





* For identification purposes only

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About this Report

This report represents the seventh 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 2022 to 31 December 2022 (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 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	Dongfeng Passenger Vehicle Company
Research & Development Centre	Dongfeng Research & Development Centre
Dongfeng Honda	Dongfeng Honda Automobile Co., Ltd.
Dongfeng Honda Engine	Dongfeng Honda Engine Co., Ltd.
Dongfeng Honda Parts	Dongfeng Honda Auto Parts Co., Ltd.
Dongfeng Parts and Components	Dongfeng Parts and Components (Group) Co., Ltd.
Dongfeng Liuzhou Motor	Dongfeng Liuzhou Motor Co., Ltd.
Dongfeng Automobile	Dongfeng Automobile Co., Ltd.
Dongfeng Nissan	Dongfeng Nissan Passenger Vehicle Company
Dongfeng Commercial Vehicle	Dongfeng Commercial Vehicle Co., Ltd.
Dongfeng Special Commercial Vehicle	Dongfeng Special Commercial Vehicle Co., Ltd.
Dongfeng Off-road Vehicle	Special Equipment Business Department (Dongfeng Off-road
	Vehicle Co., Ltd.)
VOYAH	VOYAH Motor Science and Technology Company
Peugeot Citroën Automobile	Dongfeng Peugeot Citroën Automobile Co., Ltd.
Zhengzhou Nissan	Zhengzhou Nissan Motor Co., Ltd.
Zhixin Technology	Zhixin Technology Co., Ltd.
Dongfeng Zhuolian	Dongfeng Zhuolian Automobile Service Co., Ltd.
M-Hero	Dongfeng Motor Group Company Limited Mengshi Automobile
	Technology Company
Dongfeng Automobile Trade	Dongfeng Automobile Trade 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 2023 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

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It is an honour to, in the form of the Environmental, Social and Governance (ESG) Report, report to all stakeholders the ESG progress and results of Dongfeng Motor Group Company Limited (hereinafter referred to as "the Group") in the past year.

In 2022, the combined impact of such factors as chip shortage, battery price increase and market fluctuation brought significant risks and challenges to the development of the automobile industry. In spite of all the difficulties, we still struggled to buck the downturn trend and explore and seize opportunities in wind and waves. Internally, we deepened reform and innovation, and empowered corporate development by means of digital intelligence and sustainability; externally, we continuously participated in social development and actively fulfilled our social responsibilities.

Reform can be driven by constant updating, and the future is determined by innovation. During the year, the Group achieved comprehensive improvement in digital intelligence, and made comprehensive progress and breakthroughs in intelligent manufacturing, intelligent vehicle model and intelligent logistics. We made important achievements in such areas as new energy and intelligent connected vehicle ("ICV"), strengthened the development of electronic and electrical architecture, automotive chip, intelligent system and new energy vehicle, and fully completed the layout of brand, platform and core technology resources for new energy vehicles.

Compliance creates value, and integrity increases cohesion. We continuously improved the corporate internal control system, strengthened risk management, promoted the implementation of the concept of clean operation, and advocated and established a "friendly" and "clean" cooperative relationship across the value chain. At the ESG governance level, we constantly promoted the implementation of ESG strategy, collected suggestions from stakeholders, and responded to the concerns of shareholders, employees and the community with high-quality and effective operation.

Trust originates from brand, and cooperation promotes the achievement of win-win results. We made continuous efforts to improve product quality, vigorously boosted technological innovation, product innovation and service model innovation, completed long-term layout in such fields as high-end automobiles and core resources, and insisted on creating value for customers and providing customers with safe, reliable and high-quality products. We attached great importance to customer experience, upheld the value of "serving customers heart and soul", and strove to well address customers' pain points and satisfy their needs. We clearly know that excellent products and services , as well as talent development and supply chain are closely related to each other and would achieve win-win cooperation. During the year, we continued to join hands with high-quality and compliant supplier partners in realising the vision of "driving dreams by automobile".

Chairman's Statement (Continued)

Both the maintenance of environment and the creation of happiness entail sincere care and love. During the year, we took "Green Dongfeng 2025 Action" as a leverage to implement the management of climate change, and by combining energy conservation and emission reduction with digitalisation, achieved low-carbon emission in the whole life cycle of the automobile industry. As always, were committed to green products and green manufacturing, and joined hands with both upstream and downstream entities in the industry in building green value chain and green ecosphere to promote green development. From the perspective of rural revitalization and public charity, we provided assistance to vulnerable groups within our capacity with the concept of "teaching people how to fish rather than just giving them fish" and the attitude of being warm-hearted to others, and earnestly fulfilled our social responsibilities.

Boundless is the ocean where we sail with the wind. In 2023, we will fill the sails to accelerate the technological "leap" by virtue of the "Rising Dongfeng" plan, further consolidate the Company's foundation with an enterprising spirit, keep improving the Group's survivability, competitiveness, development capability and sustainability, well serve and create value for customers, and move faster in building the Group into a world first-class enterprise that is excellent and trustworthy enough.

Zhu Yanfeng Chairman

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Special Section: Empowering New Undertakings by Science and Technology

Innovation holds the key to our future, and scientific and technological innovation serves as the main driving force for corporate development. The Group adheres to the guidance of such national strategies as "Digital China" and "Carbon Peaking and Carbon Neutrality" on scientific and technological innovation, anchors the positioning of "an excellent science and technology enterprise providing quality automobile products and services for users", and grasps and leads the times by cultivating new growth drivers with digital intelligence and creating new brilliance with new breakthroughs.



Promote digital intelligence to empower transformation and efficiency improvement

Accelerating the digital and intelligent transformation is an inevitable choice for fully playing the driving and leading role of information technology and promoting modernization. The Group spares no efforts in achieving digital and intelligent transformation and high-quality development, and comprehensively promotes the integrated and whole-process application of digital intelligence, so as to provide inexhaustible driving force for the Group's transformation and efficiency improvement. 8

Special Section: Empowering New Undertakings by Science and Technology (Continued)

Intelligent talent management

Digital transformation is an important means to improve traditional development momentum and foster new development momentum. The Group is committed to promoting digital and intelligent talent management, and transforming corporate management methods with a focus on audit and talent cultivation, so as to lay a solid foundation for digital transformation.

Digitial and Intelligent Audit Work

• The online audit and risk management system optimized plan formulation,plan implementation, collaborative management and control, result archiving and query, data intensification risk, etc. through the informatization work content and production process, realizing realtime management and control of the audit process at the leadership, effectively improving work efficiency and reducing error risk.

Digital and Intelligent Talent Cultivation

We have created a digital learning platform and coordinated the allocation of training resources of the Group as well as customized training of the subsidiary. Use digital and intelligent tools to review annual training results, achieve course satisfaction evaluation and update course database, etc.

Intelligent scientific and technological manufacturing

In the context of a new round of global scientific and technological revolution and industrial transformation, the intelligent transformation in manufacturing is of crucial importance. Taking the deep integration between the new generation of information technology and the advanced manufacturing technology as the main line, the Group implements in depth intelligent manufacturing projects with a focus on the improvement of innovation capacity, supply capacity, support capacity and application level, so as to contribute to the construction of a new type of industrialization.

Construction of M-Hero Intelligent Plant

As an important support for the Group's scientific and technological transformation, the M-Hero Intelligent Plant has been determined to become a green intelligent plant integrating "intelligent manufacturing, highend customization, off-road experience and green zero carbon" since the beginning of construction. In the construction and operation stages, the plant well integrates intelligent production design, and deeply implements the green concept based on the full coverage of photovoltaic power workshops and offices.



Construction stage:



M-Hero plans the construction of M-Hero Intelligent Plant by the BIM¹ technology, simulates the construction scheme by the 3D simulation technology, and lays a solid foundation for intelligent operation of future plants and the implementation of digital twin through building a digital plant platform.

M-Hero integrates the five plans of customer demand plan, vehicle production plan, parts demand plan, personalized modification plan and vehicle delivery plan to build a "five-in-one" operation management system and achieve data interconnection. Additionally, based on the application of the digital twin technology in such areas as product, supply chain and production line, M-Hero introduces the intelligent logistics system to promote the improvement of plant operation efficiency.



Intelligent low-carbon development

Lucid waters and lush mountains are invaluable assets. The Group achieves the fine management of environmental protection mainly relying on modern technology, intelligent perception and analysis of environmental information. During the year, we actively played the important role of intelligent environmental protection in pollution prevention and control, strengthened the capacity building of the environmental protection monitoring centre, and achieved the full coverage of key pollution sources such as water pollution. Meanwhile, we achieved the centralized display and analysis of water and energy consumption data of all subsidiaries, and improved the utilization efficiency of natural resources.

Looking into the future, we will further develop a full-life-cycle carbon emission management information system, and strengthen the intelligent information-based energy management to deepen green development.

Develop new energy vehicles to contribute to the "Carbon Peaking and Carbon Neutrality" undertaking

As a new round of scientific and technological revolution and industrial transformation is emerging, the new energy vehicles industry, as the key to promoting the transformation and upgrading of the automobile industry, also plays an important role in promoting green development. Actively responding to the country's determination to adhere to the path of green, low-carbon and sustainable development, the Group has the development of the new energy vehicle business incorporated into the "Rising Dongfeng" plan, to further promote the scientific and technological innovation and industrial development with respect to new energy vehicle, and accordingly promote the building of a clean and beautiful world.



Strengthen the new energy vehicle business, and create a new cross-industry green ecology

During the Reporting Period, the Group further gained presence in the field of new energy, with a view to becoming a manufacturer of new energy vehicles with core technology, and bringing new vitality to its main business. Additionally, the Group actively promoted energy conservation and emission reduction in the whole life cycle of automobiles and across the industrial chain mainly by providing green products, promoting green manufacturing and building green ecology. We hope to help achieve the national goal of "Carbon Peaking and Carbon Neutrality" and complete the Group's transformation by virtue of innovative R&D technology, lower cost and more efficient operation.

Provide Green Product

• Guided by the "three horizontal and three vertical" technology route framework, adhere to the parallel development of green and low-carbon technologies such as electric, hybrid and hydrogen power, with a focus on ensuring strategic resource supply capacity, accelerating product innovation and service model innovation, and providing international competitiveness

Promote Green Manufacturing

 Adhere to the manufacturing concept of "building cars guided by the concept of energy conservation and environmental protection, building cars with the characteristics of energy conservation and environmental protection" and build green factories to assist in the implementation of green processes and low-carbon manufacturing technologies

Build Green Ecosystem

 Collaborate with suppliers and other industry enterprises to deepen strategic cooperation, jointly build a cross industry green ecosystem, actively promote the concept of "life of people and car", and provide users with a comprehensive green life experience

Master core new energy resources, and usher in a new chapter in independent R&D

Achieving high-level scientific and technological self-reliance is essential for implementing new development concept, building new development pattern and promoting high-quality development. During the Reporting Period, the Group further developed certain technologies and resources with respect to the "three electric" system, which involves electric drive, battery system and cell, serving as the core of the new energy vehicle industry. Meanwhile, the Group paid special attention to the layout of intelligent technologies such as the new energy vehicle sharing platform, mainly aiming to solve "bottleneck" problems.

Vehicle Platform	Electric Drive	Battery System	Battery Chip
 Create the common central centralized service-oriented (SOA²) electronic and electrical architecture of the Group, meeting diverse needs for differentiation, personalization and service 	 Master control technologies such as IGBT³ high power, double-sided cooling, SiC⁴ chips, etc. Develop a all-in- one power domain integrated controller Provide highly competitive solutions covering both pure electric and hybrid mainstream markets The layout of passenger vehicle and commercial vehicle electric drive industry is taking shape Product layout covers full power range 	 Master and control the core algorithm of the battery management system, improve battery energy density and power density, and accelerate the commercial application of CTP⁵ batteries Carry out cooperation on power lithium battery chip and fuel cell resources Arrange the core technologies and forward-looking resources such as next-generation power batteries to enhance the production capacity of battery stacks and vehicle carrying capacity 	Establish battery chip joint ventures with CATL and SUNWDDA respectively, and ensure a self- sufficiency rate of 60% for independent brands after the completion of production capacity construction

Layout of the Group's vehicle platform and "three electric" system

² SOA: Service-Oriented Architecture

³ IGBT: Insulated Gate Bipolar Transistor

⁴ SiC: Silicon Carbide

⁵ CTP: Cell to PACK

Deploy the intelligent connection business and build emerging business formats

To master and adapt to the globalisation and digitalisation trend, the Group accelerates the digital transformation of the automobile industry and the transportation industry by the sensing technology, the mobile Internet and other high-tech technologies, and builds an industrial innovation hub to drive social and urban construction and development by industrial development, while achieving the smooth flow of personnel and materials.

Make breakthroughs in new intelligent connection products

Building industry-leading intelligent connection products is a key step in the Group's building of new business formats regarding intelligent connection. The Group keeps increasing the coverage of intelligent connection products for autonomous driving. During the Reporting Period, the proportion of new vehicles installed with our telematics technology increased to more than 80%, the penetration rate of L2-L3 new vehicles increased to more than 50%, and L4 intelligent driving vehicles achieved large-scale demonstration operation.

Key breakthroughs are made in the L4 autonomous driving controller independently developed by the Group

The increase of product sales is closely related to the possession of core technologies. Integrating domestic chips, the L4 autonomous driving controller independently developed by the Group makes a breakthrough in key intelligent connection technologies. By the end of the Reporting Period, our domestic chips had been installed on 147 real vehicles nationwide, completed demonstration operation in 14 regions in China, served more than 37,500 people, and covered a total mileage of more than 220,000 kilometres.

Develop new business formats for intelligent city

Based on new intelligent connection products, the Group promotes the spill-over of innovative technologies to enable the development of new urban business formats. We make sustained efforts to promote the application of intelligent transportation and intelligent logistics, build a three-network integration system of vehicle-cloud network, in-vehicle network and inter-vehicle network, and promote the information integration of "human-vehicle-road-net-cloud" to realise collaborative intelligent transportation and high-level autonomous driving application through continuous information interaction.

Continuously explore new models of intelligent logistics

The Group focuses on seeking new opportunities in existing service systems, builds the ecology of intelligent logistics based on such carriers as Limitless-STAR and Sharing-X⁶, and provides holistic intelligent logistics solutions for autonomous driving. We are committed to satisfying the needs of all such scenarios as trunk line logistics, branch line logistics and last-kilometre delivery, and keep advancing the construction of the "driverless logistics demonstration line along Wuhan-Shiyan High-speed Railway".

⁶ Sharing-X: A mobile service technology platform jointly built by Dongfeng Yuexiang Technology Co., Ltd. and Hubei University of Automotive Technology

All employees in post shall take their due responsibilities for the land. By furthering improving corporate governance, Dongfeng Motor Group Co., Ltd. made continued efforts to optimize its capabilities of risk management and coordinated guidance. With adherence to stricter moral standards and higher moral requirements, we laid a consolidated foundation for high-quality development, while undertaking and fulfilling our due responsibilities for the land.

Corporate Responsibilities

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 other automotive-related businesses. The Group's business bases are distributed in more than 20 domestic cities, such as Wuhan, Shiyan, Xiangyang and Guangzhou.

Since its establishment in 1969, Dongfeng Motor Group Co., Ltd. has kept exploring the development orientation of the automobile industry, and built-up industry-leading abilities of technological R&D, technological innovation, product manufacturing, marketing and customer services. In 2005, Dongfeng Motor Group Co., Ltd. was listed on the Hong Kong Stock Exchange (stock code "00489"), representing the enterprise's advancement towards a broader stage.

As of 31 December 2022, the Group's organizational structure is as follows:



Organization of Dongfeng Motor Corporation

Business Assurance

In 2022, in the face of the challenging external situation, the Group resolutely implemented the idea of "effectively controlling COVID-19 control, stabilizing the economy and safeguarding development". By seeking steady progress while seizing opportunities timely, the Group vigorously promoted innovation and reform to develop into a sustainable world-class enterprise. During the Reporting Period, 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 major achievements in multiple aspects while moving forward in multiple fields.

Field	Focus	Content
Independent passenger vehicles	New energy brand layout	 Launched the brand "Mengshi" to enter the field of luxury electric off-road vehicles. Promoted VOYAH's product layout of "three categories in three years".
	Research institution construction	 Accelerated the construction of various institutions, including the Software Engineering Research Institute. Promoted the kick-off of the Material Technology and Engineering Institute Initiated the construction of the Locomotive Museum of Dongfeng Motor Group.
	Basic research	 Enhanced development in electrical/electronic architecture (EEA), AEC-qualified chips, independent controllers, vehicle operating systems & intelligent driving, and fuel cell vehicles. Made efforts to develop the first next-generation centralized service-oriented architecture (SOA) in the industry. Promoted the layout of chip resources from a midto long-term and the development of homemade chip alternatives.
Independent commercial vehicles	Layout-oriented cooperation for the joint progress of the industry	

The Group's priorities for 2022



Institutional reform to stimulate enterprise vitality

 In July 2022, the Group released the "Vogage Plan" to build a "Excellent Dongfeng, First-class enterprise" corporate governance system, providing support for building a compliant and sustainable governance structure

Multi-brand strategy release showed innovative power



 During the Reporting Period, the Brave warrior brand of the Group released and it was showcased with "M-Terrain" concept vehicle model with "leader in luxury electric off-road culture" as business positioning and providing users with a "world-class oriental off-road experience" as vision

Expand industrial markets and achieve joint construction between government and enterprises



 During the Reporting Period, the Group successively carried out new models of government enterprise industrial cooperation in Hubei Province, thereby promoting industrial cooperation. Currently, we have carried out work in 16 counties and cities, with vehicle orders reaching 13,018 units



Build automobile museum to promote cultural development

 During the Reporting period, the construction project of Dongfeng Automobile Museum officially bagan, aiming to fully leverage the advantages of old factory buildings, reuse abandoned buildings, practice the concept of sustainable development of enterprises, and fill the gap in the theme museum of automobile culture

Significant results achieved by Dongfeng Motor Group in 2022

2022 Highlights

During the Reporting Period, the Group was widely recognized with its excellent management ability and remarkable development achievements. It also won various awards, which mainly included:

Award	Awarding unit	Award-winning enterprise/project
2022 China SAE S&T Progress Award – First Prize	China SAE	"Dongfeng Hydrogen Boat" H2•E & its Power System Platform of Dongfeng Motor Corporation
National Assembly of Representatives of Quality Trustworthy Groups and Quality Management Groups of the Machinery Industry "Five One" Award	National Assembly of Representatives of Quality Trustworthy Groups and Quality Management Groups of the Machinery Industry	The achievement in quality check (QC ⁷) of Zhengzhou Nissan
China Media Group 2021 China Auto Gala Judge Committee's Special Award	China Media Group	The Mach Hybrid Dual-engine (MHD [®]) system of Dongfeng Research & Development Centre
2022 Automotive Logistics Industry Innovation Award	China Automotive Logistics Association of China Federation of Logistics & Purchasing	The cases "optimizing the transportation of retail orders of commercial vehicles to reduce costs and increase efficiency", "research on the improvement of the loading rate of vehicle logistics based on compliance transportation", "multiple measures for improving logistics efficiency under the routine COVID-19 control" and "building an improvement system for new vehicle projects to reduce the cost of vehicle packaging" of Zhengzhou Nissan

⁷ QC: Quality check

⁸ MHD: Micro Hybrid Drive

Award	Awarding unit	Award-winning enterprise/project
Guangxi Zhuang Autonomous Region S&T Progress Award – Third Prize	1	"Development and application of high-efficiency commercial vehicle assembly lines" of Dongfeng Liuzhou Motor
Top Seller Online Car-hailing Model Award – First Place	The 4th China Online Car-hailing Development Summit	Dongfeng Aeolus E70 (a Dongfeng passenger vehicle model)
Excellent Brand Case of Listed Companies in China 2022	NBD Brand Value Research Institute	"Rising Dongfeng: Developing into an outstanding technological enterprise" of Dongfeng Motor Group
2022 Modeling Commercial Vehicle for a Super Power Technological Benchmark for Intelligent Experience Green and Energy-saving Benchmark	2022 World Future Commercial Vehicle Expo	Chenglong H5V Tractor and Chenglong H5 Electric Power Switchable Tractor of Dongfeng Liuzhou Motor

Governance Responsibilities

Highly valuing compliance management, the Group made continued efforts to improve its management ability for legal and compliant operations. By implementing the highest standards for business ethnics, we continued to improve our full coverage-oriented compliance system, enhance the accountability of all employees regarding compliance management and conducted coordinated and connected management to consolidate the foundations for high-quality and sustainable development.

Risk Management

The Group continued to deepen risk management reform and implement national policies and guidelines. During the Reporting Period, we further consolidated basic management and improved the system-based ability with strict adherence to the strategic objective of "two integration and one improvement" for risk management. Moreover, with timely recognition of and response to changes in the internal and external environments, we were able to took risk prevention measures such as comprehensive assessment for annual major risks, special assessment for risks in key fields, and real-time assessment for sudden risks to ensure robust development of the Group.



Major risk management strategies of Dongfeng Motor Group in 2022

Risk control

The Group actively conducted dynamic management of the information about risk management by performing regular or irregular risk identification, analysis or assessment to update the status of new risks and changed existing risks. During the Reporting Period, we continued to promote risk assessment that cover all operating sites of the Group. Using methods such as interviews with directors and investigation among front-line leadership, we identified and sorted ten major or important risks. For the top five major risks, the units or departments responsible for their management were specified and the corresponding risk management strategies and response plans were formulated.

Risk name	Risk description	Major prevention and mitigation measures
Strategy implementation risk	Risk to successful implementation of strategic projects in 2022	 Identified and broke down key projects, prepared sub-project lists and implementation schedules, and conducted quarterly checks and appraisals. Convened special discussion and handling sessions for key and difficult problems.
Supply chain risk	 Risk of chip supply shortage Risk to battery and cell resource support 	 Summarized the status quo of the demand for chips, established working mechanisms for guaranteeing the operation of the supply chain, and enhanced coordination with suppliers. Coordinated and organized "centralized negotiation and separate contract signing" to give play to the advantage of centralized procurement. Sought alternatives, cut down needed types of chips and decreased the demand for chips through centralized and platform-based measures.

Examples of Major Risk Assessment and Response of Dongfeng Motor Group in 2022

Risk audit

The Group continued to improve its management system of internal audit, so as to give play to the strength of audit and promote the compliant development of the Group. In order to continuously improve governance ability, the Group has introduced a series of measures since 2021, such as "formulating a long-term mechanism for audit rectification", "establishing special work groups of audit rectification" and "cooperating with relevant functional departments to continuously study audit rectification".

During the Reporting Period, we strictly implemented the work guideline of "four improvements, two undertakings and one leap", with the focus on "audit, rectification, standardization and improvement" to steadily implement economic responsibility audits and special audits for all operating sites of the Group. During the Reporting Period, we conducted 36 economic responsibility audits and 94 special audits while proposing 918 audit proposals. By the end of the reporting period, 100% of the problems identified through audits were rectified.

Economic Responsibility Audit

 Focus on the implementation of national policies, decision-making arrangements, enterprise development planning, strategic decision-making execution, and goal responsibility system, and the energy conservation and emission reduction, pollution prevention and control, and the control management of waste material was regarded as the main contents of audit inspections, comprehensively improving the compatibility between audit focus and the Company's strategic goals.

Special Audit

 Focus on the high-risk and areas where problems often arises and business links.
 Special audits have been conducted in areas such as the management and control of waste material, major investment project management and publicity management, etc.

Major audit tasks of Dongfeng Motor Group in 2022

Integrity Management

With adherence to the philosophy of "integrity, equality and self-discipline", the Group continued to consolidate the ideological basis for uprightness and integrity by coordinating the tasks of integrity management. We formulated the Business Ethics Convention, the Anti-corruption and Compliance Handbook and other internal integrity policies covering the whole group in strict compliance with the relevant laws and regulations of all operation locations. Meanwhile, we conducted regular anti-corruption disciplinary reviews internally and externally to ensure the effective implementation of relevant rules and regulations.

Integrity supervision

As integrity reporting channels are the basic carrier for strengthening supervision, and relevant internal and external personnel are an important force to promote supervision, the coordination between and the joint efforts of both of them are required for the "last-mile" implementation of supervision. During the Reporting Period, we implemented the Regulations on Public Complaints and Proposals and the Work Rules on Handling of Reports and Accusations for Discipline and Supervision Organs. While ensuring complete access to the existing channels of public complaints and proposals, we enhanced the construction of reporting channels and consolidated the professional ability of relevant personnel. Meanwhile, in compliance with the policy on complainant protection, we upheld the "zero tolerance" approach to any retaliation, differential treatment and discrimination against complainants.

Expand appeal and reporting channels

• Establish extension telephone for petition letter reporting and implement a mechanism for dedicated personnel to answer the call and substitutes of mutiple personnel to ensure the smoothness of reporting calls.

Refine the responsibilities for handling appeals and reports

• Establish a work mode that is assigned according to the responsibilities and authorities after uniformly received by the petition office, making the business acceptance range more accurate

Regularly browse the prosecution and reporting platform

• Regularly browse the stationed version of prosecution and reporting platform, petition letter reporting website of Dongfeng Company, and handle the online reporting information on time

Strengthen the business training of staff

 Further standardize the workflow, make the acceptance accurate, establish special topics for difficult complaint reporting, handle complaint reporting outside of the business scope steadily, reinforce supervision, and strengthen special analysis of complaint reporting in areas such as duplicate document s and bidding.

Major tasks of Dongfeng Motor Group in 2022 regarding integrity channel construction

Integrity training

In order to enhance employees' awareness of integrity and self-discipline, we maintained training combining positive guidance and warning with negative cases. By carrying out multi-dimensional and multi-level integrity education, we aimed to create a clean and honest corporate atmosphere.

During the Reporting Period, the Group carried out 1,385 sessions of anti-corruption training for a total of 121,270 trainees, including members of the Board of Directors, other management personnel, front-line employees and dispatched employees.





Organize party members and cadres and employees at key positions in key fields to "audit court trials", experience the law in person, discuss the plans based on the job, further implementing the "dual responsibilities of one job" of leading cadres

Integrity publicity and training events of Dongfeng Motor Group in 2022

ESG Management

With 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 and combining with the national "dual carbon" target guidance, the Group vigorously promotes the "Green Dongfeng 2025 Action", to achieve the ESG strategic goals and continuously create economic and social value.



Dongfeng Motor Group ESG Concept

ESG Governance

We have established a ESG governance framework led by the Board of Directors, with the ESG Work Committee coordinating the strategies and development goals set by the Board of Directors, to ensure the smooth communication and execution of sustainable development strategies. The ESG Work Groups are responsible for jointly promoting the implementation of the Group's sustainable ESG matters with various departments in daily operations, and collaborating to promote the sustainable and healthy development of the Group.



ESG Governance Framework of Dongfeng Motor Group

Statement by the Board of Directors

Board of Directors' principal responsibilities	The Board of Directors of the Group, as the coordinating body in the ESG governance framework, formulates ESG strategies and regularly reviews the ESG objectives to ensure stable and efficient ESG management level 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
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, collects data on relevant ESG issues and reports to the Work Committee on a regular basis, to support the Group's ESG risk identification work
ESG goal formulation and supervision	The ESG Work Committee has established stable and transparent communication channels and feedback mechanisms with all stakeholders. Based on ESG issues that stakeholders are particularly concerned about, the ESG Work Committee identifies and reports to the Board of Directors the main ESG objectives, and guides the ESG Work Groups to carry out relevant work and control the related performance in achieving ESG targets

Stakeholder communication

The Group attaches great importance to suggestions and opinions from governmental authorities, shareholders & investors, suppliers, distributors, customers, communities and other stakeholders. We are committed to building equal and efficient communication channels with our stakeholders and deepening our relationships with them through continuous responses. During the Reporting Period, the Group actively conducted communication and exchange activities with stakeholders. Based on the current situation of the Group, it classified stakeholders closely connected with the routine operation of the Group into nine categories, and then compiled the most important issues of concern to the Group's stakeholders in 2022 into the following list.

Stakeholders	Issues of concern	Channels of communications/ feedback	Communication frequency
Shareholders/ investors	 Strategic planning Business performance ESG management 	 General meeting Results briefing On-site investigations Roadshows and reverse roadshows Multi-channel meetings 	 One general meeting annually One annual result briefing and one interim results briefing annually Extraordinary general meetings or other meetings for major events or special circumstances At least one roadshow and one reverse roadshow annually
Employees	 Employees rights Occupational health and safety Employee care Employee training and development 	 Employee training Labour union activities Communist Youth League Committee activities Staff representative meeting Solicitation of opinions and reasonable suggestions 	 At least one training session for each employee annually Irregular labour union activities At least one Communist Youth League Committee activity annually At least one staff representative meeting annually Irregular solicitation of opinions and suggestions

Stakeholders	Issues of concern	Channels of communications/ feedback	Communication frequency
Distributors	 Product safety and quality Customer satisfaction Community welfare 	 Product training Handling of consumers' complaints Product maintenance and repair 	• Irregular product training
Suppliers	 Supply chain management Product safety and quality Business performance 	 On-site investigations Supplier appraisal Communication on quality Telephone/written correspondence Setting-up of on-site offices Supplier meetings Open procurement and tendering 	half a yearIrregular setting up of on-site offices
Customers/ consumers	 Product safety and quality Technology and innovation Environmentally- friendly products 	 Online promotion Offline trade fairs/promotion campaigns Telephone WeChat/Weibo Product launch sessions Market surveys Customer satisfaction surveys Customer interviews/visits Handling of customer complaints 	To be conducted in light of actual conditions from time to time

Stakeholders	Issues of concern	Channels of communications/ feedback	Communication frequency
Government authorities	 Emission management Compliance with the law Integrity and uprightness Addressing climate change 	 On-site investigations Meetings On-site spot checks Participation in the investigation and formulation of policies, standards and plans 	
Communities	• Community welfare	 On-site investigations Meetings Community welfare activities Community co- development activities 	• To be conducted in light of actual conditions from time to time
Media	 Public welfare and charity Customer satisfaction Environmentally- friendly products 	Press conferences	• To be conducted in light of actual conditions from time to time

Analysis of material issues

During the Reporting Period, we conducted interviews with relevant stakeholders in terms of the impact of material issues on the Group and their impact on our stakeholders. As shown in the figure below, we ranked these issues based on their importance according to the interview results, media analyses and industry benchmarking results, and identified 11 ESG issues with high importance, nine with medium importance and one with low importance.

Stakeholders' focus on supply chain management and addressing climate change has significantly increased this year. The Group will make more efforts to address such issues, which will be explicated in this report.



Material Issue Matrix of Dongfeng Motor Group in 2022

New Breakthroughs: Making Joint Efforts to Promote Independence and Improve Quality

High quality is the fundamental foothold of the Group for robust development under new conditions and requirements. The Group made active efforts to secure new advantages based on technology, quality and services, so as to promote the transformation from products to brands. In terms of products, we conduct in-depth and pioneering research to continuously deepen technological innovation, so as to establish an advantageous, outstanding and substantial undertaking on the new journey. In terms of services, we firmly adhere to the customer-centric philosophy and enhance customers' trust and confidence in the brands of Dongfeng with quality services.

Innovation & Quality

The Group always adopts customers' interests and needs as the starting point and major concern of all tasks. With the belief in "innovation creates the future", the Group has developed a full-value-chain system that integrates R&D, procurement, manufacturing and marketing services, as well as a set of efficient and coordinated operating mechanism, so as to spare no effort to build itself into an innovation hub for the automobile industry.

R&D Incentives

Innovation-oriented is development-oriented, and innovation-targeted is future-targeted. The Group always considers innovation as the primary drive to develop and technological independence as an important orientation of strategic support. Therefore, based on industrial planning strategies, the Group has comprehensively implemented its innovation-driven development strategies, so as to make concerted efforts in weakness remediation, system improvement and enhancement of investment in technological innovation. By continuously improving its mastery of intellectual property rights and capability of coordinated innovation, the Group strives to create a new path to innovative development of the automobile industry in the new era.

New Breakthroughs: Making Joint Efforts to Promote Independence and Improve Quality (Continued)

Innovation strategies

The Group made concerted efforts to enhance the top-level design of innovative development by formulating an integrated development pattern of "one main and two wings" and further clarifying innovative strategies and R&D orientations. We not only optimized our business layout, but also continued to improve vehicle business, strengthen the technological sector and expand the service ecosystem with the focus on the two core strategies of "green energy" and "intelligence", so as to continuously consolidate core competitiveness, accelerate the transformation into an outstanding technological enterprise, and achieve the objective of "guiding innovation with strategic planning and driving development with innovation".

Enhance its vehicle business

- Create internationally leading commercial vehicle business
- Develop internationally leading and self-independent autonomous passenger vehicle business
- Promote the sustainable development of joint venture passenger vehicle business

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Strengthen its technology segment

- Create low-carbon power brand of "Longqing" and "Mach"
- Accelerate to master the core technologies and resources of new energy vehicle
- Create industry-leading intelligent Internet connection product

Expand its service ecology

- Build the whole life cycle user service ecosystem of vehicle
- Continue to explore the new model of intelligent travel and intelligent logistics
- Build full-stack intelligent energy service ecosystem
- Build the financial service system of servicing the whole industry chain

Dongfeng Motor Group's business pattern of "one main and two wings"

New Breakthroughs: Making Joint Efforts to Promote Independence and Improve Quality (Continued)

Technological innovation incentive

High-quality and efficient technological innovation is the foundation of the Group. During the Reporting Period, we continuously optimized the innovation incentive mechanism, implemented innovation incentive initiatives, and created a harmonious research atmosphere, thereby motivating and inspiring the entire Group to innovate in all respects.

Institutional guarantee	 Vigorously implement market-oriented, diversified and differentiated incentive mechanisms, continue to strengthen the construction of science and technology innovation incentive system, and stimulate the effectiveness of science and technology innovation talents
Optimised architec-ture	 Insist on the de-administration in the technical field, let professionals to do professional work and establish a technical committee (the highest decision-making body in the technical field)comprising technical experts in various fields
Synerised models	• Form a virtuous cycle of scientific research promoting commodity development and commodity development bringing profit. Insist on "improving, developing and pre-research a generation". Make strategic plans about key technologies of the next generation in advance to provide technical guarantee for commodity development.
Improved efficiency	• Actively train a team of high-end talents, break through technical bottlenecks in the form of project research, develop incentive programs for scientific research projects, accelerate the application of technology that is electric, networked, intellectual, shared and light-weighted, break the blockade of key technologies, and enhance the core competitiveness of enterprises
Be open to suggestions	 Build innovation platforms and institutions such as Mass Innovation Platforms, Smart Ecosystems, T Innovation Labs, etc. to tap into mass creativity related to automotive products, transform innovation results and gather innovation resources
Innovation incentives	 Establish an open competition mechanism to select the best candidates, give bounties for key scientific research problems, regard the settlement of complex problems as a standard, break the qualification restrictions of competing for jobs, and expand the scale of talent selection and appointment Assist in optimising the medium and long-term incentive schemes of the subsidiary companies, in which over 900 key core staff are covered, including but not limited to equity, bonus, employee stock ownership, "value adjustment mechanism" and excess profit sharing, etc., so as to enhance staff motivation Establish and regularly select the "Meng Shaonong Outstanding Contribution Award" and "Meng Shaonong Contribution Award" to give cash incentives to outstanding talents who have made outstanding contributions to the Group in the field of science and technology

Science and technology innovation incentive mechanism of Dongfeng Motor Group

New Breakthroughs: Making Joint Efforts to Promote Independence and Improve Quality (Continued)

*Zhixin Technology included the number of accepted applications for invention patents among its KPIs*⁹

During the Reporting Period, Zhixin Technology included the number of accepted applications for invention patents in its KPI appraisal and broke down indicators based on the product design module. Our patent work was fully managed by professionals in intellectual property and was promoted through regular meetings. By doing so, the Company's technological innovation capability was boosted.



Intellectual property protection

The Group is committed to building a moat for core technologies to protect its own and others' intellectual fruits. We observe the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and other laws and regulations. We have also issued the *Guidelines on the Establishment of the Guarantee and Incentive System for the Commercialization of Technological Achievements* and formulated and constantly refined policies such as the *Patent Management Measures of Dongfeng Motor Group Company Limited*. Additionally, we have created an intellectual property management system that covers patents, trademarks, software copyrights, and technological achievements to safeguard innovations.

We vigorously begin the patent layout, build a refined intellectual property management system, endeavour to establish a "safe, rule-based, high-quality, efficient, and high-return" management mechanism, and continue to improve our intellectual property rights protection capabilities. During the Reporting Period, the Group was reported by more than 20 mainstream media agencies, such as China Automotive News and China Intellectual Property News, and its image as a scientific and technological enterprise was widely recognized.
patent management approach

- Introduced the concept of patent invention layout rate, summarized and promoted the "three levels and four steps", integrated IPR work into each procedure of R&D and realized a tight patent protection network
- Formulated the *Measures for the Management of Intellectual Property Rights of Technical Subjects* to guide the intellectual property work of each procedure of the R&D life cycle of technical subjects, standardized the intellectual property outputs of technical subjects, and built a well-established intellectual property management system
- Studied, formulated and released the definition and model of high-value patents, held the first high-value patent competition of Dongfeng Motor Group, and created a total of 52 high-value patents
- Formulated the *Patent Grading Management Scheme* and formed a highquality patent pool consisting of core and important patents from the perspective of technology, law and market
- Guided by the *Guidance on the Establishment of a Protection and Incentive System for the Transformation of Scientific and Technological Achievements* to facilitate the efficient transformation of R&D results

Intellectual property management initiatives of Dongfeng Motor Group

Dongfeng Nissan has fully optimized the intellectual property protection system to improve management capabilities in all respects

Additionally, it has refined intellectual property management, covering system management, team building, and system optimization. We have optimized the management procedures of patent layout and cultivation, patent mining and application, and hierarchical patent management and operations and set the number of applications for invention patents as a BSC¹⁰ indicator of the Company. Concurrently, we have focused on cultivating tech-savvy personnel in intellectual property and patent-savvy personnel in technologies. We hold the "Intellectual Property Day" series of events every year to raise employees' awareness of intellectual property protection. During the Reporting Period, we put into operation the Patsnap digital intellectual property management system, which integrated patent application and management procedures, vigorously supporting the early-stage application and later-stage management of innovative technologies.

Dongfeng Honda Parts improved patent management

In January 2022, Dongfeng Honda Parts convened a workshop themed "patent application" for personnel in charge of R&D and production technologies and established the patent application approval procedures. In November 2022, Dongfeng Honda Parts invited a third-party unit engaged in intellectual property services to its exchange meeting themed "Intellectual Property Patent Investigation and Protection", which provided methods and experience regarding intellectual property patent protection through example explanation. During the Reporting Period, Dongfeng Honda Parts had 10 invention patent applications and 8 utility model patent applications accepted. It was granted 17 patents in the year.

Innovation Achievements

The Group perseveres in seeing breakthroughs in core technologies as a critical path toward independent innovation. By aiming at technological frontiers, sorting out and promoting strategic control projects, and taking pronged actions in several fields, the Group finally achieves forward-looking basic research and makes significant breakthroughs in leading original achievements. This year, we vigorously followed the industry trend and persevered in striving for technological breakthroughs, aiming at the low-carbon development strategy, and exploring smart vehicles, in order to gather momentum for high-quality development as well as transformation and upgrading.

As of the end of the Reporting Period, the Group possessed $17,381$ patents				
Invention patentsUtility model patentsDesign patents4,6359,4433,303				
During the Reporting Period, $3,872$ new patents were granted				
Invention patents 2,357	Utility model patents 1,078	Design patents 437		

Independent R&D projects

Independent innovation is a critical driver of the long-term, high-quality development of enterprises. The Group persists in pushing ahead with independent technological innovation. It develops new energy and intelligent driving and advances ICV technology through its profound technological foundation, forward-looking technological layout, and innovative technological philosophy. As a result, the Group achieves fruitful results in automotive innovation.

R&D of new energy vehicles

As a critical driver of the upward development of Chinese automotive brands, the Group keeps pace with the development trend of new energy vehicles. It pays continuous attention to the core technologies in the "three electric" sector. Additionally, the Group constantly strengthens technological cooperation while developing and expanding the independent R&D team, hoping to achieve independence and controllability in "battery, electric motor, and electric control technology". Meanwhile, several vehicle products have been rolled out to provide "Dongfeng's solutions" to meet the need for happy travelling. During the Reporting Period, the Group developed the first efficient and safe full-power fuel cell passenger car in China, namely "Dongfeng Qingzhou" H2•E, and successfully developed a power system platform, filling the gap in relevant fields in China.

VOYAH unveiled several new energy vehicles and achieved excellent results in platform development

In May 2022, the "VOYAH dreamer" model was officially launched. It is a MPV¹¹ model developed based on the world's first hybrid high-end original electric architecture. In December, the "VOYAH Chasing Light" model, the first saloon car model VOYAH, was officially unveiled. As China's first new energy vehicle model with a service-oriented architecture (SOA), the model delivers a customised user experience.

Concurrently, VOYAH has also made remarkable achievements in platform development. Specifically, the pure electric architecture platform developed by Research & Development Centre, S2-E/H, went through the P4 phase of the platform in September, and the project contract phases of Venucia 623 and Aeolus S73 were completed. Additionally, the S3 platform went through P1, P2, and P3 phases as scheduled in the year.



Dongfeng Nissan improved the range of new energy electric vehicles through joint research projects

During the Reporting Period, Dongfeng Motor Co., Ltd. worked with Shougang Zhixin Qian'an Electromagnetic Material Co., Ltd. to apply for the "Key Technology and Demonstrative Application of Electrical Steel Featuring Ultra-High Efficiency and Low Loss for Drive Motors of New Energy Vehicles" project, thereby participating in the provincial critical technological R&D program of Hebei Province. By developing electrical steel featuring ultra-high efficiency and low loss for drive motors of new energy vehicles, the project greatly improved the efficiency of motors of new energy vehicles and increased the range of new energy vehicles, boosting the rapid development of the new energy vehicle industry.

R&D of ICV technology

The Group is committed to enhancing independent R&D capabilities in ICV technology. With selfowned key technologies in sensing, decision-making, and execution systems, the Group lays out and pushes ahead with the full domestic production of automotive chips. Additionally, the Group strengthens the independence and controllability of the full industrial chain, constantly explores a new mode of intelligent logistics, and creates industry-leading ICV products, thereby leading the ICV industry. During the Reporting Period, the Group put its self-owned chip, IGBT, into use and achieved seamless service of L4 autonomous driving technology, helping remove the bottlenecks in the core technologies of the industry.

VOYAH made a breakthrough in the development of software and hardware for intelligent vehicles

During the Reporting Period, VOYAH completed the development of the SOA software platform, the hardware of the intelligent operation centre, and the software and hardware of the regional gateway. It also satisfied the development need for mass production of the H53 vehicle model. Specifically, for the centralized SOA platform, VOYAH developed one architecture and three basic platforms to create a basic platform that enables the separation of software from hardware. Additionally, the vehicle-cloud integrated service ecosystem infrastructure was developed, achieving the reuse and rapid iteration of software and covering the functional needs of all vehicle models planned by the Group for the next five years.

Dongfeng Liuzhou Motor applied telematics technology in batches

Dongfeng Liuzhou Motor applied "Cltruck V + Telematics 2.0" in batches to achieve dual functions of vehicle locking and remote video monitoring. In terms of ICV technology for commercial vehicles, we made breakthroughs in core technologies for behavioural decision-making and path planning of intelligent commercial vehicles on intelligent cloud control platforms and in environments with dynamic uncertainties.

The first 5G + unmanned container truck in Guangxi was put into demonstrative operation in Tieshangang Port in 2021 and was granted the first self-driving inbound logistics testing license in China in 2022, facilitating the completion of the regular autonomous operation of Liuxin and Fangsheng lines. As at the end of the Reporting Period, the truck's self-driving mileage reached more than 20,000 kilometres.

Technological innovation layout

The Group lays particular emphasis on the driving role of technological innovation in the high-quality development, transformation, and upgrading of the enterprise. Therefore, it rides on the industry development trend and begins a new technological innovation layout. We actively respond to the instructions of the parent company, Dongfeng Motor Group Company Limited, for reform and innovation as well as transformation and upgrading, by mobilizing all employees to deepen reform and innovation and expedite transformation and upgrading.

- Always adhere to the underlying customer-centric logic, always insist on driving development with innovation and self-development, always adhere to deepen reform centerd on the market, and always adhere to solid foundation management
- Accelerate the development of new energy and intelligent networked vehicles, cultivate new momentum for development and rapidly promote the transformation of business structure
- Promote sci-tech self-reliance and self-strengthening at higher levels, make greater efforts to independently innovate key core technologies, and accelerate the in-depth layout and capacity building in areas such as software and automotive-grade chips
- Coordinate the effective improvement of quality and reasonable growth of quantity, the joint venture business and independent business, fuel vehicles and new energy vehicles, commercial vehicles and passenger cars, coordinate other businesses and vehicle development, the present and future

Essentials of technological innovation

Product Quality

The Group always centres around customer demands when balancing products and market demands. We guard against the worst-scenario cases of quality and safety. To fulfil our responsibility for building a "Quality Power", we constantly optimize the quality management system and mechanism and strengthen the building of a quality culture. We are committed to growing into "an excellent science and technology enterprise providing quality automobile products and services for users" in order to empower the happy travelling of customers.

Quality System

A refined quality management system is a guarantee for the implementation of quality manufacturing. The Group has established a quality management system that covers the full life cycle of products. To strictly manage product quality and safety, the Group coordinates quality management in general, the controlled companies are in charge of quality control of vehicle products, and plants carry out quality manufacturing. On the basis of the requirements of ISO¹² 9001 quality management system, the Group establishes and constantly refines the Quality Manual and other internal policies and standardises quality management procedures, thereby ensuring that quality management is rule-based.

During the Reporting Period, we constantly improved the product quality and safety management system and strictly verified product quality and safety. Additionally, we encouraged units engaged in self-owned brand vehicles to perfect policies and procedures and conduct self-assessments against *Dongfeng Quality Excellence Evaluation System*, thereby fully strengthening quality control. Meanwhile, the Group revised more than ten quality technical standards, including the *Evaluation Guide for Sensing Quality of Passenger Vehicles*, to further improve the Group's quality technical standard system.

To ensure the effective operation of the quality management system and the scientific implementation of relevant policies and rules, the Group regularly audits the quality systems. During the Reporting Period, the Group revised 2 process management documents and abolished 1 process management document based on the internal and external audit findings and the Company's reform, development, and organizational changes. By doing so, the Group laid a policy foundation for orderly and efficient quality management.

Internal Audit

- During the Reporting Period, professional internal auditors were assigned to carry out internal audits of the units covered by the quality system of the headquarters, and corresponding measures were taken based on the audit results.
- Independent forensic units organized the self-audit and self-assessment work of quality system according to the annual plan, and the Group selected some results for verification

External Audit

Carried out a third-party evaluation in the field of commercial vehicles and achieved the positive conclusion that the quality management system of commercial vehicle units was significantly optimised and improved compared to 2019

During the Reporting Period, the recertification audit by China Automotive Technology and Research Huacheng Certification (Tianjin) Co., Ltd. was passed, and independent forensic units passed the supervision audit or re-certification audit by the certification body.

Quality audit of Dongfeng Motor Group

¹² ISO: International Organization for Standardization

Peugeot Citroën Automobile perseveres in "focusing on quality with the same efforts in fighting corruption"

Peugeot Citroën Automobile upholds the "people-oriented, rigorous, and better satisfying users' needs" quality principle and "focuses on quality with the same efforts in fighting corruption". It has further standardised accountability and reward and punishment policies regarding quality incidents and encouraged relevant personnel to shore up the weak spots in the quality management system in a timely manner, thereby improving quality management capabilities. During the Reporting Period, Peugeot Citroën Automobile held relevant personnel accountable for eight quality incidents and rewarded relevant personnel for promptly preventing three quality issues, thereby constantly strengthening the "courageous quality commitment and customer satisfaction" quality assurance philosophy for employees.

Dongfeng Off-road Vehicle established the Dongfeng Quality Excellence Evaluation System for J Vehicles

Based on Dongfeng Quality Excellence Evaluation System and its development status, Dongfeng Offroad Vehicle established the Dongfeng Quality Excellence Evaluation System for J Vehicles, which covers 9 modules, 31 principal processes, and 93 sub-processes. Concurrently, Dongfeng Off-road Vehicle has constantly pushed ahead with the "Dongfeng Quality Excellence Evaluation System for J Vehicles" subject and formulated the Measures for the Management of Quality Assessment of Dongfeng Special Equipment Division (Dongfeng Off-road Vehicle Co., Ltd.). It is committed to empowering the enhancement of the Company's competitiveness through quality work. To this end, Dongfeng Off-road Vehicle has output 23 sub-subjects, which have been incorporated into subject management and improved the quality control of the full value chain.

During the Reporting Period, all the Group's controlled companies that had been put into operation obtained the ISO 9001 Quality Management System certification. Concurrently, we also encouraged controlled companies to push ahead with the optimisation of quality management systems. At present, Dongfeng Commercial Vehicle, Peugeot Citroën Automobile, and Zhixin Technology have met the IATF¹³ 16949 Quality Management System Standard for the Automotive industry.

¹³ IATF: International Automotive Task Force

Quality Improvement

The Group persists in strengthening technologies through quality improvement. It keeps improving overall quality and optimising consumers' experiences from the perspectives of product quality and safety, thereby buffing up the brand image.

Product quality

The Group has been focusing on customer needs and vigorously improving the quality of the full value chain in order to constantly boost the quality of product R&D, manufacturing, and after-sales services. Holding fast to the "do it right in one go" requirement for product R&D, we encourage forward R&D to ensure that steady improvement will be seen in R&D quality. Concurrently, we also emphasize standard management of the manufacturing process. To this end, we instruct "right" operations using "right" operating manuals, attach importance to the guarantee of the quality of critical processes, and constantly refine product quality, thereby achieving the closed-loop management of overall quality. During the Reporting Period, the Group took multiple measures to guarantee product quality, including but not limited to product safety tests.

In terms of forward R&D, Dongfeng Commercial Vehicle has introduced management policies such as the *Specifications for Level-Based Review of the Development Quality of Class A Models*, the *Specifications for Level-Based Review of the Development Quality of Classes B and C Models*, and the *Specifications for Guaranteeing the Development Quality of Drivetrains*. It has also applied the IATF 16949 Quality Management System Standard. By doing so, it has established a standard quality management system. Meanwhile, we have adopted multiple methods and measures, such as level-based quality control, preventive management against the re-occurrence of development issues, and DFMEA¹⁴ quality instruments and applications, to strictly control R&D quality and improve product quality.

In terms of standard manufacturing, Zhengzhou Nissan has formulated such policies as the Measures for the Management of Production Conformity of Automotive Products and set up a steering group. By doing so, it has established a refined control mechanism for production conformity. By verifying the emissions and fuel consumption of new vehicles, checking the conformity of new vehicles, conducting the COP¹⁵ test self-inspection, and self-inspecting and improving the production conformity of production vehicles, Zhengzhou Nissan has strengthened product conformity and provided a solid quality guarantee for standard manufacturing. During the Reporting Period, we cooperated with the authorities in five random inspections, and no violations were identified.

¹⁴ DFMEA: Design Failure Mode and Effects Analysis

¹⁵ COP: Conformity of Production

To optimise the closed loop of product quality management, the Group has vigorously collected feedback from the market and customers, identified and analysed quality risks and issues in advance, and adopted digital techniques to boost quality management efficiency, thereby achieving a sound "feedback collection-quality optimisation-feedback-based improvement" cycle.

Dongfeng Passenger Vehicle has established a joint mechanism that covers intelligence, data, and analysis market centres. By identifying and analysing quality risks and market issues in advance, Dongfeng Passenger Vehicle has observed the quality of customer use and improved the issue remediation efficiency. During the Reporting Period, the average number of days spent remedying market issues was shortened from 23 in the previous year to 19.3. Concurrently, we have been pressing ahead with Q-SPEED¹⁶ management and strengthening collaboration with design, procurement, and manufacturing to avoid common quality issues at their sources and improve the quality of physical products. During the Reporting Period, Dongfeng Passenger Vehicle achieved a decline of 63% from the year beginning at the end of the year in the comprehensive market 3MIS¹⁷.

Dongfeng Off-road Vehicle has advanced the updating and application of the quality information management system and continuously strengthened system building. During the Reporting Period, the quality information management system was put into operation, optimising the resolution process for quality issues and improving the timeliness of issue tracking and efficiency of issue resolution. At the same time, the QRQC¹⁸ management module was added to the system, enabling QRQC to run and issues to be resolved more efficiently.

¹⁶ Q-SPEED: Quality-SPEED

¹⁷ 3MIS: Three Month in Service

¹⁸ QRQC: Quick Response Quality Control

Product safety

Excellent product quality requires not only scientific planning in processes such as product design, production, and manufacturing but also the verification of product quality through rigorous and destructive testing before the products are launched. By doing so, excellence can be achieved. To ensure that products are safe, we have equipped high-quality hardware to test product safety. By testing the safety of products in multiple scenarios and all respects, we have vigorously contributed to the harmonious relationship among human beings, vehicles, and society and the construction of a sustainable community.

Safety test of Dongfeng Nissan

During the Reporting Period, Dongfeng Nissan completed the safety tests for multiple products, such as traditional fuel vehicles and pure electric vehicles, involving C-NCAP¹⁹, C-IASI²⁰, and I-VISTA²¹ standards. Specifically, the crash test scenarios included typical operational conditions required by existing domestic standards, such as head-on collision, roof strength, and pedestrian protection. Additionally, it covered other operational conditions in highly dangerous or probable accident scenarios in real traffic accidents, such as truck rear-ending and ACU²² malfunction.



The new-generation X-Trail was rated by I-VISTA four stars in intelligent driving, intelligent safety, and intelligent interaction.



¹⁹ C-NCAP: China-New Car Assessment Program

²⁰ C-IASI: China Insurance Automotive Safety Index

²¹ I-VISTA: Intelligent Vehicle Integrated Systems Test Area

ACU: Auto Controlled Unit

Dongfeng Nissan has taken the initiative in applying to perform the 2020 C-IASI test on SYLPHY 2022 and is expected to achieve excellent results in occupant protection, pedestrian protection, and safety assistance.

Concurrently, Dongfeng Nissan has participated in the "Enterprise Standard Leader Program". It has tested the performance of new energy vehicles in all respects, including but not limited to the safety, braking performance, NVH²³ performance, and overall water-proof performance of electric vehicles.

Additionally, the first pure electric vehicle model of Dongfeng Nissan, ARIYA, won the highest rating, "Enterprise Standard Leader", in the "Enterprise Standard Leader" assessment.



R&D centre lab of Dongfeng Honda Engine

The R&D Centre Lab of Dongfeng Honda Engine is equipped with two new energy benches, six engine test benches, one test room for analysing engine noise, and two test rooms for parts and components, and can test the engine assembly, single part and component, and drive motor, contributing to the Company's mass production and quality assurance. During the Reporting Period, thanks to the independent engine detonation test, the R&D Centre's complete engine test capability was recognized by Honda Motor Co., Ltd.



²³ NVH: Noise, Vibration, and Harshness

Product recall

With the belief that we are responsible for our customers and products, the Group has continued to optimise and improve our product recall management mechanism and has highly fulfilled our corporate social responsibility. We have strictly complied with laws and regulations such as the Regulations on Recall Management of *Defective Automobile Products and the Regulations on Recall Management of Motor Vehicle Emissions*, and formulated the *Company's Measures on the Administration of Recall of Defective Vehicle Products* to provide institutional regulation for the management of recall of defective vehicle products.

Conduct research on relevant laws and regulations, extensively collect market quality information, scientifically analyse product quality trends, sort out key risks and identify potential quality problems of products

- Pay great attention to faults connected to the quality safety of products or emissions, improve fault analysis and response agility, make compliant and objective judgments on potential problems, and eliminate the potential hazards of these problems in a timely manner
- In accordance with the relevant laws and regulations, we file product recalls to the State Administration for Market Regulation, and inform customers by registered mail, telephone, SMS and WeChat to arrange free recall inspections and repairs. If a subsidiary company has a recall, it must also report to the headquarters, which will manage the filing of product recalls.

Dongfeng Motor Group product recall management mechanism

During the Reporting Period, we initiated the development of a recall information management system, focusing on enhancing the information filing, complaint and recall process management of the Group's announced products and improving the efficiency of product recall management through continuous improvement of the system module functions. During the Reporting Period, the Group recalled 155,898 vehicles on its own initiative and 155,898 products for safety and health reasons. Product quality remained stable and there were no product quality issues of particular concern to the media.

Zhengzhou Nissan Important product handling mechanism

Zhengzhou Nissan has built up a perfect important quality management system, widely collected market feedback, and regularly held important quality review meetings and market disposal judgment meetings to take timely measures to eliminate hidden dangers of vehicles, effectively meet the national requirements for the management of automotive product recalls, safeguard the rights and interests of automotive consumers and ensure the quality of the Company's products.

Dongfeng Commercial Vehicle market quality analysis management

Dongfeng Commercial Vehicle has established a comprehensive market situation management system and formulated internal systems such as the Measures for the Administration of Market QRQC Activities of Dongfeng Commercial Vehicle Co., Ltd. and the Measures for the Administration of Market Disposal of Dongfeng Commercial Vehicle Co., Ltd. to manage market situation in three steps, including market quality information collection, market quality improvement and market disposition management, in order to maintain the brand reputation.

8	Market quality information collection:	Collect market quality information from distributors or service outlets and compile outstanding complaints in the form of Technical Report on Market Quality Deficiencies (TR ²⁴) to ensure that major problems can be effectively identified
2	Market quality improvement:	Grade cases according to their importance, optimise the handling process and conducting annual summaries to build a quality improvement business management system covering the entire value chain
	Market disposition management:	Build judgment and decision-making mechanisms to assess market risk and make market disposition judgments for cases with suspected market risk

Quality Culture

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 talent exchange platforms to conduct multiple quality training sessions annually and promote further improvement in quality assurance. At the same time, we attach importance to building a quality culture and awareness, and through such activities as quality awards and quality pacesetter selection, we form a quality awareness campaign covering all employees to improve quality management from the source.

²⁴ TR: Technical Review

Dongfeng Honda Quality Seminar

During the Reporting Period, Dongfeng Honda conducted a series of quality culture building activities throughout the year around the four aspects of "Morale, Awareness, Knowledge and Action". The Company's top quality managers and senior quality inspection technicians conducted four quality seminars on "MQS^{U25}/G-PACV²⁶ Roll-out Method", "Pre-QAV²⁷ II Preparation", "Data Production Method" and "Site Inspection Method", which effectively raised the quality awareness of all employees and further strengthened the quality culture characteristic of Dongfeng Honda.



Dongfeng Passenger Vehicle's "Enjoy the Experience – Lead the Future" Quality Forum

From September to October 2022, Dongfeng Passenger Vehicle launched the fourth Quality Forum with the theme of "Enjoy the Experience – Lead the Future", which consisted of 23 sub-activities in four sections: activity promotion, quality demonstration, quality exchange and quality experience. Focusing on the five customer scenarios of "choosing, buying, using, repairing and selling", Dongfeng Passenger Vehicle carried out nine customer experience activities to spread the quality concept of "customer-centric", enhance the quality awareness of all employees and promote the achievement of the quality vision of "customer satisfaction".



²⁵ MQS: Manufacturing Quality Standard

²⁶ G-PACV: Globe-Process, Assurance, Capability, Verification

²⁷ QAV: Quality Assurance Visit

Quality of Service

Based on the service concept of customer first, the Group has established a perfect system for the protection of customer rights and interests, provided customers with more channels of service paths, refined user management, deepened service quality, compliant marketing, fully safeguarded customer privacy and security, offered customers a satisfactory consumer experience, focused on the implementation of quality services, and accelerated the promotion of Dongfeng Motor Group to become "a superior technology enterprise that provides customers with quality products and services".

Customer Communication

Understanding customer needs is the focus of the Group's attention and a guideline for service enhancement. To better practise customer value, we have established and optimised feedback collection mechanisms, broadened customer communication channels, collected actual customer needs and opinions extensively, and strived to achieve one-stop process management of customer needs, countermeasures and review. The Group manages customer complaints for the Company's announced products through the relevant complaint platform of the State Administration of Market Regulation to ensure that the voice of customers is heard at the first opportunity. At the same time, we continue to iterate on the handling of feedback information and strive to summarise and review customer opinions in a more scientific, objective and responsible manner to enhance customer trust and to live up to our corporate value of "living up for our customers". During the Reporting Period, the Group received a total of 44,051 customer complaints.

Feedback channels

The Group continues to broaden feedback channels to facilitate the communication and resolution of customer opinions. In order to gain a more detailed and comprehensive insight into customer requirements, Peugeot Citroën Automobile has built up a "General Manager's Complaint Line" to respond to customer requests within two hours, and has implemented the "Five Guardian Actions", "715" three service policies and eight service commitment upgrades, promoting the quality consciousness of "focusing on customers and keeping promises" throughout the value chain, building a cycle of trust between car owners and the company, and further improving the user experience. At the same time, Peugeot Citroën Automobile also announced the service department head's phone number to customers and organised activities such as customer seminars to create a deeper connection with customers.

Feedback process

The Group has always placed the enhancement of customer experience at the forefront of its corporate governance. To better safeguard rights and interests of customers, the Group's subsidiaries have set up diverse and targeted complaint channels and acceptance mechanisms for product features and different usage scenarios to ensure timely response to customer complaints and needs.

For passenger cars, Dongfeng Liuzhou Motor has set up diversified channels for receiving customer complaints and responding to the progress of customer handling in the form of phone calls, SMS and WeChat mini-programs. By establishing a mechanism to monitor and handle customer complaints for more than five days, Dongfeng Liuzhou Motor has strictly monitored the effective implementation of the complaint handling and achieved an increase in the 5-day closure rate of customer complaints from 91% to 93%. In addition, we analysed the data on customer complaints, enquiries and assistance on a monthly basis and formulated corresponding optimisation measures, forming a virtuous cycle, with the complaint rate reduced from 0.45% to 0.43% during the Reporting Period.

400 telephone	Official Website Services	Mail	"Al ²⁸ Fengxing" APP ²⁹	Mini Programs	Official Accounts	Online Customer Service
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Customer Complaint Channels for Dongfeng Liuzhou Motor passenger vehicle users

In respect of commercial vehicles, Dongfeng Liuzhou Motor has formulated and promulgated the *Management Measures for Handling After-Sales Service Complaints*, which clarified the types of customer complaints, responsibilities and authority of each department, common problems and major accident (incident) complaints, handling time limit standards, preventive measures and other complaint-related issues, which further standardized the complaint handling process and improved the efficiency and quality of handling customer complaints. During the Reporting Period, the two-day closure rate of customer complaints reached 93.44%, an increase of 0.36% year-on-year.

Attentive Service

The Group always upholds the business philosophy of putting customers first and continuously improves the quality of our products and services to enhance customer experience in service processes, technical management and personnel capacity building. We listen to our customers and understand their needs throughout the product lifecycle, take on board their opinions to enhance the quality of our products and services, and continue to take our quality to new heights with patience and determination.

²⁸ AI: Artificial Intelligence

²⁹ APP: Application

Service system

Zhixin Technology has established and continued to promote the standardisation of the "8+N" after-sales service system, realising the initial integration of the after-sales service framework and processes for electric drives and transmissions, and laying the foundation for a million-dollar after-sales service system. We have built up a factory-based service team, a quick response team and an NVH analysis team for the electric drive business, and deepened the construction of teams to build a solid backup force for the service team. During the Reporting Period, the total number of vehicle changeovers increased by 80% year-on-year and efficiency improved by 15%.

In addition, Zhixin Technology continuously optimised the internal claims handling process by pulling the front-end post analysis within the section with customer claims nodes as the guide to solve problems and carry out claims handling with the amount as the guide. During the Reporting Period, the closure cycle of electric drive issues improved by 30% year-on-year and the claim amount was reduced by 60% from the peak.

Increased satisfaction

Focusing on the improvement of five key issues such as repair quality and repair costs, Peugeot Citroën Automobile continued to fulfil its eight after-sales service commitments, built up a professional team for better repair quality, and monitored the implementation by means of WeChat satisfaction surveys, mystery customers and regional manager inspections. We have conducted a satisfaction survey for Dongfeng Citroën Versailles and adopted corresponding satisfaction improvement initiatives. Taking into account the different conditions of each outlet, we implemented a store-by-store strategy and supervised and promoted 6,870 actions in the outlets. During the Reporting Period, the net after-sales service recommendation rate increased by 3.5%.

Compliance Assurance

We put our customers first and attach great importance to their legal rights and quality experience, and take various measures to ensure compliance throughout the life cycle of our customer service processes.

Responsible marketing

In order to adhere to business ethics and proper guidance, the Group strictly complies with the legal requirements and industry guidelines applicable in the places where it operates, including the *Advertising Law of the People's Republic of China*, and conducts lawful, honest, scientific, accurate, open and consistent communications, and strictly prohibits marketing activities that contain exaggerated, deceptive and false content. The Group upholds the principles of responsible marketing and conducts regular training programmes for frontline staff on product knowledge and marketing methods to fill the gaps in compliance marketing capabilities and awareness of our business staff and to perform responsible marketing on all fronts. At the same time, we conduct regular work appraisal for our business staff to regulate the Group's external communication activities from the root and maintain the Group's brand reputation.

Protection of personal information

The Group proactively undertakes the responsibility to protect the security of customer information and privacy, strictly complies with the *Law of the People's Republic of China on the Protection of Personal Information*, the *Law of the People's Republic of China on Data Security* and other relevant laws and regulations, establishes a strict system for the confidentiality of customer information, optimises the management process, regulates the collection, storage and use of personal information of product users by the Company, and provides comprehensive protection for customer information.

The Group implements hierarchical management of business practices related to customer information, improves the data use approval process and authority control mechanism, and enhances data security protection capabilities. At the same time, we strictly implement the signing of confidentiality commitments by relevant personnel and promote awareness of privacy protection through education and other forms.

Institutional data privacy safeguards

In order to further standardise and coordinate information protection work, Dongfeng Honda Parts has established a confidentiality committee and formulated the *Confidentiality Management Regulations* to guide the development of confidentiality efforts, covering aspects such as customer data protection and privacy protection. At the same time, Dongfeng Honda Parts has also formulated the *Product Data Confidentiality Management Essentials*, which clearly regulates the basic principles of confidentiality management of customer product data and related information, as well as product data confidentiality deadlines and other related requirements, further improving the confidentiality system.

Comprehensive personal information protection management

Dongfeng Honda carries out graded and modular management of customer data around the data dimensions and contents involved. At the same time, Dongfeng Honda Customer Service Centre conducts quarterly information security awareness training for the staff of the Customer Service Centre to enhance their sensitivity and professionalism in information protection, conducts random checks on the implementation of information security management from time to time, and deals with confidentiality leaks in strict accordance with the *Confidentiality Management System* to achieve customer data security and privacy protection.

Cooperation creates the future, and we work together to create synergy, which is an important driving force for efficient development. Internally, we unite the strengths of our employees, build a brand that serves them, and pragmatically promote the sharing of the fruits of our development with them. Externally, we unite with our partners, continue to deepen practical cooperation upstream and downstream of the industrial chain and various universities, coalesce to promote high-quality development synergy, and solidify the foundation for long-term development.

Talent Advantage

Adhering to the concept of "talent is the first resource", the Group has continued to consolidate the strategic position of talent as the leader of development, continue to strengthen the team of high-level talents, deepen the reform of the institutional mechanism for talent development, effectively enhance the advantages of the talent-based system and continuously release the effectiveness of the use of talent, providing a strong engine for the high-quality development of the Company. As at the end of the Reporting Period, we have been awarded the "Best Employer" award through our unremitting efforts and continue to focus on creating a good working environment for our employees.

Talent Attraction

The Group strictly abides by the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China* and other relevant laws and regulations, and adheres to the recruitment principles of "fair competition, fair selection, selection based on merit, and matching the right person to the right job", and carries out recruitment and employment of employees across the industrial chain in accordance with the law. We adhere to the principles of diversity and equality in employment, continue to standardise our work processes, and firmly eliminate discrimination, harassment and unhealthy competition on the grounds of gender, age, ethnicity, race and religious beliefs of our employees. We also comply with relevant laws and regulations, including the *Provisions on the Prohibition of Using Child Labour*, and prevent unlawful employment practices from occurring at source through strict verification of employees' identity information and comprehensive internal reporting procedures. During the Reporting Period, the Group did not have any incidents of child labour or forced labour.

In order to continue to grow our talent pool, we regularly assess the development of the Company and the talent needs of each department, and rely on a comprehensive recruitment and employment system to carry out targeted campus recruitment and social recruitment activities to continuously bring in quality talent.

Campus Recruitment	Social Recruitment	
During the Reporting Period, the Group innovated the form of campus recruitment by organising offline and online campus recruitment worldwide such as the open-air campus recruitment launching conference and camp-style aerial presentations, which are popular among the youth of the Z-era, with 18 participating units and a total of 167,000 participants.	We track the search of candidates of our team members and the node data of the recruitment process in real time to reduce recruitment costs and improve recruitment efficiency.	

Dongfeng Motor Group 2022 recruitment event

At the same time, we encouraged our subsidiaries to optimise local recruitment to promote the employment of local talents and ensure the stability of our workforce. During the Reporting Period, we vigorously promoted relevant policies such as the Shiyan Talent Allowance and Wuhan Talent Introduction Subsidy, and actively conducted recruitment of skilled personnel to attract localised personnel through initiatives such as conducting orientation classes at local vocational colleges.



Dongfeng Motor Group 2022 localization recruitment event

During the Reporting Period, the Group's total number of employees was 119,420. The composition of the Group's workforce by gender, age, employment type and region are shown in the chart below.



Talent Development

The Group believes that talent is one of the most important engines for sustainable development and success. We are committed to providing a highly accurate and effective talent training system to fully meet the needs of our employees for self-improvement and to continue to promote the common growth and prosperity of our employees and the Company.



Talent concept of Dongfeng Motor Group

Talent development strategy

In the critical period of promoting the Group's new energy transformation and independent development, we have effectively established the concept of strengthening the Company with talents and shared development with employees, and responded proactively to the "156" talent action plan formulated by our parent company, Dongfeng Motor Group Company Limited, that is, to achieve one goal, deepen five mechanisms and strengthen the building of six teams.

 By 2025, the proportion of scientific and technological talents in the company will be increased to about 1/5. The proportion of "Five Orientations" R & D talents will be increased to about 1/3. The proportion of master and doctoral talents will be increased to about 8%. Improve the talents introduction mechanism. 	
A number of industry-leading talents will emerge in the field of science and technology. The number of company- level talents will exceed 1,800. The overall strength of the company's scientific technological level and talent team will rank among the forefront of the industry, and the goal of strengthening the company with talents will be achieved.	 of a high-quality professional management talents team Strengthen the construction of a high-level science and technology talent team Strengthen the construction of a

Dongfeng Motor Group talent action plan

During the Reporting Period, we continued to build a high-level scientific and technological talent team to lead the development of the industry, cultivate new and scarce talents with solid professional foundation, deep crossover in multiple fields and leading innovation and development, and support the transformation of the Company to a world-class outstanding technological enterprise with a high-quality talent team.

Ø	Strengthen the cultivation of endogenous "Five Orientations" talents	Organise a special training camp for "Five Orientations" talents, hold a cadre growth camp and algorithm competition, strengthen the "mobile classroom" online and offline course services, cultivate talents with high potentials
Ø	Strengthen the cultivation of a highly skilled talent team	Closely follow the transformation of technology that is electric, networked, intellectual, shared and light-weighted, promote training through competitions, and work together with subsidiary companies to carry out in-depth training and cultivation of highly skilled personnel
Ø	Strengthen the echelon building of marketing talents	Integrate the company's resources and adopt a combination of online and offline training to steadily carry out marketing talent development programs
Ø	Strengthen the construction of a digital talent team	Train managers at all levels and business leaders on the theme of digitalisation to provide talent support for the digital transformation of the enterprise
Ø	Strengthen the construction of an integrated talent team	Strengthen project management training and certification, hone talent project management capabilities with key vehicle platforms and model development projects, offer advanced training courses for talents of business enterprises, and accumulate knowledge about business enterprises

Highlights of Dongfeng Motor Group's talent development strategy 2022

Talent training system

The Group continued to improve its internal training system by relying on internal systems such as the *Company's 2018–2022 Management Personnel Education and Training Plan of the Company* and the *14th Five-Year Plan Leading Leap 2025 Human Resource Planning of the Company* to precisely empower various types of employees such as management, science and technology, marketing and skills. During the Reporting Period, we upgraded our training system to further clarify the key development directions for talents in various fields and enhance the professionalism and practical skills of our employees in a targeted manner.

Cadre training	Young talents	Sci-Tech talents	Marketing talents	Skilled personnel
Highly potential talent development Current talent empowerment Flow of expertise	"Digital" capacity enhancement Technical leaders training Inter-unit talent exchange	Upgrade training courses Deepen the training system Deepen the training hierarchy Deepen training services	Build regional marketing capacity Implement the concept of precision marketing	Integration of industry and education Combination of tournament and training Talent ladder development

Main Directions for Upgrading the Training System in 2022 at Dongfeng Motor Group

In addition, each of the Group's subsidiaries has established a comprehensive training system based on their development needs, covering all stages of the workplace from entry to management, helping employees to improve their leadership, professionalism, technical skills and other dimensions of competence.

Dongfeng Honda Parts training system

In order to further optimise the institutional mechanism for talent work and tailor-made training resources to support specific talents, Dongfeng Honda Parts continues to improve its training system and continues to create a new situation for talent development.

Eagle Programme	A leadership excellence training programme for section chiefs to enhance the overall leadership of current section managers
Elite Eagle Programme	 Organization of the "Three Schools" programme for the headquarters, CHAM school, and Dongfeng Honda Parts site management, the talent exchange program and the systematic growth system training programme for team leaders
Flying Eagle Programme	 The "Technological Research Society" talent training project, organising skills competitions and inviting external professional instructors to conduct special training and lectures
Little Eagle Programme	 HFC series of courses are actively conducted for staff at different levels, and a master leads an apprentice in collaboration with the Company's Youth League Committee

Training for the Dongfeng Motor Group's young and middle-aged management class

During the Reporting Period, in order to effectively improve the quality of the Group's talents and strive to build a high-quality management team, Dongfeng Motor Group continued to innovate the organization form and training theme of the Young and middle-aged Management Class, and carried out the 42nd and 43rd Young and middle-aged Management Classes with the themes of the Party School's SASAC Branch Class and the Special Training for International Talents, respectively, with 61 participants in the training.



2022 Annual Staff Skill Competition

In order to further implement the cultivation of talents with ideals and beliefs, knowledge of technology and innovation, and commitment and dedication, the Group held the 2022 Staff Skill Competition during the Reporting Period, emphasizing the "five" highlights to further promote the cultivation of talents in line with the development needs of the Company, the needs of market competition, the needs of competitions at all levels and the needs of employees' career development capabilities. The competition received a high level of enthusiasm from employees, with a total of 267 contestants entering the final round and 78 contestants being awarded the title of "Technically Competent Person of Dongfeng Company".



During the Reporting Period, the Group conducted a total of 30,800 training sessions, covering a total of 1,108,810 persons, with the average number of hours per person reaching 64.63, and the accumulated investment in vocational education was RMB95,227,500, representing an increase of 15.26% over 2021.



Number and proportion of employees trained by type of employee (visits, %)





Average number of hours of training for trained employees by type of employee (hours/person)



Promotion and development

The Group adheres to the principles of objectivity and fairness, competence orientation, merit-based selection and reasonable structure, and continues to improve internal systems such as the *Management Measures for Professional Grades of Employees*, optimise the grade matching of employees in functional departments, and conduct regular inventory of experts in the talent pool to revitalize talent resources. At the same time, we have taken multiple measures to optimise staff performance appraisal management and help staff to achieve self-understanding and self-improvement.

Performance Management Optimization Measures

O Reinforce the rigid implementation of the system

According to the *Resolution on Performance Management Measures*, we will strictly set the time points for indicator setting and assessment payment, and carry out the performance assessment work thoroughly.

Implement digital construction

Continuously improve the workflow of organizational performance, executive performance and employee performance, coordinate the operation of the performance evaluation and analysis system, and create an information-based management performance system covering all aspects, the whole process and the whole cycle.

Remuneration incentives

To safeguard the reasonableness of our employees' remuneration packages, the Group has continued to deepen the reform of our internal systems, including the *Remuneration Management Measures*, provides employees with market-competitive remuneration and offers variable compensation for all employees based on performance rewards, and encourages them to actively create value and achieve income growth. We also provide a channel for our senior executives to purchase shares to encourage value creation and reward our employees for their outstanding contributions. We are committed to strengthening our incentive mechanism to fully motivate our employees through a combination of material and non-material incentives, and parallel incentives for the current period and the medium to long term.





Incentives

Assisting in optimizing the medium and long-term incentive schemes of subsidiaries, including but not limited to equity interest, dividends, employee stock ownership, "performance guarantee" and sharing of surplus profit, etc., to motivate employees, covering more than 900 key core backbone talents.

By establishing and regularly selecting the "Meng Shaonong Outstanding Contribution Reward" and "Meng Shaonong Contribution Reward", the Group gives cash incentives to outstanding talents who have made outstanding contributions in the field of science and technology

Implementing differentiated incentive policies for core talents, and implementing "double special" incentive policies for subsidiaries under special strategies and periods.

Incentive mechanism for employees of Dongfeng Motor Group

Talent Care

The Group is committed to continuously improving the service protection system for employees so that they can enjoy a "stable state"; enhancing the level of communication with employees so that they can leap to a "vigorous state"; and strengthening the care and support for talents so that they can always maintain a "cohesive state". We effectively provide care and support for our employees so that they can be innovative and creative, and can be able to develop their talents to their full potential.

Employee benefits

The Group highly recognises the value created by our employees and is committed to enhancing their happiness and sense of belonging through a wide range of welfare benefits. We provide all employees with statutory welfare protection such as five insurance and housing provident fund contributions in accordance with the law, and on top of that, we provide employees with additional benefits such as corporate pensions, supplementary medical insurance, accident insurance, holiday sympathy, isolation allowance insurance, bachelor flats and online video membership top-ups, building a comprehensive employee welfare system.



2022 Dongfeng Motor Group employee benefits optimisation

Employee communication

The Group insists on promoting democratic communication, opening up communication and feedback channels for employees, organising regular seminars between senior management and employees, and encouraging employees to actively communicate with their supervisors and offer suggestions for the sustainable development of the Company. We set up an employee service centre using the trade union office as a medium and opened an open contact hotline for employee homes to ensure that we understand the voices of employees, verify relevant situations and implement improvement initiatives at the first instance. During the Reporting Period, we signed collective agreements with the Trade Union and carried out amendments to the Collective Contract in response to changes in laws and regulations, the employment market and employment conditions, covering various topics such as safety and occupational health and protection of the rights and interests of female employees, to effectively safeguard the legitimate rights and interests of employees. At the same time, the subsidiary companies organised employee satisfaction surveys for the year, with the overall results showing an upward trend compared to last year.



Results of Employee Satisfaction Survey of Subsidiaries

Dongfeng Nissan Happy Luncheon

In order to broaden the channels for employees to voice their opinions and enhance the effectiveness of the Company's democratic management, Dongfeng Nissan focused on the Company's hotspots and organised the "Happy" Luncheon to build a two-way communication bridge between the Company's leadership and employees, providing a direct channel for the downward communication of the Company's development plan and the upward reflection of employees' key concerns.

Care for employees

The Group regards employee welfare as its responsibility and actively responds to the "139" Happiness in Dongfeng – Three-year Plan of Dongfeng Motor Group Company Limited for Improving the Life Quality of Employees. With a focus on the factory environment, diversified incentives, welfare guarantee, growth and development, digital and intelligent service, health and safety, labour relation, assistance to employees with difficulties, and cultural activities, the Group enhances employees' sense of happiness and belonging in the details and demonstrates the Group's humanistic care.

1	One goal	Let Dongfeng employees take the lead in enjoying a better life in the new era
3	Three Dongfeng	Quality, Intelligence and Joy
9	Nine "Xin" Indexes	 Quality Dongfeng Index (comfortable work environment, invigorative diversified incentive, and satisfactory welfare protection), Intelligence Dongfeng Index (strong growth and talent, attentive digital intelligence service, and reassuring health and safety) and Joy Dongfeng Index (harmonious labor relations, warm difficulty assistance, and pleasing cultural activities)

Plan of "139" happiness in Dongfeng

Great importance is attached to the balance between the work and life of employees. By organizing a variety of cultural and sports activities such as 10,000-person long-distance running, fun sports meetings and dinners for strives, we convey the Group's talent concept and corporate culture in a subtle manner, narrow the distance with employees, and help employees to relax their body and mind so that they can work and live with more enthusiasm.

A cloud group wedding for 100 pairs of employees

In September 2022, Dongfeng Motor Group carried out a cloud group wedding event of "Celebrating the 20th CPC National Congress, Happiness in Dongfeng" for 100 pairs of employees. This event combined online and offline modes to successively release event warm-ups, blessing videos and the collection of the 100 couples' wedding photos, which left unforgettable memories for the 100 new couples. During the event, the group wedding video was played 14,302 times, and the WeChat article on wedding promotion was viewed 8,128 times. The event won extensive attention and unanimous praise from the employees of the Group.



The 13th "Dongfeng Cup" All-people Fitness Badminton Competition

Adhering to the beautiful idea of "Happy Work and Happy Life", Dongfeng Motor Group organized the 13th "Dongfeng Cup" All-people Fitness Badminton Competition from August to September 2022, in a bid to strengthen the contact among the grassroots units of the Group and balance the life and work of its employees through a fun competition. A total of 1,365 employees from 91 teams participated in the competition.


In terms of demonstrating its corporate humanistic care, the Company highly values the protection of the rights and interests of employees, especially female ones. A good working environment and welfare benefits are ensured for female employees through special activities such as the establishment of mother-infant rooms and health lectures for them. Besides, to be a warm enterprise, we continued to carry out employee solicitude and assistance activities such as sending coolness during hot days, "Loving Care Project" mutual assistance and "Golden Autumn Scholarship", developed and consistently promoted the "List of Doing Practical Things for Employees", and satisfied the differentiated needs of employees for care and solicitude.

Subsidiary	Activity content		
Dongfeng Motor Trading Co., Ltd.	 The company paid continuous attention to the physical and mental conditions of overseas employees and their families through questionnaire surveys and festival solicitude activities. The company obtained a timely understanding of the conditions of isolated employees via daily COVID-19 report and telephone during the pandemic and tried to solve the life and work problems encountered by employees and their families. The company regularly expressed solicitude to and helped employees with difficulties during the low-production period. The company developed the "EAP³⁰ Employee Psychological Care" plan and held regular psychological decompression courses and lectures on health knowledge and parent-child communication to alleviate the psychological pressure of employees and help them create a harmonious living atmosphere. 		
Dongfeng Zhuolian Automobile Service Co., Ltd.	• The company regularly expressed solicitude to employees with difficulties and carried out employee care activities during special periods such as hot weather and the pandemic. During the Reporting Period, a total of RMB996,500 was invested, covering 3,040 persons.		
Dongfeng Parts and Components Co., Ltd.	• In active response to the call of its parent company Dongfeng Motor Group, the Company carried out the "Loving Care Project" to help employees with all its strength who are hospitalized or die of diseases and their families. During the Reporting Period, Dongfeng Parts and Components Co., Ltd. helped 335 employees hospitalized for serious diseases and distributed RMB410,700 of love assistance in total. Besides, with the "Loving Care Project" platform of Dongfeng Motor Group, the company helped 116 employees with illness and applied for rescue funds totalling RMB684,000.		

Employee Solicitude and Assistance Activities by the Subsidiaries of Dongfeng Motor Group in 2022

During the Reporting Period, the total turnover rate of the Group's employees was 9.46%, and the employee turnover rate by gender, age group and region is shown in the chart below:



Employee Turnover Rate by Region (%)



environmental hazards

accidents

Eliminate major collective poisoning

New Developments: Building Synergies and Creating Advantages Together (Continued)

Safety Security

Employee health and safety is the foundation of an enterprise's development and promotion of productivity. The Group is always committed to creating a safe and healthy working environment for our employees. Cantered on occupational health and safety objectives, the Group fulfils safety responsibilities, steadily carries out the work of safety production and safety culture publicity, consolidates the defence line of safety and health from multiple perspectives, and protects employees' physical and mental health wholeheartedly. During the Reporting Period, we successfully completed the annual target by realizing the "Five Eliminations" of safety production and achieving a steady decline in production safety accidents.

	Five Eliminations	Two controls and one improvement
•	Eliminate large and above production	Accident frequency is controlled within
	safety accidents	0.5‰
•	Eliminate of Large and above explosive	• Accident rate of serious injury and above
	accidents	are controlled within 0.1‰
•	Eliminate major fire accidents	Occupational disease hazards detection
•	Elimination of major safety or	rate is improved by 0.2%

Group-wide occupational health and safety objectives of Dongfeng Motor Group in 2023

Safety production

The Group attaches great importance to the safe and orderly development of production work and strictly complies with the relevant safety production regulations such as the *Work Safety Law of the People's Republic of China* and the *Emergency Response Law of the People's Republic of China*. Moreover, the Group issued the *Measures for the Supervision and Administration of Safety Production*, adhered to the principle of life first and safety first, and always put safety first in the enterprise production and operation.

Safety Philosophy	General Requirements	Safety responsibility system	Safety bottom line
Safe development and put people first	Managing the industry must manage safety, managing the business must manage safety, and managing production and operation must manage safety	CPC committee and administration share the same responsibility, one post undertaking multiple responsibilities, sharing of management responsibilities, and accountability for dereliction of duty	Development must not come with the expense of human life

Safety production concepts of Dongfeng Motor Group

During the Reporting Period, the Group continued to strengthen safety management and enhanced the execution capacity of safety arrangements of each unit through carrying out key rectification, potential hazard inspection and risk assessment. Moreover, the Group integrated a safety culture into the whole procedure of enterprise management and created a healthy, safe working environment for employees to ensure the steady development of the enterprise.

Strengthening of safety management	 By means of special meetings and other activities, the Standing Committee of the Party Committee took the lead in conducting in-depth research on issues related to safety production and strengthening management functions such as fire control, traffic safety and food safety. A total of 26 meetings related to safety were held as at the end of the Reporting Period.
Improvement of the capacity of safety risk prevention and control	 The safety dynamic hierarchical control mechanism was improved, and the safety supervision system and the safety risk control system were optimized. During the Reporting Period, level-by-level thematic meetings on disaster prevention and mitigation were held to eliminate various potential hazards and dangers in a timely manner. As at the end of the Reporting Period, the Group implemented two topics and 14 rectification plans, which covered 43 rectification items and 1,096 potential hazards. A total of 11,687 potential hazards were identified, and 11,150 of them were rectified, with the rectification rate reaching 95.41%.
Enhancement of the execution capacity of safety arrangements	 The Group implemented the entity responsibility of safety management, deployed a professional safety management team, enhanced the degree of essential safety, promoted the transformation of information and intelligence in safety production, and ensured the long-term stability of safety work. The "Three-year Action" plan for special rectification of safety production was smoothly completed as at the end of the Reporting Period.
Deepening of supervision and inspection of safety work	 The Group optimized the working mechanism of safety supervision and added some new inspection methods such as holiday surprise checks, special checks and look-back checks. As at the end of the Reporting Period, 107 safety and environmental protection inspections were performed on 27 business units including manufacturing, logistics and sales and 52 factories.
Promotion of the development of safety culture	• With the progress of activities such as the special rectification of "doing something as a mere formality" in safety training, the production safety lecture hall and the "Safety and Environmental Protection Month", the Group implemented the three-year action plan for safety culture development and made safety culture deeply rooted in the hearts of employees.

During the Reporting Period, the Group had 1 work-related death and 6 work-related injuries, the number of working days lost due to work injury was 6,085 days, and the accident rate at work was about 0.05‰, a continuous decline for three consecutive years.



Awards and commendations related to safety production of Dongfeng Motor Group in 2022

 ▲ Dongfeng Peugeot Citroën Automobile Union was honored as Outstanding Units Award of "the Cup of Safety and Health" (安康杯) in Hubei Province
 ▲ Mr. Guan Shoujun, a safety manager of the Safety Technology and Environmental Division of Dongfeng Commercial Vehicle's Body Plant, was honored as an advanced individual of "the Cup of Safety and Health" (安康杯) in Hubei Province.

Safety improvement work by Dongfeng Special Commercial Vehicle Co., Ltd.

During the Reporting Period, Dongfeng Special Commercial Vehicle Co., Ltd. carried out a series of renovations on the fire control host in the fire control room, the spraying system in the spray booth, the foam spraying, the emergency pool, the automatic gas shut-off valve and main engine, and the gas-collecting hood for the Car Body Division. These efforts provided equipment support for employees' routine operations and risk response and helped improve the on-site emergency response capability.



GGK³¹ standardized management by Dongfeng Liuzhou Motor Co., Ltd.

During the Reporting Period, Dongfeng Liuzhou Motor Co., Ltd. brought the spirit of innovation into full play and applied the "Site Management Diagnostic Standard (GGK)" to safety fields. Moreover, the company prepared the standard operation book for GGK safety inspection in key areas, refined the inspection contents, inspection benchmarks and judgment methods, and rationally planned the inspection routes, so as to ensure efficient safety production management. During the Reporting Period, the effective detection rate of safety problems in key areas was 99.2%, up 11.09% from 2021.





³¹ GGK: Site Management Diagnostic Standard

Occupational health

The Group makes every effort to safeguard the health and safety of employees by continuously strengthening the control of occupational hazards, improving the on-site working environment of employees, regularly organizing the detection of occupational hazard factors and the physical examination of employees, and distributing labour protection tools such as earmuffs and protective masks for employees in special posts.

During the Reporting Period, the Group set out to implement a five-year plan to improve the compliance rate of occupational hazard factor detection and input RMB27.08 million of funds to carry out occupational health work such as process improvement and noise control. As at the end of the Reporting Period, the Group had implemented 116 occupational hazard control projects, which covered 270 similar posts and improved the working environment for 1,173 employees. As at the end of the Reporting Period, the proportion of production units of the Group that passed the ISO 45001 or OHSAS 18001 certification reached 88%.

On-site environmental improvement and noise reduction project of Dongfeng Honda Automobile Co., Ltd.

During the Reporting Period, Dongfeng Honda Automobile Co., Ltd. carried out the environmental improvement and noise reduction work and formulated corresponding noise reduction countermeasures for major noise sources such as running robots, steel platform wire bodies, vibrating plates and tightening operations. In this way, the noise hazards in the production process were reduced, and the hearing of employees on site was protected.



Detection of occupational hazards in on-site operation posts by Dongfeng Passenger Vehicle Company

During the Reporting Period, Dongfeng Passenger Vehicle Company worked with a third-party agency to detect occupational hazards in on-site operation posts and carried out the noise reduction transformation of painting and paint removal workshops and the transformation of related equipment based on the detection results, which effectively avoided the harm caused by occupational health risks in workplaces. During the Reporting Period, Dongfeng Passenger Vehicle Company selected 195 representative detection points, and the composite compliance rate of detection reached 94.3%.

Partner Strengths

The Group is always committed to establishing a mutually beneficial and win-win relationship of close and friendly cooperation with partners. With the aid of the complete supplier management system, the Group can accurately control product quality and stabilize product supply and inject development vitality and motivation into partners through technical training and empowerment while building a stable, efficient and sustainable supply chain.

Supplier Management System

Dongfeng Motor Group always upholds the principles of fairness, openness and transparency and complies with the Measures for the Administration of Non-bidding Procurement, the Procurement Evaluation Criteria and other internal regulations for matters such as supplier access, management and performance appraisal. In strict accordance with the Tendering Law of the People's Republic of China and other laws and regulations and by relying on the flexible and efficient supplier management policy and procurement strategy, we cooperate with all resources to effectively achieve win-win cooperation and complementary advantages and maximize the industry value.

Meanwhile, we give full consideration to the ESG elements in the supply chain, actively carry out ESG risk prevention and control in the supply chain, encourage suppliers to use recycled materials and other environmental protection materials, products and services, and create a green and compliant supply chain with a responsible attitude. We sign the Agreement on Clean and Honest Co-construction with all suppliers to standardize the honest business practices of both units and the business personnel, regularly review the supplier integrity compliance, create a law-abiding, harmonious and win-win business environment, and avoid the occurrence of violations of laws, disciplines and rules.

Supplier Access

 Dongfeng Parts and Components insists on responsible procurement of raw materials. To avoid conflict or serious human rights violations arising from the materials procured, the Company identifies minerals from conflict-affected and highrisk areas and has designed an internal due diligence framework that requires all suppliers to identify conflict minerals such as 3TG (tantalum, tin, tungsten and cobalt) in all constituent parts and raw materials of the products supplied, as a means of identifying the source of any high-risk minerals in the supply chain.

Supplier Management

 VOYAH Motor established a supply chain risk prevention system and formulated a response plan for supplier emergencies, inclding the response mechanism and response plan for four types of emergencies such as natural diasters, accidents and disasters, public health and social security, etc., so as to do a good job of daly warning and timely emergency response to emergencies and solve all kinds of risks arising from supply chain cooperation to the greatest extent, and build a more agile, efficient and flexible supply chain management system.

Supplier Appraisal

- Dongfeng Passenger Vehicle regularly conducts supplier performance apprisals and classfies suppliers into A, B, C and D grades based on the results of the appraisals, with A/B grade suppliers being included in the annual evaluation of excellence and the recommendation of strategic suppliers, and D grade suppliers being duly considered for business tranfer and retirement
- VOYAH Motor conducts regular supplier CQP³² (Quality Management Practice for Audit Work) evaluations in terms of cost, quality and performance to improve supplier business management capabilities

Supplier management procedure of subsidiaries of Dongfeng Motor Group

³² CQP: Quality Management Practice for Audit Work

During the Reporting Period, the Group cooperated with a total of 3,010 tier-1 suppliers of parts and components. The breakdown of suppliers by region is as follows:



Supply Chain Quality Control

During its cooperation with suppliers, Dongfeng Motor Group consistently enhances its capacity to control suppliers' products, improves supply chain quality through annual supplier training and continuously outputs efficient and high-quality products and services to the industrial chain.

Procurement quality control by Zhengzhou Nissan Automobile Co., Ltd.

During the Reporting Period, to ensure the qualification and professional level of suppliers and reduce risks in the whole procedure of the industrial chain, Zhengzhou Nissan Automobile Co., Ltd. continued to promote supplier quality assurance from the two perspectives of supplier selection and product management.

Supplier selection

The methods of selecting suppliers were optimized, and suppliers were comprehensively selected in projects based on the newness and severity of parts and the quality, performance and ASES³³ evaluation of suppliers.

Prevention and management of parts reissue

The reissue prevention database was continuously expanded as per the parts reissue prevention standard, and 101 reissue prevention items were added to five new vehicle models to effectively reduce the defective rate of new products.

Early intervention in the development stage

Quality liaison meetings were held in advance to identify risk topics and correspond all of them before formal arrangements. Special control activities were carried out for parts evaluated as high-risk to systematically identify risk topics and reduce development risks.

Special quality control of engines

To identify risks in advance and improve the quality or reduce the risk of mass production, special control was implemented on various engines by holding regular meetings with tier-1 suppliers and conducting on-site inspections of common tier-2 suppliers in collaboration with them.

³³ ASES: Alliance Supplier Evaluation Standard

Closed-loop management of procurement quality by Dongfeng Commercial Vehicle Co., Ltd.

During the Reporting Period, Dongfeng Commercial Vehicle Co., Ltd. established a closed-loop management system of procurement quality and comprehensively managed supplier quality from the perspective of the whole life cycle to reduce the possibility of quality problems.

Production preparation PPAP³⁴

The established SQMS³⁵ system has systematized and standardized the production preparation and PPAP workflow of purchased parts and connected the information systems in R&D, production, quality and other fields. In this way, the production preparation process of suppliers can be accurately controlled, and a database of supplier production preparation control is created.

Process capability assurance of suppliers

Through the maturity evaluation of the supplier system, integrated management of procurement quality and other means, the company strengthened suppliers' attention and sense of urgency to improve process capability and maintained and improved the process assurance capability of suppliers.

Moreover, the company formulated the maturity evaluation standard of the supplier quality system, comprehensively re-evaluated the key processes including the supplier system, receiving inspection, processing and manufacturing, nonconforming product control and delivery control, checked the nonconformities, and carried out targeted assistance activities.

Supplier quality improvement

With the aid of the QIS³⁶ and based on the analysis of new quality problems, current production quality problems and market quality problems fed back by internal factories and relevant departments, the company improved major, batch, top and typical problems through project establishment, asked suppliers to rectify problems as required, used the relevant system for follow-up management, and improved the process closed-loop management.

³⁴ PPAP: Production Part Approval Process

³⁵ SQMS: Supplier Quality Management System

³⁶ QIS: Quality Information System

Stable Supply Chain Management

Shouldering the mission of "driving dreams by automobile", the Group is committed to providing suppliers with more stable channels for product output, constantly reducing corporate costs and capacity loss, and shaping a favourable brand reputation. During the Reporting Period, amid diverse external challenges, Dongfeng Motor Group rose to the challenges, spared no effort to ensure the supply of batteries, core parts and components, chips, and car bodies, and achieved long-term and steady development.

Dongfeng Special Commercial Vehicle guaranteed the supply of core parts and components

During the Reporting Period, Dongfeng Special Commercial Vehicle established the "5 + 5" Inventories to effectively improve the delivery and timeliness of parts and components and maintain the reputation for business, from the perspectives of batteries, chips, car bodies, and other core parts and components. The specific guarantee measures are as follows:



Peugeot Citroën Automobile developed a stable supplier cooperation mechanism

Through smooth communication with suppliers, Peugeot Citroën Automobile properly addressed multiple issues, such as commerce, supply, and quality, and effectively reached its annual business objectives.

- A strategic agreement was entered into with Maanshan Iron & Steel Co., Ltd. to conduct multiple projects involving cost reduction and performance improvement and guarantee its long-term business development.
- The BOSCH Group, as an oligopoly, allocated more productive resources to Peugeot Citroën Automobile, extended business negotiations, gave priority to supply management to help the latter to meet its overall production and sales objectives, in the face of the pandemic influences at home and abroad as well as energy and chip shortage.
- During the pandemic period, Yanfeng International Seating Systems Co., Ltd. and Dongfeng Faurecia Automotive Interior Decoration Co., Ltd. supported the closed production of Wuhan and Chengdu branches to reduce capacity loss and meet the annual production and sales objectives.

Supplier Empowerment and Exchanges

The Group vigorously shoulders the responsibility for leading the common development of the industry and communicates and exchanges with suppliers. Through diverse training activities and meticulous support policies, it helps suppliers gradually improve their strengths in products and technologies, and achieves common growth with suppliers.

Supplier Empowerment and Training

In order to strengthen suppliers' business management and services, the Group continuously enhances its training and guidance to suppliers. During the Reporting Period, we organised training activities for all suppliers in terms of compliance, integrity, safety, environmental protection, and quality management to reinforce their sustainable development. Moreover, we held training by supplier type to improve their professionalism.

Dongfeng Honda Engine established a three-in-one all-round training mechanism for suppliers

During the Reporting Period, Dongfeng Honda Engine, constantly improved its internal training system for suppliers in combination of the assessment results of suppliers. A three-in-one all-round training mechanism was established for suppliers who were weak in systems and lagged behind in the quality of mass production and had obvious weak processes to boost the common progress with suppliers, especially private enterprises, based on its rich experience in the industry:

- A comprehensive training system of quality and technology was implemented for new suppliers with a weak system.
- For suppliers who were lagged behind in the quality of mass production, a survey, based on quality improvement, was carried out to learn about their status quo (introduced by Honda Motor Co., Ltd.).
- Special training and guidance were offered on-site to suppliers had obvious weak processes, and continuous follow-up and improvement were conducted.

In the past five years, 40 suppliers have been significantly improved by Dongfeng Honda Engine's training, including 32 national companies. A total of 1,980 topics have been solved.

Peugeot Citroën Automobile assisted suppliers in new energy transformation

During the Reporting Period, Peugeot Citroën Automobile supported suppliers to improve the design, development, and quality enhancement of new energy-based lower battery cases, in accordance with the "Three Improvements and One Guarantee" and the Frame Diagram of the Quality Control System for Suppliers.

Peugeot Citroën Automobile helped suppliers analysed the current issues and identified the difficulties in improving processes and materials, visited the production sites of suppliers to analyse challenges in materials and manufacturing processes, and guided suppliers in proposing new methods. Meanwhile, it coordinated the establishment of a joint task-force consisting of suppliers, the quality team, and the technical team to diagnose problems at suppliers' sites, analyse and control the entire processes, provide daily feedback on the progress, and promote remediation. As a result, parts meeting market demand were developed within three months.

Support for Suppliers

In the face of the repeated outbreaks of the pandemic and natural disasters, the Group fully utilised its resources to understand the needs of suppliers in real time and empower them in an all-round and multidimensional manner, thus forming a cooperative relationship of mutual achievement, mutual promotion, and common development.

Dongfeng Liuzhou Auto helps suooliers cope with th epidemic and get backto work quickly	 During the Reporting Period, Dongfeng Liuzhou Auto carried out activities such as "Join hands to fight the epidemic and ride the dragon with love", and organized overnight emergency deliveries of five trucks of living materials worth more than RMB1.5 million to more than 30 cooperative units in Shanghai from Liuzhou. It also sent 56 applictions to five regional governments, including Jiangsu, Shanghai and Zhejiang, for suppliers to resume work and handled 65 national logistics passes.
VOYAH Motor relieves suppliers of electricity	• Faced with the problem of high temperature and limited power supply in Wuhan and Chongqing, VOYAH Motor actively helped localsuppliers to communicate with government departments to reduce the time of power limitaiton, increase power supply and coordinate with power departments to carry out power dispatching work.
Dongfeng Liuzhou Auto promotes independent improvement capability of suppliers	 During the Reporting Period, Dongfeng Liuzhou Auto established a standardized analysis mechanism for the last supplier of MIS³⁸ (Informatin Management System) to continuously improve the management capability of suppliers and ensure that they carry out production and delivery work in an orderly manner. During the Reporting Period, the key compliance rate of 81 key suppliers reached 86.8%, and the pass rate of primary analysis increased from 72% to 89%, which basically realized the closed loop of self-management.

Industrial Advantages

While adhering to the basic principle of collaboration and common progress, the Group follows up industrial dynamics and identifies new business opportunities through communication and exchange, based on its rich industry experience and resources. Meanwhile, it joins hands with upstream and downstream enterprises in the industry chain, peers, and universities to contribute new technologies and ideas to boost the automotive industry.

³⁸ MIS: Management Information System

Industry Chain Cooperation

The Group has been committed to creating a harmonious and stable industry chain. We combine the Group's development needs, regard autonomy, safety, and control as our core targets, focus on product and technical lines, and concentrate on R&D and productive resources. Through internal and external cooperative projects, such as those for scientific and technological innovation, cost reduction, and efficiency improvement, we give full play to the collaborative advantage of the upstream and downstream, and achieve economic benefits and implement low-carbon policies in cooperation.

Professional R&D collaboration

The Group has worked with upstream and downstream enterprises in the industry chain to constantly conduct innovative R&D and production, collected resources in the industry chain to optimise R&D and the productivity layout. By complementing each other's advantages, the Group creates competitive advantages in products and strives for win-win development with the above enterprises.

Project of the "Wu Xiang Shi Sui" automotive industry cluster in Hubei Province

The Group has vigorously participated in the Project of the "Wu Xiang Shi Sui" Automotive Industry Cluster in Hubei Province, promoted the interdisciplinary, integrated development of the cluster, and deepened cross-regional collaboration and innovation and cross-organisational cooperation and interaction. This cluster project vertically integrates the resources of R&D, design, and materials of the automotive industry, aims to serve as a manufacturing highland, supports the high-quality transform and upgrade of the automotive industry in Hubei Province, and forms a trillion-level automotive industry corridor. During the Reporting Period, this cluster project won the finals of the Advanced Manufacturing Industry Cluster Competition of the Ministry of Industry and Information Technology (MIIT) and became one of the three key automotive industry clusters to be cultivated by MIIT.



Strategic R&D cooperation of domestic chips

During the Reporting Period, the Group has separately established strategic cooperation with two central enterprises, namely China Electronics Corporation (CEC) and China Electronics Technology Group Corporation (CETC). By optimising the allocation of R&D resources and organising elites in scientific research to establish teams, the Group has concentrated on tackling tough challenges in chips and the replacement application of domestic chips to further promote independent R&D and innovative development.



Low-carbon development collaboration

The green development of the automotive industry is a key to orderly promoting the achievements of the goals of "carbon peaking and carbon neutrality". Guided by Xi Jinping's Thought on Ecological Civilisation in the New Era, the Group has continuously pushed forward the deep integration of its strategies and national policies, and worked together with its partners to contribute to the low-carbon and efficient development of the country and the automotive industry.

Dongfeng Commercial Vehicle reached strategic cooperation with Shandong Shunyuan and CP Group

Dongfeng Commercial Vehicle has centred on the strategy of brand enhancement and joined hands with strategic partners, such as Shandong Shunyaun and CP Group, to focus on targets, such as "cost reduction and efficiency improvement", "green logistics", and "carbon peaking and carbon neutrality". Meanwhile, it released the Plan for the Brand Experience Base of the Industry Chain of Hazardous Chemicals and Cold Chain of Dongfeng Commercial Vehicle to drive mutual constant and steady development and contribute to national economic growth.

Project of road testing and demonstration application of intelligent connected vehicles in Xiong'an New Area

During the Reporting Period, the Group and Xiong'an New Area jointly held the launch ceremony of the Project of Road Testing and Demonstration Application of Intelligent Connected Vehicles in Xiong'an New Area so as to continuously optimise the urban transportation system through science and technology, focus on the innovative development of intelligent transportation and the intelligent connection industry, serve national major strategies, and support the development of Xiong'an New Area.



Dongfeng Yuexiang L4 Autonomous Bus was incorporated into the public transport operations of Xiong'an New Area

The Hubei Province automotive grade chip industry technology innovation consortium

The Group led and united nine enterprises and public institutions to establish the Hubei Province Automotive Grade Chip Industry Technology Innovation Consortium. The consortium is designated to create an automotive chip industry cluster that is domestically leading with characteristics of Hubei Province. Centring on the national major need for automotive chips and international scientific frontier, it is committed to driving the independent definition, design, manufacturing, and closed testing of automotive chips as well as the development and application of controllers and tackling the bottleneck of domestic automobiles in chips.



Participation in industry standards

The Group attaches great importance to exchanges with practitioners in the industry. It actively learns from the excellent practices of its peers to achieve improvement and breakthroughs in exchanges, while providing professional advice on the development of the automotive industry, based on its rich experience.

Exchange activities of the China Association of Automobile Manufacturers (CAAM)

The Group regularly conducts special exchanges with the China Association of Automobile Manufacturers (CAAM) regarding hot topics and trends in the industry. Such topics include but are not limited to the promotion of "carbon peaking and carbon neutrality" in the automotive industry and fire protection policies. In June 2022, the Group actively participated in a research seminar for key enterprises held by CAAM to discuss the impact of policies, such as the halving of the purchase tax, second-hand cars, and restrictions on purchase and driving, as well as the main features and development trends of China's automotive market, and give suggestions for industry development.

University-enterprise Cooperation

The Group is committed to promoting green, efficient, and innovative development, devoting enormous resources in university-enterprise cooperation projects, such as industry-university-research projects and doctoral mobile workstations, assisting universities in cultivating high-quality talent in lien with industry demands via practical projects, and accelerating the conversion of scientific and technological achievements. Based on the need for strategic development, we centre on product and technical lines and comprehensively analyse relevant majors. Moreover, we have conducted pertinent cooperation with domestic first-class universities and research institutes, such as Tsinghua University, Wuhan University, Shanghai Jiaotong University, and Jilin University, covering emerging fields, such as new energy, intelligent connection, new materials, and basic automotive directions.

Integration of industry and education

The Group actively explores the deep integration of industry development and talent cultivation, pushes forward the precise incubation of talent from the industry perspective, and carries out talent cultivation projects with universities. Meanwhile, we deepen the integration of industry and education, promote the organic connection among the education, talent, industry, and innovation chains, and keep cultivating high-quality talent.

Cultivation program of the "Dongfeng Leap Forward Class"

Guided by the "Rising Dongfeng" plan and the "Leap Forward Action" of scientific and technological innovation, the Group and the School of Physics and Technology, Wuhan University, jointly launched the "Dongfeng Leap Forward Class" to strengthen the mechanism of collaborative talent cultivation based on the integration of industry and education and cultivate high-quality, applied, interdisciplinary, and innovative talent, required by the artificial intelligence and automotive industries.

Integration of industry and research

While attaching great importance to innovation and R&D, the Group regards science and technology as the first productive force for corporate development. We widely cooperate with universities, strengthen the collaboration with universities to promote the conversion and industrialisation of scientific research results, and positively drive industry synergy and win-win cooperation.

Postdoctoral research workstation of Dongfeng Liuzhou Motor

Dongfeng Liuzhou Motor has established and continuously operated a postdoctoral research workstation to orderly carry out scientific research. It has cumulatively cultivated 12 postdoctoral researchers, seven of whom are currently at the workstation. The workstation provides talent for scientific research innovation and development.

The Hubei Provincial advanced low-carbon metallurgical industry technology innovation consortium

The Group has given full play to the collaboration and innovation of the industry chain. Specifically, it extensively worked with nine relevant organisations, such as Wuhan University of Science and Technology and Wuhan Iron and Steel Co., Ltd. to establish the Hubei Provincial Advanced Low-carbon Metallurgical Industry Technology Innovation Consortium to jointly promote the R&D and result conversion of common technologies in low-carbon metallurgy of iron and steel materials and develop a sustainable the industry chain.

The national engineering research centre of automotive power and intelligent control

With the support of Shanghai Jiaotong University, the Group collaborated key enterprises in the industry to establish an innovative operation mechanism for intelligent connected new energy vehicles that covers the whole industry chain, basic research, technological development, and result conversion. The centre aims to develop supporting technologies, such as "intelligent connection, operation, and maintenance", "hydrogenelectricity synergy", integrated control of vehicle and networking and steadily promotes technological transfer and application.

New Pattern: Benefit Society and Share Value

The world is undergoing profound changes unseen in a century, with both opportunities and challenges. Against this backdrop, the Group is rising to challenges and taking the initiative to establish a new pattern of development. It actively shares the value of Dongfeng with society while safeguarding its business: First, we strictly fulfil our environmental responsibilities, enhance the advantage of green corporate development, and convey green value. Second, we adhere to our social responsibilities, promote rural revitalisation, exert positive energy for improvement, goodness, and beauty, and convey the value of harmony.

Green Value

The Group earnestly practices the concept of green development and focuses on reinforcing its green value. We have conscientiously implemented the national strategies of "carbon peaking and carbon neutrality" and made an overall plan to "exert more efforts for the Battle of Pollution Prevention and Control" and the "Green Dongfeng 2025 Action". We continuously probe into carbon footprint-related work and integrate the green and low-carbon concept into the whole lifecycle of automotive manufacturing.

Addressing Climate Change

In the context of global climate change, the Group has always adhered to its strategy of sustainable development and integrated environmental protection and green operations into all its business modes and scenarios. We comprehensively manage climate-related governance, strategies, risk management, targets, and indicators in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD³⁹ Framework").

Governance

The Group's Board of Directors has constantly promoted the top-level decision-making and governance of climate-related risks and opportunities, collaborated with the ESG Work Committee to jointly manage and supervise climate governance-related work, and regularly reviewed work progress. The ESG Work Groups make an overall arrangement for the routine management of climate-related risks and opportunities, coordinate and contact the responsible persons of all subsidiaries and business systems to implement and promote the relevant work, and regularly report the mitigation of climate-related risks and the acquisition of opportunities.



In order to actively address climate change, the Group has developed a roadmap for carbon peaking and carbon neutrality with the characteristics of Dongfeng, guided by Xi Jinping's Thought on Ecological Civilisation in the New Era. We will rely on digital means to optimise energy management and continuously strengthen the application of energy-saving technologies and the transformation of clean and low-carbon processes. Additionally, we will actively procure green power and clean energy while taking into account costs, optimise the energy structure, and compensate for the greenhouse gas emissions during industrial production processes through carbon offset.

Digital energy management

In strict conformity with national and local laws and regulations, such as the Energy Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, the Group has constantly implemented its internal policies, such as the Energy Conservation Management Measures, and enhanced the comprehensive energy management mechanism. Based on a digital management platform, we analyse energy consumption data and comprehensively adopt reasonable and feasible technical and management measures to achieve intelligent and orderly power consumption.

Use the digital platform to monitor peak electricity consumption

In order to cope with the energy price increases during the reporting year, Dongfeng Commercial Vehicle vigorously explored the topic of energy conservation and cost reduction, fully utilised the digital platform to monitor and manage energy consumption, especially electricity. By analysing peak electricity consumption and the operation efficiency of the factory, it optimised and reduced the electricity consumption during non-production hours and days. Meanwhile, it took the strategy of peak reduction and valley filling of electricity consumption to optimise the electricity consumption structure and the configuration of transformers. Additionally, it adopted transformer stop and volume reduction and employed digital means to raise energy use efficiency.



Energy management information system

Cleaner energy transformation

The use of renewable energy has become one of the foundations of the Group's sustainable business development. First, we have raised the procurement of green power. For example, Dongfeng Commercial Vehicle has procured a total of 15.1 million kWh of green power through market-based electricity trading, which reduced carbon by 7,938 tons in total. Second, we have invested in, developed, and constructed photovoltaic (PV) power generation systems to expedite our green energy transformation. Specifically, during the Reporting Period, 14 organisations under the Group, such as Dongfeng Parts and Components, Dongfeng Nissan, and Dongfeng Commercial Vehicle, constructed and operated PV power generation systems and consumed renewable energy to achieve the complementary and effective use of multiple energy.



The 22MW (BIPV⁴⁰) photovoltaic project in Dongfeng Intelligent Equipment Industrial Park: it adopts the patented BIPV technology developed independently, follows the principles of localization, clean and efficient, decentralized layout and utilization in the vicinity, and makes full use of the roof area of the factory building and other resources to build a capacity of 22MW. Compared with traditional rooftop photovoltaic, the installation of photovoltaic panels on the roof is repetitive, costly and requires high load-bearing capacity of the house, while the use of BIPV modules directly replaces colour steel tiles. This is the equivalent of a "roof that generates electricity".

As the first company in the central region to independently fund the creation of a solar photovoltaic grid-connected power generation system, Dongfeng Honda has completed a 700KW photovoltaic power generation project by the end of the reporting period. In order to fully realize photovoltaic power generation, Dongfeng Honda has also installed various new energy facilities, including wind and solar streetlights, within the factory premises, and designed photovoltaic integrated carports using employee parking sheds, bicycle sheds and business carports as building carriers, and built solar photovoltaic grid-connected power stations as supplementary energy to supply electricity for lighting in the park.

Zhengzhou Nissan installed a photovoltaic power generation system in the factory's commercial vehicle car park with an installed capacity of 11.8MW, providing green power to the factory while avoiding a reduction in production capacity due to power supply shortages in the community and improving the reliability of electricity consumption. During the Reporting Period, the photovoltaic facilities generated a total of 11.329 million kWh of electricity.

Dongfeng Passenger Vehicle 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. 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.

Examples of PV projects of Dongfeng Motor Group

Energy efficiency

The Group continuously promotes the green manufacturing system, focuses on the improvement of key energy-using processes and equipment, ensures that constant achievements in energy conservation, strives to achieve efficient use of energy, and creates green factories.

Project of Zhengzhou Nissan of the Air-fuel Ratio Improvement of Drying Furnaces

Zhengzhou Nissan renovated drying furnaces by setting up an independent control module. It adjusted the gas valve, according to the furnace temperature, to save natural gas. Upon renovation, we set up independent control valves and control modules for the air and gas pipelines of drying furnaces, and added an air-fuel ratio detection mechanism to the flue gas emission pipeline to detect the current air-fuel ratio in real time. The gas-air ratio was fed back and adjusted to ensure the optimal combustion state in real time and improve safety performance. After calculation and evaluation, the renovation project will save 75,000 cubic meters of natural gas per year, equivalent to 162 tons of CO_2 equivalent.

Peugeot Citroën Automobile reduced the supply pressure of air compressors to save energy

During the Reporting Period, Peugeot Citroën Automobile performed energy-saving renovation of air compressors at the Chengdu factory's integrated station. It gradually lowered the air pressure from 0.75MPa to 0.69MPa and saved energy consumption by approximately 4.2%, while maintaining stable production.

The M-Hero Industrial Park was built into a "zero-carbon" industrial park model

M-Hero actively turns manufacturing advanced, intelligent, and green and is committed to creating a zero-carbon industrial park model that covers an intelligent manufacturing production unit, a lean and efficient office unit, and a luxury off-road experience unit. From the beginning of construction of the industrial park, energy conservation and PV applications have been taken into account. PV power generation facilities are applied to welding, painting, assembly, five small warehouses, and office buildings. The goal is to create a green, low-carbon industrial park and establish a new modern benchmark factory.

Carbon offset

Besides carbon reduction measures, the Group is actively exploring the possibility of increasing carbon sinks. By procuring forestry carbon sinks, it intends to offset greenhouse gas emissions within the Group.

"Amenity: Blue Sky" carbon neutrality project of Dongfeng Honda

During the Reporting Period, Dongfeng Honda became the first car company in Central China to initiate the "Amenity: Blue Sky" Carbon Neutral Forest Planting Project to actively practice its social responsibilities in the field of energy conservation and environmental protection and fulfil its obligation of sustainable development. Specifically, Dongfeng Honda invested more than RMB5.4 million in trees represented by tea-oil trees, sweetgums, and Triadica sebifera. It would plant a carbon sink forest of more than 1,100 mu in Jiangjun Mountain. All income from the forest would be used to support local rural revitalisation. At present, the carbon neutral forest in Jiangjun Mountain will be included in the first batch of carbon neutral forest bases in Wuhan City. Dongfeng Honda will continue to implement the national strategy of "carbon peaking and carbon neutrality" and fulfil its responsibilities for energy conservation and emission reduction.



Signing and launching ceremony of the "Amenity: Blue Sky" Carbon Neutral Forest Planting Project



The Group actively identifies climate risks, analyses the physical and transformation risks brought by climate change during production and operations, alleviates the impact of climate change, and lays a solid foundation for the response and adaption to such change.

Risk type		Risk parameter	Countermeasure
Physical risk	Acute	Extreme weather, such as typhoons, floods, droughts, and extreme high or low temperature	 Closely monitor weather forecasts to ensure the safety of production personnel and make adequate preparation; Develop contingency plans to address the impact of unexpected weather on
	Chronic	Impacts such as changes in temperature and rainfall	 production; Conduct forward-looking risk identification and assessment of chronic climate risks and include them in production planning;
	Policies and laws	Release of policies related to energy conservation and emission reduction Stricter reporting obligations and compliance requirements for emissions	 Promptly understand and compliance with relevant regulatory laws and regulations; Take environmental factors into account during product development, design and production management; Continuously update and improve the
		Changes in regulatory requirements and standards for the automotive industry	 standards for products and raw material procurement; Gradually explore new opportunities in carbon offset and elimination;
		Transformation of low-carbon technologies	 Keep abreast of government incentives for low-carbon technologies; Continuously incorporate energy
	Technology	Investment failure of new technologies	 conservation and emission reduction into product design and R&D Continuously incorporate energy conservation and emission reduction into product design and R&D
Transitional risk		Increased customer demand for low-carbon products	 Perform in-depth market research, constantly monitor market dynamics, and gradually raise the R&D investment and production of low-carbon products, such as
	Market	Increased raw material costs	 new energy vehicles; Proactively identify the trend of the raw material market, establishment cooperation mechanisms with suppliers, mitigate supply chain risks, and improve supply-chain risk resistance;
	Reputation	Customers' concern about enterprises' image in sustainable development	 Gradually promote the low-carbon transformation of products to meet customer needs; Pay more attention to disclosure requirements related to sustainability and
		Stakeholders' concern about negative news	 climate change and optimise the external communication channels while ensuring compliance; Continuously focus on and participate in international and domestic green activities, which are highly recognised or applicable, to raise competitiveness in the industry.

Metrics and Targets

In order to support the country's strategic goals of "carbon peaking and carbon neutrality", the Group has set short-term environmental objectives for the 14th Five-year Plan period, by adopting an objectiveoriented approach and adhering to systematic concepts. It exceeded the annual objectives for 2022, by solidly promoting the "Green Dongfeng 2025 Action" and the "Green + Manufacturing" action plan, highlighting priorities, and making pertinent efforts.

Environmental objectives		Completion status in 2022		
Energy consumption	• Compared with 2021, the comprehensive energy consumption per output value of RMB10,000 decreased by 2.8%	 The comprehensive energy consumption per output value of RMB10,000 declined by 4.0%. 	Completed	
Emission objectives	 Compared with 2021, the carbon dioxide emissions per output value of RMB10,000 fell by 3.8%. The growth rate of COD emissions did not exceed 6%. 	 The carbon dioxide emissions per output value of RMB10,000 dropped by 4.2%. COD⁴¹ emissions went down by 21%. 	Completed	

Status of Dongfeng Motor Group in Objectives of Low Carbon and Energy Consumption Reduction

During the Reporting Period, the Group's greenhouse gas emissions (GHG) (Scope 1 and Scope 2) amounted 1,687,642 tons of CO_2 equivalent, a decrease of 18% from 2021. The GHG emissions per output value of RMB10,000 (Scope 1 and Scope 2) were 0.042 tons of CO_2 equivalent, a decrease of 3% from 2021. See the specific energy use and GHG emissions below:

Indicator name	Indicator unit	2020	2021	2022
Purchased electricity	10,000 KWh	298,622	284,620	243,374
Natural gas	10,000 standard cubic	11,658	11,943	9,764
	meters			
Diesel	tons	22,116	19,922	12,776
Gasoline	Tons	13,420	13,241	12,193
Heat	MKJ	650,131	438,097	287,559
Others (including coal, fuel oil,	Tons of standard coal	54,353	45,379	29,282
kerosenes, lubricating oil, etc.)				
Comprehensive energy consumption	Tons of standard coal	650,603	617,523	504,630
Comprehensive energy consumption	Kg standard coal/	13.24	12.94	12.42
per RMB10,000 output value	RMB10,000			

Environmental Management

The Group insisted on making green a defining feature of its high-quality development. It strengthened the foundation of green management through improving the environmental management mechanism, perfecting the environmental risk management mechanism and creating environment-friendly culture. We continuously drew experience from our daily work, and earnestly made efforts to achieve the goal of carbon peaking and carbon neutrality and reduce the risk of climate change, so as to serve the prolonged struggle of green transformation.

Environmental management system

The Group strictly abided by laws and regulations such as the Environmental Protection Law of the People's Republic of China and Cleaner Production Promotion Law of the People's Republic of China, and has formulated and improved the Management Measures of Construction Projects for Environmental Protection, Management Methods for Energy Conservation and Environmental Protection and Management Measures for Performance and other internal systems to guide the steady development of environmental management.

During the Reporting Period, we continued to implement the "6+1" Energy-saving and Environmental Protection Management System, accelerating the information and intelligence-based construction of safety and environmental protection. We leveraged the comprehensive and solid environmental management system and platform to establish three-level responsibility system for energy conservation and environmental protection covering the group headquarters, affiliates and subsidiaries (factories). We continued to strengthen top-level design, enhanced the leadership of safety and environmental protection and has formulated comprehensive management reporting mechanism. Meanwhile, in order to push forward the implementation of environmental management, we linked the performance appraisal of senior executives with COD emissions and other environmental indicators.

In 2022, the Group's investment in environmental protection reached RMB5,632,955.89 million. 95% of its production units have passed the ISO 14001 Environmental Management System Certification. At the same time, supported by the sound management mechanism, we have successfully accomplished the environmental protection goal of 2022: eliminating multiple environmental pollution accidents and major violations, and continuously deepening the implementation of pollution prevention and control.

The Group headquarters	 Responsible for decision-making, supervision and assessment of environmental management work
Subsidiaries	 Responsible for the promotion of specific work and measures, resource allocation, technical and operational support
The factory (its subsidiaries)	 Responsible for implementing the environmental management work of the whole value chain management

Three-Level responsibility system for energy conservation and environmental protection of Dongfeng Motor Group

Environmental risk management

The Group has established a refined environmental risk management mechanism. We actively identified the latest environmental laws and regulations, regularly updated the Regulations on the Management of Important Environmental Risks of Dongfeng Motor Group Company Limited, and guaranteed the compliance and stability of green operation through carrying out environmental risk assessment and building an emergency and supervision mechanism for environmental accidents. During the Reporting Period, the Group had no environmental pollution incidents or major environmental violations.

Environmental Risk Assessment	• Carry out environmental risk identification and special rectification work, and carry out rolling identification of environmental risks, with a total of 487 risk points identified in 2022, including 44 important risks of Class I, 122 important risks of Class II and 321 general risks.
*	
Ezvironmental Accident Emergency Management	 Improve measures to prevent and control the risk of environmental emergencies and develop emergency plans for environmental accidents.
	• Regular emergency drills are conducted and emergency plans are revised and improved in a timely manner according to the drills.
Establishing an Inspection Mechanism	 Organized 103 safety and environmental inspections of 25 business units (achieving full coverage in manufacturing, logistics and sales) and 52 factories (branches and subsidiaries) in each base, finding a total of 960 problems and urging rectification.

Environmental risk management mechanism

Dongfeng Automobile Co., Ltd. ensured the effective operation of its environmental management system

Dongfeng Automobile Co., Ltd. adhered to the policy of "Dongfeng Motor pursuing perfection through people-oriented and healthy development", and deepened the implementation of environmental management system. During the Reporting Period, the Company collected and updated its List of Laws and Regulations on environment, ensured that the Company's environmental policies were in conformity with national industry rules, and paid close attention to the industry regulations and requirements of green development. During the Reporting Period, we identified 94 environmental protection regulations, 84 environmental protection standards and 9 new ones. Besides, we made adaptability assessment on new regulations and standards to ensure that the Company's production and operation meet the national environmental protection regulations and pass the audit conducted by third-party management system.

Green environment-friendly culture

In addition to day-to-day work and business process, the Group actively advocated the awareness of environmental protection and ecology, built the environmental management culture shared by all employees, and injected green impetus into the Company's progress in environmental protection. Meanwhile, we considered taking responsibility as our foundation mission, and jointly built a green and low-carbon future with government institutions and environmental protection organisations.

Zhengzhou Nissan promoted the concept of low-carbon life together with its partners

In order to better promote the concept of low-carbon life, Zhengzhou Nissan held an energy conservation and environmental protection publicity activity in the square of Pan'an Amusement Park in Zhongmu County on the "June 5" World Environment Day, making more people in the community to understand the significance of low-carbon life and helping energy saving and emission reduction. At the same time, we encouraged employees to reduce the consumption of energy and resources in the office. Emission of carbon dioxide was reduced by turning off the lights for an hour during lunch break and commuting by shuttle bus. Furthermore, in accordance with the Emergency Response Plan for Environmental Emergencies of Zhengzhou Nissan Motor Co., Ltd., we cooperated with Zhengzhou Ecology and Environment Bureau Zhongmu Branch, Emergency Management Bureau, Fire Brigade, Health Commission and local government to conduct regional collaborative drills and improve our capabilities of dealing with regional environmental emergencies.

Green Products

In the process of moving towards digital economy and society, Dongfeng Motor Group continuously generated momentum of green development, accelerated the innovation of green development, integrated the operating concept of "making motors with energy-saving and environmental protection, and making energy-saving and environmental protection motors" into the full life cycle from product design, procurement, manufacturing to packaging and logistics, and built green industrial chains characterised by Dongfeng Motor features.

Green design

The Group redoubled its efforts both in manufacturing and consumption. Based on the "Leap Forward Action" of scientific and technological innovation, it vigorously developed new energy business, and possessed multiple technological development routes, such as core assembly of three electric vehicles, vehicle platform architecture, charging and switching technology and hydrogen energy. Adhering to the ideas of innovation, collaboration, openness and safety, it promoted the healthy and rapid development of the Company's new energy vehicles, as well as the achievement of carbon peaking and carbon neutrality. In 2022, the Group sped up the transformation of innovation results in the field of new energy, with sales of 471,000 new energy vehicles, an increase of 156.8% year on year. Specifically, the sales volume of new energy passenger vehicles reached 424,000, up by 157.2% year on year. The sales volume of new energy commercial vehicles amounted to 47,000, up by 153.4% year on year.

Independent passenger vehicles

We strengthened the differentiation layout and focused on building VOYAH, Dongfeng Passenger Vehicle and luxury electric off-road brand M-Hero. VOYAH is positioned as a leading high-end intelligent and new energy brand with zero anxiety. Following the release of VOYAH brand strategy last year, the first medium and large-sized SUV of VOYAH FREE will be delivered in the third quarter of this year. As the main force of Dongfeng independent passenger vehicles, Dongfeng Passenger Vehicle is regarded as a mainstream technology driving brand and strives to increase the sales to more than 300,000 units in the 14th Five-Year Plan. Meanwhile, it launched the luxury electric off-road brand M-Hero, promoted the differentiated development of Dongfeng Forthing, Fengon and other brands, and met the diverse needs of customers in market segments.

Core assembly of three electric

In terms of core assembly of three electric vehicles, the Group has fully and independently controlled and industrialised the layout, which includes safe and reliable battery management technology, industry-leading IGBT packaging and integration technology, highly integrated all-in-one electric drive technology, and world-leading efficient flat wire motor technology, and continuously accelerated the iterative upgrading and industrial application.

Charging and switching technology and hydrogen energy

The Group continued to develop industry-leading energy replenishment and power switching technology. Based on ultra-high voltage platform, the super charge technology enabled consumers to charge for ten minutes and drive for 400 kilometres. The shared power switching technology covered multiple scenarios and models, and promoted the standardisation of power switching technology.

In terms of hydrogen energy, for now, the Group has finished the development of 80kW fuel cell system, achieved a cold start of the stack at minus 20° C without an auxiliary heat source, and launched the 110kW 6X4 hydrogen fuel cell tractor. It will soon take the lead in demonstrating the operation of Dongfeng Fengshen AX7 hydrogen fuel vehicle in Wuhan and Foshan. In order to maintain the leading position of core performance and commercialisation of hydrogen fuel cell, we will launch high-performance and high-power stacks of 120kW and above, and master key core technologies such as stack catalyst, membrane electrode and bipolar plate in the next three years.

Iterative upgrading of traditional power

Following the launch of the powertrain brand Longqing in the field of commercial vehicles, the Group put forwards the power brand Mach for the first time in the passenger vehicle sector. The Mach Power MHD Hybrid System greatly improved the operating efficiency and reduced fuel consumption. With the support of hybrid system, Dongfeng Passenger Vehicle Haoji can achieve a system efficiency of more than 90% under 90% of working conditions, maximizing the retention of kinetic energy conversion, which won the special jury award of "CMG 2021 China Auto Award Ceremony".

Green procurement

Dongfeng Motor Group has always been committed to promoting the whole industry to create environmental protection value, focusing on cooperation with suppliers to continuously advance green procurement, driving downstream suppliers to carry out green transformation and opening up new prospects in win-win collaboration. We have established a comprehensive supplier access and management system, actively implemented the Supplier Platform Management Measures, General Principles of Procurement, Supplier Access Evaluation Standards, Non-productive Procurement Management Measures and other management systems, integrated environmental management system with daily procurement, and monitored the environmental protection of suppliers, so as to reduce supply chain risks.

Supplier Access	Supplier Risk Management	Supply Chain Collaboration Empowerment
The procurement system clearly requires that new suppliers entering the market must have environmental qualifications, and includes supplier environmental management system	Regularly dispatch to verify the qualification of suppliers and supervise them to replace and update the relevant certificates in time to ensure the validity of their qualification.	Strict requirements are in place to regulate and drive suppliers to strengthen the operation of their carbon emission management projects. For example, during the year, Dongfeng
certification as an audit item, and adopts a negative strategy for suppliers who do not meet the standards, and clearly requires that project-type purchases should be subject to a safety and environmental protection		Honda promoted its suppliers, who accounted for 70% of its procurement volume, to carry out corporate carbon management or energy management projects and disclose their CO ₂ emission reduction through the
agreement.		company's internal green procurement system. During the Reporting Period, a total of 228 key suppliers introduced the green procurement system and uploaded their actual greenhouse
		gas emissions on an annual basis, reducing their emissions by 1.44% in 2022 compared to 2021.

Supplier environmental management measures
Green logistics

The green and intelligent logistics system connected our products, stores and customers, which was an indispensable part of green and low-carbon recycling ecology. Dongfeng Motor Group made efforts in key logistics links such as green packaging, green transportation and green warehousing. It continuously promoted the mechanisation, automation and informatisation of logistics, and transformed to modern logistics featuring low pollution, low consumption, low emission and high efficiency.

Green Packaging	 Focus on the choice and sustainability of packaging materials and pay close attention to the environmental impact of packaging materials during the procurement process Reduces the use of packaging materials through optimization, substitution and recycling
Green Logistics	 Electrification of logistics and transport vehicles, setting energy requirements for petrol vehicles
	Optimization of transport routes and development of multimodal transport
	 Collaborative peer-to-peer transport to increase vehicle load factor
Green Storage	Electrification of storage vehicles and equipmentBuilding photovoltaic warehouses
	Use of information technology to optimize the use of storage space
Green Sales	 Developing point-to-point sales, optimized routes to reduce shipping miles and carbon emissions

Major green logistics measures of Dongfeng Motor Group

Zhengzhou Nissan actively carried out green logistics work

Zhengzhou Nissan made solid progress in advancing green logistics, and exerted efforts in packaging, transportation and warehousing.

Green packaging

• Promoting lean, standardized, generalized, modular, and lightweight packaging design, fundamentally reducing the packaging material costs and introducing recyclable green packaging materials

Green transportation

In order to optimize transportation routes and reduce unnecessary carbon consumption, we continuously developed ideas and perfected the organizational mode of transportation.

- Developing multimodal transport: transforming from road transportation to railway and water transportation
- Collaborating with other leading automobile manufacturers for transportation

Green warehousing

- Requiring all employees entering workshops and logistics sites to use "green transportation", with 100% electrification rate of forklifts and tractors
- Leveraging information technology and scientific and reasonable layout design to reduce unnecessary handling and transportation and enhance inventory turnover rate
- Introducing photovoltaic warehouses for commercial vehicles, with annual photovoltaic power generation of 10 million kWh

Dongfeng Automobile Co., Ltd.: carrying out the electrification of transportation

During the Reporting Period, Dongfeng Automobile Co., Ltd. actively conducted the electrification of logistics transportation and warehousing, so as to building a system of green logistics. For now, the electrification rate of forklifts and tractors in factories of Dongfeng Automobile Co., Ltd. has reached 90%. At the same time, Dongfeng Automobile Co., Ltd. proactively implemented the upgrading and management of emission compliance of suppliers' inbound logistics vehicles, required 100% of inbound logistics vehicles to reach the China V emission standard or above, and completely eliminating old vehicles.

Green Manufacturing

The Group adhered to the principle of attaching importance to both quality and environmental protection, striving to reduce the impact of its operation on the environment on the basis of ensuring product quality. Supported by innovation of clean production technique, we vigorously promoted green manufacturing, which was guaranteed by building of regulations, standards and systems, with the goal of energy conservation, consumption reduction and pollution and carbon reduction.

Emission management

The Group continued to strengthen its management of pollution emission. With the basic idea of comprehensive compliance, problem solving, challenges tackling, and integrated development, it has formulated the Implementation Plan for Deepening the Battle Against Pollution, which highlighted precise, scientific and legal pollution governance and ensure the success of the battle, taking the Technical Guidelines for Source Control in Deepening the Battle Against Pollution as the technical guarantee.

Blue Sky Defense	Tackle the synergistic treatment of organized and unorganized VOCs emissions
	Active treatment of casting and wilding exhausts
	• Regulate the installation and networking of autonomous monitoring equipment
Clear Water Defense	 Focus on promoting the renovation of wastewaster online monitoring equipment and facilities in 11 secondary units Proactively increase the development of the reuse of reclaimed water
Rich Soil Defense	Carry out solid waste reduction and promote the development of soil pollution prevetion and control
Noise Prevention	 Insist on both engineering measures and process improvement measures to carry out noise management

Dongfeng Motor Group's Main Tasks in the "Battle of Pollution Prevention and Control"

Waste gas emission management

The Group strictly followed laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, resolutely implemented regulatory requirements such as Opinions of the Central Committee of the Communist Party of China and the State Council on the Indepth Fight against Pollution, fully implemented emission standards such as the Integrated Emission Standard of Air Pollutants and Standard for Fugitive Emission of Volatile Organic Compounds. We mainly produced pollutants such as nitrogen oxides, sulphur dioxide and volatile organic compounds. The Group regularly measured, monitored and analysed the emissions of exhaust gases and their pollutants. Special governance measures were taken for the control and treatment of waste gases to achieve the reduction of exhaust emissions from the source.

Dongfeng Honda updated its waste gas disposal

Dongfeng Honda Engine paid attention to its impact on the environment, continued to enhance its capabilities of waste gas collection and disposal, and ensured that its waste gas emission complied with relative standards. To achieve this, Dongfeng Honda Engine installed an oil-mist collector of casting machine in the factories to collect exhaust gases, and monitored emissions through exhaust gas online monitoring system.

Meanwhile, Dongfeng Honda Engine adopted special monitoring training and self-examination to carry out internal control. The online monitoring system in our factories was linked to the municipal platform and regularly disclosed environmental management information, allowing the public to supervise Dongfeng Honda Engine at all times.

Dongfeng Motor Group developed diversified waste gas treatment processes

The Group's subsidiaries adopted various kinds of advanced waste gas disposal processes to reduce emission in accordance with their production conditions and features.

- Zhixin Technology Co., Ltd. adopted a centralised oil-mist collection system to reduce the content of VOCs⁴² in the waste gases emitted from production by electrostatic adsorption before final emission.
- Peugeot Citroën Automobile leveraged the Zeolite Wheel + RTO⁴³ Incineration Treatment System, which would concentrate, adsorb, incinerate and purify the waste gases from the painting and spraying process after the paint mist was captured by Venturi wet method, further reducing the emission concentration of VOCs and finally being discharged through a 60-meter vent-pipe.
- Dongfeng Off-road Vehicle built waste gas pollution prevention and control equipment such as VOCs governance equipment and overall ventilation and dust removal system in welding workshops. Besides, it entrusted a third-party testing company to monitor the exhaust emissions to ensure that the concentration of air pollutants better than national and local standards.

During the Reporting Period, the emission of nitrogen oxides (NO_x) of the Group was 200.30 tons, and the emission of sulphur dioxide (SO₂) was 41.89 tons, a decrease of 20% year on year.

Indicator	Unit	2020	2021	2022
Nitrogen oxide (NO _x) emissions	tons	240.22	251.64	200.30
Sulphur dioxide (SO ₂) emissions	tons	46.73	52.20	41.89

Wastewater discharge management

The Group's wastewater mainly comprised of production wastewater and domestic sewage from factories and offices. We 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, and adopted targeted wastewater treatment processes based on the types and concentrations of wastewater pollutants generated from each plant to ensure that the waste water discharged from the plant complies with the requirements of the integrated Wastewater Discharge Standards (GB 8978–1996), Pollutants Emission Standards of Urban Sewage Water Treatment Plant (GB 18918–2002) and other discharge standards of the place of operation. We entrusted a third-party water company to make sure that the wastewater recycling strategy, continuously reduced wastewater discharge and lowered down sewage treatment costs.

⁴² VOCs: Volatile Organic Compounds

Optimisation of wastewater treatment technology

- Dongfeng Honda Engine leveraged the energy management information system to incorporate the single indicator of fresh water into the management and control indicators of environmental health and safety. It implemented projects such as wastewater reuse and toilet flushing, environmentfriendly intelligent integrated cooling tower renewal, and analysed the monthly discharge of wastewater and chemical oxygen demand (COD) of each department.
- Dongfeng Nissan conducted in-depth treatment of the discharged wastewater, from replacing tap
 water to being used in equipped improvement projects of hydrochloric acid, PAM (polyacrylamide)
 and other agents. By installing filters, check valves and shunt valves on the reclaimed water
 circuit, we used and verified that the discharged wastewater met the sewage treatment
 requirements after the reclaimed water replaced the tap water for up to one week. The project was
 put into operation in March 2022, saving 7,8000 tons of water and RMB28,470 annually, with the
 reduction of COD emission by 390 kilograms.

During the Reporting Period, the Group's total industrial wastewater discharge amounted to 6.59 million tons, of which chemical oxygen demand (COD) emissions were 362 tons and ammonia nitrogen emissions were 32 tons. Through the reuse of industrial wastewater, the total amount of recycled water used by the Group was 3.07 million tons.

Indicator	Unit	2020	2021	2022
Industrial wastewater discharges	10,000 tons	880	836	659
Reused industrial wastewater	10,000 tons	441	334	307
Chemical oxygen demand (COD) emissions	tons	/	459	362
Ammonia nitrogen emissions	tons	/	43	32

Waste management

Dongfeng Motor Group has strictly complied with the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution, National Hazardous Waste List, Solid Waste Identification Standards-General Principles (GB 34330–2017), Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Waste (GB 18599–2001), Standards for Pollution Control on Hazardous Waste Storage (GB 18597–2001), and other laws, regulations, and standards of the places where it operated to provide institutional protection for the discharge, collection, storage, and disposal processes, reducing waste generation from the source and maximizing the on-site waste recycle.

During the Reporting Period, the Group has kept optimizing management measures, comprehensively promoted the reduction as well as resourceful and harmless disposal of solid waste, and fully guaranteed compliant discharge and disposal.

Dongfeng Special Commercial Vehicle implemented a hazardous waste management system

Dongfeng Special Commercial Vehicle proactively responded to the Group's strategic goal of sustainable development. To ensure the proper disposal of solid waste generated in business operations and prevent environmental pollution, we have formulated the hazardous waste management system, including the responsibility system for the prevention and control of hazardous waste pollution, the systems for the collection, temporary storage, and disposal of hazardous waste, the contingency plan for hazardous waste, and other special governance measures. We have treated the generated waste in a compliant and qualified manner, treating it seriously and disposing of it rigorously to avoid environmental damage resulted from the discharge.

On the basis of compliant disposal, we have adhered to reducing waste generation from the source and kept exploring the potential of waste recycle with the goal of improving the comprehensive value of waste utilization.

Dongfeng Commercial Vehicle promoted hazardous waste reduction

During the Reporting Period, Dongfeng Commercial Vehicle has proactively carried out process renovation and replacement, reducing the generation of hazardous waste from the source.

The upgrade and renovation of forging presses: Reduced hazardous waste generation by replacing the lubricants and recycling the mould emulsion.

Renovation of the paint booths: Changed rotary and water curtain paint booths into dry ones, reducing the hazardous waste generation of paint slag by 50%.

Coating replacement: Changed the topcoat coating to powder coatings, achieving a year-on-year decrease in hazardous waste generated by paint slag by 80%. The pearl white topcoat of body shops replaced solvent-based coatings with high-solid coatings, achieving a year-on-year decrease of hazardous waste generated by paint slag by 80%.

Recycling solid waste

Dongfeng Commercial Vehicle recycled spent brown fused alumina grits: Through identification and research, Dongfeng Commercial Vehicle recycled the spent brown fused alumina grits from Loong-Gine. During the Reporting Period, over ten tons have been recycled, effectively reducing disposal costs. All units of Dongfeng Commercial Vehicle have passed the government's annual assessment of normalized management standards. The hazardous waste generated in 2022 was 1,168.12 tons less than that in 2021, reducing the disposal costs by RMB2,590,400.

Dongfeng Parts and Components recycled spent steel shots: Dongfeng Parts and Components made full use of its resources, finding an effective method to recycle spent steel shots by incorporating them into shot blasting without any costs and avoiding additional labour during operations. During the Reporting Period, the solid waste discharge has been reduced by 11.4 tons per year by recycling waste, saving production costs of RMB53,000.

During the Reporting Period, the Group has disposed of 33,684 tons of hazardous waste in total, with a hazardous waste disposal volume of 0.84 kilograms per RMB10,000 of output value, and a total of 23,608 tons of general solid waste, with a general solid waste disposal volume of 0.59 kilograms per RMB10,000 of output value.

Indicator	Unit	2020	2021	2022
Disposed hazardous waste	tons	41,237	38,521	33,684
Comprehensively utilized hazardous	tons	5,831	7,704	7,793
waste				
Hazardous waste disposal	Kg/RMB10,000	0.84	0.81	0.84
per RMB10,000 output value				
Disposed general solid waste	tons	18,008	41,062	23,608
Comprehensively utilized general solid	tons	767,093	620,137	495,222
waste				
Solid waste disposal	Kg/RMB10,000	0.37	0.87	0.59
per RMB10,000 output value				

Resources management

The Group has always adhered to a compliant and transparent management of pollutant discharge, realizing green development through effective control of discharge management in all aspects of the enterprise's production and operation.

Water resource

The water resource is the basis for life nourishment and the significant foundation of the survival and development of human society. Clean and sufficient water resources are essential guarantees for life. The Group has attached great importance to water resources and regarded water conservation as a crucial component of the enterprise's sustainable development.

We have complied with the Water Law of the People's Republic of China and other relevant laws and regulations, identified the risks of water resources in a timely manner and took corresponding measures of management and control. We have complied with the principle of giving priority to reducing the use of water resources from the source and implemented targeted management of water resources, improving the using efficiency and reducing waste. We have also collected water consumption data and promptly monitored the actual water conservation.

Active application of water-saving equipment

- Intelligent water consumption management: Dongfeng Off-road Vehicle installed globe valves and smart water meters in the park's water supply network, promptly detecting abnormal water usage and sounding the alarm. For efficient management, we have adopted the unidirectional water supply to the park's mains and applied a standardized maintenance operation mode, reducing the average water loss due to pipe bursting. In addition, Dongfeng Off-road Vehicle has set an annual water consumption target to reduce monthly water consumption to less than 5,000 tons.
- **Comprehensive renovation for water conservation:** During the Reporting Period, Dongfeng Commercial Vehicle has launched a large-scale inspection of underground water leakage to proactively promote water management and reduce unnecessary consumption of water resources. We have renovated and updated the water distribution network and water-saving efficient equipment and technologies, as well as applying water-saving coating techniques, energy-saving water pumps, automatic sensor-based water-saving devices, and other products to strictly control water consumption.

We have always regarded water recycling as a crucial component of water resource management, steadily expanding the application of water recycling facilities and exploring the possibilities of water recycling in all aspects, including production, manufacturing, and operations.

Dongfeng Parts and Components reused the condensate water

Technologies empowered the reuse of reclaimed water: Dongfeng Parts and Components has been clearly aware that collecting and reusing water resources was a significant approach to realize sustainable water use. Through technological renovation, we recycled the condensate water generated by air handling units and delivered it to the cooling towers for replenishment, reducing additional water consumption and forming a closed loop. To further reduce energy loss, we have set up six recycling sites according to the principle of proximity, transporting the condensate water to the nearest cooling tower for replenishment to maximize the utilization of existing water resources.

Data supported intelligent management: Through benchmarking analysis, VOYAH replaced a plan to replace the cooling circulating water in air compressors and refrigeration machines of the central station with reclaimed water. It improved the existing water supply pipelines to connect the reclaimed water pipelines to the cooling circulating water of refrigeration machines for replenishment, saving approximately 110 tons of water per day.

During the Reporting Period, the Group's production	water consumption was 13.16 million tons
A decrease of 14 % compared to 2021	The water consumption per RMB10,000 output value was 0.33 tons/RMB10,000

Packaging materials

The Group has adhered to the principle of using recyclable and lightweight packaging materials, promoting the procurement of recyclable packaging materials to reduce the impact of using resources on the environment. During the Reporting Period, the Group has consumed 1,459 tons of packaging materials, of which 1,450 tons were recyclable, accounting for approximately 99%.

Zhengzhou Nissan adopted a lean, standardized, generalized, modular, and lightweight packaging design

Zhengzhou Nissan has always implemented a lean, standardized, generalized, modular, and lightweight packaging design, fundamentally reducing the packaging materials costs and introducing recyclable green packaging materials. In 2022, after a series of reviews and selections, we have achieved a year-on-year increase of 11% regarding recycling packaging. The overall proportion of recycled packaging parts for all vehicle models has grown by 94.3%. The operation efficiency of the supply chain has been improved comprehensively and effectively.

Promoting green packaging procurement

The Group actively promotes the use of environmentally friendly materials in packaging. Dongfeng Parts and Components periodically request that suppliers provide reports on prohibited substances each year, and packaging agreements for new development projects require suppliers to utilize eco-friendly materials. Simultaneously, we actively explore the application of renewable materials. During the Reporting Period, VOYAH Motor encouraged suppliers to use recycled materials for components such as side trim panels, cooling fan blades, and engine decorative covers. The interior upholstery features Dinamica® imitation suede fabric⁴⁴ and OEKO-TEX® STANDARD 100 certified ecotextiles⁴⁵.

Positive collaboration within the value chain is the focus of the Group's ongoing efforts. During the Reporting Period, Dongfeng Honda Parts adhered to the principles of "reduction, recycling, and reuse". They not only required the use of recyclable packaging boxes internally, but also asked suppliers of raw materials and components to utilize recyclable packaging boxes, assisting suppliers in reducing waste emissions and lowering packaging costs.

⁴⁴ Dinamica® is a sustainable, recyclable, high-quality ultrafine fiber suede material composed of regenerated polyester fibers (found in items such as T-shirts and other textiles) and PET plastics (used in plastic bottles and various packaging materials). Compared to the production process of traditional petroleum-based polyester, recycling polyester reduces energy consumption and CO2 emissions by 80%. Dinamica® is produced using an innovative water-based manufacturing process that avoids the use of environmentally harmful chemical solvents.

⁴⁵ The OEKO-TEX® STANDARD 100 eco-textile certification is a standard that tests for over 300 harmful substances and sets limits on their presence. These substances include banned azo dyes, carcinogenic and allergenic dyes, polycyclic aromatic hydrocarbons (PAHs), organic tin compounds, chlorinated phenols, phthalates (plasticizers), PFOS, PFOA, and residues of surface lubricants (APEO). The certification takes human ecological factors into account, examining whether the harmful substances present in textiles pose a potential risk to human health and working to minimize any negative impact on the human body.

New Pattern: Benefit Society and Share Value

Harmonious Values

As a responsible enterprise, Dongfeng Motor Group is always passionate about focusing on people's livelihood issues and continuously carrying out rural revitalization and other social welfare activities. Through practical actions, the Group gives back to society, enhancing residents' well-being and promoting community prosperity and harmony.

Rural Revitalization

Dongfeng Motor Group follows the charitable philosophy of "Dongfeng brings rain, nourishing all around" and deeply studies and implements the spirit of General Secretary Xi Jinping's important instructions on implementing the rural revitalization strategy. The Group regards promoting rural revitalization as an important political responsibility and historical mission, fully integrates group resources, and comprehensively improves rural revitalization work.

During the Reporting Period, the Group relied on the rural revitalization leadership team, combined with the internal "14th Five-Year" rural revitalization plan, focused on the "Five Revitalizations", implemented an upgraded version of the "empowerment project", created the "assistance package" and utilized Dongfeng's industrial advantages to comprehensively improve the work of rural revitalization. Meanwhile, we continue to advance targeted poverty alleviation work in eight counties and cities across four provinces, including Guangxi's Mashan County, Xinjiang's Keping County, Tibet's Gongjue County and Jiangda County, Hubei's Fang County, Xingshan County, Enshi City, and Wufeng County. Our efforts have been highly recognized by various departments, local government officials, and the masses, delivering a high-quality "answer sheet" for Dongfeng's rural revitalization. During the Reporting Period, the Group donated a total of RMB43,227,380 in rural revitalization work through targeted donations, targeted assistance, and aid to Tibet and Xinjiang.

Promoting revitalization through industry

The development of a prosperous industry is crucial for revitalizing rural communities and addressing various challenges they face. The Group's approach to agricultural support is cantered around actively providing assistance for consumption, while adhering to the "teaching a man to fish" principle. This involves fully exploring the multifaceted functions and values of rural areas, with a particular focus on key industries. By gathering resource elements and nurturing new drivers for rural development, the Group helps to build industrial, production, and operational systems, thereby establishing a strong foundation for the modernization of agriculture and rural areas.

Market-oriented operation and development of rural economy

To address the pressing issues of soil salinization and mineralization in Ping County, the support staff of Dongfeng Honda in Xinjiang adopted market-oriented project operation methods. By collaborating with village and town collectives, they identified "sheep breeding" as a key area of support, precisely targeting the problem of "insufficient feed for large-scale breeding". In 2021, Dongfeng Honda invested RMB1 million from special funds to partner with an agricultural technology company, launching a soilless cultivation forage project to modernize the livestock industry and improve breeding conditions for farmers. They also worked with the local government to provide guidance on raw material supply, talent transportation, and sales market coordination, ensuring successful project development. When the first phase was stable, Dongfeng Honda continued to invest RMB1 million for the construction of the second phase of hydroponic forage during the Reporting Period. This project has been recognized as a rural revitalization demonstration case by the Organization Department of the Xinjiang Uygur Autonomous Region Party Committee and has become a "star project" to boost industrial development in rural revitalization efforts across Xinjiang.

Dongfeng Honda has implemented a focus on rural tourism in Fang County, Hubei, creating a primary industry cantered around traditional Chinese medicine planting, green agriculture, and ecological breeding of blueberries, kiwifruit, and konjac. They have also expanded sales channels through online and offline methods to connect production and sales. In Mashan County, Guangxi, Dongfeng Honda has accelerated the construction of agricultural modernization initiatives, including the Lixing Village Fruit and Vegetable Demonstration Park, a deep-processing industrial park, and the Dongfeng Wo Gan Industrial Support Base. They have introduced support funds to build the "Shenzhen Dongfeng Industrial Park", which focuses on agricultural product processing and aims to enhance and strengthen the industrial chain while improving product added value and competitiveness.

Consumption to help farmers and rural industry revitalization

Consumption assistance is the important focus on rural industry revitalisation. The Group and its subsidiary companies have proactively supported rural consumption and enabled the development of rural industries with our resources, taking the promotion of the construction of prosperous rural areas as the corporate responsibilities of the Company.

During the Reporting Period, on the Dongfeng Huigo consumption assistance platform, Zhengzhou Nissan has procured supplies such as agricultural and sideline products valued over RMB1.4 million from Mashan County in Guangxi, Yichang City in Hubei, Fang County in Hubei, Jiangda County in Tibet, and Zhouqu County in Gansu. Meanwhile, Dongfeng Parts and Components has been promoting consumption assistance through centralized procurement of labour protection supplies and gifts. The amount invested in consumption assistance in 2022 was approximately RMB2,064,600.

Assisting revitalisation through talents

The Group has actively leveraged its advantages in resource by organising the personnel from Gongjue County and Jiangda County to receive training courses in Dongfeng Nissan, cultivating talents for supported areas. It has focused on increasing positions and ensuring employment. The activity of DFS Automobile Technician Program initiated in Mashan County and Fang County by the Company has offered an access to education for the local children with poverty registration "for free", helping the youth to grow into professionals and building a dream of rural revitalisation through talents.

Dongfeng Liuzhou Motor supporting cultural construction of supported areas

In order to encourage more rural students, Dongfeng Liuzhou Motor has established scholarships and bursaries, creating an excellence-targeted rural style. During the Reporting Period, the "Small Wishes" activity initiated by Dongfeng Liuzhou Motor in poor primary schools in Rongshui County, Hechi City, Mashan County, and areas near Liuzhou City has donated clothes and school supplies to students and fulfilled their small wishes through activities such as interesting classes and park traveling. During the Reporting Period, the Company has organised eight donation and consolation activities to Daxin Village with each party branch, league branch and volunteer personnel. The donated supplies valued approximately RMB23,500. Besides, it also distributed scholarships and bursaries to well-perform or poverty-stricken students from Daxin Village, Rongshui County and Dongfeng Liuzhou Motor Hope Primary School in Mashan County. A total of 99 well-performing or poverty-stricken students have received award and assistance.

Empowering Revitalisation through Culture

The Group has been seeking spiritual civilisation development, enhancing the local construction of cultural front, setting up public activity rooms, basketball field and gym in Mashan County, building the cultural square for villagers and ancillary facilities of supermarkets in Kalpin County, which enriched the spare-time cultural life of local people and improved their happiness. In the meantime, we have vigorously conducted national unity education and organised various public cultural activities. Additionally, the Group has carried out activities in Airike Village of Kashgar such as civilised village, star civilised farmers, and civilised family election, cultivating civilised rural style, good family style, and honest resident style, improving the rural spiritual outlook, and creating the new civilised atmosphere of a village.

Dongfeng Company supporting the "Five Affairs Handled in One Level" construction

Dongfeng Company has provided funding to the fixed-point supported area, Guquangou Village in Maqiao Town, Baokang County, Xiangyang, to further improve the site construction, guaranteeing the ground for villagers' activities and place for leaders to work, and building the convenient service centre for Guquangou Village. When the construction is done and the buildings are put into use, it will be more convenient for Party members and the public to deal with affairs and carry out various references and large activities, which can truly achieve the construction of "Five Affairs Handled in One Level" of the village-level affairs.

Guiding revitalisation with Party building

The Group focuses on grassroots Party building, continuously enhancing the construction of organisation building. It has established the Secretary of Party Committee Forum at the farmers and herdsmen training centre of Awang Village, Gongjue County, gathering the Secretaries of the village Party branch and the prosperity leaders to study the construction of invigorating the town through industries in the "14th Five-Year Plan", scheduling the development of animal husbandry and tourism, and providing suggestions and plans for the public to increase their income.

Dongfeng Honda empowering rural revitalization through talents

Organisational guarantee is the basis of the implementation of rural revitalisation strategy. Since Dongfeng Honda officially offered assistance to Kalpin County in 2018, the Company has established the Poverty Alleviation Committee, which built the solid organisational guarantee for the development of poverty alleviation. With the working system where the leaders of the Party and government take lead and multiple internal departments linking up with each other to cooperate, we considered the targeted poverty alleviation and rural revitalisation as our political task and mission must be achieved, and promoted it with the overall production and operation of the Company. We have selected four cadres in turn to participate in the rural revitalisation work of Kalpin County and Gongjue County, Tibet, continuously sending excellent talents to the front of poverty alleviation and rural revitalisation work. In Kalpin County, cadre of Dongfeng Honda serving as the First Secretary stationed in the village has integrated in the grassroots villagers and overcome miscellaneous difficulties and inconvenience, persisting in fighting on the alkali land and being the "leading goose" guiding Kalpin to its wealth, business, reform, and innovation.

Social Welfare

With the strategic vision of "a sustainable and prominent motor enterprise", the Group is committed to "the long-term influence of Dongfeng", practices the responsibility value of "integrity, innovation, empowerment and goodwill" and sticks to social responsibility activities. The Group has received extensive acknowledgment from all sectors of society in the process of building up its soft power of responsibility and contributing to the prosperity of society. During the Reporting Period, the Group has been awarded six honours for its social responsibility work, including the "China Automotive Industry Public Welfare Model" and "Outstanding Enterprise in Public Welfare and Charity", with an accumulated donation of RMB104,518,600.

Support for dreams

Dongfeng Motor Group is dedicated to its original mission and keeps building a bridge for special groups to fulfil their dreams, giving an impetus to social prosperity with public welfare and sharing the fruits of corporate development with all walks of life. The Group gives priority to those with special needs, such as its truck drivers in difficult situations, adolescents, and students from poor areas. In order to help them pursue their goals and fulfil their dreams, it conducts charity projects, such as the "Happiness Truck Care Program" and the "Hand in Hand Project", delivering the warmth of Dongfeng.

2022 happiness truck care program

Within the reporting period, Dongfeng Motor Group and its subsidiaries, in conjunction with their businesses, focused on truck drivers and their families suffering difficulties due to car accidents and illnesses, and took practical actions to repay their long-term support and assistance for the Group through miscellaneous support activities.

 In July 2022, the video of "a little girl dancing in a truck at sunset" in Meishan, Sichuan Province has gone viral, and Dongfeng Commercial Vehicle, together with Traffic Police of Meishan Public Security Bureau, provided a safety seat with good quality produced by Dongfeng Sunny for the family of the video. The scholarship fund of RMB2,000 as well as car models, books and toys were also available for the family. Additionally, it has established solid contact with Mr. Zhou, the uploader of the video, making a timely response to his relevant needs for the vehicle.



Donations for scholarships and dellowships by Dongfeng Commercial Vehicle

In December 2022, the "Happiness Truck Care Program" of Dongfeng Commercial Vehicle has access to Golmud, the bridgehead of the transportation of the western region in China, delivering daily necessities such as rice, flour, and oil, as well as intelligent foot bath bucket, health monitoring watches and intelligent learning pens to 10 families of truckers who have guaranteed transportation on the Qinghai-Tibet Railway all year round. Furthermore, scholarships and fellowships of RMB2,000 were granted to three children of these truckers with excellent academic performance. The Group also cares for the truckers' lives in all aspects by setting up zones with characteristics, such as the Silk Road Mutual Assistance Zone, the Silk Road Lianxin Heart to Heart Instagrammable Zone, the Silk Road Warmth Zone, the Silk Road Taste Zone and Silk Road Soul Mate Zone, which conveys the concept of Care of the Dongfeng Commercial Vehicle's Happiness Truck Care Program.

The volunteer service of "Nurturing Adolescents – Auto Dream Class"

In July 2022, in accordance with the deployment of Dongfeng Social Responsibility "Nurturing" Plan 3.0, Dongfeng Motor Group and the Wuhan Municipal Committee of the Communist Youth League jointly conducted the "Nurturing Adolescents – Auto Dream Class" in 2022 to continuously protect the auto dreams of adolescents and establish a good image of harmony and happiness.

At the launch ceremony, the Group further communicated its brand culture and invited experts and lecturers from the 365 Science Laboratory of Wuhan Children's Palace to train 38 staff volunteer lecturers from 14 grassroots units of the Group. In the course of the activity, the Group inspected the performance of the volunteer lecturer team based on elements such as classroom performance, number of courses and community feedback, awarding the volunteers with the corresponding star rating to protect every dream with practical actions.

The "Hand in Hand Project" public welfare brand project

During the Reporting Period, the injection of the "Hand in Hand Project" charity fund from Zhengzhou Nissan to Zhengzhou Charity Federation has amounted to RMB1 million, providing a solid guarantee for more students and families. We have also carried out a number of thematic programs to keep empowering children in poverty-stricken areas and supporting local education.

- In July 2022, we donated teaching and sports supplies and built a "Sunshine Bookstore" for children left behind and children in need at Zaolin Zhu Primary School in Dameng Town, Zhongmu County, greatly improving the teaching environment of the local school.
- In August 2022, we cooperated with the Zhengzhou Charity Federation and the Zhongmu County Charity Federation to launch the "Hand in Hand Project – Nurturing Talents and Fulfilling Dreams", with a donation of RMB150,000 to 30 students from poor backgrounds from Henan Province.
- In September 2022, we collaborated with Zhengzhou Charity Federation, Zhongmu Government, and Zhongmu County Business Bureau to implement the 2022 "Hand in Hand Project – Happy Growth Program" at Zhangwan Wangwanling Primary School in Dameng Town, furnishing 264 students in the school with new desks and chairs.

Since the establishment of Zhengzhou Nissan's "Hand in Hand Project" Public Welfare Brand Project in 2010, we have donated a total of more than RMB54 million, including RMB24.5 million to the Zhengzhou Charity Federation, to support local education and help alleviate poverty in poor areas.



The "Hand in Hand Project" public welfare brand project

Anti-pandemic disaster relief

The Group has paid great attention to social issues and responded to the national call for anti-epidemic and disaster relief promptly by carrying out material donations and the personnel deployment. It also raced against the clock to assist the affected areas, safeguarding the lives of people in the epidemic areas and disaster areas, and overcoming difficulties together with the public.

Assistance of Dongfeng Nissan to Huadu

In October 2022, aiming at protecting the livelihood of residents in Huadu District, Guangzhou, Guangdong Province, Dongfeng Nissan proactively responded to the government's epidemic prevention directive by donating anti-epidemic materials such as "haversack", bottled water, protective clothing and sanitizing solutions to the Huadu Charity Association, which is worth more than RMB700,000. Besides, it provided RMB1 million for the purchase of living materials for residents in lockdown zones. At the same time, the Group has dispatched more than 1,000 volunteers to participate in volunteer service projects such as truck drivers for conducting epidemiological investigations, packing of daily necessities, access guarding, and community nucleic acid testing, to support local work against COVID-19 with practical actions.



Assistance of Dongfeng Nissan to Huadu District of Guangzhou against COVID-19

Support to the earthquake zone in Luding County, Ganzi Tibetan Autonomous Prefecture, Sichuan

In September 2022, a 6.8 magnitude earthquake struck Luding County, Ganzi Tibetan Autonomous Prefecture, Sichuan. The Group was highly concerned about the earthquake and quickly arranged its branches and plants in Sichuan to actively support the earthquake relief, and donated RMB20 million to the Sichuan Charity Federation to support the local government to carry out rescue and relief. The Group made prompt arrangements for its branches and plants in Sichuan, such as Dongfeng Peugeot Citroën Automobile and Dongfeng Parts and Components, actively supporting the earthquake relief and fulfilling the political and social responsibilities as a national enterprise. After the earthquake, all units of the Group took immediate action to provide caring and safeguarding services. Dongfeng Honda and Zhengzhou Nissan immediately delivered care and rescue messages to vehicle owners and customers, making joint efforts with the people in the disaster area in Sichuan to overcome difficulties.



Applicable Laws and Regulations

Serial No.	Name
A. List of Laws a	and Regulations Applicable to Energy Conservation and Environmental Protection
1	Energy Law of the People's Republic of China (《中華人民共和國能源法》)
2	Energy Conservation Law of the People's Republic of China
	(《中華人民共和國節約能源法》)
3	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》)
4	Environmental Protection Law of the People's Republic of China
	(《中華人民共和國環境保護法》)
5	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》)
6	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》)
7	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》)
8	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》)
9	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》)
10	Water Law of the People's Republic of China (《中華人民共和國水法》)
11	Renewable Energy Law of the People's Republic of China
	(《中華人民共和國可再生能源法》)
12	Environmental Protection Tax Law of the People's Republic of China
	(《中華人民共和國環境保護税法》)
13	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》)
14	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)》)
15	The Measures for the Administration of Industrial Energy Conservation
	(《工業節能管理辦法》)
16	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》)
17	Notice on Further Strengthening the Elimination of Obsolete Production Capacities (《關
	於進一步加強淘汰落後產能工作的通知》)
18	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》)
19	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》)

Serial No.	Name
20	The Decisions of the State Council on Strengthening Energy Conversation
	(《國務院關於加強節能工作的決定》
21	The Measures for Energy Conservation Supervision (《節能監察辦法》)
22	The Administrative Measures for Electricity Conservation (《節約用電管理辦法》)
23	The Measures for Cleaner Production Review (《清潔生產審核辦法》)
24	Construction Project Environmental Protection Management Regulations
	(《建設項目環境保護管理條例》)
B. List of Applica	able Laws and Regulations on Occupational Health and Safety
1	Occupational Disease Prevention Law of the People's Republic of China (《中華人民共和國職業病防治法》)
2	Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)
3	Energy Response Law of the People's Republic of China
	(《中華人民共和國突發事件應對法》)
4	Regulations on Workplace Occupational Health Supervision and Management
	(《工作場所職業衛生監督管理規定》)
5	Management Measures for Occupational Health Inspection (《職業健康檢查管理辦法》)
C. List of Applica	able Laws and Regulations on Human Resources
1	Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》)
2	Trade Union Law of the People's Republic of China (《中華人民共和國工會法》)
3	Labor Law of the People's Republic of China (《中華人民共和國勞動法》)
4	The Law of the People's Republic of China on the Protection of Minors (《中華人民共和國未成年人保護法》)
5	The Implementation Regulations of the 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》)
6	The Measures for Identification of Work-related Injuries (《工傷認定辦法》)
7	The Regulations on Insurance for Work-related Injuries (《工傷保險條例》)
8	The Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》)
	Laws and Regulations
1	Criminal Law of the People's Republic of China (《中華人民共和國刑法》)
2	Advertising Law of the People's Republic of China (《中華人民共和國廣告法》)
3	Law of the People's Republic of China on the Protection of Consumer Rights and
-	Interests (《中華人民共和國消費者權益保護法》)
4	Trademark Law of the People's Republic of China (《中華人民共和國商標法》)
5	Patent Law of the People's Republic of China (《中華人民共和國專利法》)
6	Copyright Law of the People's Republic of China (《中華人民共和國著作權法》)
7	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》)
8	Automobile Industry Development Policy (《汽車產業發展政策》)
	Administrative Regulations on the Recall of Defective Automotive Products
	(《缺陷汽車產品召回管理條例》)
9	Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》)
10	Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》)

ESG Performance

Indicator	Unit	2020	2021	2022		
Aspect A1: Emissions						
A1.1 The types of emissions and respective emiss	A1.1 The types of emissions and respective emissions data					
Nitrogen oxide (NO _x) emission	tons	240.22	251.64	200.30		
Sulfur dioxide (SO ₂) emission	tons	46.73	52.20	41.89		
Industrial wastewater emission	10,000 tons	880	836	659		
Industrial wastewater treatment	10,000 tons	441	334	307		
Chemical oxygen demand (COD) emission	tons	/	459	362		
Ammonia nitrogen emission	tons	/	43	32		
A1.2 Greenhouse gas emissions in total (in tons) a	and, intensity (e.g. per unit of proc	duction volu	ume, per fac	ility)		
Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	216.12	206.65	168.76		
Direct (scope 1) Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	/	49.49	39.69		
Indirect (scope 2) Greenhouse gas emission	10,000 tons of carbon dioxide equivalent	/	157.16	129.07		
Greenhouse gas emissions per RMB10,000 output value	Tons of carbon dioxide equivalent/RMB10,000	0.044	0.043	0.042		
A1.3 Total hazardous waste produced (in tons) and	d, intensity (e.g. per unit of produ	ction volum	ne, per facilit	y)		
Disposed hazardous waste	tons	41,237	38,521	33,684		
Comprehensively utilized hazardous waste	tons	5,831	7,704	7,793		
Disposed hazardous waste per RMB10,000 output value	Kg/RMB10,000	0.84	0.81	0.84		
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	18,008	41,062	23,608		
Comprehensively utilized solid waste	tons	767,093	620,137	495,222		
Solid waste disposal per RMB10,000 output value	Kg/RMB10,000	0.37	0.87	0.59		

Indicator	Unit	2020	2021	2022
Aspect A2: Use of Resources				
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	298,622	284,620	243,374
Natural gas	10,000 standard cubic meters	11,658	11,943	9,764
Diesel oil	tons	22,116	19,922	12,776
Gasoline	tons	13,420	13,241	12,193
Heat	MkJ	650,131	438,097	287,559
Others (including coal, fuel oil, coal oil, lubricating oil, etc.)	Tonne of standard coal	54,353	45,379	29,282
Conversion of comprehensive energy consumption	Tonne of standard coal	650,603	617,523	504,630
Comprehensive energy consumption per RMB10,000 output value	Kg standard coal/RMB10,000	13.24	12.94	12.42
A2.2 Water consumption in total and intensity (e.g	J. per unit of production volume, p	per facility)		
Production water consumption (fresh water)	10,000 tons	1,630	1,535	1,316
Production water consumption per RMB10,000 output value (fresh water)	Tonne/RMB10,000	0.32	0.32	0.33
A2.5 Total packaging material used for finished p produced	roducts (in tons) and, if applicable	e, with refer	ence to per	unit
Total packaging material used for finished produc	ts tons	2,663.00	1,903.62	1,459.34
The amount of recyclable material	tons	1	1,827.42	1,449.84

Aspect B1: Employment B1.1 Total workforce by gender, employment category, age group and geographical region Total number of employees Persons 124.270 122.061 119.42 By employee type					
B1.1 Total workforce by gender, employment category, age group and geographical region Total number of employees Persons 124,270 122,061 119,42 By employee type Manufacturing workers Persons 77,679 75,234 71,44 Engineering technician Persons 18,348 17,828 18,44 Management and service employees Persons 28,243 28,909 29,55 By employment type Returnering technician Persons 111,823 112,001 Labour dispatch Persons / 114,67 90 Retirement and other types Persons / 14,67 90 Retirement and other types Persons / 75,412 73,80 Non-Hubei region Persons / 75,412 73,80 Non-Hubei region Persons / 76,545 77,545 By gender 74,614 75,545 73,625 By gend 75,412 73,80 74,545 74,635 74,635 74,635 74,635 74,635 74,635 74,635 74,635 </td <td>Indicator</td> <td>Unit</td> <td>2020</td> <td>2021</td> <td>2022</td>	Indicator	Unit	2020	2021	2022
Total number of employees Persons 124,270 122,061 119,43 By employee type	Aspect B1: Employment				
By employee type Manufacturing workers Persons 77,679 75,234 71,44 Engineering technician Persons 18,348 17,828 18,42 Management and service employees Persons 28,243 28,999 29,55 By employment type Regular employees Persons / 111,823 112,007 Labour dispatch Persons / 111,823 112,007 114,67 90 Retirement and other types Persons / 125 53 By geographical region Hubei region Persons / 46,649 45,55 By age Male employees Persons 102,343 100,686 97,75 Female employees Persons 102,343 100,686 97,75 21,65 By age Male employees Persons 35,710 32,374 27,97 Aged 29 and below Persons 31,205 28,371 27,77 Aged 20 and above Persons 14,740 13,681 15,17 <td>B1.1 Total workforce by gender, employme</td> <td>nt category, age group and geogr</td> <td>aphical region</td> <td></td> <td></td>	B1.1 Total workforce by gender, employme	nt category, age group and geogr	aphical region		
Manufacturing workers Persons 77,679 75,234 71,44 Engineering technician Persons 18,348 17,828 18,444 Management and service employees Persons 28,243 28,999 29,55 By employment type Regular employees Persons / 111,823 112,00 Labour dispatch Persons / 8,746 6,45 Trainees Persons / 1,467 90 Retirement and other types Persons / 1,467 90 Retirement and other types Persons / 75,412 73,86 Non-Hubei region Persons / 75,412 73,86 Non-Hubei region Persons 21,927 21,375 21,62 By gender 46,649 45,55 By age 42,615 47,635 48,66 Aged 29 and below Persons 35,710 32,374 27,97 21,625 28,371 27,77	Total number of employees	Persons	124,270	122,061	119,420
Engineering technician Persons 18,348 17,828 18,424 Management and service employees Persons 28,243 28,999 29,553 By employment type Regular employees Persons / 111,823 112,02 Labour dispatch Persons / 111,823 112,02 Labour dispatch Persons / 8,746 6,44 Trainees Persons / 1,467 90 By geographical region Persons / 75,412 73,88 Non-Hubei region Persons / 46,649 45,52 By gender Persons / 46,649 45,52 By gender Persons 100,686 97,75 Male employees Persons 102,343 100,686 97,75 Female employees Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 35,710 32,374 27,97 Aged 50 and above Persons 36,763 6,994 <td< td=""><td>By employee type</td><td></td><td></td><td></td><td></td></td<>	By employee type				
Management and service employees Persons 28,243 28,999 29,565 By employment type Regular employees Persons / 111,823 112,02 Labour dispatch Persons / 1,8746 6,445 Trainees Persons / 1,467 900 Retirement and other types Persons / 1,467 900 By geographical region Persons / 75,412 73,850 Non-Hubei region Persons / 75,412 73,850 Male employees Persons / 75,412 73,850 By geographical region Persons / 75,412 73,850 By gender ////////////////////////////////////	Manufacturing workers	Persons	77,679	75,234	71,443
By employment type Persons / 111,823 112,03 Labour dispatch Persons / 8,746 6,43 Trainees Persons / 1,467 90 Retirement and other types Persons / 1,467 90 By geographical region Persons / 25 33 Non-Hubei region Persons / 75,412 73,88 Non-Hubei region Persons / 46,649 45,53 By gender 21,927 21,375 21,66 By age 21,927 21,375 21,62 By age 24,615 47,635 48,66 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,77 Aged 40 to 49 Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,93 <td>Engineering technician</td> <td>Persons</td> <td>18,348</td> <td>17,828</td> <td>18,422</td>	Engineering technician	Persons	18,348	17,828	18,422
Regular employees Persons / 111,823 112,02 Labour dispatch Persons / 8,746 6,43 Trainees Persons / 25 3 By geographical region 25 3 Hubei region Persons / 75,412 73,88 Non-Hubei region Persons / 46,649 45,52 By gender 46,649 45,52 By gender 21,375 21,62 By age 21,375 21,62 By age 48,649 45,52 By age 24,375 21,62 By age 35,710 32,374 27,97 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,77 Aged 40 to 49 Persons 6,763 6,994 6,92	Management and service employees	Persons	28,243	28,999	29,555
Labour dispatch Persons / 8,746 6,445 Trainees Persons / 1,467 900 Retirement and other types Persons / 25 33 By geographical region Persons / 75,412 73,86 Non-Hubei region Persons / 46,649 45,52 By gender 46,649 45,52 By gender 77,75 21,375 21,62 By age 21,927 21,375 21,62 By age 35,710 32,374 27,97 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,70 Aged 30 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 6,763 6,994 6,926 College diploma and Bachelor's Persons 6,763 6,926 6,926 </td <td>By employment type</td> <td></td> <td></td> <td></td> <td></td>	By employment type				
Trainees Persons / 1,467 90 Retirement and other types Persons / 25 33 By geographical region 75,412 73,86 Hubei region Persons / 46,649 45,52 By gender 46,649 45,52 By gender 75,412 73,86 Male employees Persons 102,343 100,666 97,75 Female employees Persons 21,927 21,375 21,627 By age 32,374 27,97 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,97 Aged 30 to 39 Persons 31,205 28,371 27,97 Aged 40 to 49 Persons 6,763 6,994 6,926 College diploma and Bachelor's Persons 41,71 8,70 94 Below college diploma Persons	Regular employees	Persons	/	111,823	112,029
Retirement and other types Persons / 25 33 By geographical region Persons / 75,412 73,86 Non-Hubei region Persons / 46,649 45,53 By gender Male employees Persons 100,686 97,75 Female employees Persons 21,927 21,375 21,66 By age Aged 29 and below Persons 35,710 32,374 27,97 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,77 Aged 40 to 49 Persons 31,205 28,371 27,77 Aged 50 and above Persons 31,205 28,371 27,77 Aged 50 and above Persons 31,205 28,371 27,77 Aged 50 and above Persons 67,633 6,992 6,992 College diploma and Bachelor's Persons 67,633 67,992 67,992 Below college diploma Persons	Labour dispatch	Persons	/	8,746	6,451
By geographical region Persons / 75,412 73,86 Non-Hubei region Persons / 46,649 45,52 By gender 46,649 45,52 By gender 21,927 21,375 21,62 By age 21,927 21,375 21,62 By age 42,615 47,635 48,66 Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 42,615 47,635 48,66 Aged 40 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 67,63 6,994 6,92 College diploma and Bachelor's Persons 67,63 6,994 6,92 College diploma and Bachelor's Persons 67,63 6,994 6,92 College diploma Persons 67,63 6,994 6,92 College diploma and Bachelor's Persons 41,13 <	Trainees	Persons	/	1,467	908
Hubei region Persons / 75,412 73,83 Non-Hubei region Persons / 46,649 45,52 By gender Male employees Persons 102,343 100,686 97,75 Female employees Persons 21,927 21,375 21,62 By age Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 31,205 28,371 27,70 Aged 40 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 44,56 B1.2 Employee turnover rate by gender, age group and geographical region 14.13 8.70 9.4 Employees % 10.96 13.24 9.7 Female employees 9.30	Retirement and other types	Persons	/	25	32
Non-Huber region Persons / 46,649 45,53 By gender Male employees Persons 102,343 100,686 97,79 Female employees Persons 21,927 21,375 21,62 By age Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 35,710 32,374 27,97 Aged 40 to 49 Persons 31,205 28,371 27,77 Aged 50 and above Persons 14,470 13,681 15,17 By education 13,681 15,17 Master's degree and above Persons 6,763 6,994 6,992 College diploma and Bachelor's Persons 67,800 67,533 67,992 Below college diploma Persons 41,13 8,70 9,44 Employee turnover rate by gender, age group and geographical region 10,96 13,24 9,79 Total turnover rate % 10,96 13,24 9,79 16,80 <t< td=""><td>By geographical region</td><td></td><td></td><td></td><td></td></t<>	By geographical region				
By gender Male employees Persons 102,343 100,686 97,75 Female employees Persons 21,927 21,375 21,62 By age Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 42,615 47,635 48,66 Aged 40 to 49 Persons 31,205 28,371 27,77 Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,92 Bl.2 Employee turnover rate by gender, age group and geographical region 14.13 8.70 9.4 Employee turnover rate by gender % 10.96 13.24 9.7 Ged 29 and below % 17.32 18.95 13.6 Aged 29 and below % 7.92 10.37 7.0	Hubei region	Persons	/	75,412	73,892
Male Persons 102,343 100,686 97,75 Female employees Persons 21,927 21,375 21,62 By age	Non-Hubei region	Persons	/	46,649	45,528
Female employees Persons 21,927 21,375 21,627 By age Aged 29 and below Persons 35,710 32,374 27,997 Aged 30 to 39 Persons 42,615 47,635 48,66 Aged 40 to 49 Persons 31,205 28,371 27,77 Aged 50 and above Persons 14,740 13,681 15,17 By education Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 44,56 B1.2 Employee turnover rate by gender, age group and geographical region 44,56 9.4 9.4 Total turnover rate % 14,13 8.70 9.4 Employee turnover rate by gender % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged % 17.32 18.95 13.6 Aged 29 and below	By gender				
By age Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 42,615 47,635 48,66 Aged 40 to 49 Persons 31,205 28,371 27,77 Aged 50 and above Persons 31,205 28,371 27,77 Aged 50 and above Persons 31,205 28,371 27,77 Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 44,56 B1.2 Employee turnover rate by gender, age group and geographical region Total turnover rate % 14.13 8.70 9.4 Employee turnover rate by gender % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 49,30 10.37	Male employees	Persons	102,343	100,686	97,794
Aged 29 and below Persons 35,710 32,374 27,97 Aged 30 to 39 Persons 42,615 47,635 48,66 Aged 40 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,92 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 44,566 B1.2 Employee turnover rate by gender, age group and geographical region 707 47,534 44,566 B1.2 Employee turnover rate by gender % 14.13 8.70 9.4 Male employees % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 49.707 7.0 Aged 29 and below % 17.32 18.95 13.6 Aged 29 and below % 7.92 10.37 7.0 Aged 30 to 39 % 5.07 8.05	Female employees	Persons	21,927	21,375	21,626
Aged 30 to 39 Persons 42,615 47,635 48,665 Aged 40 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,924 College diploma and Bachelor's Persons 67,800 67,533 67,926 Below college diploma Persons 49,707 47,534 44,566 B1.2 Employee turnover rate by gender, age group and geographical region 41,13 8,700 9,47 Total turnover rate % 14,13 8,70 9,47 Female employees % 10,96 13,24 9,77 Aged 29 and below % 17,32 18,95 13,66 Aged 30 to 39 % 7,92 10,37 7,00 Aged 30 to 39 % 5,07 8,05 6,22	By age				
Aged 40 to 49 Persons 31,205 28,371 27,70 Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,992 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 444,56 B1.2 Employee turnover rate by gender, age group and geographical region 14.13 8.70 9.4 Total turnover rate % 14.13 8.70 9.4 Employee turnover rate by gender % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 9.30 10.41 8.0 Employee turnover rate by aged 9.30 10.41 8.0 Employee turnover rate by aged % 17.32 18.95 13.6 Aged 29 and below % 7.92 10.37 7.0 Aged 30 to 39 % 5.07 8.05 6.2	Aged 29 and below	Persons	35,710	32,374	27,916
Aged 50 and above Persons 14,740 13,681 15,17 By education Master's degree and above Persons 6,763 6,994 6,924 College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 44,56 B1.2 Employee turnover rate by gender, age group and geographical region Total turnover rate % 14.13 8.70 9.4 Employee turnover rate by gender % 14.13 8.70 9.4 9.4 Male employees % 10.96 13.24 9.7 9.7 9.4 Employee turnover rate by gender % 9.30 10.41 8.0 9.7 Female employees % 9.30 10.41 8.0 9.7 9.7 9.7 13.64 9.7 Aged 29 and below % 17.32 18.95 13.64 9.7 10.37 7.0 Aged 30 to 39 % 7.92 10.37 7.0 4.64 7.92 <t< td=""><td>Aged 30 to 39</td><td>Persons</td><td>42,615</td><td>47,635</td><td>48,683</td></t<>	Aged 30 to 39	Persons	42,615	47,635	48,683
By education Master's degree and above Persons 6,763 6,994 6,922 College diploma and Bachelor's Persons 67,800 67,533 67,922 Below college diploma Persons 49,707 47,534 44,566 B1.2 Employee turnover rate by gender, age group and geographical region 7 7 7 9,47 Total turnover rate % 14.13 8.70 9,4 9,4 Employee turnover rate by gender % 10.96 13.24 9,7 9,7 Female employees % 9,30 10.41 8,0 9,7 10.41 8,0 Employee turnover rate by aged % 17,32 18.95 13,6 Aged 29 and below % 7,92 10,37 7,6 Aged 30 to 39 % 5,07 8,05 6,2	Aged 40 to 49	Persons	31,205	28,371	27,708
Master's degree and above Persons 6,763 6,994 6,924 College diploma and Bachelor's Persons 67,800 67,533 67,924 Below college diploma Persons 49,707 47,534 44,564 B1.2 Employee turnover rate by gender, age group and geographical region 14.13 8.70 9.44 Total turnover rate % 14.13 8.70 9.44 Employee turnover rate by gender % 10.96 13.24 9.74 Male employees % 9.30 10.41 8.00 Employee turnover rate by aged % 17.32 18.95 13.64 Aged 29 and below % 7.92 10.37 7.02 Aged 30 to 39 % 5.07 8.05 6.24	Aged 50 and above	Persons	14,740	13,681	15,113
College diploma and Bachelor's Persons 67,800 67,533 67,92 Below college diploma Persons 49,707 47,534 44,56 B1.2 Employee turnover rate by gender, age group and geographical region 14.13 8.70 9.4 Total turnover rate % 14.13 8.70 9.4 Employee turnover rate by gender % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged % 17.32 18.95 13.6 Aged 30 to 39 % 7.92 10.37 7.0 Aged 40 to 49 % 5.07 8.05 6.2	By education				
Below college diplomaPersons49,70747,53444,56B1.2 Employee turnover rate by gender, age group and geographical region14.138.709.4Total turnover rate%14.138.709.4Employee turnover rate by gender%10.9613.249.7Male employees%9.3010.418.0Female employees%9.3010.418.0Employee turnover rate by aged%17.3218.9513.6Aged 29 and below%7.9210.377.0Aged 30 to 39%5.078.056.2	Master's degree and above	Persons	6,763	6,994	6,929
B1.2 Employee turnover rate by gender, age group and geographical regionTotal turnover rate%14.138.709.4Employee turnover rate by gender%10.9613.249.7Female employees%9.3010.418.0Employee turnover rate by aged%17.3218.9513.6Aged 29 and below%7.9210.377.0Aged 40 to 49%5.078.056.2	College diploma and Bachelor's	Persons	67,800	67,533	67,929
Total turnover rate % 14.13 8.70 9.4 Employee turnover rate by gender 9.4 Male employees % 10.96 13.24 9.7	Below college diploma	Persons	49,707	47,534	44,562
Employee turnover rate by gender 10.96 13.24 9.7 Male employees % 9.30 10.41 8.0 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 17.32 18.95 13.6 Aged 29 and below % 7.92 10.37 7.0 Aged 30 to 39 % 5.07 8.05 6.2	B1.2 Employee turnover rate by gender, ag	e group and geographical region			
Male employees % 10.96 13.24 9.7 Female employees % 9.30 10.41 8.0 Employee turnover rate by aged % 17.32 18.95 13.6 Aged 29 and below % 7.92 10.37 7.0 Aged 30 to 39 % 5.07 8.05 6.2	Total turnover rate	%	14.13	8.70	9.46
Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 17.32 18.95 13.6 Aged 29 and below % 17.32 18.95 13.6 Aged 30 to 39 % 7.92 10.37 7.0 Aged 40 to 49 % 5.07 8.05 6.2	Employee turnover rate by gender				
Female employees % 9.30 10.41 8.0 Employee turnover rate by aged 17.32 18.95 13.6 Aged 29 and below % 17.32 18.95 13.6 Aged 30 to 39 % 7.92 10.37 7.0 Aged 40 to 49 % 5.07 8.05 6.2	Male employees	%	10.96	13.24	9.76
Aged 29 and below % 17.32 18.95 13.6 Aged 30 to 39 % 7.92 10.37 7.0 Aged 40 to 49 % 5.07 8.05 6.2					8.05
Aged 29 and below % 17.32 18.95 13.6 Aged 30 to 39 % 7.92 10.37 7.0 Aged 40 to 49 % 5.07 8.05 6.2	Employee turnover rate by aged				
Aged 30 to 39 % 7.92 10.37 7.02 Aged 40 to 49 % 5.07 8.05 6.2		%	17.32	18.95	13.68
Aged 40 to 49 % 5.07 8.05 6.2	•				7.09
-	-	%	5.07	8.05	6.25
······································	Aged 50 and above	%	14.22	12.70	13.15

Indicator	Unit	2020	2021	2022
Employee turnover rate by geographical region	on			
Hubei region	%	/	16.07	9.74
Non-Hubei region	%	/	7.73	8.92
Aspect B2: Health and Safety				
B2.1 Number and rate of work-related fatalitie	es			
Number of work-related fatalities	Persons	0	1	1
B2.2 Lost days due to work injury				
Number of work-related injuries	Persons	8	8	6
Lost working days due to work injury	Day	250	6,246	6,085
Rate of work injury	%0	0.065	0.066	0.050
Aspect B3: Development and Training				
B3.1 Percentage of trained employees by get	nder			
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 worker	%	58	55	53
Engineering technician	%	19	21	24
Management and service staff	%	23	24	23
Percentage of trained employees by grade				
Senior management	%	1	2	2
Middle management	%	4	7	8
General staff	%	95	91	90
B3.2 The average number of training hours c	ompleted by each employee	e by gender and emplo	yee type	
Percentage of trained employees by gender				
Male employees	Hours	/	58.37	57.82
Female employees	Hours	/	90.21	89.36
Average training hours for employees by emp	oloyee type			
Manufacturing worker	Hours	45.69	51.11	50.64
Engineering technician	Hours	92.37	97.19	105.99
Management and service staff	Hours	85.64	81.68	71.51
Average training hours for employees by grad	de			
Senior management	Hours	162.00	169.00	167.00
Middle management	Hours	105.02	81.35	87.03
General staff	Hours	60.01	57.27	56.10

Content Index of Environmental, Social and Governance Reporting Guide of Hong Kong Stock Exchange

Environmental, Social and Governance Areas, General Disclosures and Key Performance Indicators (KPIs)			Section
Environmental			
Aspect A1: Emissions	General Disclosure	 Information on: (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 	Addressing Climate Change, Green Manufacturing and Environmental Management
	A1.1	of hazardous and non-hazardous waste. The types of emissions and respective emissions data	Green Manufacturing
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity.	Addressing Climate Change
	A1.3	Total hazardous waste produced and intensity	Green Manufacturing
	A1.4	Total non-hazardous waste produced and intensity	Green Manufacturing
	A1.5	Description of emissions target(s) set and steps taken to achieve them	Addressing Climate Change, Environmental Management, Green Products and Green Manufacturing
	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.	Addressing Climate Change and Green Manufacturing

Key Performance I		e Areas, General Disclosures and	Section
Aspect A2:	General	Policies on the efficient use of	Green Manufacturing
Use of Resources	Disclosure	resources, including energy, water and other raw materials.	
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity	Addressing Climate Change
	A2.2	Water consumption in total and intensity	Green Manufacturing
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Addressing Climate Change
	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 Manufacturing
	A2.5	Total packaging material used for finished products and with reference to per unit produced	Green Manufacturing
Aspect A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Addressing Climate Change, Environmental Management, Green Products and Green Manufacturing
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Addressing Climate Change, Environmental Management, Green Products and Green Manufacturing
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.	Addressing Climate Change
	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.	Addressing Climate Change

Environmental, Soc Key Performance Ir		Areas, General Disclosures and	Section
Social			
Aspect B1: Employment	General Disclosure	 Information on: (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, antidiscrimination, and other benefits and welfare. 	Talent Attraction
	B1.1	Total workforce by gender, employment type, age group and geographical region	Talent Attraction
	B1.2	Employee turnover rate by gender, age group and geographical region	Talent Care
Aspect B2: Health	General	Information on:	Safety Security
and Safety	Disclosure	 (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. 	
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years	Safety Security
	B2.2 B2.3	Lost days due to work injury Description of occupational health and safety measures adopted, and how they are implemented and monitored	Safety Security Safety Security
Aspect B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development
	B3.1	The percentage of employees trained by gender and employee category	Talent Development
	B3.2	The average training hours completed per employee by gender and employee category	Talent Development

Environmental, Soci Key Performance In	Section		
Aspect B4: Labour	General	Information on:	Talent Attraction
Standards	Disclosure	(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	
	B4.1	forced labour. Description of measures to review	Talent Attraction
		employment practices to avoid child	
		and forced labour	
	B4.2	Description of steps taken to eliminate	Talent Attraction
		such practices when discovered	
Aspect B5: Supply Chain	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Partner Strengths
Management	Disclosure	and social fisks of the supply chain.	
	B5.1	Number of suppliers by geographical region	Partner Strengths
	B5.2	Description of practices relating	Partner Strengths
		to engaging suppliers, number of suppliers where the practices are	
		being implemented, and how they are	
		implemented and monitored	
	B5.3	Description of practices used to	Partner Strengths and
		identify environmental and social risks	Green Products
		along the supply chain, and how they	
		are implemented and monitored.	_
	B5.4	Description of practices used to	Partner Strengths and
		promote environmentally preferable products and services when	Green Products
		selecting suppliers, and how they are	
		implemented and monitored.	

Environmental, Soci Key Performance In	Section		
Aspect B6: Product Responsibility		 Information on: (a) the policies; and (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. 	Quality System
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Quality Improvement
	B6.2	Number of products and service related complaints received and how they are dealt with	Customer Communication
	B6.3	Description of practices relating to observing and protecting intellectual property rights	R&D Incentives
	B6.4	Description of quality assurance process and recall procedures	Quality Improvement
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Compliance Assurance

Environmental, So Key Performance I	Section		
Aspect B7: Anti-	General	Information on:	Integrity Management
corruption	Disclosure	 (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	
	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
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Integrity Management
	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.	Rural Revitalization and Social Welfare
	B8.1	Focus areas of contribution	Rural Revitalization and Social Welfare
	B8.2	Resources contributed to the focus area	Rural Revitalization and Social Welfare

