



2021 Guangzhou Automobile Group Co., Ltd.
Environmental, Social and Governance Report

→ About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

About This Report

Overview

This is the annual Environmental, Social and Governance (hereinafter referred to as “ESG”) Report / Social Responsibility Report of Guangzhou Automobile Group Co., Ltd. (hereinafter referred to as “GAC”). It fully discloses the ideas, objectives, measures, achievements and future plans of GAC on major issues in respect of environmental responsibility, social responsibility and governance in 2021.

Basis of Preparation

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide of Appendix 27 of the Main Board Listing Rules of the Stock Exchange of Hong Kong and also referring to the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI) and the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR4.0) published by the Chinese Academy of Social Sciences.

The report is prepared undergoing a set of systematic procedures, including identifying major stakeholders, confirming and sequencing ESG related major issues, and then deciding the scope of ESG reporting, collecting related data and materials, sorting and reviewing the data and compiling the report, etc.

Reporting Principles

The report is prepared under four principles, “importance”, “quantization”, “balance” and “consistency”, which makes a correct response to the concerns of stakeholders with regard to GAC.

- **Importance:** In preparing this report, GAC has invited a third-party professional institution to give a full consideration to the Company’s business characteristics and communicated with the stakeholders to identify the current major ESG issues and submitted the results to the board of directors for review and approval and finally confirmed the major issues, which are taken as the basis for the preparation of the report and receive a response from the report.
- **Quantization:** GAC has established a mechanism for the collection and review of ESG data. Wherever applicable, the report discloses correlation data of previous years to allow the stakeholders to follow up the progress of ESG management.
- **Balance:** In this report, GAC has discussed the improvement space and plan on relevant issues, avoided omission or improper impact on the decision-making or judgement of stakeholders.
- **Consistency:** The quantized information provided in this report has been calculated and disclosed in a way basically consistent with that in previous years so that the stakeholders can analyze and evaluate the performance of different time. The changes and update of the scope of some data have also been noted for the reference of stakeholders.

Scope of the Report

“GAC” is the entity in this report, including its branches, subsidiaries and affiliates. The scope of this report covers six business segments of GAC, namely auto R&D, whole vehicles, parts and components, commercial services, financial services and mobility, with a time span from January 1 to December 31, 2021, with some information o in other years to enhance comparability. Unless stated otherwise, RMB is taken as the currency unit in this report.

Title Description

For convenience of statement and reading, in this report, “the Company” or “we” refer to “Guangzhou Automobile Group Co., Ltd.”; “GAC Group”, “GAC”, “the Group” refer to Guangzhou Automobile Group Co., Ltd. and its subsidiaries. Unless stated otherwise, the terms used in this report shall have the same meaning as defined in the 2021 Annual Report of GAC.

Data Source and Reliability Statement

All data in this report come from Guangzhou Automobile Group Co., Ltd. and its subsidiaries or invested companies, which are reviewed and approved by the board of directors.

Confirmation and Approval

This report has been confirmed by the management of GAC and was approved by the board of directors on March 30, 2022.

Obtaining and Responding to This Report

This report is prepared in simplified Chinese, traditional Chinese and English. If there is any difference between the versions, the simplified Chinese version shall prevail. The electronic version of this report can be downloaded from the official website of GAC at <https://www.gac.com.cn/cn/csr/reportList>. If you have any doubts or suggestions on GAC’s environmental, social and governance / social responsibility performance, please send an email to our mailbox at csr@gac.com.cn or ir@gac.com.cn, or call us at +86 20 8315 1139.

CONTENTS

Intelligent and Lean Corporate Governance



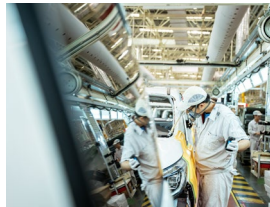
Intelligent Mobile Life



Intelligent Green and Low-Carbon Travel



Intelligent and Harmonious Enterprise Ecology



About This Report	01
Message from the Management	03
About GAC	05
Chronicle of Events of GAC in 2021	12
Topic: Tackling Climate Change	14

1

Intelligent and Lean Corporate Governance	18
1.1 Corporate Governance	18
1.2 Responsibility Management	24

2

Intelligent Mobile Life	31
2.1 Advancing High-quality Development	34
2.2 Crafting Quality Products	37
2.3 Highlighting R&D and Innovation	42

3

Intelligent Green and Low-Carbon Travel	45
3.1 Low-carbon Travel	48
3.2 Clean production	54
3.3 Green office	59

4

Intelligent and Harmonious Enterprise Ecology	60
4.1 Expand partnership	63
4.2 Focus on employee growth	67
4.3 Contribute to community harmony	75

Appendix	84
Key performance table of GAC Group	84
List of ESG policies / systems of GAC Group	92
Index of reporting standards	95
Feedback form	109

About This Report

→ Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

Message from the Management

Dear friends,

Time is fleeting! Year 2021 has winded down. During the past year, we celebrated the centenary of the Communist Party of China (CPC), embarking on an epic journey towards building a modern socialist country in all respects.

2021 kicked off the "14th Five-Year Plan" period and is a milestone year. The overall strategy for national rejuvenation of China and the unprecedented profound changes of the world in a century are intertwined and mutually reinforcing, bringing about challenges and opportunities, and risks and prospects. Thanks to your care and support, all employees of GAC Group worked solitarily and resolutely to pursue a fresh new stage of development, follow the new development concept, build a new development landscape and foster high-quality growth. In 2021, GAC Group did not only successfully maneuver the fight against the pandemic but also maintained stable production and operation performance. In the whole year, it realized the production volume of 2.1381 million vehicles and sales volume of 2.1444 million vehicles, representing a year-on-year increase of 5.1% and 4.9% respectively, outperforming the peers in major indicators. The Group showed a positive development momentum, along with steadily improving brand value. Hereby, on behalf of GAC Group and all our employees, I would like to extend my sincere gratitude to you!



Zeng Qinghong

Chairman of GAC Group



Feng Xingya

President of GAC Group

Production of vehicles in 2021

2.1381 million

Sales of vehicles in 2021

2.1444 million

Ranked

176th

in the Fortune Global 500 List in 2021

Ranked

58th

in the Top 500 Chinese Companies in 2021

Investment in charity and public welfare of RMB

81.28 million in 2021

The Innovative Guangzhou Automobile (IGA) program created direct economic benefits of RMB

1.433 billion in 2021

About This Report

→ **Message from the Management**

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

With technological progress, industrial upgrade and the continuous impact of the Covid-19 pandemic in recent years, the automobile industry is undergoing far-reaching changes across the industry chain. In the meanwhile, as China implements its “dual carbon” goals of achieving CO₂ emissions peak by 2030 and carbon neutrality by 2060, its economic development model, energy structure and ways of production and consumption will change greatly. As a leading Chinese carmaker, GAC Group is committed to rewarding the country with its presence in the industry, stays true to its mission in pursuing reform and development, and makes all-out efforts to help China cope with salient issues in resource and environmental constraints, achieve sustainable development of the Chinese nation and build a community with a shared future for mankind. Moreover, it is taking actions down the line to become a pioneer in pursuing low-carbon transformation and green production and a leader in promoting green culture.

We remain committed to low-carbon transformation and endeavor to capitalize on the “opportunity”. We realize that unswervingly pursuing a high-quality development path prioritizing environmental friendliness and low carbon is not only a great mission and an exceptional challenge for GAC Group but also unprecedented opportunities. In 2021, we took the lead to roll out the GLASS Plan, announcing to achieve carbon neutrality of our whole product lifecycle by 2050 (or even 2045 as a stretch target). To this end, the Group keeps raising the proportion of intelligent and connected new energy and energy-saving vehicles. In 2021, only GAC AION produced and sold over 120,000 new energy vehicles, ranking among China’s first-tier new energy carmakers. The Group plans to raise the proportion of new energy vehicles of independent brands in sales to 50% by 2025, and the proportion of new energy vehicles in sales volume of the whole Group to 50% of the total sales volume by 2030. GAC AION is dedicated to making pure electric vehicles, and GAC Motor is committing to making hybrid vehicles and carrying out development on vehicles powered by alternative fuel such as hydrogen power. Currently, demonstrative operation of GAC’s hydrogen fuel cell vehicles started and hydrogen engines was ignited successfully, which signaled the Group’s attempts in pursuing diversified new energy vehicle development and largely fueled the realization of carbon neutrality.

We are oriented to green production, fulfilling the “responsibility” for development. For GAC Group, making efforts in carbon reduction is not only driven by the need to comply with external regulations and standards but also stems from its high sense of responsibility for the sustainable development of the community and the Group itself. In the process of production and manufacturing where carbon reduction is a priority, we aim to leverage recycled use of resources to develop green works, advance green sourcing, manufacturing and recycling, and create a new green and low-carbon ecosystem throughout the chain from R&D to production and from purchase to use. The Group will give full play to the leading role of its assembly plants to develop GAC’s Industrial Park for Intelligent and Connected New Energy Vehicles into a carbon-free automobile industrial

park and thus drive the upstream and downstream of the industry chain to accelerate green transformation. To reduce its emission intensity substantially, the Group has put in place a well-established regulatory system on plants’ emissions. GAC AION intelligent ecological plant will achieve zero carbon emission by 2023, becoming the first zero-carbon works under GAC Group. Regarding consumers’ use, GAC Group takes the initiative to roll out its “2^e Energy Action” plan, by which batteries can be bought or rented, charged or swapped, recycled or reused, and otherwise handled to substantially cut electric vehicles’ costs during their full life cycle and improve the level of green commuting.

We are guided by green culture and promote the “way” of development.

Aside from advancing low-carbon transformation and green production, GAC Group also encourages consumers to participate in carbon emission reduction and charity and public welfare events to improve the public’s awareness of environmental protection. For this purpose, the Group works with the China Emissions Exchange to explore the establishment of carbon accounts for car consumers. In the beginning, enterprises will offer rewards to individual consumers who trade in carbon reduction amount, and then consumers can earn money through such trading. Active carbon reduction can bring substantial economic returns to consumers while enabling them to fulfill their social responsibilities, thus contributing to the realization of “dual carbon” goals. In order to expand its environmental causes, the Group widely participated in forest planting and environmental protection projects in Guangdong, Yunnan, Hebei, Inner Mongolia and many other places. For instance, since 2001, GAC Honda has started forest planting projects in Hebei, Inner Mongolia, etc., which significantly improved the local ecological environment. As of the end of 2021, working with relevant parties, GAC Honda’s afforestation coverage exceeded 16.48 million square meters. Since 2006, GAC Toyota has started environmental protection projects by holding educational events on biodiversity conservation in plant compounds, communities, peri-urban areas and conversation areas, involving over 180 million participants.

If we humanity do not fail nature, nature will not fail us. The great cause of energy conservation and emission reduction relies on the concerted effort of governments, enterprises and the public. In 2022, GAC Group will endeavor to fulfill its responsibility to history, prove worthy of the times and live up to people’s expectations by following the guiding principles of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and meeting the requirements set out in the “14th Five-year Plan” period and the “dual carbon” goals. Let’s embrace the future and create a better mobile, green and smart life of human beings!

Chairman of GAC Group President of GAC Group

About This Report

Message from the Management

About GAC

→ Company Profile

Value System

Investment Framework

Honors on Social
Responsibilities

Chronicle of Events of GAC in
2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

About GAC

Company Profile

Founded in June 1997, Guangzhou Automobile Group Co., Ltd. is headquartered in Zhujiang New Town, Tianhe District, Guangzhou City. It's a large state holding corporation listed in Hong Kong and Shanghai Stock Exchanges. At present, it has about 97,000 employees and has promoted employment of nearly 800,000 people in the upstream and downstream industrial chains. In 2021, GAC was included in the Fortune Global 500 List for the ninth time, ranked 176th.

The main business of GAC Group covers six segments, including auto R&D, whole vehicles, parts and components, trade services, financial services and mobility. Under the Group, there are more than twenty renowned enterprises and R&D facilities such as GAC R&D Center, GAC Motor, GAC AION, GAC Honda, GAC Toyota, GAC FCA, GAC Mitsubishi, HYCAN, GAC Hino, GAC BYD, Wuyang-Honda, GAC Component, GAC Toyota Engine, Shanghai Hino Engine, GAC Business, Da Sheng Technology, GAC-SOFINCO, Urtrust Insurance, GAC Finance, GAC Capital, China Lounge Investments, and On Time Mobility. We are producing and selling auto products under dozens of famous brands such as GAC Motor, AION, Accord, Odyssey, Camry, Highlander, JEEP, Outlander and Hino.

In 2021, GAC took measures for prevention and control of COVID-19 pandemic and carried out production and operation, and implemented the strategy of ensuring stability in employment, financial operations, foreign trade, foreign investment, domestic investment, and expectations and the strategy of ensuring security in job, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments, achieving positive results in promoting the high-quality development of the Group. In 2021,

we achieved the production and sales of 2,138,100 vehicles and 2,144,400 vehicles, with growth of 5.1% and 4.9% year on year respectively; gross industrial output value of RMB350.01 billion, representing an increase by 9.7% year on year; local output value of RMB326.97 billion, representing an increase by 10.6% year on year; and consolidated revenue of RMB429.755 billion, representing an increase by 8.66% year on year.

In the face of the "14th Five-Year Plan" period, GAC have confirmed an overall development strategy of "1615", namely to realize one goal (we expect that by the end of the "14th Five-Year Plan" period, our auto production and sales volume will reach 3.50 million vehicles, our overall business revenue will exceed RMB600 billion, and pre-tax profit will exceed RMB66 billion, and we will maintain our position among the Fortune Global 500 and the top 100 Enterprises of China, and the production and sales scale of our new energy vehicles will account for over 20% of the auto production and sales of the Group); we will solidify six segments (strengthen and solidify our six segments, namely R&D, vehicles, parts and components, trade services, financial services and mobility); highlight one focus (fully improve our independent innovation capability and achieve a high-quality development of the Group); and improve five aspects (fully improve ourselves in five aspects, namely electrification, intelligence & connectivity, ride-sharing, digitization and internationalization).

Looking ahead, GAC will strive to achieve an auto production and sales volume of 5 million vehicles and an overall business revenue of over RMB1 trillion by 2035. And we aim to become a world-class company which wins customers' trust, ensures staff's well-being, meets social expectation, and keeps creating value for a better mobile life of human beings.



About This Report

Message from the Management

About GAC

Company Profile

→ Value System

Investment Framework

Honors on Social
Responsibilities

Chronicle of Events of GAC in
2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

Value System

Corporate Vision

We are committed to building a world-class company which wins customers' trust, ensures staff's well-being, meets social expectation, and keeps creating value for a better mobile life of human beings.

We always stick to customer-oriented and win trust by catering to the need of customers with superior products and excellent services. We care about the staff by creating an atmosphere of equality and mutual respect. We provide them with opportunities and platforms for self-fulfillment to strengthen their sense of gain and happiness. We actively undertake social responsibilities to ensure the harmonious development of the Company, community and nature, to spread positive energy and meet social expectations. We take efforts to strengthen competitiveness and influence to become a benchmark company that is dominant in global resource distribution, leading in automobile industry and influential in the industrial development. We keep innovating to create value and allow people to experience a better and richer mobile life.

Corporate Philosophy

Humanity

We put staff, customers, shareholders, cooperation partners and the public first. As employees are the most important foundation for enterprise development, we care for their development, devote to meeting customers' needs, bring reasonable returns to shareholders, share profits with partners, and benefit the public.

Credibility

With integrity, we gain recognition from customers and all walks of life. With trust, we strengthen seamless cooperation among the staff, the Company and partners for common good and development.

Creativity

Taking innovation as the primary driving force for development, we are committed to continuous improvement and breakthrough. Encouraging creativity, we are devoted to creating products for customers, building platforms for the staff, earning wealth for shareholders and bringing value to the society.

Operation Principles

Respect Humanity and Advocate Communication

We respect individual differences and respect different voices. We advocate perspective-taking and treat everyone equally. We value mutual communication and improve its mechanism to ensure timely and effective feedback.

Sincere Cooperation and Open Sharing

We conduct internal and external cooperation on the basis of integrity and commitment. We value inclusiveness and openness, share resources and benefits to achieve win-win situation and complement each other's advantages.

Innovation Driven and Pragmatic Efficiency

Innovation is the driving force of development - we dare to challenge and explore. Practice makes perfect – we keep learning to maintain flexibility and improve efficiency.

Slogan

Creativity Defines Our Future

With great passion and courage for innovation, we are in pursuit of continuous improvement.

With the lofty ideal and long-term planning, we aim to build a bright future of common good.

About This Report

Message from the Management

About GAC

Company Profile

→ Value System

Investment Framework

Honors on Social
Responsibilities

Chronicle of Events of GAC in
2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

Brand Value System

Brand Vision **Stay true to craftsmanship and strive for excellence**

Brand Slogan **Crafted by the Driven**

Brand Core **Detailing Greatness**

Elaborateness represents our active attitude of surmounting constantly	Harmony means inclusiveness to the world
Delicateness represents our unremitting pursuit of perfect quality	Far-reaching means a global outlook
Wonderfulness represents our commitment to realize a good life	All-benefit means contribution to the society

Brand Proposition **Be devoted to creating value for consumers, employees, partners, investors, the industry and the entire society with craftsmanship.**

Brand Positioning **Value creator for mobile life**

Brand Values **Acute, practical, self-independent, open**

About This Report

Message from the Management

About GAC

Company Profile

Value System

→ Investment Framework

Honors on Social
Responsibilities

Chronicle of Events of GAC in
2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

Investment Framework

R&D



Whole Vehicles



广汽 HONDA

广汽丰田

广汽菲克
GAC FCA



Parts & Components



Trade services



Financial services



Mobility



Other



About This Report

Message from the Management

About GAC

Company Profile

Value System

Investment Framework

→ Honors on Social Responsibilities

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

Honors on Social Responsibilities



- Selected in the top ten cases of "Protecting Ecological Civilization" on the 2021 Research Report on Corporate Social Value of State-owned Enterprise in the Greater Bay Area — Bureau of Scientific and Technological Innovation and Social Responsibility of the State-owned Assets Supervision and Administration Commission of the State Council, State-owned Assets Supervision and Administration Commission, the People's Government of Guangdong Province, China Social Responsibility 100 Forum
- Won the title of Outstanding Enterprise for Spreading Sustainable Brand in the selection of Outstanding Enterprises for Sustainable Competitiveness of Global Enterprises in 2021 — Organizing Committee of Global Corporate Sustainable Competitiveness Summit
- Forum, Chinese Institute of Business Administration, Social Responsibility and Sustainable Development Commission, Beijing Rongzhi Corporate Social Responsibility Institute
- Gold Cup in the 2020 Guangdong Kapok Cup for Poverty Relief — Guangdong Provincial Leading Group for Poverty Alleviation and Development
- Five-Star Philanthropic Unit on the Charity List of Guangzhou in 2021 and a Benchmark Enterprise with Social Responsibility Influence in Guangdong-Hong Kong-Macao Greater Bay Area in 2021 — Guangzhou Municipal Civil Affairs Bureau, Guangzhou Charity Federation, Guangzhou Charity Association, Guangzhou Daily Group
- Charity Support Unit for "99 Public Welfare Day" Good City Love Activity — Guangzhou Municipal Civil Affairs Bureau, Guangzhou Charity Service Center
- Third Prize of the Science and Technology Award of China Machinery Industry for "Key Technology and Industrial Application of China VI Emission Control of Passenger Vehicles" — China Machinery Industry Federation / China Mechanical Engineer Society



- GAC AION LX and GAC Concept Vehicle ENO.146 won the German iF Design Award in 2021 — Hanover Industrial Design Forum
- GAC AION Y won the CMF Design Award in 2021 — Organizing Committee of CMF Design Award
- Third Prize of the Award for Science and Technology of Chinese Automobile Industry for "Modular Body Design Technology and Industrial Application based on 'Optimized Driving'" — China Society of Automotive Engineers
- Won the title of 2021 "Chinese Heart" Annual Best Ten Engines in 2021 — Auto Motor and Sports Magazine
- Gaogong Golden Award for Hydrogen Car Brands in 2021 — Gaogong Hydrogen Power
- National Top 20 in the 2021 Digital Expo Industrial App Integrated Innovation Competition — Organizing Committee of Digital Expo Industrial App Integrated Innovation Competition (hosted by National Development and Reform Commission, Ministry of Industry and Information Technology, Cyberspace Administration of China, the People's Government of Guizhou Province)
- Customer Success Award - 2021 Liepin South Central China Semi-annual "Liepin Reform and Innovation Award" — Liepin South Central China



- Guangdong Intelligent Manufacturing Ecological Partner — Department of Industry and Information Technology of Guangdong Province
- Guangdong Energy Saving Automobile Application Engineering Technology Research Center — Department of Science and Technology of Guangdong Province
- Third prize for Progress in Science and Technology of Chinese Automobile Industry in 2021 — China Society of Automotive Engineers
- Award for Science and Technology from Guangdong Provincial Mechanical Engineering Society / First Prize of Science and Technology Award of Guangdong Machinery Industry in 2020 — Guangdong Society of Mechanical Engineers / Guangdong Machinery Industry Association
- GAC Motor GS3 series SUV won the title of Guangdong Famous High-tech Product in 2020 — Guangdong Hi-tech Enterprise Association
- GAC Motor M8 series MPV won the title of Guangdong Famous High-tech Product in 2020 — Guangdong Hi-tech Enterprise Association
- GAC Motor Second-generation GS4 series MPV won the title of Guangdong Famous High-tech Product in 2020 — Guangdong Hi-tech Enterprise Association
- The No. 2 among domestic brands in terms of After-sale Service Satisfaction according to the Survey of CAACS in 2021 — China Association of Automobile Manufacturers



- 2020 New Energy SUV - GAC AION V — PAC AUTO
- Award for Enterprising Technology Automobile Enterprise in 2021 — China Auto Ranking and Award Ceremony
- Intelligent Electric SUV of the Year - GAC AION V — Auto Press & Auto Master New Media Cluster, China Mainstream New Media Alliance
- Most Innovative Enterprise in the Automotive Industry in 2020 — Organizing Committee of (6th) China Automotive Innovation Ceremony 2021
- Technology Innovation Award for Charging Facilities Industry — Guangdong Charging Facilities Association
- Trophy for China Automobile Low Carbon Action Plan 2021 — China Automotive Technology and Research Center Co., Ltd.
- 2020 Enterprising Intelligent Automobile Enterprise - GAC AION — Automobile Association
- Popular Models of New Energy Passenger Vehicles (Dianjin Award) - GAC AION S Plus — Organizing Committee of World Intelligent Connected Vehicles Conference (WICV)

About This Report

Message from the Management

About GAC

Company Profile

Value System

Investment Framework

→ Honors on Social Responsibilities

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form



- Golden Award for Congestion Assistance Project of Intelligent Connected Vehicles Competition - GAC AION V Plus —— Organizing Committee of China Intelligent Connected Vehicles Competition
- Golden Award for Automatic Parking Project of Intelligent Connected Vehicles Competition - GAC AION V Plus —— Organizing Committee of China Intelligent Connected Vehicles Conference
- 2021 Top Ten Technological Innovation Award - GAC AION New Energy Automobile Co., Ltd. —— Organizing Committee of China (Greater Bay Area) International IoV Conference
- Intelligent Vehicle Brand Innovation Award - GAC AION —— Organizing Committee of World Intelligent Vehicles Conference
- "Golden Engine Award" of 2021 China Best New Energy Vehicle Enterprise - GAC AION New Energy Automobile Co., Ltd. —— 21st Century Business Herald
- Guangzhou Automobile Group Motor Co., Ltd. (AION base) obtained Class A Enterprise Plaque —— China Quality Certification Center



- An Environment Education Base of Guangdong - Zengcheng Factory —— Department of Ecology and Environment of Guangdong Province
- Copper Cup in the 2020 Guangdong Kapok Cup for Poverty Relief —— Rural Work Leading Group of the CPC Guangdong Provincial Committee
- Title of "Enterprise with Outstanding Contribution to Reducing Pollution and Carbon" in Guangdong Province —— Department of Ecology and Environment of Guangdong Province
- VOCs Hierarchical Control Class A Enterprise (Huangpu Factory and Zengcheng Factory) —— Department of Ecology and Environment of Guangdong Province
- National Exemplary Enterprise for Safety Culture Construction —— China Association of Work Safety
- Benchmark Intelligent Factory of China Automobile Industry in 2021 —— China Association of Plant Engineering, Automotive Intelligent Manufacturing Technology Center
- 5A Enterprise in Green Development Index of Automobile Enterprises in 2021 —— China Automotive Data Co., Ltd. (owned by China Automotive Technology and Research Center Co., Ltd.)
- Class II Enterprise for Work Safety Standardization —— Guangdong Emergency Management Services Association
- 5A Enterprise in Green Development Index of Automobile Industry in 2021 —— Energy-saving and Green-development Assessment Center for Automobile Industry
- The No. 1 in the survey of SSI (Sales Satisfaction Index), No. 1 in the mainstream car brands according to the survey of After-sale Service CSI (Customer Satisfaction Index), No. 1 in the mainstream car brand according to the survey of Initial Quality Study (IQS), No. 1 in the mainstream car brands according to the Dealer Attitude Study (DAS) —— J.D.Power
- Respected Enterprise —— The Economic Observer
- Golden Service in China Automotive - Customer Trust in 2021 —— Chinese Automotive Market, Auto Driving & Service and auto.sohu.com
- The 20th National Youth Civilization —— Central Committee of the Communist Youth League of China together with 22 Ministries and Commissions
- Second Prize of Excellent Research Results of Guangzhou Society for Party Building in 2020 —— Guangzhou Society for Party Building



- Guangdong Famous High-tech Product in 2020 - "GAC Toyota New Highlander Passenger Vehicle", "GAC Toyota C-HR Passenger Vehicle", "GAC Toyota C-HR EV Passenger Vehicle" —— Guangdong Hi-tech Enterprise Association
- Guangzhou Advanced Primary-level Party Organization —— Guangzhou Municipal Committee of the Communist Party of China
- Class A Tax-payer of Annual Tax Payment Credit —— Guangzhou Tax Service, State Taxation Administration
- Guangdong Province Enterprise of "Observing Contract and Valuing Credit" —— Guangzhou Administration for Market Regulation
- Special Award of Guangdong Machinery Industry the 40th Quality Management Team and Quality Trustworthy Team Representatives Meeting Activity Result Release —— Guangdong Machinery Industry Quality Management Association
- Guangdong Passenger Vehicle Advanced Manufacturing Engineering Technology Research Center —— Department of Science and Technology of Guangdong Province
- First Prize of Activity Results of National Machinery Industry Excellent Quality Management Team in 2021 —— China Machine Building Quality Management Association
- 100+ Biodiversity Typical Cases Around the World —— China Environmental Protection Foundation
- An Enterprise with Outstanding Contribution to Reducing Pollution and Carbon in Guangdong Province in 2021 —— Department of Ecology and Environment of Guangdong Province
- 2021 China Auto Safety Action - Keep You Safe All the Way —— China Auto Research Automobile Culture Co., Ltd.
- The No. 1 in terms of China Automobile After-sale Service Satisfaction according to the Survey of CAACS in 2021 (joint venture brands) —— China Automotive Maintenance and Repair Trade Association
- The No. 1 in terms of After-sale Service Satisfaction according to the Chinese Automobile Customer Satisfaction Index (CACSI) in 2021 (joint venture brands) —— Users Committee of China Association for Quality
- Top Graduate Employers China 2021 —— www.51job.com, www.yingjiesheng.com
- Most Beautiful Volunteer Service Team —— Guangzhou Young Volunteers Association



- SUV of the Year for Performance —— Yangcheng Evening News
- 7-seat SUV of the Year - New Jeep Grand Commander —— China Mainstream Automobile TVs (Omni Media Alliance)
- Top Ten Cases of Product Category in 7th FC Awards in 2021 —— Auto Business Review
- Ranked 7th on the list of China Top 100 Manufacturers of Automotive Components in 2021 —— China Automotive News
- Top 30 Auto Parts and Components Manufacturers of China in 2020 —— China Association of Automobile Manufacturers
- Top 500 Machinery Enterprises in China in 2021 —— China Machinery Enterprise Management Association
- New R&D Institution in Guangdong Province —— Department of Science and Technology of Guangdong Province

About This Report

Message from the Management

About GAC

Company Profile

Value System

Investment Framework

→ Honors on Social Responsibilities

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form



- Exemplary Enterprise of Occupational Health in Guangzhou — Guangzhou Occupational Safety Association



- Excellent Exporter of China Motorcycle Industry in 2020 — China Chamber of Commerce for Motorcycle, Federation of Automobile and Motorcycle Sports of People's Republic of China, etc.
- Excellent Enterprise of Cleaner Production in Guangzhou — Guangzhou Municipal Industry and Information Technology Bureau, Guangzhou Municipal Ecological Environment Bureau
- Exemplary Enterprise with National Product and Service Quality Integrity — China Association for Quality Inspection
- National Leading Quality Brand in Motorcycle Industry — China Association for Quality Inspection
- National Leading Quality Enterprise in Motorcycle Industry — China Association for Quality Inspection
- Stable and Qualified Products in the National Quality Inspection — China Association for Quality Inspection
- Products with National Quality and Reputation Guarantee — China Association for Quality Inspection



- Ranked 56th on the list of Global Top 100 Manufacturers of Auto Parts and 7th on the list of China Top 100 Manufacturers of Auto Parts in 2021 — China Automotive News
- Top 30 Auto Parts and Components Manufacturers of China in 2020 — China Association of Automobile Manufacturers
- Top 500 Machinery Enterprises in China in 2021 — China Machinery Enterprise Management Association
- New R&D Institution in Guangdong Province — Department of Science and Technology of Guangdong Province



- Top 10 Vehicle Dealership Groups of Guangdong — Guangdong Automobile Dealers Association
- Ranked 19th of China Top 100 Vehicle Dealership Groups in 2021 — China Automobile Dealers Association
- Benchmark Enterprise of Guangzhou Automobile Service Industry in 2021 — Guangzhou Automobile Service Industry Association



- Best Automobile Finance Company of China Automobile Golden Engine Award in 2021 — 21st Century Business Herald, China Auto Finance
- AAA in the Corporate Long-term Credit Rating — China Lianhe Credit Rating Co., Ltd.
- Class A Tax-payer of Tax Payment Credit in 2020 — Guangzhou Tax Service, State Taxation Administration



- The 12th China Jinding Award — National Business Daily
- Annual Social Responsibility List of China's Insurance Industry Ranking — National Business Daily



- Evergreen Award - "Sustainable Development Efficiency Award" in 2021 — Caijing
- Top 10 of the Best Investment Institutions in China's New Energy and Clean Technology Industry in 2020 — CV INFO
- 2020-2021 Most Growable Investment Institution of China's Green Investment — Chinese Venture
- Brand Value List of Investment Institutions CVC Top 10 — National Business Daily
- Governing Body of "China ESG 30 Forum" — Caixin
- Chinese Innovative Enterprise in 2021 (the only one in 2021) — Financial Times (FT)



- "WISE 2021 New Economy King" List - Annual New Influential Enterprise — "WISE 2021 New Economy King Summit" of 36Kr
- Golden Award of AutoVision China in 2021 — AutoVision China
- The 3rd China Travel Industry Development Forum - Best Car Hailing Platform Award — The 3rd China Travel Industry Development Forum
- "Golden Great Wall" Smart Manufacturing Industry Competitiveness Research Honor List in 2021 - Excellent Smart Travel Technology Service Brand of the Year in the Greater Bay Area — "2021 China Smart Manufacturing Industry Annual Conference and Semiconductor Industry Summit" of 21st Century Business Herald

About This Report

Message from the Management

About GAC

→ Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

Chronicle of Events of GAC in 2021

<p>January 5</p> <p>GAC and Pearl River Investment Management Group established a strategic partnership, which provided GAC-NEO with a new investment of RMB2,405 million to jointly create a new model of intelligent vehicle development with "Hycan" as the carrier.</p>	<p>April 6</p> <p>GAC Toyota Engine realized mass production of the TNGA 2.5L engine, which was the first multi-model mixed-flow mass production through independent commissioning, marking the further improvement of GAC Toyota Engine's overall strength and autonomous capabilities.</p>	<p>April 9</p> <p>The Group's technological capabilities were fully demonstrated on the GAC Tech Day, with the release of the Neutron Star Strategy aimed at power battery technology and the official announcement of a range of futuristic technologies such as sponge silicon negative electrode plate battery technology, super-fast-charging battery technology, and ADiGO4.0 intelligent driving interconnected ecosystem.</p>	<p>May 25</p> <p>Honda realized mass production of CB400X, the first two-cylinder medium-displacement motorcycle model produced in situ in China on schedule, which was rolled off the production line on May 25 at Wuyang-Honda.</p>	<p>May 28</p> <p>GAC Business was included in the Top 100 Chinese Automobile Dealer Groups for the seventh consecutive year and ranked 19th, entering the Top 20 for the first time, marking a record high.</p>	<p>June 8</p> <p>On its 10th anniversary, Urtrust Insurance officially launched the service brand "Sincerely convinced", using artificial intelligence, big data, and the Internet of Things to create a more convenient and efficient platform for automobile life experience.</p>	<p>June 18</p> <p>The new generation of the 700 Zhizhen heavy-duty truck was officially launched to the market. In addition to a fresh appearance and enhanced power, the model was equipped with a stable and mature post-processing system and a comprehensively upgraded safety guarantee.</p>	<p>July 1</p> <p>GAC carried out high-standard Party history learning and education throughout the year, covering more than 12,000 Party members in the Group. It solidly conducted the "Practical Actions for the Public" program and promoted full completion of 2,591 projects, leading GAC's high-quality development with high-quality Party building to greet the Party's 100th founding anniversary.</p>	<p>July 9</p> <p>According to the <i>Notice on Issuing the List of Benchmark Enterprises, Benchmark Projects, and Benchmark Models for the Benchmarking Actions of Major State-owned Enterprises</i> released by the SASAC of the State Council, GAC was selected as a benchmark enterprise for the management of national major state-owned enterprises, and the Group's digital transformation project (Plan G) was included as the only benchmark project in Guangdong.</p>
<p>July 12</p> <p>GAC Component ranked 7th among the Top 100 Chinese Auto Parts Enterprises and 56th among the Top 100 Global Auto Parts Enterprises.</p>	<p>July 25</p> <p>GAC Toyota's new energy vehicle capacity expansion project (Phase I) was officially put into operation in Nansha District, Guangzhou, with a total area of 404,000 square meters and a projected capacity of 200,000 new energy vehicles per year.</p>	<p>July 26</p> <p>The Chinese and English names of "GAC Thinking and Practice" and its system diagram were unveiled. By aligning the working language and practice, this philosophy aimed to strengthen the GAC employees' identification with the Group's ideas and culture to create a true "Great GAC" community with a shared cause.</p>	<p>August 1</p> <p>GAC Motor's EMPOW was officially marketed. As the first sports car built upon the GPMA architecture, EMPOW refreshed consumer perception of the brand Trumpchi with its sporty and flamboyant design. First-month orders exceeded 15,000 vehicles, making it the first "phenomenal" popular sedan model of Trumpchi.</p>	<p>August 2</p> <p>GAC was included in the Fortune Global 500 for the ninth consecutive year and ranked 176th, representing a rise by 30 positions compared with the previous year, achieving a record high.</p>	<p>August 6</p> <p>Zhicheng Industry completed the integration with Guangyue Asset Management, which was expected to take the Company to the next level and form a business pattern of "four-wheel drive", comprising four businesses, namely industrial real estate, property management, property services, and asset management.</p>	<p>August 25</p> <p>GAC's L4 autonomous driving demonstrative operation fleet obtained the road test licenses for intelligent and connected vehicles in Guangzhou. This was the first time that GAC gained five licenses in form of a large-scale fleet. In Panyu Automobile City, the fleet carried out autonomous driving demonstrative operation and used On Time Mobility to explore the operation model of autonomous driving commercialization.</p>	<p>August 30</p> <p>GAC announced that it intended to promote ownership reform of GAC AION by restructuring and integrating the new energy vehicle R&D capabilities, business, and assets. The plan aimed to raise capital by issuing additional shares and introduce strategic investors for GAC AION, which would seek IPO in the future.</p>	<p>August 30</p> <p>The total investment of the directional housing project in the automobile town of GAC's Industrial Park for Intelligent and Connected New Energy Vehicles reached RMB11.2 billion, which was expected to provide 6,206 condos in the industrial park. The project would address the housing needs of the industrial talents working in the GAC Panyu Automobile City to ensure they enjoy their lives and work and the enterprise retain talents.</p>

About This Report

Message from the Management

About GAC

→ **Chronicle of Events of GAC in 2021**

Topic: Tackling Climate Change

1
Intelligent and Lean Corporate Governance

2
Intelligent Mobile Life

3
Intelligent Green and Low-Carbon Travel

4
Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

September 26 September 30 October 18 October 22 October 22 October 29 November 8 November 12 November 19

GAC launched a strategic partnership with Stellantis, a renowned multinational automobile company, in an OEM model. In 2021, a total of 3,744 Dodge Journey models with GAC Motor as the OEM were delivered and exported to Mexico. This was a milestone in GAC's internationalization, offering valuable experience for Chinese independent brand GAC Motor "going global".

The Nansha Power Battery PACK Smart Factory of Juwan Technology Research, the first mixed-ownership innovative high-tech enterprise incubated by GAC, was put into operation. The factory covers an area of 13,000 square meters, with an annual capacity of four to five GWh and an estimated annual output of RMB2 billion to RMB3 billion.

GAC Finance's loan balance exceeded RMB10 billion, with a cumulative issued loan of RMB51.9 billion, and without non-performing loan. This marked that its main business reached a new level.

GAC BYD delivered the first 40 pure electric intelligent muck trucks T31 to the Second Transportation Company of Guangzhou Public Transport Group, helping Guangzhou to promote the electrification of muck trucks.

GAC FCA transferred its production line from the Guangzhou plant to the Changsha plant and would concentrate advantageous resources on quality improvement and operation management of the production base in the Changsha headquarters.

GAC and Holomatic signed an agreement deepening the partnership. With GAC Capital's investment in Holomatic, both parties would cooperate in the industrialization of intelligent and connected vehicles and autonomous driving.

The Party Committee of Guangzhou SASAC held an on-site exchange meeting on GAC's Party building experience in GAC AION. The attendees thoroughly studied and implemented the important discourses on the reform and development of state-owned enterprises as well as on Party building, and summarized and promoted the experience and practices of GAC's Party building, which was considered as a classic case of leading and ensuring the high-quality development of enterprises through high-quality Party building.

GAC's launch of its first dealership in Macau announced that the Group's self-owned brands officially entered the market, opening a new window to showcase GAC products to Southeastern Asian and Portuguese-speaking countries.

On the 19th Guangzhou Auto Show, GAC released the specific targets of its GLASS (Green Low-carbon for Achieving Sustainable Success) Program, aiming to achieve carbon neutrality throughout the product life cycle by 2050 (by 2045 as a challenge). It is projected that by 2025, the sales volume of new energy vehicles under self-owned brands accounts for 50%. By 2030, the sales volume of new energy vehicles in GAC accounts for 50%.

November 19 November 30 November 30 December 1 December 10 December 18 December 21

The e:NP1, the first pure electric vehicle model of GAC Honda's e:N series, was released and will be launched to the market in the first half of 2022. Since then, with a comprehensively upgraded strategy, GAC Honda has taken its electrification to a new level.

GAC's self-owned brand "Binary Star" witnessed rapid growth as well as significant improvement in brand, product, and marketing influence. The sales volume of GAC Motor exceeded 290,000 units in the first 11 months, representing a year-on-year increase by more than 11%. GAC AION achieved the annual sales target of 100,000 units ahead of schedule in November.

GAC-SOFINCO witnessed leapfrog development in corporate loaning, achieving a year-on-year increase by approximately 15 times in business scale, making it a professional auto finance company that provides credit services for mega institutional clients.

Da Sheng Technology passed the evaluation and was included in the list "Three Groups of Enterprises" for improvement issued by the Guangzhou Municipal Industry and Information Technology Bureau, becoming one of the representatives with high technology and growth as well as new technologies, products, business forms, and models.

GAC Mitsubishi held the roll-off ceremony for the new pure electric SUV AIRTREK, further accelerating the deepening of its deployment for new energy vehicles.

GAC held the signing ceremony of the implementation of the fixed-term appointment system and contract-based management. Zeng Qinghong, secretary of the Party Committee and chairman of the board of GAC, Feng Xingya, president of GAC, and the heads of Party organizations and the management of 22 affiliates signed their contracts. The ceremony marked a milestone in GAC's extension of the fixed-term appointment system and contract-based management, and a firm step to further deepen the reform of state-owned enterprises.

GAC and On Time Mobility signed a strategic cooperation agreement with WeRide, a world-leading L4 autonomous driving technology company, and would build a Robotaxi fleet of tens of thousands of vehicles stepwise through GAC Capital's investment in WeRide, to create Robotaxi commercial landscape.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

→ Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

Topic: Tackling Climate Change

Climate change has become a major challenge to all mankind. As General Secretary Xi Jinping announced China's "30•60" dual-carbon goal in 2020 and continued to promote the "dual-carbon" actions, a green, low-carbon transformation has become the new guidepost for the development of the automotive industry. In its proactive response to climate change, GAC announced its energy conservation and emission reduction goals in the "14th Five-Year Plan" period and released the "GLASS Program" and the "2⁶ Energy Actions" in 2021, sparing no effort to advance the Group's achievement of carbon neutrality.

Governance

The board of directors authorizes the strategy committee to assist the board in monitoring, reviewing, and handling ESG-related risks and opportunities, including climate change, as well as response measures and performance goals. The strategy committee has a social responsibility (ESG) management structure, with the chairman of the Group as the leader of the leadership group, responsible for advancing specific ESG matters and reporting to the strategy committee every six months. For details, please refer to the "Responsibility Management" subsection in Section 2, Chapter 1.

To address carbon emission, GAC has built a special governance structure for carbon emission, forming a three-level management mechanism of "Leadership Group - Working Group - Task Force" with defined responsibilities of each level. In the meantime, based on the goal of energy conservation and emission reduction, the Group set up a system that incorporates these indicators into the annual target assessment of enterprises invested and gives rewards or imposes punishments according to their assessment results.



Leadership Group Decision-making Body

Coordinate and lead the work of energy conservation and emission reduction;
Make decisions on major issues related to energy conservation and emission reduction

Working Group Instructing Body

Report to the Leadership Group on major issue related to energy conservation and emission reduction; listen to the work reports on energy conservation and emission reduction prepared by each Task Force and study and instruct their work directions; coordinate the work of energy conservation and emission reduction carried out by each Task Force

Task Force Executing Body

Carry out the work of energy conservation and emission reduction; for example, identify regulations and policies on energy conservation and emission reduction and promote the implementation of major projects related to energy conservation and emission reduction

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

→ Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

Strategy

TCFD (Task Force on Climate-related Financial Disclosures) divides climate risks into transition risks and physical risks. Transition risks include risks related to policies and laws, technologies, market, reputation, etc. Physical risks result from extreme weather events and acute risks (hurricanes, floods, etc.) and chronic risks (rising average temperatures and sea levels, etc.) caused by global warming. In its “14th Five-Year Plan” period for energy conservation and emission reduction, GAC carried out in-depth research on the internal and external environment and identified the following risks and opportunities.

Policy and regulation risks

- With the implementation of the “dual carbon” goal, local governments will closely follow the central government to launch relevant plans. As Shanghai, Jiangsu, Guangdong, and Hainan announced that they would strive to be the first to achieve carbon peak, regulations in these areas are expected to be strengthened.
- The implementation of “dual control” action over total energy consumption and intensity was stated at the Fifth Plenary Session of the 18th Central Committee of the CPC, and the deepening of the energy conservation in the industrial and transportation sectors was announced in Guangzhou’s “14th Five-Year Plan” period. Therefore, the transportation sector has become a regulatory focus, leading to a potential rise in corporate compliance costs.
- With the successive enactment of a range of policies including the “New Energy Vehicle Industry Development Plan (2021-2035)” in 2020, higher requirements have been introduced for the proportion of electric vehicles. As a result, the sales volume of GAC’s petrol-engine vehicles may be affected, thereby causing adverse effects on its financial condition.

Technology risks and opportunities

- The wide application of energy management systems, the application of photovoltaic power generation projects, the application of advanced coating technology, and the development of VOCs discharge treatment technology provide a technical basis for the low-carbon development of the automotive industry.
- Electric vehicles have more emission reduction potential than petro-engine vehicles, and the electrification of China’s automotive industry has been gradually shifting from being policy-oriented to demand-oriented.
- Reducing the vehicle weight is one of the most cost-effective methods to decrease fuel consumption, enabling energy conservation and emission reduction while lowering costs. Therefore, developing the lightweight production technology has become a popular direction for advanced automobile companies. Enterprises under GAC need to increase the relevant R&D investment to maintain their competitive edges in the industry.

Market risk

- In 2021, the SASAC of the State Council included ESG in the prioritized work of promoting enterprises to fulfill their social responsibilities. As the Stock Exchange raised the disclosure requirements for key performance indicators, the capital markets set stricter requirements for the ESG disclosure requirements.
- Most advanced automobile enterprises have formulated strategic plans for green factories, and some of them have made major breakthroughs in energy conservation and emission reduction in production. If GAC fails to further strengthen its management of energy conservation and emission reduction, it may fall behind its peers and be at a disadvantage in market competition.

Extreme weather

- Global warming will increase extreme climates such as extreme high temperature, extreme cold, heavy rain and flood, and typhoon. Additionally, rising sea levels may submerge some coastal cities. Located in a coastal city, GAC faces challenges in its asset security and industrial landscape.
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About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

→ Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

To address the challenges arising from climate change, GAC established the energy conservation and emission reduction target system for the “14th Five-Year Plan” period. With the vision of “actively responding to the national ‘dual carbon’ goal, proactively shouldering the mission of environmental protection, and striving to be the leader of the green development in the automotive industry”, the Group focused on green, low-carbon, and sustainable development and make comprehensive efforts in green production, green products, green supply chain, green travel, green finance, and green community, promoting energy conservation and emission reduction with practical actions.



**Green
production**

- Strictly follow the laws and regulations and control risks to achieve legal and compliant management;
- Timely update and introduce high-efficiency energy-saving equipment based on development needs;
- Continue to optimize production processes and techniques and improve raw and auxiliary materials;
- Strengthen energy use management;
- Enrich energy types and optimize energy structure;
- Strengthen resource recycling;
- For more details, please see the section of “Clean production”.



**Green
products**

- Attach importance to the R&D of technologies for energy conservation and emission reduction;
- Raise the proportion of new energy vehicles;
- Continue to promote lightweight products;
- Advance the recycling and reuse of waste products;
- For more details, please see the section of “New energy products”.



**Green
supply chain**

- Optimize top-level design;
- Implement management measures;
- Strengthen supply chain management;
- Use information technology and the performance assessment mechanism to continuously deepen the green and low-carbon management of suppliers;
- For more details, please see the section of “Improve supply chain management”.



**Green
travel**

- Expand the urban coverage of services and accelerate the deployment of new energy vehicles;
- Actively explore the “vehicle-battery separation” business;
- Enhance the combined transportation by road, rail, and water, and increase the proportion of water transportation;
- Improve infrastructures;
- For more details, please see the section of “Low-carbon Travel”.



**Green
finance**

- Carry out industry investment;
- Actively participate in voluntary emission reduction trading;
- Explore green supply chain finance;
- Develop green insurance;
- Actively probe into other fields of green finance.



**Green
community**

- Green office: First, actively promote the application of photovoltaic power generation projects; second, demonstrate the feasibility of green buildings and extend their application; third, continue to expand the coverage of paperless office.
- Green community: First, actively guide the completion of the GAC’s carbon sink rights confirmation; second, continue to participate in public welfare activities, including ecological protection and biodiversity surveys;
- For more details, please see the sections of “Green office” and “Support green and environmental protection”.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

→ Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

Risk Management

In 2021, the Company formulated the *Administrative Measures for Reporting Major Operational Risk Events (Interim)*, revised the *Administrative Measures for Internal Control*, conducted comprehensive evaluation on risk management and internal control in accordance with the policies and regulations, and delivered targeted internal control diagnosis and improvement for high-risk fields in operation and management. Through risk interviews, risk research, industry benchmarking, and other means, the Group closely tracked climate risks and carried out climate change risk identification and evaluation, as well as formulated corresponding climate risk management measures to continuously improve the ability to cope with climate risk challenges.

Indicators and Targets

In 2021, GAC released its carbon neutrality target, aiming to achieve carbon neutrality throughout the product life cycle by 2050 (by 2045 as a stretch target). In addition, sub-targets were set for six fields of energy conservation and emission reduction to fully promote carbon neutrality and contribute to the tackling of climate change.

Six Fields	Development Targets
Green production	Set energy saving and emission reduction indicators for different segments from 2021 to 2025.
Green products	By 2025, the sales volume of new energy vehicles under self-owned brands accounts for 50%. By 2030, the sales volume of new energy vehicles in GAC accounts for 50%. Accelerate the development of alternative fuel vehicles including hydrogen power models. Achieve 100% recycling of power batteries.
Green supply chain	Establish and improve the green supplier management system.
Green travel	Launch more new energy vehicles on the platform of On Time Mobility and create a convenient, efficient charging and swapping network system.
Green finance	Strengthen the deployment of green finance and build a green financial service system for supply chain.
Green community	Continue to reduce the energy consumption as well as pollutant and waste emission intensity generated from offices.

Taking into account the requirement of policies and the new edition of ESG reporting guidelines issued by the Stock Exchange, GAC included mandatory and voluntary disclosure indicators in the scope of normalized management. Based on the short-term overall goal of "By 2025, among domestic automobile enterprises, GAC is leading in terms of main energy conservation and emission reduction indicators of the segments of whole vehicle and components (including engine)". The Group set a specific target for each indicator and introduced safeguards at the organizational and team level to ensure the achievement of these targets.

Indicator	Unit	2021	2022 Target
Total energy consumption	Ten thousand kWh	216,280	223,892
Total greenhouse gas emissions	Ton CO ₂	1,019,571	1,055,441

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

1.1.1 Corporate Governance

Good governance is the key to the long-term stability and sustainable development of the Company. In strict compliance with the relevant corporate governance requirements such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance of Listed Companies, the Stock Listing Rules of Shanghai Stock Exchange, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and its appendix Corporate Governance Code, GAC constantly improves its corporate governance structure, regulates the operation of its general meeting of shareholders, board of directors and supervisory committee in an orderly manner, discloses information in accordance with the laws to establish a modern corporate governance system with scientific norms, effective check and balance and efficient operation.

In 2021, the Company held the election of the sixth board of directors and supervisory committee in accordance with the provisions of the Articles of Association pertaining to the three-year term of directors and supervisors, and further optimized the management structure of the board of directors. In total, 22 meetings of the board of directors and 12 meetings of special committees of the board of directors were held during the year, and 81 proposals were considered. The Company continued to review and revise its internal management systems. During the year, it formulated 12 systems such as Hierarchical Authorization Management Measures and revised 36 systems such as Investment Management Measures to further

complete its governance structure and improve its governance.

In terms of information disclosure, the Company follows the principle of "truthfulness, accuracy, completeness, timeliness and fairness", and comprehensively considers the disclosure rules for A shares and H shares in the Mainland China and Hong Kong to maintain the consistency and synchronization of information disclosure in the two markets. The Company disclosed 170 interim announcements and 9 regular announcements for A shares; it disclosed 129 interim announcements and 9 regular announcements for H shares.

The Company attaches great importance to effective communication with shareholders and investors. In 2021, the Company received 18 visits from investors for research, held 46 telephone communication meetings, organized 3 open days for investors, and accumulatively received 1,876 person-times of investors and analyzers in total. In view of the trend of growing numbers of minority shareholders and investors of the Company, it strengthened communication with individual investors, responded to more than 300 inquiries from investors through the Shanghai Stock Exchange e-Interaction Platform, and more than 200 inquiries from investors through its hotline. In addition, it utilized other external channels and platforms such as the Company's IR mailbox and corporate website to ensure smooth dialog between small and medium-sized shareholders and the Company.

Key data on the enterprise's governance

	New regulations in items	Revised (abolished) regulations in items	Existing management regulations in items	Proposals reviewed in items
Board operation	12	50	204	81
Investor relations	Reception of visits from investors in items 18	Telephone communication with investors in items 46	Investor open day activities organized in items 3	Reception of investors and analyzers in person-times 1,876

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

GAC held an investor open day activity

On July 27, 2021, GAC Group held an investor open day activity under the theme of “Lead the Future Driving Trend with Intelligence”, which consisted of two sessions: intelligent connection and new energy. During the event, the Company introduced to the investors its e-TIME action plan, and showcased its multiple achievements and future strategic arrangements in the fields of intelligent connection, new energy, and new science and technology, as well as its plan to grasp the “new four development trends” (electrification, intelligence, connectivity and ride-sharing) of automobiles to transform into a technological enterprise. The activity increased investors’ understanding and recognition of GAC Group.



GAC Group's 2021 investor open day

1.1.2 Responsibilities of the Board of Directors

The board of directors of the Company is composed of 11 directors, of whom 4 are independent directors, accounting for more than 1/3 of the total number of directors. They have different professional backgrounds such as automobile industry, legal compliance, audit and finance, and development strategy, and are from different industries and regions. Some of the independent directors once worked as senior executives in well-known enterprises in different countries and regions. This indicates the diversification of the board of directors in age, expertise, work experience and region. In the future, the Company will further promote the diversification of the board of directors in gender and other aspects.

The independent directors of the Company are aware of the rights and obligations of directors and independent directors of a listed company and have issued annual confirmation letters regarding their independence in accordance with the Listing Rules of Hong Kong. All independent directors remain independent. Each special committee under the board of directors of the Company is dominated by independent directors and external directors, and the nomination committee, remuneration and assessment committee, and audit committee are chaired by independent directors. In addition, through the Articles of Association, Independent Director System and other relevant provisions, the Company ensures, at the institutional level, that independent directors have special powers to express independent opinions on certain matters related to the rights and interests of minority shareholders.

In 2021, the independent directors faithfully performed their duties of good faith and diligence in accordance with relevant laws and regulations. They have participated in the discussions and decision-making of related major issues with the Company's board of directors and each special committee of the board of directors, who have put forward opinions on the regulated operation of the Company based on their expertise and experience, carefully reviewed the fairness and impartiality of related transactions, expressed views independently and fulfilled their independent duties. They act independently of the controlling shareholders of the Company or other organizations or individuals with interest with the Company.

In 2021, the directors of the Company actively participated in the training related with the governance of a listed company and the duties of directors organized by the stock exchange or regulatory authorities, attended special training, lectures and meetings with respect to economy, finance and operation management held by industrial organizations or intermediary organizations. This has helped all directors to continuously improve their understanding of the Company's business development, competition and regulatory environment and the industrial development trends, know their duties and responsibilities, reach correct decisions and achieve effective supervision.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.1.3 Compliance of Operation

The Company has established a compliance management organizational system that covers three levels, including governance, management and execution and lists the audit committee of the board of directors as a specialized agency for compliance management. We've set up a leading group for our compliance management of enterprises and a leading group for our system construction. We've set up an office for compliance management and a working team for system construction as well as a specialized department for compliance management. Meanwhile, we've required our 20 enterprises wholly-owned, controlled or co-invested and controlled by us to set up a compliance management system based on their actual conditions and provided one-to-one guidance to them. In order to ensure that compliance work is carried out according to regulations, GAC has formulated the Compliance Management Measures (Interim), the Measures for Implementing Compliance Management Assessment, the Report on Identification and Assessment of Compliance Risks, Compliance Management Manual, and other guideline documents to further solidify the foundation of compliance management.

- **The "fire drills" were carried out to improve the compliance of dealerships.** In five selected dealerships (three in Guangzhou and two in Beijing) of self-owned brands, external lawyers and experts were hired to play as law enforcers to conduct on-site drills and stress tests and run spot checks on anti-monopoly, anti-unfair competition, advertising law, consumer rights protection, and data compliance of the automotive industry. Additionally, through interviews and communication, dealership managers discussed with the lawyers on issues encountered in business and operations to improve their capabilities of compliance management.



Special "fire drills" carried out in dealerships

- **GAC participated in state-owned asset legislation, giving advice and proposals on data compliance of the industry.** Taking the initiative to participate in developing the guideline for data security compliance for municipal state-owned enterprises, the Group convened major companies, including On Time Mobility, Da Sheng Technology, and GAC Toyota, to jointly study and discuss the exposure draft of the guideline. A number of opinions or suggestions were proposed regarding the subject of responsibility for data security compliance, data security assessment, specific implementation measures, and other aspects. Finally, most of them were adopted and included in the officially released edition.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

On Time Mobility's order compliance rate ranked first nationwide for four consecutive months

On October 19, 2021, the Ministry of Transport released the basic condition of the car-hailing industry in September according to the statistics of the National Online Car-hailing Supervision Information Interactive Platform. Data showed that On Time Mobility's order compliance rate ranked first among platforms with more than 300,000 online car-hailing orders in the month. Since 2021, the compliance rate of On Time Mobility's orders has ranked first nationwide for four consecutive months.

Following large state-owned enterprises' traditions of strict control of safety and compliance, On Time Mobility made efforts to provide users with safe, convenient, and high-quality travel services.

- **Controlling driver admission:** Driver admission was controlled in a strict manner that all drivers must hold a license of C1 or above and an online car-hailing driver qualification, with more than 3 years of driving experience and no criminal record.
- **Guaranteeing user information security:** The Company protected the security of users' personal information in strict compliance with the laws and regulations. Any access to users' personal information must be authorized by the related user, and unauthorized collection of such information was prohibited. Mask desensitization was adopted where the storage of users' sensitive information was involved. Anonymization and strict encryption were mandatory in third-party interactions.
- **Innovating service management and control:** The Company continuously innovated service management and control, establishing On Time Academy as the core department for driver training and service management and control, so as to control service quality in the first place.



The compliance rate of On Time Mobility's orders has ranked first nationwide for four consecutive months

1.1.4 Risk Control

The Company has an audit department and a risk control department. The audit department is directly accountable to the board of directors and the management, legally and independently carries out audit items such as economic responsibilities, special audits, construction projects, research and development and internal control. Under the requirements of the "Fundamental Regulations on Internal Control of Enterprise" and associated guidance, it conducts internal control assessment, and strengthens the supervision and inspection on the internal control. The Group actively explores the audit reform and innovation, implements audit management reform in audits of economic responsibilities, special audits, project audits, internal control audits, and risk management, steadily advances full coverage of audits and comprehensive risk management,

reinforces the cross-level collaboration mechanism, realizes unified auditing across the Group, and largely fuels the Group's supervision to effectively ensure the sustainable and sound development of the Group.

In order to further improve the response of the Group to various risk challenges, the Group has deepened the construction of its internal control and risk control system, formulated the Management Measures for Reporting of Major Operational Risk Events (Interim), and revised the Internal Control Management Measures to ensure that the risk management and internal control work is carried out according to rules, and to promote the regulation, routinization and standardization of the Company's risk management and internal audit.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.1.5 Party Building Leads

- Strengthening grass-roots Party building:** With key points focused, the *GAC Group's Three-Year Action Plan for Strengthening the Construction of Grass-roots Party Organizations (2021-2023)* was formulated and implemented to promote the innovative development of grass-roots Party building. A total of 15 Party members and eight grass-roots Party organizations were commended by the Guangdong Provincial Party Committee, Guangzhou Municipal Party Committee, and Guangzhou SASAC Party Committee. Encouraging the role of Party organizations and Party members, the Group formed a team of 155 Party members to support the frontline pandemic prevention and control in Liwan District.
- Building a strong line of disciplinary defense:** GAC issued the key points for the Group's in-depth promotion of comprehensive and strict governance of the Party in 2021, the work list for the implementation of the primary responsibility of the Party Committee in 2021, and the supervision responsibility list of the Disciplinary Committee to consolidate the primary responsibility. The Group completed the 2020 annual assessment of the professional managers' Party conduct and clean management, and the assessment of the comprehensive and strict governance of the Party in enterprises invested, and carried out special rectification to issues including formalism, bureaucracy, corruption and unethical practices behind the financial risks of financial enterprises. Comprehensive, real-time, and dynamic supervision of the addressing of early and small-scale issues by enterprises was conducted through the "3161" corruption prevention platform. During the year, leaders and party cadres of the affiliates at all levels of the Group held 178 reminder and admonishment talks.
- Carrying out theme education:** With the theme of "Strengthening Party Building, Solving Problems, Doing Practical Work, and Making New Advancements", the "Secretary Program" was launched for the annual building of grass-roots Party building in 2021, 407 projects were initiated in the year, and 612 issues were solved concerning grass-roots Party building and production and operation, creating direct economic benefits of RMB350 million and forming a working pattern in which the Party Committee of GAC sets the theme every year, the Party Committee of enterprises selects the topic in line with the theme, the grass-roots Party branch finds the point of penetration according to the topic, and the Party members strive to make contributions at all levels. The Group organized a series of discipline education and learning activities with the theme of "Studying Party History to Understand Its Theories and Staying Disciplined to Build Loyalty" and clean culture in enterprises activities with the theme of "Righteous Family and Clean Enterprise" and continuously integrated the establishment of family values with the building of clean Party conduct and corporate culture of state-owned enterprises to continually create a clean, healthy political ecosystem within the Group.
- Organizing high-standard and high-quality Party history learning and education:** Guided by the objectives and requirements of "learn history to gain knowledge, learn history to enhance faith, learn history to uphold morality, and learn history to guide practice", the Party Committee of GAC Group organized a range of learning and education activities with distinctive themes and in various forms. A large number of good deeds were accomplished to meet the public expectations and problems that were urgent, difficult, and worrying to them were solved. The Group created a lively movement of studying Party history, understanding its theories, learning its thoughts, doing practical work, and making new advancements at all levels of the Group, thereby achieving remarkable results in Party history study and education. The Group's key livelihood program "Practical Actions for the Public" including 24 projects and 2,591 sub-projects was fully completed, reaching the completion rate of 100%. In 2021, GAC Group overcame pressure, turned crises into opportunities, achieved performance growth amid adverse circumstances, realized a good start for the "14th Five-Year Plan" period, and translated its learning results into great momentum for its effort to create a new development landscape and advance high-quality development.



GAC Honda Volunteers Association consoled the elderly in the community



GAC Mitsubishi carried out the students assistance activity to show care

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

→ 1.1 Corporate Governance

1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.1.6 Construction of Business Ethics

Honest Practitioners

The Company complies with national anti-commercial bribery regulations and policies, as well as the United Nations Convention against Corruption, the Recommendations on Anti-Extortion and Bribery in International Commercial Transactions and other international practice initiatives, and has formulated the *Incorruptible Practice Code of Guangzhou Automobile Group Co., Ltd. for Headquarters Staff*, which clarifies the normative requirements for the integrity of the headquarter employees' behavior and strictly prohibits employees from taking advantage of their powers or the influence of their positions when conducting business with entities outside the Company (including administrative authorities, affiliates, or other cooperative entities) to commit irregularities for, seek, or seek in disguise personal gains. The *Measures of Guangzhou Automobile Group Co., Ltd. for Disciplinary Inspection, Supervision, and Monitoring* has been developed to ensure issue-oriented daily monitoring in an in-depth, meticulous, and practical manner. In 2021, the Company provided training related to incorruptibility in working for all employees and internal directors, covering party discipline, government discipline and legal discipline education, construction of integrity and compliance, good family tradition and other incorruptible culture, anti-corruption and upholding integrity, warning education, etc.

In 2021, the Group, along with foreign shareholders of JVs, carried out joint supervision and inspection in combination with internal control and monitoring, included the prevention of bribery, official vehicles, spending with public money, and "three important issues and large capital use" decisions in a supervision list including 461 entries, 45 items and four categories, identifying 42 issues and proposing 85 suggestions, and formed a new model of supervision that promoted the healthy development of joint ventures and purify their environment. The *Breakthrough - GAC Group's "Combination Fist" of Sino-Japanese Supervision, the First Joint Supervision by Both Shareholders* formed from this supervision model was honored with the Excellent Project Award of "Excellent Case of Incorruptibility Innovation in Guangzhou".

People receiving anti-corruption training

96,989

Hours of anti-corruption training received

193,978

Corruption litigation case

0



GAC's Sino-Japanese Joint Supervision Model

Whistle-blowing channels and whistle-blower protection

By formulating the *Measures for the Correspondence Reporting Work for Disciplinary Inspection and Supervision*, the Group clarifies the procedures for the acceptance, handling and settlement of complaint reporting, and consolidates them into the its information system of complaint reporting, examination and investigation, achieving the standardization, legalization, and informatization of complaint reports, problem clues, and examination and investigation.

The Group provided "four-in-one" reporting channels via letters, visits, calls, and the 3161 system, among which the online reporting channel was launched on the official website. The Group released the *Guidelines for Reporting and Accusation*, making clear in the "Reporting Instructions" that "the Group's disciplinary inspection and supervision department strictly keeps confidential the personal information and reporting content of real-name whistleblowers and effectively protects the legitimate rights and interests of real-name whistleblowers." In addition, according to the process of complaint acceptance and handling, the Group sets different roles and authorities to effectively protect whistleblowers' personal information and reporting content. Relevant information reported by the whistleblower is transferred to the person accepting reports in the Group headquarters, who will propose handling opinions and report to the principal of the Group's disciplinary committee. Upon approval, the case will be transferred to the relevant designated persons for handling. Regarding the handling time of complaint reporting, the Group requires that the correspondence report shall be closed within three months, and the real-name report shall be closed within 60 days from the date of acceptance.

"Receiving and handing over correspondence reports shall be strictly subject to relevant confidentiality regulations. Inquiring about the content of correspondence reports is strictly prohibited. Any department or individual is strictly forbidden from extracting, copying, detaining, or destroying the correspondence reports without permission. Leaking or spreading the information of correspondence reports to irrelevant entities or persons in any form is strictly prohibited. Transferring the correspondence report to the entities or persons being reported against is strictly prohibited."

— Article 35 of the *Measures for the Correspondence Reporting Work for Disciplinary Inspection and Supervision*

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.2 Responsibility Management

Statement of the Board of Directors

The board of directors gives top priority to sustainable development management, and has established an effective corporate social responsibility (ESG) management mechanism, and formed an ESG governance structure with a clear hierarchy and division of labor.

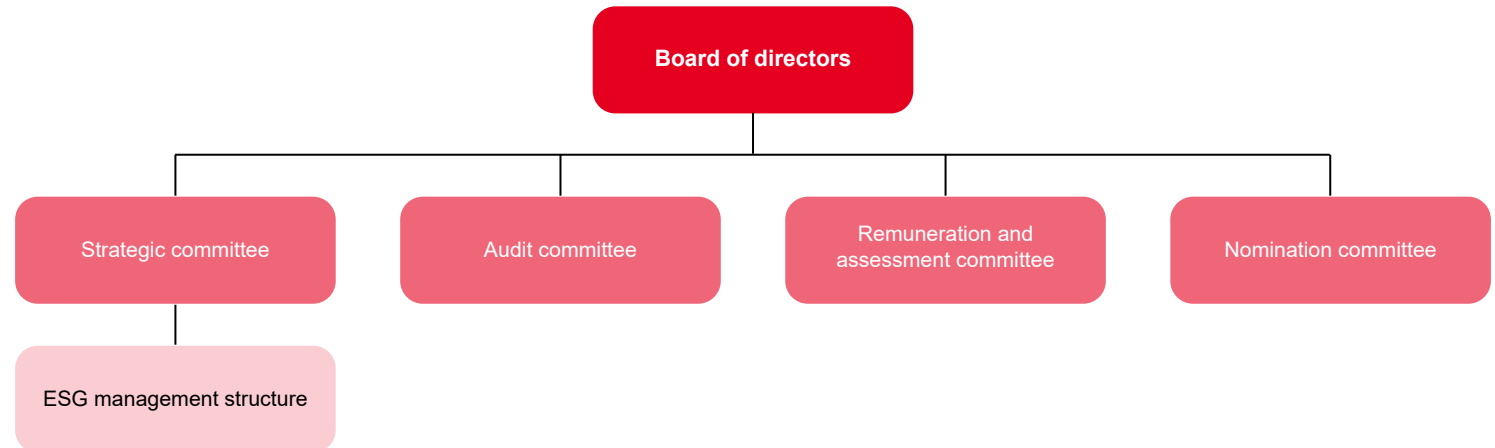
The board of directors assumes comprehensive responsibility for the Group's ESG work and is responsible for supervising the Group's ESG development direction and strategy; it identifies, assesses and manages significant ESG risks related to the Group's business; regularly receives briefings from the ESG leadership team or other relevant management; reviews and approves the Company's Environmental, Social and Governance Report and other ESG management policies.

The Company has, in compliance with the listing rules, set key ESG targets covering greenhouse gas emissions, pollutant emissions, resource consumption, etc. The board of directors has reviewed and discussed the setting of targets, and will regularly review the progress of achieving relevant targets.

Governance Structure

GAC Group established a top-down ESG management structure, in which the board of directors has authorized the strategic committee to supervise the ESG governance work and set up a three-level ESG management structure under the strategic committee to make clear the responsibility of each department and affiliates of the Group, to further enhance the level of ESG management.

GAC Group also established a clear ESG reporting mechanism: every year, the management makes a report on ESG supervision to the strategic committee, and the strategic committee submits a proposal to the board of directors for approval after listening to the management's ESG report.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

ESG management structure

Structure	Personnel composition	Work duties
ESG leadership team	<p>Team leader: chairman of the Group</p> <p>Deputy team leader: president of the Group</p> <p>Members: members of the Group's operational leadership</p>	<ul style="list-style-type: none"> • Make decisions on major ESG strategic directions (including key risks and opportunities); • Review the operation of the ESG management structure; • Provide organizational, personnel, and financial assurance for the operation of the ESG system; • Listen to the reports of the ESG working group (including target accomplishment, report disclosure, risk control, etc.); • Report to the board of directors (or strategic committee) on ESG management and assist the board of directors in issuing the "ESG Statement".
ESG working group	<p>Team leader: chairman of the Group</p> <p>Deputy team leader: president of the Group</p> <p>Members: members of the Group's operational leadership</p>	<ul style="list-style-type: none"> • Develop the ESG work plan; • Identify and manage compliance with the latest ESG requirements; • Set ESG targets and supervise achievement of these targets; • ESG information disclosure and response to investors and rating agencies; • Communication with ESG stakeholders (governments, investors, suppliers, customers, etc.); • Promote public charity, rural revitalization, and related work; • Corporate brand culture building.
ESG execution	<p>Team leader: chairman of the Group</p> <p>Deputy team leader: president of the Group</p> <p>Members: members of the Group's operational leadership</p>	<ul style="list-style-type: none"> • Implement risk control: Implement the Group's work objectives and plan for each issue, as well as the risk control requirements; • Set objectives and follow up: affiliate sets a work plan and objectives for each issue based on their actual circumstances; • Collect information: Collect and submit materials and data on a regular basis.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4





Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.2.3 Communication with Stakeholders

GAC Group adheres to the principles of “talent-centered, consumer-centered, shareholder-centered, partner-centered, and the public-centered” and has established a regular communication mechanism to enhance internal and external stakeholders’ understanding of and identification with GAC Group. In addition, it integrates relevant parties’ expectations and concerns into its corporate strategies and operational management, as part of its efforts to deliver value.

Stakeholder	Main focus	Communication methods	Response measures taken in 2021
 Government or supervision institutions	<ul style="list-style-type: none"> Compliant operation Safety and environmental friendliness Economic development Paying tax in accordance with law Creating jobs Responsibility of state-owned enterprises Offering advice and suggestions 	<ul style="list-style-type: none"> Accepting supervision Strategic cooperation Information submission Work reporting Statistical statement 	<ul style="list-style-type: none"> 407 “secretary programs” for grass-roots party organization building 0 corruption litigation case Pre-tax profits exceeded RMB66 billion Provided 96,989 jobs Completed over 90% of the of the three-year action plan for reform of state-owned enterprises Unveiled the GLASS (Green Low-carbon for Achieving Sustainable Success) Program to boost achievement of the national carbon neutrality goal Zeng Qinghong, a deputy to the National People’s Congress and Chairman of the Group, actively fulfilled his duties and submitted 5 proposals during the NPC&CPPCC
 Investors/ shareholders	<ul style="list-style-type: none"> Corporate governance ESG performance Performance growth Dividend distribution Information transparency 	<ul style="list-style-type: none"> Shareholders’ meeting Investor open day Information disclosure Inquiry via email and telephone Field study Road show activities 	<ul style="list-style-type: none"> Received 18 visits from investors Held 46 telephone communication sessions with investors Organized 3 investor open days Received 1,876 person-times of investors and analyzers Responded to more than 300 inquiries from investors through the Shanghai Stock Exchange e-Interaction Platform Responded to more than 200 inquiries from investors through its hotline
 Employees	<ul style="list-style-type: none"> Legitimate rights and interests Compensation and benefits Career development Occupational health Employee care 	<ul style="list-style-type: none"> Leader reception day Employee visit Valuable suggestions Discussions, fellowship gatherings, and other activities Labor union communication and feedback 	<ul style="list-style-type: none"> Training expenditure: RMB73.768 million Investment in work safety: RMB1.552 billion 53 senior leaders at the Group and enterprise levels participated in the leader reception day activity Issued employee consolation money totaling RMB645,000 The GAC IGA event generated more than 410,000 improvement proposals, creating direct economic benefits of more than RMB1.433 billion
 Consumers	<ul style="list-style-type: none"> Product responsibility Safe travel Intelligent travel Customer privacy 	<ul style="list-style-type: none"> Satisfaction survey Agreements and contracts Complaint mechanism Response & handling 	<ul style="list-style-type: none"> After-sales customer service communication (by phone, etc.): 3,744,395 times GAC Honda was ranked first according to SSI (Sales Satisfaction Index), After-sale Service CSI (Customer Satisfaction Index), and the Dealer Attitude Study (DAS) of J.D. Power The Group carries out supervision of and gives directions to its affiliates in information security management. Every affiliate has established a complete in-house security system

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3






Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

Stakeholder	Main focus	Communication methods	Response measures taken in 2021
 <p>Suppliers and partners</p>	<ul style="list-style-type: none"> Honesty and good faith Equal cooperation Mutual benefits with win-win results 	<ul style="list-style-type: none"> Agreements and contracts Strategic cooperation Product service Regular communication 	<ul style="list-style-type: none"> Signed strategic cooperation deepening agreements and supplementary agreements with a number of technology enterprises 1,988 supplier training sessions
 <p>Charitable organizations/social organizations Residents in communities where we operate</p>	<ul style="list-style-type: none"> Environmental protection Safe driving Poverty alleviation Emergency relief Public welfare undertakings Green production Green operation 	<ul style="list-style-type: none"> Charity activities Social welfare Joint community building Financial and material assistance Safety and environmental protection education training 	<ul style="list-style-type: none"> Charitable contribution: RMB81.28 million Volunteers: 6,502 The Group invested RMB4.89 million for rural revitalization during the year, and assigned 3 cadres for assistance "GAC Classes" in Bijie and Taijiang in Guizhou enrolled cumulative 154 students and issued scholarships of RMB388,000 Working with relevant parties, GAC-Honda's afforestation coverage exceeded 16.48 million square meters From 2006 to 2021, GAC-Toyota has planted more than 370,000 trees and released 34.5573 million fries and shrimp seeds
 <p>Media</p>	<ul style="list-style-type: none"> Information disclosure ESG performance Operational performance Development planning 	<ul style="list-style-type: none"> Event organization Inspection reception Information disclosure 	<ul style="list-style-type: none"> Explained the development of the Company to the media in press releases: during the year, 2,000 articles were released on media for 3,985 times, and over 1 billion person-times read them to learn about the Company's development status Released the Company's operating information through financial media and reached investors: during the year, over 80 domestic and foreign financial media released 366 articles on the Company's operating conditions Organized dozens of communication activities such as GAC Tech Day, press conferences at Shanghai/Guangzhou Auto Show and media communication meetings, and invited mass media, industry media and financial media to visit the Company and learn more about the Company
 <p>Colleges and universities/scientific research institutes</p>	<ul style="list-style-type: none"> Scientific research and innovation Talent cultivation 	<ul style="list-style-type: none"> University-enterprise cooperation Academic research Technical cooperation Financial support for students in poverty 	<ul style="list-style-type: none"> Invests RMB 500,000 every year to set up the "GAC Scholarship" at South China University of Technology Invests RMB 100,000 every year to set up the "GAC Dedicated Scholarship" at Chongqing University of Technology Invests RMB 500,000 every year to fund the "GAC" Shiji formula racing team at Chongqing University of Technology Renewed a joint class running agreement with South China University of Technology to select and train 150 backbone employees for GAC Joined hands with Sun Yat-Sen University to build a joint research institute to carry out core technological research and talent cultivation
 <p>Trade associations/chambers of commerce</p>	<ul style="list-style-type: none"> Product responsibility Industry development 	<ul style="list-style-type: none"> Industry standard formulation Industry communication 	<ul style="list-style-type: none"> Participated in, organized, or held multiple industry communication conferences, such as GAC Tech Day, Technological Innovation Frontier Summit, World Intelligent Vehicle Conference, etc. Signed the Chongqing Declaration at China Automobile Top 10 Summit

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.2.4 Analysis of Material Issues

In order to fully, accurately and comprehensively disclose the progress of the ESG management to internal and external stakeholders and respond to the demands of all stakeholders, GAC Group has set up a process for identifying and evaluating sustainable development issues, and the issue evaluation results will serve as important reference for the future ESG management work of GAC Group.

Step 1: identification of potentially important issues

Take into account five major aspects, namely national policies, corporate development, disclosure standards, capital markets, and peer benchmarking, to identify and sort out important issues of the year from multiple dimensions and form the collection of important issues.

- **Policy trend analysis:** Closely follow the national macro policies and regulatory requirements, thoroughly study national, provincial, and municipal policies and regulations, in combination with the industrial policies and regulations of the automobile, transportation and new energy industries, and analyze the sustainable development trend of the automobile industry.
- **Corporate development planning:** In accordance with the strategic development planning and annual business plan of GAC Group, identify key issues of great significance to the Company's strategic objectives.
- **Disclosure standard analysis:** Refer to the GRI standards, the United Nations' Sustainable Development Goals (SDGs), Task Force on Climate-related Financial Disclosures (TCFD), the Basic Framework of Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises of the Chinese Academy of Social Sciences (CASS-CSR 4.0), the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong and other standards to grasp the latest management standards and information disclosure requirements for sustainability issues.
- **Capital market analysis:** Refer to the MSCI-ESG ratings, Dow Jones Sustainability Indexes (DJSI), the sustainable development management standards of the Sustainability Accounting Standard Board (SASB) for the automobile industry, to extract the concerns of capital markets.
- **Peer benchmarking analysis:** Refer to the outstanding sustainability reports of our peers at home and abroad to identify and determine the key issues concerned in the automobile industry and how to respond to stakeholders' concerns.

Step 2: survey of stakeholders

Based on the results of the above analysis, we identified a total of 21 issues (4 governance issues, 6 environmental issues, and 11 social issues) that have a substantive influence on GAC Group, and invited internal and external stakeholders of the Company, via online questionnaires, to assess the importance of these issues and express opinions on the Group's existing ESG strategy, performance, reporting manner, and disclosure quality.

In 2021, our stakeholder survey covered a total of 2,218 stakeholders, including the management (vice president and above), ordinary employees, colleges and universities or scientific research institutes, suppliers and partners, investors or shareholders, trade associations or chambers of commerce, governments or supervision institutions, charitable institutions or social organizations, media, consumers and residents in communities where we operate, etc.

Step 3: analysis and review of important issues

Conduct statistical analysis of the scores of issues, assign weight to each issue based on the risk degree of the issue, form the materiality matrix in two dimensions: "importance to stakeholders" and "importance to corporate development", and carry out final review and approval of the filtering and issue analysis results.

- About This Report
- Message from the Management
- About GAC
- Chronicle of Events of GAC in 2021
- Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

- 1.1 Corporate Governance
- 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

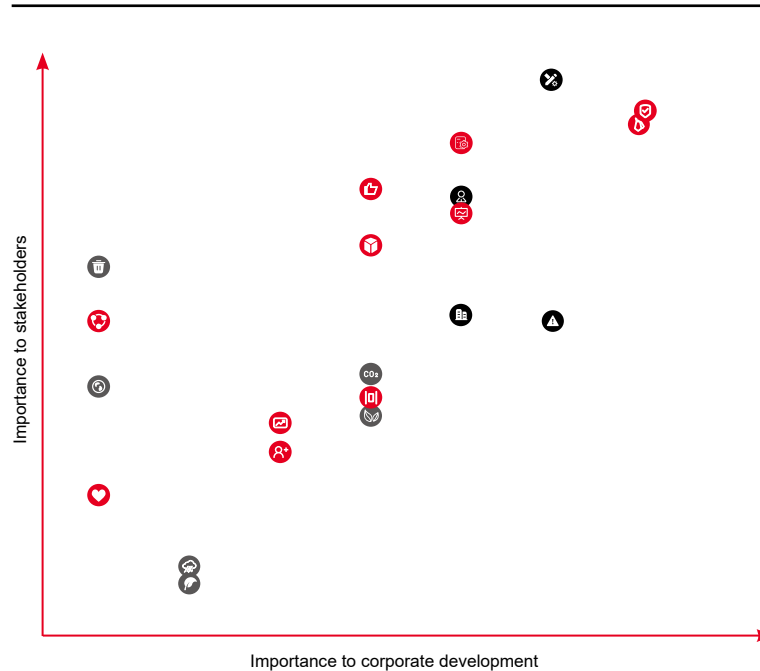
Appendix

Feedback Form

Step 4: response to and disclosure of important issues

For important issues, develop and implement action plans and make key response and disclosure in the report.

GAC Group's Matrix for Issue Materiality Analysis in 2021



- | | | | |
|--|--|--|--|
| <ul style="list-style-type: none"> Waste and hazardous material management Efficient utilization of resources Tackling climate change Biodiversity conservation Reducing greenhouse gas emissions Energy consumption and resource management | <ul style="list-style-type: none"> Corporate governance Risk control Business ethics Compliance of operation | <ul style="list-style-type: none"> Supply chain management Social welfare and voluntary service Boosting economic development Diversity and equality Employee training and development Customer satisfaction | <ul style="list-style-type: none"> Product innovation and intellectual property rights Respect for human rights and protection of employees' rights and interests Information security and privacy protection Occupational health and safety Product quality and safety |
|--|--|--|--|

Issue classification	Category	Issue
Highly important issue	Social	Product quality and safety
	Social	Occupational health and safety
	Governance	Compliance of operation
	Social	Information security and privacy protection
	Governance	Risk control
	Governance	Business ethics
	Social	Respect for human rights and protection of employees' rights and interests
Moderately important issue	Governance	Corporate governance
	Social	Customer satisfaction
	Social	Product innovation and intellectual property rights
	Environmental	Reducing greenhouse gas emissions
	Social	Diversity and equality
	Environmental	Energy consumption and resource management
	Social	Boosting economic development
Ordinarily important issue	Social	Employee training and development
	Environmental	Waste and hazardous material management
	Social	Supply chain management
	Environmental	Efficient utilization of resources
	Social	Tackling climate change

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

1.1 Corporate Governance

→ 1.2 Responsibility Management

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

1.2.5 Improved Ability to perform responsibility

In recent year, GAC Group has systematically promoted social responsibility management, continuously solidified the knowledge base of corporate social responsibility at the management and execution levels, and adopted various measures to effectively improve the ability to perform social responsibility.

- **Implementing the list of issues at the execution level:** As the executors of social responsibility, each affiliate has established a list of daily ESG management issues. Based on the differences in the business nature, they set targeted daily management issues for each segment and defined the key issues to refine the work at the execution level.
- **Carrying out regular ESG training:** Before the start of the preparation of the social responsibility report, a social responsibility training meeting at the Group level is held every year taking into account the preparation of the Group's annual report for the previous year and the external requirements and trends in the current year. Attendees included Group leaders, leaders in charge of social responsibility of headquarters departments, affiliates, contact persons, and social responsibility experts. They discussed issues such as social responsibility management, report preparation, competitiveness improvement in capital markets, and social responsibility dissemination.



The training on the Social Responsibility (ESG) Governance Structure and the special ESG business carried out in 2021

- **Participating in external social responsibility activities:** GAC participated in the release conference of corporate social responsibility report of China Federation of Industrial Economics, the release conference of "Sustainability Report of China's Automotive Industry" hosted by China Association of Automobile Manufacturers, the release conference of the United Nations Sustainable Development Goals Report, compiled the social responsibility development reports of the automotive industry over the years, and learned social responsibility management experience from outstanding peers through industry exchanges.

The wide recognition of its ESG achievements brought GAC a range of honors in 2021, including the Benchmark Enterprise with Social Responsibility Influence of the Year in the Guangdong-Hong Kong-Macao Greater Bay Area, the "Outstanding Enterprise for Spreading Sustainable Brand" in the selection of Outstanding Enterprises for Sustainable Competitiveness of Global Enterprises, and one of the top ten cases of "Protecting Ecological Civilization" on the Research Report on Corporate Social Value of State-owned Enterprise in the Greater Bay Area. In capital market, GAC Group was graded BB in the MSCI-ESG rating and listed in "HSCASUSB".



GAC was selected as one of the top ten cases in "Guarding Ecological Civilization" of the Research Report on Corporate Social Value of State-owned Enterprise in the Greater Bay Area.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

Intelligent Green and Low-
Carbon Travel

4

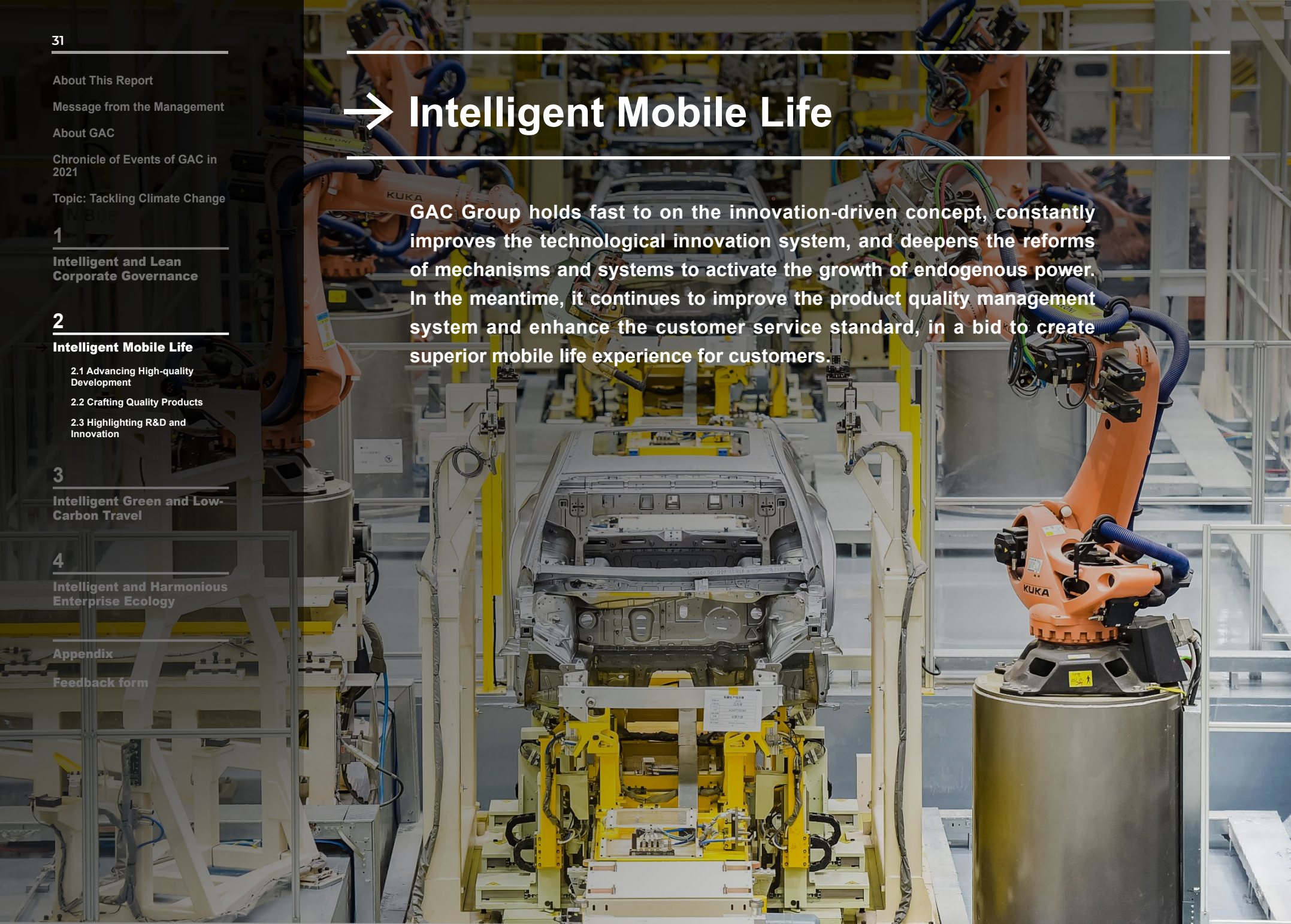
Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback form

→ Intelligent Mobile Life

GAC Group holds fast to on the innovation-driven concept, constantly improves the technological innovation system, and deepens the reforms of mechanisms and systems to activate the growth of endogenous power. In the meantime, it continues to improve the product quality management system and enhance the customer service standard, in a bid to create superior mobile life experience for customers.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

→ **Intelligent Mobile Life**

2.1 Advancing High-quality Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and Innovation

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form



[Responsibility Story]

GAC AION develops an engine for innovation to continuously sharpen the competitive edges in innovation

Talents are the primary resource and innovation the primary driving force. The Company adheres to the talent concept of “talent cultivation in car-making, co-development and sharing”, and focuses on the innovation-minded talent cultivation. It has built a complete, fair and impartial incentive mechanism full of vitality, constantly motivated the creativity of staff, and improved its industrial technology level and capability of independent innovation, as well as its core competence. In 2021, GAC AION received 54 newly authorized patents, and held 89 valid patents.

Innovation-minded Talent Cultivation

- **New energy policy enabling projects:** New energy policy enabling projects are carried out aiming at “four wholes, three improvements, two plans and one gathering”. The “four wholes” objectives (whole aspects, whole employees, whole times and whole projects) are achieved through three years of intensive digging, training and learning; new technologies, new products and new models which are more consistent with the policy requirements and the “dual carbon” goals are launched constantly for improvements in three areas in practice (reinforcement, acceleration and synergy); technology planning and applications are facilitated, two more prospective plans are formulated (internal and external), and cohesion is realized in development to help seize new energy development opportunities.
- **“Sponge silicon negative electrode battery technology” R&D team cultivation project:** The whole-process cell development ability of the team is improved roundly by means of mentoring by senior staff, complementary improvement between groups, job rotation of employees with doctoral and master degrees in production lines, new thoughts enlightenment by benchmarking communication and technical improvement through external cooperation. Three types of battery cells are developed synchronously to achieve that the sponge silicon negative electrode battery technology is successfully applied in the whole vehicle.



Innovative Incentive and Reward Mechanisms

- **Rewards for science and technology projects/patents and works:** Rewards are given for the patents and works authorized to individuals (teams) as well as approved science and technology projects to encourage employees to actively participate in innovative and creative activities. As of the end of 2021, over 300 individuals (teams) were rewarded for authorized patent rights and copyrights and approved technological projects.
- **Model platform incentive mechanism:** The Company plans to establish the full life cycle incentive mechanism for model projects from 2022 onwards, focusing on key staff such as research staff and marketing staff, enabling them to share profits.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

→ **Intelligent Mobile Life**

2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

[Goal Management]

Goal setting

- Deepen the reforms of mechanisms and systems to promote high-quality development
- Expand the certification coverage of ISO9001 Quality Management System
- Intensify the introduction of innovative talents, and implement the innovation incentive system

Progress review

- Realized the gross industrial output value of RMB350.01 billion, with a year-on-year growth of 9.7%; and consolidated operating income of RMB429.755 billion, with a year-on-year increase of 8.66%
- A total of 13 affiliates passed the certification /recertification of the ISO9001 Quality Management System in 2021, with a year-on-year growth of three enterprises
- There were 2,580 newly applied patents and 1,638 newly authorized patents in 2021

Annual improvement plan

- Increase the sales volumes of new energy and independent brand products
 - Improve the customer service system and customer satisfaction
 - Focus on “electrification, intelligence and networking” for technical innovations, promote the industrial transformation and technological upgrading, and cultivate development momentum
-

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

→ 2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

2.1 Advancing High-quality Development

"The 14th Five-Year Plan" period is a significant window for the automobile industry in China to ride on the momentum and accelerate development. GAC Group deepens the organizational change and mechanism innovation, and continuously intensifies the synergy, endogenous power and development vigor to advance its high-quality development.

2.1.1 Maintaining Stable Operation

In 2021, all members of the GAC Group actively coped with numerous difficulties like lack of chips and cells, recurrence of COVID-19 and deteriorated market conditions to guarantee that the production and management of each company proceed smoothly. In 2021, the automobile output and sales volume of the Group were 2.1381 million and 2.1444 million, with the year-on-year growth of 5.1% and 4.9% respectively; the Group achieved the production and sales volume of 845,000 and 844,600 motorcycles, with the respective year-on-year growths of 5.2% and 3.9%; realized gross industrial output value and the local output value of RMB350.01 billion and RMB 326.97 billion, with the respective year-on-year growths of 9.7% and 10.6%, and the consolidated operating income of RMB429.755 billion with a year-on-year increase of 8.66%.

- By the principle of "ensuring zero cases of COVID-19 and sparing no effort for one more part to produce one more vehicle", **GAC Honda** has been fully engaged for the supply increment maximization by reinforcing the provision of parts for models not affected and coordinating Honda Research Institute to speed up the development of alternative solutions with chip manufacturers, and other means, and achieved the optimal capacity allocation by such means as flexibly adjusting the model structure, shifts and production paces, so as to stop loss and create income with every effort.
- **GAC Toyota** has built a digital foundation in various areas such as targeted marketing, lean production, intelligent management and cross-domain collaboration, to promote the comprehensive positive growth of business indicators.
- **GAC Mitsubishi** has reformed the management in sales regions, implemented "one city one policy and one store one strategy" in key areas, improved the marketing efficiency through such digital marketing projects as M-SPACE and Spark Program, and implemented the PDCA management of process management optimization and monthly budgets to increase the efficiency of operation decision-making.
- **Wuyang-Honda** has driven the transformation of product mix towards the high value-added field, and strengthened the management system in collaboration with Honda by carrying out store management training and enhancing internal talent cultivation.

Sales volume of main products of GAC Group in 2021

		Unit: vehicle
Automobile	Guangzhou Automobile Group Motor Co., Ltd.	324,201
	GAC AION New Energy Automobile Co., Ltd.	120,155
	GAC Honda Automobile Co., Ltd.	780,266
	GAC Toyota Motor Co., Ltd.	828,000
	GAC Fiat Chrysler Automobiles Co., Ltd.	20,123
	GAC Mitsubishi Motors Co., Ltd.	66,006
	Others	5,636
Motorcycle	Wuyang-Honda Motors Co., Ltd.	844,601

2.1.2 Deepening the Reform of Mechanism

In 2021, guided by Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, GAC Group focused on the reform, development and stability, and constantly opened up new horizons for the reform and development of the Group.

- **Solidly promote the three-year operation for the reform of state-owned enterprises:** GAC Group has strengthened the organizational leadership, reinforced the supervision and coordination, and promoted the key and difficult reforms, including tenure-system contract-based management, professional manager reform and reform of three systems. As of the end of 2021, the tasks of the Group's three-year operation of the reform of state-owned enterprises was basically completed, giving full play to the benchmarking role of "Double Hundred Enterprises". In 2021, GAC Group was selected as a benchmark enterprise by the State-owned Assets Supervision and Administration Commission of the State Council. The digital transformation of GAC (G plan) was the only selected benchmark project in Guangdong Province.
- **Solidly advance the improvement operation to benchmark first-rate management:** The headquarters and affiliates have benchmarked over 110 excellent enterprises at home and abroad, formulated over 380 benchmarking measures, and completed more than 80% of benchmarking tasks, thereby promoting the systematic improvement of its management; and we have completed the major issue authorization management and decision-making process reform scheme of the Group, and formulated the hierarchical authorization management measures of the Group, and driven the optimization of enterprise process efficiency with an aim to increase the comprehensive average business process efficiency of major enterprises by 50%.
- **Focus on the endogenous power and deepen the institutional reform:** The GAC Group has completed the reform of its salary distribution system, and further strengthened the management of labor productivity indicators for all staff aiming at the "three abilities" goal; and formulated the periodic management plan for the Group's gross payroll, to achieve the indicator interaction between the gross payroll and the economic benefits & personnel efficiency of the enterprise.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

→ 2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

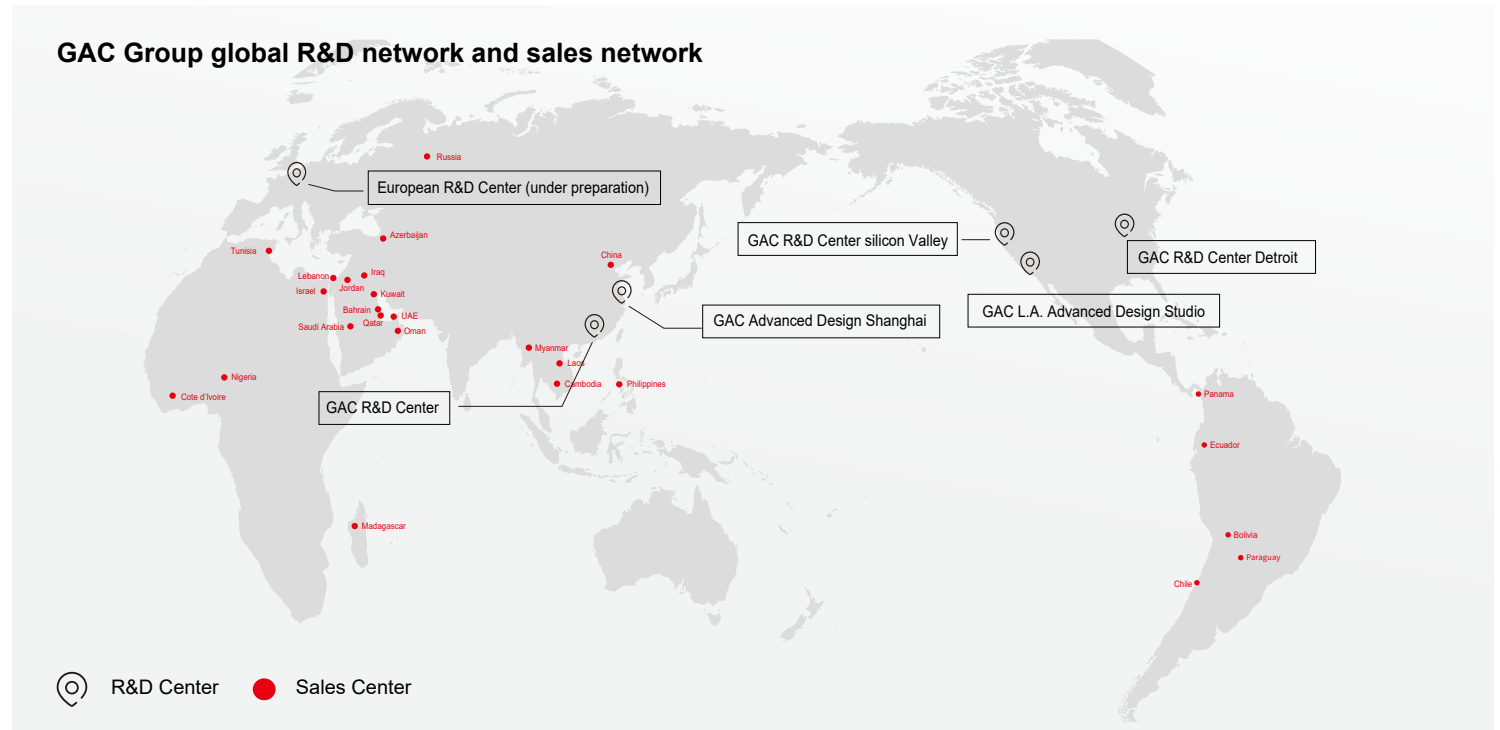
Feedback Form

2.1.3 Improving GAC's Internationalization

In terms of internationalization, GAC Group continues to enrich the product matrix, expand the international market scope and enhance the international brand popularity with the vision of “becoming a world-famous mid-and high-end Chinese automobile brand”. By the end of 2021, it has built up a presence in the automobile market in 26 countries and regions all over the world.

R&D internationalization

Centered on the GAC R&D Center (Guangzhou), and supported by GAC Silicon Valley R&D Center, GAC Detroit R&D Center, GAC L.A. Advanced Design Studio, GAC Advanced Design Shanghai and GAC European R&D Center (under preparation), the Group gradually builds the global R&D network of GAC gathering the worldwide superior suppliers and R&D institutions. Among them, GAC Silicon Valley R&D Center and GAC Detroit R&D Center lay emphasis on the R&D of advanced technologies, leading engineering technologies, etc.; GAC L.A. Advanced Design Studio, GAC Advanced Design Shanghai and GAC European R&D Center (under preparation) focus on integrating the global excellent automotive design talents, constantly strengthening the R&D system of proprietary brands from the advanced style design as well as the supplementation and reinforcement of creative modeling ability, and comprehensively improving the brand attractiveness.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

→ 2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

Market internationalization

In 2021, relevant affiliates of the Group proactively coped with such challenges as reduced resources, long period and severe port congestion of international transport caused by normalized COVID-19 worldwide, and adjusted the strategies for export and import in time to promote the market globalization.

- With the shipping of the first new SUVs “Journey” under cooperation between **GAC Motor** and Stellantis to Mexico officially in September, GAC Group embarked on a brand new journey of expanding to the market in Mexico. In December, the first right-rudder model GS3 was launched in Malaysia, marking the entry of GAC Motor into the overseas right-rudder market and another milestone in the internationalization of GAC Group.



Launch ceremony for Mexico export project under cooperation between GAC Motor and Stellantis

- **GAC Honda** guaranteed the procurement of imported goods by such measures as setting up the emergency communication channels for transportation plan changes and implementing the linkage between actual transportation performance and monthly container-entry plan for production control, and ensured the product export by signing long-term agreements with logistics companies in order to be prioritized in obtaining the export cargo spaces and establishing the order-based supply logistics linkage mechanism with domestic and overseas suppliers.
- **GAC Component** established the International Business Department to take the key accountabilities of overseas parts supply and global supply chain management and to continuously export auto parts to Japan, Mexico, Thailand, South Korea and other countries and regions.
- **Shanghai Hino** made initial progress in base construction. The home-made 4C engine parts were included in the global procurement system of Hino, and its cumulative amount of exports in 2021 exceeded RMB43 million.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

2.1 Advancing High-quality Development

→ 2.2 Crafting Quality Products

2.3 Highlighting R&D and Innovation

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

2.2 Crafting Quality Products

2.2.1 Improving Quality & Safety

Under the quality concept that “quality is built in”, GAC Group carries out the total quality management model, and controls the quality level by level. All affiliates have integrated the international advanced quality management methods and gradually established a whole staff, whole process integrated quality assurance system with customers as the focus, with quality concept, management methods and quality education as the basis, and with design quality, parts quality, manufacturing quality and service quality as the priority on the basis of ISO9001, implementation regulations and implementation rules of China Compulsory Certification, and conformity requirements of environmental protection and production.



GS4 of GAC Motor has been awarded with **C-NCAP “Five Stars”** by China Automotive Technology & Research Center Co., Ltd., and with the **Automotive Safety Progress Award** of the C-NCAP Fifteenth Anniversary”



GAC Honda was ranked **first** in **IQS** (initial quality study) by J. D. Power



Wuyang-Honda was awarded with honorary titles such as “**National Quality Leading Brand in Motorcycle Industry**”, “**National Quality Leading Enterprise in Motorcycle Industry**”, “**National Quality Credit Guarantee Product**”, and “**National Stable and Qualified Product in Quality Inspection**” issued by China Association for Quality Inspection

Affiliates under GAC Group which Are Certified by a QMS

ISO9001 Quality Management System

GAC R&D Center, GAC Motor, GAC AION, GAC Honda, GAC Toyota, GAC FCA, GAC Mitsubishi, Hycan, GAC Hino, GAC BYD, Wuyang-Honda, GAC Component¹, Shanghai Hino

IATF16949 Automotive Industry Quality Management System

GAC Component² and Shanghai Hino

Notes: 1. It was a branch of GAC Component that received the ISO 9001 certification. 2. It was an affiliate of GAC Component that received the IATF 16949 certification.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

→ 2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

Verifying product quality and safety

GAC Group complies with *Implementation Rules for Compulsory Product Certification - Automobile* and other standards related to documents about quality and safety verification. Relevant subordinate enterprises have formulated complete product quality and safety verification systems and guidelines based on external regulations and characteristics of their products, to guarantee the product quality and safety.

GAC AION has set up a perfect quality verification process

GAC AION has formulated the *Inspection Management Procedure for Internal Parts and Finished Products*, specifying the requirements for inspection of internal parts and finished products, such as headlamp tester and charging detection equipment, to further assure the quality of internal parts and finished products. Finished vehicles of GAC AION must undergo the final inspection by the Vehicle Quality Section of Quality Department to ensure that 100% of vehicles delivered conform to the requirements specified in such documents as the *Vehicle Quality Standard Book* and the *Technical Parameters of Automobile Products*. The items, methods, frequencies and non-conformity disposal of whole vehicles during final inspection have been strictly subject to the *Production Consistency Control Plan*, the *Vehicle Quality Standards* and other product standards of the enterprise and the Standard Operating Procedure of Inspection. In the meantime, the Quality Technology Section of the Quality Department has established the spot check system of whole vehicles to spot check the product-related performance involving safety and regulations, so as to ensure the product quality.

GAC AION has built a 2,100m test drive lane, covering twisted roads, climbing roads, bumpy roads and other test roads, and tested and evaluated the performance of whole vehicles regarding the general safety features of whole vehicles while driving like abnormal noise, braking performance and water wading as well as the new energy safety features like insulation and charging performance of whole vehicles by utilizing such safety inspection equipment as safety gauge detectors and charging detection equipment.



Fitting-out Inspection Line at GAC AION's Intelligent Ecological Plant

Voluntary recall of defective products

GAC Group firmly abides by *Regulation on the Administration of Recall of Defective Auto Products, Measures for the Implementation of the Regulation on the Administration of the Recall of Defective Auto Products* and other laws and regulations related to the product recall, and actively fulfills its obligation to recall defective products. Each affiliate, according to its management features, prepares regulations concerning product recall; and each OEM has established the defect detection procedures to avoid vehicle recall risk in the first place.

In 2021, OEMs under GAC Group gave out notices that it would recall 661,129 units of whole vehicles, and it actually recalled 798,901 units (including those notices given out in the previous year and actually fulfilled in 2021). It actively eliminated potential safety hazards to effectively ensure customers' safety when they drive cars.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

→ 2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

2.2.2 Enjoying Attentive Services

Firmly complying with the *Law of the People's Republic of China on the Protection of the Rights and Interests of Consumers*, and the *Advertisements Law of the People's Republic of China*, GAC Group conveys real, comprehensive and effective messages to consumers and helps them make rational decisions on consumption. In the meantime, GAC Group and its Affiliates have prepared *Measures for the Management of Customer Complaints* and other in-house regulations, established complete complaint response and graded handling procedures to continuously speed up responses to customer complaints and improve customer experience.

Communication through after-sales
customer service (by phone, etc.) in times

3,744,395

Number of valid
customer complaints

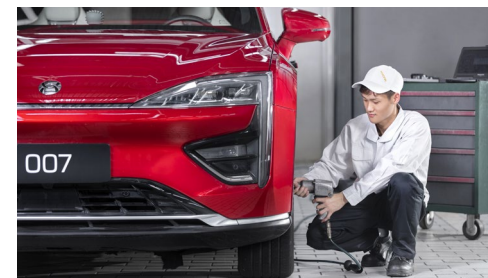
80,578

GAC Honda was ranked **first** according to **SSI** (Sales Satisfaction Index), After-sale Service **CSI** (Customer Satisfaction Index), and the Dealer Attitude Study **(DAS)** of **J.D. POWER**

Hycan has enhanced customer experience in multiple aspects

As the practitioner of the Group of the innovation model of the new energy vehicle industry, Hycan has built the “open and shared” ecological platform of intelligent connection + traveling, and provided intimate services for customers with customer demands and service experience as the motive power of service innovation. Hycan has met the full-cycle service needs of customers from vehicle purchasing and use to traveling through the exclusive guarantor service mode; provided all-round guarantee for customers' use of cars through lifelong warranty service of whole vehicle, lifelong warranty of battery, motor and electric control system, and free door-to-door service; solved the core pain points of customers in car use via worry-free warranty service, battery safety worry-free service and innovative service value-added plans; and deeply embedded the thoughts of customers in products, sales, services and other parts of the whole consumption chain by building an exclusive community platform of customers based on the concept of “Hycan”, and established a closed loop of trust between vehicle owners and enterprises to further improve the customer experience.

Hycan has established multiple channels for customer complaints that allow customers to report problems and make complains through exclusive service group, customer complaint hotline, and “vehicle owner area” in the community App. In order to speed up the customer complaint handling, Hycan has formulated the *Customer Complaint Handling Procedure*. The dedicated persons collect and respond to the customer complaints, grade and classify the customer complaints received based on their nature, and set the problem solving timing requirements for the complaints at different levels. The Customer Relationship Management Department reports the problems to relevant responsible departments and responsible persons. In the meantime, the Customer Relationship Management Department follows up the complaint handling progress each week, and the After-sales Service Department takes charge of the compensation for the problems existing after check and the subsequent handling to ensure that the customer complaints are settled.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

2.1 Advancing High-quality Development

→ 2.2 Crafting Quality Products

2.3 Highlighting R&D and Innovation

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

Urtrust Insurance has launched the “sincerely convinced” service brand

In 2021, Urtrust Insurance launched the “sincerely convinced” service brand that integrates its advantages of service in all aspects on its tenth anniversary, putting forward the service commitments of “intimate insurance purchase, reassuring travel and worry-free claim settlement” and constantly strengthened standardized, specialized, online and intelligent service to improve its service competitiveness.

• Promoting online services and vigorously improving service efficiency

Urtrust Insurance has launched the one-key loss assessment and one-key case closing services on WeChat, realizing the connection of one-key case reporting and video survey; enabled the online customer service on the official website, comprehensively upgraded the customer service system on WeChat, and added such functions as text robot, voice/image to text conversion, and audio/video customer service. It has also established the service agent channels on Enterprise WeChat, assisted customers in following up the complaint handling, and actively gave feedback on complaint handling nodes to effectively conciliate customers; and launched the SMS self-service license plate correction function to further enrich the self-service channels for customers and reduce the telephone service cost.



Urtrust Insurance's "WeChat Urtrust" online service

• Launching the video-based claim settlement service to achieve instant response and immediate claim settlement to the store

Applying the Internet, big data, AI image recognition, online video and other technologies, Urtrust Insurance has introduced the online claim settlement platform, promoted the remote video-based claim settlement service, created the zero-contact and one-stop claim settlement service scenarios, achieved the integration of online and offline claim settlements and accelerated the claim settlement service.

For cases without personal injury of less than RMB10,000, on the one hand, the Company connects with the customers in real time and remotely guides them to complete the whole process of claim settlement through the intelligent location function, so that customers do not have to wait for surveyors to come on the spot after accidents; on the other hand, by providing the zero-contact claim settlement service for customers, the Company is able to more scientifically and efficiently prevent and control the pandemic. In addition, the Company supervises the claim settlement service throughout the process through customer callback and evaluation to ensure the service quality.

Urtrust Insurance launched remote video claim settlement service

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

→ 2.2 Crafting Quality Products

2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

2.2.3 Protecting Privacy Security

With the rapid development of automobile “new four development trends”, more attention is attached to the information security of vehicles gradually. GAC Group has built a dual privacy protection system from the vehicle end and the sales end. The Group headquarters carries out supervision of and gives directions to its affiliates in information security management. Every affiliates has established a complete in-house security system.

- **GAC Honda** revised the Management System for Personal Information Confidentiality of GAC Honda in 2021, which improved the personal information protection system and clarified the personal information protection responsibility. It also standardized management requirements for personal information collection, transmission, storage, sharing, use and other aspects as well as the personal information secure handling process. Meanwhile, the sales company issued the Administrative Measures for Personal Information Security of First Business Head Office of GAC Honda Automobile Sales Co., Ltd., and organized self-inspection statistics and analysis of appointed stores and field inspection and interview in 2021 to have a big picture of the security compliance response of customers' personal information of the dealerships, identify risks and implement risk countermeasures.
- **GAC Toyota** always pays attention to the compliance in privacy security, and actively performs compliance management in the aspects of system establishment, policy development, training and education, supervision and spot check. It has established the privacy security management system, and issued successively *Personal Information Protection Management Policy*, *Information Security Management Provisions*, and *Information Security Management Measures for Sales Stores*; formulated and improved the *Privacy Policy of GAC Toyota Motor Co., Ltd.* to ensure legitimacy and rightfulness, openness and transparency, consistency of powers and responsibilities, and subject participation of the personal information processing; developed the *Data Security Management Code*, perfected data life cycle management, enhanced data risk assessment, monitoring and emergency measures, and improved approval process and authority control mechanism for data use to increase the data security protection ability and mitigate risks of data leak, theft and alternation; and established the mechanism of evaluation by external experts and lawyers and made improvement plans for risk points.
- **GAC-SOFINCO** has formulated the customer information protection systems, including the *Administrative Rules for Personal Information Protection of Customers* and the *Privacy Policy*, specifying the management requirements for the collection, use and storage of customer information, as well as the rights of customers concerning the use of their personal information. In the meantime, GAC-SOFINCO has explicitly stipulated that employees shall strictly implement the customer information use authorization and approval procedures, and that the retrieval, access or use of various types of customers' personal information shall be subject to the Company's hierarchical authorization regulations, so as to ensure that the various customers' personal information will not be retrieved, accessed or used in excess of the authority.
- **On Time Mobility** carried out personal information protection compliance work of the mobility platform based on applicable provisions of *Personal Information Protection Law and Measures for Determining App Behaviors of Collecting and Using Personal Information against Laws and Regulations*. It entrusted external third-party agencies and law firms to make compliance assessment and provide data security compliance consulting, and taking into account the requirements of various regulators, amended and improved provisions on personal information protection and privacy policy, and conduct comprehensive investigation and rectification of some problems of the App.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

→ 2.3 Highlighting R&D and
Innovation

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

2.3 Highlighting R&D and Innovation

GAC Group highlights R&D and innovation, stimulates creative vitality, cultivates development momentum, builds high-quality self-owned brands, and creates innovative value for mobile life.

2.3.1 Stimulating Creative Vitality

2021 is the crucial year and the year critical for promoting the three-year reform of state-owned enterprises. The Group thoroughly implemented the tenure system for managers and the contract-based management, reformed three systems concerning labor, personnel and distribution, effectively connected the annual indicators and tenure indicators, got rid of the egalitarianism, or the “indiscriminate egalitarianism”, to truly realize that the income can be raised or reduced, cadres can be promoted or demoted, and employees can be hired or dismissed. The guiding role of the assessment baton was fully played through the strong incentive and restraint mechanism, and enterprises were encouraged and guided to achieve more superior business performance with efforts.

The Company has formulated the *Measures for the Innovative Project Management and Segmental Operational Performance Assessment of Guangzhou Automobile Group Co., Ltd.*, to optimize and adjust the examination and approval, management, supervision and assessment mechanisms of innovative projects. The amount of loss from the innovative projects in the cultivation period is calculated by specific rules, when the annual business plan is formulated and the performance is assessed, in an attempt to encourage and promote the cultivation and development of strategic emerging projects of the Group.

GAC Group gives top priority to protecting the proprietary intellectual property rights, and safeguarding the reasonable rights and interests of third parties in intellectual property rights. Abiding by the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other laws and regulations related to intellectual property rights, GAC Group has prepared *Intellectual Property Management Measures*, *Patent Work Management Measures*, *Technical Archives Management Measures*, *Measures for Rewarding Technical Achievements*, and other policies to strictly protect its IPRs. As of the end of 2021, GAC Group had applied for 10,620 patents and obtained 6,872 authorized patents in total. The number of newly-added applications for patents and authorized patents were 2,580 and 1,638, respectively in 2021.

List of GAC Group's Patent Authorization and Applications in 2021

	Unit: Patents/ Applications
Newly-added authorized patents 1,638	Newly-added authorized patents for invention 226
	Newly-added authorized patents for utility model 1,053
	Newly-added authorized patents for design 359
Newly-added patent applications 2,580	Newly-added patent applications for invention 1,108
	Newly-added patent applications for utility model 1,227
	Newly-added patent applications for design 198
	Newly-added patent applications for PCT 47



GAC AION Magazine Battery System Safety Technology Conference

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

→ 2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

GAC Mitsubishi Builds a R&D Center

Located in the Changsha Economic and Technological Development Zone, GAC Mitsubishi R&D Center covers an area of about 130,000 square meters, with a planned investment of RMB1 billion. GAC Mitsubishi builds public infrastructures including R&D buildings, various laboratories, trial production workshop, modeling center and gas station by the principle of one-time construction and step-by-step investment, which can accommodate up to 1,000 people for R&D and other work.

The construction of the R&D Center focuses on 6 major test areas, which will form the capabilities of complete vehicle performance and rack strength test, NVH test and analytical evaluation, key system and vehicle integration, new energy testing and verification, as well as perfect trial production capabilities. GAC Mitsubishi will build an international talent team, establish an industrial system covering vehicle modification R&D and technological innovation to enhance the comprehensive strength of its independent R&D, and propel the enterprise to embark on the fast track of development.



GAC Mitsubishi's R&D Center

GAC Business has set up an innovation studio

In 2021, GAC Business set up the first innovation studio under GAC Group with the output of “business model”, to scout innovative talents with sharp business acumen, seek new business models, and dedicate itself to becoming the “think tank” of enterprises, the “innovation source” of positions, the “task force” of projects, the “incubator” of talents, and the “leading mark” of teams. As of the end of 2021, the innovation studio had incubated 3 new business model projects.



GAC Business's Innovation Studio

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

2.1 Advancing High-quality
Development

2.2 Crafting Quality Products

→ 2.3 Highlighting R&D and
Innovation

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

2.3.2 Building Self-Owned Brands

GAC Group adheres to the new car-making concept of “one route, one center and four base points”, promotes the innovation and reform of self-owned brands, and builds the core competence of products. “One route” means to stick to the technical route towards “ICV+EV and ICV+HEV/PHEV”; “one center” means to revolve around “creating star models” as the center; and “four base points” means to support the improvement of product competitiveness by four base points, i.e. “high attractiveness, high technology, high (PVA) and differentiated highlights”.

Led by such concept, GAC has developed multiple competitive blockbuster models under its self-owned brands, such as M8, EMPOW and AION S Plus, fueling the Group to usher in a fresh new development era.

Promoting the efficient operation of the board of directors, the management committee, and professional committees of self-owned brands, and improving the integrated operation efficiency of self-owned brands

In 2021, the Group improved the operation mechanisms of the board of directors, the management committee and professional committees in various fields for self-owned brands, and strengthened the coordination of research-production-sales integration across self-owned brands. The Group planned as a whole and organized the “three-in-one” in-place board meetings of self-owned brand G3 units biannually to deliberate on the topics on the business plans of self-owned brand G3 units, promoting the improvement of efficiency of decision-making upon important subjects. After the establishment of the self-owned brand management committee, the decision deliberation on special topics about major projects, and organization & personnel was promoted efficiently through on-site meetings and written deliberation. Besides, the tracking management mechanism of key supervised matters was established to regularly track the key subjects of the management committee at a high frequency and to improve the execution efficiency.

The management committee has set up the product committee, procurement committee, quality committee, cost and revenue committee, sales and service committee, personnel and remuneration committee, and digitalization committee under it. The cross-unit and cross-field lateral communication and efficient decision-making on the major work tasks in all fields are achieved through the platform of seven major processional committees. In the meantime, the research-production-sales integrated work system covering three levels, i.e. management committee, professional committee and working group, is established. Oriented to problems and surrounding key subjects, the Group stresses implementation and gives full play to the roles of the management committee, professional committees and working teams, continuously improving the integrated operational efficiency.

Comprehensively optimizing and improving the chief director system and mechanism of models, and strengthening the research-production-sales integration

In 2021, the Group further promoted the improvement of the chief director system and mechanism of models, established the model team incentive mechanism of “shared responsibility” and “earning sharing”, motivated the passion of model team to foster star models under self-owned brands, and enhanced the competitiveness of self-owned brand products. The incentive mechanism has been successively implemented in new model projects. Also, the Group set up the monthly regular meeting mechanism of the chief director of models, strengthened the support of the management to the chief director team and the joint participation of the staff in all fields, and assisted the chief director team of models in solving problems efficiently, ensuring efficient advancement of model projects. In addition, the Group further optimized and improved the workflow of the model team, established a process mechanism for co-development of the product planning and modeling design strategies in the pre-research stage, thoroughly optimized the valve review level, review elements and division of responsibilities for deliverables, and set up a digital office for the chief director and the model studio to strengthen the communication and synergy effects, and procure efficient coordination of the chief director team of models.



GAC Group Chairman Zeng Qinghong talked about “Stories of Our Initial Aspiration of Independent Innovation”

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

→ Intelligent Green and Low-
Carbon Travel

3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

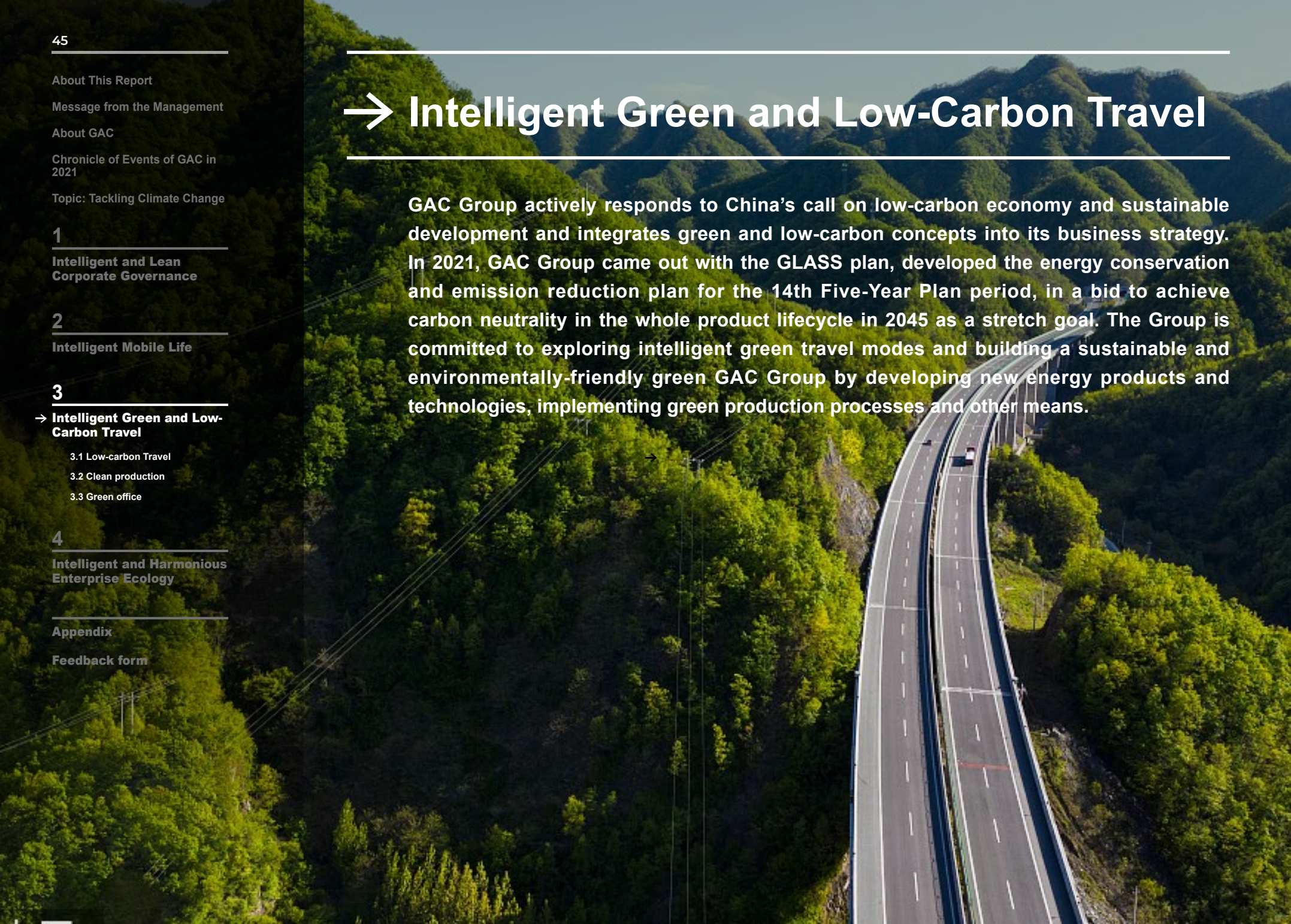
Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback form

→ Intelligent Green and Low-Carbon Travel

GAC Group actively responds to China's call on low-carbon economy and sustainable development and integrates green and low-carbon concepts into its business strategy. In 2021, GAC Group came out with the GLASS plan, developed the energy conservation and emission reduction plan for the 14th Five-Year Plan period, in a bid to achieve carbon neutrality in the whole product lifecycle in 2045 as a stretch goal. The Group is committed to exploring intelligent green travel modes and building a sustainable and environmentally-friendly green GAC Group by developing new energy products and technologies, implementing green production processes and other means.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

→ **Intelligent Green and Low-Carbon Travel**

3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form



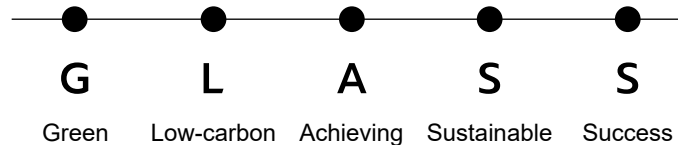
[Responsibility Story]

GAC Group rolled out the GLASS plan to facilitate the “dual carbon” goal

In 2021, GAC Group rolled out the GLASS plan, striving to achieve carbon neutrality in the whole product lifecycle by 2045 as a stretch goal, and proposed promotion measures from the three levels of R&D, production, and use by consumers to facilitate the goals of peaking carbon dioxide emissions and carbon neutrality.

GLASS 绿净计划

Green Low-carbon for Achieving Sustainable Success



Implement full-cycle management: Plan to systematically promote the full-chain carbon emission management from R&D to production and from purchase to use and recycling. In terms of use, jointly carry out consumer “carbon reduction” activities, explore the establishment of carbon accounts for automobile consumers, and gradually achieve the realization of individual consumers’ carbon emission reduction transactions starting from enterprise incentives. In addition, continue to carry out public welfare activities such as afforestation, and promote the research and application of carbon capture technology and other carbon sink development methods.

Build zero-carbon works: Plan to build GAC Aion into the first zero-carbon works of GAC that will achieve zero-carbon emissions in 2023, and to build a zero-carbon automobile industrial park based on the GAC’s Industrial Park for Intelligent and Connected New Energy Vehicles.

Increase the proportion of new energy vehicles and energy-saving vehicles: Plan to further increase the proportion of intelligent and connected new energy vehicles and energy-saving vehicles, procure the simultaneous development of the two routes of “intelligence + electrification” and “intelligence + hybridization” as well as the full hybridization of GAC Motor. GAC Group intends to achieve a 50% proportion of self-owned brand new energy vehicles in sales volume by 2025 and a 50% proportion of all new energy vehicles in sales volume of the Group by 2030. In the meanwhile, GAC Group will continue to develop alternative fuel models including hydrogen energy vehicles.



Feng Xingya, President of GAC Group, released the specific goals of “GLASS plan”

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

→ **Intelligent Green and Low-Carbon Travel**

3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

[Goal management]

Goal setting

- Continue to improve the energy consumption efficiency of automotive products and strengthen the reserve of new energy core technologies
- Vigorously support China's "dual carbon" goal and develop carbon emission reduction goals and work plans
- Further promote the implementation of waste reduction work and improve the Group's pollutant control level

Progress review

- Launched a number of core technologies for new energy vehicles such as magazine battery system safety technology, sponge silicon anode battery technology, etc.
- Released the specific goals and measures of GLASS, striving to achieve carbon neutrality in the whole product lifecycle by 2045 as a stretch goal
- Formulated energy conservation and emission reduction plan for the "14th Five-Year Plan" period and set waste and pollutant emission control targets

Annual improvement plan

- Accelerate the R&D and application of advanced new energy technologies and increase the proportion of new energy products in sales
- Orderly implement the relevant measures of GLASS and reduce carbon emissions in the whole product lifecycle
- According to the energy conservation and emission reduction plan for the "14th Five-Year Plan" period, promote energy conservation and emission reduction from six aspects: green production, green products, green supply chain, green travel, green finance, and green community

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

3.1 Low-carbon Travel

GAC Group will continue to enhance the product mix of the simultaneous development of the two routes of “intelligence + electrification” and “intelligence + hybridization”, keep strengthening the reserve of new energy technologies such as hybrid, electric and hydrogen energy, and explore the realization of zero-carbon production, in an effort to provide consumers with greener and lower-carbon travel solutions.

3.1.1 New energy products

GAC Group embraces the “new four development trends” in the automobile industry and continues to increase the proportion of intelligent and connected new energy vehicles in the Group’s product mix. GAC Group has built GAC Aion into an independently operated high-end smart electric vehicle brand with 4 self-developed electric vehicle products launched, bringing consumers a diverse low-carbon travel experience. At the same time, GAC Group has strengthened communication and cooperation with its partners, accelerated the introduction and launch of new energy products of joint venture brands, and continuously improved the competitiveness and brand power of GAC Group’s new energy products so as to create faster, farther and safer new energy products. In 2021, among GAC Group’s investees, GAC Aion alone achieved production and sales of over 120,000 new energy vehicles, firmly moving in the first group of new energy vehicles in China.

In the future, GAC Group plans to achieve a 50% proportion of self-owned brand new energy vehicles in sales volume by 2025 and a 50% proportion of the entire Group’s new energy vehicles in sales volume by 2030 to provide strong support for GAC Group to achieve its carbon neutrality goal.

GAC Group’s highlighted new energy models of joint venture brands

- One of the first models of Honda’s new electrification strategy



GAC-Honda pure electric vehicle e:NP1

- Dual purpose of Electric vehicle (EV) + hybrid electric vehicle (HEV)



GAC-Toyota Wildlander high-performance version (PHEV)

- GAC Mitsubishi’s first joint venture pure electric SUV



GAC-Mitsubishi pure electric SUV Airtrek

- High-end lithium battery electric vehicle



Wuyang-Honda U-GO & U-be

GAC Aion’s product matrix



AION LX Plus

- The world’s first 1,000 km range pure electric vehicle
- Equipped with the second-generation lidar and two-gear dual-motor integrated electric drive
- 2.9s supercar-level extreme acceleration performance



AION V Plus

- Set a world record for the fastest charging speed of pure electric vehicles
- NDA intelligent pilot assistance system
- AVP beyond-visual-range call parking



AION S Plus

- 0.211Cd, the lowest wind resistance coefficient of the same level in the world
- “Double non-sensing initiation, the most complete IBCM”



AION Y

- IBCM omni-sensing interactive system, triple non-sensing; the windows close automatically when it rains
- 2.0m² giant awning, large intelligent entertainment sitting room
- Debut of magazine battery

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

GAC Aion launched AION LX Plus, a flagship intelligent pure electric product with a range of 1000 km

In November 2021, GAC Aion released the flagship model AION LX Plus. AION LX Plus adopts self-developed sponge silicon anode battery technology, which can achieve a range of 1,008 km under CLTC comprehensive conditions, becoming the world's first pure electric vehicle with a range of more than 1,000 km. At the same time, it is equipped with 3 second-generation lidars which have the vari-focal intelligent "gazing" function and dynamically adjustable perception refresh rate and vertical resolution and focus on the core areas that the driver pays attention to at any time. It is GAC Aion's first model equipped with urban Navigated Driving Assist (NDA) system and achieving high-end intelligent driving in all scenarios. In addition, AION LX Plus is equipped with the world's first two-gear dual-motor integrated electric drive and achieves 2.9 s supercar-level extreme acceleration performance, once again refreshing China's fastest 100 km acceleration record.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

3.1.2 New energy technology

With the determination of “GAC powered by technology”, GAC Group accelerates the transformation into a technology-based enterprise. Under the guidance of GLASS, GAC Group adheres to the synchronous development route of multiple new energy technologies, continuously innovates in the fields of pure electric technology, fuel battery technology and hybrid technology, and is committed to bringing about consumers more diverse, more efficient and safer green travel technology.

GAC Aion constantly improves the competitiveness of core technologies in battery, motor and electrical control

GAC Aion has accelerated the reform of mixed ownership and established an integrated development system for research, production, supply and marketing so that the research and development of electric vehicle products is in line with the market and users. Also, GAC Aion has shored up the research and transformation of achievements in the fields of battery, motor and electrical control technologies, striving to develop domestic leading safe, green and high-performance products.

Electric drive technology

GAC Aion independently develops highly integrated two-gear dual-motor electric drive products. It adopts a number of industry-leading technologies such as flat wire Hair-pin winding motor technology, and multi-mode non-power interruption technology, and can greatly reduce weight, volume and cost while improving efficiency. It achieves the product performance indicators of output power ≥ 340 kW and wheel-end output torque $\geq 6,250$ Nm, reaching the industry-leading level.

Core technologies in battery, motor and electrical control

With a focus on market demand, and based on intelligent and connected new energy vehicles, GAC Group continues to add weight to its innovative advantages in the EV field. Shining a spotlight on core technologies in battery, motor and electrical control, GAC is committed to breaking through core technologies such as new battery technology, high-power charging technology, high-efficiency thermal management technology, integrated electric drive technology, and domain controller technology, accelerating its transformation into a mobile travel value creator.

Battery technology

Facing the three major consumption headwinds of battery safety, fast charging and range, and starting from the aspects of intrinsic battery characteristics, passive safety and active safety, GAC Aion released a number of great battery technologies such as magazine battery, graphene battery, and sponge silicon anode battery. Among them, magazine battery redefines the safety standard of ternary lithium battery, graphene battery realizes 6C super charging, and sponge silicon anode battery is equipped to realize the first mass-produced vehicle exceeding 1,000 km range. The above three technologies have achieved a number of world-leading breakthroughs in the fields of battery safety, super charging and ultra-long battery life, and have been applied to many best-selling models such as AION Y, AION S, AION V and AION LX.

Electrical control technology

GAC Aion has completed the development of integrated controllers in the new energy domain, and has fully mastered core control technologies such as vehicle control, battery management, motor control, etc. The independent new energy domain integrated controller product has been installed in the mass-produced AION S Plus model.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

GAC Group strives to promote the “2⁶ energy actions”

With the continuous development of electric vehicle technology and consumer demand, the convenience of charging has become an important factor restricting consumers’ purchasing of new energy vehicles. Thanks to the support of ultra-fast charging technology and power exchange technology, GAC Group will focus on driving forward the “2⁶ energy actions”, which means buy or rent, charge or swap, slow or fast charging, large or small capacity, long or short range, Grid-to-Vehicle or Vehicle-to-Grid, recycle or cascade utilization, providing consumers with more added value beyond their expectations while practically solving the charging problem.



Feng Xingya, President of GAC Group, was introducing the “2⁶ energy actions”

Hydrogen fuel cell technology

GAC Group actively undertakes China’s hydrogen energy development strategy and continues to research fuel cell systems using hydrogen as fuel. With respect to the power and efficiency of the first hydrogen-fueled battery passenger vehicle, the fuel cell system achieves a net power output of 70 kW and a maximum efficiency of 62%. In terms of reliability, the vehicle supports 30,000 kilometers of trouble-free operation through precise control of the

fuel cell system and the establishment of a complete fault handling and protection mechanism. In terms of safety, the safety of hydrogen fuel cells during the normal operation and collisions of the vehicle is ensured through comprehensive hydrogen safety development, the hydrogen leakage level is much better than the EU standard and 17 collision tests were successfully passed, of which 80 km/h rear-end collision has reached the international first-class level.

the fuel cell system achieves
a net power output of

70 kW

a maximum efficiency of

62%

17

collision tests were
successfully passed

80 km/h

rear-end collision has reached
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About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

GAC Group's first hydrogen-fueled battery passenger car AION LX FUEL CELL is launched on the online car-hailing platform

In May 2021, GAC Group's first hydrogen-fueled battery passenger car AION LX FUEL CELL, which is based on forward development, rolled off the production line. After completing the adaptability test, it was officially launched on the On Time platform on October 18, taking the lead in carrying out the first demonstration operation of "online car-hailing + hydrogen energy" fuel cell passenger vehicles in the Guangdong-Hong Kong-Macao Greater Bay Area. The vehicle adopts the electric-electric hybrid technology with the fuel cell system as the main power output and the lithium battery system as the auxiliary. The vehicle is equipped with a 70 MPa in-car hydrogen storage system that only takes 3-5 minutes for hydrogen refueling and has a battery life of 650 km and hydrogen consumption per 100 kilometers of only 0.77 kg. The car can be started with one click in a low temperature environment of -30°C , and the overall technical indicators have reached the leading level in the industry.

In May 2021, AION LX FUEL CELL debuted at Shanghai International Circuit as the only representative of domestic hydrogen energy racing cars to compete on the F1 track. In December 2021, GAC Group was awarded the "2021 Hydrogen Vehicle Brand" at the GGII Hydrogen Power annual meeting.



AION LX FUEL CELL



GAC Group was awarded the "2021 Hydrogen Vehicle Brand"

Hybrid technology

GAC's electrification strategy continues to focus on the development of high-efficiency hybrid systems, and electrification of all models is planned to be achieved by 2025. In 2021, GAC Group released the hybrid technology platform "green engine technology". Following the principle of "small cars cost less, focus on fuel saving and large cars pursue performance", GAC Group strives to build the strongest hybrid technology platform in China and comprehensively promotes the application of dual-motor hybrid systems. The GS8 hybrid version, the first vehicle equipped with the self-developed green engine technology engine 2.0 TM and Toyota's new fourth-generation large-capacity THS hybrid system, was first launched in December 2021. It only

needs 6.9 s to accelerate to 100 km, with a NEDC range of 1,100 km, and featuring in both super power and ultra-long battery life. The hybrid system will be installed on more GAC Motor B/C-class models in the future. At the same time, GAC Group's fully self-developed hybrid systems 2.0ATK+GMC2.0 and 1.5DHE+GMC3.0 are in progress. They will be equipped with a B-class vehicle platform and an A-class vehicle platform. From 2022, at least two electrified models will be launched each year, and the application will be gradually expanded according to market demand to achieve comprehensive electrification.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

→ 3.1 Low-carbon Travel

3.2 Clean production

3.3 Green office

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

Feedback Form

3.1.3 Zero-carbon works

GAC Group takes initiative to play the leading role of OEMs and builds a zero-carbon automobile industrial park based on GAC's Industrial Park for Intelligent and Connected New Energy Vehicles to drive the upstream and downstream of the industrial chain and supply chain to accelerate green

transformation. GAC Aion, as a key zero-carbon advanced demonstration area of GAC Group, plans to complete the construction of a zero-carbon capability system in 2022 and to achieve zero-carbon emissions of the works in 2023, becoming GAC Group's first zero-carbon works.

GAC Aion launches zero-carbon works construction

GAC Aion quickly responded to the Group's overall plan for carbon emissions, took the lead in the construction of zero-carbon works within the Group, and improved its zero-carbon construction capabilities by introducing clean energy, building a smart micro-grid system and other means.

On February 18, 2022, GAC AION completed the capacity expansion of its smart ecological factory (Phase II), whose first new vehicle AION LX Plus rolled off the production line on the same day.

Use clean energy

- A strategic cooperation framework agreement was signed with CGN Power Sales Co., Ltd. on clean energy use, whereby CGN Power Sales Co., Ltd. will provide clean nuclear power to GAC Aion to increase the proportion of clean energy use.

Build a smart micro-grid system

- A photovoltaic subsystem was built with industry-leading high-efficiency monocrystalline silicon modules, with a construction area of 89,000 square meters, a total capacity of 17.1 MWp, and an annual power output of about 18.00 million kWh, accounting for 25% of the factory's full-load power consumption. As of December 2021, the cumulative power generation of the photovoltaic system was 48.7088 million kWh, equivalent to saving 5,986.31 tons of standard coal and reducing carbon dioxide emissions of 15,178.48 tons.
- Two 500 kWh/1,000 kW power energy storage stations and one 300 kWh/100 kW cascade-utilization energy storage station are used to form an energy storage subsystem with a total capacity of 1,300 kWh, which has the functions of peak load shifting, price difference income and demand-side response.

Promote green production and recycling

- In terms of product research and development, GAC Aion adopts an aluminum alloy platform, promotes lightweight technology, and greatly reduces the power consumption of the vehicle through advanced technologies such as low rolling resistance tires and active grille shutter to realize energy saving and efficiency enhancement of products. AION S model was awarded the 2021 Low-carbon Model Award by China Automotive Technology and Research Center Co., Ltd.
- Through the application of innovative technologies, multiple optimizations were carried out in the field of production and manufacturing. The efficiency of the automatic press production line was increased by about 8% and the energy consumption was reduced by about 5%. The energy consumption of the automatic welding workshop is 20% lower than the general level of the peers, among which the green painting factory adopts the circulating air technology so that the proportion of circulating air reaches 80%, greatly reducing the energy consumption of the air conditioner. The battery pack is intelligently produced and the best efficiency of energy feedback is as high as 92%.
- A power battery recycling system was established, which can recycle 100% of power batteries, steel and aluminum, and recycling points were set up for vehicle recycling.



GAC AION's zero-carbon works

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

3.1 Low-carbon Travel

→ 3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

3.2 Clean production

GAC Group has formulated the energy conservation and emission reduction plan for the “14th Five-Year Plan” period. With the vision of “actively responding to China’s ‘dual carbon’ goal, taking the initiative to shoulder the mission of environmental protection and striving to be the leader in the green development of the automobile industry”, GAC Group focuses on the three directions of green development, low-carbon development and sustainable development, sets development goals in six major areas such as green products, green supply chain and green travel, clarifies the implementation paths for each area, and makes every effort to promote energy conservation and emission reduction.

Main goals of energy saving and emission reduction indicators for the whole vehicle and parts and components (including engines) segments of GAC Group during the “14th Five-Year Plan” period are set out below:

Indicator	Goal set (year-on-year decrease)
Total energy consumption (10,000 kWh)	3.3% reduction in energy consumption density ¹
Total water consumption (tons)	1% reduction in water consumption density
Total hazardous waste (tons)	1% reduction in hazardous waste emission density
Total non-hazardous waste (tons)	1% reduction in non-hazardous waste emission density
VOCs (volatile organic compounds) emissions (tons)	2% reduction in VOCs emission density
Total greenhouse gas emissions (tons of CO ₂)	2% reduction in greenhouse gas emission density
Total wastewater discharge (tons)	1% reduction in wastewater discharge density
Total nitrogen oxide (tons)	1% reduction in nitrogen oxide density

Note: 1. The density in the above table was calculated with the motor vehicle output (0’000 vehicles) of GAC Group as the denominator.



GAC Honda and GAC Toyota won the title of the first batch of “Enterprises with Outstanding Contributions to Pollution Reduction and Carbon Reduction”

3.2.1 Energy management

GAC Group takes energy conservation and emission reduction as an important leverage to achieve the corporate carbon neutrality goal and has formulated the *Company Energy Management Rules, the Procedure on Energy Goal Management for Energy Benchmark Performance Parameters* and other rules and regulations to implement refined management of energy consumption and energy-saving equipment transformation and continuously improve the energy efficiency in the production process.

GAC Motor exceeds annual energy conservation goal by actively implementing energy conservation improvement projects

In 2021, GAC Motor actively carried out energy-saving equipment transformation and production model optimization activities with the concept of “saving energy and sharing environmental protection”, implemented 259 energy-saving improvement projects, and exceeded the annual energy conservation goal with a completion rate of 101.5%.

GAC Motor’s energy-saving goals and completion status

- The overall goal of energy saving is 504 tons of standard coal, and the actual energy saving is 512 tons of standard coal.
- The electricity saving goal is 2.23 million kWh, and the actual saving is 2.45 million kWh.
- The gas saving goal is 120,000 cubic meters, and the actual saving is 150,000 cubic meters.

Key energy-saving improvement projects and energy-saving performance

- 191 LED factory lights are replaced in first-line welding, saving 52% of energy and saving 57,000 kWh of electricity annually.
- Reverse osmosis membrane for pure water units is renovated and replaced in second-line coating, saving 80,000 kWh of electricity annually.
- The output flow is reduced in second-line welding by closing the 3/4 opening of the chilled water pipe by-pass in autumn and winter, saving 120,000 kWh of electricity annually.
- The purging time is optimized and improved after RTO is applied, saving over 650,000 kWh of electricity annually.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

3.1 Low-carbon Travel

→ 3.2 Clean production

3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

GAC FCA implements comprehensive energy conservation and emission reduction measures

Starting from business management, manufacturing, supply chain management and other fields, GAC FCA integrates energy conservation and emission reduction into multiple aspects of enterprise operations by improving institutional systems, optimizing management plans, taking energy-saving measures and other means, continuously improving GAC FCA's performance in energy saving and emission reduction.

In business management

- **Sustainable development strategy:** Take energy environmental protection as an important part of sustainable development strategy, pay attention to fulfilling the corporate responsibilities for environmental protection and resource conservation, and actively practice environment-friendly and resource-saving development.
- **Energy consumption system:** Promulgate the *GAC FCA Management Regulations on the Use of Compressed Air During Non-production Periods and the Energy Supply Control Procedures*.
- **Energy-saving system construction:** Actively promote the construction of the ISO 50001 energy management system and WCM (world-class manufacturing) management system, standardize the Company's energy management methods, appoint the person responsible for energy management, incorporate energy management performance indicators into the business plan at the beginning of the year, and at the same time, decompose the goals to each energy-consuming unit on a monthly basis and implement assessments to track the achievement every month and refine management.

In manufacturing

- **Management energy saving:** Develop the Intelligent Manufacturing System to implement real-time monitoring of energy, which can query current real-time energy consumption and historical energy consumption and can check the detailed energy consumption information about the entire equipment line or single equipment through the web page; optimize the production management plan, and further reduce energy consumption through flexible production scheduling, optimization of energy supply, regular inspection of compressed air network management and other means.
- **Technical energy saving:** Propose technical energy saving solutions, such as phosphating/degreasing to improve the energy storage mode and improving heating at the hinges of the car body in the color selection area, to improve the energy use efficiency during the production process.

In 2021, GAC FCA completed 38 improvement projects and reduced electricity consumption by 8,049 k.kWh; actually reduced fuel consumption by 13.4 tons through VAVE (value analysis and value engineering) and improvement projects; and reduced gas consumption by 31,035 cubic meters through energy-saving improvement of the direct combustion engine in the drying room and improvement of heating at the car body hinge in the color selection area.

In supply chain management

- **Use electric vehicles:** The pickup trucks in the surrounding logistics parks and the forklifts in the factory area use electric energy instead of diesel, effectively reducing the use of diesel. In 2021, diesel consumption was reduced by 7,640 kilograms, equivalent to reducing 24,345 kilograms of carbon dioxide emissions.
- **Optimize pickup routes and stowage:** Optimize pickup routes and stowage in surrounding logistics parks to reduce transportation trips and reduce carbon emissions. In 2021, a total of 562 truck trips were reduced and diesel consumption was reduced by 1,354 kilograms, equivalent to reducing 4,314 kilograms of carbon dioxide emissions.
- **Set up remote regional logistics centers:** Set up three remote regional logistics centers in Shanghai, Guangzhou and Wuhan, and distribute the goods in a unified manner after collection. The average loading rate increased from 80% to 82%, decreasing mileage by 50,245 kilometers, reducing diesel consumption by 12,000 kilograms, equivalent to reducing 38,000 kilograms of carbon dioxide emissions.
- **Implement transportation by cargo consolidation:** For international air transportation as well as inland transportation after the release of goods, reduce the frequency of transportation by adopting the cargo consolidation method. In 2021, a total of 3 batches of sea transportation were reduced, and the total transportation mileage reduced throughout the year was 36,000 kilometers.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

3.1 Low-carbon Travel

→ 3.2 Clean production

3.3 Green office

4

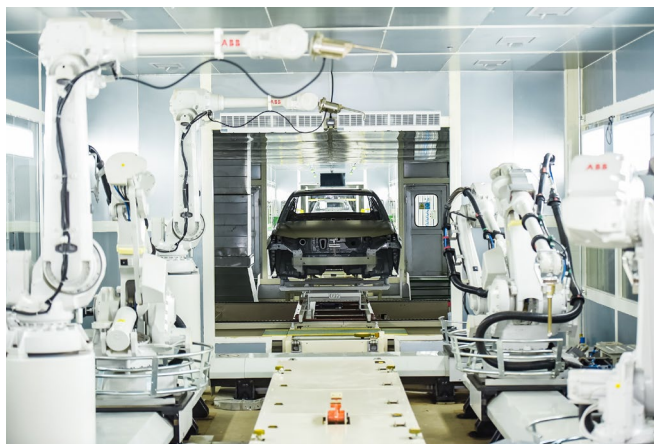
**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

3.2.2 Waste gas management

GAC Group complies with various laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, requires affiliates to take measures to effectively control waste gas emissions, and has gradually established a relatively complete emissions supervision system of the Group. The affiliates have formulated a number of special waste gas management systems such as the *Air Pollution Control Procedures and the Exhaust Pollution Control Protocols* to implement strict internal control emission standards, and introduced advanced low-emission production technologies to ensure legal compliance of waste gas emissions. In 2021, GAC Group formulated a number of waste gas control goals on the basis of effective supervision of waste gas emissions, and incorporated sulfur dioxide, VOCs and nitrogen oxide control indicators into the energy conservation and emission reduction plan for the "14th Five-Year Plan" period to promote the improvement of waste gas emission management level.



GAC Aion adopts environmentally friendly water-based LASD coatings

GAC Honda builds a Sino-Japanese environmental demonstration project for VOCs treatment

Adhering to the environmental protection concept of "making children's sky bluer", GAC Honda has been engaged in the field of ecological environment for many years. It has excellent VOCs control level, governance technology and management experience, stands out in more than 100,000 enterprises involving VOCs in Guangdong Province, and is selected by the delegation of Japanese experts and the Ministry of Ecology and Environment of the People's Republic of China as the enterprise to undertake the Sino-Japanese environmental demonstration project. The project adopts the zeolite concentration runner technology. First, the high-airflow, low-concentration waste gas from the middle spray booth after being treated by the venturi drencher system is passed into the zeolite concentration runner; then, under the action of absorption and desorption of the concentration runner, the concentration of VOCs in the waste gas from the middle spray booth is concentrated to 25 times the original concentration; finally, the concentrated waste gas is passed into a rotary RTO furnace above 800°C for high-temperature oxidation treatment and becomes harmless H₂O and CO₂ and then is discharged. This technology can reduce VOCs by 44.91 tons and carbon dioxide emissions by 189.3 tons per year, helping to achieve China's carbon neutrality goal while reducing VOCs emissions.



The VOCs technology of GAC Honda reduces VOCs emissions by

44.91 tons/year



The VOCs technology of GAC Honda reduces carbon dioxide emissions by

189.3 tons/year

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

3.1 Low-carbon Travel

→ 3.2 Clean production

3.3 Green office

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

3.2.3 Waste management

GAC Group strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, and a number of other waste regulations and policies as well as the relevant international treaties and practices, and has formulated special waste rules such as the *Procedure for Management of General Industrial Solid Waste*, the *Pollutant Control Management Procedure*, and *Hazardous Waste Management Procedure* to ensure proper handling of all types of waste and to avoid the influence of “waste gas, wastewater and waste residue” discharged in the surrounding environment.

GAC Group's affiliates implement waste management and control methods that meet actual production needs according to their production characteristics and implement waste reduction and recycling in the aspects of waste generation, material use and systematic recycling of materials to reduce the pressure of waste treatment and improve the efficiency of resource utilization.



GAC-Toyota's Environmental Museum

- **GAC R&D Center** conducts targeted recycling of used batteries, entrusts GAC Business Co., Ltd. to recycle and disassemble used new energy batteries, recycles the recyclable parts, and entrusts qualified third-party hazardous waste treatment organizations for compliant disposal of hazardous waste.
- **GAC Aion** sets up waste reduction and management goals, incorporates the hazardous waste goal per vehicle into the business plan for management and control, and decomposes the goals to each workshop and follows up on a monthly basis. In 2021, GAC Aion's hazardous waste goal per vehicle was 10.27 kg/vehicle, and the actual hazardous waste generation per vehicle was 8.46 kg/vehicle, so the waste reduction work was successfully completed.
- The self-made briquetting equipment in **GAC-Mitsubishi's** painting workshop briquets waste paint slag to reduce the weight. From September to December 2021, waste paint slag was reduced by 1.14 kg/unit compared with 2020, and the weight of a single waste paint slag was reduced by 34%.
- **Wuyang-Honda** introduces an X-ray device and uses non-destructive testing to replace the detection method of cutting parts, reducing the use of raw materials by 22.2 tons and industrial solid waste by 22.2 tons each year. In 2021, Wuyang-Honda's waste reduction control and management goal was 3,069 tons and the actual amount realized was 2,624 tons, an achievement rate of 114%.
- **GAC Component** improves the versatility of the logistics trolley by redesigning it, reducing the number of scrapped trolleys, thereby reducing the amount of scrap iron produced; improves the material utilization rate by changing the position of the remnant cutting edge of the internal blanking die, and uses the remnants of the front subframe to process new parts to reduce the generation of scrap steel plates. The procurement department cooperates with suppliers to establish a waste recycling model to promote an unpackaged logistics supply system, and requires suppliers to give priority to recyclable materials such as iron frames and plastic boxes.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

3.1 Low-carbon Travel

→ 3.2 Clean production

3.3 Green office

4

Intelligent and Harmonious Enterprise Ecology

Appendix

Feedback Form

3.2.4 Water resource management

GAC Group has taken practical measures to reduce the consumption of water resources in its operation and production process. By setting water conservation targets and various water conservation management systems, it has innovated the production process and equipment level, implemented the management and control of water resources use, effectively reduced unnecessary loss of water resources, and improved water use efficiency.

Saving water resources

GAC Group continues to improve water efficiency and promotes green water-saving production by formulating water-saving goals and management systems, adopting advanced water-saving technologies and equipment and strengthening water management and control.

- **GAC Motor** adopts multi-level overflow cleaning technology in the coating process, saving 1,620 tons of water throughout the year; and adds chemicals to the circulating cooling water of central air conditioners and air compressor cooling towers to reduce water replenishment by improving the conductivity of cooling water, saving 516 tons of water throughout the year.
- **GAC-Honda** has organized a leading group for water conservation, improved water conservation management systems at all levels, established a plant area metering monitoring and data collection system, and implemented systematic and refined water resource management.
- **GAC-BYD** collects and reuses the test water sprayed on the vehicle body during the rain test on the products manufactured, reducing the waste of water resources, and adopts a new equipment intelligent frequency conversion control system to monitor the running status of the water pump in real time and grasp the consumption of water resources, reducing 40,000 tons of water throughout the year.



During the rain test on the products manufactured, GAC-BYD saves

40,000 tons of water/year

Wastewater discharge management

GAC Group implements wastewater discharge management in strict accordance with the *Water Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and other regulations. The affiliates formulate and implement a number of internal management systems for wastewater treatment such as the *Coating Wastewater Management Regulations* and the *Management Measures for Sewage Treatment Stations and Recycled Water*, and strictly control the treatment and discharge of industrial wastewater through goal setting, wastewater monitoring and introduction of environmental protection processes.

- In order to reduce wastewater discharge, **GAC Aion** has set stricter internal control discharge goals than the discharge standard (80% of the regulatory standard) to ensure that 100% of the discharge meets the standard.

In wastewater treatment, **GAC-Toyota** adopts ultrafiltration and reverse osmosis, concentrated liquid recovery process and other technologies, and wastewater can be reused in the production line after treatment, reducing tap water usage.

- **GAC-FCA** adopts a fully enclosed ultrafiltration circulating flushing system in the electrophoretic coating process to reduce wastewater discharge and save deionized water.

Wuyang-Honda uploads the equipment and facility operation, wastewater pollutant discharge and wastewater monitoring results to the national sewage permit information platform in a timely manner, and installs online monitoring devices at the discharge outlets for key wastewater control (the main outlet of the painting ABS line and the outlet of the painting ABS deodorization furnace).



GAC-Toyota's sewage treatment station

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

3.1 Low-carbon Travel

3.2 Clean production

→ 3.3 Green office

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

Feedback Form

3.2.5 Packaging material management

GAC Group has formulated policies, systems and work standards such as the Parts Packaging Setting Standards, incorporated green concepts such as packaging material reduction and recycling into product development, material procurement, process management and other links, and worked with upstream and downstream companies to minimize the potential adverse environmental impact of packaging materials in product production, transportation and sales.

GAC-Honda cooperates with interested parties in logistics to jointly reduce the use of packaging materials

Aiming at the effective utilization of resources and the annihilation of waste risks, GAC-Honda actively carries out 3R (Reduce, Reuse and Recycle) activities in conjunction with interested parties, and strictly implements green packaging measures in all links such as resource procurement, use and scrapping, minimizing the environmental load.

In terms of packaging materials, GAC-Honda fully implements recyclable packaging containers, optimizes the container structure, minimizes packaging auxiliary materials, and eliminates disposable packaging auxiliary materials; cancels foam material packaging, independently designs a special trolley for fuel tank packaging, protects the outer wall of the fuel tank and reduces the effect of static electricity, reducing environmental pollution caused by the scrapping of foam materials while ensuring the quality. The annual packaging cost was reduced from RMB4 million to RMB1.9 million.

In terms of logistics, GAC-Honda establishes its own standard for packaging containers, clarifies specific promotion methods, sets up KPI indicators for packaging process management, guides and measures the packaging work, and creates packaging that maximizes the overall logistics efficiency of the supply chain.

3.3 Green office

GAC Group continues to carry out the activities of “opening sources and reducing expenditure, and reducing costs and increasing efficiency”, and implements the concepts and measures of saving, green and environmental protection in every scene of daily office operations.

- In terms of **policy**, GAC Group has developed a number of rules and policies including the *Company Energy Management Rules*, the *Water Use Management Procedure*, and the *Procedure on Energy Goal Management for Energy Benchmark Performance Parameters* to regulate the reasonable use of water, electricity and office supplies.
- In terms of **management**, energy-saving inspection is carried out in combination of multiple means for monitoring the use of water and electricity so as to identify any abnormality in water and electricity use on a timely manner.
- In terms of **equipment**, equipment and facilities are maintained regularly, with LED lamps and other energy-saving devices being introduced and updated to improve the use efficiency of resources and energy. In 2021, the consumption of water, electricity, gas, gasoline, office paper, etc. at the Group's headquarters decreased year-on-year.
- In terms of **publicity**, green office publicity activities are carried out through various publicity channels such as publicity boards, corporate WeChat official accounts, GAC Group News, and Today's GAC so that the concept of green office is deeply rooted in people's heart.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

→ Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

→ Intelligent and Harmonious Enterprise Ecology

Always following the concept of co-creation, co-construction and sharing, GAC Group establishes good cooperative supply relationships with suppliers, contractors and other partners, cares for the growth and happiness of employees, strives to promote the harmonious development of communities, and actively shares development results with the society.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

→ **Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

[Responsibility story]

GAC Group promotes rural revitalization and builds a “big assistance” landscape

GAC Group resolutely implements the decisions and arrangements of the Party central, provincial and municipal committees on consolidating and expanding the effective connection between poverty alleviation achievements and rural revitalization, vigorously promotes industrial assistance, education assistance, consumption assistance and employment assistance, makes up for the shortcomings of people’s livelihood, develops people-benefiting projects, stimulates endogenous power, and builds a “big assistance” landscape with GAC characteristics.

Comprehensive planning to promote rural revitalization from the top level

In 2021, GAC Group, together with the Guangzhou Municipal Bureau of Culture, Radio, Television and Tourism, Bureau of Sports and Bureau of statistics, paired up to help Dongshi Town, Pingyuan County, Meizhou, and sent two outstanding cadres to Dongshi Town to help the village assistance team. Focusing on establishing a dynamic monitoring mechanism to prevent the return of poverty and resolutely maintaining the bottom line of no occurrence of large-scale return to poverty, GAC Group actively connected with the assistance site and the planning and design team to plan assistance plans and comprehensively promote rural revitalization work.

Consumption assistance to open up export channels for rural agricultural products

GAC Group holds special agricultural product subscription activities to help the sales of agricultural products from Guizhou; plays the role of consumption assistance platforms and includes peanut products grown and processed in Meizhou into the list of consumption assistance sales; uses government platforms to promote sales, and promotes the agricultural products assisted by Qilian Company into the special agricultural product direct supply supermarkets and government procurement platforms of the industrial assistance project in Tianhe District.

The Group invested RMB

4.89 million

in rural revitalization in 2021

3

assistance cadres were sent

Purchases of agricultural products from paired up assistance areas through consumption assistance exceeded RMB

23 million in 2021

Continued effort to promote the revitalization and development of eastern and northwestern Guangdong

GAC Group actively promotes industrial assistance to Meizhou in eastern Guangdong, and introduces the concept of intelligent manufacturing and industrialized production to the local area through the construction of the industrial park to promote rural revitalization and development. In 2021, the industrial park introduced Meizhou Saint-Gobain and Dongfeng Yanfeng, two of the world’s top 500 companies. As of the end of 2021, the 14 companies that have entered the park have invested about RMB1.05 billion in total, achieved an annual operating income of RMB740 million, created tax revenue of about RMB19.08 million, and created about 1,200 jobs.

In response to the “Belt and Road” initiative and the industrial aid policies for Xinjiang, GAC Group promotes the high-quality development of the Xinjiang branch of GAC Motor Co., Ltd. and promotes the sales of GAC brand products by Kashi Huahui Automobile Sales and Services Co., Ltd. to increase local revenue. In addition, GAC Group actively promotes the Weinan cooperation project and invests RMB400 million in the construction of GAC Northwest Business Center to help the Northwest revitalize with industrial development.



GAC Parts Industrial Park in Meizhou

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

→ Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form



[Goal management]

Goal setting

- Realize supplier industry collaboration, create a competitive supply chain ecology, and improve the sustainable management capability of the supply chain
- Realize the synchronization of the Group's safety management and business development, and ensure the health and safety of employees
- Implement the concept of co-creation, co-construction and sharing, so that employees can feel the care of the Company
- Create a sustainable social public welfare system and launch the GAC public welfare brand

Progress review

- Strengthen the sustainable management of suppliers through system improvement, evaluation system, regular review and green procurement
- Use the two-wheel drive model of “hierarchical risk management” and “inspection and management of hidden dangers”
- Release the Group's special planning outline for production safety and development in the “14th Five-Year Plan” period
- In 2021, the Group condoled 392 employees in difficulty and dispatched assistance cadres and issued a total of RMB566,000 in condolences throughout the year
- In 2021, GAC Group helped the revitalization and development of eastern Guangdong and northwestern regions through industrial assistance, consumption assistance and other methods

Annual improvement plan

- Accelerate the formulation of supply chain development strategies and increase capital, talent and technology investment
- Orderly implement the special plan for production safety and development for the “14th Five-Year Plan” period
- Complete communication channels, understand the employee needs, and implement the employee care
- On the basis of continuing to do a good job in social welfare, increase support for public welfare projects such as safe travel, green and environmental protection and cultural and sports undertakings, and enhance the influence of the GAC public welfare brand

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

→ 4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.1 Expand partnership

GAC Group teams up with other partners to complement resources and technologies to jointly develop technologies and industries and accelerate the effective transition from technologies to products, contributing to the high-quality development of smart transportation.

4.1.1 Promote crossover cooperation

On the basis of existing joint ventures, GAC Group deepens research cooperation with its peers, and further strengthens innovative R&D in intelligent connection, autonomous driving and other technologies with Tencent, WeRide, HoloMatic, NXP and other enterprises. At the same time, GAC Group promotes school-enterprise cooperation, and establishes a school-enterprise cooperation mechanism to achieve seamless connection between scientific research business and industrial resources, enhance corporate innovation capabilities and the transformation and application of scientific research achievements in colleges and universities and accelerate electrification, intelligence, sharing, and digital innovation.

GAC Aion and Baidu release a pre-installed mass-produced unmanned vehicle to accelerate the implementation of L4 autonomous driving mass production

On October 26, 2021, GAC Aion and Baidu officially released the Aion LX pre-installed mass-produced unmanned vehicle that was developed based on the technology of both parties. Apollo Moon AION LX integrates GAC Aion's leading autonomous driving vehicle platform and vehicle design and manufacturing capabilities and Baidu Apollo's autonomous driving software and hardware technology R&D advantages, and adopts the ANP-Robotaxi architecture, which can achieve the symbiotic sharing of L4-level Robotaxi autonomous driving data and L2+-level assisted driving data. The technical dimension is reduced, the data is fed back, and a super closed data loop is created to meet the needs of Robotaxi's unmanned operation.



GAC Aion cooperates with leading technology companies to build large-scale mass-produced unmanned vehicles, generates a large amount of data through commercial operation, promotes algorithm iteration and technical refresh, drives the arrival of the era of shared travel, and leads the transformation of the travel market.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

→ 4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

A strategic cooperation agreement is signed with Sun Yat-sen University to create a national scientific and technological innovation platform

On January 5, 2022, GAC Group and Sun Yat-sen University signed a strategic cooperation agreement in Guangzhou, whereby the two parties will jointly build a joint research institute and build it into a national-level scientific and technological innovation platform. The two parties will conduct basic research and applied research on key core technologies on the "new four development trends" of the automobile industry.

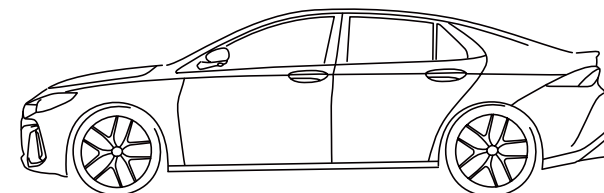
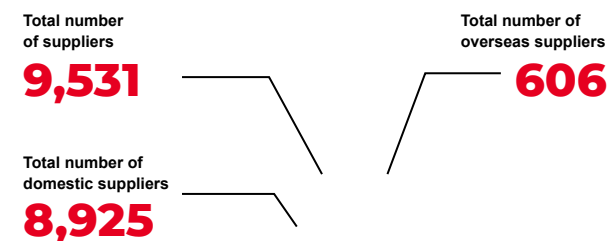
- Establish a school-enterprise cooperation mechanism to achieve seamless connection between scientific research business and industrial resources;
- The joint research institute has a number of joint laboratories that carry out technology research and development and transformation of scientific and technological achievements with a focus on GAC Group's key technical fields relying on Sun Yat-sen University's advantageous colleges and disciplines, and the two parties will jointly apply for national, provincial, municipal and other scientific and technological projects;
- Carry out high-level technological innovation research, with achievements targeted for application in GAC Group's products or as technical reserves.



4.1.2 Improve supply chain management

GAC Group has always pursued an open, transparent and honest procurement policy, formulated relevant management measures for supplier procurement, continuously improved the sustainable management strategy of the supply chain, strengthened communication with suppliers, and actively promoted supplier industry collaboration to create healthy and competitive supply chain ecology. In 2021, GAC Group actively promoted the replacement of chips with domestic products, and has established cooperative relations with more than 70 domestic chip companies.

GAC Group is committed to incorporating environmental and social risks into the whole process of supply chain management, and effectively controls the environmental and social risks of suppliers through strict warehousing management, qualification review, regular assessment and review and other measures. In 2021, GAC Group signed relevant clauses on clean procurement with all cooperative suppliers, and the signing rate reached 100%. In addition, for suppliers with specific environmental protection and safety management requirements, GAC Group will actively advocate and call for the use of more products or services that meet the environmental and safety management qualification requirements.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

→ 4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

GAC-Toyota Engine promotes the upgrading of enterprise supply chain management capabilities

GAC-Toyota Engine reinforces the sustainable management of suppliers and promotes the improvement of suppliers' duty fulfillment capabilities by improving the supply chain management system, conducting supplier evaluation, and regularly reviewing supplier performance.

Improve the management system

The *General Procurement Management System of GAC-Toyota Engine Co., Ltd.* was revised in 2021 to effectively improve the efficiency of internal supply chain management.

Carry out supplier evaluation

The selection of parts suppliers follows the GQG-P3-001 *Localization Supplier Selection Process* in the ISO9001 document. New suppliers are introduced and, through onsite monitoring activities, are evaluated from four aspects of safety and environment, technology development, production management, and quality management to select suppliers that meet the evaluation requirements.

Regularly review supplier performance

GAC-Toyota sets annual goals for supplier quality, risk management and other indicators through expected value activities, regularly conducts financial status surveys, compliance reviews and abnormality feedback, annual safety, environment and disaster prevention inspections on cooperative suppliers, and formulates countermeasures to detect and eliminate potential risks in the supply chain as soon as possible.

Promote green procurement

Through the *China Green Procurement Guidelines*, based on the *Toyota Environmental Challenge 2050* strategy, GAC-Toyota fully considers the construction of the supplier environmental management system and the promotion of the overall environmental management of the life cycle and other issues, and vigorously promotes green procurement, striving to achieve zero emissions in the life cycle as soon as possible.



Well-regulated operation scene

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

→ 4.1 Expand partnership

4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.1.3 Promote dealer growth

In order to improve dealers' business ability and professional quality, GAC Group actively provides practical and diversified training for dealers and largely fuels dealers' growth to achieve a win-win situation between the Company and dealers.

HYCAN actively empowers dealers to grow together with them

- In March, HYCAN reorganized the training empowerment team, which is responsible for supporting the improvement of business capabilities of personnel at all levels, directly-operated stores and franchisee partners in various regions.
- In April, HYCAN formulated a standard system for HYCAN dealer empowerment and a full-sequence job training system, management methods for product expert training, and compiled training courses to enrich the training system.
- In May, HYCAN fully launched the training empowerment of stores in various regions and carried out diversified training for HYCAN directly-operated stores and franchisee partners. A total of 1,376 persons were covered by the end of 2021.
- In June, HYCAN carried out certification training for HYCAN product experts and store managers to help front-line growth.
- From July to August, HYCAN carried out Z03 special product empowerment. It developed courses according to local conditions as well as regional conditions and market characteristics, conducted "experience-focused and practical" product empowerment, and enhanced dealers' understanding of new products, laying the foundation for customer service.
- From August to September, HYCAN introduced an online platform for elite empowerment where relevant job certification training and certification assessments can be completed, realizing the combination of online and offline training to improve the efficiency of training and the professional ability of front-line personnel.
- From October to December, HYCAN carried out the training of the "Tutorial for Product Capability Improvement of Key Stores in 12 Key Cities", which focuses on the four dimensions of Z03 product capability improvement, test drive experience improvement, potential customer promotion skills, and salesperson weakness analysis to carry out special training; developed ten high-quality courses for the HYCAN sales training system, innovated training methods, introduced case teaching and physical teaching to help dealers to quickly grasp the characteristics, differences and advantages between HYCAN products and industry competing products; and launched 39 short situational performance videos to improve sales skills.



HYCAN carried out Chuangshi elite plan-certification training for sales store managers

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.2 Focus on employee growth

Since the inception, GAC Group has always attached great importance to the development of employees, strived to create a fair and just employment environment, a safe and healthy working environment and multi-channel career development paths for employees, unblocked employee communication channels, and organized diverse cultural and sports activities to stimulate employees' vitality, allowing the Company and employees to grow together.

4.2.1 Safeguard legitimate rights and interests

GAC Group strictly abides by the *Labor Law of the People's Republic of China* and other national special labor regulations, labor protection rules and regulations and international labor standards and practices, adheres to the equal and non-discriminatory employment policy, treats employees of different nationalities, races, genders, religious beliefs and cultural backgrounds fairly, and strives to create a diverse and inclusive workplace environment. We comply with the provisions of the International Labor Organization (ILO) and the United Nations Global Compact on human rights, and resolutely eliminate child labor and forced labor. If any of the above cases is discovered, the Company will immediately terminate relevant act, and handle it in accordance with laws, regulations and relevant requirements. In 2021, there was no forced labor or child labor in the Company. At the same time, we strictly protect employees' personal privacy information and prevent intentional or unintentional disclosure of employee privacy information to non-related staff.

Total number of employees

96,989

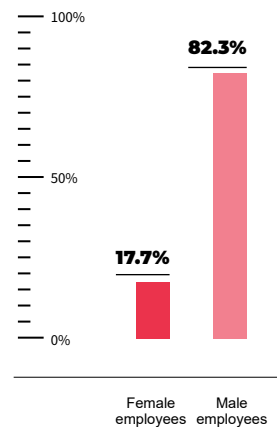
Labor contract signing rate

100%

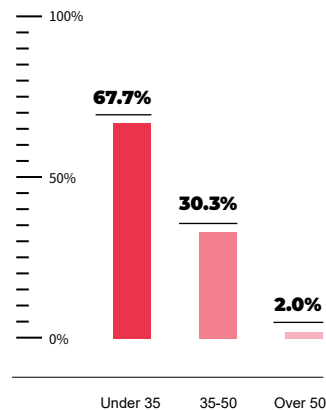
Employee loss rate

13.4%

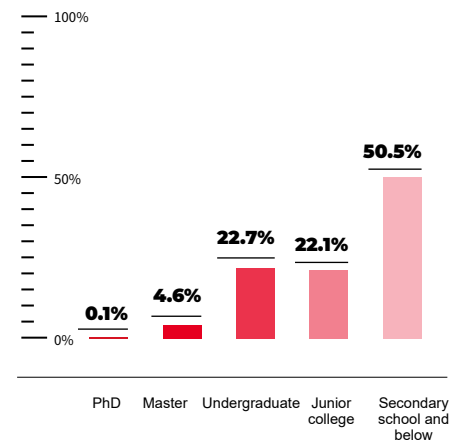
Gender distribution of
employees



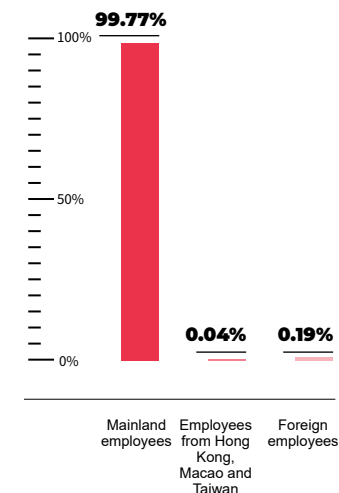
Age distribution of
employees



Education distribution of
employees



Geographical distribution of
employees



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

4.1 Expand partnership

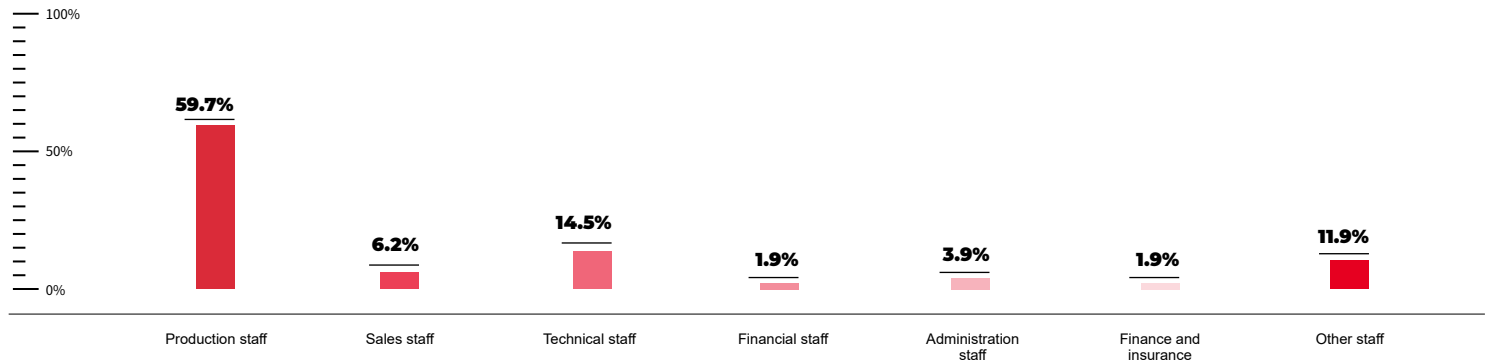
→ 4.2 Focus on employee growth

4.3 Contribute to community harmony

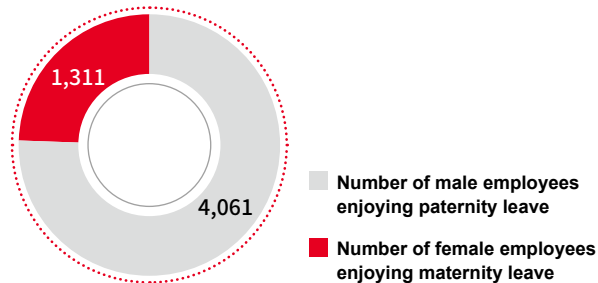
Appendix

Feedback Form

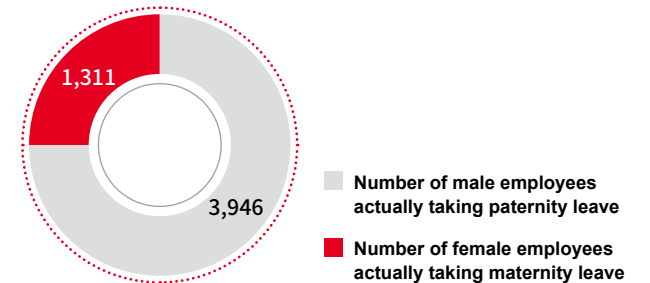
Post distribution of employees



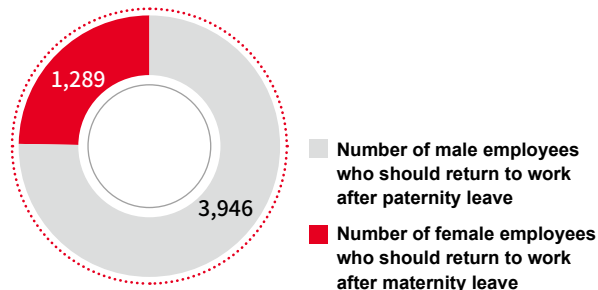
Gender distribution of employees enjoying maternity leave



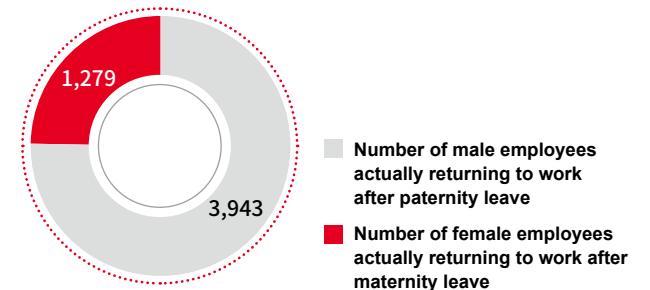
Gender distribution of employees actually using maternity leave



Gender distribution of employees who should return to work after maternity leave



Gender distribution of employees actually returning to work after maternity leave



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.2.2 Improve compensation and benefits

GAC Group continues to improve the *Employee Compensation and Benefits Management System* to provide employees with competitive compensation and various benefit guarantees, including housing provident fund, supplementary medical insurance, enterprise annuity, health examination, etc., safeguard and protect employees' rights and health, and encourages its affiliates to further strengthen the flexibility and security of the employee benefits system.

4.2.3 Protect health and safety

GAC Group strictly abides by the national *Production Safety Law and Occupational Disease Prevention Law* and other regulations and policies and always adheres to the concept of "people-oriented, safety first, addressing both symptoms and root causes, and scientific development". In accordance with the principles of "three managements and three musts" and "whoever is in charge holds accountability", on the basis of improving the production safety responsibility system, with a focus on the construction and perfection of a dual prevention mechanism, and with production safety goal management as the starting point, GAC Group further refines and implements the main responsibility of production safety, conscientiously implements the main responsibility of corporate production safety and the main responsibility of investment, continues to promote the strict implementation of the main responsibility of production safety by all affiliates in accordance with the work ideas of supervision, guidance and service, and promotes the synchronization of enterprise production safety management and business development.

In 2021, the production safety investment in the Group's system reached RMB1.552 billion and a total of 6 production safety accidents (6 persons with minor injuries) occurred. No major or above production safety accident occurred, and no major traffic accident, fire accident or occupational disease hazard accident of equal responsibility or above occurred.

Implement safety responsibilities

We adhere to the policy content of the new version of the *Production Safety Law*, and promote the affiliates to continuously improve the production safety work in accordance with the requirements; sign target responsibility contracts at different levels and decompose safety responsibilities layer by layer in accordance with the annual production safety goals approved by the board of directors; strengthen process supervision and management, and carry out biannual production safety goal management assessments by classification to ensure the effective implementation of safety responsibilities.

Improve the system

We have formulated and released the Group's special planning outline for production safety development for the "14th Five-Year Plan" period and strive to achieve the synchronization of the Group's safety management and business development; formulated the *Meteorological Disaster Prevention and Mitigation Management of the Group* and the *Production Safety Accident Contingency Plan of the Group* to further improve the Group's production safety management.

the production safety investment in
the Group's system reached RMB

1.552 billion

major or above production safety
accident occurred

0

major traffic accident, fire accident or occupational disease
hazard accident of equal responsibility or above occurred

0

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

Strengthen double prevention

We have actively explored the two-wheel drive model of “risk classified management and control” and “hidden danger detection and governance”, promoted the affiliates to do a good job in safety risk analysis and judgment and implemented classified prevention and control measures, improved the work system of hidden danger detection and governance, and promoted the effectiveness of dynamic governance and control of risks and the precision and efficiency of hidden danger governance; used the Group’s main safety risk point classification map to implement classified management and control of a total of 428 main risk points such as hazardous chemical storage, use and disposal areas, battery storage areas, finished vehicle parking lots, and rental properties; implemented the “one line and three rows” working mechanism, made every effort to rectify hidden dangers, organized more than 150 safety supervision and inspections, and found 944 safety hidden dangers, with a rectification rate of 100% of hidden dangers on schedule.

Cultivate a safety culture

We carried out the training for production safety and for ability improvement of occupational health leaders and managers, with 1,089 participants; worked closely with China Machinery Industry Safety and Health Association, Guangzhou Emergency Management Bureau, Guangzhou Meteorological Bureau and other units to carry out special training and exchange activities; and solidly carried out production safety month activities, and the affiliates carried out various innovative publicity activities such as live broadcast interaction, etc. to create a safety culture atmosphere of promoting learning with competitions and teaching through lively activities.



Group leaders gave a special lecture on production safety with the theme of “fully understanding the main responsibility of enterprise production safety and building the safety foundation for high-quality development of the enterprise”

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.2.4 Promote career development

GAC Group has established a complete system and platform for employee development. According to the difference between employees' ability level and the requirements of their positions, GAC Group provides the targeted skill improvement training, improves the reward and incentive mechanism, strives to provide employees with space to realize self-worth and expand career development, and effectively promotes the improvement of the professional ability of employees.

The Group invested a total of RMB

73.768 million

in employee training throughout the year

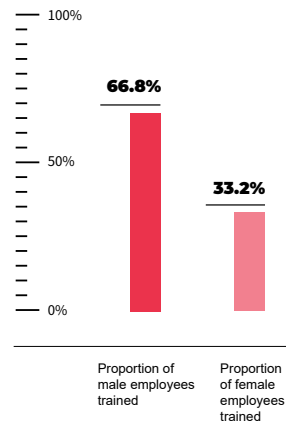
representing a year-on-year increase by

1,186,374

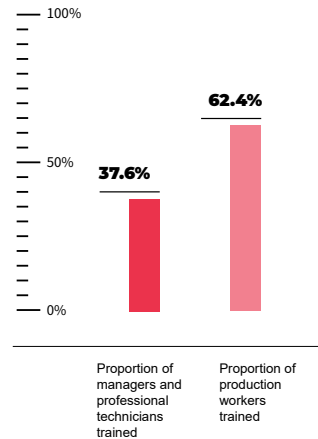
person-times of training was received

7.4%

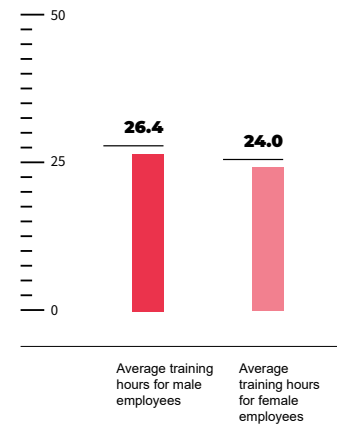
Gender distribution of
trained employees



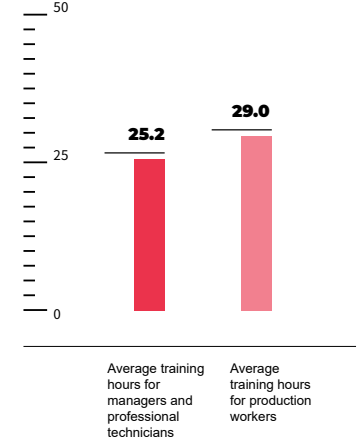
Post distribution of trained
employees



Gender distribution of average
hours of employee training



Post distribution of average hours
of employee training



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low- Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community harmony

Appendix

Feedback Form

4.2.5 Unblock communication channels

GAC Group headquarters and all affiliates established employee communication mechanisms and channels and regularly held the leadership reception day activity to listen to the voices of employees. In the leadership reception day and regular employee opinion collection held in 2021, a total of 53 leaders of the Group and its affiliates participated in this activity and employees put forward 1,196 suggestions, of which 479 were adopted and 93 were under discussion, and explanations were given for the 624 unaccepted suggestions.



Zeng Qinghong, Chairman of GAC Group, attended the leadership reception day

On top of collecting employees' appeals through channels such as quarterly trade union meetings, monthly information submissions, WeChat communication platform, et., the trade unions of the affiliates actively carry out employee forums, doctoral salons and other activities to broaden the channels for employees' feedback, and at the same time create "Dialogue" and other communication channels to strengthen communication between management and grassroots and listen to employees' opinions and appeals.

GAC R&D Center extensively listens to employees' opinions through multiple activities

The Party Committee of GAC R&D Center listened to frontline employees' opinions by holding activities such as leadership reception day, thought development analysis sessions, "union chairman goes to a grassroots unit", and doctoral forums, and opening up opinion sharing channels such as Colleague Community, Dialogue, Home of GAC R&D Center. It solved problems that were urgent, difficult, and worrying to employees, meeting their demands. A total of 22 employee communication activities were held in 2021 with 184 employee opinions collected and processed. The Employees' Opinion Barometer was formed, and a problem handling feedback mechanism was set up, so that problems that could be handled immediately were addressed without delay, problems that required long-term efforts were classified and addressed according to long-term plans, and experience was summarized from problems already solved.



GAC R&D Center's Leadership Reception Day Activity

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community
harmony

Appendix

Feedback Form

4.2.6 Supporting and Caring for Employees Attentively

GAC Group values humane care of employees. Through the establishment of special start-up capital subsidies, home condolences and other measures, the Group has steadily built a supporting and caring system from affiliates to GAC Group to actively help the weak and care for the disadvantaged. The Group condoled with 392 employees in difficulty and dispatched assistance cadres and issued condolences worth RMB566,000 throughout the year; condoled with 824 dispatched foreign employees on the Spring Festival and Mid-autumn Festival and issued RMB241,200 of condolences; and carried out the 2021 “inpatient care plan for trade union members” activity, with 2,150 persons condoled and RMB645,000 of condolences issued.

GAC Motor

GAC Motor’s trade union carried out the “TCM free clinic in union branches” activity to provide TCM diagnosis and treatment, physiotherapy massage, and health consultation for common diseases for free. The time of the free clinic continued for 13 weeks, and 9 union branches and more than 1,600 employees participated in the activity.



“TCM free clinic in union branches” activity

Wuyang-Honda

Wuyang-Honda provided 186 person-time assistance to employees with chronic and serious disease and condoled 10 person-time of Party members in difficulty; issued RMB91,000 of relief funds and serious illness benefits and RMB259,000 of pay difference allowance and special hardship allowance.



Condoling employees with chronic and serious disease

GAC-Honda

The GAC-Honda’s Employee Charity Mutual Aid Fund has been established for 20 years, and in 2021, it supported 303 employees who were ill or in difficulty, with RMB1.32 million of assistance issued. 146 hospitalized employees received RMB88,000 of inpatient care condolences from Guangzhou Federation of Trade Unions and GAC Group Trade Union.



Group photo of supported employees who were ill or in difficulty

GAC Component

GAC Component provided 45 person-time assistance to 29 employees who fell ill, with a total of RMB480,000 issued.



Offering assistance to sick employees

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

4.1 Expand partnership

→ 4.2 Focus on employee growth

4.3 Contribute to community harmony

Appendix

Feedback Form

4.2.7 Balance between work and life

GAC Group attentively cares for employees' living needs and organizes a series of sports competitions, cultural and artistic activities, networking activities, etc. to help employees relieve work pressure so that employees can feel the Group's humanized care of "people-oriented, think what employees think, and do what employees want", and their happiness and sense of fulfillment are enhanced.

- 1 GAC Group vigorously participates in the fun activity of "passing the baton from generation to generation"
- 2 "Light running together for a better figure" debut activity for GAC Motor's EMPOW
- 3 GAC Aion held the Innovative Music Festival and Singer Challenge
- 4 GAC-Toyota held the parent-child activities and June 1 activities
- 5 GAC-Hino held the red story contest titled "studying history and praising the kindness, and singing the original intention"
- 6 GAC Business held the ninth staff long-distance running competition titled "gathering dreams in the 14th Five-Year Plan period, and concentrating strength to move forward -- running for light"



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6

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

4.3 Contribute to community harmony

While pursuing its own business growth, GAC Group insists on sharing its development results with the society, and continues to contribute to a number of areas such as promoting rural revitalization, supporting public welfare undertakings, and advocating safe travel, low carbon and environmental protection, so as to help build a harmonious community.

In 2021, the Group won a number of honors such as the Gold Cup of "Kapok Cup for Guangdong Poverty Alleviation and Difficulty Relief", "Fivestar Charity Unit on Guangzhou Charity List", Social Responsibility Influence Benchmark Enterprise in Guangdong-Hong Kong-Macao Greater Bay Area, "Excellent Enterprise in Sustainable Brand Communication" in the global enterprise sustainable competitiveness excellent enterprise selection, and "Charity Support Unit of Charity City Love-gathering Activity on Tencent's '99 Charity Day'", and was selected as one of the top ten cases in chapter "guarding ecological civilization" in the 2021 Guangdong-Hong Kong-Macao Greater Bay Area state-owned enterprise social value blue book.

The Group donated a total of RMB
81.28 million
to charity throughout the year



4.3.1 Boost public health

Normalized epidemic prevention

As the COVID-19 pandemic was still challenging the world in 2021, GAC strictly implemented the normalized pandemic prevention and control mechanism to make every effort to fight against COVID-19. The Group established a leading group in charge of prevention and control and strengthened environmental sanitation and health management to ensure the health and safety of all employees. At the same time, it organized affiliates to form a "Party Member Commando" to assist in medium- and high-risk areas and donate pandemic-related supplies, proactively undertaking social responsibilities.



Group photo of team members of the "Party Member Commando for COVID-19 Prevention and Control"



Group photo of team members of the "Party Flag Red" Volunteer Service Team

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

Help improve medical level

In 2021, GAC Group donated 8 Trumpchi vehicles, including 3 M8 mpvs and 5 Trumpchi GA6 sedans, to the Sun Yat-sen Memorial Hospital Shenshan Central Hospital of Sun Yat-sen University, with a total cash value of RMB1.2224 million. The donated vehicles will travel to and from Guangzhou, Shenzhen, Shanwei and other places to provide services such as medical rescue, transportation of consultation experts and emergency response, helping medical diagnosis and treatment at the Guangzhou Hospital Headquarters and the Shenshan site, opening up life rescue channels.



GAC Group donated 8 Trumpchi vehicles to the Shenshan Medical Center, Memorial Hospital of Sun Yat-sen University



Leaders of both parties attend the car donation activity

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community harmony

Appendix

Feedback Form

4.3.2 Support post-disaster reconstruction

In July 2021, Henan Province and other places continued to experience heavy rainfall and Zhengzhou and other cities suffered serious waterlogging, causing casualties and property losses. GAC Group quickly extended a helping hand and donated, together with its affiliates GAC-Honda and GAC-Toyota, RMB15 million in cash to support flood relief and post-disaster recovery in Henan Province. Meanwhile, it provided emergency services worth RMB15 million to users of its affiliated brands to support rescue, testing, repair, and travel of users' damaged vehicles.

GAC Motor offered 2,000 courtesy cars to support the flood control and reconstruction in Henan, making ongoing efforts to help the local public security forces in disaster relief and emergency response.

GAC AION provided six care services such as towing and free whole-vehicle inspection for owners of damaged AION cars in the disaster-stricken areas of Henan.

GAC Honda donated RMB5 million to Henan Charity General Federation for disaster relief and post-disaster recovery, organized a team consisting of 51 maintenance technicians from dealerships in South and Central China to support Henan, and jointly made urgent vehicle repair with quality and quantity guaranteed by local maintenance technicians.

GAC Toyota, together with seven dealerships in Zhengzhou, donated RMB5 million to Chinese Red Cross Foundation to support emergency rescue and reconstruction in disaster-stricken areas. In the meanwhile, it took 10 care measures and organized a technical team of 145 people to support the disaster sites, providing efficient car repairs to solve problems for the affected.

GAC Hino donated vehicle first-aid kits to users in disaster-stricken areas in Henan and Anhui, equipped with disinfection and sterilization, wound-dressing, first-aid, and auxiliary supplies to ensure safe driving after the disaster.

GAC-SOFINCO offered nearly 200 customers in Henan approximately RMB1.7 million monthly deferred repayment support to ease their financial pressure, overcoming difficulties together. For dealerships, the Company introduced seven relief measures, including deferred repayment, interest-free support for stock vehicles for up to 30 days, and extension of the validity of inventory quotas to relieve the pressure on dealers.

Urtrust Insurance organized a "Commando for Supporting Henan" to launch post-disaster rescue and reconstruction as well as claims services at the Henan Branch. Insurance was given full play to support the resumption of work and production as well as post-disaster reconstruction in Henan.



Distributed drinking water together with dealerships



Bought emergency ambulances to support disaster-stricken areas

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

4.3.3 Be zealous for cultural and sports undertakings

GAC Group proactively promotes the development of cultural and sports undertakings, and has sponsored cultural and sports events and held cultural and sports lectures to increase the public's attention to cultural and sports undertakings, improve the cultural quality of community residents and create an atmosphere of national health and sports.

GAC Motor International holds a lecture on “taking children to see the world”

On November 23, 2021, GAC Motor International's general Party branch held a lecture on the theme of “taking children to see the world” in Fusu Primary School in Panyu District of Guangzhou to help children understand the spread of Chinese culture around the world, increase children's confidence in Chinese culture and stimulate children's curiosity to explore the world. GAC Motor International encouraged the students to study hard and strive to be disseminators of Chinese culture. This activity was unanimously recognized by the teachers and students of the school, with nearly 60 teachers and students participating.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

4.3.4 Advocate safe travel

Traffic safety is related to the overall social development as well as the safety of people's lives and property and the happiness and well-being of thousands of households. As a significant player in the traffic environment, GAC Group not only manufactures safe vehicles, but also conveys the concept of traffic safety to the public through various safety public welfare activities, striving to create a safe traffic environment.

GAC-Honda held the “traffic safety education for children” activity

In 2021, GAC-Honda's “Traffic Safety Education for Children” project, in conjunction with China Automotive Technology and Research Center Co., Ltd. and the United Nations Decade of Road Safety Action, entered 170 dealerships across China and schools in Guizhou, Hubei, Sichuan, Tibet, Chongqing and Guangxi, and solidly carried out children road safety public welfare activities for more than 30,000 students, parents and media representatives.

- **In terms of content:** the “resource package” of age-specific courseware was upgraded, and the professional courses covered children and adolescents aged 3-12.
- **In terms of organization:** the structure of the “trinity” faculty was perfected, and the “enterprise + public welfare organization + campus” combined faculty fully supported the schools, dealerships and other educational fronts.
- **In terms of practice:** the activity radiated from the middle and was comprehensively promoted, and the in-depth implementation area expanded from first-tier cities to second- and third-tier cities.



By the end of 2021, the “traffic safety education for children” activity had entered many regions across China, including North China, South China, East China and Midwest China, helping realize a “zero accident” beautiful society.

Wuyang-Honda holds the “FUN RIDE DAY” event for 4 consecutive years

In order to improve safety awareness and driving skills for customers and conveying the fun of motorcycle riding, Wuyang-Honda has held the “FUN RIDE DAY” event for 4 consecutive years. The event set up multiple pile positions for users to practice and hired well-known coaches in the industry to deeply connect the comprehensive skills of “theory + practical operation”, allowing customers to participate in safe driving training and allowing more riders to enjoy the fun of safe riding. In 2021, the Wuyang-Honda Fun Ride Day event was successfully held 13 times in Guangxi, Ningxia, Shanxi and Henan, with an average of 119 participants per place and a cumulative number of 1,554 training participants, continuously improving the public's attention to safe driving and the level of safe driving.



About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

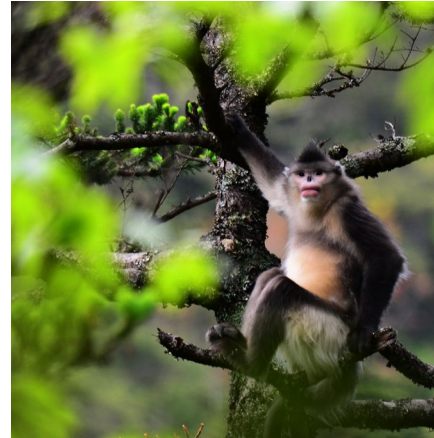
Feedback Form

4.3.5 Support green and environmental protection

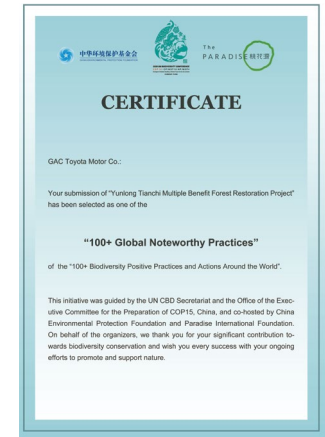
GAC Group lays emphasis on the sustainable development of the environment and society. Aside from paying attention to the impact of its business activities on the environment, the Group carries out environmental protection public welfare activities to drive more people to pay attention to the ecological environment and jointly contribute to the protection of the green ecology.

GAC-Toyota's "Yunlong Tianchi Multi-benefit Forest Restoration Project" was selected as "Biodiversity 100+ Global Typical Cases" at the UN COP15.

From 2017, GAC-Toyota has carried out a multi-benefit forest restoration project in the Yunlong Tianchi National Nature Reserve in Yunnan in collaboration with China Green Foundation, Shanshui Nature Conservation Center and other partners. The project covers forest restoration, scientific research monitoring, community development, nature education and other fields, and a total of 1,000 mu of burnt land has been planted and tendered, with 190,000 seedlings planted and about 362.4 tons of carbon dioxide fixed. GAC-Toyota continues to optimize the project, and upgraded the project brand to "Green Mountains and Vibrant Forests All the Way" in 2021. The investigation and protection of endangered species habitats has been continuously carried out in Yunnan, Sichuan and Tibet. In October 2021, GAC-Toyota's "Yunlong Tianchi Multi-benefit Forest Restoration Project" was selected as "Biodiversity 100+ Global Typical Cases" at the fifteen meeting of the Conference of the Parties (COP15) of the United Nations Convention on Biological Diversity.



Yunnan snub-nosed monkey, a major species in the project reserve area



Certificate of selection for "Biodiversity 100+ Global Typical Cases"

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

“GAC-Honda Bit-by-bit Care” Liuxi River water source protection action actively explores new models of ecological governance

In order to protect the natural ecology of the Liuxi River waters, from 2016, in collaboration with Guangdong Rural Women Development Foundation, GAC-Honda has carried out the “GAC-Honda Bit-by-bit Care” Liuxi River water source protection action to explore the mode and practice of ecological governance, vigorously promote ecological agriculture and actively carry out environmental education. As the ecological environment education base of GAC-Honda Lvya Liuxi River water source, Leming Village has been awarded the title of “Guangdong Environmental Education Base”. In 2021, as the Liuxi River water source protection project entered its sixth year, the local ecology was significantly improved, the biodiversity was gradually restored, ecological agriculture drove the development of rural economy, and the harmonious coexistence of man and nature was realized. In 2021, the base upgraded its facilities and courses to further expand the influence of ecological and environmental protection education and allow more people to walk into nature and have a deeper understanding of the true meaning of ecological and environmental protection. By the end of 2021, Leming Village had more than 10 kinds of ecological agricultural products, Liuxi River project improved more than 1,000 mu of soil, and the water quality also reached the national water quality standards for water sources.



GAC-Honda•Ecological and environmental protection education courses

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

GAC-Toyota launches the “Plastic Disposal Change for Safe Winter 2.0”

In 2020, GAC-Toyota joined hands with the China Red Cross Foundation to launch a crossover environmental protection public welfare activity of Plastic Disposal Change for Safe Winter that was assisted by P.E.T (Plastic Ecological Transformation). Car owners were encouraged to put plastic bottles into the “plastic disposal transformer” in the dealership. After recycling, the plastic bottles will be transformed into safe bags which will be donated to the rural public welfare primary schools donated by GAC-Toyota. In September 2021, GAC-Toyota launched the Plastic Disposal Changer for Safe Winter 2.0, an upgraded version of the action, which attracted a total of 8,860 participants with more abundant online and offline participation channels and recycled a total of 30,027 plastic bottles, equivalent to reducing carbon emissions by 770 kg for the earth. The green energy has been transformed into 1,235 sets of safe winter supplies which have been successively delivered to five GAC-Toyota public welfare primary schools in Gansu, Xinjiang, Guizhou, Hunan and Yunnan, ensuring the healthy growth of children.



Plastic bottle recycling activity



Safe winter supplies were made and delivered to GAC-Toyota public welfare primary schools

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

4.1 Expand partnership

4.2 Focus on employee growth

→ 4.3 Contribute to community
harmony

Appendix

Feedback Form

4.3.6 Keep a watchful eye on special needs

GAC Group keeps a watchful eye on the special needs of disadvantaged groups, and cooperates with Guangzhou Charity Association to extensively carry out the “micro-wish, kindness warms ten thousand families” activity to deliver warmth to families in need, empty-nest elderly, disabled people, rural children and other groups through various caring activities, conveying the power of love. Since the project was launched in October 2019, GAC has donated RMB250,000 annually for three consecutive years, with a total of RMB750,000 in 2021. The project supported the wishes of 2,052 families in difficulty, benefiting more than 2,900 person times. During every year’s “99 Giving Day” event, the project initiated a sub-project — “GAC’s Support for the Wish of Everyone in Difficulty”. With five-time additional donations, together with warmhearted employees, customers, and netizens, GAC raised approximately RMB100,000 for families in difficulty.

On December 29, 2021, GAC Group orchestrated its affiliate GAC-Honda to participate in the home visit activity of the “micro-wish, kindness warms ten thousand families” project organized by Guangzhou Charity Association, and delivered wish materials to 8 families in need one by one to help them reduce their living burdens. The young volunteers of this home visit activity were formed by the GAC Group headquarters and the GAC-Honda Party branch and Youth League branch. They spread goodwill with heart and affection, striving to light up the “micro-wish” of more families in need.



GAC Group organized GAC-Honda to participated in the home visit activity of the “micro-wish, kindness warms ten thousand families” project

GAC-Honda

Sent New Year materials to families in need, assisted the community to condole, do housework for and solve problems for families with financial difficulties and the elderly with loneliness, and made and delivered free meals for the elderly in the community more than 20 times.

GAC Toyota Engine

Carried out the “Shajiabang -- Nansha people micro-wish, everyone comes to help” voluntary service activity, and donated wheelchairs, special cushions for preventing hemorrhoids and special massagers for stroke and paralysis to 4 people in difficulty, which addressed their travel, hemorrhoid prevention and treatment, stroke paralysis massage and other needs.

GAC-Sofinco

Organized the “your wish, my duty” party member volunteer service activity. A total of 151 party members and people signed up to participate and 115 micro-wish items were realized for families in need.

Urtrust Insurance

Joined hands with Guangzhou financial industry party committee to donate a batch of household appliances and other materials to 20 households in need in Tuanfeng Village, Liangkou Town, Conghua District, lighting up their “micro-wishes”.



Urtrust Insurance carried out a “micro-wishes” event to serve the people

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

→ GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

Appendix

GAC Group Key Performance Table

Indicator Name	Unit	2019	2020	2021
Economy				
Total consolidated assets	Hundred million yuan	1,374.10	1,428.07	1,541.97
Gross revenue realized by the Group with joint ventures and affiliates ¹	Hundred million yuan	3,550.90	/	/
Aggregate operating income of GAC Group	Hundred million yuan	/	3,954.98	4,297.55
Consolidated business revenue	Hundred million yuan	597.04	631.57	756.76
Automobile sales	Ten thousand units	206.22	204.38	214.44
Motorcycle sales	Ten thousand units	89.73	81.30	84.46
Total corporate income tax paid by the Group with its joint ventures and affiliates	Million yuan	5,852.69	6,648.51	8,862.85
Net profits attributable to parent company shareholders	Hundred million yuan	66.18	59.66	73.35
Basic earnings per share	yuan/share	0.65	0.58	0.72
Cash dividends	Hundred million yuan	33.78	18.43	22.97²
Rank in Fortune Global 500	Ranking	189	206	176
Patent applications	Piece	1,455	1,961	2,580
Granted patents	Piece	799	1,439	1,638
Society				
Total number of employees	Person	93,854	93,745	96,989
Total number of employees - by gender				
Number of male employees	Person	77,129	76,338	79,827
Percentage of male employees	%	82.2	81.4	82.3
Number of female employees	Person	16,725	17,407	17,162
Percentage of female employees	%	17.8	18.6	17.7
Total number of employees - by age				
Number of employees under 35 years old	Person	70,607	62,869	65,640
Percentage of employees under 35 years old	%	75.2	67.1	67.7
Number of employees aged 35-50 years old	Person	21,748	29,174	29,385

Notes: 1. Starting from 2020, the Group no longer discloses "gross revenue realized with joint ventures and affiliates", and adjusts it to the disclosure of gross revenue on a consolidated basis.

2. Cash dividends refer to dividends actually paid in 2021.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

→ GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Percentage of employees aged 35-50 years old	%	23.2	31.1	30.3
Number of employees over 50 years old	Person	1,499	1,702	1,964
Percentage of employees over 50 years old	%	1.6	1.8	2.0
Total number of employees - by region				
Number of employees from Mainland China	Person	93,749	93,656	96,767
Percentage of employees from Mainland China	%	99.9	99.9	99.77
Number of employees from Hong Kong, Macau, and Taiwan	Person	34	37	37
Percentage of employees from Hong Kong, Macau, and Taiwan	%	0.03	0.03	0.04
Number of foreign employees	Person	71	52	185
Percentage of foreign employees	%	0.08	0.06	0.19
Total number of employees - by employment type				
Number of production personnel	Person	/	55,360	57,960
Percentage of production personnel	%	/	59.1	59.7
Number of salespersons	Person	/	5,665	6,059
Percentage of salespersons	%	/	6.0	6.2
Number of technicians	Person	/	14,592	14,025
Percentage of technicians	%	/	15.6	14.5
Number of finance staff	Person	/	1,810	1,813
Percentage of finance staff	%	/	1.9	1.9
Number of administrative staff	Person	/	4,293	3,751
Percentage of administrative staff	%	/	4.6	3.9
Number of finance and insurance staff	Person	/	1,785	1,842
Percentage of finance and insurance staff	%	/	1.9	1.9
Number of other staff	Person	/	10,240	11,539
Percentage of other staff	%	/	10.9	11.9
Total number of employees - by education level				
Number of employees with doctorate degree	Person	142	147	120
Percentage of employees with doctorate degree	%	0.2	0.2	0.1

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

→ GAC Group Key Performance
TableList of ESG Policies/Systems of
GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Number of employees with master's degree	Person	4,375	4,399	4,422
Percentage of employees with master's degree	%	4.7	4.7	4.6
Number of employees with undergraduate (including dual degrees)	Person	21,674	22,028	22,045
Percentage of employees with undergraduate (including dual degrees)	%	23.1	23.5	22.7
Number of employees with tertiary degree	Person	/	18,544	21,451
Percentage of employees with tertiary degree	%	/	19.8	22.1
Number of employees from secondary school and below	Person	/	48,627	48,951
Percentage of employees from secondary school and below	%	/	51.9	50.5
Employee entitlement to maternity leave				
Employees entitled to paternity leave (male) in 2021	Person	/	4,158	4,061
Employees (male) actually using paternity leave in 2021	Person	/	4,105	3,946
Employees (male) supposed to return to work after paternity leave	Person	/	4,104	3,946
Employees (male) actually returning to work after paternity leave	Person	/	4,097	3,943
Employees (female) entitled to maternity leave in 2021	Person	/	971	1,311
Employees (female) actually using maternity leave in 2021	Person	/	971	1,311
Employees (female) supposed to return to work after maternity leave	Person	/	946	1,289
Employees (female) actually returning to work after maternity leave	Person	/	887	1,279
Annual turnover rate – overall ¹	%	14.2	12.3	13.4
Annual turnover rate – by gender				
Number of resignation and dismissal of male employees	Person	/	9,342	10,470
Male employee turnover rate	%	/	12.2	13.4
Number of resignation and dismissal of female employees	Person	/	2,151	2,349
Female employee turnover rate	%	/	12.6	13.6
Annual turnover rate - by age				
Number of resignation and dismissal of employees under 35 years old	Person	/	9,162	10,506
Turnover rate of employees under 35 years old	%	/	13.7	16.4
Number of resignation and dismissal of employees aged 35-50 years old	Person	/	2,231	2,237
Turnover rate of employees aged 35-50 years old	%	/	8.8	7.6

Notes: 1. Annual turnover rate = loss number of employees during the reporting period / average number of employees during the reporting period; turnover rate of employees in a certain category = loss number of such employees during the reporting period / average number of such employees during the reporting period; turnover includes resignation and dismissal, and average number of employees = (number of employees at the beginning of the reporting period + number of employees at the end of the reporting period) / 2.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

→ GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Number of resignation and dismissal of employees over 50 years old	Person	/	100	76
Turnover rate of employees over 50 years old	%	/	6.2	4.1
Annual turnover rate - by region				
Number of resignation and dismissal of employees from Mainland China	Person	/	11,479	12,802
Turnover rate of employees from Mainland China	%	/	12.3	13.4
Number of resignation and dismissal of employees from Hong Kong, Macau, and Taiwan	Person	/	5	5
Turnover rate of employees from Hong Kong, Macau, and Taiwan	%	/	14.1	13.5
Number of resignation and dismissal of foreign employees	Person	/	9	12
Turnover rate of foreign employees	%	/	14.6	10.1
Number of employees newly employed - by gender				
Number of male employees newly employed	Person	/	/	10,793
Number of female employees newly employed	Person	/	/	2,435
Number of employees newly employed - by age				
Number of employees newly employed under 35 years old	Person	/	/	11,588
Number of employees newly employed aged 35-50 years old	Person	/	/	1,574
Number of employees newly employed over 50 years old	Person	/	/	66
Number of employees newly employed - by region				
Number of employees newly employed from Mainland China	Person	/	/	13,216
Number of employees newly employed from Hong Kong, Macao and Taiwan	Person	/	/	5
Number of foreign employees newly employed	Person	/	/	7
Workplace deaths				
Work-related deaths	Person	1	0	1 ¹
Rate of work-related deaths	%	/	0	0.001%
Workplace injuries ²	Time	/	14	10
Working days lost for work-related injuries	Day	296	422	374
Working hours lost for work-related injuries ³	Hour	/	/	2,992
Total working hours of all employees throughout the year	Hour	/	/	183,832,128
Training attendance of employees	Person	/	/	173,630

Notes: 1. Work-related deaths during the year refer to the death of employees due to illness while on a business trip.

2. Workplace injuries are those recognized as work-related injuries by the local social security bureau.

3. Working hours lost for work-related injuries = working days lost for work-related injuries *8.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

→ GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Training attendance of employees - by gender				
Training attendance of male employees	Person	/	/	115,907
Percentage of training attendance of male employees	%	82.2	81.4	66.8
Training attendance of female employees	Person	/	/	57,723
Percentage of training attendance of female employees	%	17.8	18.6	33.2
Training attendance of employees - by position				
Training attendance of management and professional technicians	Person	/	/	65,241
Percentage of training attendance of management and professional technicians	%	36.1	37.5	37.6
Training attendance of production personnel	Person	/	/	108,389
Percentage of training attendance of production personnel	%	63.9	62.5	62.4
Training attendance of employees	Ten thousand attendances	106.1	110.5	118.6
Growth rate of training attendance of employees	%	/	/	7.4
Training attendance of employees - by gender				
Training attendance of male employees	Ten thousand attendances	/	/	78.3
Training attendance of female employees	Ten thousand attendances	/	/	40.3
Training attendance of employees - by position				
Training attendance of management and professional technicians	Ten thousand attendances	40.4	41.4	50.2
Training attendance of production personnel	Ten thousand attendances	65.7	69.0	68.4
Total training expense	Ten thousand yuan	8,304.2	7,263.4	7,376.8
Growth rate of total training expense	%	/	/	1.6
Gender distribution of average hours of employee training				
Average training hours of male employees	Hour/person	26.7	41.1	26.4
Average training hours of female employees	Hour/person	21.9	25.9	24.0
Post distribution of average hours of employee training				
Average training hours of management and professional technicians	Hour/person	24.3	31.6	25.2
Average training hours of production personnel	Hour/person	28.7	40.9	29.0
People receiving anti-corruption training	Person	/	57,499	96,989
Total training hours of anti-corruption	Hour	/	/	193,978
Corruption litigation cases	Case	/	0	0

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

→ GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Suppliers	Nos	15,261	21,187	9,531
Domestic suppliers	Nos	14,843	20,872	8,925
Offshore suppliers	Nos	418	315	606
Supplier audits	Time	/	8,865	4,955
Supplier training	Time	/	1,332	1,988
Recall volume of vehicle products issued by GAC Group's affiliates	Unit	355,571	1,269,716	661,129¹
Recalled volume of vehicle products of GAC Group's affiliates	Unit	264,722	1,301,006	152,476²
Percentage of the total production of vehicle products of GAC Group's affiliates in the whole year subject to recalls	%	/	63.9	5.1³
After-sales customer services (by phone , etc.)	Time	/	3,673,641	3,744,395
Valid customer complaints	Case	/	61,276	80,578
Volunteers	Person	/	5,414	6,502
Volunteer hours contributed	Hour	/	13,102	30,000
Total investment of annual public welfare	Ten thousand yuan	/	14,600	8,128
Environment				
Total particulate matter emissions	Ton	68.70	105.5	133.0
Total benzene emissions	Ton	2.50	7.1	7.0
Total toluene emissions	Ton	5.09	26.2	8.1
Total xylene emissions	Ton	24.05	26.2	19.9
Total non-methane total hydro-carbon emissions	Ton	30.10	696.3	130.0
Total nitrogen oxide emissions	Ton	93.21	202.8	487.5
Total sulfur dioxide emissions	Ton	6.01	449.4	395.5
Total waste water discharge	Ton	/	2,640,618.6	2,822,156.4
COD (chemical oxygen demand)	Ton	94.12	321.5	861.7
BOD (biochemical oxygen demand)	Ton	19.15	67.2	265.4
Total ammonia nitrogen emissions	Ton	11.30	41.8	231.2

Notes: 1. Recall volume of vehicle products issued by GAC Group's affiliates refers to the recall volume of vehicle products included in the recall announcements made by GAC's affiliates in 2021.

2. Recalled volume of vehicle products of GAC Group's affiliates refers to the recalled volume of vehicle products included in the recall announcements made by GAC's affiliates in 2021.

3. Percentage of the total production of vehicle products of GAC Group's affiliates in the whole year subject to recalls refers to the percentage of the total production of vehicle products in the whole year subject to recalls that were included in the announcements made by GAC's affiliates in 2021.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean
Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-
Carbon Travel

4

Intelligent and Harmonious
Enterprise Ecology

Appendix

→ GAC Group Key Performance
TableList of ESG Policies/Systems of
GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Total petroleum emissions	Ton	1.91	19.9	28.1
Total nickel emissions	Ton	0.06	13.1	0.1
Total VOCs emissions	Ton	1,552.99	1,952.4	1,676.7
Total greenhouse gas emissions (Scope 1 and Scope 2) ¹	Ton	752,196.04	1,528,513.2	1,019,571
Greenhouse gas emission intensity ²	Ton/ten thousand units	3,716.75	7,478.8	3,417.9
Direct greenhouse gas emissions - Scope 1	Ton	95,882.39	353,775.5	137,357
Indirect greenhouse gas emissions - Scope 2	Ton	656,313.65	1,174,737.7	882,214
Total hazardous waste	Ton	15,886.70	19,185.7	20,147.6
Hazardous waste density	Ton/ten thousand units	78.50	93.9	67.5
Total non-hazardous waste	Ton	224,603.89	182,169.7	292,819.6
Non-hazardous waste density	Ton/ten thousand units	1,109.81	891.3	981.6
Total energy consumption	Ten thousand kWh	/	315,388.7	216,280.4
Total energy consumption density	Ten thousand kWh/ten thousand units	/	1,543.1	725.0
Reduction in energy utilization	Ten thousand kWh	/	/	99,108.3
Electricity consumption	Ten thousand kWh	100,876.83	140,401.3	151,844.0
Density of electricity consumption	Ten thousand kWh/ten thousand units	498.45	687.0	509.0
Gasoline consumption	Ton	11,864.71	44,840.8	4,025.9
Density of gasoline consumption	Ton/ten thousand units	58.63	219.4	13.5
Diesel consumption	Ton	/	55,926.1	886.1
Density of diesel consumption	Ton/ten thousand units	/	273.6	3.0
Natural gas consumption	CBM	43,554,290.50	52,126,189.0	56,572,836.0
Density of natural gas consumption	CBM/ten thousand units	215,210.45	213,104.5	189,650.8
Clean energy (green electricity, green certificates, photovoltaic and other clean energies) consumption	Ten thousand kWh	/	5,293.3	6,293.1
Percentage of total energy consumption of clean energy consumption	%	/	1.7	2.9
Density of clean energy consumption	Ten thousand kWh/ten thousand units	/	25.9	21.1

Notes: 1. GHG emissions of GAC Group mainly include carbon emissions from fossil fuel combustion and purchased electricity. Specifically, indirect GHG emissions (scope 1) include carbon dioxide from gasoline, diesel, natural gas and other fossil fuel combustion; indirect GHG emissions (scope 2) include GHG emissions from purchased electricity. GHG accounting of GAC Group in 2021 is based on the Greenhouse Gas Emission Accounting Method and Reporting Guide of Enterprises in Other Industrial Sectors (Trial) issued by the National Development and Reform Commission; for the emissions from purchased electricity, please refer to the Notification on Key Work Related to the Reporting and Management of Enterprises' Greenhouse Gas Emissions in 2022 issued by the Ministry of Ecology and Environment on March 15, 2022. The power grid emission factor was adjusted from 0.6101 tCO₂/MWh to 0.5810 tCO₂/MWh.

2. Unless otherwise specified, in the calculation of the emission or energy consumption density of each item, the total production of GAC Group products is used: total production of products = total production of automobiles + total production of motorcycles.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

→ GAC Group Key Performance
Table

List of ESG Policies/Systems of
GAC Group

Index of Reporting Standards

Feedback Form

Indicator Name	Unit	2019	2020	2021
Other energy consumption	Ten thousand kWh	/	2,569.7	1,996.3
Density of other energy consumption	Ten thousand kWh/ten thousand units	/	12.6	6.7
Total water consumption	Ton	6,912,879.99	8,337,061.1	8,039,537.4
Total water consumption density	Ton/ten thousand units	34,157.92	40,792.0	26,951.2
Total reduction in water consumption	Ton	/	/	297,523.7
Consumption of reclaimed water	Ton	/	3,499,389.0	28,687,053.6
Consumption of reusable water	Ton	/	5,990,917.6	26,973,959.6
Total amount of packaging for finished products	Ton	16,160.35	5,659.0	42,790.8
Packing density for finished products	Ton/ten thousand units	79.85	27.7	143.4
Volume of packaging recycled	Ton	/	3,845.0	24,394.2

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

→ List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

List of ESG Policies/Systems of GAC Group

List of Emission, Resource/Energy Utilization Systems of GAC Group

GAC R&D Center	Energy Management Measures
GAC Motor	Environmental Manual; Pollutant Control Management Procedures; Environmental Factors Identification and Evaluation Management Procedures; Environmental Objectives, Targets and Programs Management Procedures; Environmental Monitoring and Measurement Management Procedures; Energy and Resource Management Procedures; Energy Management Regulations
GAC AION	Energy Resource Management Procedures; Water Pollutant Control Management Procedures; Air Pollution Control Management Procedures; Noise Control Management Procedures; Solid Waste Management Procedures; Smart Microgrid Management Procedures; Power Battery Environmental Protection Management Procedures; Domestic Waste Management Procedures
GAC Honda	Sewage Control Protocols; Hazardous Waste Management Protocols; Energy Supply and Use Management Protocols; Noise Control Protocols; Air Pollution Control Protocols; Construction Safety and Environmental Protection Management Protocols; Management Protocols for Recycling Scrap Lithium Batteries of Energy-Saving and New Energy Vehicles; Soil Environmental Pollution Control Protocols; Water Use Management Protocols; General Industrial Solid Waste Management Protocols; New Energy Pure Electric Car Lithium Battery Safety Management Protocols; Domestic Waste Classification Management Protocols; Energy Review Protocols; Management Protocols for Energy Performance, Parameters, Benchmarking, Target and Indicators; Energy Conservation Opportunities and Programs Management Protocols; Energy Planning and Design Control Protocols; Energy Procurement Management Protocols; Management Protocols for Energy Metering and Energy Collection Plan; Management Protocols for Automatic Monitoring System of Pollution Sources; Rainwater Management Control Protocols
GAC Toyota	Target and Indicators Management Protocols; Contingency Plan for Environmental Emergencies; Pollutant Management Control Procedures; Water Use Management Regulations; Power Consumption Management Regulations; Resource and Energy Management Procedures; Energy Target Indicators Control Procedures; Energy Review Control Procedures; Energy Control Procedures for Construction Projects; Energy Services, Products, Equipment and Energy Procurement Control Procedures; Energy Monitoring and Measuring Equipment Control Procedures
GAC FCA	Energy Management System Manual; Stamping Workshop Energy Conservation Management Protocols; Noise Control; Construction Environmental Management; Air Pollution Control Procedures; Water Pollution Control Procedures; Hazardous Waste Management Procedures; General Industrial Waste Management System; End-of-Life Implementation Management Measures; Direct Material Logistics Packaging Management; GAC FCA Logistics and Packaging Standards Description
GAC Mitsubishi	Exhaust Gas, Dust, Noise and Waste Water Management Procedures; Energy Management Procedures; Waste Management Measures; Hazardous Waste from Coating Division Management System; Hazardous Waste Management System
GAC Hino	Domestic Waste Classification Management System; Waste (Sewage) Water Control Management System; Solid Waste Management System; Noise Control Management System; Exhaust Pollution Control Management System
GAC BYD	Environmental Protection Management Regulations; Solid Waste Management System; Solid Waste Environmental Pollution Prevention and Control Responsibility System
Wuyang-Honda	Exhaust Pollution Control Protocols; Resource and Energy Conservation Control Protocols; Waste Water Pollution Control Protocols; All Kinds of Chemical Spills and Leaks Prevention and Control Protocols; Management Measures for Sewage Treatment Station and Reuse Water
GAC Component	Environmental Protection Management Measures
GAC Toyota Engine	7.1.3 GTE-EP-81-05 Energy and Resource Management Procedures; 7.3.3 GTE-EP-81-04 Solid Waste Control Procedures; 7.2.3 GTE-EP-81-01 Exhaust Gas Control Procedures; 7.2.3 GTE-EP-81-02 Waste Water Control Procedures
Shanghai Hino	Waste Management System; Chemical Hazards Management Measures

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

→ List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

List of Supplier Hiring and Management System of GAC Group

GAC R&D Center	Component Supplier Evaluation Control Procedures; Component Supplier Admittance Control Procedures; General Procurement Supplier Evaluation Control Procedures; Procurement Management Measures
GAC Motor	Environmental Management Procedures for Related Parties; Parts and Components and Direct Materials Supplier Evaluation Protocols; Component Supplier Qualification Verification Management Protocols; Supporting Component Supplier Selection Management Protocols; Component Supplier Strategic Cooperation Management Protocols; Engineering and Equipment Procurement Management Measures; Materials and Equipment Procurement Management Measures; Services and Trade Procurement Management Measures
GAC AION	Parts and Components and Direct Materials Supplier Management Procedures; Parts and Components and Direct Materials Supplier Periodic Evaluation Protocols; Supplier Productivity Construction and Supply Guarantee Management Protocols; Component Claims Management Protocols; Two Suppliers per Piece Management Protocols; Component Supplier Information Management Protocols; Management Measures for Procurement Methods Implementing Rules of GAC AION New Energy Automobile Co., Ltd
GAC Honda	Supplier Selection and Localization Development Protocols; Contract Review Management System; Supplier Quality Audit Protocols, Supplier Quality Management Protocols; Supplier Quality Evaluation Protocols; Management Measures for Goods and Services Procurement of GAC Honda
GAC Toyota	Materials Procurement Operations System; Basic Procurement System; New Supplier Evaluation System; Bidding Management Regulations; Specific Procurement Operations Regulations; Materials Procurement Operations System; Logistics Procurement Operations Regulations; R&D Procurement Management System; Annual Supplier Recognition System
GAC FCA	Supplier Management System; Supplier Risk Management System; Direct Materials Procurement System; Non-direct Materials Procurement Management System; Management Measures for Non-direct Materials Supplier
GAC Mitsubishi	General Items Procurement Management Measures of GAC Mitsubishi; Procurement Management Measures for Projects under RMB100,000 of GAC Mitsubishi; Tendering and Bidding Management Measures of GAC Mitsubishi Motor Co., Ltd.
HYCAN	Component Procurement Management Regulations; Supplier Evaluation Management Regulations
GAC Hino	Procurement Management Procedures; Supplier Selection Process; Evaluation Methods for Supplier and Logistics provider
GAC BYD	Detailed Rules for Development and Engagement of Production Material Suppliers of GAC BYD
Wuyang-Honda	Supplier QCDDM Comprehensive Competence Evaluation Management Regulations; Supplier Selection and Evaluation Management Procedures
GAC Component	Procurement Management System
Da Sheng Technology	Supplier Management System of Da Sheng Technology Co., Ltd.
GAC-SOFINCO	Procurement Management Business Process Manual; Procurement Management Rules; Basic System for Outsourcing Risk Management; Outsourcing Risk Management Rules
Urtrust Insurance	Procurement Management System of Urtrust Insurance Co., Ltd.; Management Measures for Value-added Service Provider of Urtrust Insurance Co., Ltd.
GAC Finance	Procurement Management Measures of Guangzhou Automobile Group Finance Co., Ltd.
GAC Capital	Procurement Management System (Second Amendment); Contract Management Measures; Engineering Construction Projects Management Measures
On Time	Goods and Services Procurement Management System of Chenqi Platform; Supplier Management System
Zhicheng Industry	Goods and Services Supplier Management Measures of Guangzhou Zhicheng Industry Co., Ltd.

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

→ List of ESG Policies/Systems of GAC Group

Index of Reporting Standards

Feedback Form

List of Fraud, Extortion and Money Laundering Prevention System of GAC Group

GAC-SOFINCO	Anti-Fraud Management Rules; Basic System for Money Laundering and Financing of Terrorism Risk Management; Management Rules for Freezing Assets Involved in Terrorist Activities; Management Rules for Anti-Money Laundering in Retail Credit Business; Management Rules for Anti-Money Laundering in Inventory Financing Business; Customer Money Laundering Risk Self-Assessment Operational Rules; Customer Identification Rules; Suspicious Transaction Reporting Rules
Urtrust Insurance	Anti-Fraud Internal Control System of Urtrust Insurance Co., Ltd.; Money Laundering Risk Management System of Urtrust Insurance Co., Ltd.; Management Measures for Customer Identification and Customer Identification Data and Transaction Records Retention of Urtrust Insurance Co., Ltd.; Block Trades and Suspicious Transactions Reporting Management Measures of Urtrust Insurance Co., Ltd.; Management System for Freezing Assets Involved in Terrorist Activities of Urtrust Insurance Co., Ltd.; Management Measures for Major Risk Events of Money Laundering Emergency Response of Urtrust Insurance Co., Ltd.; Money Laundering and Terrorist Financing Risk Assessment Measures of Urtrust Insurance Co., Ltd.; Block Trades and Suspicious Transactions Reporting Management Measures of Urtrust Insurance Co., Ltd.; Management Measures for Customer Identification and Customer Identification Data and Transaction Records Retention of Urtrust Insurance Co., Ltd.; Management Measures for Money Laundering and Terrorist Financing Risk Self-Assessment of Urtrust Insurance Co., Ltd.
GAC Finance	Basic System for Combating Money Laundering and Financing of Terrorism Management; Implementing Rules for Freezing Assets Involved in Terrorist Activities; Implementing Rules for Customer Money Laundering Risk Assessment and Classification Management; Implementing Rules for Customer Identification and Customer Identification Data and Transaction Records Retention; Implementing Rules for Anti-Money Laundering Publicity and Training; Block Trades and Suspicious Transactions Reporting Management Measures; Money Laundering Risk Self-Assessment Management Measures; Anti-Money Laundering Inspection Management Measures; Implementing Rules for Anti-Money Laundering Confidentiality, List Monitoring Management Measures

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

Index of Reporting Standards

Content Index of HKEX ESG Disclosure Guide

Subject Areas, Aspects, General Disclosures and KPIs

Sections of the Report

A. Environmental

Aspect A1:	General Disclosure	
Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	3.2 Clean production List of ESG policies / systems of GAC Group
Key Performance Indicator A1.1	The types of emissions and respective emissions data.	Key performance table of GAC Group
Key Performance Indicator A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	Key performance table of GAC Group
Key Performance Indicator A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	Key performance table of GAC Group
Key Performance Indicator A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g. per unit of production volume, per facility).	Key performance table of GAC Group
Key Performance Indicator A1.5	Description of emission targets set and the steps taken to achieve them.	3.2 Clean production
Key Performance Indicator A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of waste reduction targets set and the steps taken to achieve them.	List of ESG policies / systems of GAC Group 3.2 Clean production
Aspect A2:	General Disclosure	
Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	List of ESG policies / systems of GAC Group
Key Performance Indicator A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and density (e.g. per unit of production volume, per facility).	Key performance table of GAC Group
Key Performance Indicator A2.2	Water consumption in total and density (e.g. per unit of production volume, per facility).	Key performance table of GAC Group
Key Performance Indicator A2.3	Description of energy use efficiency targets set and the steps taken to achieve them.	3.2 Clean production
Key Performance Indicator A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, and water efficiency targets set and the steps taken to achieve them.	3.2 Clean production
Key Performance Indicator A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Key performance table of GAC Group
Aspect A3:	General Disclosure	
The Environment and Natural	Policies on minimizing the issuer's significant impact on the environment and natural resources.	List of ESG policies / systems of GAC Group
Key Performance Indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Clean production
Aspect A4:	General Disclosure	
Climate Change	Policies on identifying and tackling major climate related issues that have and may have an impact on the issuer	Topic: Tackling Climate Change
Key Performance Indicator A4.1	Description of major climate related issues that have and may have an impact on the issuer and the response actions.	Topic: Tackling Climate Change

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

Subject Areas, Aspects, General Disclosures and KPIs

Sections of the Report

B. Social			
Employment and Labor Practices			
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, anti-discrimination, and other benefits and welfare.		4.2 Focus on employee growth
Key Performance Indicator B1.1	Total workforce by gender, employment type (eg. full-time or part-time job), age group and geographical region.		4.2 Focus on employee growth Key performance table of GAC Group
Key Performance Indicator B1.2	Employee turnover rate by gender, age group and geographical region.		4.2 Focus on employee growth Key performance table of GAC Group
Aspect B2: Health and Safety	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 providing a safe working environment and protecting employees from occupational hazards.		4.2 Focus on employee growth
Key Performance Indicator B2.1	Number and rate of work-related fatalities in the past three years (including the reporting year).		4.2 Focus on employee growth Key performance table of GAC Group
Key Performance Indicator B2.2	Lost days due to work injury.		Key performance table of GAC Group
Key Performance Indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.		4.2 Focus on employee growth
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		4.2 Focus on employee growth
Key Performance Indicator B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).		4.2 Focus on employee growth Key performance table of GAC Group
Key Performance Indicator B3.2	The average training hours completed per employee by gender and employee category.		4.2 Focus on employee growth Key performance table of GAC Group
Aspect B4: Labor Standards	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 preventing child and forced labor.		4.2 Focus on employee growth
Key Performance Indicator B4.1	Description of measures to review employment practices to avoid child and forced labor.		4.2 Focus on employee growth
Key Performance Indicator B4.2	Description of steps taken to eliminate violations when discovered.		4.2 Focus on employee growth
Operating Practices			
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		4.1 Expand partnership List of ESG policies / systems of GAC Group
Key Performance Indicator B5.1	Number of suppliers by geographical region.		Key performance table of GAC Group
Key Performance Indicator B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.		List of ESG policies / systems of GAC Group Key performance table of GAC Group
Key Performance Indicator B5.3	Description of practices relating to identifying environmental and social risks in each link of the supply chain, and how they are implemented and monitored.		4.1 Expand partnership List of ESG policies / systems of GAC Group
Key Performance Indicator B5.4	Description of practices relating to promoting the use of environment-friendly products and services when selecting suppliers, and how they are implemented and monitored.		4.1 Expand partnership

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

Subject Areas, Aspects, General Disclosures and KPIs

Sections of the Report

Aspect B6: Product Responsibility	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 health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.		2.2 Crafting Quality Products
	Key Performance Indicator B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Key performance table of GAC Group
	Key Performance Indicator B6.2	Number of products and service related complaints received and how they are dealt with.	Key performance table of GAC Group 2.2 Crafting Quality Products
	Key Performance Indicator B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.3 Highlighting R&D and Innovation
	Key Performance Indicator B6.4	Description of quality assurance process and product recall procedures.	2.2 Crafting Quality Products
	Key Performance Indicator B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2 Crafting Quality Products
Aspect B7: Anti-corruption	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 bribery, extortion, fraud and money laundering.		List of ESG policies / systems of GAC Group
	Key Performance Indicator 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.	1.1 Corporate Governance Key performance table of GAC Group
	Key Performance Indicator B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.1 Corporate Governance List of ESG policies / systems of GAC Group
	Key Performance Indicator B7.3	Description of anti-corruption training provided for directors and employees.	1.1 Corporate Governance Key performance table of GAC Group
Community			
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.		4.3 Contribute to community harmony
	Key Performance Indicator B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	4.3 Contribute to community harmony
	Key Performance Indicator B8.2	Resources contributed (e.g. money or time) to the focus area.	4.3 Contribute to community harmony Key performance table of GAC Group

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

GRI Standards Index—Core Option

General Standard Disclosure Items			Chapter of the Report
Organizational profile	102-1	Name of organization	About GAC
	102-2	Activities, brands, products and services	About GAC
	102-3	Location of headquarters	About GAC
	102-4	Location of operations	About GAC
	102-5	Ownership and legal form	About GAC
	102-6	Markets served	About GAC
	102-7	Scale of organization	About GAC
	102-8	Information on employees and other workers	4.2 Focus on employee growth
	102-9	Supply chain	4.1 Expand partnership
	102-10	Significant changes to the organization and its supply chain	No significant change
	102-11	Precautionary principles or approach	Undisclosed
	102-12	External initiatives	Undisclosed
	102-13	Membership of associations	Undisclosed
Strategy	102-14	Statement from senior decision-maker	Message from the Management
	102-15	Key impacts, risks and opportunities	Refer to the 2021 Annual Report
Ethics and Integrity	102-16	Values, principles, standards and norms of behavior	About GAC 1.1 Corporate Governance
	102-17	Mechanisms for advice and concerns about ethics	1.1 Corporate Governance
Governance	102-18	Governance structure	1.1 Corporate Governance
	102-19	Delegating authority	1.1 Corporate Governance
	102-20	Executive-level responsibility for economic, environmental and social topics	1.2 Responsibility Management
	102-21	Consulting stakeholders on economic, environmental and social topics	1.2 Responsibility Management
	102-22	Composition of the highest governance body and its committees	1.1 Corporate Governance
	102-23	Chair of the highest governance body	1.1 Corporate Governance
	102-24	Nominating and selecting the highest governance body	1.1 Corporate Governance
	102-25	Conflict of interest	Refer to the 2021 Annual Report

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance
Table

List of ESG Policies/Systems of
GAC Group

→ Index of Reporting Standards

Feedback Form

General Standard Disclosure Items

Chapter of the Report

Governance	102-26	Role of highest governance body in setting purpose, values and strategy	1.1 Corporate Governance
	102-27	Collective knowledge of the highest governance body	1.1 Corporate Governance
	102-28	Evaluating the highest governance body's performance	Undisclosed
	102-29	Identifying and managing economic, environmental and social impacts	1.2 Responsibility Management
	102-30	Effectiveness of risk management process	1.1 Corporate Governance
	102-31	Review of economic, environmental and social topics	1.2 Responsibility Management
	102-32	Highest governance body's role in sustainability reporting	1.2 Responsibility Management
	102-33	Communicating critical concerns	1.2 Responsibility Management
	102-34	Nature and total number of critical concerns	1.2 Responsibility Management
	102-35	Remuneration policies	4.2 Focus on employee growth
	102-36	Process for determining remuneration	Undisclosed
	102-37	Stakeholders' involvement in remuneration	Undisclosed
	102-38	Annual total compensation ratio	Undisclosed
102-39	Percentage increase in annual total compensation ratio	Undisclosed	
Participation of Stakeholders	102-40	List of stakeholder groups	1.2 Responsibility Management
	102-41	Collective bargaining agreement	Undisclosed
	102-42	Identifying and selecting stakeholders	Undisclosed
	102-43	Approach to stakeholder engagement	1.2 Responsibility Management
	102-44	Key topics and concerns raised	1.2 Responsibility Management
Report Practice	102-45	Entities included in the consolidated financial statements	Refer to the 2021 Annual Report About this Report
	102-46	Defining report content and topic Boundaries	1.2 Responsibility Management
	102-47	List of material topics	1.2 Responsibility Management
	102-48	Restatement of Information	Not involved
	102-49	Changes in reporting	About this Report
	102-50	Reporting period	About this Report
	102-51	Date of the most recent report	2020
	102-52	Reporting cycle	About this Report
	102-53	Contact point for questions regarding the report	About this Report
	102-54	Claims of reporting in accordance with the GRI standards	About this Report
	102-55	GRI content index	Index of Report Standards
	102-56	External assurance	Not involved

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

General Standard Disclosure Items

General Standard Disclosure Items			Chapter of the Report
Management Method	103-1	Explanation of the material topic and its boundaries	About this Report 1.2 Responsibility Management
	103-2	Management approach and its components	1.1 Corporate Governance
	103-3	Evaluation of the management approach	1.1 Corporate Governance
Economic Performance	201-1	Direct economic value generated and distributed	Undisclosed
	201-2	Financial implications and other risks and opportunities due to climate change	Topic: Tackling Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	4.2 Focus on employee growth
	201-4	Financial assistance received from government	Not involved
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Undisclosed
	202-2	Proportion of senior management hired from the local community	Undisclosed
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	2.3 Highlighting R&D and Innovation
	203-2	Significant indirect economic impacts	Message from the Management
Procurement Practice	204-1	Proportion of spending on local suppliers	Undisclosed
Anti-corruption	205-1	Operations assessed for risks related to corruption	1.1 Corporate Governance
	205-2	Communication and training about anti-corruption policies and procedures	1.1 Corporate Governance
	205-3	Confirmed incidents of corruption and actions taken	Not occur
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	Not occur
Materials	301-1	Materials used by weight or volume	Key performance table of GAC Group 3.2 Clean production
	301-2	Recycled input materials used	Key performance table of GAC Group 3.2 Clean production
	301-3	Reclaimed products and their packaging materials	Key performance table of GAC Group Topic: Tackling Climate Change 3.2 Clean production
Energy	302-1	Energy consumption within the organization	Key performance table of GAC Group Topic: Tackling Climate Change 3.2 Clean production
	302-2	Energy consumption outside of the organization	Key performance table of GAC Group Topic: Tackling Climate Change 3.2 Clean production
	302-3	Energy intensity	Key performance table of GAC Group Undisclosed
	302-4	Reduction of energy consumption	Topic: Tackling Climate Change 3.2 Clean production
	302-5	Reduction in energy requirements of products and services	Key performance table of GAC Group 3.1 Low-Carbon Travel
Water Resources	303-1	Water withdrawal by source	Not involved
	303-2	Water sources significantly affected by withdrawal of water	Not involved
	303-3	Water recycling and reuse	3.2 Clean production

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

General Standard Disclosure Items			Chapter of the Report
Biodiversity	304-1	Operation sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not involved
	304-2	Significant impacts of activities, products and services on biodiversity	Not involved
	304-3	Habitats protected or restored	Not involved
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not involved
Emissions	305-1	Direct (Scope1) GHG emissions	Topic: Tackling Climate Change 3.2 Clean production Key performance table of GAC Group
	305-2	Energy indirect (Scope 2) GHG emissions	Key performance table of GAC Group
	305-3	Other indirect (Scope 3) GHG emissions	Undisclosed
	305-4	GHG emissions intensity	Undisclosed
	305-5	Reduction of GHG emissions	3.2 Clean production
	305-6	Emission of ozone-depleting substances (ODS)	Undisclosed
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	3.2 Clean production
Sewage and Waste	306-1	Water discharge by quality and destination	Undisclosed
	306-2	Waste by type and disposal method	Undisclosed
	306-3	Significant spills	Not involved
	306-4	Transport of hazardous waste	Not involved
	306-5	Water bodies affected by water discharges and/or runoff	Not occur
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Not involved
Supplier Environment Assessment	308-1	New suppliers that were screened using environmental criteria	4.1 Expand partnership List of ESG policies / systems of GAC Group
	308-2	Negative environmental impacts of supply chain and actions taken	4.1 Expand partnership List of ESG policies / systems of GAC Group
Employment	401-1	New employee hires and employee turnover	4.2 Focus on employee growth Key performance table of GAC Group
	401-2	Benefits provided for full-time employees (excluding temporary or part-time employees)	4.2 Focus on employee growth
	401-3	Parental leave	4.2 Focus on employee growth Key performance table of GAC Group
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Undisclosed
Occupational Health and Safety	403-1	Workers' representatives in the Joint Labor Health and Safety Committee	Undisclosed
	403-2	Category of work injury, ratio of work injury, occupational disease, lost working days, absence, etc.	Key performance table of GAC Group
	403-3	Workers engaged in occupations with a high incidence of occupational diseases or occupations with a high risk of occupational diseases	Undisclosed
	403-4	Health and safety issues in the formal agreements of trade union	Undisclosed
Training and Education	404-1	Average hours of training per employee per year	4.2 Focus on employee growth Key performance table of GAC Group
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Focus on employee growth
	404-3	Percentage of employees receiving performance and career development reviews on a regular basis	Undisclosed

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

General Standard Disclosure Items

Chapter of the Report

General Standard Disclosure Items	Chapter of the Report
Diversity and Equal Opportunities 405-1	Diversity of governance bodies and employees 4.2 Focus on employee growth
405-2	Ratio of basic salary and remuneration of men and women Undisclosed
Anti-discrimination 406-1	Incidents of discrimination and corrective actions taken Not occur
Freedom of Association and Collective Bargaining 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Not involved
Child Labor 408-1	Operations and suppliers at significant risk for incidents of child labor Not involved
Forced or Compulsory Labor 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor Not involved
Security Practice 410-1	Security personnel trained in human right policies or procedures Undisclosed
Rights of Indigenous Peoples 411-1	Incidents of violations involving rights of indigenous people Not occur
Human Right As-sessment	412-1 Operations that have been subject to human rights reviews or impact assessments Not involved
	412-2 Employee training on human right policies or procedures Undisclosed
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening Undisclosed
Local Communities	413-1 Operations with local community engagement, impact as-sessment and development programs 4.3 Contribute to community harmony
	413-2 Operations with significant actual and potential negative impacts on local communities Not involved
Supplier Social Assessment	414-1 New suppliers that were screened using social criteria 4.1 Expand partnership
	414-2 Negative social impacts in the supply chain and actions taken Undisclosed
Public Policy 415-1	Political contributions Not involved
Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories 2.2 Crafting Quality Products
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services Not occur
Marketing and Labeling	417-1 Requirements for product and service information and labeling Undisclosed
	417-2 Incidents of non-compliance concerning products and services information and labeling Not occur
	417-3 Incidents of non-compliance concerning marketing Not occur
Customer Privacy 418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data Not occur
Socio-economic Compliance 419-1	Non-compliance with laws and regulations in the social and economic area Not occur

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

China Academy of Social Sciences CASS CSR4.0 Content Index

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
P1	Report Specifications	P1.1 Quality assurance	About this Report
		P1.2 Information description	About this Report
		P1.3 Reporting system	About this Report
P2	Executives' Oration	P2.1 Situation analysis and strategic considerations on fulfillment of social responsibilities	Message from the Management
		P2.2 Progress of annual social responsibility work	Message from the Management
P3	Responsibility Focus	P3.1 Significant events of social responsibilities	Topic: Tackling Climate Change
		P3.2 Progress and effect of key issues on social responsibilities	Message from the Management
P4	Enterprise Profile	P4.1 Enterprise strategy and culture	About GAC
		P4.2 Organizational structure and operating region	About GAC 1.1 Corporate Governance
		P4.3 Main products, services and brands	About GAC
		P4.4 Enterprise scale and influence	About GAC
		P4.5 Significant changes in the organizational scale, structure, ownership or supply chain during the reporting period	About GAC
G1	Vision	G1.1 Enterprise's mission, vision and values	About GAC
		G1.2 Enterprise's social responsibility concept or slogan	About GAC
G2	Strategy	G2.1 Identification and management of substantial social responsibility issues	1.2 Responsibility Management
		G2.2 Strategic planning and annual plan for social responsibility	Message from the Management
		G2.3 Pushing forward the integration of social responsibility into corporate development strategies and daily operations	1.2 Responsibility Management
		G2.4 Building an influential and sustainable brand of responsibility	Message from the Management 1.2 Responsibility Management
G3	Organization	G3.1 The enterprise's senior management supports and promotes social responsibility work	1.2 Responsibility Management
		G3.2 Social responsibility leading organization and working mechanism	1.2 Responsibility Management
		G3.3 Social responsibility organization system and assignment of responsibilities	1.2 Responsibility Management
G4	System	G4.1 Formulating a social responsibility management system	1.2 Responsibility Management
		G4.2 Establishing a social responsibility indicator system	1.2 Responsibility Management
		G4.3 Enriching the theoretical research on social responsibility	1.2 Responsibility Management
G5	Culture	G5.1 Organizing and conducting social responsibility training	1.2 Responsibility Management
		G5.2 Carrying out social responsibility assessment or excellence selection	Topic: Tackling Climate Change

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance
Table

List of ESG Policies/Systems of
GAC Group

→ Index of Reporting Standards

Feedback Form

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
G6	Participation	G6.1 Identifying and responding to demands of stakeholders	1.2 Responsibility Management
		G6.2 Enterprise-led social responsibility communication and participation activities	Undisclosed
		G6.3 Economic, environmental & social conventions, principles or other initiatives initiated externally which are participated or supported by organization	1.2 Responsibility Management
M1	Responsibilities of Shareholders	M1.1 Standardization of corporate governance	1.1 Corporate Governance
		M1.2 Nomination and selection process of the highest governance body and its committees	1.1 Corporate Governance
		M1.3 Anti-corruption	1.1 Corporate Governance
		M1.4 Disclosure of compliance information	1.1 Corporate Governance
		M1.5 Protection of the interests of small and medium-sized investors	1.1 Corporate Governance
		M1.6 Growth	1.1 Corporate Governance
		M1.7 Profitability	1.1 Corporate Governance
		M1.8 Safety	1.1 Corporate Governance
M2	Responsibilities of Customers	M2.1 Improvement of product/service accessibility	2.2 Crafting Quality Products
		M2.2 Product/service quality management system	2.2 Crafting Quality Products
		M2.3 Percent of pass	Undisclosed
		M2.4 Adherence to innovation-driven	2.3 Highlighting R&D and Innovation
		M2.5 R&D investment	Undisclosed
		M2.6 Number of new patents	2.3 Highlighting R&D and Innovation
		M2.7 Industrialization of scientific & technological achievements	2.3 Highlighting R&D and Innovation
		M2.8 Strict prohibition of false or misleading publicity	Undisclosed
		M2.9 Popularization of product knowledge or customer training	4.3 Contribute to community harmony
		M2.10 Potential risk warning	Undisclosed
		M2.11 Fair transaction	1.1 Corporate Governance
		M2.12 Advocating of sustainable consumption	4.3 Contribute to community harmony
		M2.13 Protection of customer information	2.2 Crafting Quality Products
		M2.14 Proactive after-sales service system	2.2 Crafting Quality Products
		M2.15 Active response to consumers' complaints	2.2 Crafting Quality Products
		M2.16 Complaint resolution rate	1.2 Responsibility Management
		M2.17 Stop loss and compensation	2.2 Crafting Quality Products
		M2.18 Customer satisfaction	1.2 Responsibility Management

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
M3	Responsibilities of Partners	M3.1 Integrity management	About GAC
		M3.2 Performance rate of economic contracts	Undisclosed
		M3.3 Fair competition	1.1 Corporate Governance
		M3.4 Strategic sharing mechanism and platform	4.1 Expand partnership
		M3.5 Respect and protection of intellectual property rights	2.3 Highlighting R&D and Innovation
		M3.6 Boosting of industrial development	4.1 Expand partnership
		M3.7 Fair trade	4.1 Expand partnership
		M3.8 Policies, initiatives and requirements for suppliers' social responsibilities	4.1 Expand partnership
		M3.9 Number of potential suppliers rejected due to non-compliance with social responsibilities	Undisclosed
		M3.10 Daily management mechanism for suppliers' social responsibilities	4.1 Expand partnership
		M3.11 Procedures and method of review on suppliers' social responsibilities	4.1 Expand partnership
		M3.12 Number of suppliers reviewed during the reporting period	List of ESG policies / systems of GAC Group
		M3.13 Number of suppliers with cooperation being suspended due to non-compliance with social responsibilities	Key Performance Table of GAC Group
		M3.14 Performance appraisal and communication of suppliers' social responsibilities	Undisclosed
		M3.15 Training of suppliers' social responsibilities	Undisclosed
		M3.16 Training performance of suppliers' social responsibilities	Undisclosed
S1	Responsibilities of Government	S1.1 Construction of a law-abiding & compliance system	1.1 Corporate Governance
		S1.2 Law-abiding & compliance training	1.1 Corporate Governance
		S1.3 Total tax	About GAC
		S1.4 Supporting and participation in the comprehensive deepening of reform	Message from the Management 2.1 Advancing High-quality Development
		S1.5 Encouragement of employment	4.3 Contribute to community harmony
		S1.6 Number of employment absorbing during the reporting period	Key Performance Table of GAC Group
S2	Responsibilities of Employees	S2.1 Employee composition	4.2 Focus on employee growth Key Performance Table of GAC Group
		S2.2 Equal employment	4.2 Focus on employee growth
		S2.3 Labor contract signing rate	4.2 Focus on employee growth
		S2.4 Democratic management	4.2 Focus on employee growth
		S2.5 Ratio of women in management	Undisclosed

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance
Table

List of ESG Policies/Systems of
GAC Group

→ Index of Reporting Standards

Feedback Form

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
S2	Responsibilities of Employees	S2.6 Employee privacy management	4.2 Focus on employee growth
		S2.7 Anti-forced labor and harassment abuse	4.2 Focus on employee growth
		S2.8 Diversification and equal opportunity	4.2 Focus on employee growth
		S2.9 Days of annual leave with pay per capita per year	Undisclosed
		S2.10 Remuneration and welfare system	4.2 Focus on employee growth
		S2.11 Occupational health management	4.2 Focus on employee growth
		S2.12 Working environment and condition guarantee	4.2 Focus on employee growth
		S2.13 Employee mental health assistance	4.2 Focus on employee growth
		S2.14 Employee training system	4.2 Focus on employee growth
		S2.15 Annual training performance	4.2 Focus on employee growth Key Performance Table of GAC Group
		S2.16 Career development channel	4.2 Focus on employee growth
		S2.17 Life-work balance	4.2 Focus on employee growth
		S2.18 Difficult employee assistance	4.2 Focus on employee growth
		S2.19 Employee satisfaction	Undisclosed
		S2.20 Employee turnover rate	Key Performance Table of GAC Group
S3	Safety Production	S3.1 Safety production management system	4.2 Focus on employee growth
		S3.2 Safety emergency management mechanism	4.2 Focus on employee growth
		S3.3 Safety education and training	4.2 Focus on employee growth
		S3.4 Safety training performance	4.2 Focus on employee growth Key Performance Table of GAC Group
		S3.5 Safety production input	4.2 Focus on employee growth
		S3.6 Number of safety production accidents	4.2 Focus on employee growth
		S3.7 Number of employee casualties	4.2 Focus on employee growth Key Performance Table of GAC Group
S4	Responsibilities of Community	S4.1 Community communication & participation mechanism	4.3 Contribute to community harmony
		S4.2 Employee localization policy	Undisclosed
		S4.3 Ratio of localized employment	Undisclosed
		S4.4 Localized procurement policy	Undisclosed
		S4.5 Supporting the development of community women, indigenous people, farmers, herders and fishermen	4.3 Contribute to community harmony
		S4.6 Public welfare policy or main public welfare fields	4.3 Contribute to community harmony
		S4.7 Establishing enterprise charity funds/foundation	4.3 Contribute to community harmony
		S4.8 Total donation	4.3 Contribute to community harmony
		S4.9 Building brand public welfare programs	4.3 Contribute to community harmony

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

Intelligent and Lean Corporate Governance

2

Intelligent Mobile Life

3

Intelligent Green and Low-Carbon Travel

4

Intelligent and Harmonious Enterprise Ecology

Appendix

GAC Group Key Performance Table

List of ESG Policies/Systems of GAC Group

→ Index of Reporting Standards

Feedback Form

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
S4	Responsibilities of Community	S4.10 Policies and measures for supporting volunteer activities	4.3 Contribute to community harmony
		S4.11 Performance of employee volunteer activities	Key Performance Table of GAC Group
		S4.12 Assistance to targeted poverty alleviation	4.3 Contribute to community harmony
		S4.13 Input of special funds for poverty alleviation	Key Performance Table of GAC Group
		S4.14 Number of people lifted out of poverty	4.3 Contribute to community harmony
E1	Green Management	E1.1 Environmental management system	3.2 Clean production
		E1.2 Mechanism for early warning and emergency response of environmental protection	3.2 Clean production
		E1.3 Technology and application of environmental protection	3.2 Clean production
		E1.4 Method of statistical accounting system for environmental indicators	Key Performance Table of GAC Group
		E1.5 Environmental protection training and education	3.3 Green office
		E1.6 Building green supply chains	4.1 Expand partnership
		E1.7 Supporting the development of green and low-carbon industries	3.1 Low Carbon Travel
		E1.8 Total investment in environmental protection	Undisclosed
		E1.9 Response to climate change	Topic: Tackling Climate Change
		E1.10 Carbon intensity	Undisclosed
		E1.11 Proportion of non-fossil energy	Key Performance Table of GAC Group
		E1.12 Carbon sink	3.2 Clean production
E2	Green Production	E2.1 Green design	3.1 Low Carbon Travel
		E2.2 Procurement and use of environmentally-friendly raw materials	3.2 Clean production
		E2.3 Improvement of energy efficiency	3.2 Clean production
		E2.4 Total annual energy consumption and reduction	3.2 Clean production
		E2.5 Comprehensive energy consumption per unit output value	Key Performance Table of GAC Group
		E2.6 Policies and measures for use of clean energy	3.2 Clean production
		E2.7 Clean energy consumption	Key Performance Table of GAC Group
		E2.8 Policies and measures for conservation of water resources	3.2 Clean production
		E2.9 Annual fresh water consumption	Key Performance Table of GAC Group
		E2.10 Fresh water consumption per unit of industrial added value	Key Performance Table of GAC Group
		E2.11 Policies, measures or technologies for reduction of exhaust gas emission	3.2 Clean production
		E2.12 Exhaust gas emission and emission reduction	Key Performance Table of GAC Group
		E2.13 System, measures or technologies for reduction of wastewater discharge	3.2 Clean production

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

GAC Group Key Performance
Table

List of ESG Policies/Systems of
GAC Group

→ Index of Reporting Standards

Feedback Form

No.	Scope of Responsibility	CASS-CSR4.0 Index	Chapter of the Report
E2	Green Production	E2.14 Wastewater discharge and discharge reduction	Key Performance Table of GAC Group
		E2.15 System, measures or technologies for reduction of waste discharge	3.2 Clean production
		E2.16 Waste discharge and discharge reduction	Key Performance Table of GAC Group
		E2.17 Policies and measures for the development of circular economy	3.2 Clean production
		E2.18 Performance of the circular economy development	3.2 Clean production
		E2.19 Green packaging	3.2 Clean production
		E2.20 Total amount (calculated in tons) and (if applicable) per unit of packaging materials used in finished products	Key Performance Table of GAC Group
		E2.21 Green transport	3.2 Clean production
		E2.22 Impact on the environment during product/manpower transport	3.2 Clean production
		E2.23 Policies and measures for energy conservation	3.2 Clean production
E3	Green Operation	E2.24 Plans and actions for reduction of greenhouse gas emission	Topic: Tackling Climate Change 3.2 Clean production
		E2.25 Greenhouse gas emission and emission reduction	The Company's planning for social responsibility work
		E3.1 Green office measures	3.3 Green office
E3	Green Operation	E3.2 Green office performance	3.3 Green office
		E3.3 Ecological restoration and governance	3.3 Green office
		E3.4 Protection of biodiversity	3.3 Green office
		E3.5 Net deforestation zero	Undisclosed
		E3.6 Public welfare activities for environmental protection	4.3 Contribute to community harmony
		A1	Future Plan
A2	Key Performance Table	Centralized presentation of key data of the enterprise's annual social responsibility	Key Performance Table of GAC Group
A3	Enterprise Honor Form	Centralized presentation of important honor of the enterprise's annual social responsibility	About GAC
A4	Report Evaluation	Evaluation on the Report by social responsibility experts or industrial experts, stakeholders or professional institutions	1.2 Responsibility Management
A5	Reference Index	Adoption of the disclosed indicators as required in the guideline	About this Report
A6	Feedback	Reader questionnaire or reader feedback channel	Feedback Form

About This Report

Message from the Management

About GAC

Chronicle of Events of GAC in 2021

Topic: Tackling Climate Change

1

**Intelligent and Lean
Corporate Governance**

2

Intelligent Mobile Life

3

**Intelligent Green and Low-
Carbon Travel**

4

**Intelligent and Harmonious
Enterprise Ecology**

Appendix

→ **Feedback Form**

Feedback form

Thank you for reading the Enterprise Social Responsibility Report 2021 of GAC Group. We sincerely hope that you could evaluate this Report and provide valuable comments to help us make continuous improvement.

Should you have any comments or suggestions on the Enterprise Social Responsibility Report 2021 of GAC Group, please feel free to give feedback to us by the following ways:

Tel.: +86 20 8315 1139

Email: csr@gac.com.cn/ir@gac.com.cn

Address: GAC Center, No. 23, Xingguo Road, Zhujiang New Town, Tianhe District, Guangzhou

Name _____

Working unit _____

Title _____

Tel _____

Email _____

Your evaluation on the Report: (please tick ✓ in the corresponding position)

	Excellent	Good	Normal	Poor	Unfamiliar
What do you think of the degree of important information regarding the significant impact of GAC Group on the economy, the society and the environment reflected in the Report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you think of the content arrangement and style design of the Report?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you think of GAC Group's performance in serving customers and protecting customers' interests?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Which part of the Report are you most interested in?

What more information you think you need to know is not reflected in the Report?

Do you have any other suggestions for us to issue the enterprise social responsibility report in the future?



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