



**广汽集团**  
**GAC GROUP**

匠于心 品于行  
CRAFTED BY THE DRIVEN



# 2018

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

# Notes on the Report

This is the seventh annual social responsibility report released by Guangzhou Automobile Group Co., Ltd. The Board and all the directors of GAC Group undertake that the Report contains no false records, misleading representations or major omissions and will assume joint and several liabilities for its authenticity, accuracy and completeness.

## Scope of the Report:

The Report covers Guangzhou Automobile Group Co., Ltd., hereinafter referred to as “GAC Group”, “Group” or “we” as appropriate for ease of expression. The Report covers the period from January 1, 2018 to December 31, 2018, though part of the content exceeds this period.

## Basis for Compilation:

The Report has been compiled in accordance with national standards on social responsibility, including the *Guidance on Social Responsibility* (GB/T 36000-2015), *Guidance on Social Responsibility Reporting* (GB/T 36001-2015) and *Guidance on Classifying Social Responsibility Performance* (GB/T 36002-2015), as well as other relevant regulations including the *Notice on Strengthening the Assumption of Social Responsibility by Listed Companies and Issuing the Guidelines on the Disclosure of Environmental Information by Listed Companies* and the *Guidelines on Compilation of Reports on the Performance of Social Responsibility by Companies* issued by Shanghai Stock Exchange and the *Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited, and with reference to the *Guidance on Social Responsibility* (ISO 26000), the *Sustainable Development Reporting Guidelines of the Global Reporting Initiative* and AA 1000 Assurance Standard (2008).

## Notes on Data:

All the data used in the Report are from the statistical reports and other official documents of the Group. The future plans or forecasts in the Report were made with uncertainties and may be subject to future adjustments by the Group. Special attention is drawn to the fact that the Report has not been reviewed by an independent agency.

## Availability and More Information:

An electronic copy of the Report and more information about the Group’s CSR are available on the websites of SSE ([www.sse.com.cn](http://www.sse.com.cn)), HKEX ([www.hkex.com.hk](http://www.hkex.com.hk)) and GAC Group ([www.gac.com.cn](http://www.gac.com.cn)).

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# Message from Leaders

曾庆洪



Zeng Qinghong  
Chairman of GAC Group

“

Dear friends

In 2018, with your care and support, GAC Group continued a rapid growth and presented good momentum of stable development, reinforced innovations, optimized structure, deepened reform, and enhanced quality. Here, I would like to express heartfelt appreciation to you on behalf of GAC Group and all its employees.

”

2018 marked the first year of implementing the spirit of the 19<sup>th</sup> CPC National Congress, the 40<sup>th</sup> anniversary of reform and opening up and a crucial year for the implementation of the 13<sup>th</sup> Five-Year Plan. In this year, GAC Group maintained overall steady operation through hardship and endeavors. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, by upholding the leadership of the Party and by learning and implementing the spirit of the 19<sup>th</sup> CPC National Congress in depth, we had made new progress in high-quality development in 2018 together with all our employees.

### Fostering craftsmanship, advocating mobility.

We, with big data and cloud computing as the core means, enhanced the communication with users, developed and designed customized products and launched a variety of new models; continuously managed quality, built a life cycle quality management system that covers design, production, supply chain and service; adhered to the tenet of “customer first”, established an “online + offline” E-commerce system to provide consumers with better auto services; created new strategic corporate culture and released the cultural slogan of “Creativity Defines Our Future”. In 2018, the Group’s automobile production and sales reached 2,194,000 and 2,147,900 respectively, increasing by 8.77% and 7.34% on a year-on-year basis.

### Insisting on innovation-driven development, building national brand.

By adhering to independent R&D and innovation, we strived to achieve the leap-forward development of the self-owned brand business with GAC Trumpchi as the core and to build a high-quality, energy-efficient and environmentally friendly intelligent plant in Yichang. We participated in international motor shows in North America and Paris, and newly tapped overseas markets in, for example, Saudi Arabia, the Philippines and Chile. In addition, our R&D and design centers in Silicon Valley, Los Angeles and Detroit in U.S. put into operation successively, initially forming an international operation pattern of “global R&D, procurement and sales”. In 2018, GAC Trumpchi sold 550,000 units and ranked first among Chinese brands for the sixth consecutive year according to Initial Quality Study (IQS) of J.D.Power.



Feng Xingya  
President of GAC Group



### Upholding green development, creating green ecology.

We practiced the green low-carbon development, comprehensively applied environmentally friendly green process and materials and developed the battery, motor and electronic control technology to enhance the competitiveness of new energy products. We launched the models equipped by new energy technologies and, co-developed several new energy vehicles with several joint ventures; advocated energy conservation and emission reduction and cultivated green culture. The Group and affiliates actively engaged in green public welfare activities including ecological protection and afforestation to realize the harmonious coexistence with the environment. In 2018, the first project of GAC's Industrial Park for Intelligent & Connected New Energy Vehicle - Smart Eco-plant of GAC NE was completed.

### Pursuing value creation, achieving a win-win situation.

We safeguarded the legitimate rights and interests of employees, respected their diversified development, strengthened the occupational health management, improved the safety awareness, organized skill training and recreational and sports activities, cared employees in difficulty, and provided a platform for employees' career development. We strengthened supply chain management, boosted industrial integration, deepened international cooperation, worked together with our partners to complement each other's resource advantages and achieve coordinated development. We were also deeply involved in public welfare and charity, alleviating poverty in both urban and rural areas and promoting safe driving to create a community with harmonious development. In 2018, the Group contributed up to RMB 70.342 million, and the targeted 245 poor households all shook off poverty as a result.

Looking ahead, we face daunting tasks and have a long way to go. Innovation and breakthrough stems from the Group's culture as well as the Group's economic and social responsibilities. We will keep focusing on quality and returns, continue to stick to independent innovation and joint venture cooperation to realize the transition from manufacturing to creation, from speed to quality and from product to brand. By advancing quality, efficiency and driving force revolution, practicing the concept of "co-creation, co-construction and sharing", exerting the corporate culture to lead strategies, foster brands and cultivate talents, we will drive GAC Group to fully implement the "13<sup>th</sup> Five-Year Plan" blueprint to be one of top 100 companies in the world in 2027, the 30<sup>th</sup> anniversary of its establishment and a world-class company with global competitiveness in 2037, the 40<sup>th</sup> anniversary of its establishment, and to march towards the first-class international auto group that wins customers' trust, ensures employees' well-being, meets social expectation and keeps creating value for a better mobile life of human beings!

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**2.1940** Million  
Auto production of the Group

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**2.1479** Million  
Auto sales of the Group

---

**550,000**  
Sales of GAC Trumpchi

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**202<sup>th</sup>**  
The Fortune Global 500

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**1.1** Billion  
Approx. RMB 1.1 billion of direct economic benefits from Innovative Guangzhou Automobile (IGA) program

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**70.342** Million  
Charity and public welfare contribution

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# About Us

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广汽中心  
GAC CENTER

广汽中心  
GAC CENTER

## Company Profile

Guangzhou Automobile Group Co., Ltd. is a large state-holding joint-stock company set up in June 1997 and listed both in the A-Share and H-Share markets. Headquartered in Zhujiang New Town, Tianhe District, Guangzhou, GAC Group has 95,000 employees and 2,731 dealership stores in 31 provinces, municipalities and autonomous regions, providing nearly 800,000 jobs in the fields including parts supply, distribution logistics and financial services. GAC Group ranked No. 202 of the Fortune Global 500 for the sixth time in 2018.

The main business of GAC Group covers five major sectors that are automobile R&D, vehicle, component manufacturing, trade service and financial service. It owns more than twenty affiliates and R&D organizations including GAC R&D Center, GAC Motor, GAC NE, GAC Honda, GAC Toyota, GAC FCA, GAC Mitsubishi, GAC Nio, GAC Hino, GAC BYD, Wuyang-Honda, GAC Component, GAC Toyota Engine, Shanghai Hino Engine, GAC Business, Tongfang Global Logistics, Dasheng Technology, GAC-SOFINCO, Urtrust Insurance, China Lounge Investments, Guang Ai Insurance Brokers, GAC Capital and GAC Finance. It produces and sells renowned auto brands such as GAC Trumpchi, Accord, Odyssey, Avancier, Acura, Camry, Highlander, Yaris, Levin, JEEP Grand Commander, ASX, Outlander, Eclipse Cross and Hino.

In 2018, the Group produced and sold 2.194 million and 2.1479 million vehicles respectively, registering a year-on-year growth of 8.77% and 7.34%, 10% higher than the industry average. The Group's industrial output totaled RMB 308.45 billion, up by about 5.8% from a year ago. Together with its joint ventures and affiliates, it realized gross revenue of about RMB 363.685 billion, increasing by 7.04% compared with the last year.

Looking forward, GAC Group has put forward its development goal and mission for new stages, that is, in the first stage, GAC Group will strive to be listed among top 100 enterprises in the world in 2027, the 30<sup>th</sup> anniversary of its establishment, and in the second stage, GAC Group will become a first-class enterprise with global competitiveness in 2037, the 40<sup>th</sup> anniversary of its establishment.

GAC Group always adheres to the corporate philosophy of "Humanity, Credibility and Creativity" and the brand core of "detailing and greatness", and is committed to building a world-class company which wins customers' trust, ensures employees' well-being, meets social expectation, and keeps creating value for a better mobile life of human beings.

**308.45** billion **5.8%** ↑

The Group's total industrial output value A year-on-year increase of

**363.685** billion **7.04%** ↑

Gross revenue made by the Group with its joint ventures and affiliates A year-on-year increase of







Guangzhou Automobile Group Co., Ltd.

## Enterprise Ranking in 2018

# Key Milestones of GAC Group in 2018

January  
16

The third production line of GAC Toyota in Nansha, Guangzhou went into operation, making the total production capacity of GAC Toyota exceeding 600,000 units per year.

February  
2

Zeng Qinghong, Secretary of the CPC Committee and Chairman of GAC Group, was elected deputy to the 13th National People's Congress.

April  
25

GAC Group released a new strategic cultural concept, GAC's philosophy and cultural slogan - "Creativity Defines Our Future" at 2018 Beijing International Automotive Exhibition.

June  
28

GAC University and GAC Party School were unveiled. GAC Group and South China University of Technology held a strategic cooperation agreement signing ceremony.

July  
1

GAC Honda has been established for 20 years, becoming a successful model of joint venture cooperation for Chinese companies.

July  
19

GAC Group ranked No. 202 of the Fortune Global 500, up 36 places from last year and ranked No. 23 of the Fortune Future 50 in 2018, ranking the highest among listed Chinese auto companies.

GAC Group signed a contract with Contemporary Amperex Technology Co., Limited (CATL) to organize two joint ventures to upgrade the market competitiveness of new energy products.

February

April

June

July

January

**August  
15**

GAC mobility strategy officially landed, with a project team set up to create a GAC mobility platform with strategic partners. The strategy plans to provide quality mobility services to the society in 2019.

**October  
2**

GAC Trumpchi, the self-owned brand of GAC Group, made its public debut at Paris Motor Show, being the only Chinese brand participating in the show.

**October  
16**

GAC Mitsubishi Research and Development Center, Parts Industrial Park and Engine Plant went into operation.

**November  
8**

The "independent R&D and industrialization of A-class SUV model" program of GAC Group won the First Prize of China Automotive S&T Award, a science and technology award of the highest level in Chinese auto industry.

**December  
7-12**

Wang Qishan, Vice President of China, visited GAC Group and other enterprises and institutes during his investigation in Guangdong, to master the technological innovation, business operation and the cooperation among Guangdong, Hong Kong and Macao.

**December  
14**

GAC Group announced the resolution of the 9th meeting of the 5th Board of Directors, disclosed the review and approval of the Proposal on Implementing Professional Manager Program, and agreed to implement this program.

**December  
23**

Li Xi, Secretary of the provincial Party Committee of Guangdong, and Ma Xingrui, Governor of Guangdong Province, visited the achievement exhibition of GAC during 40 years of reform and opening up as well as the GAC NE plant.

The Phase I project of the GAC's Industrial Park for Intelligent & Connected New Energy Vehicle - Smart Eco-plant of GAC NE was completed, and on the same day, GAC AISIN AW Automatic Transmission Project, GAC CATL Battery project and Panyu Auto Town Project were kicked off.

**December  
31**

GAC Group produced and sold 2.1940 million and 2.1479 million vehicles respectively throughout the year, registering a year-on-year growth of 8.77% and 7.34% despite the slump macro environment. It moved up one place over 2017 in terms of annual sales and listed among top 5 in China for the first time.

August

October

November

December



## Investment Structure

|  |  |   |  |
|--|--|---|--|
| R&D  |  |   |  |
|  广汽研究院<br>GAC ENGINEERING |  广汽科技<br>GAC TECHNOLOGY                           |   |  |
| Vehicles   |  |   |  |
|  广汽乘用车<br>GAC MOTOR       |  广汽新能源<br>GAC NE                                  | 广汽 HONDA  |  广汽丰田             |
| 广汽菲克<br>GAC FCA  |  广汽三菱   | 广汽蔚来<br>新能源汽车科技有限公司   |  广汽日野             |
|  广汽比亚迪                   |  五羊-本田   |   |  |
| Parts & Components   |  |   |  |
|  广汽部件<br>GAC COMPONENT  |  GTE 广汽丰田发动机有限公司<br>GAC TOYOTA ENGINE CO., LTD. |  上海日野<br>HINO |  |
| Trade Services   |  |   |  |
|  广汽商贸<br>GAC BUSINESS   |  TFGL 同方环球                                      | DS.cn   大圣科技  |  |
| Financial Services   |  |   |  |
|  广汽汇理<br>汽车金融           |  众诚保险<br>Urtrust insurance                      |  CHINA LOUNGE |  广爱保险经纪<br>GAIB |
|  广汽资本<br>GAC CAPITAL    |  广汽财务<br>GAC FINANCE                            |   |  |

Note:

1. Guangzhou Automobile Industry Group Co., Ltd. holds 53.74% of the shares of GAC Group
2. Only the primary and secondary affiliates and invested enterprises are listed herein due to limited space.

## Social Assessment



- No. 202 of the Fortune Global 500 in 2018
- No. 45 of Top 500 Chinese Enterprises and No. 14 of Top 100 Chinese Manufacturers in 2018
- No. 6 of Top 500 Enterprises of Guangdong and No. 3 of Top 100 Manufacturers of Guangdong in 2018
- Guangdong Provincial Leading Group for Poverty Alleviation and Development - Gold Award of 2017 Kapok Cup for Poverty Alleviation in Guangdong
- Guangzhou Charity Federation and Guangzhou Charity Association - Five-star Philanthropic Unit on the Charity List of Guangzhou in 2018 and Most Influential Philanthropic Enterprise on the Charity List of Guangzhou in 2018
- Guangzhou Population Welfare Foundation and The Happiness Project Organizing Committee - 2018 Excellent Contribution Award for The Happiness Project
- "GAC" and its figurative mark were recognized as well-known trademark by the State Administration for Industry and Commerce of the People's Republic of China.
- Interbrand - No. 47 of Best China Brands 2018
- *Southern Weekly* - Best Responsible Enterprise of 2017 Social Responsibility List of Chinese Automakers
- Guangzhou Daily Group - No. 50 of Guangdong's Top 100 Innovators in 2018
- School of Management, Fudan University and Shanghai Institute of Corporate Culture & Brand - No. 42 of The Most Valuable Chinese Brands · The Bund Ranking "Top 100"
- China Association for Public Companies - Top 100 Listed Companies Respected by Investors in China in 2017
- Tianma Award · the 9<sup>th</sup> Investor Relations of Chinese Listed Companies - 2017 Top 10 New Dynamic Listed Companies in China
- Top 15 in Selection of Best Employers of Automobile Industry by Chinese Undergraduates
- State-owned Assets Supervision and Administration Commission of the State Council - Third Prize of Radio and Television Works of the 5<sup>th</sup> "SOE Good News" Award
- Demonstration Enterprise for the Construction of Rule of Law Culture in Guangdong in 2017
- State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government - 2018 News Model Unit of Guangzhou State-owned Assets System
- State-owned Assets Supervision and Administration Commission of Guangzhou Municipal Government - "Excellent" Award for State-owned Assets Statistics and Flash Financial Reports of Enterprise
- Guangzhou Municipal Finance Bureau - Excellent Recognition of Final Accounting
- China Council for Brand Development - No. 74 of China Most Valuable Brands 100
- China Business Research Center of Tsinghua University School of Economics and Management and National Business Daily - No. 98 of 2018 Top 100 Brand Value List of Listed Companies



- The "independent R&D and industrialization of A-class SUV model" program won the First Prize of China Automotive S&T Award.
- The "High-efficiency Combustion Technology and Product Development of Gasoline Engine" won the First Prize of Guangdong Science and Technology Award.
- The "Independent R&D and Application of Automobile Fastening System Based on Forward Engineering Technology" won the Third Prize of China Machinery Industry Science and Technology Award.
- The "Independent R&D and Application of Automobile Fastening System Based on Forward Engineering Technology" won the Second Prize of Guangdong Machinery Industry Science and Technology Award.



- J.D.Power - No. 1 among Chinese Self-owned brands in 2018 China Sales Satisfaction Index (SSI) Study on Auto
  - J.D.Power - No. 1 in Large SUV in 2018 China Initial Quality Study (IQS)
  - J.D.Power - No. 1 of Chinese Brands in 2018 China Initial Quality Study (IQS)
  - People's Government of Guangdong Province - Guangdong Provincial Government Quality Award
  - China Charity Festival - 2018 Award for Responsible Brand
  - Xinhuanet - Social Responsibility · Green Environmental Protection Award
  - *China Newsweek* - 2018 Responsible Enterprise
- 



- The 8<sup>th</sup> China Automobile Market Reputation List - Most Reputable Automobile Enterprise of the Year
  - GE3 530 of GAC NE listed as the "Most Popular New Energy Vehicle" in 2018 Car Life Auto List
  - Aion S of GAC NE won the New Talent Award in Hurun Best of the Best Awards for pure customized vehicle with ultra-long endurance.
  - GE3 530 of GAC NE won the Top 10 New Energy Vehicles 2018 of Diandong.com
- 



- National Office for Science & Technology Awards - Second Prize of China Automotive S&T Award
  - Annual Meeting of Social Responsibility of Chinese Enterprises of *Southern Weekly* - Responsibility Case Award of 2018
  - *The Economic Observer* - "Respect for New Age · Respected Enterprises" in 2017-2018
  - Guangdong Southern Finance and Economics Omnimedia Group and *21<sup>st</sup> Century Business Herald* - Excellent Corporate Citizen in Rankings of 2018 China Corporate Citizens
- 



- Xinhuanet - 2018 Excellent Corporate Award for Social Responsibility
  - Annual Meeting of Social Responsibility of Chinese Enterprises of *Southern Weekly* - Responsibility Case Award of 2018
  - *China Business News* - The Corporate Social Responsibility Ranking in China - Outstanding Enterprise
  - The "safety activity for public good" of GAC Toyota won the 2018 Excellence Project Award of China Corporate Social Responsibility
- 



- China Quality Certification Center, Wuhan Branch - CCC-certified A-class Enterprise
- Promotion Conference of Hunan Intelligent Manufacturing Docking Cooperation - Hunan Intelligent Manufacturing Demonstration Enterprise



- General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and China Automobile Quality Net - Annual Quality Responsibility Award and Quality After-sales Service Award of China Automobile Quality Award
- 2018 China (Hunan) Automobile General Ranking Award - Influential Auto Enterprise of the Year
- Outlander won the China Automobile Quality Award for compact SUV.



- GAC Hino 700 Tractor for transportation of hazardous chemical substance won China Commercial Vehicle of 2019.
- Awards Ceremony for Chinese Truck Opinion Leader - Recommended Model by Chinese Truck Opinion Leader



- China Machinery Enterprise Management Association - 2018 Top 500 China Machinery (The 45<sup>th</sup>)
- Guangdong Provincial Enterprise Confederation - Enterprise with the Strongest Responsibility for Society in Guangdong



- Automotive Financing Specialized Committee of China Banking Association - Organization with Outstanding Contribution of Automotive Financing Specialized Committee of China Banking Association
- 2018 Award for Top 100 Excellent Financial Enterprises in Guangdong - Award for Top 10 Excellent Trustworthy Financial Institutions among Consumers
- 2018 The 9<sup>th</sup> China Auto Finance Annual Conference & Golden Engine Award Ceremony - "2018 Most Growable Auto Finance Company", "Product with the Best Financial Innovation"



- Guangzhou Finance Association - "Best Financial Service Window" of Guangzhou Financial Service Star
- Guangdong Financial Think Tank Association, Nanfang Daily Media Group, The Organizing Committee's Office of China (Guangzhou) International Finance EXPO - Award for Top 10 Excellent Trustworthy Financial Institutions among Consumers of 2018 Award for Top 100 Excellent Financial Enterprises in Guangdong

# Strategy of Sustainable Development

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## 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 Values

### Humanity

We put staff, customers, shareholders, cooperation partners and the public first. We care for staff's 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 based on 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.

## Cultural 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.

# Corporate Brand

## Brand Vision

Stay true to craftsmanship and strive for excellence

## Brand Core

**Detailing:** Dedication is a positive attitude towards continuous improvement.

Delicacy is the incessant pursuit for perfect quality.

Delightfulness is our commitment to a wonderful life.

**Greatness:** Great harmony to embrace the world

Great vision to have global insight

Great benefit to pay back society

## Brand Positioning

Value creator for mobile life

## Brand Slogan

Crafted by the driven

## Brand Proposition

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

## Brand Values

Acute, practical, self-independent, open

## Case

### A story of Guangzhou automobile industry to enhance employees' cultural identity

On November 14, 2018, GAC Group held the activity - "A New Era on Wheels - My Story with Guangzhou Automobile Industry in the 40 Years of Reform and Opening up" which gathered representatives from GAC R&D Center, 23 employees from production line of main affiliates, R&D personnel, dealers, industry experts and consumers. Stories about growing with GAC were shared in the form of "true feelings", "time and space dialogue", "thematic speech" and "global connection", to retrospect the history of Guangzhou automobile industry. During the event, participants tell the stories of auto manufacturing of Guangzhou people and witness the growth and development of Guangzhou automobile industry, effectively disseminating the Group's brand and corporate culture and strengthening the cultural identity, sense of collectivity and honor of employees.



▲ "A New Era on Wheels - My Story with Guangzhou Automobile Industry in the 40 Years of Reform and Opening up" Held by GAC Group

# Sustainable Corporate Governance

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## Improving Corporate Governance

### Board Operation

In combination with the institutional mechanism reform, GAC Group newly formulated 10 systems including the *Corporate Culture Management System and the Implementation Measures for Supporting Reform, Innovation and Error Tolerance* and revised 23 systems including the *Measures for Assessing Employee Performance* and the *Employee Compensation and Benefit Management System*. It also improved the internal management system, promoted the comprehensive corporate governance according to law, and established and perfected the risk management and internal control system to organically combine risk management and operating management, thus to give full play to the role of specific control of the special committee of the board and continuously improve the scientific, standardized and effective decision-making of the board. The Group's governance in 2018 was consistent with the *Company Law of the People's Republic of China*, the applicable regulations of China Securities Regulatory Commission and the rules for dual listing.

# 25

Board meetings

# 10

New systems

### Investor Relations

GAC Group disclosed information in accordance with the "legal compliant, complete and strict" supervision and the principle of "authenticity, accuracy, completeness, promptness, fairness and effectiveness" and under the guide of the latest regulatory rules. The Group persisted in the consistency and simultaneity of information disclosure in the A-share and H-share markets and made sure that the information disclosed was "free of error, delay, correction or addition". At the same time, the Group held investor relations activities through, for example, overseas roadshows, auto shows, exchanges and investor summits to spreading its operation philosophy and investment value.

# 55

Accumulated investor visits and surveys received

# 1,017

Accumulated number of investors and analysts received

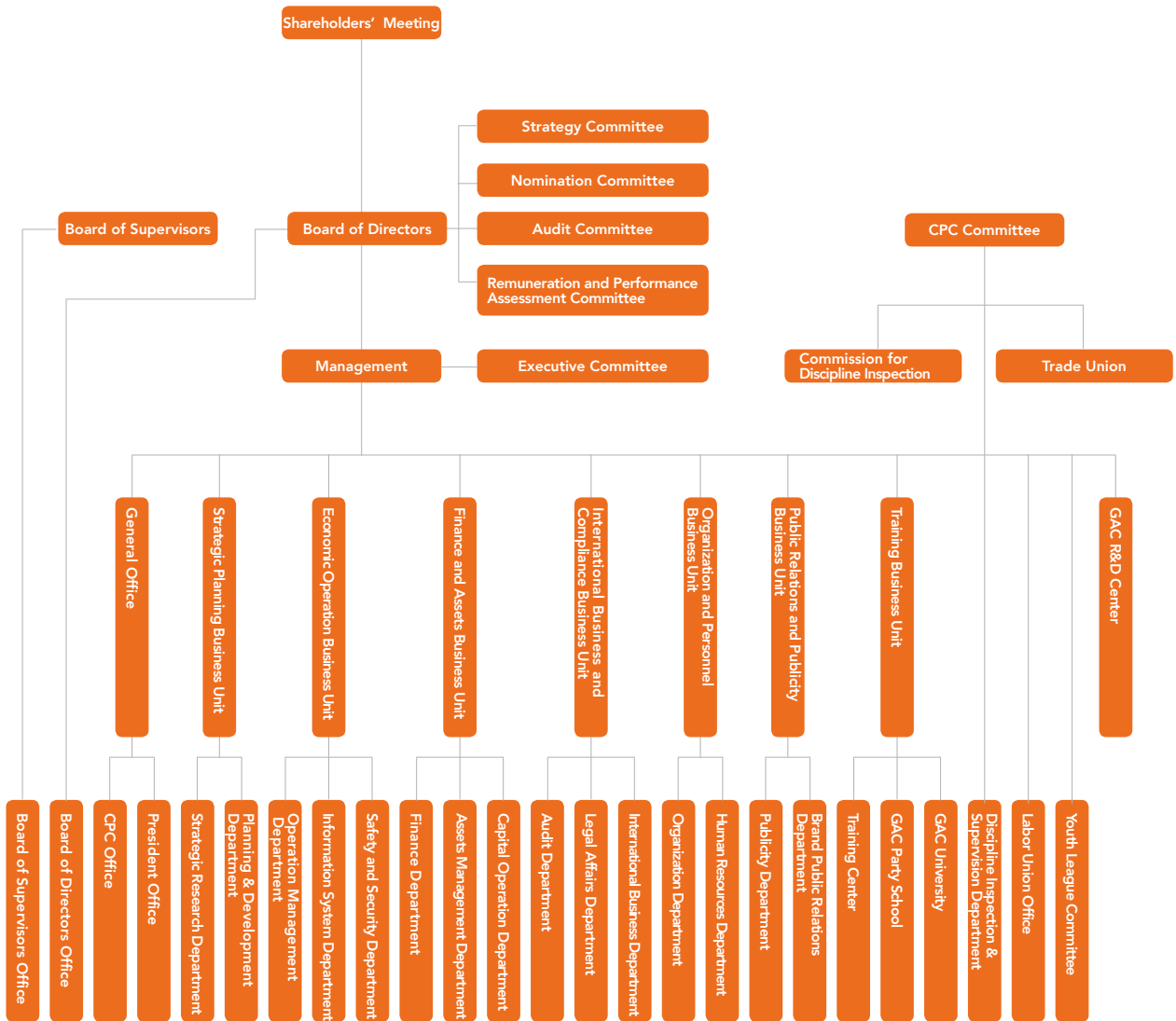
#### Board Operation of GAC Group in 2018

|  |     |
|--|-----|
| Number of new systems                              | 10  |
| Number of revised (abolished) systems              | 23  |
| Total number of management systems                 | 197 |
| Number of board meetings                           | 25  |
| Number of on-site board meetings                   | 4   |
| Number of board meetings by means of communication | 21  |
| Number of proposals audited                        | 91  |

#### Investor Communication of GAC Group in 2018

|  |       |
|--|-------|
| Accumulated number of investor visits and surveys received | 55    |
| Number of investor teleconferences held                    | 30    |
| Number of investor summits participated                    | 8     |
| Number of annual performance conferences organized         | 1     |
| Number of investor open day organized                      | 3     |
| Accumulated number of investors and analysts received      | 1,017 |

## Organization Chart of GAC Group

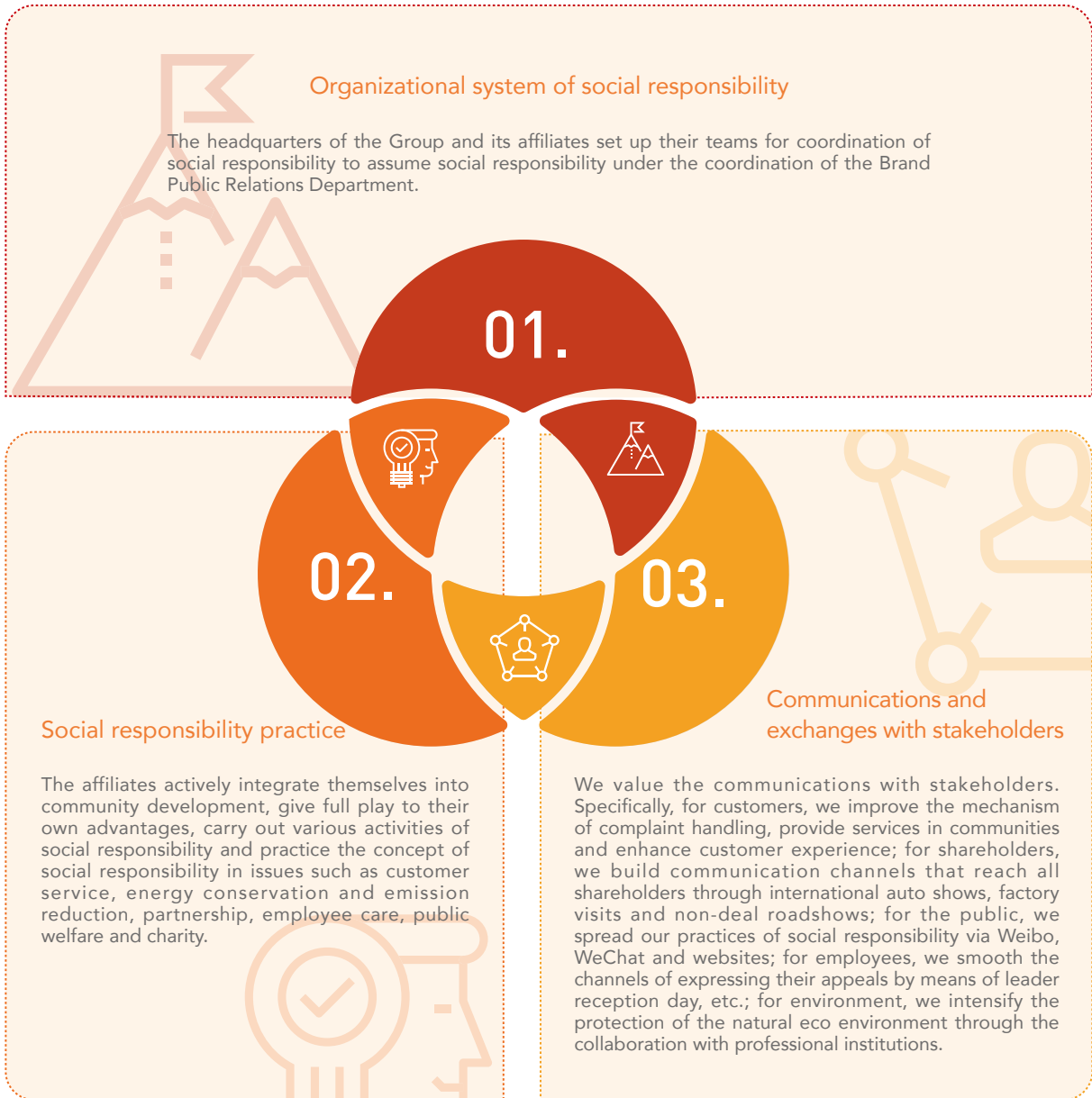


Note:

- 1.The Group has 8 business units, 25 departments and 1 branch, of which Board of Supervisors Office and the Board of Directors Office share the same office and organization, so do the CPC Office and the President Office, the Publicity Department and the Brand Public Relations Department, and the Training Center, GAC Party School and GAC University.
- 2.Please refer to the annual report for the list of directors, supervisors and senior executives.

# Management of Responsibilities

GAC Group is committed to becoming an outstanding corporate citizen with global influence and a high sense of social responsibility. To achieve that, it integrates the responsibility and care for people, environment and society into the day-to-day operation. It also actively bears social responsibility in terms of employee development, charity, public welfare and energy conservation and emission reduction to enable the sustainable development of GAC Group as well as the economy, society and environment and to become a world-leading and socially trustworthy mobile value creator.



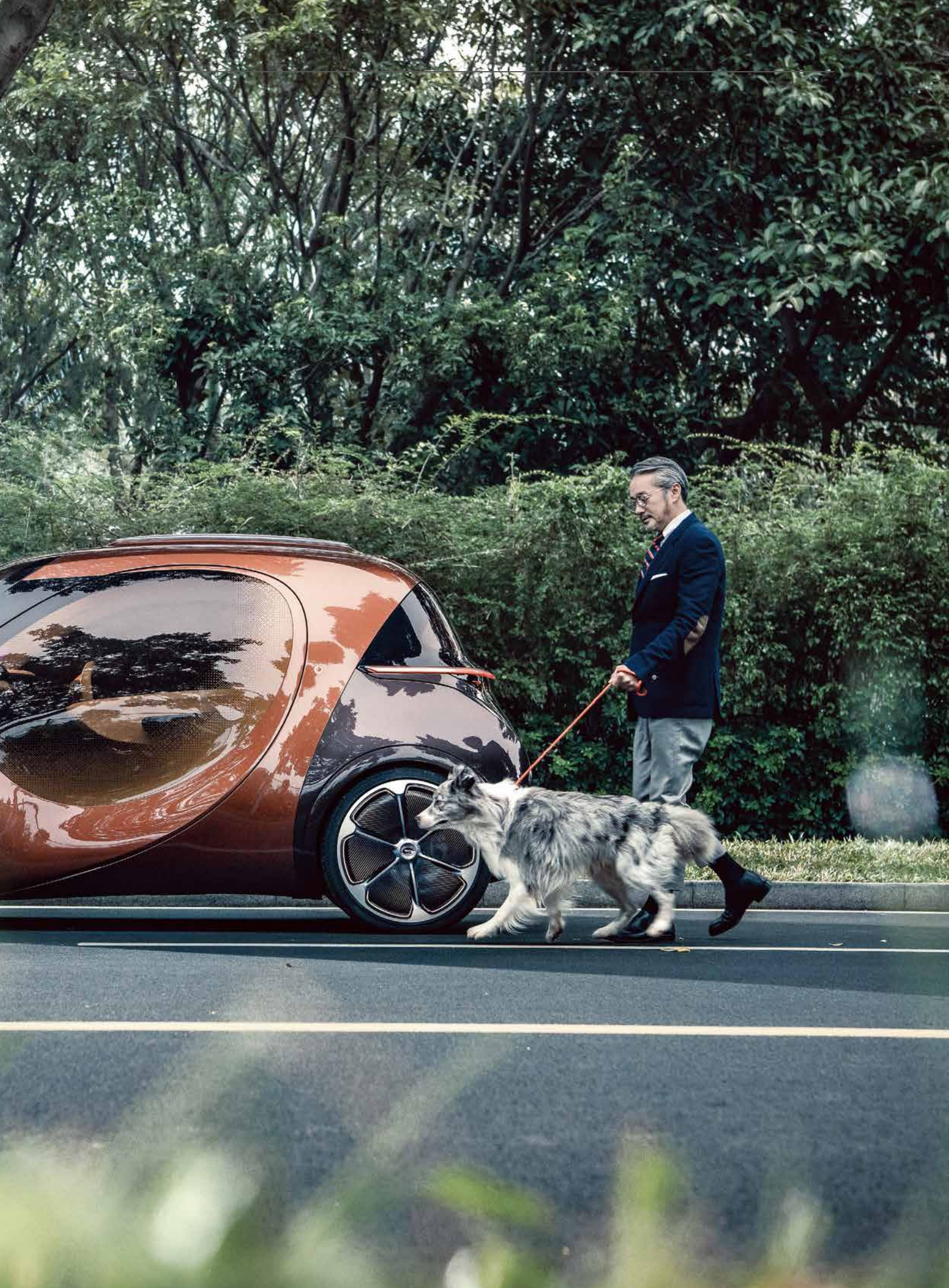


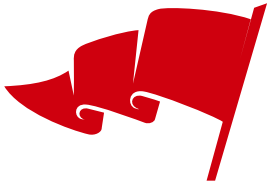
| Stakeholders  | Expectations and Demand | Response and Actions  |   |
|---|-------------------------|---|---|
|    | Government              | <p>Drive the sustainable and healthy development of economy</p> <p>Assist in public finance and serve the governmental development</p> <p>Operate in compliance with laws and regulations</p> | <p>Observe national regulations and policies</p> <p>Response to national development strategies</p> <p>Pay taxes according to law</p> <p>Strengthen the compliance management</p> <p>Operate in good faith</p>  |
|    | Shareholders            | <p>Satisfactory investment returns and good market value</p> <p>Gain a full picture of the Company's operating conditions</p>   | <p>Improve profitability</p> <p>Strengthen the management of investor relations</p> <p>Perfect the information disclosure mechanism</p>   |
|  | Customers               | <p>Rich automobile products</p> <p>Quality driving experience and services</p> <p>Good quality</p> <p>Driving safety</p>  | <p>Enhance technological innovation and enrich the product lines of self-owned brands</p> <p>Improve service quality and pay close attention to customer experience</p> <p>Upgrade systems to improve the safety performance of vehicles</p> <p>Carry out public welfare activities such as safe driving training, traffic safety, etc.</p> <p>Promote safe driving and advocate harmonious traffic</p> |
|  | Partners                | <p>Fair procurement</p> <p>Good faith and mutual benefit</p>  | <p>Open and transparent procurement mechanism</p> <p>Persist in the principle of equality, mutual benefit, harmony and win-win outcome</p>  |
|  | Employees               | <p>Good career planning and growth opportunity</p> <p>Protect basic rights and interests</p>  | <p>Implement HR enhancement project and improve the systems of staff training, salary incentives, insurance and welfare</p>   |
|  | Communities             | <p>Pay attention to the community development</p> <p>Build harmonious communities</p>   | <p>Take an active part in public welfare undertakings</p> <p>Assist the disadvantaged groups</p> <p>Carry out volunteer activities</p>  |
|  | Environment             | <p>Pay attention to climate change and support low-carbon economy</p> <p>Advocate energy conservation and emission reduction to build a conservation-oriented society</p>                     | <p>Develop NEVs</p> <p>Build advanced, environment-friendly, energy-saving and green plants</p> <p>Intensify the investment in energy conservation and emission</p> <p>Foster the idea of environmental protection</p>  |

# Sustainable Development Practice

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Topic One:

**Strengthening Party Construction  
for Reinforcement**



*"For the Party to unite the people and lead them in carrying out our great struggle, advancing our great cause, and realizing our great dream, we must unwaveringly uphold and improve Party leadership and make the Party still stronger."*

— General Secretary of the Communist Party of China Xi Jinping's Report in the 19<sup>th</sup> National Congress of the Communist Party of China



The year of 2018 is the opening year to implement the spirit of the 19<sup>th</sup> CPC National Congress. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, GAC Group learns more about the spirit of the 19<sup>th</sup> CPC National Congress, and comprehensively promotes strengthening Party self-discipline around the reform and development of the Group, providing strong political, thoughtful and organizational guarantee for high-quality development of the enterprise.

11,239

Party members within GAC Group

11.85%

The proportion of GAC Group's party members

**Strengthening the leadership of the Party**

GAC Group fully carries out Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the spirit of the 19<sup>th</sup> CPC National Congress, firmly implements the central government's party management and governance requirements, firmly establishes "Four Consciousnesses", always insists on "Four Confidence", firmly realizes "Two Protections", strictly performs "Three Lesson System", and unites strengthening of the party's leadership with improvement of corporate governance, so as to lead and promote the enterprises to develop towards higher quality.



▲ Special training of learning the spirit of the 19<sup>th</sup> National Congress of CPC - Zeng Qinghong (Secretary of the Party Committee and Chairman of GAC Group) attending opening ceremony and delivering a speech

**Deepen the Construction of Party Conduct and Honest Administration**

GAC Group sticks to the strictness, strengthens inner-party supervision, improves system guarantee, makes great efforts to special governance inspection, carries out special examination on consolidating and implementing spiritual achievements of eight central regulations, strictly implements *the Accountability Regulations of the Communist Party of China*, works hard on accountability system, implements special governance of anti-corruption, opens the complaint reporting channel for employees, deepens the construction of incorruptible culture and creates an incorruptible environment for the quality development of the Group.

Don't want to corrupt

- ◆ Establish a warning education database, organize to watch clean governance warning videos and education videos
- ◆ Prepare and issue *Honest GAC* each month and update the dynamic condition of clean construction of GAC

Don't dare to corrupt

- ◆ Strengthen the electronic supervision of "Three Majors and One Large" Decision, and supervise 703 items of the Group and invested enterprises
- ◆ Carry out the management of comprehensive supervision and special supervision in the field of poverty alleviation

Can't corrupt

- ◆ Prepare *Procedures for Handling Complaint Reporting Through Letters and Visits, Implementing Methods for Conversation Inquiry, and Implementing Methods for Supporting Reform, Innovation and Tolerance of Errors*
- ◆ Revise *Methods for Leading Cadres Reporting Responsibilities, Honesty and Morality, and Measures for Supervision and Administration of Three Majors and One Large*



▲ Motivational meeting for activities in the discipline education learning month in 2018 by GAC Group

# 4,744

The Group carried out the non-corruption education for 4,744 leading cadres and evaluated them.

# 10,572

10,572 serving party members of the Group participate in education for party members on WeChat.

## Promote the Construction of Party Member Teams at the Grassroots Level

GAC Group prepares *the Guiding Idea on Strengthening the Party Construction of GAC Group's Mixed Ownership Enterprise*, delivers the spirit of the Two Sessions and important address by General Secretary Xi Jinping at the Guangdong inspection tour in time, formulates measures and methods to implement "1+4" series of action plans in Guangzhou, Guangdong, innovates the construction model of the Party and improves the value-creating ability of party construction.

# 4

4 briefing sessions for outstanding member of Communist Party at the grassroots level

# 24

24 seminars for special learning guidance

# 200 times

More than 200 times of thematic learning

### Improve job responsibility system of party construction

- ◆ Improve job responsibility system of party construction at the grassroots level by "the secretary should focus on party construction and also should be supervised", and carry forward 146 "secretary projects" accumulatively for 7 straight years

### Give a full play to the exemplary role of party members

- ◆ Build excellent party organization and party members at the grassroots level, and establish "party member commando" "party member vanguard post" and "party member zone of responsibility"

### Establish an innovative model of "smart party construction"

- ◆ Establish a new media smart party construction system and WeChat platform covering 485 grass-root party organizations and 11,239 grass-root party members



▲ Conducting party construction knowledge contest and creating a strong learning and education atmosphere



▲ Organization of Reviewing Party Oath



Topic Two:

**Wave of the Pearl River, Carrying the Dream forward**



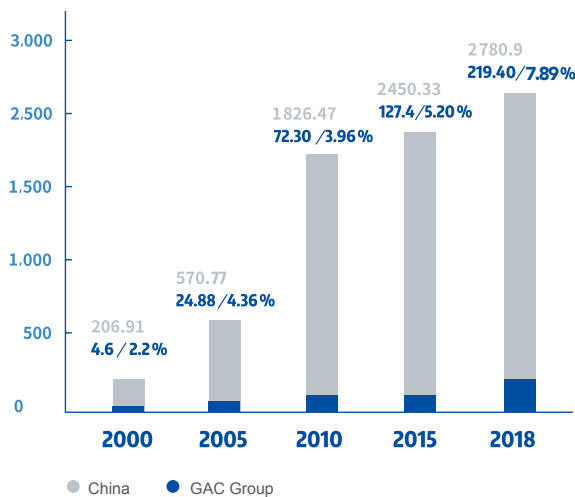
*"Reform and opening up represents a great revolution in the history of the Chinese people and Chinese nation."*

*— Address by President Xi Jinping at the celebration for the 40<sup>th</sup> anniversary of China's reform and opening up*

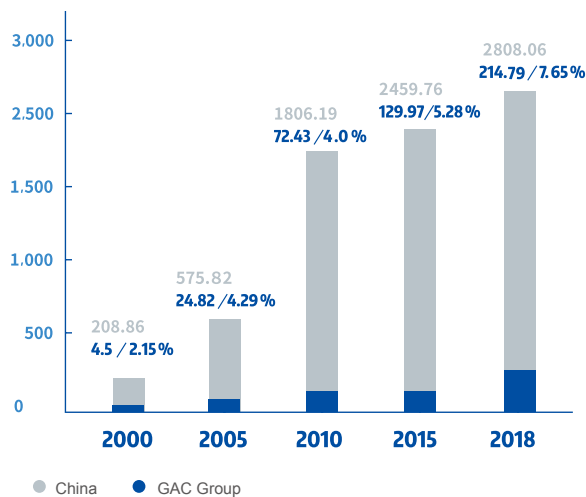


In 1978, China launched its new journey of reform and opening up. GAC Group always keeps its pace with the reform and opening up. Under the leadership of this reform wave, the Group forges ahead, continues to develop and provide colorful travel experience and keeps creating value for mobile life.

Automotive production of china and GAC Group as well as GAC's proportion during 2000 - 2018 (unit: 10,000 vehicles)



Automotive sales of China and GAC Group as well as GAC's proportion during 2000 - 2018 (unit: 10,000 vehicles)



**Carrying the Car Making Dream of Guangzhou**

*"We have successfully walked out the path of 'small investment, quick output and rolling development guided by the market'".*

*— Zeng Qinghong, Chairman of GAC Group*

At the end of the 20<sup>th</sup> century, GAC Group carries the car-making dream of Guangzhou and move forward. In 1997, Guangzhou Automobile Group Company, the predecessor of GAC Group, was officially founded.



▲ Delivery ceremony of pilot production and trial market of Guangzhou Honda Accord on November 8, 1998

## Expand Joint Venture Cooperation

*"The cooperation between GAC and foreign partners is win-win. Both sides trust each other, respect each other and complement each other's advantages."*

—— Zeng Qinghong, Chairman of GAC Group

GAC Group always sticks to the policy of "joint venture cooperation", and sets up joint ventures with Honda, Toyota, Hino, FIAT Chrysler and Mitsubishi successively. Based on the customers' demand, the Group further deepens the cooperation with the foreign-owned enterprises, and promotes the realization of industrial layout with Guangzhou as the center, Central China and East China as wings and radiating across the country.

### Case

#### GAC Honda rolls off the 6,000,000<sup>th</sup> vehicle from the production line and is at the leading position of domestic joint venture automobile enterprise

GAC Honda always carries the consumers' dream forward, remains committed to providing products and services for consumers and the society beyond their expectation in brand, product, marketing, channel, smart manufacturing and responsibility, thus GAC Honda is trusted and supported by consumers. On March 19, 2018, as the 6,000,000<sup>th</sup> vehicle rolled off, GAC Honda became the first enterprise with the production amounting to 6,000,000 vehicles accumulatively under GAC Group, which is at the leading position of Chinese joint venture automobile enterprise.

## Build a Proprietary Brand

*"GAC Trumpchi, GAC proprietary brand, reflects the quality development from its birth in 2010 to becoming a business card of made in Guangdong and made in China."*

—— Zeng Qinghong, Chairman of GAC Group

GAC Group positively develops self-dependent innovation. It launched self-owned brand construction in 2007, and founded GAC R&D Center and GAC Motor. Since its launch, GAC Trumpchi developed rapidly, which creates a miracle in self-dependent brand of Chinese automobile.

### Case

#### GAC Trumpchi promotes innovation transformation and intelligent manufacturing, and achieves quality development in manufacturer

GAC Trumpchi strongly promotes innovation transformation and intelligent manufacturing, implements Industry 4.0 and intelligent manufacturing, builds "intelligent manufacturing" benchmarking plant with high efficiency, high quality, energy conservation and environment protection, realizes value maximization of whole industry chain, builds complete data system and product evolution sequence, as well as realizes quality development of manufacturing from innovative R&D, quality supply and lean manufacturing.



▲ the 1,000,000<sup>th</sup> Product Car of GAC Trumpchi Rolled Off

## Speed up Transformation and Upgrading

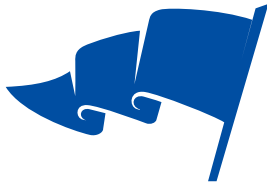
*"At present, it is at the historical period from 'made in China' to 'intelligent manufacturing in China'."*

—— Zeng Qinghong, Chairman of GAC Group

GAC Group works hard on developing innovation, promotes the electrification, intelligence & connectivity, internationalization, ride-sharing and digitalized transformation and upgrading, constructs GAC's Industrial Park for Intelligent & Connected NEV, builds world-class "digitalized smart factory" and makes efforts to transform from traditional automobile manufacture enterprise to mobility service provider, so as to improve the value of travel for human and become a world-leading and socially trustworthy mobile value creator.



▲ On July 5, 2018, Chairman Zeng Qinghong shared "automobile dream of Guangzhou people" at the event, "to happiness: my story with Guangzhou in the 40 years of reform and opening Up", and told the story about the growth of automobile industry in Guangzhou



Topic Three:

**Poverty Alleviation for Moderate Prosperity**



*"We should profoundly realize the arduousness, importance and urgency for completing poverty alleviation as scheduled in severely-struck regions, use more supportive and effective measures and make more efforts to propel poverty alleviation."*

*Address by President Xi Jinping at the forum of poverty alleviation for severely poverty-struck region*



GAC Group actively responds to the national strategy of targeted poverty alleviation, implements decisions and arrangements made by the central government and the provincial government of Guangdong Provincial Party Committee, and gives a full play to its own advantages. The Group works hard on the general objective for targeted poverty alleviation in Guangdong, namely "three years for poverty reduction, two years for consolidation and completing the poverty alleviation in 2020 as scheduled", making its contribution to build a moderately prosperous society in an all-round way. By the end of 2018, there has been RMB 42.336 million raised, among which the Group and enterprises raised RMB 35.544 million. The task of "not worrying food and clothes, guaranteeing compulsory education, basic medical care and housing security, as well as index of basic public service equivalent to the average level of the whole province" has been implemented in 3 poor villages, including Lianyi Village, Baishi Village and Silian Village at Jiubei Town, Lianzhou, Qingyuan, Guangdong. In addition, 245 poor households and 615 poor people have been lifted out of the poverty.

**42.336 million**

Total support funds

**35.544 million**

Self-raised fund by the Group and enterprises

**Carry out Party Construction and Poverty Alleviation**

GAC Group always sticks to building the grass-root party organization of the poor village into a fighting bastion leading poverty alleviation and rural revitalization, deeply conducts party construction and poverty alleviation, and continues to manage organization under construction, leading teams, strengthening responsibility, strict discipline, etc., so as to support poverty reduction politically.

**183**

Organize party members to carry out targeted poverty alleviation for 183 times

**2,800**

2,800 party members involved

**Improve poverty alleviation mechanism**

- ◆ Establish a new era leading team for three-year targeted poverty alleviation
- ◆ Specify the total fund of the Group, three responsibility enterprises and six support enterprises for helping three poor villages no less than RMB 31.5 million for three years (2016-2018)

**Strengthen team construction**

- ◆ Assign 9 excellent cadres to hold the posts at the poor village, and organize the secretaries of poor villages to research and study at the advanced villages
- ◆ Each enterprise establishes special task team to carry out investigation, realizing one file for each household and one policy for each household

**Be strict in discipline of poverty alleviation**

- ◆ Conduct special supervision on poverty alleviation coordination project by the Group



## Based on Industry Support

GAC Group actively implements poverty alleviation by industry, employs the industry development model of “enterprise + base + peasant household”, stimulates enthusiasm of the mass in poverty and improves their self-development ability, thus speeding up poverty alleviation.



▲ Dried Beancurd Sticks Production Line of Qilian Agricultural Products Co., Ltd.



▲ Organic Vegetable Planting Base at Silian Village

### Case

#### Build a bean products processing plant jointly to stimulate endogenous power at poverty-struck regions

GAC Group invests fund, coordinates three designated poverty alleviation villages to build a bean product processing plant, selects several enterprise cadres with rich management experience to operate the plant, invites the expert from South China Agricultural University to teach the bean planting technology locally, and prepares to build an e-commerce sales platform at the same time, so as to achieve the integrated development of industry. Households in poverty can gain dividends through leasing the land, planting bean, working in bean product plant, benefits of dividends, thus increasing the income of village collective and households in poverty.

By the end of 2018

**45**

Local people were attracted for employment

**11**

Low income families

In 2018

**14.86 million**

The sales revenue

**1.65 million**

The profit

**100.000**

The dividend for each village

## Develop Livelihood Projects

GAC Group tries to improve the infrastructure and public service conditions at the poverty-struck areas, guarantees the basic livelihood of people in poverty, conducts “three cleans, three removes and three controls”, improves the production and living environment of villagers, and solves the immediate difficulties of people in financial difficulties. In 2018, the Group helped build Lianyi Yingpan Village, Silian Wangwu Village and Fei’eling in Lianzhou, Qingyuan, Guangdong into beautiful demonstration villages in Qingyuan, Guangdong.

#### Promote the construction of infrastructure

- ◆ Harden 6.4km-long road, and realize the hardening of roads at natural villages with more than 200 people from the village committee
- ◆ Make safe drinking water accessible for 10 villages
- ◆ Construct and improve 22 cultural rooms, 14 places for cultural and leisure activities, 3 sanitary stations, 50 refuse collection facilities, and install 617 street lamps

#### Develop education support

- ◆ Invest RMB 139,300, and award grants to poor students by 86 person times

#### Organize poverty reduction training

- ◆ Organize 9 trainings for 456 people, including farming technology, law popularization publicity, health lecture, etc.

#### Carry out affordable housing project

- ◆ Support poor households to transform dilapidated houses, raise funds of RMB 1.89 million, and complete the transformation and construction of houses for 50 poor households

## Create New Value of Mobile Life

### Promote the quality development

# 2,194,000

In 2018, the annual automobile production reached

# 8.77% ↑

Increasing by 8.77% on a year-on-year basis

# 2,147,900

In 2018, the annual automobile sales reached

# 7.34% ↑

Increasing by 7.34% on a year-on-year basis



*"In order to develop quality economic development and realize medium- and long-term plan, GAC Group is required to work on and lead the reform of quality, efficiency and driving force, and make its due contribution to ensure the leading position of the automobile industry of Guangzhou, Guangdong in China."*

Zeng Qinghong, Chairman of  
GAC Group



As the automobile market increasingly gets mature, GAC Group is required to discover new market opportunities rapidly by its insight into customers, and promote industrial progress and social development relying on users' demand for mobile life. Also, it tries to transform from manufacturing to creation, from speed to quality, from product to brand, and speeds up the transformation and upgrading towards mobile life value creator, so as to provide quicker and more convenient services for people's mobile life.

GAC Group positively adapts itself to macro situation and market environment, effectively deals with the new market trend, endeavors to overcome the influence of unsteady factors, vigorously promotes the management system and mechanism innovation and reform of state-owned enterprises, as well as follows national development strategies, so as to stimulate market vitality, motivation and initiative of talents by innovation and guarantee the stable growth of operation against trend.

### 1. Realize Stable Operation

We actively deal with unprecedented severe market situation, try to overcome the influence of unsteady factors, guarantee stable growth of production and operation against trend, obtain continuous growth of sales and create new heights. In 2018, the Group's annual automobile production and sales reached 2,194,000 and 2,147,900 units respectively, increasing by 8.77% and 7.34% on a year-on-year basis.

#### Car Sales of Main Brands of GAC Group in 2018

|                    |                |                                     |                                |
|--------------------|----------------|-------------------------------------|--------------------------------|
| Passenger vehicle  | GAC Motor      | 535,200                             | Year-on-year growth of 5.23%   |
|                    | GAC NE         | More than 20,000 for the first time | Year-on-year growth of 282%    |
|                    | GAC Honda      | 741,400                             | Year-on-year growth of 5.16%   |
|                    | GAC Toyota     | 580,000                             | Year-on-year growth of 31.11%  |
|                    | GAC Mitsubishi | 144,000                             | Year-on-year growth of 22.69%  |
| Commercial vehicle | GAC BYD        | 5,046                               | Year-on-year growth of 222.02% |
|                    | GAC Hino       | 4,303                               | Year-on-year growth of 65.44%  |

### 2. Deepen the Structural Reform

We optimize the company's governance structure, improve market operation mechanism, try to build an organizational function system with proper structure, scientific standards, consistent rights and obligations, streamlined high efficiency and coordinated operation, as well as achieve a simplified group and improvement of management efficiency; we also establish a salary system for enterprise management supervisors and high-level talents adapted to recruiting and selecting way, including market recruiting and selecting way, and lay a solid foundation for the enterprise's sustainable development.

#### Streamline the functional system of organizations

- Integrate departments, set up 8 business units, 25 departments and 1 branch

#### Promote administrative system reform of investment enterprises

- GAC Component, GAC Business, Dasheng Technology and Urtrust Insurance set on-duty Chairman and are configured with Deputy Secretary of the Party Committee (Party Branch) and Secretary of Committee for Discipline Inspection (Disciplinary Inspection Committee)
- Establish GAC Nio, GAC CATL, CATL GAC and other enterprises with private joint ventures, and speed up the reform of mixed ownership

#### Optimize talent salary system

- Pilot Program for the Reform of Professional Managers* is approved, and the reform of professional managers is implemented officially
- Revise salary system of the Group, investment enterprise operators and dispatched personnel, and increase the performance evaluation and the performance related differentiation

## Serving for National Strategy

We actively responds to “the Belt and Road Initiative”, implements decisions and arrangements of helping Xinjiang by industry, assists the construction of Guangdong-Hong Kong-Macao Greater Bay Area, with innovation-driven and sustainable development as its standard as well as forward-looking & innovative strategy and action serving for national strategy.

### Case

## Xinjiang plant of GAC Motor assists in social stability and long-term peace and order of Urumchi



*“We should focus on “the Belt and Road Initiative”, stick to both bringing in and going out, observe the principle of discussion, construction and sharing together, and strengthen innovative ability and open cooperation, so as to form an open pattern of internal and external land-sea linkage as well as the east and the west benefiting each other.”*

— General Secretary of the Communist Party of China Xi Jinping’s Report in the 19<sup>th</sup> National Congress of the Communist Party of China



GAC Group responds to the national call to build and develop “the Belt and Road Initiative” entity economy industry. As a Chinese self-owned brand, GAC Motor takes the lead in investing in Xinjiang and constructing plants there, and gives a full play to local policy and geographic advantages, satisfying the natural bond status and market demand of local Silk Road Economic Belt. GAC Group expands the economic technology cooperation model with local government and enterprises, and builds an industry value chain integrating suppliers, dealers, R&D organizations and other upstream and downstream strategic partners, thus achieving a mutual benefit and win-win result among many sides and bringing more quality products for local automobile consumer market. In addition, the Group also brings advanced management and manufacturing experience and provides more employment opportunities for local regions, making its contribution to stability and prosperity of Xinjiang as well as enabling people to enjoy the fruits of reform & opening up and to live and work in peace and contentment.



▲ Completion of Phase I Main Works for Xinjiang Project of GAC Motor



*“The successful completion of phase I main works for Xinjiang project of GAC Motor marks a firm step in cooperation of new energy industry and advanced equipment manufacturing industry between GAC Group and Urumchi.”*

— Yasheng Sidike, Vice Secretary Municipal Committee of CPC and Mayor of Urumchi



◀ Chairman Zeng Qinghong of GAC Group (first one at right) attending the 12<sup>th</sup> Pan-pearl River Delta Regional Cooperation and Development Forum & Economic and Trade Fair, and exchanging ideas with guests on the subject of “smart connection, technology bay area” at the dialog session of Guangdong-Hong Kong-Macao Greater Bay Area

## Foster Quality with Craftsmanship

GAC Group always inherits the originality and turns out automobile products of high quality with the spirit of craftsmanship, and maintains its keen insight into the consumers' demand. The Group provides innovation value for users' mobile life, promotion of industrial progress and social development, relying on innovation R&D, lean production and considerate services in each field.

### 1. Providing Quality Products

Centering around people's demand for mobile life, we focus on new technology, new trend and new product, and provide quality products and services, so as to fundamentally change and improve the value of consumers' mobility. For R&D, we take big data and cloud computing as core methods, strengthen the bilateral communication with users and carry out customized product R&D and design, thus enabling online and coordinated R&D.

### 2018 New Models, Facelifts and Successors - Passenger Vehicle



GAC Trumpchi GA4



GAC Trumpchi GS4



GAC Trumpchi GS5



GAC Honda ACURA RDX



GAC Honda Shirui (PHEV)



GAC Honda Tenth Generation Accord SPORT TURBO



GAC Honda New Crider



GAC Honda CITY 2018



GAC Honda New Odyssey



GAC Honda Fit



GAC Toyota C-HR



GAC Toyota ix4



GAC Toyota New Highlander



GAC FCA New Jeep Grand Commander



GAC FCA New Jeep Cherokee



*“GAC Hino motors outperform others in details. A motor with strong details will result in good performance and less failure”*

*— Fleet Leader of STO Express (Guangzhou Branch) Jiang Hualin*



### 2018 New Models and Models of Modification and New Generations - Motorcycle



GAC Mitsubishi Eclipse Cross



GAC Mitsubishi Outlander MY2019



Wuyang Honda Phantom of National IV Standard



GAC Mitsubishi ASX MY2019 (China VI Emission Standard Compliant)



GAC Mitsubishi Qizhi EV



Wuyang Honda Kaiying of National IV Standard



GAC Mitsubishi Qizhi PHEV



GAC Hino 700 Tractor for Transportation of Hazardous Materials



Wuyang Honda Ruiyu of National IV Standard



GAC Hino 700 Tractor (Wide Berth)



GAC Hino 700 Tractor



Wuyang Honda Xisha of National IV Standard

## 2.Strengthening Quality Management

We have always centered on developing quality and returns, continually conducting quality management, building the life-cycle quality management system including design, production, supply chain and service, and striving to build the leading quality management system, so as to essentially conform to the consumer's use safety.



- Proceeding from standard operation, GAC Motor stipulates the inspection method for vehicles, components and materials based on laws and regulations, industrial standards and customer focuses to form the comprehensive and systematic quality benchmark. Meanwhile, it performs the monitoring mechanism throughout the entire product life cycle, and reviews supplier's products and market services, so as to control the quality strictly from the source.



- GAC Honda establishes the scientific quality management system (GHQS) to realize that the quality responsibility is fully implemented, strictly promotes the "Three No" principle, namely, not leave off, manufacture and outflow the non-conforming products, and ensures high-quality products and services by virtue of strict requirements on new model introduction, supplier management, process management, quality inspection, dealership store management, information communication and training through GHQS.



- GAC Mitsubishi makes fully reference to and introduces the GAC Group's advanced product quality management system, stipulates the assessment indicators of "first time quality", and implements double breakthroughs of "Zero Defect and Zero Deduction" for complete vehicle quality inspection at the beginning of volume production of complete vehicle.



- GAC NE builds the GAC production system whole-process quality assurance system with new energy feature. "Stop", "Report" and "Suspension" are thoroughly implemented to various production processes to ensure that non-performing products will not enter the next process. The product assessment system specific to characteristics of electrified, intelligent and connected products is built to visualize non-performing products and realize the goal that "0" product recycle.

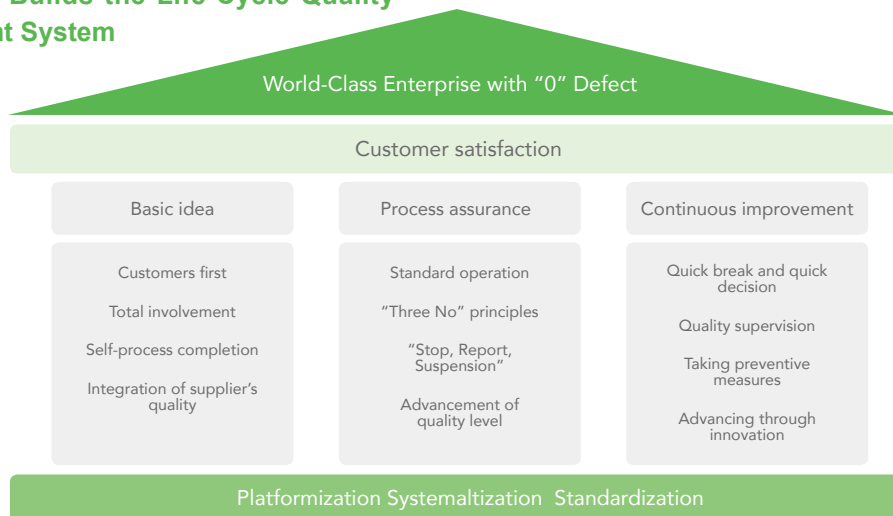


- Guided by the craftsman spirit of the new generation and adhering to the idea of "Customers First, Quality First", GAC Toyota conducts production activities, and provides customers with vehicle products with high quality and competitive price by building the quality assurance, inspection and supervision system of the whole value chain.



- Shanghai Hino Engine takes IATF16949 as the management standard, and manages suppliers, purchasing, manufacturing process and outgoing quality by combining Toyota quality method. Also, it checks KPI result according to the monthly quality meeting, analyzes market quality, supplier and manufacturing quality, finds out causes of quality issues and formulates the countermeasures.

### GAC Motor Builds the Life-Cycle Quality Management System



## Provision of Caring service

Insisting on the service ideas of “Professional, Considerate, Innovative and Trustworthy” and adhering to the purpose of “Customers First”, GAC Group has provided consumers with more meticulous car using service, and constantly offered middle- and high-end high-quality supply to the market based on world-class product and service, so as to provide the auto life with high degree of satisfaction to the customers. In terms of marketing service, it builds the E-commerce system dominated by the “online + offline” mode, strengthens cooperation between manufacturers, optimizes the new motor sales process, and improves customers’ experience. This makes the consumers enjoy GAC’s high-quality products and services more conveniently and efficiently.



- Taking “Customer-Centric” as the ultimate goal, GAC Motor builds the “GAC quality management mode” consisting of “superior design quality, parts quality, manufacturing quality and service quality”, which provides customers with considerate and convenient service experience. Based on this, the customers could realize their desired auto service life. In 2018, GAC Trumpchi won the Top Chinese Brand for Customer’s Satisfaction of After-Sales Service of China Auto for the third straight year, and awarded No. 1 Chinese Brand for Research on Sales Satisfaction of China Auto in 2018 by J.D. Power.

### 广汽 HONDA

- GAC Honda has always put the customer’s satisfaction on first, and received customer’s true satisfaction by providing the high-quality service, so as to finally gain the trust of the customers. GAC Honda listens to the customers by virtue of 800/400 hotline of customer service center, satisfaction questionnaire access and customer forum, and constantly improves the service level according to customer’s opinions and suggestions. In 2018, it awarded “Golden Wrench Award for Auto Service in China - Prize for Customer Satisfaction” for such customer satisfaction improvement measures as innovative service activities, We-chat platform and customer management system.



- Wuyang Honda makes the differential handling methods for different compliant scenarios at home and abroad. It solves the customer problems and improves the satisfaction of customer through PDCA analysis promptly and quickly according to the process.



- GAC NE collects customers’ complaints through complaints hotline, App, We-chat and other online platforms, issues the compliant work orders to business departments for handling, performs 7-day closure rate management to solve customers’ problems, and improves satisfaction.



- GAC Hino stipulates *Assessment Criterion for Customer Complaints* to solve customer complaints scientifically and reasonably.



- Urtrust Insurance will put on record to accept the complaints promptly according to the relevant complaint management system processes, immediately forward to relevant personnel for track and feedback, and set up the supervision process to feed back the customer complaints quickly and promptly.

**Case**

### GAC Toyota develops “worryless” products and services to provide service experience beyond customers' expectation

GAC Toyota develops “worryless” products and services in the fields of maintenance, use, parts and value chain, so as to provide customers with more professional and efficient after-sales service beyond customers' expectation.



**Worryless maintenance**

Centering on the basic maintenance package, the store offers different packages with different contents to save money, time and worry for customers



**Worryless use**

Provide the door-to-door pickup/delivery service for repair and maintenance through cooperation with the professional designated driver company, helping customers complete repair and maintenance at home



**Worryless service**

Strengthen the channel service brand advantages through the periodic sales promotion, and propagate the advantages of Genuine Parts, and improve the customer's recognition



**Worryless part**

Provide the customers the deadline and conditions for changing the tyre from the original factory for free. Longer guarantee time of batteries than others sold in the market, and prolong the warranty period of GAC Toyota's Genuine batteries



**Worryless battery**

Provide the free warranty program with “No Time and Milage Limit” to Camry Hybrid and Levin Hybrid batteries to eliminate the customer's concern for product life and maintenance cost

**Case**

### Shanghai Hino Engine quantitatively manages customer complaints

With respect to customer complaints, Shanghai Hino Engine handles every complaint effectively to improve the customer service experience from acceptance time, response speed and complaint feedback and return visit.

**Within 24h**

Accept customer complaints through the complaint hotline and register relevant complaint information

**Within 1h**

Arrange personnel for field service

**Within 24h**

Field service personnel feed back the information about settlement of customer complaints

**Within 48h**

Call back the customer, and close the loop after receiving the customer's satisfaction



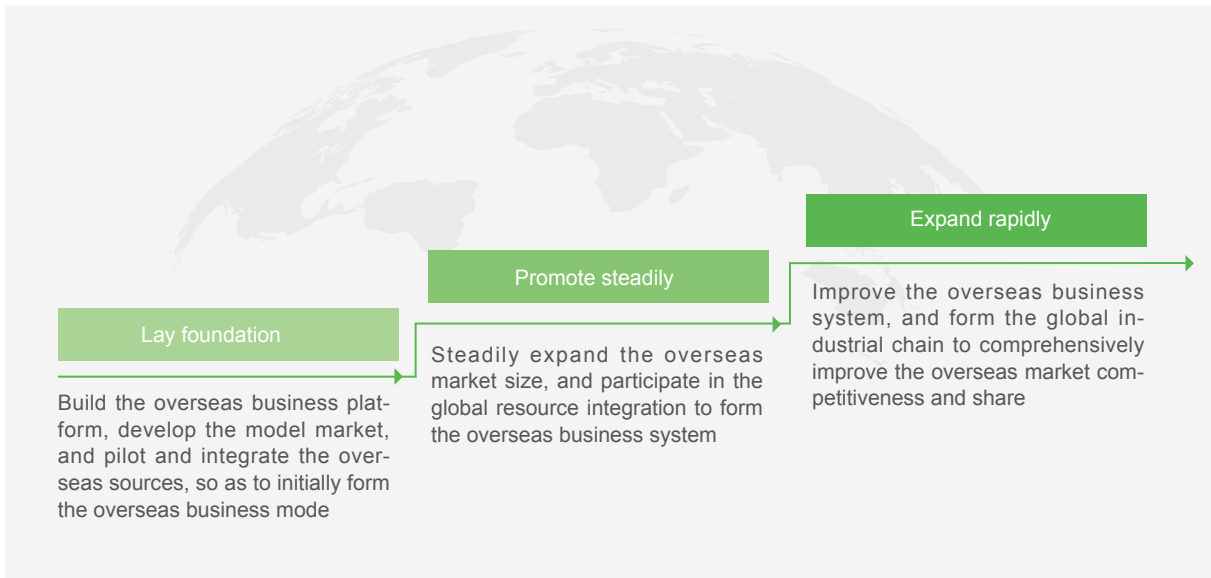
◀ GAC Finance carries out Finance & Intelligence Lecture to improve the customer's understanding about financial knowledge



## Promotion of International Operation

GAC Group clutches the opportunity of “the Belt and Road Initiative” to constantly and deeply expand the markets in countries and regions along it, introduces the outstanding products, and improves the sales service channel. Centering around GAC Trumpchi brand, it conducts international strategic deployment and local operation, joins hands with the global distributors and cooperative partners for more extensive and deeper international exchange and cooperation, so as to form the new pattern of “Globalized R&D, Purchasing and Sales” and steadily advance the group’s internationalization strategy. In 2018, GAC Trumpchi’s overseas sales volume was increased by 69% year on year.

### GAC Group’s Strategic Roadmap for Internationalization in “Three Steps”



#### Sales and service channel

By the end of 2018, GAC Group developed 16 overseas business markets (including 12 countries along “the Belt and Road”). In 2018, it developed the new markets in Saudi Arabia, UAE, the Philippines, Chile and Ecuador.

#### Logistic system

Discuss with the partners on building the transit warehouse for vehicle and parts

#### Overseas business platform

GAC Motor Russia Co., LTD. was started formally for operation

#### Global R&D System

GAC R&D Center in Silicon Valley , GAC Advanced Design Center in Los Angeles, GAC R&D Center in Detroit have been put into operation successively. This initially forms the global R&D network pattern of “GAC R&D Center headquarter in Guangzhou + R&D Centers in three cities of North America + GAC Advanced Design Studio in Shanghai”, so as to implement interconnection and coordination of global R&D resources.

Case

### GAC Trumpchi participates in Paris Motor Show to show its strength to the world

In October 2018, GAC Trumpchi, as the exclusive Chinese auto brand, took SUV, sedan and MPV to participate in Paris Motor Show. At this show, it made the first global debut of the new SUV model GAC Trumpchi GS5 to exhibit GAC Trumpchi's R&D and creation strength to the global consumers.



▲ GAC Group's New GAC Trumpchi GS5 made its first global debut at Paris Motor Show



▲ Opening Ceremony of GAC Advanced Design Center in Los Angeles



▲ GAC Motor Russia Co., LTD. is Announced for Official Operation at Moscow International Motor Show



▲ GAC Motor holds the Media Conference for GAC Trumpchi GS7 Launch in Kuwait



▲ GAC Trumpchi UAE Sales Service Center Opens in Dubai



▲ The President of the Philippines Makes a Speech for New Car Unveiling Ceremony of GAC Motor held in Manila in the Philippines

“

“The entry of GAC Motor will present more choices to Filipino consumers.”

— Rodrigo Duterte, the President of the Philippines

”

### New Driving Force of Smart Manufacturing with Craftsmanship

At present, the auto industry is at the profound historic transformation period when new and old kinetic energy is converted. New energy and intelligence and connectivity have become the auto industry development trend. GAC Group can implement high-quality development in the future and propel the society forward continuously by virtue of only insisting on taking innovation as the first power to lead development.

### Intelligent and creative core technology

GAC Group persists in implementation of the innovation driving strategy, strengthens autonomous control of core parts, especially the independent development capability of such traditional core parts as engine, transmission and chassis, emphatically lays such key technical fields as “battery, motor and electronic control”, autonomous driving and telematics. Meanwhile, it performs *Guidance for Classified Promotion of Talent Assessment Mechanism Reform*, develops abundant innovation activities, builds good soil and environment, activates employee creativity, and builds and enjoys the reform and development achievements with employees, so as to ensure stable and healthy sustainable development of the enterprises. By the end of 2018, the Group has 4,624 patent applications, 2,921 granted patents, 334 registered copyrights and 2,634 registered trademarks.

#### Schedule of GAC Group’s Patent Authorization and Application in 2018\*

| Number of new patents granted | 813 | Number of new patents applied | 1,212 |
|-------------------------------|-----|-------------------------------|-------|
| Patent for invention          | 155 | Patent for invention          | 395   |
| Patent for utility model      | 440 | Patent for utility model      | 552   |
| Design patent                 | 218 | Design patent                 | 265   |

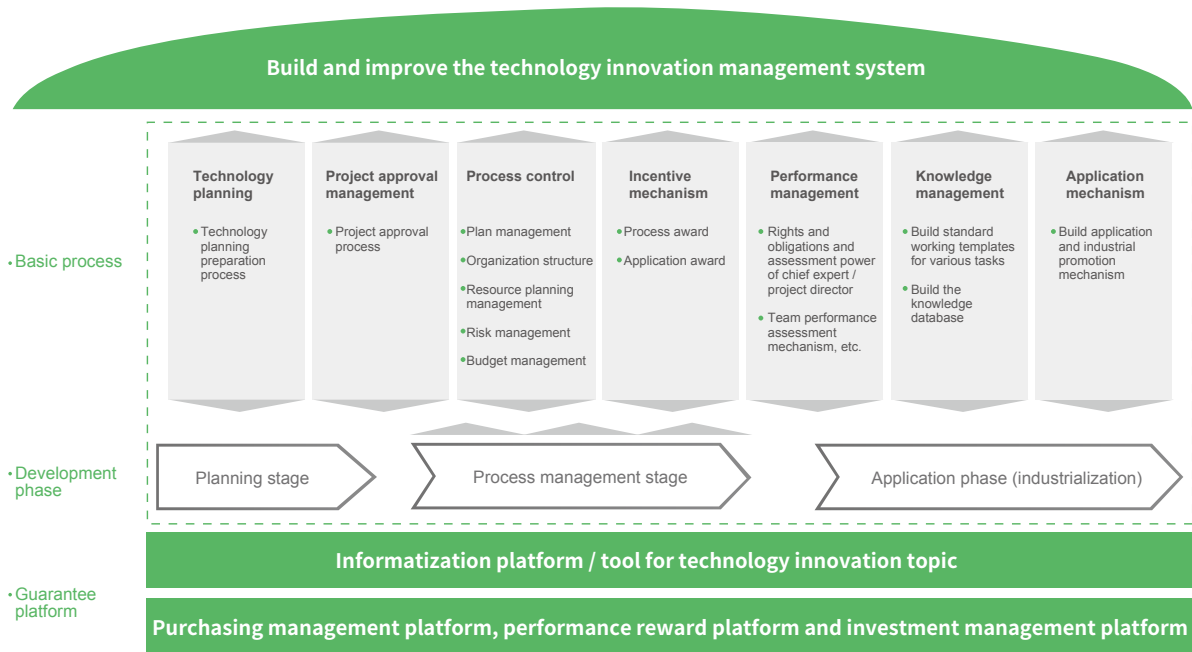
\* The disclosure range includes various invested enterprises of GAC Group

#### Case

### GAC R&D Center optimizes the technology innovation system to ensure steady advancement of technology innovation

GAC R&D Center builds a technology innovation system suitable for GAC R&D Center’s independent development by combining project management theory system with its technology features and the industrial best practice. This provides organization, process and system guarantee for implementation of the topic goal. In 2018, GAC R&D Center highlighted the achievement application orientation, took strengthening of project approval, process, conclusion and application docking management as the goal, and strengthened problem combing, analysis and resolution. While constantly refining and supplementing the process of technology innovation system, it focused on optimization and iterative upgrading of such process mechanisms as advanced research management, multi-dimensional hierarchical classification process management and project application.





▲ Technology Innovation System of GAC R&D Center



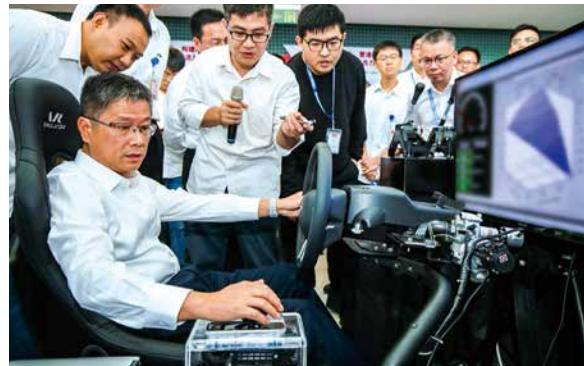
▲ Hold "Technology Innovation Research Project Management" to Publicize and Implement Life-Cycle Management of Technology Innovation Project, Processes, Work and Points for Attention at Various Stages of Technology Innovation Project Management



▲ Invite External R&D Experts for Multi-Project Management Training for 50 Persons in Charge from Innovation Management Sections of Various Centers/Departments



▲ Invite Senior Experts to Deliver Training on Thinking and Method for Systematically Handling Problems for Technology Innovation Research Topic Management Personnel



▲ Hold GAC R&D Center's First Technology Innovation Exhibition (Tech Week); 12 Centers/Departments Exhibit Over 70 Innovation Research Projects

**Cast Self-owned Brand**

GAC Group insists on developing its self-owned brand, strives to implement the leapfrog development of its self-owned brand business focusing on GAC Trumpchi, enriches GAC Trumpchi product lineup, perfects the marketing service system and quality management system, strengthens channel operation capability, creates quality benchmark, builds multi-factory operation system with the base in Guangzhou, issues “pursue greatness” brand slogan, participates in such international auto shows as North American International Auto Show and Paris Motor Show, enriches the brand activity form and publicity mode, constantly improves the oversea brand image, and makes efforts to build the world-class Chinese brand. In 2018, GAC Trumpchi was awarded the top Chinese brand in Initial Quality Study of J.D. Power in the 6<sup>th</sup> year.

**550,000** units

In 2018, the sales volume of GAC Trumpchi exceeded 550,000 units



2018 Top Chinese Self-owned Brand for Research on Auto Sales Satisfaction in China

**NO.1**

Top Chinese Brand in Initial Quality Study of J.D. Power for 6 straight years.



GAC Motor was awarded “Guangdong Provincial Government Quality Award”

**Case**

**GAC Trumpchi participates in the 16<sup>th</sup> Guangzhou International Automobile Exhibition to Fully Show High-end Smart Manufacturing and Scientific and Technological Innovation Strength of Chinese Auto Brands**

On November 16, 2018, GAC Group, together with 7 affiliated vehicle brands such as GAC Trumpchi, participated in the 16<sup>th</sup> Guangzhou International Automobile Exhibition. GAC Trumpchi shows the latest R&D achievements in the fields of styling, energy conversation and environmental protection, intelligence and connectivity, and self-adaptation dynamic control technology through simple and interested interactive experience games. It implements enhancement of mobility value through technological innovation.



▲ Field Audiences at the Guangzhou International Automobile Exhibition scramble to Experience GAC Group’s Auto Interaction Games



## Build Intelligent Plant

In line with the future auto trend, GAC Group seizes the opportunity of intelligence, connectivity and new energy development opportunity, deeply implements and practices “Industry 4.0” strategy and intelligent manufacturing idea, and builds the intelligent plants in Guangzhou, Hangzhou and Yichang, providing new engine for “smart manufacturing in China”.

### Case

## GAC Motor Yichang Project Builds “Smart Manufacturing” Benchmark Plant with High Quality, High efficiency, Energy Conversation and Environmental Protection

GAC Group constantly strengthens the independent business development, uses the existing resources of GAC Group and GAC Motor to break through the innovation based on construction experience of Guangzhou Plant and Hangzhou Plant, and invests and builds GAC Motor Yichang Project. Also, centering on quality and returns, it further improves the efficiency of production factors, reduces the production cost, advances capacity optimization and expansion of GAC Trumpchi, and injects vitality into auto industry development in the plant construction site. It planned to invest over RMB 3.53 billion to the project, taking an area of 933333.33m<sup>2</sup> and with an annual capacity of 200,000 vehicles. In the future, it will mainly produce GAC Trumpchi class A and class B products, and introduce sedan, SUV and other models.

### Optimize the supporting facilities

Expand punching, welding, coating and assembly shops Build new synthetic resin shop and the corresponding supporting facilities

### Polymerize the leading technology

Introduce 100% automatic welding production line, introduce high-speed punch line, and improve the processing depth

### Implement intelligent manufacturing

Promote implementation of production line automation, equipment intelligentization, logistic informatization, information visualization and manufacturing ecologicalization



▲ Commencement of GAC Motor Yichang Project & Launching Ceremony of 2018 “Commencement Month of Major Project” in Yichang



“GAC Motor Yichang Project is commenced and built under the joint efforts of both party. It is of iconic and decisive significance for promotion of industrial development of vehicles and parts in Yichang.”

—— Zhang Jiasheng, Vice Party Secretary and Mayor of Yichang, Hubei



▲ GAC Trumpchi Intelligent Manufacturing Factory

## Develop New Energy Business for Energy Conservation and Environmental Protection

In recent years, environmental issues have caught more and more attention from all sectors of society, and intelligent, green and energy-saving new energy vehicles will become the mainstream. GAC Group grasps the opportunity of developing new energy vehicles, realizes strategic transformation, accelerates investment into new energy resources, strengthens energy saving and emission reduction management, transfers green culture, in order to create a healthy and green environment for human life.

## Develop New Energy Business

GAC Group thoroughly carries out *Work Program for Development of New Energy Vehicles in Guangzhou (2017-2020)*, closely follows the development trend of industry, adheres to the consumer and market demand oriented ideas, and meanwhile continues to deeply study product development, builds an R&D platform, specifies R&D of core technologies and key product development directions, and strengthens transverse and longitudinal collaboration in the whole new energy industry chain, in order to jointly promote healthy and rapid development of new energy vehicle industry in China and make contribution to realizing “green hills and clear waters”.

### 1. New Energy Technology

We accelerate technological innovation around electrification, intelligence & connectivity, light-weight and interaction, specify short-, medium- and long-term core and key technical development plans of the new energy sector, promote the technological innovation ability quickly, and carry out development of independent battery, novel motor controller, fuel cell vehicles, etc. We have made breakthroughs in R&D of key technologies and core parts and components of new energy. And we have mastered the battery, motor and electronic control development tech-

nologies of new energy. The self-developed G-MC GAC electromechanical coupling system has been equipped on models launched to the market, and such core parts and components as power cell system, motor control system have completed self-development and industrialization. We have also mastered the battery pack and related battery management system technology, and some independently-designed battery pack has been put into the self-built production line for volume production.



“Three-step” Strategy of GAC Group on Development of Battery Cell

### 2. New Energy Product

We demonstrate from application scenarios, consumer demands, supply chain environment, markets and policies, etc., create different levels of models, build a forward development flow system of new energy vehicle, form two major product series (plug-in, pure electric), and jointly develop multiple new energy vehicles with several joint ventures, realize breakthrough of introducing new energy vehicle models and technologies to joint ventures. With the integration of 5G, big data, cloud computing, artificial intelligent AI, etc., we aim to form “intelligent connectivity+ electrification” product portfolio.

## Energy Saving Models of GAC Group in 2018



GAC Trumpchi GE3 530



GAC Trumpchi GS4 PHEV



GAC Honda Shirui (PHEV)



GAC Honda Tenth Generation Accord SPORT HYBRID (Hybrid Power)



GAC Toyota GAC ix4 (Pure Electric)



GAC BYD 8m Pure Electric Bus K7



GAC BYD 10.5m Pure Electric Bus K8



GAC BYD 12m Pure Electric Bus K9



Wuyang Honda T1 (Pure Electric)



### 3. New Energy Industrial Park

We will create an intelligent, open, innovative, green, shared, ecological innovative eco city for international intelligent & connected new energy vehicle industry around three major fields of “intelligent manufacturing + innovative R&D + auto town”.

GAC’s Industrial Park for Intelligent & Connected New Energy Vehicle will comprehensively integrate the R&D capabilities of GAC Group, Internet enterprises and partners, etc., build multifunctional comprehensive industry chain ecological system, advocate spatial layout of industry grouping type development, and drive integrated development of industry-university-research cooperation. It will set up an open Maker Area, attract domestic and foreign top talents, realize technical breakthrough and business incubation function, and build a sharing platform facing the world’s top R&D talents, advanced technologies, etc. in order to form a complete

vehicle manufacturing or core part eco-industrial park covering venture capital enterprises, finance, culture, business, etc. with core competitiveness. In December 2018, the Smart Eco-plant of GAC NE (Phase I) was completed, and the supportive project of the industrial park - Panyu Auto Town formally kicked off.



▲ Effect Picture of GAC’s Industrial Park for Intelligent & Connected New Energy Vehicle

#### Case

### Smart Eco-plant of GAC NE was completed, energizing the new energy intelligence business

The Smart Eco-plant of GAC NE is the first project of GAC’s Industrial Park for Intelligent & Connected New Energy Vehicle which plays a leading role in driving industrial agglomeration. The overall planned capacity of the plant is 400,000 vehicles/year, and the production capacity of the first phase is 200,000 vehicles/year, which is planned to put into production in May 2019. This plant integrates multiple world’s leading technologies, and exhibits the GAC Group’s philosophy of intelligent manufacturing and green development. Upon completion of the plant, GAC NE will take the lead in introducing L4 autonomous driving pilot operation, and is planned to launch at least two new pure electric models every year.

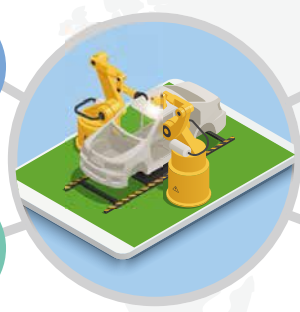
**World’s leading steel & aluminum body flexible production factory**

It uses aluminum alloy and other lightweight materials and pioneered the aluminum riveting, spot welding switching technique and “steel & aluminum” production line . in order to provide better and safer lightweight vehicles for users



**World’s leading digital independent decision-making factory**

It applies global data cloud platform for production process analysis decision-making, which greatly improves the production efficiency and quality control ability, and create high-quality products



**World’s leading deep interactive custom factory**

The Smart Eco-plant for exclusive cars is created by using the automobile intelligent manufacturing C2B customization model so that users can deeply participate in automobile intelligent manufacturing C2B customization model so that users can deeply participate in automobile design and manufacturing, and enjoy personalized experience



**World’s first comprehensive energy utilization factory**

The green and environmental protection techniques and materials are fully used for harmonious coexistence with the ecological environment, in order to realize sustainable development



▲ Smart Eco-plant of GAC NE

## Advocate Energy Conservation and Emission Reduction

GAC Group strictly observes *Environmental Protection Law, Atmospheric Pollution Prevention and Control Law, Environmental Quality Standards for Surface Water, Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and other international laws and regulations, and relevant international practices and conventions. It keeps improving the environmental management system, and advocates energy conservation and emission reduction green culture, in order to actively reduce the resource consumption and environmental impact of daily production activities.

**Table: Schedule of the Pollutants Discharged by GAC Group in 2018\***

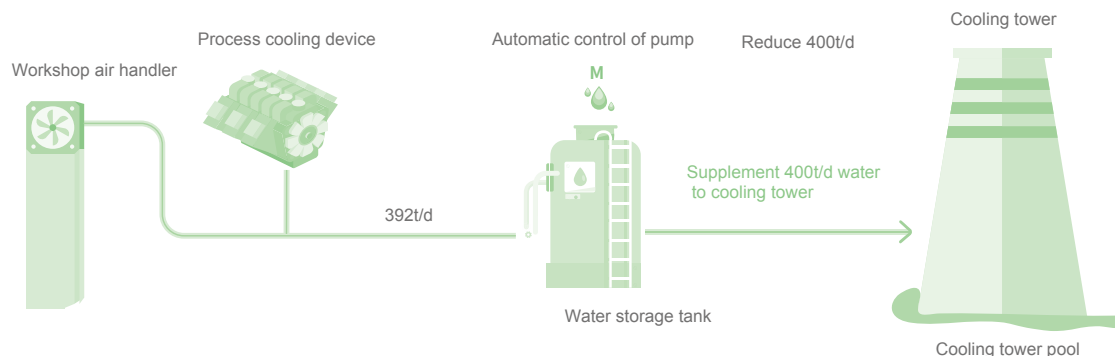
| Pollutants                                | Unit        | Total quantity |
|---|-------------|----------------|
| PM  | Ton         | 79.66          |
| Benzene                                   | Ton         | 5.97           |
| Toluene                                   | Ton         | 5.89           |
| Xylene                                    | Ton         | 31.08          |
| VOCs                                      | Ton         | 1,901.19       |
| Nitrogen oxide                            | Ton         | 51.37          |
| Sulfur dioxide                            | Ton         | 7.41           |
| COD (chemical oxygen demand)              | Ton         | 82.43          |
| BOD ( biochemical oxygen demand )         | Ton         | 28.41          |
| Ammonia nitrogen                          | Ton         | 4.18           |
| Petroleum                                 | Ton         | 1.90           |
| Nickel                                    | Ton         | 0.18           |
| Direct greenhouse gas emission            | Ton         | 972,562.71     |
| Density of direct greenhouse gas emission | Ton/vehicle | 0.4433         |
| Total hazardous wastes                    | Ton         | 16,292.60      |
| Density of hazardous wastes               | Ton/vehicle | 0.0074         |
| Total non-hazardous wastes                | Ton         | 418,000.12     |
| Density of non-hazardous wastes           | Ton/vehicle | 0.1905         |

\*The disclosed content covers the vehicle manufacturing enterprises under GAC Group

### Case

## Workshop condensate water recycling helps GAC Motor realize economic benefits of water saving

In summer, the cooling tower must supplement about 800m<sup>3</sup> water every day, while the workshop environment and process temperature control air conditioner can generate about 392m<sup>3</sup> condensate every day, which is directly discharged to the ditches as low temperature water, so the energy waste is big. GAC Motor implements the condensate recycling project, and the workshop condensate is collected to the water storage tank via pipeline, then pumped into the cooling water tank of the cooling tower by the automatic pump, thus saving 54,880t water every year, and saving RMB 222,000 costs totally in the whole year on top of the improvement costs.



▲ GAC Motor's Workshop Air Conditioner Condensate Recycling Procedure



GAC Motor set up an energy management agency, and regularly carry out energy-saving and water-saving publicity, in order to improve the employee's water-saving consciousness; regularly carry out water balance test, so as to avoid leakage points; coating wastewater, domestic wastewater are treated via the company's wastewater treatment station by using physico-chemical method, chemical coagulation and biochemical treatment techniques upon remote operation, online pollutant monitoring, overproof automatic reflux, and then discharged into Hualong Wastewater Plant after reaching Class III standard in the second time frame of Guangdong Province; carry out such water-saving improvement projects as workshop condensate recycling, wastewater treatment station recycle water flushing skew plates, thus saving 1,200 tons of water every year



GAC Honda set up eco-environmental management committee in 2018, and signed eco-environmental management responsibility system with each department, in order to implement enterprise's eco-environmental entity responsibility; introduced paint slag drying equipment, and reduced 900t hazardous wastes; put varnish RTO furnace into operation, and cut down no lower than 50t VOC. Besides, the varnish rotary RTO technique is incorporated into *Catalog for National Advanced Pollution Treatment Technology (Atmospheric Pollution Control Field)* by the Ministry of Ecological Environment in 2018; initiated ISO50001 energy management system, strengthened energy efficiency management, carried out energy conservation and environmental protection project selection activity while carrying forward daily energy management; implemented totally 133 projects in 2018, saving totally 1,983.6t standard coal, reaching the double control objectives of the 13<sup>th</sup> Five-Year Plan (2018), and it was awarded national green plant



GAC FCA (Changsha) established ISO50001 energy management system, implemented the person in charge of energy management, and passed the energy system certification in November. KPI in the energy field is included in its business plan, with status being tracked and variation analyzed monthly. The objective is decomposed into each energy consumption unit on a monthly basis, and assessed; 22 energy conservation improvement projects and implementation plans, such as welding vacuum generator for energy conservation improvement and reducing idling of coating air conditioner, are made, and 356.6t standard coal of electricity is saved cumulatively



GAC Mitsubishi develops *Contingency Plan for Emergent Environmental Accident*, so as to handle the environmental issues effectively in a scientific manner



Wuyang - Honda develops *Regulations on Administration of Paper Use, Resources and Energy Conservation Control Procedures* and other policies, in order to control the power for air conditioning, use LED lighting, classify wastes in a scientific manner and hand over to the eligible organization for treatment



Such investment enterprises as Guangzhou Denso subordinate to GAC Component, put forward proposals on energy conservation and emission reduction, environmental protection index, etc. for all suppliers at the annual supplier conference, and make annual safety & environmental inspection plans for site safety & environmental inspection to some key suppliers, in order to promote strengthening of energy conservation and emission reduction, implementation of environmental protection by suppliers



Shanghai Hino Engine provides rainwater recycling device for recycling rainwater upon filtering and purification, uses energy-saving LED lighting, advocates paperless office and realizes emulsion recycling

#### Case

### GAC Toyota sticks to energy-saving transformation, so as to realize green production

GAC Toyota carries out 198 energy-saving technical renovation projects in the whole year, saving totally 5.66 million KWH, over 13,000t steam, 380,000m<sup>3</sup> natural gas, totally 75,258GJ/a, which equals to RMB 8.12 million. The roof of the third production line generates power with solar power through energy performance contracting; the generated power is 10MW, and the annual electric quantity saved is 10 million kwh, equivalent to emission reduction of 7,399t CO<sub>2</sub>.

### 3. Practice Green Culture

GAC Group advocates energy conservation and emission reduction to all employees, cultivates green culture, promotes realization of green office, continuously develops green public benefit activities, transfers green beliefs, and improves the energy conservation and environmental protection consciousness of the whole society, so as to jointly create a green life.

**Table: Schedule of the Resources Used by GAC Group in 2018\***

|                                     |                         |              |
|-------------------------------------|-------------------------|--------------|
| Total quantity of packing materials | Ton                     | 37,169.29    |
| Density of packing materials        | Ton/vehicle             | 0.0169       |
| Electricity consumption             | 10,000 kwh              | 134,629.94   |
| Density of electricity consumption  | Kwh/vehicle             | 0.0614       |
| Gasoline consumption                | Ton                     | 14,134.49    |
| Density of gasoline consumption     | Ton/vehicle             | 0.0064       |
| Natural gas consumption             | m <sup>3</sup>          | 49,235,282   |
| Density of natural gas consumption  | m <sup>3</sup> /vehicle | 22.4409      |
| Total water consumption             | Ton                     | 6,069,057.91 |
| Density of total water consumption  | Ton/vehicle             | 2.7662       |

\*The disclosed content covers the vehicle manufacturing enterprises under GAC Group

#### Organizing environmental protection training

GAC Honda held “GAC Honda Little Love” environmental compulsory course activities in South China and East China, and carried out activities themed by water resource protection relying on GAC Honda’s Liuxi River sources environmental and ecological base and Suzhou Tongli Wetland, so as to call on all sectors of society to jointly protect water resources

Such investment enterprises as Wuhan Linjun subordinate to GAC Component carried out training on environmental management practice and environmental management system to the company’s middle-level and grassroots management personnel by using external professional organizations, so that the system operate more smoothly, and the company’s solid waste management, hazardous waste management and site environmental management are more effective

#### Carrying out green activities

Urtrust Insurance carried out the activity of “removing waste, decreasing cost and increasing benefit”, actively advocated green and environmental protection in office areas, saved energy resources, advocated and supervised employees to shut down computer displays when leaving their seats, and cut off power sockets after working hours

The persons in charge of appliance switches in the office space of Guangai Insurance Brokers were specified

GAC Capital affixed responsible person labels to each light point

#### Transforming energy saving equipment

GAC Hino reduces one light tube for each seat under the premise of ensuring the office illuminating brightness

### Protecting wetland resources

In 2018, GAC Trumpchi's "source protection with me" wetland ambassador action set sail again, and it was the second year for GAC Trumpchi to carry out this action. Under the guidance of the experts from the World Wildlife Fund, volunteers entered into Hoh Xil region, the source region of the Yangtze river, carried out diversified activities, such as on-site field exploration, ecological observation, water intaking from source, material delivery, called on more people to trace to the source of culture and jointly protect the Yangtze River. Voluntary action was deepened on basis of that in 2017, with deeper level of participation and stronger experience feeling. In 2018, the cumulative investment of ecological protection and construction for three-river sources, volunteer mechanism innovation, public education and publicity, etc. was RMB 9.2798 million, and the new model of ecological civilization construction was explored by positive actions and deeds, in order to jointly compose new chapters of beautiful China



### Sticking to afforestation

GAC Honda started the third phase of Planting "Five-year Plan" of Inner Mongolia themed by "Green Future, Created by You and Me", and it was planned that 16 affiliated enterprises of Honda in China including GAC Honda will invest RMB 20 million from 2018 to 2022, in order to realize 4666666.67m<sup>2</sup> greening area for the new phase



GAC Hino held the planting activity of "GAC Hino and I grow together in 2018", donating RMB 7,500 sapling, planting 100 saplings of all kinds, in order to help air purification, reduce pollution and protect ecological environment by practical action



### Protecting ecological species

In 2018, GAC Toyota went to Yunan Yunlong Tianchi National Nature Reserve with China Green Foundation, Shan Shui Conservation Center to carry out "GAC Toyota Naturalistic Observation Festival". GAC Toyota car owner volunteers, employee volunteers and university student volunteers, etc. participated in investigation of background data of species in the reserve in person of "citizen scientists" in form of competition, in order to observe, record and analyze the growing environment of surrounding flora and fauna, and help the science remodel the local forest ecology in a scientific manner. Volunteers recorded totally 112 birds, 216 plants, 6 animals, 9 amphibians and reptiles, knew the variation of the local ecological system, and provided rich data for subsequent scientific research institutions to carry out forest survey of restoring the forest in a scientific manner and balance ecological forest benefits.



### Defending the community environment

Wuyang - Honda Youth Volunteer Team, Guangzhou Tianhe District volunteer post and Shang Binghui Volunteer Service Corps carried out community environmental protection and waste picking activity, so as to make contribution to the community environment



# Multilateral Cooperation for A New and Win-win Future

Facing the complex market and social environment, GAC Group pursues for win-win cooperation with stakeholders, gives full play to people's creativity, in order to achieve joint growth with partners, create beautiful life with community residents, realize sustainable power for enterprise development, and build a solid and firm environment for sustainable enterprise development.

## Focusing on Employee's Growth

Employees are the most significant assets and resources for enterprise development, and GAC Group believes that enterprise development is people development. Therefore, it sticks to people-oriented, and joint growth with employees, focuses on employee's occupational development and employee training, respects humanity, and advocates communication, so as to provide a relaxed, friendly environment for employee's growth and development and build enterprise future with the employees.

### 1.Safeguarding the Legitimate Rights and Interests

We strictly observe *Labor Law*, *Labor Contract Law* and international labor rules and practices, put an end to all forms of employing child laborers, stick to equal employment, equal pay for equal work, improve the remuneration and welfare system, encourage employees to participate in democratic management, respect diversified employee development and practically safeguard employee's rights and interests.

**Table: Number of Employee and Composition of GAC Group in 2018**

|                                       |        |   |               |
|---------------------------------------|--------|---|---------------|
| <b>Employee' s gender structure</b>   |        | <b>Employee' s age structure</b>                    |               |
| Male                                  | 78,209 | Over 50 years old                                   | 1,120         |
| Female                                | 16,647 | 40-50 years old                                     | 5,604         |
|                                       |        | Under 40 years old                                  | 88,132        |
| <b>Employee' s position structure</b> |        | <b>Employee' s educational background structure</b> |               |
| Production personnel                  | 54,403 | Doctor  | 122           |
| Sales personnel                       | 2,179  | Postgraduate  | 3,881         |
| Technical personnel                   | 17,776 | Undergraduate (including double degrees)            | 20,349        |
| Financial staff                       | 1,915  | Junior college and below                            | 70,504        |
| Administrative personnel              | 6,757  | <b>Total number of employees</b>                    | <b>94,856</b> |
| Financial insurance personnel         | 600    | <b>Employee turnover rate</b>                       | <b>11.90%</b> |
| Others                                | 11,226 |   |               |

#### Equal employment

Develop *GAC Group's Recruitment System* and strictly execute it, always stick to the principles of open, equality and competition, continuously perfect the recruitment supervision channel; equally treat employees of different races, genders and beliefs, and stick to wipe out child laborers or forced labor; in 2018, we formally initiated overseas recruitment, recruiting talents worldwide

#### Democratic management

Adhere to multi-level employee's representative conference system and collective consultation system, hold leadership reception day activity, which provides face-to-face communication opportunity between employee and group leaders monthly, promote employee's involvement in democratic enterprise management, and build a harmonious atmosphere jointly built and shared by employees and enterprises

#### Remuneration and benefits

Develop *Employee's Remuneration and Benefit Management System of GAC Group*, *Measures of GAC Group on Employee Performance Evaluation*, complete the revision program of remuneration system, increase differentiated remuneration system, deepen remuneration system reform, give the incentive play of the remuneration and benefit system to the employees, carry forward employee's share holding and equity incentives, and fully motivate employees

## 2. Securing Occupational Safety

We always adhere to the safety policy of “safety first, prevention foremost, comprehensive treatment”, continuously improve the safety production management system, develop *Work Safety Management System*, *Contingency Plan for Production Safety Accident* and other regulations and rules, implement the special action for work safety entity responsibility, promote the work safety management level, carry out safety culture construction, strengthen safety knowledge publicity training, comprehensively promote employee’s safety consciousness. We give full attention to employee’s physical and psychological health, in order to create a safe and comfortable working environment for employees. In 2018, there was no work-related death incident.

### Case

#### GAC NE strengthens occupational health management and cultivates work safety culture

##### Safety management

Perfect 29 safety management rules, such as Safety Production Responsibility System, and build advanced, dynamic and preventive safety management system

Establish special contingency plan and contact system, carry out special emergency drills, promote emergency prevention and disposal abilities, such as firefighting, three-proofings, and perfect the emergency management mechanism

##### Equipment safety

Establish equipment turnover management mechanism, review the key construction schemes by experts and set up special teams to ensure equipment safety, label equipment and lock, to keep the equipment safe in installation/commissioning stage

Carry out internal and external expert safety inspection, rectify 167 non-conforming items, to effectively ensure safe and comprehensive production line

##### Cultural construction

Perfect the diversified safety training system, carry out legal and special safety training, and ensure all employees work with permits

Establish safety training experience ground, and train the construction personnel through “theory + practical operation experience”

Carry out three-level safety training for new employees

Conduct all employee construction safety conference, improve personnel’s safety consciousness through vivid accident demonstration with visual impact, and promote the personnel’s safety enthusiasm.

over **600** person-times

Cumulatively train new employees

over **6,000** person-times

Cumulatively train construction personnel

### Case

#### GAC Toyota’s experience type teaching improves the employee’s safety consciousness

GAC Toyota always adheres to the safety philosophy of “safety is the first priority”, focuses on three elements “people, object, management”, and tries to challenge the objectives of “zero accident and zero harm”. GAC Toyota establishes safety training ground, in order to give students vivid and visualized safety experience on equipment use, anomaly disposal, prevention of heavy objects from falling, safe driving, high-altitude operation, electrical safety, prevention of high-heat objects, prevention of occupational diseases, etc. through simulating workshop operation around labor protection appliances, STOP6 (“zero occurrence of six major hazards”), occupational health provided with mechanical jamming experience, contact experience of heavy objects, blind area experience of vehicle, falling experience, electric shock experience, high-heat object experience, mask, earplug wearing detection, and other items.

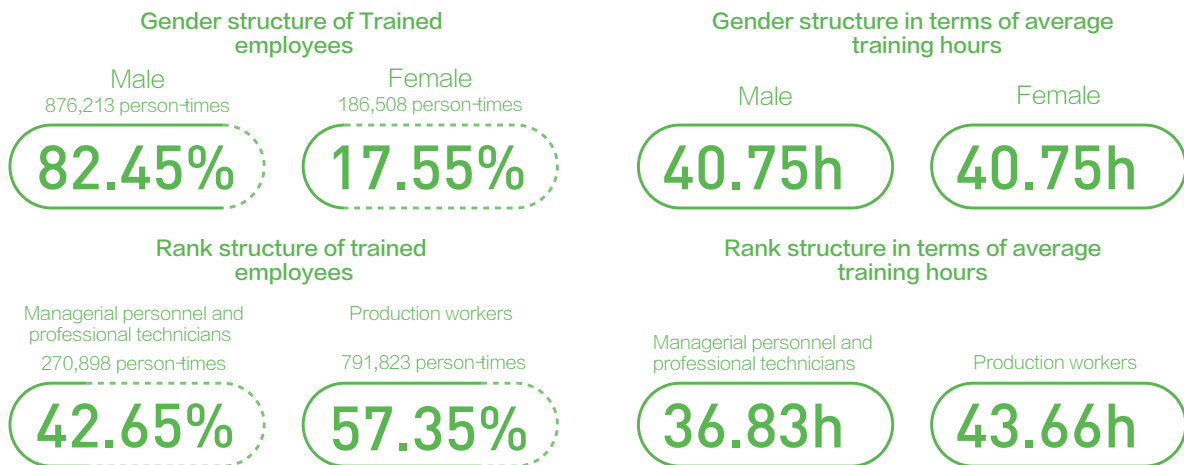


▲ Employees Learning How to Wear Masks in GAC Toyota’s Safety Training Ground

### 3.Promoting Employee Development

We carried out training activities with rich contents, in order to promote employees' professional quality and innovation ability, enhance employees' individual competitiveness, set up a wide platform for employees to learn techniques from each other, show their skills and promote quality, guide employees to focus on their positions, keep improving and strive for excellence. Set up GAC university, GAC party school, and establish management talent training class in cooperation with famous colleges; set up investment enterprise training college to build a broad platform for talent cultivation. In 2018, the group organized to prepare Training Course Development Incentive System, to increase the incentives and create excellent courses.

#### Staff Training of the Group in 2018\*



\*The disclosed content covers joint ventures and affiliated companies

#### Case

### China Skills Competition exhibits GAC people's strong competence and skills

GAC Group is devoted to construction and development of industrial worker teams and pays high attention to cultivation and growth of skilled talents. In 2018, GAC Group undertook 2018 China Skills Competition - "Wuyang Cup", which is the first motor inspector (body repair) vocational skills competition in China. This competition was the first national skills competition of the automobile industry held in Guangzhou, and in the final, 120 competitors of 30 enterprises from six major groups, such as GAC, SAIC, Dongfeng, BAIC Group, Geely, Chery made stronger challenges for the title, showing their long-tempered craftsmanships. Finally, GAC Group awarded a winning prize of competition group, Zeng Junqin, Huang Hepei, the craftsmen of GAC Honda, won the first two place of the first prize, and multiple employees obtained outstanding results, and obtained opportunities to show themselves at a higher platform.



▲ Group Photo of Winners in 2018 China Skills Competition

“

*“Through this competition, my own professional skills are promoted, and I will continue to work in subsequent world skills competitions, practice internal force, and adhere to the spirit of craftsmanship for a better result.”*

— Zeng Junqin, from GAC Honda, winner of the first prize of individual award in 2018 China Skills Competition

”



### Cultivating training instructors

- Organize internal instructor teams to carry out “GAC Learning Place” course within invested enterprises, 26 phases of courses completed totally. Carry out recruitment of instructors for 6 courses, and totally 30 enterprise instructors were certified as group level instructors
- GAC Motor carried out “100-course 200 instructor project” within all the departments of the company in 2018. In the end, 150 certified courses, 579 certified instructors were developed, which reserved talents for knowledge training

### Promoting management capability

- GAC Motor carried out “university training class of GAC Trumpchi leadership” in Peking University, Sun Yat-Sen University, South China University of Technology, which created strong learning atmosphere and provide support for the company management ability
- GAC Mitsubishi cultivated management capability promotion training for the management personnel above the subsection chief level, and invited elites to give lessons and answer questions related to management.

### Mastering comprehensive skills

- GAC Motor carried out a high-skilled talent cultivation program, becoming the pilot unit of “Chief Technologist Studio in Southern Guangdong” designated by Guangzhou Municipal Human Resources and Social Security Bureau, established GAC Trumpchi’s technician cultivation studio mechanism and set up a high-skilled talent cultivation mechanism
- GAC FCA regularly carried out 5 types of trainings including general class, business management, skill & trick, leadership and WCM, and realized 100% of pass rate, so as to promote employees’ comprehensive abilities
- Wuyang - Honda carried out training activities on drawing software, further education for accountants, company product knowledge, FI system, Business English, etc. in order to enhance the employee’s competitiveness

### Cultivating professional quality

- GAC Capital carried out quality training activities for all employees themed as “future in mind, walk hand in hand”, among which the course *Emotional Quotient Management and Interpersonal Communication* promoted employee’s emotional management ability; carried out Office skill training themed as “Endless Creation, Competition for Future”, so as to enhance employee’s working skills and promote the working efficiency

### Strengthening cultural identity

- GAC-Sofinco delivered training covering all employees joined in that year, carried out new employee training, trained them with company procedures, corporate culture, business flow and knowledge on compliance, anti-fraud information security, etc.
- Guangai Insurance Brokers held totally 4 phases of new resident advisor training throughout the year, and 73 people were trained, which strengthened understanding and identity of new employees for corporate cultural system.



▲ GAC-Sofinco Holds Flower Arrangement Activities for Female Employees



▲ Interactive Sessions of GAC Capital’s Employee Quality Training

## 4. Caring for Employees

We cared for each employee sincerely, established helping mechanism, insisted on help and condolence, strictly executed "Special Labor Protection Measures in Five Periods" for female employees, and paid close attention to employees' health problems, so as to continuously improve employees' happiness, sense of identity and belonging.

**2.806** million

In 2018, the Group invested

**623** person-times

Help needy employees

### Conducting sincere help and consolation

- Conduct door-to-door consolation activity "giving consolation in the new year, warming employees", and send care and love to model workers, needy party members, group employees with low income, serious disease for long term, occupational injury, etc.
- Run "helping and relieving the people in difficulties" online declaration system. As of the end of 2018, the Group Foundation had helped totally 623 person-times, and allocated salvage money of RMB 2.806 million
- Go to each investment enterprise for "heatstroke prevention and high temperature consolation, labor protection supervision inspection" and "fighting for the fourth quarter labor competition survey and all staff consolation activity", investing totally over RMB 8.2 million, and condoling 210,000 person-times

### Caring for employee's special demands

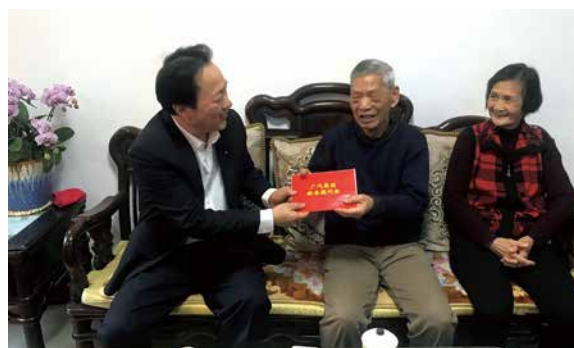
- Organize female employees to take part in free "two-cancer" screening work held by Guangzhou Federation of Trade Unions for female employees
- Organize 510 female employees to take part in "Chinese Female Cervical Health Promotion Plan" generalized by All-China Federation of Trade Unions, and subscribe to inject cervical cancer vaccine
- Carry forward construction of "Ladies Lounge", and apply to build 25 "Ladies Lounges" in 2018 to closely care for and properly cope with the actual demands of female employees on special physiological periods (pregnant, confinement, lactation, menstrual, climacteric period). By the end of 2018, the group system applied to build totally 92 lounges

### Creating a healthy working environment

- During decoration of office spaces, GAC-Sofinco Auto Finance strictly inspected the decoration materials, detected the air quality in the office areas in time, and place activated carbon bags for each station, and air purifiers for multiple regions, so as to guarantee the safety of the employees' working environment
- Upon completion of reconstruction and decoration of office spaces, GAC Capital provided supervision treatment for formaldehyde, etc. according to environmental standards, in order to create a healthy and safe office environment for employees



▲ President Feng Xingya of GAC Group (Second to the Left), Visits the Employee of GAC Honda with Serious Disease



▲ Chen Maoshan (First to the Left), the Chairman of the Labor Union of GAC Group Visits Retired Employee

## 5. Creating a Rich life

We advocate the idea of living healthily and working happily, encourage employees to keep a balance between work and life, try to create a harmonious and comfortable working environment, and also carry out various staff daily activities, including dance contest, youth fellowship, group wedding and sports meeting, thus enabling employees to communicate with each other and feel the warmth of the enterprise.



### Sports event

GAC Group organizes employees to participate in the 9<sup>th</sup> workers' sports meeting in Guangzhou, winning 22 gold medals, 11 silver medals and 10 bronze medals, and ranking the first in both gold medal and medal tally. This reflects the great sportsmanship of GAC Group workers.



GAC Group holds "GAC Group Cup" table tennis, tennis, volleyball and other sports matches for its staff to keep them fit.



### Artistic activity

GAC Group holds 2018 staff dance competition under the theme of "Creativity Defines Our Future", providing a platform for employees to show themselves.



### Parents-child campaign

GAC Group holds parents-child campaign on Children's Day under the theme of "appreciate nature and embrace health", enabling employees to communicate with their children



GAC Motor holds activities on 2018 employees' family reception day under the theme of "being with Trumpchi, 10FUN splendid", helping their families know what they do.



### Youth fellowship

Youth fellowship activities strengthen the communication and exchange among employees, including "meeting you at a blossom season", "wonderful youth connecting you and me", "meeting in winter", etc.



### Group wedding

GAC R&D Center, GAC FCA, GAC Mitsubishi, etc. hold romantic group wedding.

## Case

### Creativity Defines Our Future - 2018 IGA activity builds innovative culture for all

IGA activity is a special improvement and innovation activity organized by GAC Group and its invested enterprises. The activity encourages employees to participate in the improvement and innovation mainly through QC, improvement proposal, labor contest and technical innovation. The year 2018 marks the 13<sup>th</sup> IGA activity. There were 24 invested enterprises participating in the activity, bringing more than 545,000 improvement proposals and involving about 60,000 people, and creating the direct economic benefit of RMB 1.1 billion nearly. There were 24 excellent groups standing out from over 8,500 activity groups and 20 excellent improvement proposal cases. They present their achievements at IGA activity site. Activities organized by IGA continue to stimulate the employees' vigor and creativity and cultivates GAC people full of innovation spirit generation after generation. Therefore, continuously improved innovative enterprise culture takes shape. Excellent staff, elite teams and innovative achievements emerging from activities help transform and upgrade the Group with high quality talent resources and technical force, thus achieving leapfrog development.



By the end of 2018,

**427,000** person-times

Accumulative number of participants

**5.78** billion

Accumulative direct economic benefit

▲ 2018 IGA Achievement Presentation under the Theme of "Creativity Defines Our Future"

## Case

## GAC Group's achievement exhibition for the 40<sup>th</sup> anniversary of reform and opening up showing its brand strength and corporate culture

To celebrate the 40<sup>th</sup> anniversary of reform and opening up and display the Group's development history, GAC Group holds an achievement exhibition. From December 23, 2018 to January 21, 2019, there were about 88 groups of 10,000 people visited the exhibition in total, including shareholders, investors, partners, media, employees and their families. This shows the reform and innovation spirit and future layout plan of GAC Group, and also publicizes the group brand and corporate culture.



▲ Employees of GAC's invested enterprises visiting "GAC Group's achievement exhibition for the 40th anniversary of reform and opening up"

## Expand Partnership

Following the principle of joint discussion, construction and sharing, GAC Group cooperates, shares with partners in good faith and opens to the outside, strengthens supply chain management, promotes industry integration, and deepens international cooperation. Also, the company works with partners to complement each other's resource advantages and to develop in a coordinated way, so as to create a bright future for cooperation and mutual benefits.

### 1. Improve the Supply Chain Management

We have a well-established supplier quality management system to achieve long-term, stable and in-depth cooperation with suppliers. We strengthen the management of supplier environmental and social risks, and incorporate product quality, production safety, environmental protection and social reputation into supplier rating system. In addition, we strictly follow the management standards, perform assessment on a regular basis, manage dynamically, build a sustainable partnership and promote suppliers to share the development.

#### Expanding strategic alliance of suppliers

To build a strongest and most sustainable supply chain, GAC Motor forms a long-term, stable and in-depth alliance relationship with core parts suppliers, and continuously improves the core competitiveness of GAC Trumpchi in parts& components, product development, technology sharing, cost control and market expansion. During Beijing International Auto Show in April 2018, GAC Motor signed with Baosteel and other suppliers strategic cooperation agreement, and included them into the global strategic alliance of GAC Trumpchi.

#### Promoting the industry coordination of supply chain

GAC Capital provides all-round support for GAC's invested enterprises, and promotes the incorporation of invested enterprises into supply chain system of GAC Group. At present, GAC Group has already successfully invested Intelligence & Power, Zhejiang Jiali and Shanghai Naen, which supports the main business development of the Group, realizes industry coordination and optimizes the industry structure of the Group.

#### Strengthening green supplier management

Such investment enterprises as Guangzhou Denso subordinate to GAC Component, put forward suggestions and measures on energy conservation and emission reduction, environmental protection index, etc. for all suppliers at the annual supplier conference, and make annual safety & environmental inspection plans to supervise some key suppliers at site, so that suppliers strengthen energy conservation and emission reduction, and implements environmental protection. In 2018, Guangzhou Denso supervised safety environment of 6 suppliers with high evaluation risks at site, which effectively promoted suppliers to implement the entity responsibility of environment protection management.

Case

### GAC Mitsubishi “Join hands to create a better future” with suppliers

As product quality is of vital importance, GAC Mitsubishi always attaches great importance to product quality. Based on advanced product quality management system of GAC Group, GAC Mitsubishi established evaluation index of “first time quality of products”. The company pays close attention to product quality from the source, strengthens the supplier management, makes supplier supervise the quality at first, and non-conforming parts are not introduced. On December 14, 2018, GAC Mitsubishi convened 2019 annual supplier meeting, commended excellent suppliers, promoted the establishment of quick and positive response system with suppliers, so as to work with them to create a bright future.



▲ 2019 Supplier Meeting of GAC Mitsubishi

Case

### GAC Hino convening supplier meeting and seeking development with suppliers

On December 20, 2018, GAC Hino convened the 11<sup>th</sup> supplier meeting under the theme of “embrace new challenges and embark on a new journey”. The company discussed procurement questions with suppliers, commended excellent suppliers, and encouraged them to pay more attention to quality, green and responsibility, thus developing together with suppliers.



▲ the 11<sup>th</sup> Supplier Meeting of GAC Hino

Supplier of the Group in 2018 \*



\*The disclosed content covers the vehicle manufacturing enterprises under GAC Group

## 2.Promoting Industry Integration

Guided by the development principle of “internal collaborative innovation, external opening up and cooperation”, we promote the strategic cooperation with external organizations, push forward industry integration. We signed cooperation agreements with Cisco, Pony.ai, CATL, Guangxin Holdings and Tsingshan Holding Group to cooperate in new energy, cloud computing, big data, intelligent driving, IoV and other fields and build a GAC mobility platform, thus providing more intelligent, convenient and comfortable mobility services for consumers.

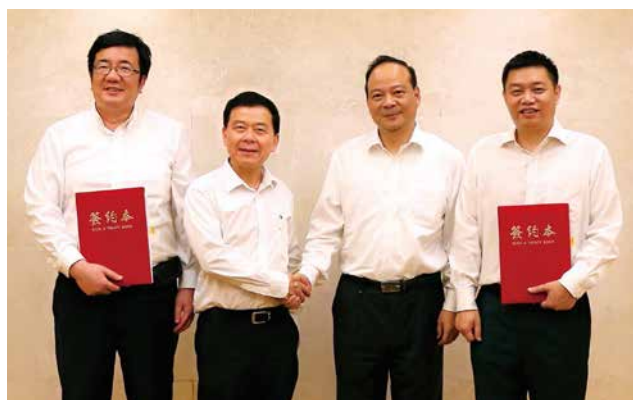
GAC Group has established new partnership with Cisco to make major breakthroughs in electrification, intelligence& connectivity, internationalization, sharing and digitalization. We are committed to constructing an intelligent and connected new energy mobility service ecosphere.



GAC Group signs a strategic cooperation agreement with Pony.ai. Both sides will cooperate in auto driving technology, demonstration operation of autonomous driving, mobility and capital, integrate their advantageous resources, and be committed to R&D, test and manufacturing of autonomous driving.



GAC Group signs a battery joint venture project with Contemporary Amperex Technology Co., Limited. Both sides will establish a joint venture company, engaging in development, production and sales of power battery system as well as technical development in the field of power battery.



GAC Group signs a MOU with Guangdong Guangxin Holdings Group Co., Ltd. and Tsingshan Holding Group in Guangzhou. They will transform and innovate relevant industry of new energy vehicles and power battery, commit themselves to building a whole power battery industry chain, cooperate in R&D, production, sales, operation, etc. by making use of the industrial synergy advantage.



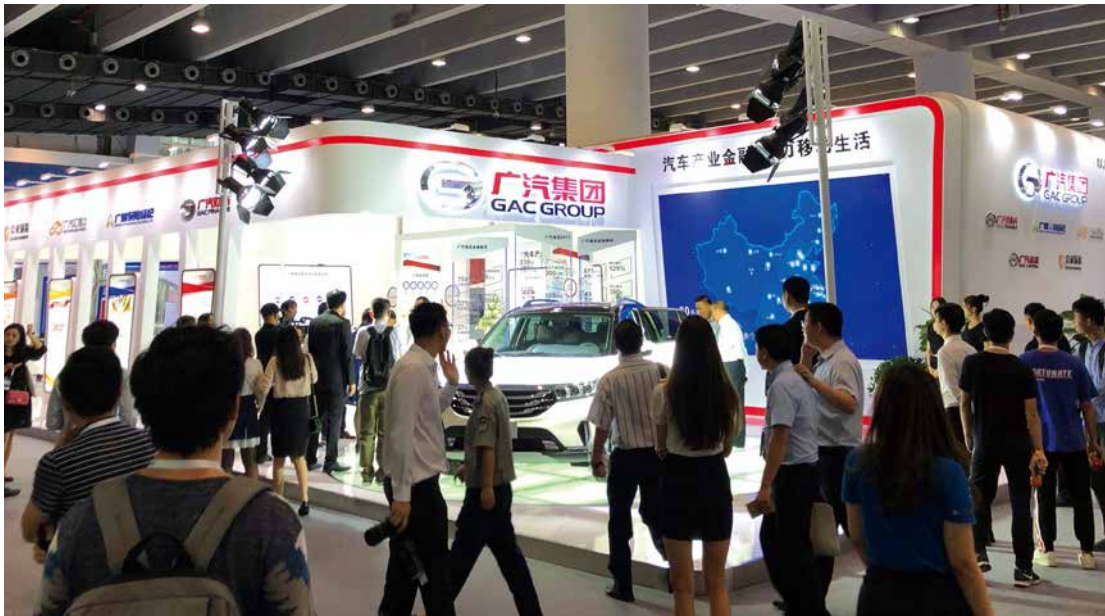
GAC R&D Center has reached a major cooperation agreement with Tencent Cloud. Both sides will cooperate in integrated telematics solution, big data cloud, etc., and build a new generation GAC intelligent, connected, ecological cloud platform based on Tencent's advantages of cloud computing, content ecology, platform safety, AI, big data, etc.



## Case

### GAC Group participating in the 7<sup>th</sup> China (Guangzhou) International Finance EXPO to support new model launch

On June 22, 2018, GAC Finance, GAC-Sofinco, Urtrust Insurance and other financial enterprises under GAC Group attended the 7<sup>th</sup> China (Guangzhou) International Finance EXPO, released concessional loan products to support new product launch, and continued to play its coordination role in exploring the market for GAC Group.



▲ Exhibition Area of the 7<sup>th</sup> China (Guangzhou) International Finance EXPO of GAC Group

### 3.Promoting International Cooperation

Guided by the principle of openness and cooperation, we conduct multi-level and multi-dimensional international cooperation, deepen the connotation of international operation, actively spread the brand culture of the Group and speed up the international course of GAC Group.

#### Case

#### GAC Group attending 2018 World Economic Forum

The World Economic Forum (“Davos Forum”) was held in Davos, Switzerland, from January 23 to 26. The theme of this Forum is to “Create a Shared Future in a Fractured World”. Zeng Qinghong, Chairman of GAC Group participated in the opening ceremony of the Davos Forum and the meeting of David Aikman, member of the Executive Committee of the Forum and President of China Region, with Chinese entrepreneurs. He also discussed the robot of automatic production line and industrial digitization, intelligentization, intelligent connected vehicle styling, three-dimensional design, process and simulation analysis and system integration with several participating entrepreneurs.



▲ 2018 World Economic Forum

#### Case

#### GAC Group boosts the 2018 Fortune Global Tech Forum

The 2018 Fortune Global Tech Forum on the theme of “Innovation in the Age of Artificial Intelligence” was held in Guangzhou from November 29 to 30. GAC Group and other participating enterprises have fully discussed the great changes that technological innovation has made to people’s lives and mobility and the economic models and new business opportunities it has brought. As the presenting partner of 2018 Fortune Global Tech Forum, GAC Group provides the only officially designated vehicle for the event, that is 12 GAC NE GE3 530, which provides travel service and transportation guarantee for political leaders and business leaders of all countries, and provides GAC NE GE3 530 as a prize for the four enterprises that have won the “Fortune China Innovation Award”.



▲ 2018 Fortune Global Tech Forum

#### Case

#### 150 GAC Trumpchi GA3S were officially commissioned into the Nigerian Police Force

In 2018, GAC Motor delivered 150 GA3S to the Nigerian Police Headquarters in Abuja, Capital of Nigeria. It was another bulk purchase of Nigerian police service, following the 2015 bulk purchase for GAC Trumpchi of Lagos Police Office of Nigerian. In recent years, GAC Trumpchi has introduced a number of models in Nigeria and obtained government bulk purchase of official car for many times, the quality and brand of GAC Trumpchi in Nigeria market have obtained high recognition, which will also further enhance the reputation of GAC Trumpchi in Nigeria and Africa market.



▲ 150 GA3S were neatly arranged at the handover ceremony



## Co-building Harmonious Community

**70.342** million

charity and public welfare contribution in 2018

GAC Group has been aiming at “being an excellent enterprise citizen”. It strives to enhance social welfare, deeply cultivates public benefit and philanthropy, supports the development of regional poverty alleviation undertakings, carries out urban and rural pairing, donates financial aid to school, helps the disabled, advocates safe driving, and helps the vulnerable groups by participating in various forms of voluntary activities, passing on the concept of responsibility, to realize the sharing of development achievements with the society and build a happy life with community residents. In 2018, GAC Group won the “2017 Golden Award of Kapok Cup for Poverty Alleviation in Guangdong”, “Five-Star Philanthropic Unit on the Charity List of Guangzhou in 2018”, and Most Influential Enterprise on the Charity List of Guangzhou in 2018, etc.

### 1. Urban and Rural Pairing

Improve urban and rural literacy, and create social civilization. We implement the development concept of innovation, coordination, green, open and sharing, and actively promote construction of spiritual civilization in rural areas and beautiful countryside. On the basis of carrying out material assistance and infrastructure construction and with the overall objective of building a beautiful countryside with economic development, beautiful environment, sound facilities, rural civilization, democratic management, and harmonious society, we implement the urban and rural pairing with Xincun Village in Hengli Town in Nansha District of Guangzhou. We aim to improve the human settlement of pairing villages, create a social atmosphere characterized by solidarity and friendship, scientific admiration and aggressiveness, promote the construction of spiritual civilization in rural areas, and make positive contributions to the implementation of the strategy of rural revitalization and the construction of a new socialist countryside.

2016—2018

**10.50** million

Has been raised

**8** times

Held joint conference

**18** times

Held activities

**33**

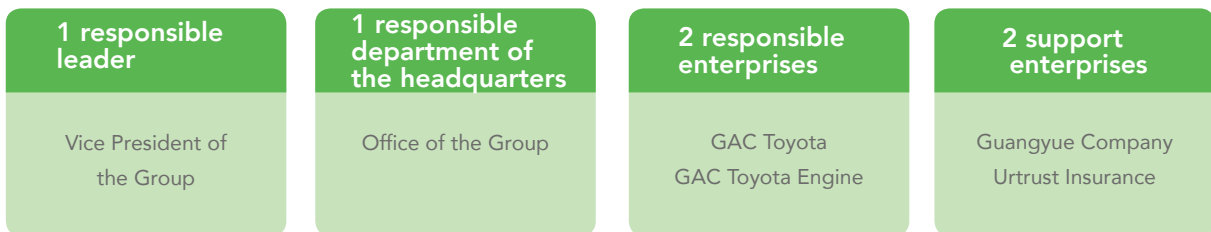
Condoled poor households

**64**

Appointed volunteers

**20**

Constructed projects



▲ GAC Group “1+1+2+2” responsibility model of urban and rural pairing and joint building of civilization

### Promoting urban and rural party construction

- Organize 20 Party members from pairing villages to attend the special lecture on *Carrying Forward the Spirit of Long March* in GAC Toyota.
- Give Party Branch of pairing village 20 newly revised *Constitution of the Communist Party of China* as a present.

### Creating new cultural trends

- Build “beautiful countryside” cultural corridor, thematic culture wall of civilized home, bulletin board of filial piety culture, etc.
- Set up “civilized prompt” in public areas

### Improving civilization quality

- Guide pairing villages to establish WeChat public platform and timely transmit the notices announced by the village committee and social hot news
- Carry out “Star Civilized Household” creation and evaluation activities, and select 40 “Star Civilized Household” families
- Assist the pairing villages in the revision of village regulations, civilization convention and environmental sanitation convention

### Carrying out cultural activities

- Conduct exchanges of urban and rural pairing, joint building of civilization and the ceremonial event of the completion of the stage
- Conduct a special seminar on *Deterring Diabetes*

### Improving livable environment

- Build Xincun stage and build a basketball court and two badminton courts around it.
- Build a convenient complex building with functions of convenience, service, culture and entertainment
- Construction of green belt and footpath at the entrance of memorial archway of Xincun, remediation of drainage and greening of Industrial West Road, and the renovation projects of Xincun Cultural Plaza, Sancun Park and the parking lot of Zhongxin Village were completed successfully.



▲ In 2018, GAC Group and Xincun Village, Hengli Town, Nansha District carried out Urban and Rural Pairing and Joint Building of Civilization Activity and the Activity of Selecting and Commending the Xincun “Star Civilized Household”



▲ In 2017, GAC Group, GAC Toyota Engine and Xincun Village of Hengli Town jointly conducted the Exchange Meeting on Urban and Rural Pairing and Joint Building of Civilization Activity and Youth Voluntary Service Activity of “care for the environment is everyone’s responsibility”

## 2. Denoting Money for School

We always care for students. Adhering to the concept that “it takes ten years to grow a tree but a hundred years to rear people”, we pay attention to the educational problems in poor areas, focus on impoverished students, help them enjoy better educational resources, and convey warmth to impoverished students to realize their dreams.

From 2017 to 2018, GAC Group donated RMB 400,000 to the Guangdong Provincial Education Foundation to fund the installation of nearly 300 sets of multimedia teaching equipment such as computers in impoverished primary schools in rural areas of Guangdong Province, and set up “multimedia classrooms” in 16 primary schools, enriching the teaching content of teachers and helping children enjoy better teaching resources and letting them to learn and grow in a comfortable environment

In conjunction with the Changsha Economic Development Zone Federation of Trade Unions and the Hunan Charity Federation, GAC FCA donated 244 computers to 10 impoverished schools in Longshan County and Anhua County of Hunan Province. This batch of brand original working computers are GAC FCA’s periodic replacement (four years), with excellent performance, and they are suitable for computer teaching and administrative office, which realized full use of resources, and effectively solved the lack of computer resources and difficulties in computer teaching in local schools

Guizhou Branch of Urtrust Insurance denoted RMB 10,317 for local school together with clothes, school supplies and other living goods; the Guangzhou Business Department of Urtrust Insurance went to the Maiyunfang Primary School in Xiaolou Town in Zengcheng District in Guangzhou City, to conduct assistance and condolences and send items that can protect them against cold and school supplies to impoverished students.

Feng Xingya, President of GAC Group, pledged RMB 40.38 million of donations on behalf of the Company during the launching ceremony of the Guangdong Poverty Alleviation Day and the Action of Deepening “Yangcheng Charity for the People” in 2018



GAC Group and South China University of Technology signed a strategic cooperation framework agreement and established a “GAC scholarship” to reward excellent university students and reserve development personnel



Wuyang Honda continued to carry out the “Wuyang Honda Educational Aid Program” and invested educational resources in the local community. In 2018, 66 people (including students) were awarded grants, 242 people (including excellent teachers) were granted scholarships, and the total amount of the grant fees was RMB 115,000

### 3.Support Cultural and Sports Undertakings

Confirm the cultural confidence, and promote the prosperity of culture and sport. We have always supported the development of cultural and sports undertakings, actively participated in various meaningful cultural and sports undertakings, continuously enriched the spiritual life of the people, sponsored international marathons and other high-end sports events for many times, and provided support for the revitalization of the sport culture industry.



◀ GAC Mitsubishi sponsored the 4<sup>th</sup> Changsha International Marathon. As the highest-level and most popular marathon event in central China, this competition brought together 24,000 players from home and abroad. Eclipse Cross, GAC Mitsubishi's brand-new SUV, served as leading vehicles and working vehicles to provide guarantee services for the whole event

GAC Toyota has sponsored the Guangzhou Marathon for six consecutive years, witnessed the development of the Guangzhou Marathon and continued to provide impetus for the cause of sports in Guangzhou. The number of applicants for this year's Guangzhou Marathon is nearly 100,000, with a total of 30,000 participants



◀ GAC Honda was the title sponsor of 2018 Hangzhou Marathon for fourth straight year. It promotes the Hangzhou Marathon with a younger image and a green and environment-friendly life attitude, and helps more participants to "stimulate the pursuit of dreams". With practical actions, it stimulates the public's love of running and encourages more people to participate in the marathon, a challenging sport



## 4. Advocating Safe Driving

Safe driving and civilized travel. We have organized and carried out a series of traffic safety education activities to popularize road safety knowledge and advocate civilized and courteous traffic environment, to root traffic safety knowledge and safe driving awareness in the public mind, and depict the beautiful vision of the harmonious coexistence of human and nature, human and automobile with practical actions.

### Case

#### Wuyang Honda Safety China spreads safe driving to the whole country

In order to promote the awareness of road traffic safety in the whole society, Wuyang Honda conducted Safety China activity, which lasted for 5 months from Liaoning Province in the north to Guangdong Province in the south and from Jiangsu Province in the east to Gansu Province in the west and held 10 activities with nearly 600 Wuyang Honda users and motor fans. Wuyang Honda combines the theoretical knowledge and field practice and transmits safe driving technology and awareness to every car fans. Meanwhile it also train more motor fans who know more about car, love car, enjoy safe riding, which will contribute to promote safe driving.



▲ Teaching scene of theory of Wuyang Honda Safety China

# 600

Users participated in Wuyang Honda Safety China

### Case

#### GAC Honda 2018 "small hand in big hand" parent-child activity on traffic safety

GAC Honda and the Traffic Police Detachment of Guangzhou Public Security Bureau jointly hosted the 2018 "small hand in big hand" parent-child activity on traffic safety. The theme of the activity is "Keep the comity in mind and travel together with smile". Through rich situational experience games and short video competitions, it teaches children about traffic safety.



▲ Seven gala party and interactive sections of 2018 "small hand in big hand" parent-child activity on traffic safety



▲ Group photo of GAC Honda "small hand in big hand" parent-child activity on traffic safety

## 5. Carrying out Public Welfare Activities

Voluntary service and enthusiastic dedication. For a long time, we have been committed to improving social welfare, deepening the cultivation of public welfare and philanthropy, forming a good joint force for public welfare by supporting and carrying out various forms of voluntary activities, paying attention to the development of vulnerable groups, boosting social progress, and bringing more warmth and positive energy to the society. By the end of 2018, there were more than 3,000 volunteers in GAC Group.

### Case

#### “Winter Sunshine” through bus in the Spring Festival travel season to open the warm way home

In order to thank migrant workers for their important contribution to Guangzhou’s urban development and civilization progress, GAC Group has sponsored the “Winter Sunshine” through bus in the Spring Festival travel season for five consecutive years, and cumulatively helped about 5,000 migrant workers achieve the “dream of going home” on the eve of the Spring Festival. On the basis of previous years’ activities, the activity in 2018 was further expanded to cover more lines. GAC Group also joined sponsor to provide loving gift bags for passengers and to send them the warmest sincere holiday blessings and New Year greetings.



▲ Migrant workers return home with loving gift bags

2018

15

Provide 15 buses

“

“Many times it is lonely for outsiders to struggle in Guangzhou, while warm activity like “Winter Sunshine” makes us feel the care of this city.”

—Mo Xinwei, Volunteer of “Winter Sunshine” through bus in the Spring Festival travel season

”

750

Serve 750 migrant workers

### Case

#### GAC FCA (Changsha) organized employees to conduct voluntary blood donation and spread love

On June 28, GAC FCA (Changsha) organized employees to participate in voluntary blood donation. A total of nearly 100 employees registered for the donation on site on that day, and finally 54 employees successfully donated a total of 17,400 ml of blood. By the end of 2018, there were 85 colleagues in GAC FCA (Changsha) successfully donated a total of 29,800ml of blood.

By the end of 2018,

85

Blood donation employees

29,800 ml

Accumulated blood donation

Case

### GAC Motor boosts the cultural exchange of teenagers in Guangdong-Hong Kong-Macao Greater Bay Area

GAC Motor established the GAC Trumpchi Young Volunteers Association, which extends to the branch companies in Hangzhou, Yichang and Xinjiang. It has 465 registered young volunteers and is mainly engaged in the voluntary service work for various large-scale activities of the company, commemorative activities of the Party, labor union and league, targeted poverty alleviation and social public welfare institutions. In 2018, we supported the "Same Origins and Same Hearts" National Education activity and appointed young volunteers to receive 3 groups of more than 400 primary and middle school students of Hong Kong and Macao to visit the factory to improve Hong Kong adolescents' understanding of automobile knowledge and deepen their understanding of Guangzhou.



Total services of Young Volunteers Association of GAC Motor in 2018

9

large-scale activities

2,700

Service time over

21,000 person-times

Service person over

Case

### GAC Toyota 15°Club spreads positive energy and smile

GAC Toyota is committed to stimulate more publics to participate in public benefit activities and become the passers of 15° smile with more standardized and systematic mobility. On May 2018, staff volunteers of GAC Toyota formed and established the 15°Club volunteers group, which further promote the sustainable development of public benefit activities and continuously spread positive energy and smile.

375

375 registered volunteers in GAC Toyota 15°Club

1,448

1,448 hours' volunteer time

## Future prospects

The year 2019 marks the 70<sup>th</sup> anniversary of the founding of the People's Republic of China and is the key year for winning the first century objective of building a moderately well-off society in an all-round way. In accordance with the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, GAC Group will thoroughly implement the spirit of the 19<sup>th</sup> National Congress of the CPC and a series of important speeches made by General Secretary Xi Jinping, especially the spirit of the important speeches of visiting Guangdong. In the face of the severity and complexity of the situation, we shall be responsible and make achievements. And we shall also insist on seeking improvement in stability, confirm confidence, overcome difficulties, increase income and reduce expenditure, reduce costs and increase benefits, and strive to create a new situation of stable and healthy development of the Group.

**In the new year, we shall seek improvement in stability and ensure high quality development.** Adhere to the quality and returns as the center, we will conduct tracking and implementation in accordance with the plan and objective, improve the assessment methods, increase internal incentives, achieve all-round income increase and expenditure reduction, cost reduction and benefits increase.

**In the new year, we shall focus on resources and comprehensively enhance product power.** Carry out product planning and development based on the improvement of product competitiveness and model efficiency, strengthen the whole life cycle planning and management system, strengthen product cost and quality control, and continuously meet the constantly improving quality and experience demands of users.

**In the new year, we shall face the difficulty and spare no pains to expand the market.** Arrange the plan for production, sales and inventory in a scientific and reasonable way, establish a customer-oriented marketing system, upgrade product service, accelerate construction of special service system and transformation of marketing digitization and improve experience and satisfaction of customer.

**In the new year, we shall deeply promote the development and earnestly implement the reform.** Accelerate trials of various reforms, continuously deepen the reform of professional manager in the Group, improve the management efficiency and effectiveness, implement scientific management of talents turnover and promote the rational and optimized combination of human resources for enterprise.





In the new year, we shall focus on the promotion of development in the five trends. Taking full advantage of the policies of Guangdong-Hong Kong-Macao Greater Bay Area and “the Belt and Road Initiative”, we will seize the opportunity of high-speed development of new energy vehicles, give play to the leading role of GAC’s Industrial Park for Intelligent & Connected New Energy Vehicle, to realize the development in electrification, intelligence & connectivity, internationalization, ride-sharing and digitization and promote industry transformation and upgrading.

In the new year, we shall drive development by innovation and open up new situation of independent business. Maintain the healthy development of self-owned brands, strengthen the construction of R & D ability, improve the channel, marketing and service ability of self-owned brands, optimize the channel layout, realize the coordinated promotion of research, production and sales, and improve satisfaction of customer and channel service ability.

In the new year, we shall expand opening-up and promote cooperation to a higher level. Improve the new level of joint venture cooperation, promote product layout and business development of joint venture enterprise, explore and promote the collaborative research and development of cell, chip, operating system, transmission and other key parts of the whole industrial chain, and actively promote the vigorous development of the automobile industry ecosphere.

In the new year, we shall deeply cultivate brands and enhance the soft power of enterprises. Improve employees’ cognition and recognition of culture, establish complete brand value system, and form distinctive brand image through product technology promotion, user experience activities, public charity and other core communication information consistent with the brand value system.

New era and new journey! In the new year, GAC Group will closely follow the national strategic planning and policy deployment, and vigorously promote high quality development of enterprises. Stand out in quality and returns, and focus on reform and innovation. Pay attention to social needs while developing enterprises, and actively fulfill social responsibility. Create a healthy and happy growth and living environment for employees and carry out public welfare programs for the harmonious development of the community. Be responsible to customers, shareholders, employees and cooperative partners to realize mutual benefit and win-win result. Ensure the sustainable and healthy development of the Group, and provide consumers with more satisfactory products and services!



# Appendix

## KPI Table of GAC Group

|   | Unit            | 2016     | 2017     | 2018            |
|---|-----------------|----------|----------|-----------------|
| Consolidated total assets   | RMB 100 million | 820.92   | 1,196.02 | <b>1,321.20</b> |
| Gross revenue realized by the Group with its joint ventures and affiliates          | RMB 100 million | 2,757.72 | 3,397.73 | <b>3,636.85</b> |
| Consolidated business revenue   | RMB 100 million | 494.18   | 715.75   | <b>723.80</b>   |
| Automobile sales  | 10,000          | 165.01   | 200.10   | <b>214.79</b>   |
| Motorcycle sales  | 10,000          | 102.20   | 100.34   | <b>86.69</b>    |
| Total corporate income tax paid by the Group with its joint ventures and affiliates | RMB million     | 6,416.75 | 7,282.03 | <b>9,154.23</b> |
| Net profits attributable to parent company shareholders                             | RMB 100 million | 62.88    | 107.86   | <b>109.03</b>   |
| Basic earnings per share  | RMB             | 0.98     | 1.65     | <b>1.07</b>     |
| Cash dividends  | RMB 100 million | 12.87    | 20.80    | <b>41.58</b>    |
| Rank in Fortune Global 500  | Ranking         | 303      | 238      | <b>202</b>      |
| Patent applications   | Pc.             | 490      | 516      | <b>1,212</b>    |
| Granted patents   | Pc.             | 361      | 426      | <b>813</b>      |
| Total number of employees   | Person          | 75,672   | 84,290   | <b>94,856</b>   |
| Proportion of female employees  | %               | 18.00    | 16.70    | <b>17.55</b>    |

Note:

1. The Group converted 0.4 additional shares per share in 2018, with basic earnings per share of about RMB 1.07

2. The cash dividends in each calendar year is the sum of the final interest of the previous year and the interim interest of the current year

## List of policies related to emissions and usage of resource/energy of GAC Group

|  |  |
|--|--|
| Usage policies for effluents, resources / energy of the Group  | <p><b>GAC Motor :</b><br/><i>Environmental Manual, Procedures for Pollutants Control and Management, Procedures for Identification and Evaluation of Environmental Factors, Procedures for Management on Environmental Objective, Indicator and Program, Procedures for Management on Environmental Monitoring and Measurement</i></p> <p><b>GAC Honda :</b><br/><i>Sewage Control Procedures, Procedures for Management on Solid Wastes, Noise Control Procedures, Air Pollution Control Procedures, Energy Management Procedures, Energy Review Procedures, Procedures for Management on Energy Benchmark Performance Parameters, Objectives and Indicators, Procedures for Stipulation and Implementation of Energy Management Plan, Procedures for Management on Energy Purchasing</i></p> <p><b>GAC Mitsubishi :</b><br/><i>Procedures for Management on Exhaust Gas, Dust, Noise and Wastewater, Energy Management Procedures, Measures for Management on Wastes</i></p> <p><b>GAC Hino :</b><br/><i>Control and Management System for Exhaust Emission</i></p> <p><b>GAC BYD :</b><br/><i>Regulations on Management of Environmental Protection</i></p> <p><b>Wuyang Honda :</b><br/><i>Procedures for Control of Exhaust Gas Pollution, Procedures for Control of Resource and Energy Saving</i></p> |
| International laws and policies for effluents, resources/energy that have a significant impacts on the Group | <p><i>United Nations Framework Convention on Climate Change, Vienna Convention for the Protection of the Ozone Layer, Montreal Protocol on Substances that Deplete the Ozone Layer, Paris Agreement, United Nations Framework Convention on Climate Change</i></p>   |

## Schedule of the Anti-Fraud, Blackmail and Money Laundering Policies of GAC Group

|   |  |
|---|--|
| Fraud prevention policy of the Group            | <p><b>Urtrust Insurance :</b><br/><i>Anti-Fraud Internal Control System</i></p>  |
| Money Laundering Prevention Policy of the Group | <p><b>GAC Finance :</b><br/><i>Anti-Money Laundering Management Measures, Detailed Rules for the Implementation of Customer's Money Laundering Risk Assessment and Classified Management</i></p> <p><b>GAC-Sofinco Auto Finance :</b><br/><i>Anti-Money Laundering &amp; Anti-Terrorism Financing Management System, Management System for Freezing the Assets Involved in Terrorist Activity, Anti-Money Laundering Workflow for Retail Credit Business, Detailed Rules for Management of Anti-Money Laundering Efforts in Inventory Financing Business, Operation Guide to Self-Evaluation of Money Laundering Risks</i></p> <p><b>Urtrust Insurance :</b><br/><i>Anti-Money Laundering and Anti-Terrorism Internal Control System of Urtrust Insurance Co., Ltd., System of Urtrust Insurance Co., Ltd. for Management of Money Laundering Risks, Management Measures of Urtrust Insurance Co., Ltd. for Customer Identification and Keeping of Customer Identity Information and Transaction Records, Management Measures of Urtrust Insurance Co., Ltd. for Reporting Block Trading and Dubious Transactions, Management System of Urtrust Insurance Co., Ltd. for Freezing the Assets Involved in Terrorist Activity, Operation Guide of Urtrust Insurance Co., Ltd. to Self-Evaluation of Money Laundering Risks, Management Measures of Urtrust Insurance Co., Ltd. for Emergency Disposal of Major Money Laundering Cases</i></p> |

|   |   |
|---|---|
| National laws and regulations on fraud prevention that have a major impact on the Group               | <p><b>Urtrust Insurance :</b><br/>China Insurance Regulatory Commission (CIRC) issued <i>Anti-Insurance Fraud Guideline Guiding Opinions on Strengthening the Fight against Insurance Fraud (Normative Documents)</i> issued by CIRC</p> <p><b>GAC-Sofinco Auto Finance :</b><br/><i>Anti-Fraud Management System, Basic System for Management of Case Prevention, Control, Reporting and Disposal, Detailed Rules for Management of Case Prevention, Control, Reporting and Disposal</i></p>   |
| National laws and regulations on prevention of money laundering that have a major impact on the Group | <p><i>Anti-Money Laundering Law of the People's Republic of China, Regulations on Anti-Money Laundering of Financial Institutions</i> (Order of the People's Bank of China [2006] No. 1), <i>Management Measures for Reporting Block Trading and Dubious Transactions of Financial Institutions</i> (Order of the People's Bank of China [2016] No. 3), <i>Management Measures for Identification of Customers of Financial Institutions and Keeping of Customer Identity Information and Transaction Records</i> (Order of the People's Bank of China, China Banking Regulatory Commission, China Securities Regulatory Commission and China Insurance Regulatory Commission [2007] No. 2), <i>Management Guideline for Evaluation of Risks of Money Laundering and Terrorist Financing and Customer Classification of Insurance Institutions</i> (Bao Jian Fa 2014 No. 110)</p> |
| Initiatives for relevant international conventions that have a major impact on the Group              | <p><b>UN :</b><br/><i>United Nations Convention against Corruption, United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, United Nations Convention against Transnational Organized Crime, International Convention for the Suppression of the Financing of Terrorism</i></p> <p><b>International Chamber of Commerce (ICC) :</b><br/><i>Suggestions against Fraud and Bribery in International Business Transaction</i></p>   |

## Schedule of Employment and Management Policies for Suppliers of GAC Group

|   |  |
|---|--|
| Employment and Management Policies for Suppliers of the Group | <p><b>GAC Motor :</b><br/><i>Environmental Management Procedures for the Parties Involved, Assessment Procedures for Parts and Direct Material Suppliers, Procedures for Management on Qualification Authentication of Parts Suppliers, Procedures for Management on Matching Selection of Parts Suppliers, Procedures for Management on Strategic Cooperation of Parts Suppliers, Management Measures for Engineering, Equipment and Purchasing, Management Measures for Purchasing of Materials and Equipment and Spare Parts, Management Measures for Services and Trade</i></p> <p><b>GAC NE :</b><br/><i>Procedures for Management on Parts and Direct Material Suppliers</i></p> <p><b>GAC Honda :</b><br/><i>Procedures of Selection of Suppliers and Domestic Development, Measures for the Administration on Purchasing of General Articles, Measures for the Administration on Contract Review, Measures for the Administration of Bidding</i></p> <p><b>GAC Mitsubishi :</b><br/><i>Measures of GAC Mitsubishi for the Administration on Purchasing of General Articles, Measures of GAC Mitsubishi for the Administration on Purchasing of Items below RMB 100,000, Measures of GAC Mitsubishi Motors Co., Ltd. for the Administration on Bidding</i></p> <p><b>Wuyang Honda :</b><br/><i>Administrative Regulations on Assessment for QCDDM Comprehensive Abilities of Supplier, Management Procedures for Selection and Assessment of Suppliers</i></p> <p><b>GAC-Sofinco Auto Finance:</b><br/><i>Measures of GAC-Sofinco Auto Finance Co., Ltd. for the Administration on Purchasing, Basic System for Management on Outsourcing Risk, Administrative Rules for Outsourcing Risk</i></p> <p><b>Urtrust Insurance:</b><br/><i>Purchasing Management System of Urtrust Insurance Co., Ltd.</i></p> |
|---|--|

## GRI Standard Index

| Disclosure Items of General standards |        |  | Index position |
|---------------------------------------|--------|--|----------------|
| Organization generalization           | 102-1  | Name of the organization   | 5              |
|                                       | 102-2  | Activities, brands, products and service   | 5              |
|                                       | 102-3  | Location of headquarters   | 5              |
|                                       | 102-4  | Location of operations   | 5              |
|                                       | 102-5  | Ownership and legal form   | 5              |
|                                       | 102-6  | Markets served   | 5              |
|                                       | 102-7  | Scale of the organization  | 5              |
|                                       | 102-8  | Information of the employees and other workers   | 51             |
|                                       | 102-9  | Supply chain   | 57-58          |
|                                       | 102-10 | Significant changes of the organization and its supply chain                               | 57-58          |
|                                       | 102-11 | Precautionary approach or principle  | 72-73          |
|                                       | 102-12 | External initiatives   | 72-73          |
|                                       | 102-13 | Membership of associations   | 10-12          |
| Strategy                              | 102-14 | Statement from the senior decision-maker   | 1-2            |
|                                       | 102-15 | Key impacts, risks and opportunities   | 1-2            |
| Ethics and integrity                  | 102-16 | Values, principles, standards and codes of conduct   | 15-16          |
|                                       | 102-17 | Mechanism of suggestions on ethics and concerns  | 21             |
| Governance                            | 102-18 | Governance architecture  | 20             |
|                                       | 102-19 | Authorization  | N/A            |
| Stakeholders' participation           | 102-20 | Administrative management's responsibilities for economic, environmental and social issues | 19             |
|                                       | 102-21 | Exchange views about economic, environmental and social issues with the stakeholders       | N/A            |
|                                       | 102-22 | Composition of the senior governing body and its committee                                 | 20             |
|                                       | 102-23 | Chairman of the most senior governing body   | 20             |
|                                       | 102-24 | Nomination and selection of the most senior governing body                                 | 20             |
|                                       | 102-25 | Conflict of interest   | 20             |
|                                       | 102-26 | Roles of the most senior governing body on formulation of purpose, value and strategy      | N/A            |
|                                       | 102-27 | Collective cognition of the most senior governing body                                     | 1              |
|                                       | 102-28 | Performance evaluation of the senior governing body  | 1              |
|                                       | 102-29 | Identification and management of economic, environment and social impacts                  | 21             |
|                                       | 102-30 | Effects of risk management process   | N/A            |
|                                       | 102-31 | Review of economic, environmental and social issues  | 21             |
|                                       | 102-32 | Roles of the most senior governing body in sustainability development report               | 21             |
|                                       | 102-33 | Communication for important concerns   | 21             |
|                                       | 102-34 | Property and total number of important concerns  | 22             |
|                                       | 102-35 | Remuneration policy  | 51             |
|                                       | 102-36 | Process to decide the remuneration   | 51             |
|                                       | 102-37 | Stakeholder's participation in remuneration decision                                       | 51             |
|                                       | 102-38 | Ratio of annual total remuneration   | N/A            |
|                                       | 102-39 | Growth rate of annual total remuneration   | N/A            |
|                                       | 102-40 | List of stakeholders   | 22             |
|                                       | 102-41 | Collective bargaining agreement  | 51             |
|                                       | 102-42 | Identification and selection of stakeholders   | 22             |
|                                       | 102-43 | Stakeholder's participation policy   | 21-22          |
|                                       | 102-44 | Main issues and concerns proposed  | 21-22          |

|                               |                     |   |  |
|-------------------------------|---------------------|---|--|
| Report practice               | 102-45              | Entities included in the combined financial statement   | 9  |
|                               | 102-46              | Definition of report contents and issue boundary  | 22   |
|                               | 102-47              | List of substantive issues  | 22   |
|                               | 102-48              | Information restatement   | 2 <sup>nd</sup> Cover                                      |
|                               | 102-49              | Report change   | 2 <sup>nd</sup> Cover                                      |
|                               | 102-50              | Report period   | 2 <sup>nd</sup> Cover                                      |
|                               | 102-51              | Latest report date  | 2 <sup>nd</sup> Cover                                      |
|                               | 102-52              | Report period   | 2 <sup>nd</sup> Cover                                      |
|                               | 102-53              | Information about the contact person answering the related problems in the report   | 77   |
|                               | 102-54              | Statement conforming to GRI standards reported  | 2 <sup>nd</sup> Cover                                      |
|                               | 102-55              | GRI content index   | 74-76  |
|                               | 102-56              | External authentication   | N/A  |
|                               | Management measures | 103-1   | Descriptions about substantive topics and their boundaries |
| 103-2                         |                     | Management methodology and its components   | 35   |
| 103-3                         |                     | Assessment on management measures   | 35   |
| Economic performance          | 201-1               | Direct economic value generated and distributed   | 1  |
|                               | 201-2               | Financial implications and other risks and opportunities due to climate change  | 47-48  |
|                               | 201-3               | Compulsory benefit plans and other retirement plans   | 55   |
|                               | 201-4               | Financial subsidies provided by the government  | N/A  |
| Market performance            | 202-1               | The ratio of standard starting salaries by gender to the local lowest salary  | 51   |
|                               | 202-2               | The ratio of senior executives employed from the local community  | N/A  |
| Indirect economy impact       | 203-1               | Investment on infrastructures and supporting service  | N/A  |
|                               | 203-2               | Major indirect economic impacts   | N/A  |
| Procurement                   | 204-1               | The ratio of expenditure for procurement from the local suppliers   | N/A  |
| Anti-corruption               | 205-1               | Operation sites that have been subject to corrosion risk assessment   | N/A  |
|                               | 205-2               | Communication and training of anti-corrosion policies and procedures  | 25   |
|                               | 205-3               | Confirmed corrosion events and actions taken  | 25   |
| Improper competitive behavior | 206-1               | Lawsuits for improper competitive behavior, antitrust and anti-monopoly practices   | N/A  |
| Material                      | 301-1               | Weight or volume of the used materials  | N/A  |
|                               | 301-2               | Recycled feed materials used  | N/A  |
|                               | 301-3               | Recycled products and their packaging materials   | 47   |
| Energy                        | 302-1               | Energy consumption inside the organization  | 49   |
|                               | 302-2               | Energy consumption outside the organization   | N/A  |
|                               | 302-3               | Energy intensity  | 49   |
|                               | 302-4               | Reduction of energy consumption   | 47-48  |
|                               | 302-5               | Energy demands reducing products and services   | 44-46  |
| Water resources               | 303-1               | Water intake divided by the source  | N/A  |
|                               | 303-2               | Water resource significantly impacted by water intake   | N/A  |
|                               | 303-3               | Water recycle and reuse   | 47   |
| Biodiversity                  | 304-1               | Organization of operation sites that have, lend and manage biodiverse rich areas located in or close to and outside the protection zone | N/A  |
|                               | 304-2               | Major impacts on biodiversity from activities, products and services  | N/A  |
|                               | 304-3               | Protected or reconstructed habitats   | N/A  |
|                               | 304-4               | The habitats affected by operation, listed into IUCN Red List and the national protection list  | N/A  |
| Discharge                     | 305-1               | Emission of direct (category 1) greenhouse gas  | 47   |
|                               | 305-2               | Emission of indirect (category 2) greenhouse gas of energy  | 47   |
|                               | 305-3               | Emission of other indirect (category 3) greenhouse gases  | 47   |
|                               | 305-4               | Emission strength of greenhouse gas   | 47   |
|                               | 305-5               | Emission reduction of greenhouse gas  | 48   |
|                               | 305-6               | Emission of ozone depleting substances (ODS)  | 47   |
|                               | 305-7               | Emission of nitric oxide (NOX), sulfur oxide (SOX) and other major gases  | 47   |
|                               | 306-1               | Total discharging capacity classified by water quality and discharge destination  | N/A  |

|  |       |   |              |
|--|-------|---|--------------|
| Sewage and wastes                                | 306-2 | Total wastes classified by category and handling method   | 47           |
|  | 306-3 | Major leakage   | N/A          |
|  | 306-4 | Transportation of hazardous wastes  | N/A          |
|  | 306-5 | Water affected by drainage and/or runoff  | N/A          |
| Environmental compliance                         | 307-1 | Violation of environmental laws and regulations   | 72           |
| Assessment on the supplier's environment         | 308-1 | New supplier screened by the environmental standards  | 58           |
|  | 308-2 | Negative effects of the supply chain on the environment and the actions taken   | N/A          |
| Employment                                       | 401-1 | Turnover rates of new employees and employees   | 51           |
|  | 401-2 | Welfare provided to the full-time employees (exclusive of temporary or part-time employees)                                       | 55           |
|  | 401-3 | Childcare leave   | 51           |
| Labor-capital relationship                       | 402-1 | Shortest notice period for the operation change   | 51           |
| Occupational health and safety                   | 403-1 | Workforce represented in joint management - worker health and safety committees   | N/A          |
|  | 403-2 | Ratios of industrial injury categories, occupational injury, occupational diseases, lost work days, absenteeism                   | 52           |
|  | 403-3 | Workers engaged in occupations with high prevalence of occupational diseases or high occupational disease risk                    | 52           |
|  | 403-4 | Health and safety topics covered in formal agreements with trade unions   | 52           |
| Training and education                           | 404-1 | Average hours of training per year per employee   | 53           |
|  | 404-2 | Employee skill enhance plan and transition assistance plan  | 53           |
|  | 404-3 | Percentage of employees who regularly accept performance and career development appraisal   | 51           |
| Diversity and equal opportunity                  | 405-1 | Diversity of governing body and employees   | 51           |
|  | 405-2 | The ratio of basic salaries to remuneration of man and woman  | 51           |
| Anti-discrimination                              | 406-1 | Discrimination incident and corrective actions taken  | Not happened |
| Freedom of association and collective bargaining | 407-1 | Operation sites' and suppliers' rights of freedom of association and collective bargaining that may encounter risks               | Not happened |
| Child laborer                                    | 408-1 | Operation sites and suppliers having the risk of major child laborer incidents  | Not happened |
| Forced or compulsive laborer                     | 409-1 | Operation sites and suppliers having major risk of forced or compulsive labor incidents   | Not happened |
| Security practice                                | 410-1 | Security personnel trained for human rights policies or procedures  | N/A          |
| Rights of aborigines                             | 411-1 | Incidents involving infringement on the rights of aborigines  | Not happened |
| Assessment on human rights                       | 412-1 | Operation site accepting review of human rights or impact assessment  | N/A          |
|  | 412-2 | Employee training on human rights policies or procedures  | 51           |
|  | 412-3 | Important investment protocols and contracts that include articles of human rights or have been subject to review of human rights | N/A          |
| Local community                                  | 413-1 | Operation sites, with attendance of the local community, affecting assessment and development plans                               | 62-68        |
|  | 413-2 | Operation sites having an actual or potential significant negative influence on the local community                               | N/A          |
| Supplier's social assessment                     | 414-1 | New suppliers screened by the society standard  | 58           |
|  | 414-2 | Negative influence of the supply chain on the society and the actions taken   | N/A          |
| Public policies                                  | 415-1 | Political donation  | 62           |
| Customer's health and safety                     | 416-1 | Assessment on health and safety impacts of the product and service categories   | 35           |
|  | 416-2 | Violations involving health and safety of products and services   | N/A          |
| Marketing and Identification                     | 417-1 | Requirements for products and service information and marks   | 33-37        |
|  | 417-2 | Violations involving products and service information and marks   | Not happened |
|  | 417-3 | Marketing violations  | Not happened |
| Customer's privacy                               | 418-1 | Proved complaints relating to infringement on customer's privacy and missing of customer's information                            | Not happened |
| Social economic compliance                       | 419-1 | Laws and regulation violating social and economic fields  | 72-73        |

## ESG Index

| Scope          | Level   | General disclosure and KPI   | Page No |
|----------------|---|--|---------|
| A: Environment | A1: effluents   | <p>General disclosure</p> <p>Relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste;</p> <p>( a ) the policies; and</p> <p>( b ) compliance with relevant laws and regulations that have a significant impact on the issuer</p>                                     | 72      |
|                | KPI A1.1  | The types of emissions and respective emissions data.  | 47      |
|                | KPIA1.2   | Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).  | 47      |
|                | KPI A1.3  | Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)  | 47      |
|                | KPI A1.4  | Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility)  | 47      |
|                | kPI A1.5  | Description of measures to mitigate emissions and results achieved.  | 47-48   |
|                | KPI A1.6  | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.   | 47-48   |
|                | A2: resource utilization  | <p>General disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>  | 72      |
|                | KPI A2.1  | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (KWh in '000s) and intensity (e.g. per unit of production volume, per facility).   | 49      |
|                | KPI A2.2  | Water consumption in total and intensity (e.g. per unit of production volume, per facility).   | 49      |
|                | KPI A2.3  | Description of energy use efficiency initiatives and results achieved.   | 47-49   |
|                | KPI A2.4  | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.  | 47      |
|                | KPI A2.5  | Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.   | 49      |
|                | A3: Environment and natural resources   | <p>General disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.</p>   | 72      |
| KPI A3.1       | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 48   |         |
| B: Society     | B1: Employment  | <p>General disclosure</p> <p>Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> | 51      |
|                | KPI B1.1  | Total workforce by gender, employment type, age group and geographical region.   | 51      |
|                | KPI B1.2  | Employee turnover rate by gender, age group and geographical region.   | 51      |
|                | B2: Health and safety   | <p>General disclosure</p> <p>Relating to providing a safe working environment and protecting employees from occupational hazards;</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p>   | 52      |
|                | KPI B2.1  | Lost days due to work injury.  | 52      |
|                | KPI B2.2  | Description of occupational health and safety measures adopted, how they are implemented and monitored.  | 52      |



| Scope     | Level                       | General disclosure and KPI  | Page No |
|-----------|-----------------------------|---|---------|
|           | KPI B2.3                    | Description of occupational health and safety measures adopted, how they are implemented and monitored.   | 51-52   |
|           | B3 Training and development | General disclosure<br>Policies on improving employees' knowledge and skills for discharging duties at work.<br>Description of training activities.  | 53-54   |
|           | KPI B3.1                    | The percentage of employees trained by gender and employee category (e.g. senior management, middle management).  | 53      |
|           | KPI B3.2                    | The average training hours completed per employee by gender and employee category.  | 53      |
|           | B4: Employment rules        | General disclosure<br>Relating to preventing child and forced labor:<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer   | 51      |
|           | KPI B4.1                    | Description of measures to review employment practices to avoid child and forced labor. .   | 51      |
|           | KPI B4.2                    | Description of steps taken to eliminate such practices when discovered. .   | 51      |
|           | B5: Employment rules        | General disclosure<br>Policies on managing environmental and social risks of the supply chain.  | 57-58   |
|           | KPI B5.1                    | Number of suppliers by geographical region  | 58      |
|           | KPI B5.2                    | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.   | 73      |
|           | B6: Product responsibility  | General disclosure<br>Relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer. | 33-35   |
|           | B6.1KPI                     | Percentage of total products sold or shipped subject to recalls for safety and health reason.   | 35      |
|           | KPI B6.2                    | Number of products and service related complaints received and how they are dealt with.   | 35      |
|           | KPI B6.3                    | Description of practices relating to observing and protecting intellectual property rights.   | 40      |
|           | KPI B6.4                    | Description of quality inspection process and products recall procedures.   | 35      |
|           | KPI B6.5                    | Description of consumer data protection and privacy policies, how they are implemented and monitored.   | 35-36   |
|           | B7: Anti-corruption         | General disclosure<br>Relating to bribery, extortion, fraud and money laundering<br>(a) the policies; and<br>(b) compliance with relevant laws and regulations that have a significant impact on the issuer   | 72      |
|           | KPI B7.1                    | Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.  | 25      |
|           | KPI B7.2                    | Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.  | 25      |
| Community | B8: Community investment    | General disclosure<br>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.  | 62-68   |
|           | KPI B8.1                    | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).  | 62-68   |
|           | KPI B8.2                    | Resources contributed (e.g. money or time) to the focus area.   | 62-68   |

# Feedback Form

To continuously improve our social responsibility efforts and enhance our ability to perform social responsibility, we want very much to hear your opinions and suggestions.

We would like you to assist in answering the questions in this feedback form and return it to us as described below:

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E-mail: [csr@gac.com.cn](mailto:csr@gac.com.cn)

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

## Your information

Name: \_\_\_\_\_

Organization: \_\_\_\_\_

Tel: \_\_\_\_\_

Email: \_\_\_\_\_

## Feedback

1. Your overall rating of our social responsibility report:

Excellent       Good       So-so

2. Do you think the report can reflect the significant influence of the company on the economy, society and environment?

Yes       So-so       Not clear

3. How do you rate the clarity, accuracy and completeness of the information, data and indicators disclosed herein?

Very high       High       Average       Low       Very Low

4. How do you rate the performance of the company in serving customers and protecting their interests?

Excellent       Good       Average       Below average       Not clear

5. Which part of the report are you most satisfied with?

\_\_\_\_\_

6. What information do you hope to know about further?

\_\_\_\_\_

7. What are your suggestions on our future release of the report?

\_\_\_\_\_





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