting period, Zhengzhou Nissan actively participated in the 2021 National Automobile Logistics Industry Annual Conference and won 3 awards of "2021 Outstanding Innovation Cases in the Automobile Logistics Industry" issued by the Automobile Logistics Branch of China Federation of Logistics and Purchasing.



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Green Empowerment

The Group has been committed to building a corporate culture of green operation and green development and establishing the ideological awareness of green office among its staff, thereby promoting the construction of an environmental protection culture. During the Reporting Period, the Group actively disseminated green concepts and created a green atmosphere in the enterprise through the promotion of environmental awareness and the implementation of environmental protection activities.

### Actively carried out employee environmental protection ability and improvement training

- Dongfeng Dingxin actively carried out low-carbon training

In order to increase employees' knowledge of energy conservation and environmental protection, improve employees' ability to manage environmental management and system implementation, and promote the company's low-carbon development. Dongfeng Dingxin actively conducted energy-saving and environmental protection training for employees. By inviting external institutions to provide dual-carbon courses, and inviting company leaders to give lectures on the theme of low-carbon and environmental protection, we popularized the "dual-carbon" knowledge for all employees and lay the foundation for the development of related work.



- Dongfeng Honda Engine organized employees to participate in carbon emission reduction seminars and trainings

In order to implement the concept of green development and help achieve high-quality development, Dongfeng Honda Engine popularized the basic knowledge of "low-carbon development" for employees. In accordance with the relevant requirements of the "Measures for Promoting Green and Low-Carbon Development in Huangpu District of Guangzhou", we actively carried out training work on the interpretation and response of relevant regulations on carbon emissions and carbon trading. We organize employees to participate in the seminars and trainings on carbon verification and collaborative emission reduction for enterprises in Huangpu District in 2021, learned the latest environmental protection industry policies, and understood the technical specifications for carbon emissions and carbon verification. As of the end of the reporting period, 100% of the Company's middle-level and above cadres participated in the "Double Carbon" strategic training.



## Making the environment more beautiful, making people's lives more colourful (Continued)

### Promotion of Environmental Awareness among employees

- VOYAH launched an energy saving and environmental month campaign

In order to respond to the call of the State and the parent company, Dongfeng Motor Group Company Limited, for "Green Development, Energy Saving First" on the World Environment Day and Energy Saving and Environmental Protection Month, and to enhance the awareness of energy saving and environmental protection among employees at all levels, VOYAH organized all employees at different levels to participate in the promotion of energy saving and environmental protection month, through the promotion of energy saving knowledge, the promotion of energy saving panels and posters in VOYAH plant, and the combination of energy saving knowledge online quiz on the WeChat platform to strengthen the awareness of energy saving and environmental protection and cost reduction.

- Dongfeng Automobile held Earth Hour event

In order to improve the awareness of all members of the value chain on low-carbon environmental protection, energy conservation and emission reduction, and to promote the establishment of environmental protection awareness among employees, suppliers and dealer partners, Dongfeng Automobile held the "Earth Hour" activity on 27 March 2021.

## Giving back to society and people's livelihood

The Group adheres to the core value of "harmony and mutual help" and maintains the unity of economic and social responsibilities. We are committed to social welfare, giving back to the community with an attitude of not taking refuge and not seeking the easy way out, taking rural revitalization and public welfare as our hands to do our part for the people's livelihood, and striving to maintain a harmonious and stable situation.

In 2021, we walked with warmth, focusing on the two main lines of rural revitalization and social welfare, bringing warmth to the depths of the mountains, to the snowy plateau and to the Gobi desert, allowing the "East Wind of Responsibility" to blow all over China, so that the Chinese nation may feel the warmth and power of love together. During the reporting period, the Group invested a total of RMB54.38 million in social welfare.

### Rural revitalization

The year 2021 was a crucial year for consolidating the achievements of poverty alleviation and the effective connection of rural revitalization, and it was also the first year for the comprehensive implementation of the rural revitalization strategy. As the vanguard of the domestic automobile industry, the Group actively fulfilled its responsibilities while promoting high-quality social and economic development, strictly implements the requirements of the "Four No Reductions", and implemented the rural "empowerment" projects in terms of consumption assistance to agriculture, rural education and industrial co-construction, and created a rural "assistance package" to further consolidate and expand the achievements of poverty alleviation, and helped comprehensively promote rural revitalization.



## Giving back to society and people's livelihood (Continued)

### Consumption to help farmers and rural revitalization

- Investigating rural grassroots and understanding the development of rural areas

In order to better support rural revitalization and promote consumption assistance, Dongfeng Liuzhou Motor went to Mashan for inspection on 20 August 2021 to conduct detailed research on the supply variety, quantity and quality of various agricultural and sideline products, turning the sunshine in Mashan into the holiday warmth brought in by the employees of Liuzhou Motor. During the Mid-Autumn Festival and National Day holiday this year, in order to meet the living needs of different employees, Dongfeng Liuzhou Motor's Labor Union set up three optional packages of poverty alleviation products based on the survey feedback. In 2021, the Company accumulated a total of RMB3.2839 million to send assistance through consumption.

- Combining with the Company's needs, increasing poverty alleviation procurement

Combining their own development requirements, companies such as Dongfeng Nissan, Peugeot Citroën Automobile and Dongfeng Honda have actively increased their purchases of agricultural and sideline products from impoverished areas, helping to increase incomes in impoverished areas by the way of sending assistance through consumption. Among them, Dongfeng Nissan expanded its consumer empowerment in order to further promote the rural revitalization products to employees, on the dining table and into factories. For the whole year, Dongfeng Nissan empowered RMB33,187,000 into rural consumption, of which RMB10,370,000 was invested in projects such as the "Dongfeng Nissan Charity Water for Poverty Alleviation" carried out by Dongfeng Nissan, becoming a new growth point in the field of consumer empowerment for Dongfeng Nissan.



## Giving back to society and people's livelihood (Continued)

The Group has been committed to education in poor mountainous areas and continues to promote education support in poor areas, helping poor students to achieve success and truly embark on the road out of poverty and wealth. We have been contributing to education in poor areas with material donations, lecture halls, improved teaching facilities and scholarships.

### **Building dreams for success, helping to realise young people's dream of a strong nation**

- Supplies delivery to students

On February 5, Zhengzhou Nissan, together with the Department of Commerce of Henan Province, visited Pingyu County and Shangcai County in Zhumadian City and sent a total of more than RMB250,000 worth of caring materials to poverty-stricken households and students; on March 5, Zhengzhou Nissan donated a total of more than RMB30,000 worth of caring materials to Xiangyang Primary School in Wantan Town, Zhongmou County and held a "Dream Building Class" for the children.

- Expansion of educational infrastructure

Dongfeng Nissan invested RMB2.84 million to build the "Dongfeng Nissan-Sunshine Care Primary School" in Mashan, and has developed a comprehensive education empowerment plan integrating infrastructure renovation and expansion, student nutrition subsidy and student choir, etc. The main project was completed in December as planned.

- Scholarships and bursaries available

In order to promote the rural revitalization work, reduce the educational expenses of families in difficulties in Daxin Village, ensure the enrollment of students in difficulties, prevent dropouts due to poverty, and encourage Daxin students to strive for outstanding performances, in 2021, Dongfeng Liuzhou Motor donated RMB100,000 to Daxin Village, Dalang Town, Rongshui County to establish 5-year scholarships and bursaries.

The Group, together with its subsidiary companies, has been seeking to build industries together, seeking to "the rich first pushing those being rich later", focusing on economic benefits, helping to create an endogenous development mechanism for poverty alleviation, rooting in the genes of economic development in poor areas, activating development momentum, and creating a long-term poverty alleviation mechanism as the focus, and working together to write a good story of building industries together.

## Giving back to society and people's livelihood (Continued)

### Industry co-construction, new engine of foundry industry

- Built "Dongfeng County" with Fangxian County

In order to enable the people of Fangxian County to enjoy a better quality of life and promote faster and better economic and social development in Fang County, the Group responded positively to the construction of "Dongfeng County", an industrial collaboration jointly proposed by its parent company, Dongfeng Motor Group Company Limited, and the county government of Fangxian County. The construction of "Dongfeng County" has not only benefited the public, but also led to the addition of three local enterprises of over RMB20 million in Fangxian County, effectively promoting the economic development of Fangxian County. During the reporting period, a total of RMB3 million was invested in helping Fangxian County, an increase of 50% over 2020; RMB10 million was introduced, 20 times the amount required; and 60 technicians were trained, 1.2 times the amount required.

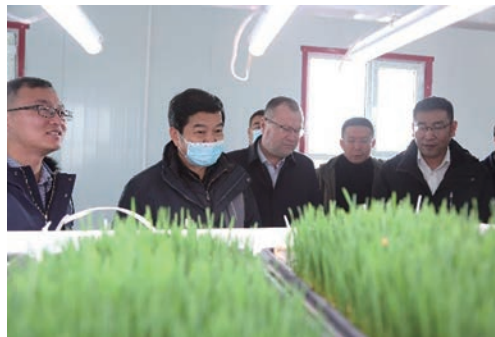


Dongfeng Group and Fangxian County reached a strategic cooperation

## Giving back to society and people's livelihood (Continued)

- Supported key enterprises in poverty-stricken areas

In 2021, Dongfeng Honda donated RMB1.5 million to the government of Keping County of Xinjiang, mainly for the construction of the first phase of the key local industrial project, "Dongfeng Honda-Kiangmu Grass Source Soilless Grass Plant", as well as local residential and livelihood improvement projects.



Dongfeng Honda investigated soilless cultivation pasture plant of Keping County of Xinjiang

### Social welfare

All along, the Group has been striving to fulfill its social responsibility while developing itself, actively participating in social welfare undertakings and sharing the fruits of our development with the society. In 2021, we adhered to our original intention of giving back to the society and took the initiative to focus on natural disasters, medical care, vulnerable groups and youth development with the concept of "Harmony with Dongfeng". We continued to encourage our employees to participate in public welfare and volunteer services, and worked together with them to take our corporate philanthropy to new heights.



## Giving back to society and people's livelihood (Continued)

### ***Disaster Assistance***

In July 2021, successive heavy rainstorms occurred in many areas of Henan Province, and floods occurred in many areas. In the face of the disaster, the Group and its subsidiaries acted quickly and extended a helping hand to help Henan tide over the difficulties. The Group donated money and materials, participated in the rescue, and escorted the disaster relief operation. During the reporting period, we accumulatively donated RMB47.8 million for flood relief and disaster relief in Henan.

### **Peugeot Citroën Automobile rushed to Zhengzhou for disaster relief**

Peugeot Citroën Automobile took the initiative to care and opened 24-hour emergency rescue services. Peugeot Citroën Automobile organized its 400 customer service team to send caring text messages to customers across Henan province and provide safety guidelines for driving in heavy rain, as well as 24-hour rescue hotline services. At the same time, the 400 customer service centre fully responded to the needs of customers, and as of 31 December 2021, the number of rescue cases implemented by Peugeot Citroën Automobile was 248, and food, drinking water and other living materials were distributed simultaneously.

Peugeot Citroën Automobile rushed to the rescue. Affected by the rainstorm, the high-speed railway in the direction of Henan has been suspended in large areas. On 21 July 2021, three technical experts from the after-sales service department of Peugeot Citroën Automobile drove from Wuhan to Zhengzhou to support the first-line dealers to assist customers in the rapid repair of vehicles.

In addition, Peugeot Citroën Automobile donated materials to the disaster-stricken areas to solve problems for Henan. During the reporting period, Peugeot Citroën Automobile donated 2,000 boxes of mineral water, 1,000 pieces of bread and 300 boxes of barreled instant noodles to Zhengzhou.





## Giving back to society and people's livelihood (Continued)

### Focus on youth dreams

In order to realize the beautiful vision of "enable young people to have the courage to dream, be brave to pursue their dreams, and be diligent in realizing their dreams", the Group is committed to focusing on the younger generation and providing a platform for young people to pursue their dreams. During the reporting period, the Group and its parent company Dongfeng Motor Group Company Limited, continued to promote the "DongFeng Dream Car Contest", and at the same time created a new responsible brand of "Dongfeng Night Festival of Speed" with the theme of technological innovation, and released the "Dream Stars" program focusing on youth innovation and entrepreneurship, further expanding the path of fulfilling responsibilities and providing a broader stage for young people to grow into talents.



"DongFeng Dream Car Contest"

## Giving back to society and people's livelihood (Continued)

### Caring for the vulnerable groups

The Group continues to care for the vulnerable groups and continuously demonstrates the true feelings of the world. With the idea of "people always love loving people", we actively pay attention to vulnerable groups, help others, and give back to the society.

#### **Dongfeng Automobile sent warmth to vulnerable groups**

- Establishment of Dongfeng Truck Brothers Love Fund

In combination with the Company's main light truck business, Dongfeng Automobile established the Dongfeng Truck Brothers Love Fund to pay attention to truck drivers in vulnerable groups and give back to customers with actions. We donated money through Xiangyang Charity Federation to help truck drivers and their families who are in trouble due to car accidents, diseases, etc., and through financial assistance to them, we played a role in helping vulnerable groups and fulfilling corporate social responsibilities.

- Donated by Dongfeng Community Office for elderly care facilities

Dongfeng Automobile held a donation activity for the elderly care facilities of the Dongfeng Community Office, and donated money to the Dongfeng Community Office for the infrastructure construction and equipment procurement of the community elderly care center, so as to ensure the daily operation of the elderly care center and the elderly university. At the same time, it provided assistance and aid to the elderly in difficulty and widows and orphans in the community, provided convenient services for residents and promoted the development of community elderly care.



Community pension center funded by Dongfeng Automobile

## Giving back to society and people's livelihood (Continued)



Volunteering in the Community on Lei Feng Day

### Epidemic Prevention and Control

The Group actively implemented its epidemic prevention policy while actively sending warmth to the prevention and control departments, supporting the cause of epidemic prevention and control, and contributing its efforts to fight the "battle" of the epidemic in response to the guidance on normalizing the epidemic issued by the State Council.



## Giving back to society and people's livelihood (Continued)

### Dongfeng Automobile pays tribute to “Heroes in Harm’s Way”

In March 2021, Dongfeng Automobile launched a cherry blossom festival in Wuhan. During the event, the Dongfeng Tuyi Cherry Blossom Coffee Van and 100 university student volunteers from Wuhan Software Engineering Vocational College came to the People's East Hospital of Wuhan University to deliver a thousand cups of hot cherry blossom lattes and handwritten blessing postcards to the medical staff, paying tribute to “Heroes in Harm’s Way” who had fought on the front line in Wuhan in the warmest way. The event was a tribute to the heroes who fought against the epidemic.



Epidemic Prevention and Control Youth Volunteer Service Group

## APPENDIX

### Applicable Laws and Regulations

Serial No.	Name
<i>A. List of Laws and Regulations Applicable to Energy Conservation and Environmental Protection</i>	
1	<i>Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》)</i>
2	<i>Law of the People's Republic of China on Cleaner Production Promotion (《中華人民共和國清潔生產促進法》)</i>
3	<i>Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)</i>
4	<i>Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)</i>
5	<i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》)</i>
6	<i>Law of the People's Republic of China on the Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》)</i>
7	<i>Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution (《中華人民共和國環境噪聲污染防治法》)</i>
8	<i>Circular Economy Promotion Law of the People's Republic of China (《中華人民共和國循環經濟促進法》)</i>
9	<i>Water Law of the People's Republic of China (《中華人民共和國水法》)</i>
10	<i>Renewable Energy Law of the People's Republic of China (《中華人民共和國可再生能源法》)</i>
11	<i>Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》)</i>
12	<i>The Measures for Energy Conservation Review of Fixed Asset Investment Projects (《固定資產投資項目節能審查辦法》)</i>
13	<i>The Guiding Catalogue for Eliminating Backward Production Equipment and Products in Certain Industries (2010 version) (《部分工業行業淘汰落後生產工藝裝備和產品指導目錄(2010年本)》)</i>
14	<i>The Measures for the Administration of Industrial Energy Conservation (《工業節能管理辦法》)</i>
15	<i>The Notice on Strengthening Energy Conservation Assessment and Review of Industrial Fixed Assets Investment Project (《關於加強工業固定資產投資項目節能評估和審查工作的通知》)</i>
16	<i>Notice on the State Council on Further Strengthening the Elimination of Obsolete Production Capacities (《國務院關於進一步加強淘汰落後產能工作的通知》)</i>
17	<i>The Notice on Commencement of National Special Supervision on and Inspection of Energy Conservation in Major Industries (《關於開展國家重大工業節能專項監察的通知》)</i>
18	<i>Notice of the National Development and Reform Commission on Strengthening Energy Conservation and Emission Reduction of Small and Medium-sized Enterprises (《國家發展改革委關於做好中小企業節能減排工作的通知》)</i>
19	<i>The Decisions of the State Council on Strengthening Energy Conservation (《國務院關於加強節能工作的決定》)</i>
20	<i>The Measures for Energy Conservation Supervision (《節能監察辦法》)</i>
21	<i>The Administrative Measures for Electricity Conservation (《節約用電管理辦法》)</i>
22	<i>The Measures for Cleaner Production Review (《清潔生產審核辦法》)</i>
23	<i>Construction Project Environmental Protection Management Regulations (《建設項目環境保護管理辦法》)</i>



## APPENDIX (Continued)

Serial No.	Name
<i>B. List of Applicable Laws and Regulations on Occupational Health and Safety</i>	
1	<i>Occupational Disease Prevention Law of the People's Republic of China</i> (《中華人民共和國職業病防治法》)
2	<i>Work Safety Law of the People's Republic of China</i> (《中華人民共和國安全生產法》)
3	<i>Regulations on Workplace Occupational Health Supervision and Management</i> (《工作場所職業衛生監督管理規定》)
4	<i>Management Measures for Occupational Health Inspection</i> (《職業健康檢查管理辦法》)
<i>C. List of Applicable Laws and Regulations on Human Resources</i>	
1	<i>Labor Contract Law of the People's Republic of China</i> (《中華人民共和國勞動合同法》)
2	<i>Trade Union Law of the People's Republic of China</i> (《中華人民共和國工會法》)
3	<i>Labor Law of the People's Republic of China</i> (《中華人民共和國勞動法》)
4	<i>The Law of the People's Republic of China on the Protection of Minors</i> (《中華人民共和國未成年人保護法》)
5	<i>The Implementation Regulations of the Labor Contract Law of the People's Republic of China</i> (《中華人民共和國勞動合同法實施條例》)
6	<i>The Measures for Identification of Work-related Injuries</i> (《工傷認定辦法》)
7	<i>The Regulations on Insurance for Work-related Injuries</i> (《工傷保險條例》)
8	<i>The Provisions on the Prohibition of Using Child Labor</i> (《禁止使用童工規定》)
<i>D. List of Other Laws and Regulations</i>	
1	<i>Criminal Law of the People's Republic of China</i> (《中華人民共和國刑法》)
2	<i>Advertising Law of the People's Republic of China</i> (《中華人民共和國廣告法》)
3	<i>Law of the People's Republic of China on the Protection of Consumer Rights and Interests</i> (《中華人民共和國消費者權益保護法》)
4	<i>Trademark Law of the People's Republic of China</i> (《中華人民共和國商標法》)
5	<i>Patent Law of the People's Republic of China</i> (《中華人民共和國專利法》)
6	<i>Copyright Law of the People's Republic of China</i> (《中華人民共和國著作權法》)
7	<i>Anti-Unfair Competition Law of the People's Republic of China</i> (《中華人民共和國反不正當競爭法》)
8	<i>Automobile Industry Development Policy</i> (《汽車產業發展政策》)
9	<i>Cybersecurity Law</i> (《網絡安全法》)

## APPENDIX (Continued)

### ESG Performance

#### Environmental Performance Table

Indicator	Unit	2019	2020	2021
<i>Aspect A1: Emissions</i>				
A1.1 The types of emissions and respective emissions data				
Nitrogen oxide (NO <sub>x</sub> ) emission	tons	232	240.22	251.64
Sulfur dioxide (SO <sub>2</sub> ) emission	tons	49.00	46.73	52.20
Industrial wastewater emission	10,000 tons	974	880	836
industrial wastewater treatment	10,000 tons	/	441	334
Chemical oxygen demand (COD) emission	tons	/	/	459
Ammonia nitrogen emission	tons	/	/	43
A1.2 Greenhouse gas emissions in total (in tons) and, intensity (e.g. per unit of production volume, per facility)				
Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	222.01	216.12	206.65
Direct (scope1) Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	/	/	49.49
Indirect (scope2) Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	/	/	157.16
Greenhouse gas emissions per RMB10,000 output value	Tons of carbon dioxide equivalent/RMB10,000	0.047	0.044	0.043
A1.3 Total hazardous waste produced (in tons) and, intensity (e.g. per unit of production volume, per facility)				
Disposed hazardous waste	tons	41,166	41,237	38,521
Comprehensively utilized hazardous waste	tons	5,247	5,831	7,704
Disposed hazardous waste per RMB10,000 output value	Kg/RMB10,000	0.87	0.84	0.81

## APPENDIX (Continued)

Indicator	Unit	2019	2020	2021
A1.4 Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)				
Disposed general solid waste	tons	18,876	18,008	41,062
Comprehensively utilized solid waste	tons	676,547	767,093	620,137
Solid waste disposal per RMB10,000 output value	Kg/RMB10,000	0.40	0.37	0.87
<i>Aspect A2: Use of Resources</i>				
A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity (e.g. per unit of production volume, per facility).				
Purchased electricity	10,000 kWh	299,950	298,622	284,620
Natural gas	10,000 standard cubic meters	12,372	11,658	11,943
Diesel oil	tons	20,087	22,116	19,922
Gasoline	tons	15,904	13,420	13,241
Heat	MkJ	914,354	650,131	438,097
Others (including coal, fuel oil, coal oil, lubricating oil, etc.)	Tonne of standard coal	46,807	54,353	45,379
Conversion of comprehensive energy consumption	Tonne of standard coal	663,841	650,603	617,523
Comprehensive energy consumption per RMB10,000 output value	Kg standard coal/RMB10,000	14.06	13.24	12.94
A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility)				
Production water consumption (fresh water)	10,000 tons	1,744	1,630	1,535
Production water consumption per RMB10,000 output value (fresh water)	Tonne/RMB10,000	0.37	0.32	0.32
A2.5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced				
Total packaging material used for finished products	tons	/	2,663.00	1,903.62
The amount of recyclable material	tons	/	/	1,827.42

## APPENDIX (Continued)

### Social Performance Table

Indicator	Unit	2019	2020	2021
<i>Aspect B1: Employment</i>				
B1.1 Total workforce by gender, employment category, age group and geographical region				
Total number of employees	Person	130,572	124,270	122,061
<b>By employee type</b>				
Manufacturing workers	Person	84,007	77,679	75,234
Engineering technology	Person	17,487	18,348	17,828
Management and Service	Person	29,078	28,243	28,999
<b>By employment type</b>				
Employees	Person	/	/	111, 823
Temporary staff	Person	/	/	8,746
Trainees	Person	/	/	1,467
Retirement rehire and other types	Person	/	/	25
<b>By geographical region</b>				
Hubei Province	Person	/	/	75,412
Outside Hubei Province	Person	/	/	46,649
<b>By gender</b>				
Male employees	Person	107,013	102,343	100,686
Female employees	Person	23,559	21,927	21,375
<b>By age groups</b>				
Aged 29 and under	Person	39,578	35,710	32,374
Aged 30–39	Person	36,243	42,615	47,635
Aged 40–49	Person	31,437	31,205	28,371
Aged 50 and above	Person	12,255	14,740	13,681
<b>By education</b>				
Master's degree and above	Person	6,371	6,763	6,994
College diploma and Bachelor's	Person	64,649	67,800	67,533
Below college diploma	Person	48,493	49,707	47,534
B1.2 Employee turnover rate by gender, age group and geographical region				
Total turnover rate	%	6	14.13	8.70
<b>Employee turnover rate by gender</b>				
Male employees	%	/	10.96	13.24
Female employees	%	/	9.30	10.41
<b>Employee turnover rate by aged</b>				
Aged 29 and under	%	/	17.32	18.95
Aged 30–39	%	/	7.92	10.37
Aged 40–49	%	/	5.07	8.05
Aged 50 and above	%	/	14.22	12.70

## APPENDIX (Continued)

Indicator	Unit	2019	2020	2021
Employee turnover rate by geographical region				
Hubei Province	%	/	/	16.07
Outside Hubei Province	%	/	/	7.73
<i>Aspect B2: Health and Safety</i>				
B2.1 Number and rate of work-related fatalities				
Number of work-related fatalities	Person	2	0	1
B2.2 Lost days due to work injury				
Lost working days due to work injury	Person	11	8	8
Injury rate per thousand employees	Day	12,129	250	6,246
Rate of work injury	%	0.078	0.065	0.066
B3.1 Percentage of trained employees by gender and employee category				
Percentage of trained employees by gender				
Male employees	%	82	82	82
Female employees	%	18	18	18
Percentage of trained employees by type of employment				
Manufacturing workers	%	64	58	55
Engineering technology	%	13	19	21
Management and Service	%	23	23	24
Percentage of trained employees by employee rank				
Senior management	%	1	1	2
Middle management	%	4	4	7
General staff	%	95	95	91
B3.2 The average number of training hours completed by each employee by gender and employee type				
Percentage of trained employees by gender				
Male employees	Hour	43.76	/	58.37
Female employees	Hour	43.78	/	90.21
Average training hours for employees by employee type				
Manufacturing workers	Hour	37.46	45.69	51.11
Engineering technology	Hour	66.58	92.37	97.19
Management and Service	Hour	48.25	85.64	81.68
Average training hours for employees by employee rank				
Senior management	Hour	113.00	162.00	169.00
Middle management	Hour	89.00	105.02	81.35
General staff	Hour	41.93	60.01	57.27



## APPENDIX (Continued)

### Content Index of Environmental, Social and Governance Reporting Guide

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Environmental				
Aspect A1: Emissions	General Disclosure	Information on:		Environmental Management and Green Production
		(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		
		<i>Note: Air emissions include NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants regulated under national laws and regulations.</i> <i>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</i> <i>Hazardous wastes are those defined by national regulations.</i>		
	KPI A1.1	The types of emissions and respective	Green Production	
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Production	
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Production	
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Production	

## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Environmental				
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Management	
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Management	
Aspect A2 : Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	Green Production	
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Management	
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Production	
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Management	
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Production	
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Production	

## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Environmental				
Aspect A3 : The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Green Production	
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Management, Green Production and Low-carbon Operation	
Aspect A4 : Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Low-carbon Operation	
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Low-carbon Operation	
Social				
Aspect B1: Employment	General Disclosure	Information on:	Compliant Recruitment and Employee Rights	
		(a) the policies; and		
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Compliant Recruitment	
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Compliant Recruitment	

## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Social				
Aspect B2: Health and Safety	General Disclosure	Information on:		Health and Safety
		(a) the policies; and		
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.		Health and Safety
	KPI B2.2	Lost days due to work injury.		Health and Safety
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		Health and Safety
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>		Talent Growth
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		Talent Growth
	KPI B3.2	The average training hours completed per employee by gender and employee category.		Talent Growth

## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Social				
Aspect B4: Labour Standards	General Disclosure	Information on:		
		(a) the policies; and		Compliant Recruitment
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.		Compliant Recruitment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.		Compliant Recruitment
Aspect B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.		Supplier Management
	KPI B5.1	Number of suppliers by geographical region.		Supplier Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		Supplier Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.		Supplier Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.		Supplier Management



## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)			Section
Social			
Aspect B6: Product Responsibility	General Disclosure	Information on:	
		(a) the policies; and	Product Excellence
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Excellence
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Deepen R&D
	KPI B6.4	Description of quality assurance process and recall procedures.	Product Excellence
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality Service

## APPENDIX (Continued)

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)				Section
Social				
Aspect B7: Anti-corruption	General Disclosure	Information on:		
		(a) the policies; and		Integrity Management
		(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		
		Integrity Management		
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		Integrity Management
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.		Integrity Management
	KPI B7.3	Description of anti-corruption training provided to directors and staff.		Integrity Management
Aspect B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Giving Back to Society and People's Livelihoods
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).		Giving Back to Society and People's Livelihoods
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		Giving Back to Society and People's Livelihoods



**東風汽車集團股份有限公司**  
DONGFENG MOTOR GROUP COMPANY LIMITED\*