

CHANGAN



ChangAn Automobile | 2024
Environmental, Social and Governance Report

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About This Report

This is the 17th Social Responsibility/ESG report released to the public by Chongqing Changan Automobile Co., Ltd. since 2008. The Company's management pledges that the report is free of false records, misleading statements, or material omissions and is responsible for the objectivity and authenticity of the data in the report. The report is available in Simplified Chinese and English. In case of any discrepancies, the Simplified Chinese version shall prevail.



Reporting scope

This reporting entity is Chongqing Changan Automobile Co., Ltd., covering the Group Company, subsidiaries, and overseas branches. For brevity, terms such as "ChangAn Automobile", "ChangAn", "the Company", or "we/our" are used throughout to refer to Chongqing Changan Automobile Co., Ltd.

Reporting cycle

This report is published on an annual basis.

Preparation standards

- *Guidelines for Central State-Owned Enterprises to Fulfill Corporate Social Responsibilities* (SASAC Research Document [2008] No.1)
- *Guidelines for State-Owned Enterprises to Better Fulfilling Corporate Social Responsibilities* (SASAC Research Document [2016] No.105)
- *Research on ESG Report Formulation for Listed Companies Controlled by Central State-Owned Enterprises* (issued by SASAC)
- *Guidelines on Social Responsibility Report Formulation* (GB/T 36001-2015, issued by National Standardization Administration)
- United Nations Sustainable Development Goals (SDGs)
- *SZSE Self-Regulatory Guidelines No. 3 for Listed Companies—Formulation of Sustainability Report* (issued by Shenzhen Stock Exchange)
- *Environmental, Social and Governance Reporting Guide* (issued by Hong Kong Stock Exchange)
- *Sustainability Reporting Standards (GRI Standards)* (issued by Global Reporting Initiative)
- *ISO 26000:2010—Guidance on Social Responsibility* (issued by International Organization for Standardization)

Reporting period

The report primarily covers January 1, 2024, to December 31, 2024 (with some content extending beyond this time frame).

Content selection and arrangement

The selection of the reporting content follows the *SZSE Self-Regulatory Guidelines No. 3 for Listed Companies—Formulation of Sustainability Report*, as well as the principles of materiality, stakeholder engagement, sustainability context, and completeness of the GRI. Based on the reality of the Company, the report content is determined through industry benchmarking research, analysis of corporate development strategies, identification of material topics, and stakeholder communication.

Data sources

The data in this report is sourced from official documents and statistical reports of ChangAn Automobile (including its subsidiaries and partners). To enhance year-over-year comparability of the report, some indicator disclosures include historical data. With the further improvement of our ESG management, we will gradually optimize the disclosure indicators in future reports.

Unless otherwise specified, all currency units mentioned in this report are in Chinese yuan.

"Intelligent driving" in this report refers to Level 3 autonomous driving and above, as defined by applicable national standard.

Report access

You can visit CNINFO (<http://www.cninfo.com.cn>) or ChangAn Automobile's official website (<https://www.changan.com.cn>) to view or download the electronic version of this report.

Message from the Chairman

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The release of *ChangAn Automobile Environmental, Social, and Governance Report 2024* represents another step forward from our first report. Following global mainstream frameworks, the report offers more detailed disclosures, with notable improvements in alignment with international rating standards, entire value chain information disclosure, and stakeholder engagement. It reflects ChangAn Automobile's commitment to sustainable development and our responsibility to tackle global sustainability challenges with higher standards.

”



Zhu Huarong
Chairman, ChangAn Automobile

The world is undergoing major changes unseen in a century, marked by the convergence of climate change, energy transition, and technological revolution. Against this backdrop, the global automotive industry is accelerating its shift towards electrification, intelligent technologies, and low-carbon development. China's automotive sector, driven by breakthroughs in new energy vehicles, has emerged as a driving force in this transformation. As a leading player in China's automotive industry, ChangAn Automobile remains steadfast in our mission to "lead sustainable mobility and benefit human life." Guided by our customer-centric philosophy, we have integrated sustainable development principles into our corporate strategy and operations, forging a path of innovation and high-quality growth.

Strategic leadership drives our commitment to sustainability.

Since launching the Third Business Venture—Innovation & Entrepreneurship Program in 2017, we have continuously reviewed and refined our approach. Now implementing version 8.0 of this program, we remain committed to transforming into an intelligent low-carbon mobility technology company. We have been strengthening our ESG system with a "three lines of defense" risk control framework to ensure compliance across all operations.

Green technology fosters a new ecosystem of smart mobility.

Technology is at the heart of ChangAn's competitiveness. We continue to commercialize cutting-edge technologies, including AI, chips, 5G, and big data, into real-world products and services, delivering high-tech experiences to users. With our global collaborative R&D network in ten locations across six countries, we continuously increase our investment in R&D and have advanced our Intelligent Plan. In 2024, we received our first China Patent Gold Award.

Green transition supports a new ecosystem of low-carbon development.

ChangAn has set the goals to peak carbon emissions by 2027 and achieve carbon neutrality by 2045. To this end, we have built a green, low-carbon system covering the full product lifecycle. In 2024, sales of new energy vehicles surged year over year, while both energy consumption per 10,000 yuan of output and carbon emissions outperformed annual targets. Under our Green Plan, we have entered the solid-state battery sector, launched the intelligent New BlueCore 3.0, and released multiple NEV models. Additionally, we have deepened collaboration with CATL and established a battery recycling company with supply chain partners, completing our strategic layout for full battery lifecycle management.

Global expansion enhances our presence as a Chinese vehicle manufacturer.

ChangAn is accelerating its Vast Ocean Plan, setting up overseas subsidiaries and holding multiple regional brand launch events. In 2024, our export volume rose nearly 50% year over year. Committed to "unceasing improvement, customer satisfaction, and pursuit of excellence," we have built a preliminary overseas quality system and will continue to advance safety technologies in vehicle body structure, batteries, and intelligent driving/assisted driving.

A people-centered approach nurtures new momentum for innovation-driven development.

ChangAn is driving global organizational reform to cultivate a workplace culture built on respect, openness, and diversity. We offer competitive compensation, robust benefits, and broad career development opportunities. Guided by an organization model of "lean headquarters, business groups, brand autonomy, and shared development," we have overhauled our global position system. We continue to attract talent in strategic areas, conduct multi-level training programs, and advance long-term incentive mechanisms.

A sense of responsibility contributes to a community with a shared future for mankind.

As a responsible corporate citizen, ChangAn has embedded social responsibility into the core of our growth strategy. We supported paired assistance programs to empower local enterprises and provided disaster relief to flood-affected regions in northern Thailand, contributing to global philanthropy. The Luban Workshop in Peru, which we have helped establish, delivers automotive vocational training and is recognized in national diplomatic events.

At a pivotal moment of global transformation, ChangAn believes that open collaboration and win-win development define the spirit of our times. Confronting climate change is a shared duty and mission. We are committed to joining hands with global partners, to foster a fair, open and sustainable industrial ecosystem, and accelerate the green transition through innovation, which will inject continuous green momentum into global sustainable development.

Board Statement

The Board of Directors of ChangAn Automobile fully recognizes the importance of Environmental, Social, and Governance (ESG) to the Company's sustainable development. We have integrated ESG principles into corporate strategy and business operations to foster coordinated development between our business activities, environmental protection, and social progress.


The Board reviewed and approved this report on April 9, 2025, confirming that it fully and accurately discloses the progress and achievements of ChangAn Automobile's ESG initiatives during the reporting period. The Board assures that the report is free of false records, misleading statements, or material omissions, and hereby authorizes its public release.

About ChangAn Automobile


Company Profile

Chongqing Changan Automobile Co., Ltd. ("ChangAn Automobile", stock code: 000625), headquartered in Chongqing, is one of China's top four automotive groups. With 163 years of industrial heritage and over four decades of experience in vehicle manufacturing, the Company operates globally with 79 subsidiaries, 14 manufacturing bases, and 34 plants, delivering products to customers in 77 countries and regions.


As one of the most established names in China's automotive industry, ChangAn has developed a multi-brand architecture that includes CHANGAN, DEEPAL, and AVATR. Under the CHANGAN umbrella, our sub-brands—CHANGAN UNI, CHANGAN NEVO, and CHANGAN LCV—offer a differentiated portfolio tailored to diverse market needs.



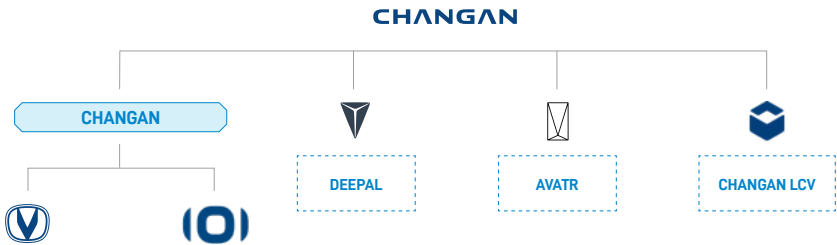
Abbreviation
ChangAn Automobile



Stock code
000625



Headquarters
Chongqing, China



208.168 billion yuan
Total assets

7.321 billion yuan
Net income attributable to shareholders



2,683,800
Total vehicle sales

2,226,400
Sales of ChangAn's homegrown brand vehicles

734,600
NEV sales of ChangAn's homegrown brands

536,200
Overseas sales



28.05+ million
Cumulative sales of ChangAn's homegrown brand vehicles

First Chinese brand to surpass
20 million units in both production and sales

Corporate honors

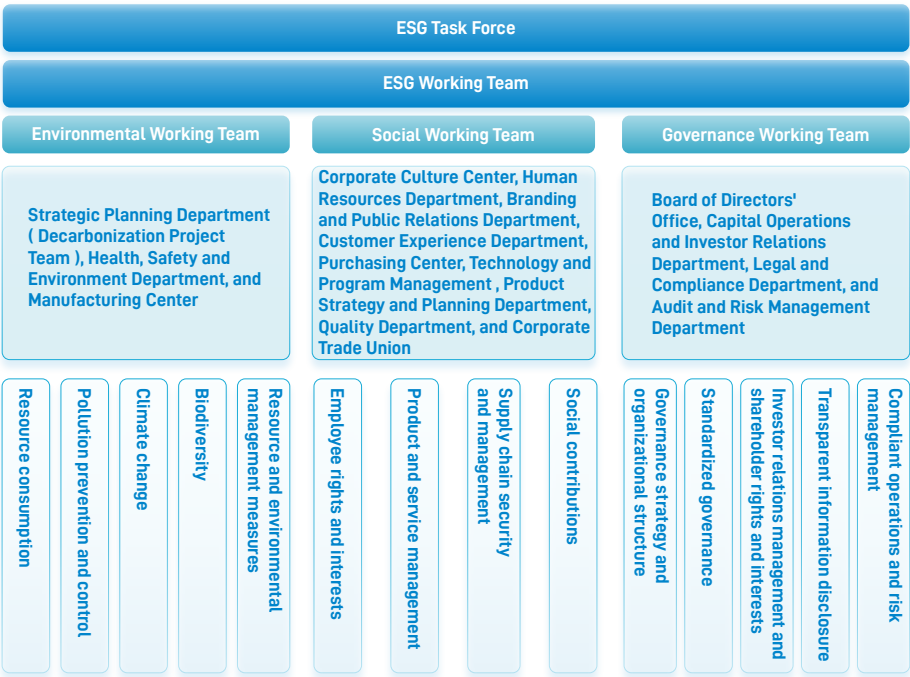
Award name	Awarding organization	Award name	Awarding organization
<ul style="list-style-type: none"> DEEPAL's project <i>Key Technologies of EV Battery R&D and Manufacturing for Large-Scale Industrialization</i> won the National Science and Technology Progress Award. 	State Council of the People's Republic of China	<ul style="list-style-type: none"> ChangAn Automobile Team won the Silver Award at the 3rd Western China Women's Sci-Tech Innovation Competition. 	Sichuan Women's Federation Sichuan Association for Science and Technology
<ul style="list-style-type: none"> ChangAn Automobile Liangjiang Factory gained the "National Green Factory" recognition. 	Ministry of Industry and Information Technology of the People's Republic of China (MIIT)	<ul style="list-style-type: none"> ChangAn Automobile ranked among Kantar BrandZ Top 50 Chinese Brand Builders 2024. 	Kantar Group
<ul style="list-style-type: none"> ChangAn Automobile was included in the "2024 China ESG Listed Companies Pioneer 100 List". 	China Media Group (CMG) Financial Program Center, in collaboration with the State-Owned Assets Supervision and Administration Commission (SASAC) of the State Council, All-China Federation of Industry and Commerce (ACFIC), the State-Owned Economy Research Think Tank of Chinese Academy of Social Sciences (CASS), and China Enterprise Reform and Development Society (CERDS)	<ul style="list-style-type: none"> DEEPAL S07 earned 5-star ratings in Euro NCAP and ANCAP. CHANGAN A07 and AVATR 11 earned 5-star ratings in C-NCAP. 	Euro NCAP: European New Car Assessment Programme ANCAP: Australasian New Car Assessment Program C-NCAP: Chinese New Car Assessment Programme
<ul style="list-style-type: none"> ChangAn Automobile was selected in the <i>2024 China Automotive Industry Sustainable Development Practice Cases</i>. 	GoldenBee ThinkTank	<ul style="list-style-type: none"> Nanjing ChangAn won the "National-Level 5G Smart Factory Award". 	Ministry of Industry and Information Technology of the People's Republic of China (MIIT)
<ul style="list-style-type: none"> The fourth-generation CS75PLUS & CHANGAN E07 won the LIT Lighting Design Award. 	Lighting Design Awards	<ul style="list-style-type: none"> ChangAn Technology's AI-Lab case was selected in the AI for Good-Innovate for Impact Interim Report issued by ITU. 	International Telecommunication Union (ITU)
<ul style="list-style-type: none"> CHANGAN E07 won the 2024 iF Design Award. 	iF Industrie Forum Design	<ul style="list-style-type: none"> ChangAn Digital Intelligent Factory was named "Automotive Manufacturing Super Factory" and won the "Best Energy Conservation & Emission Reduction Award". 	Digital Transformation and Collaborative Innovation Platform for Central Auto SOEs
<ul style="list-style-type: none"> Intelligent Car Connectivity Industry Ecosystem Alliance (ICCE) Excellent Industrial Innovation Practice Award. 	China Association of Automobile Manufacturers (CAAM)	<ul style="list-style-type: none"> DEEPAL S05 was named NESTA Fire Safety Vehicle of the Year. 	CATARC Energy-saving and Green-development Assessment Center for Automobile Industry CATARC New Energy Automotive Test Center (Tianjin) Co., Ltd.
<ul style="list-style-type: none"> ChangAn Automobile was recognized as a "Pioneer Enterprise for Industrial Carbon Peak. 	China Federation of Industrial Economics	<ul style="list-style-type: none"> DEEPAL SL03 achieved a perfect 5-star rating in the China Electric Vehicle Fire Safety Index (C-EVFI). 	China Merchants Testing Vehicle Technology Research Institute Co., Ltd.
<ul style="list-style-type: none"> ChangAn Automobile was rated "Five-Star Enterprise" in the first Carbon Management System Assessment for Automotive Enterprises (2024). 	Energy-Saving and Green-Development Assessment Center for Automotive Industry	<ul style="list-style-type: none"> DEEPAL SL03i received a 5-star rating from i-VISTA (Intelligent Vehicle Integrated Systems Test Area), achieving the highest total score in history. 	China Automotive Engineering Research Institute Co., Ltd.
<ul style="list-style-type: none"> ChangAn Automobile won the Innovation Award—the highest honor—in the Driving with Language track at the CVPR Autonomous Grand Challenge. 	IEEE Computer Society and Computer Vision Foundation (CVF)	<ul style="list-style-type: none"> The second-generation UNI-V received Grade G (Excellent) in the CATARC Mountainous Long Descent Braking Certification, becoming the first model in China to achieve top ratings across all three braking safety evaluations. 	CAERI Testing and Certification (Chongqing) Co., Ltd.
<ul style="list-style-type: none"> DEEPAL G318 was named one of China's Top 10 Chassis in 2024. DEEPAL SL03i achieved 5+ star ratings in both driving and parking assistance from C-ICAP, and ranked No.1 overall in assisted driving. 	China Automotive Technology & Research Center (CATARC)		

Sustainability Management

With sustainable development as the core principle, ChangAn Automobile actively explores to establish an ESG management model tailored to the Company. We continuously integrate ESG concepts into our existing management systems, business operations, and corporate culture. Together with stakeholders, we are striving to enhance our ESG performance and promote the sustainable development throughout the entire industrial chain.

ESG governance

ChangAn Automobile's Board of Directors actively drives the research and advancement of sustainable development goals and their implementation progress. To strengthen these efforts, we have established a ESG Task Force to build a comprehensive ESG system, formulate annual ESG work plans, carry out risk management, and set yearly goals. It also closely monitors the evolving ESG requirements of regulators, investors, and stakeholders. As a result, this structured approach has promoted the standardization and systematization of the Company's ESG practices.



ChangAn Automobile ESG Management Structure

ESG risk management

ChangAn Automobile has integrated ESG risk management into the Company's structured and regular risk management framework. By incorporating climate change, supply chain security, data security, and other ESG risks into our comprehensive risk landscape, we ensure effective monitoring and response across all business units.

ESG training and engagement

ChangAn Automobile continuously strengthens ESG awareness and understanding across the entire workforce. We regularly engage external consultants to deliver specialized ESG training—including risk management—for Board members and employees at the middle-management level and above. These training programs enable us to solidify both ESG awareness and management competencies and lay a robust foundation for our comprehensive ESG performance. Additionally, as a member of the ESG and Social Responsibility Committee under CAAM's Standard and Regulation Working Committee of Automotive Industry, we actively participate in ESG-related initiatives, contributing our wisdom to China's ESG efforts in the automotive industry.



In December 2024, senior management and heads of all departments participated in a specialized ESG training program.

Case **ChangAn Automobile deeply engages in ESG development in the automotive industry**

In 2024, ChangAn Automobile actively engaged in China's automotive industry ESG training program themed "Adapting to New ESG Regulations in Capital Markets to Drive Sustainable High-Quality Growth for Auto Enterprises." As a member of the ESG and Social Responsibility Committee under CAAM's Standard and Regulation Working Committee of Automotive Industry, we participated in the research, review, and compilation of the *ESG Evaluation Framework and Application Guidelines for China's Automotive Industry*, contributing our expertise to shape industry-wide ESG standards.

Materiality analysis

In compliance with the latest sustainability standards and guidelines, we have updated our material topics by building upon the 2023 topic pool while incorporating the Company's strategic priorities for 2024 and stakeholders' concerns and expectations.

Identification and review

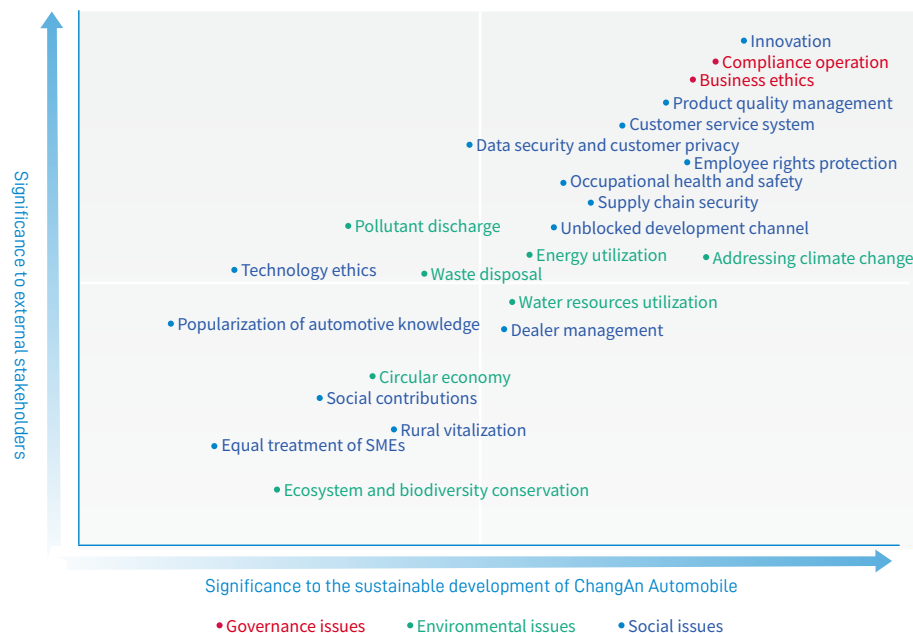
Based on the material topics disclosed in the Company's 2023 ESG Report, we have thoroughly analyzed the broader ESG and sustainability landscape both in China and globally. Referring to relevant standards and regulations such as the *SZSE Self-Regulatory Guidelines No. 3 for Listed Companies—Formulation of Sustainability Report*, we have carried out materiality assessments and identification, and added material topics where necessary.

Prioritization

We identify stakeholders' key concerns through comprehensive surveys and prioritize material topics based on ChangAn Automobile's strategic direction and the overall business environment.






ESG materiality matrix

We evaluated all key topics across two dimensions—significance to ChangAn's sustainable development and significance to external stakeholders, resulting in a validated materiality matrix.



Stakeholder engagement

ChangAn Automobile is committed to enhancing the disclosure of ESG-related information, and strengthening communication through diverse and transparent channels. The Company works with its partners to promote sustainable economic, environmental and social development. We also actively respond to the expectations and requirements of stakeholders, and expand stakeholder participation channels.

Stakeholders	Appeals	Our actions and measures
 Customers	<ul style="list-style-type: none"> Offer high-quality products Provide pleasant experience Provide touching and joyful services 	<ul style="list-style-type: none"> Customer experience evaluation mechanism, five commitments of proactive customer service, customer care program "withU," and Global Fans Festival.
 Employees	<ul style="list-style-type: none"> Obtain career development Strengthen management interaction Protect employee rights and interests Work-life balance 	<ul style="list-style-type: none"> Global position and grade system, manager-level successor selection mechanism, equity incentive, deferred bonus, project co-investment mechanism, employee capability empowerment training, Employee Assistance Program (EAP), idea contribution channel, and open communication platform.
 Shareholders	<ul style="list-style-type: none"> Growing business performance Fair and transparent information disclosure Stable and good investment returns 	<ul style="list-style-type: none"> Maintain stable dividend payouts, strictly fulfill information disclosure obligations, actively engage with capital markets, and establish a positive corporate image in capital markets.
 Society	<ul style="list-style-type: none"> Shared development Long-term cooperation Capability assistance 	<ul style="list-style-type: none"> Global Partner Conference, Supplier Conference, Dealer Conference, the "1241" marketing empowerment system, single store empowerment training, transparent procurement system, digital supply chain construction, and supplier support and certification.
 Partners	<ul style="list-style-type: none"> Increase employment opportunities Tax payment according to the law Energy conservation and environmental protection Charity cause 	<ul style="list-style-type: none"> The Third Business Venture—Innovation & Entrepreneurship Program 8.0, sustainable development, Green Plan, green manufacturing, green supply chain, rural revitalization, development of carbon sink methodology for camellia oleifera, public service and volunteer activities.

01

Governance and Ethics

ChangAn Automobile adheres to the principles of law-based corporate governance and continuously improves compliance management mechanisms with a focus on risk prevention and control. At the same time, we uphold the bottom line of business ethics, safeguard data security, and ensure the scientific rigor and standardization of corporate decision-making and operations.

Contributions to SDGs



Enhancing Corporate Governance

ChangAn Automobile continuously optimizes the modern corporate system with Chinese characteristics. We further enhance the governance structure of state-controlled listed companies, steadily strengthening internal control mechanisms. We have also optimized the operational procedures of the Board of Directors, the Board of Supervisors, and the Shareholders' Meeting. These efforts aim to build a sound, transparent, compliant, and efficient governance framework that ensures standardized operations and sustainable development.

Governance structure

We strictly comply with the *Company Law of the People's Republic of China* and other applicable laws and regulations. The Board of Directors serves as the supreme decision-making body, and is supported by three specialized committees, including the Audit Committee, the Nomination and Remuneration Committee, and the Strategy and Investment Committee. All committee members are directors. The Audit Committee consists of non-executive directors, with independent directors forming the majority. It is chaired by an independent director with accounting expertise. The Nomination and Remuneration Committee is composed entirely of independent directors.

ChangAn Automobile's governance structure and responsibilities

Board of Director

Audit Committee

- Review the Company's financial information and related disclosures.
- Oversee and evaluate both internal and external audits, as well as internal control.

Nomination and Remuneration Committee

- Develop selection criteria and procedures for directors and senior executives.
- Nominate candidates for directors and senior executives, and review their qualifications.
- Establish performance evaluation standards for directors and senior executives and conduct assessments.
- Develop and review remuneration policies and plans for directors and senior executives.

Strategy and Investment Committee

- Research the Company's development strategy and medium-to-long-term development plans, and offer recommendations.
- Review and provide recommendations on matters requiring Board approval, including the Company's annual operating plans, comprehensive budgets, annual investment plans, and major investment projects.
- Evaluate and recommend on significant financing proposals, asset disposals, mergers and acquisitions, and restructuring plans that require Board approval.
- Assess and advise on major asset mortgages, pledges, and external guarantees subject to Board approval.

Board effectiveness

The Company holds regular Board of Directors meetings to ensure consensus among directors on major issues, including corporate governance and strategic direction, and to support sound and well-informed decision-making. We held 19 Board meetings in 2024, with full (100%) director attendance.

In strict compliance with the *Articles of Association of Chongqing Changan Automobile Co., Ltd.*, we continuously refine the procedures for electing and appointing directors, and stipulate that directors are elected or replaced by the Shareholders' General Meeting. Pursuant to the Company's *Term-Based and Contractual Management Measures for Members of the Management Team*, the term of office for directors and management staff is limited to no more than three years. During the nomination and appointment of Board members, multiple factors, including industry experience, professional background, and educational qualifications, are thoroughly assessed to ensure that members possess the diverse skills and expertise necessary for business growth. The Board's industry expertise spans internet technology and services, smart vehicle R&D and manufacturing, and strategic investment. Among them, six independent non-executive directors bring experience in the consumer goods sector and risk management-related corporate governance.

The compensation structure for directors and senior management consists of fixed and variable pay. The variable part includes annual performance bonuses, tenure incentives, and long-term incentives. Independent director compensation is proposed and reviewed by the Board of Directors and approved by the Shareholders' General Meeting. Under the provisions of the *Term-Based and Contractual Management Measures for Members of the Management Team*, the Company may impose salary deductions or clawbacks in specified cases. This ensures directors and executives remain accountable while protecting shareholder interests.

2024



19

Board meetings held

100%

Director attendance rate

Board independence

We strictly implement the *Working Rules for Independent Directors' Special Meetings* to ensure that each independent director plays their respective role. As of 2024, the Board comprised 13 members: 3 internal directors and 10 external directors (including 6 independent directors).

Protection of shareholders' rights and interests

We adhere to the principles of "fairness, equity, and transparency" in managing investor relations. Through various channels, such as the Shareholders' General Meetings, investor briefings, and corporate open days, we enhance communication with investors and promptly address their concerns. Our response rate on the SZSE's "Easy IR" platform exceeded 96%. In addition, we hold regular earnings briefings, leveraging digital technologies such as live streaming to engage with investors and safeguard their legitimate rights and interests. Our periodic reports provide comprehensive and timely disclosures of potential risks and uncertainties. In 2024, we convened 5 Shareholders' General Meetings, issued 4 periodic reports, and disclosed 91 interim announcements. We have developed a robust information disclosure system, supported by clear management policies and operational procedures. External auditors and national regulators regularly supervise, audit, and evaluate our disclosures. In 2024, no penalties due to disclosure non-compliance were imposed on ChangAn Automobile, and we earned an "A" rating from the SZSE for our disclosure practices.

2024



5

Shareholders' Meetings
convened in 2024

4

Periodic reports completed

91

Interim announcements
disclosed

Strictly following the *Company Law of the People's Republic of China*, the *Rules for Shareholders' General Meetings*, and the *Articles of Association of Chongqing Changan Automobile Co., Ltd.*, we ensure that all proposals reviewed at the Shareholders' Meetings align with the meeting notice, with no off-agenda voting or amendments permitted. The meeting adopts a hybrid approach, combining on-site and online voting. For on-site voting, each item is voted on, counted, and supervised in strict accordance with the Articles of Association, with the meeting chair announcing the results immediately and no objections raised. Online voting is conducted through the system within designated time slots. Upon conclusion of all voting, the Company consolidates all results while separately tallying votes from minority investors to effectively safeguard their legitimate rights and interests.

Reinforcing Risk Control

The Company has established a "Three Lines of Defense" risk management and control system to ensure the effective implementation of all risk management measures. In line with assigned authorities and responsibilities, we have developed a compliance risk identification and early-warning mechanism to comprehensively assess compliance risks across business operations. Concurrently, we regularly update our compliance risk database to analyze the likelihood, severity, and potential consequences of identified risks, while issuing timely warnings for typical, widespread, or high-impact risks. Through digital risk management, we have reinforced the Company's sustainable and healthy operations. In 2024, we revised the Risk Management Measures to enhance controls across organizational structure, management mechanisms, and business operation, ensuring full compliance throughout the Company's operations.

ChangAn Automobile's "Three Lines of Defense" risk management framework

1

First line

Internal control enhancement

Business departments and subsidiaries bear primary responsibilities for operational risk management. They focus on enhancing internal control in line with core risk management processes. This ensures that over 95% of business risks are prevented through established policies and procedures-meaning they are resolved at the first line of defense.

2

Second line

Internal control
empowerment

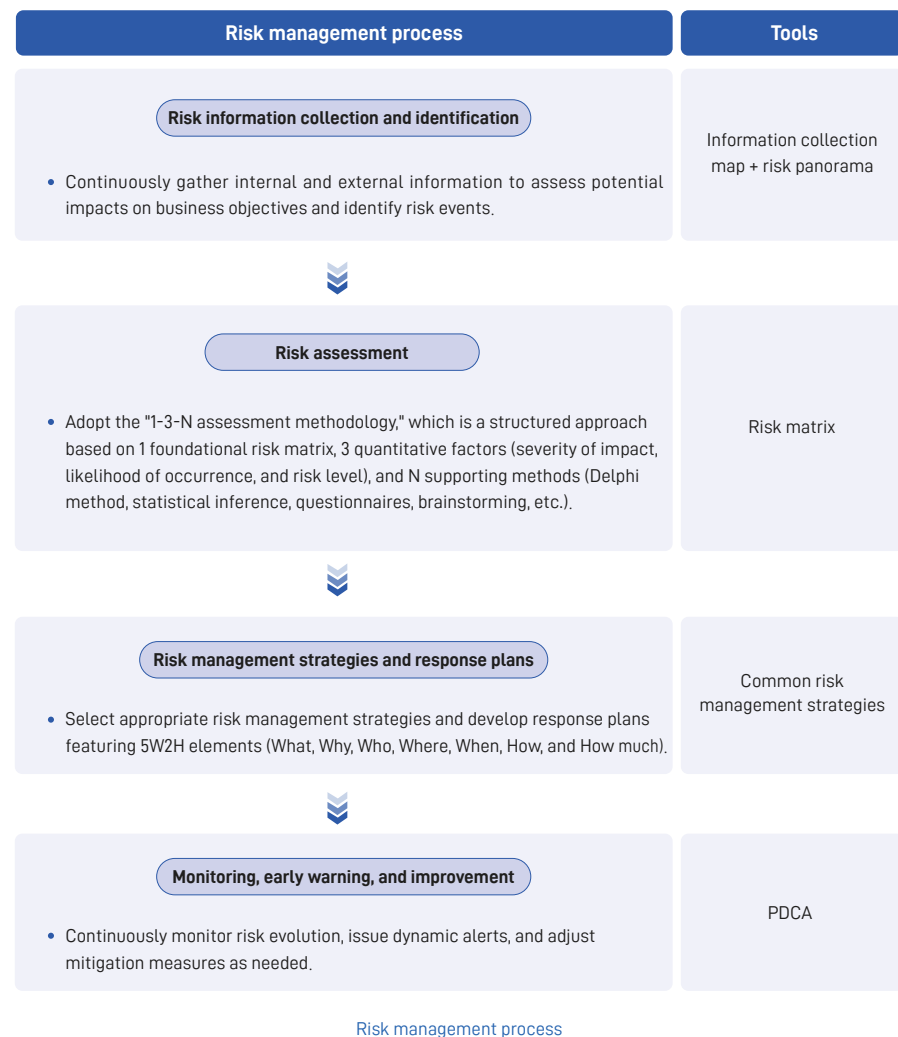
Functional and internal control departments support the first line of defense by providing risk registers, organizational design, and authorization frameworks. They enhance the design and execution of risk control while monitoring the implementation of the company-wide risk management system.

3

Third line

Internal control
oversight

The disciplinary inspection and audit departments independently monitor and assess the risk management system's effectiveness and the performance of both the first and second lines of defense.



ChangAn Automobile's key measures for strengthening risk prevention and control



Enhancing the "Three Lines of Defense"

- Clarify the responsibilities of operational and functional departments, enhance information sharing, resource integration, and system interoperability, and strengthen coordination of operations.



Improving the three-phase risk prevention and control mechanism

- Establish comprehensive compliance mechanisms covering review, cross-functional collaboration, reporting, assessment, and accountability; develop corresponding risk control checklists to achieve full risk prevention and control coverage across pre-event, in-process, and post-event phases.



Focusing on three key compliance risk areas

- Export control compliance: Mitigate export control and economic sanction risks across four key dimensions including products, countries, entities, and end-uses.
- Data compliance: Rigorously manage data compliance risks through a three-pronged approach covering products, operations, and cross-border data flows.
- Antitrust compliance: Systematically identify and address antitrust risks across both product and operational dimensions, with emphasis on investment & M&A activities, collaboration with industry peers, and dealer management.



Case ChangAn Automobile drives comprehensive development of risk management tools

In 2024, leveraging international case studies and domestic risk management expertise, ChangAn Automobile developed practical, systematic risk control tools and methodologies, including the "Four-Step Risk Mitigation," "Four-Pronged Internal Control Cycle," "Risk Information Collection Map," and "1-3-N Assessment Methodology." The Company also released bilingual (Chinese-English) risk case study compilations, such as *Common Risk Cases in Procurement Strategy Development* and *Marketing Risk Case Studies*, applying risk management tools across all business areas through engaging, real-world scenarios.

Upholding Compliance and Integrity

ChangAn Automobile steadfastly upholds lawful and compliant operations while continuously enhancing its compliance management capabilities.

Compliance management

The Company aligns with international standards such as the ISO 37301 *Compliance Management Systems—Requirements with Guidance for Use* and adopts global best practices in compliance management, with a focus on three key areas: data governance, export control, and antitrust. In compliance with applicable laws and regulations, such as the Measures for the Compliance Management of Central State-Owned Enterprises, we have established a global legal and compliance management system. This framework includes a Compliance Management Committee and integrates compliance requirements across all operations, including R&D, production, supply chain, sales, and logistics while embedding them into every stage of decision-making, management, and execution. We strictly prohibit any unfair competition that disrupts market order. To uphold this principle, we have implemented policies such as antitrust compliance management measures. These measures underscore our commitment to fostering a fair, equitable, and integrity-driven competitive environment among market participants. In 2024, there were no legal cases involving violations of unfair competition or antitrust laws.

We have comprehensively restructured our legal compliance training system across management, business operations, and specialized functions while fostering a company-wide culture of compliance. By strengthening our training mechanism, we have enhanced compliance education for executives, employees in key positions, and new hires. In 2024, we issued weekly global business environment enforcement updates for all staff, garnering 115,000 cumulative views, and developed 20 specialized compliance training courses.

2024



100%

Coverage of compliance training



100%

Company-wide compliance pledge signing rate

Business ethics

We hold business ethics to the highest standard and strictly prohibit all forms of misconduct, including bribery, corruption, and money laundering. To strengthen accountability, we mandate that senior executives sign the *Integrity Commitment Agreement*. For the first time, this initiative has been extended to include foreign managers and project team members. Furthermore, we have introduced a new *Professional Integrity Pledge* specifically for foreign senior executives. Through dedicated compliance audits, we thoroughly investigate and address any misconduct where executives or key employees violate company policies or jeopardize corporate interests. In parallel, we conduct business ethics audits to proactively identify and prevent potential risks, ensuring full transparency and integrity throughout our business operations.

We enforce a zero-tolerance policy against corruption through comprehensive measures, and have implemented anti-corruption policies applicable to employees, suppliers, dealers, and other stakeholders. These include the *Employee Code of Conduct*, *Employee Integrity Code of Conduct*, *Procedures for Reporting and Registering Declined Gifts and Monetary Offers*, *Whistleblowing and Complaint Handling Procedures*, and *Policy on Prohibiting Misuse of Authority and Name-Dropping*. By integrating multi-channel oversight mechanisms, we have established a systematic anti-corruption framework. In 2024, no major legal cases involving corruption, bribery, extortion, fraud, or money laundering were recorded.

We are committed to transparency and fairness. We require all external partners, including suppliers, to uphold business ethics. As part of our compliance commitment, we use the *ChangAn Integrity Partnership Notice* as a reminder for all prospective partners before establishing business relationships. All collaborating entities are required to sign and comply with this Notice.

Business ethics training

To enhance the compliance awareness and integrity self-discipline of all personnel, we conduct business ethics education for all employees and provide specialized commercial ethics training, including anti-corruption and anti-bribery training sessions, for Board directors, executives, full-time employees, outsourced staff, and suppliers. In 2024, we carried out 1,839 integrity education activities and organized 143 on-site warning education sessions aimed at strengthening oversight of management personnel.

2024

100%

Coverage of business ethics training

100%

Coverage of anti-corruption training

Audit and oversight

We take routine prevention and monitoring measures to mitigate risks of commercial bribery and professional misconduct. Simultaneously, we adhere to a five-year, full-cycle audit plan to ensure all material risks are audited without exception, thereby enhancing the efficacy of audit oversight. In 2024, we performed over 10 internal control assessments and audit reviews in high-risk areas such as procurement, R&D, marketing, and solid waste management. In addition, we engaged BDO as our independent auditor for the year to evaluate the Company's internal control and related matters.

We have established a comprehensive whistleblowing management system that enables all employees and relevant stakeholders to confidentially report violations or misconduct by any Company unit or employee through dedicated channels, including our dedicated whistleblowing hotline and email address. Simultaneously, we apply stringent measures to protect whistleblowers' identities and rights, guaranteeing confidentiality and protection against retaliation, including unfair dismissal, harm, or inappropriate disciplinary action. In 2024, we released the *Compliance Reporting and Investigation Management Policy* and *Compliance Reporting Guidelines*, and made the whistleblowing email address available to all personnel. Anonymous reporting from employees, clients, and third parties was further encouraged, with designated specialists responsible for receiving and following up on reported leads.

ChangAn Automobile's whistleblowing channels

Email: caxf@changan.com.cn

Hotline: 023-67592020



Mailing address: Corporate Culture Center of ChangAn Automobile, 33F, T2 Building, Jiangbeizui Financial City, Jiangbei District, Chongqing, China

Strengthening Data Security

ChangAn Automobile prioritizes automotive cybersecurity. Leveraging the State Key Laboratory of Intelligent Vehicle Safety Technology, the Company actively pursues cutting-edge research in information security, and is committed to establishing a comprehensive data security framework encompassing data encryption, identity authentication, network security, and privacy protection.

Information security

We continuously enhance our information security management system, strengthen risk governance, and conduct comprehensive training to elevate our cybersecurity resilience amid growing digital complexity. In 2024, we maintained a flawless security record with zero information security vulnerabilities, cybersecurity incidents, or data breaches.

Privacy protection

We are committed to protecting consumer privacy by implementing standardized privacy policies across all customer touchpoints, ensuring transparency and user control over personal data. In full compliance with the *Regulations on Automotive Data Security Management*, we strictly manage sensitive data, including external vehicle and in-cabin data, while continuously improving privacy agreements to ensure customer privacy is safeguarded in every interaction. In 2024, we won the Excellence Award at the Cybersecurity Outstanding Innovation Achievements Competition with our integrated vehicle-network-cloud security solution.

Information security management system

Abiding by China's Cybersecurity Law, Data Security Law, and Personal Information Protection Law, we have implemented a three-tier cybersecurity governance structure comprising the Cyberspace Affairs Commission Office, executive office, and business units. In alignment with the GB/T 41871-2022 *Information Security Technology—Security Requirements for Processing of Motor Vehicle Data* and other applicable standards, we have formulated and released the *Data Security Governance Framework 1.0 and Overseas Cybersecurity and Data Security Management System 1.0* to build a comprehensive global security architecture covering cybersecurity, software security, and data protection, ensuring fully standardized operations across all business areas. Furthermore, we have obtained UN R155 certification for cybersecurity management systems.

Information security risk management

We continuously strengthen information security risk management through both internal security testing and third-party evaluations, including system risk assessments, Multi-Level Protection Scheme (MLPS) evaluations, and data security risk assessments. This comprehensive strategy ensures that all information security risks remain well controlled.

For all third-party collaborations, including with suppliers, we mandate rigorous approval procedures and the signing of confidentiality agreements. These agreements clearly define confidential information, confidentiality obligations, and liabilities for breaches, thereby ensuring compliance and legality across all partnerships.

We have continuously enhanced our information security emergency response mechanisms. By developing comprehensive policies such as the *Information Security Emergency Response Management Measures* and *Information Security Incident Contingency Plans*, we have ensured rapid and effective mitigation of cybersecurity emergencies such as network intrusions and data breaches.

2024

0

Information security vulnerabilities or cybersecurity incidents

0

Data breaches

Information security training

We place paramount importance on cultivating employee awareness of information security. Through organization-wide cybersecurity education programs, we continuously enhance staff capabilities in identifying and mitigating security risks.

2024

100%

Coverage of information security training

02

Innovation and Integration

ChangAn Automobile facilitates the creation of competitive edges in new energy and intelligent mobility, and delivers superior products and services to customers while growing together with partners.

Contributions to SDGs



Embarking on a New Journey of Electric and Intelligent Mobility

We have always put innovation at the core of our development strategy and have worked on building a high-caliber workforce through sustained technological and management innovation. Meanwhile, we pursue collaborative innovation with partners to continuously optimize our products and services, so that we can respond to market demands more efficiently and strengthen our competitive edge.

Innovation strategy

ChangAn Automobile is expanding its innovation ecosystem to deliver superior and more sustainable mobility experiences for users.

2024



1

National-level science and technology award

4

Provincial/ministerial-level science and technology awards

13

Science and Technology Awards of China Society of Automotive Engineers

3,384

Patent applications

58%

Year-on-year increase in invention patent grants



Honors

- > The pulse heating technology was honored with the Gold Prize in the 23rd China Patent Award (preliminary selection).
- > CHANGAN FORCE E-Drive won the "Outstanding E-Drive Product Award" and "E-Drive Technology Innovation Award" at the 3rd Global xEV Powertrain Technology & Industry Conference.
- > The Digital-Intelligent Hybrid E-Drive System was honored as "China Heart" Top 10 Engines & Hybrid Systems in 2023 and 2024 consecutively.

Clean technology

ChangAn Automobile continues to drive the green transformation of the industry. We endeavor to develop key technologies in the new energy sector. We have established a dual-track R&D model integrating applied research and fundamental research, enabling breakthroughs in foundational theories of critical technologies.



Batteries

We have established the "1+2+X" next-generation battery roadmap, established the Advanced Battery Research Institute, and deepened partnerships with CATL, Taillan, and other industry leaders to jointly advance next-generation battery R&D. Our in-house battery brand, Golden Shield, is engineered to address critical user pain points in energy density, charge/discharge efficiency, cycle life, low-temperature performance, and so forth. Our self-developed battery cells have a cycle life of over 2,000 cycles, meeting the ultra-long vehicle lifespan requirements of 10 years or 300,000 kilometers.



E-drive systems

We have unveiled the CHANGAN FORCE e-drive solution, comprising the FORCE Range Extender and FORCE E-Drive. Featuring the industry-first micro-core high-frequency pulse heating technology, the Force E-Drive achieves a peak efficiency of 95%. Additionally, our Digital-Intelligent Hybrid E-Drive System delivers a maximum drive efficiency of 97.3%, and the next-generation E-Drive System has a maximum efficiency of 95%.



Electronic control

We have independently developed and industrialized the DPEU (Dual Power Electronic Unit), overcoming industry-wide challenges such as the development of domestically produced IGBT power modules, with the controller's peak efficiency surpassing 98%.

Smart technology

Fueled by relentless innovation, we deeply explore user needs while fully embracing the infinite possibilities of intelligent mobility. In 2024, ChangAn's AI innovation practices were recognized with the "AI Pioneer Case" award, validating our leadership in automotive intelligence.

Smart products

We continue to focus on assisted driving and smart cockpit technologies, striving to deliver next-generation mobility experience that seamlessly blends cutting-edge technology, premium comfort, and intuitive user interaction.

Assisted driving

Powered by our proprietary SDA Model, we have independently developed the advanced intelligent system—ChangAn Pilot/Assisted Driving. The system features pioneering AI-interactive driving assistance and integrated parking & navigation functionality, precisely identifying road conditions while executing voice commands. It delivers exceptional performance in safety, driving dynamics, and user-centric design.

Smart cockpit

With user experience at the core of our innovation efforts, we strive to integrate intelligent interaction, smart ecosystem, and advanced hardware for a truly intelligent and user-centric mobility environment.

In 2024, ChangAn Automobile made groundbreaking innovations in smart cockpit technology: we launched the SDA architecture, along with SDA OS and SDA Cockpit, to bring smart experiences for users; we introduced the SDA Model for smart cockpit to enhance perception, interaction and control. All these features are continuously refined through OTA updates to meet users' growing demands for intelligent connectivity.



Honor

- ChangAn Intelligent Computing Center was honored with the 2024 AI Pioneer Case-Tech Stack Special Award.



Intellectual property rights

We strictly adhere to laws and regulations such as the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. We have established a comprehensive intellectual property right (IPR) management system, implementing rigorous monitoring and management to ensure effective IPR protection. Additionally, we have developed a product and project IP infringement prevention system, which includes in-depth research on the automotive industry trends, competitive landscape, and IP laws and policies in target overseas markets. We have also built an overseas IP database, and conduct global IP risk assessments to ensure IP risks are well controlled worldwide.

The Company actively engages in intellectual property creation by encouraging employee innovation and increasing R&D investment. We focus on key areas such as new energy and intelligent technologies, strategically filling for patents and making technological breakthroughs, to continuously enhance our IPR portfolio. To strengthen IPR protection awareness, we have established and enforced stringent protection measures, proactively defending our IPRs. Legal actions are taken against infringements to protect innovation achievements and market competitiveness. Besides, ChangAn Automobile actively promotes IPR collaboration and exchanges, working collectively to advance IPR protection initiatives and foster the sustainable development of the automotive industry.

Creating Fertile Land for Innovation to Grow

Innovation is the internal driving force behind ChangAn's sustainable development. By building a high-caliber innovation team and upholding the ethics of science and technology, the Company advances sustainable growth and technological innovation.

Versatile teams

We have built an R&D team with over 12,000 members from 31 countries and regions around the world, establishing a global collaborative R&D network across ten locations in six countries, each focusing on different areas of expertise. About 6,000 of them specialize in core fields such as batteries, motors, electronic controls, and intelligence. The team includes 988 foreign employees, 754 overseas professionals, and 452 local staff. In 2024, we officially launched the construction of the Global Science and Art Center to further attract top talents from around the world.



Global R&D Center of ChangAn Automobile

Ethics of science and technology

In all our technological R&D and application endeavors, we always prioritize human welfare social progress, and environmental protection, thus ensuring that technological innovation achievements genuinely benefit the people and boost social harmony. We strictly comply with relevant laws and regulations to prevent the potential risks of technology misuse to society and the environment. At the same time, we advocate for responsible innovation practices, encouraging employees to fully consider ethical factors in technological R&D and application, and to uphold the ethics of science and technology.



Case

ChangAn Automobile releases industry-first *Automotive AI Risk Management White Paper*

In 2024, ChangAn Automobile released the automotive industry's first *Automotive AI Risk Management White Paper*. The white paper sorts out risk points in the application of AI to smart vehicles and establishes a risk analysis framework. Examining lifecycle safety issues of AI products from both intrinsic and application safety perspectives, it proposes technical solutions and risk management processes to guide reliable AI application in smart vehicles.



ChangAn Automobile's case—Intelligent Vehicle Comprehensive Safety Assurance Service Platform - was selected in the AI for Good-Innovate for Impact Interim Report issued by ITU.

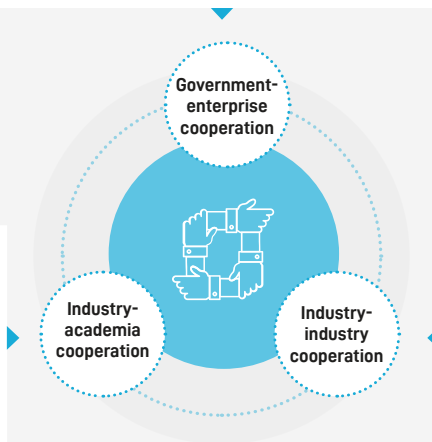
Building an Industry Ecosystem Together

Upholding an open, collaborative, and win-win philosophy, ChangAn Automobile works with governments, academic institutions, and global partners to drive the development of the automotive industry ecosystem.

Industry-academia-research collaboration

We have built a diversified, deeply integrated government-industry-academia-research ecosystem to foster a community of innovation, shared interests, and sustainable development.

- We have submitted a formal proposal titled *Recommendations for Extending the Vehicle Trade-In Policy to Stabilize Automotive Consumption* to the National Development and Reform Commission (NDRC), the Ministry of Industry and Information Technology (MIIT), and the Ministry of Commerce (MOFCOM).
- In collaboration with the Chongqing Municipal Science and Technology Bureau, we have established the Natural Science Foundation Innovation Development Joint Fund. In 2024, the fund invested a total of 10.8 million yuan to support 20 research projects.



- We have set up joint laboratories with leading universities, including the National University of Singapore, Wuhan University, Jilin University, and Beijing Institute of Technology.
- We have conducted over 80 research projects in collaboration with over 36 universities and research institutes. In 2024, we achieved breakthroughs in 19 key technologies, including BEV perception, detection and segmentation algorithm modeling, with 8 already applied in mass production.

- Together with China Automotive Engineering Research Institute Co., Ltd (CRERI) and China Key System & Integrated Circuit Co., Ltd. (CKS), we have co-founded the State Key Laboratory of Intelligent Vehicle Safety Technology, one of only two national key laboratories in the automotive sector.
- We have also set up 9 joint innovation centers with leading industry partners, focusing on R&D in industrial AI, smart voice interaction, and other cutting-edge areas.



Signing ceremony at the State Key Laboratory of Intelligent Vehicle Safety Technology.



Signing ceremony for collaboration between the State Key Laboratory of Intelligent Vehicle Safety Technology and the National Mobile Communications Research Laboratory.

Cross-industry collaboration

We have integrated world-class resources to deepen strategic partnerships with industry leaders such as CATL, and Tencent. In assisted driving, next-generation batteries, and global ecosystem development, we are working together to build new competitive advantages, elevating our strategic cooperation to new heights. Simultaneously, we are exploring emerging sectors, including eVTOL, smart logistics, and the "human-vehicle-device-home-office" ecosystem, with partners like EHang, JD.com, and OPPO. By accelerating convergence with AI, telecommunications, energy, and smart home ecosystems, we are co-creating the future of integrated mobility solutions.



Cooperation agreement signing ceremony between AVATR and CATL.



ChangAn Automobile and CATL signed a memorandum on comprehensive strategic cooperation.



ChangAn Automobile held a technology innovation event themed "Embrace ChangAn, Shaping New Species and New Ecosystem," partnering with industry experts to advance collaborative innovation.



ChangAn Global Science and Art Center Groundbreaking & eVTOL Cooperation Signing Event.



Standardization initiatives

We actively participate in global automotive standardization efforts, contribute ChangAn's solutions and expertise to drive high-quality industry development. In 2024, we established 98 external standards and received 11 standardization awards at industry level and above.



Case

UN global technical regulations for vehicles, proposed and revised with ChangAn Automobile's contributions, officially released

The UN GTR No. 21, first published in 2021, primarily established power testing methods for hybrid electric vehicles (HEVs) and multi-motor electric vehicles. ChangAn Automobile identified that the regulations did not cover widely used highly-integrated hybrid electric drive systems. In February 2022, the Company presented relevant proposals at an Electric Vehicles and the Environment (EVE) session, which were ultimately incorporated into the revised UN global technical regulations. The updated version was officially released in August 2024. The revised regulations will enhance the accuracy of electric vehicle power testing, better align with advancements in EV drive system technology, and support the global automotive industry's green and sustainable development.



我国参与牵头修订的两项汽车领域联合国全球技术法规正式发布

发布时间: 2024-06-06 17:07 来源: 赛迪工业网

2024年6月，联合国官网正式发布了联合国全球技术法规No. 21《混合动力汽车及多电机驱动的电动汽车功率测试方法》（以下简称UN GTR No. 21法规）和No. 22《轻型电动汽车车载电池耐久性》（以下简称UN GTR No. 22法规）两项新版全球技术法规。该两项法规由美国、欧盟、中国、日本共同牵头修订完成。

UN GTR No. 21法规于2021年首次发布，主要规定了混合动力汽车及多电机驱动的电动汽车的功率测试方法。对规范电动汽车功率测试、科学评价电动汽车性能等具有重要意义。为提高电动汽车功率测试精度，适应电动汽车驱动系统技术发展，美国、欧盟、中国和日本于2022年牵头启动该项法规修订。此次修订主要修改完善了功率测试的试验条件，增加了高集成度混合动力电驱系统功率测试方法。我国专家代表全面参与法规修订，并牵头开展了高集成度电驱系统功率测试、基于车载传感器获取关键测试参数方法等研究。为法规修订工作做出了积极贡献。

UN GTR No. 22法规于2022年首次发布，主要规定了轻型电动汽车车载电池衰减要求及测试方法，对提升电动乘用车电池耐久性水平、促进新能源汽车产业健康发展发挥了重要作用。为适应电动汽车对外放电等新技术应用，提高法规适用性，美国、欧盟、中国和日本于同年牵头启动了下一阶段法规的修订工作。此次修订主要提出了轻型电动货车车载电池衰减要求，增加了虚拟里程精度验证的方法。我国专家代表全面参与法规修订，并牵头开展了轻型电动货车车载电池耐久性限值制定及在用车车载电池衰减检验方法等研究。为法规修订工作做出了积极贡献。

下一步，工业和信息化部将继续组织国内相关单位和专家，深度参与新能源汽车、智能网联汽车等领域的全球技术法规制定协调工作，持续提升中国在国际标准法规协调中的参与与贡献度。

03

Green and Eco-friendly Measures

ChangAn Automobile has incorporated carbon peaking and carbon neutrality into overall reform and development framework to build a clean, low-carbon, safe and efficient energy consumption system, with a focus on industrial restructuring and product mix optimization. In this way, ChangAn has quickened the development of industrial structures and production modes that conserve resources and protect the environment, and continuously enhanced the systematic, science-based, digital, and lean management capabilities in ecological and environmental protection and energy conservation.

Contributions to SDGs



Addressing Climate Change

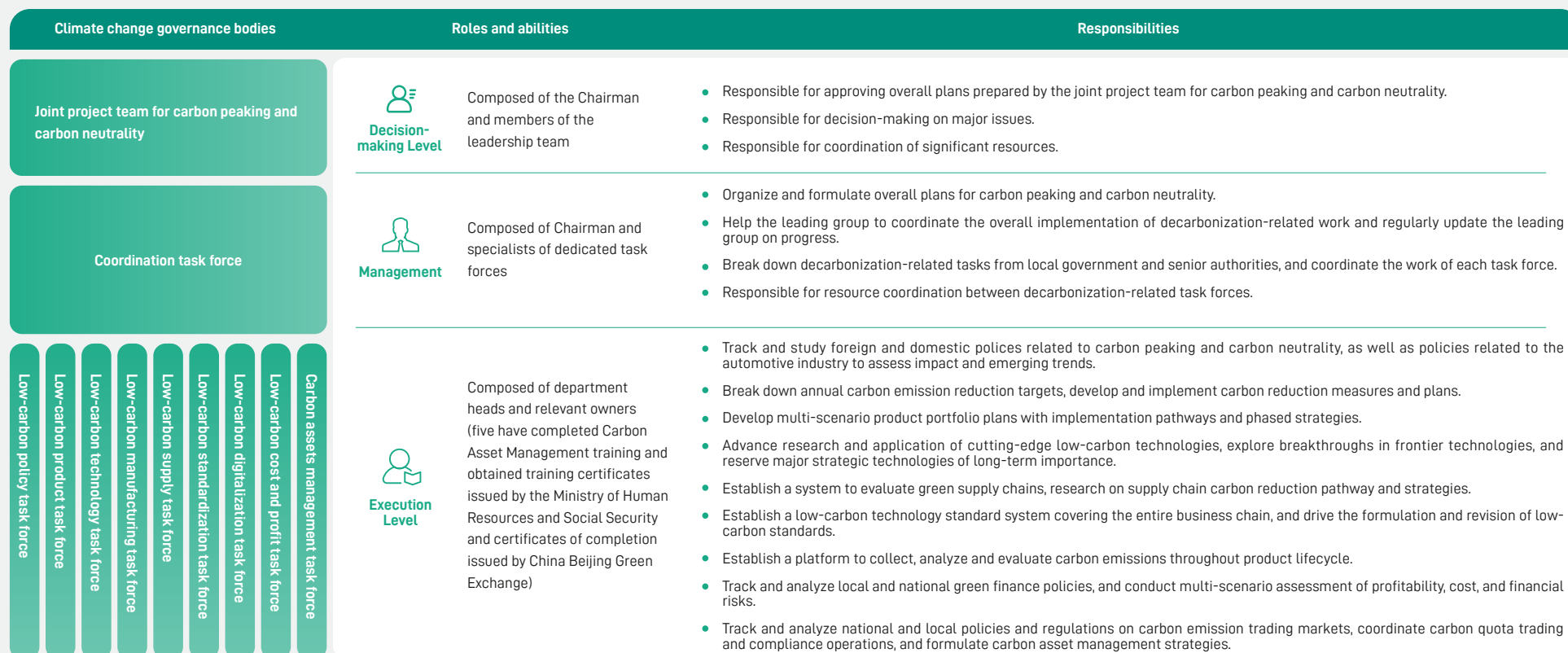
At ChangAn Automobile, addressing climate change is an important component in ESG management. Therefore, ChangAn actively copes with challenges posed by climate change, and implements strategies of carbon peaking and carbon neutrality. Under *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report* and Task Force on Climate-related Financial Disclosures (TCFD) framework, ChangAn continues to refine climate change management across four dimensions, namely governance, strategy, risk management, and metrics and targets, to strengthen resilience against climate risks.

Governance

Since 2021, we have established a joint project team for carbon peaking and carbon neutrality, with the Chairman serving as the head of project team. By integrating climate change related functions into ESG governance framework, we have set up a decarbonization governance structure consisting of a leading group, a coordination task force and dedicated task forces. The supervision, management and execution responsibilities of each level over decarbonization work are clearly defined. We have put in place a three-tiered meeting and reporting mechanism with regular meeting schedules to discuss climate-related issues and enhance corporate carbon management capabilities.

We have set clear and binding targets, and broken them down to each business unit, followed by monthly tracking and review to strengthen accountability. Meanwhile, to ensure effective supervision and incentive for achieving targets, we integrated emission reduction performance metrics into performance appraisal of the responsible Vice President (VP) for relevant businesses, effectively tying decarbonization performance to compensation.

Decarbonization governance framework of ChangAn Automobile



Strategy

We identified and assessed climate-related risks and opportunities faced by the Company based on domestic and foreign climate-related laws, regulations and policy framework, as well as international standards and industry best practices. In this way, we effectively managed and mitigated climate change risks across our operations by taking into consideration corporate strategies, operational realities and financial planning.

ChangAn Automobile climate-related risk identification, potential impacts and responses

Risk category		Type of risk	Potential impacts	Management and response
Transition risks	Policy and legal risks	Climate-related regulatory and disclosure requirements	Tightened government oversight on carbon emissions will lead to growing risks in corporate expansion overseas.	<ul style="list-style-type: none"> We established a sound carbon management system to enhance corporate carbon management capability. We formulated climate strategies to tackle climate change. We keep track of policy and regulation changes, assess related impacts in advance, and compose response plans. We built green and low-carbon supply systems and strengthened the coordinated carbon reduction requirements across the supply chain.
	Technology risks	Needs for upgrade in technology and manufacturing equipment	The new technologies and processes required for low-carbon production will accelerate replacement and iteration of existing equipment, causing the risk of asset depreciation.	<ul style="list-style-type: none"> We continue to promote green and low-carbon transformation, upgrade traditional industries, track product carbon footprint and take lifecycle carbon reduction measures. We are working with universities to explore carbon reduction processes and technologies through technological innovation. We are leveraging digital and intelligent technologies to empower green development.
	Market risks	Reduced supply of fossil fuels	The scarcity of non-renewable resources and energy will bring price volatility.	<ul style="list-style-type: none"> We promote self-built photovoltaic projects to increase application of renewable energy. We are actively exploring low-carbon technologies based on alternative fuels. We developed and launched products powered by clean energy.
	Reputational risks	Increased concern or negative feedback from stakeholders	Global climate change poses a growing concern and potential risks to corporate reputation.	<ul style="list-style-type: none"> We are building green and low-carbon supply systems and strengthening coordinated carbon reduction requirements across the supply chain.
Physical risks	Short-term risks	Extreme weather events	Extreme weather events, such as torrential rain, hailstorms may expose manufacturing facilities and office premises in flood-prone areas to risks such as floods, power outages, and damage to facilities and equipment, disrupting manufacturing operations.	<ul style="list-style-type: none"> We developed a sound contingency plan for extreme weather events to clarify responsibilities and response process of each department and employee, and organized regular emergency drills.
	Long-term risks	Persistent high temperatures	Long-term risks such as persistent high temperatures may increase risks of heatstroke for employees, disrupting manufacturing operations.	<ul style="list-style-type: none"> We established a sound occupational health management system, and organized regular occupational health training.

ChangAn Automobile's assessment of climate-related opportunities, potential impacts and responses

Climate-related opportunities	Potential impacts	Management and responses
Products and services	<ul style="list-style-type: none"> With the growing consumer awareness of environmental protection and low-carbon mobility, the demands for and market share of low-emission new energy vehicles (NEVs) will continue to rise. We expect policy support and incentives for NEVs and low-carbon technologies. 	<ul style="list-style-type: none"> We are helping to increase the market share of NEVs to 60% by 2030. We are investing in technologies such as new energy, energy conservation and emission reduction while bringing corporate technological innovations.
Resource utilization	<ul style="list-style-type: none"> Improved resource utilization can reduce waste of raw material and energy, lower production cost, and enhance corporate profitability. Reduced corporate carbon emissions may enhance corporate environmental image. 	<ul style="list-style-type: none"> We implemented the EPR (Extended Producer Responsibility) system, and made acceptance review as part of EPR pilot programs. We are researching and developing low-carbon materials as we increase the use of recyclable materials.
Energy sources	<ul style="list-style-type: none"> We are reducing our dependency on fossil fuel and increasing the stability of energy supply. We are reducing corporate carbon emissions and discharge of other pollutants. We are exploring new growth opportunities for clean technologies and applications of renewable energy. 	<ul style="list-style-type: none"> We developed distributed photovoltaic projects. We participated in green electricity trading. We are strengthening innovation support for green transition and created signature low-carbon technologies.



Risk management

We have integrated climate change risks into our existing comprehensive risk management system, clearly defined roles and responsibilities for each department and position in managing climate risks. We have established a multi-tiered oversight and execution mechanism covering the Board, senior management and each business unit, to ensure the coordinated management of climate-related risks. We identified climate-related risks and opportunities, which are categorized and ranked to inform risk management strategies. In response to all types of climate risks, we have consistently improved oversight mechanism and risk management processes to ensure the Company's steady progress in tackling climate challenges and achieving sustainable goals.

ChangAn Automobile's management process over climate-related risks and opportunities



Risk identification

We identify climate-related risks (physical and transition) by taking into consideration factors such as geographical locations, industry-specific characteristics, supply chain layout and energy use.



Assessment and ranking

We rank identified risks with a methodology to comprehensively assess the likelihood of risks and the magnitude of impacts (financial and non-financial).



Targeted responses

We formulated multiple strategies targeting different types of risks and opportunities to establish a tiered management mechanism.



Oversight and management

We incorporated climate-related risks into our existing risk management system, clearly defined roles and responsibilities for each department and position in climate risk management, and established a multi-tiered oversight and execution mechanism.

Metrics and targets

We are striving for carbon neutrality in a systemic way. In strict compliance with requirements of China's green and low-carbon development assessment mechanism, we implemented energy conservation and decarbonization measures, set binding targets for reducing energy intensity and carbon emissions. In 2024, average carbon emission per vehicle manufactured across the Company's wholly owned manufacturing facilities was down by 2.2% from 2023, successfully achieving the 1.9% reduction target. Average carbon emission per unit of powertrain manufactured was down by 10% from 2023, successfully achieving the 6.7% reduction target.

The three-year carbon emissions reduction performance evaluation metrics of ChangAn Automobile (full scale)

Emission reduction indicators	Unit	2024	Target	Status
Comprehensive energy consumption per output value	TCE/ 10,000 yuan	0.0112	Annual decrease≥12.99%	Achieved
CO ₂ emissions per output value	tCO ₂ e/10,000 yuan	0.0544	Annual decrease≥13.87%	Achieved

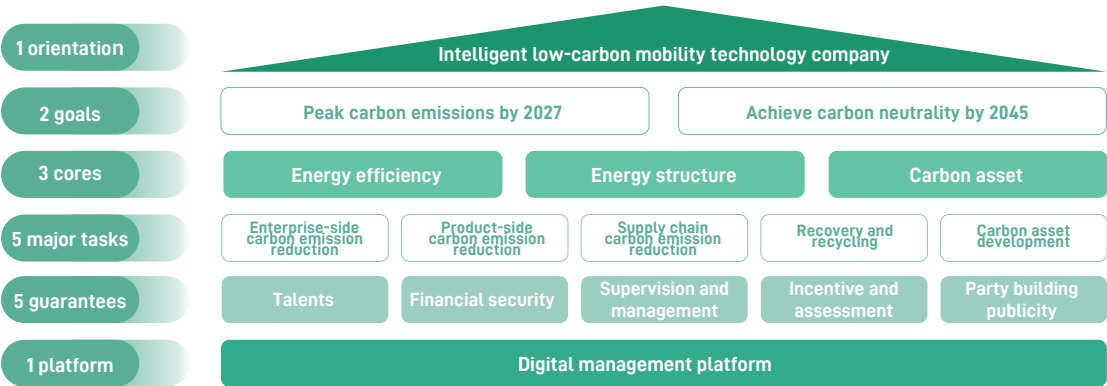
Greenhouse gas emissions of ChangAn Automobile (wholly owned facilities)

Indicator		Unit	2022	2023	2024
Greenhouse gas emissions	Scope 1	tCO ₂ e	185,230	201,437	151,868
	Scope 2	tCO ₂ e	652,715	722,453	742,676
	Gross greenhouse gas emissions	tCO ₂ e	837,945	923,890	894,545

Climate strategies and objectives

Climate change is high on ChangAn Automobile's ESG agenda. We have formulated the overall strategic objective to peak carbon emissions by 2027 and achieve carbon neutrality by 2045. We have established "123551" carbon management system, and formulated a carbon peaking action plan encompassing a two-level indicator system, four pathways and 16 measures. With these efforts, we aim to induce systematic low-carbon transformation through top-level design, technology innovations and supply chain collaboration.

ChangAn Automobile's "123551" carbon management system



Corporate

We forecast a **15%** reduction in overall energy consumption per 10,000 yuan of output value and an **18%** reduction in CO₂ emissions per 10,000 yuan of output value from 2020 levels by 2025.

We forecast a **20%** reduction in overall energy consumption per 10,000 yuan of output value and a **30%** reduction in CO₂ emissions per 10,000 yuan of output value from 2020 levels by 2030.

Products

We forecast a **25%** reduction from 2020 in carbon emissions per vehicle over its entire lifecycle by 2027.

Supply chain

We forecast a **30%** reduction from 2020 in carbon emissions across the supply chain by 2030.

Lifecycle carbon emissions management

Green and low-carbon strategies are part of our supply chain ecosystem. We thoroughly identify key factors influencing carbon emissions at each stage of a product's lifecycle, including design, material selection, manufacturing, logistics, usage and recycling, so as to chart well-informed decarbonization pathways. Low-carbon concepts are evident throughout the entire lifecycle of our products and we keep pushing the boundaries of decarbonization solutions to contribute to the green transformation of the automotive industry.

Aligning corporate carbon management with international standards, the Company closely follows international carbon emission regulations and adopts internationally recognized carbon management standards and methodologies such as the ISO 14064 *Greenhouse Gas Management System Certification*. We set well-defined carbon reduction targets, formulated implementation plans, and established carbon emission monitoring and reporting mechanisms across areas including system building, product development and supply chain management. In this way, we strive to ensure our exports are compliant with carbon management requirements of foreign markets. In 2024, ChangAn Automobile participated in developing *UN/WP.29-GRPE-Automotive Life Cycle Assessment* standards by the Informal Working Group on Automotive Life Cycle Assessment (IWG on A-LCA) under World Forum for Harmonization of Vehicle Regulations (WP.29), strengthening the influence of China's automotive industry in the area of global automotive carbon footprint.

Honors

- "Five-Star Enterprise" in 2024 Carmaker Carbon Management System Assessment (Automobile Energy-saving and Green-development Assessment Center).
- Awarded Leader for Industrial Carbon Peaking of 2024 by China Federation of Industrial Economics.
- ChangAn Digital Intelligence Factory won the title of "Automobile Manufacturing Mega Factory" and "Best Energy-saving and Emission Reduction Award".



Green design

We actively integrate green concepts into product design by adopting lightweight design and conducting research on key technologies including ultra-low aerodynamic drag, low-drag calipers, and low-rolling-resistance tires. These efforts reduce energy consumption and lifecycle environmental impacts of the vehicle while ensuring performance and safety. In 2024, ChangAn Automobile was awarded six honors in green and low-carbon design.

Honors

- CHANGAN E07, with its excellent aerodynamics performance, ranked among "Top 10 Low-Drag Vehicles" and "Top 10 Low-Wind-Noise Vehicles" presented by China Automotive Engineering Research Institute Co., Ltd. (CAERI).
- AVATR 07 ranked among "Top 10 Low-Wind-Noise Vehicles", and was awarded China State-of-the-art Technology of Automotive Aerodynamics (C-STAA) of 2024.



Low-carbon products

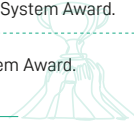
The Company conducts in-depth exploration of carbon reduction pathways in product development, keeps strengthening low-carbon technology research, and launched over 35 NEVs including DEEPAL SL03 and DEEPAL S7. By the end of 2024, the average carbon footprint of ChangAn Automobile's vehicle models on the market had registered a 1.94% decrease year-on-year (as weighted by manufacturing output). 110 models available on the market filed for carbon footprint class on the China Automobile Industry Chain Carbon Publicity Platform (CPP), among which, the share of Class-2 (low emission) models increased from 48.6% to 68.7%, signifying authoritative recognition of decarbonization results. DEEPAL S7 was among the first of Environmental Product Declaration (EPD) certified models.

Major technological achievements in decarbonization

- ChangAn's mass-produced New BlueCore HE achieves a brake thermal efficiency of **44.39%**.
- P13 dual-motor hybrid E-drive with **97.3%** in drive efficiency.
- REEV module set a new industry benchmark with **3.63** kWh/L fuel-to-electricity conversion.

Honors

- AVATR 11 won the five-star low-carbon ratings in the 2024 China Green Car Assessment Programme (C-GCAP).
- New BlueCore's 1.5L engine and digital intelligent E-drive won China's Top 10 Engines and Hybrid System Award of 2024.
- New BlueCore's 1.5T engine in combination with DEEPAL REEV 2.0 won 2024 China's Top 10 NEV Power System Award.
- New BlueCore's 1.5T engine in combination with AVATR REEV won 2024 China's Top 10 NEV Power System Award.





Green materials

We emphasize the use of low-carbon, environment-friendly and sustainable materials in product design and manufacturing. At the same time, we work to advance R&D innovation and wider application of low-carbon materials, thereby reducing consumption of natural resources from the outset. Our high-performance recycled aluminum alloy produced from ultra-high pressure process has successfully overcome the limitations of lower-grade recycled secondary aluminum, its performance compatible with high-precision parts. In 2024, we made progress with 15 low-carbon and low-density materials including recycled aluminum alloy, low-density PET fiber felt, mastered technologies to impact and control circularity on material properties and pretreatment to raw materials for recycling, and applied 12 materials on an industrial scale, such as bio-based PU and 30% recycled PP.



Case

ChangAn Automobile's independent R&D of green recycled cast aluminum alloy with high-performance

ChangAn Automobile's independent R&D of green recycled cast aluminum alloy with high-performance has been widely applied in engine cylinder blocks and power system parts, achieving 100% utilization of recycled materials with a 93.6% reduction in carbon emissions as compared to conventional primary aluminum alloys. This achievement has been awarded "Excellent Practice Case of Green and Low-carbon Development in 2024" by China Enterprise Confederation. At the same time, ChangAn Automobile sees high-performance recycled aluminum alloy free of heat treatment for integrated die-casting as a key R&D target. Through joint exploration and research efforts with Shanghai Jiao Tong University, 20 tons of such material have been successfully produced, which emits 60% less carbon than primary aluminum alloy.



Green supply chains

Focusing on supply chain decarbonization and sustainable development, the Company implements dynamic management of green supply chains by enhancing management capabilities across five areas, including strategic governance, green procurement, and supplier management. We strive to build a green, low-carbon and sustainable supply chain management system by working with partners along the supply chain to build ecosystems for green energy, green services and green supply chains, thus helping the entire supply chain move closer to carbon neutrality.

The Company carries out carbon accounting, carbon management, compliance, green procurement and empowerment management across its supply chain. In procurement management, we standardize the code of conduct and green procurement requirements for ChangAn Automobile's business partners by establishing carbon management system and relevant administrative policies including the *Green Supply Chain Management System*, *Guidelines of Green Procurement*, *Green Supplier Evaluation Standards*, *Carbon Emission Data Management Model*, and *Guidelines on Supplier Carbon Emission Accounting Methods*. With these efforts, we gradually form a green supplier management system covering admission, evaluation and elimination. In 2024, we initiated a digital carbon management platform, and collected data on supplier carbon emissions.

To guide suppliers in the transition to green and low-carbon manufacturing, we conduct carbon emission management training for suppliers, driving green updates across upstream and downstream supply chain partners in areas including design, processes, and technologies. We work with suppliers to improve environmental performance and encourage them to reduce energy consumption and emissions while implementing standards such as the IATF 16949 *Quality Management System* and the ISO 14001 *Environmental Management System*. We also actively publicize carbon reduction cases of ChangAn Automobile's suppliers, guide pilot suppliers as they collect data on carbon emissions and plan pathways toward decarbonization, and generate reports on greenhouse gas emissions and product carbon footprint. In 2024, we organized seminars and capacity-building training programs for over 8,000 participants on topics including green supply chain management, requirements on quantification and assessment of product carbon footprint, and practical corporate carbon accounting. Due to our extensive expertise in green supply chains, our practices have been selected into the *Classical Cases of Green Supply Chain Management* issued by China's Ministry of Industry and Information Technology (MIIT).



Green manufacturing

We take the initiative to thoroughly unleash carbon reduction potentials in the manufacturing process, conduct in-depth analysis of each manufacturing facility, and make steady progress in advancing energy saving and carbon reduction centered on energy mix transition, intelligent transformation, green electricity trading and energy-saving technological upgrades. By the end of 2024, ChangAn Automobile had obtained two national and two provincial green factory certifications. At the same time, our cases *Application of Multi-scenario and Cross-regional Residual heat Deep Utilization Technology and Practical Application of Green Micro-grid and Photovoltaic Power Generation Development* were rated "Excellent Practice Case of Green and Low-carbon Development in 2024" by China Enterprise Confederation directly supervised by State-Owned Assets Supervision and Administration Commission (SASAC).

● Advancing green and low-carbon transition of energy mix

Following the three-year action plan for photovoltaic solar energy project development, we are pushing forward green energy transition in a systematic way by adopting Energy Performance Contracting model. We have formulated a photovoltaic development strategy focusing on self-sufficiency and surplus for the grid to reduce dependency on outside energy supply.

By the end of 2024, the Company had implemented a total of 13 energy projects under contract, including 29 distributed photovoltaic projects and three compressed air stations under BOT (Build-Operate-Transfer), forming a multi-dimensional energy management system. ChangAn Automobile ramps up efforts to advance green and low-carbon transition of its energy mix, and has newly built distributed photovoltaic power stations with a total installed capacity of 95MW across facilities in Chongqing, Hefei, Nanjing and Beijing.

Clean energy alternatives have effectively improved the Company's energy mix. In 2024, the energy sources of ChangAn Automobile remained unchanged, while electricity consumption recorded a year-on-year increase of 0.52%, among which the share of green electricity increased to 7.41%. In addition, natural gas consumption recorded a year-on-year decrease of 1.17%. All these efforts lay a solid foundation for building localized supply of clean energy.

● Promoting intelligent transformation of factories

We facilitate the transformation and upgrading of traditional industry by leveraging digital intelligence and green technologies. We strive to make ChangAn Digital Intelligence Factory an intelligent, low-carbon and highly efficient model factory. In 2024, Nanjing ChangAn won "National 5G Smart Factory Award" and ChangAn Digital Intelligence Factory won the title of "National-level Intelligent Manufacturing Demonstration Factory".

● Actively exploring market-based green electricity trading

We actively explore market-based trading mechanisms for green electricity and green certificates. Specifically, we issued 658 green certificates for surplus grid-connected photovoltaic power, transforming these environmental attributes into means of empowerment for the supply chain through market-based trading mechanism. Additionally, we consumed over 100 million kWh of self-generated green power throughout the year, 17.4% of which was solar power, reducing 91,000 tons in carbon emissions.

● Energy-saving technologies to revolutionize low-carbon manufacturing process

Focusing on higher energy efficiency, process improvement, precise start-stop and better production scheduling, we have made steady progress in energy conservation and decarbonization. In 2024, we have completed 41 technological upgrades, reducing 1,3000 tons of carbon emissions in various processes as well as some costs.

Main measures to conserve energy and upgrade technologies

- **Higher energy efficiency:** Critical energy-consuming equipment received improved operational control and better energy efficiency through better matching of energy supply and demand.
- **Process improvements:** We deeply tap into decarbonization potentials of existing processes, reducing energy consumption during production through better process parameters.
- **Precise start-stop:** Based on operational status of the production line, we implemented precise start-stop control for energy-consuming equipment, including air compressors, fans, dryers, water pumps, and lighting fixtures.
- **Better production scheduling:** We enhanced production line efficiency by streamlining production workflows.



Case

ChangAn Automobile develops technology to utilize residual heat in-depth in multiple scenarios and across many areas

ChangAn Digital Intelligence Factory thoroughly analyzed sources of thermal discharge and demands within its premise, and built a system to utilize residual heat in-depth across casting, painting, battery and public facilities. This system recovers residual heat from casting and painting processes for production use while meeting manufacturing requirements. It marks the industry's first successful implementation of efficient, multi-area residual heat utilization across multiple operational scenarios. Thanks to rebalanced thermal distribution across many areas with lean and coordinated control and compensation, the residual heat utilization rate in casting process has been increased by over 50%, saving 1.465 million m³ of natural gas each year, or 2,000 tons fewer emissions. This case was awarded "Excellent Practice Case of Green and Low-carbon Development in 2024" presented by China Enterprise Confederation.



Case

Direct supply of molten aluminum by ChangAn Automobile

ChangAn Automobile supplies molten aluminum directly instead of aluminum ingots, bypassing the aluminum ingot casting process that involves significant thermal energy. Aluminum suppliers directly deliver molten aluminum to casting workshops, while other partners simultaneously improve aluminum alloy casting process. This approach streamlines alloy cooling and melting steps, reduces investment in infrastructure and equipment, and improves working environments while reducing metal losses and energy consumption. Thereby, we boast an integrated green manufacturing solution that achieves the four objectives of energy conservation, consumption reduction, quality enhancement, and carbon reduction. Direct supply of molten aluminum meets manufacturing requirements, helps to maintain quality of casting parts, and contributes to an annual carbon emission reduction of 1,318 tons during production for casting workshops.



Case

Electrification facilitates the gas-to-electric structural transition

Guided by China's decarbonization strategy and *Action Plan on Boosting Industrial Energy Efficiency*, ChangAn Automobile pursues green and low-carbon development by implementing gas-to-electric structural transition and intelligent upgrades. By the end of 2024, the Company had invested 36.27 million yuan in the gas-to-electric conversion of eight chiller units, reducing approximately 8,690 tons of carbon emissions per year and saving of 9.42 million yuan in costs. Through the correlation between pressure change of variable frequency drive and the numbers of operating air compressors, we were able to reduce approximately 1,595 tons in annual carbon emissions and save 1.23 million yuan in costs for a single factory. We reduced another 7,103 tons in carbon emissions and saved another 7.40 million yuan in costs by implementing a total of 36 supply-demand alignment and lean management initiatives.



Green packaging

We continue to promote the idea of green packaging while building a sustainable operational system featuring minimalism, recycling and low-carbon. During packaging, we promote the use of reusable materials to reduce the consumption of single-use materials, while improving packaging design to enhance recyclability and reusability. In 2024, the Company recorded a 98% coverage rate of circular packaging (self-made packaging).



Green logistics

We actively introduce new energy transportation vehicles in our logistics operations, such as electric trucks and hydrogen fuel cell vehicles, gradually increase the use of NEVs and reduce the carbon emissions of vehicles powered by fossil fuels. We are also minimizing energy consumption and emissions in the course of transportation with measures including better logistics routes, higher transportation efficiency, and application of intelligent dispatching systems. For example, in the early stage of construction of the digital intelligence factory, we reserved a large warehouse, canceled some transit warehouses, and directly integrated suppliers into the factory's premise. These measures improved transportation efficiency by effectively shortening transport distances and streamlining the logistics process. In addition, we are working closely with suppliers to promote standardized packaging and green logistics, contributing to low-carbon transformation throughout the entire supply chain. In 2024, ChangAn Automobile won "Leading Cases in Green Logistics Innovation" and "ESG Innovative Practice Cases of Logistic and supply chain Enterprises" presented by China Federation of Logistics & Purchasing.

Supporting carbon market development

Since 2014, we have systematically advanced participation in carbon trading and building of carbon allowance systems. We have enabled Chongqing and Beijing ChangAn facilities to participate in local carbon allowance management programs and engage in carbon market transactions in strict compliance with local carbon market policy requirements. In 2024, to comply with China's policy requirements of curbing carbon emissions during the 15th Five-Year Plan period (2026-2030), for which emission intensity is top concern followed by control of gross emissions, we joined the Chongqing Municipal Ecology and Environment Bureau in improving carbon allowance allocation methodology for Chongqing's automotive industry. This adjustment shifted method for accounting carbon allowance allocation from historical gross emissions to historical intensity, effectively addressing a longstanding industry challenge of decoupling carbon emission allowance allocation from the output of Original Equipment Manufacturers (OEMs). Consequently, we recorded Chongqing facility's first annual allowance surplus, demonstrating significant improvement in carbon asset management capabilities.

Utilization of Energy and Resources

ChangAn Automobile is committed to a high-quality development path that prioritizes ecological preservation and resource conservation based on green and low-carbon development.

Environmental management system

We strictly comply with relevant Chinese laws, regulations, and standards such as the *Environmental Protection Law*, the *Atmospheric Pollution Prevention and Control Law*, and the *Water Pollution Prevention and Control Law*. Based on the requirements of the GB/T 24001-2016 *Environmental management systems—Requirements with guidance for use*, we have established the CA-EQS Environmental Process Management System. We have also formulated over 30 environmental management guidelines, including the *Product Lifecycle Environmental Management Measures* and the *Environmental Protection Management System*. We regularly follow and analyze the latest domestic and international laws and standards, and review and revise relevant system documents accordingly. All ChangAn Automobile facilities were certified by the ISO 14001 *Environment Management Systems*. During the reporting period, the Company did not experience any sudden environmental incidents or receive any environmental administrative penalties.

Environmental impact assessment

We strictly comply with Chinese laws and regulations such as the *Law on Environmental Impact Appraisal*, the *Catalog of Construction Projects for Classified Management*, and the *Regulations on Environmental Management of Construction Project*. We have established the *Lifecycle Management and Control Procedure for the Three-Simultaneous Environmental Protection System in Construction Projects* to ensure that the construction and operation of new, renovation, and expansion projects comply with national and local environmental protection requirements. For new production facilities, we have established a professional assessment team responsible for the environmental assessment of new, renovation, and expansion projects. Team members define their respective responsibilities based on the project schedule and develop detailed implementation plans, work tasks, and completion deadlines. Simultaneously, we maintain close collaboration with internal environmental specialists and external environmental protection agencies to ensure accuracy and objectivity of the assessment.

Environmental risk assessment and prevention

We have established systems such as the *Procedure for Identification and Evaluation of Environmental, Occupational Health and Safety Risks and Opportunities*, the *Procedure for Investigation and Remediation of Environmental, Occupational Health and Safety Accident Hazards*, the *Procedure for Environmental, Occupational Health and Safety Emergency Preparedness and Response*, and the *Environmental Incident Management Procedure*. The Company continuously improves its environmental risk prevention and control system. In 2024, all of our operating sites received environmental risk assessments. Based on the identified environmental factors, we have formulated corresponding control measures to ensure that the risks of significant environmental factors are under control. Regarding the identified risks and opportunities, response measures for high-risk items have been formulated and incorporated into our annual work plan. In 2024, Liangjiang Factory, New Powertrain Factory, Yubei Factory, Chongqing Lingyao Automobile Co., Ltd., and Hefei Changan Co., Ltd. were rated as Environmental Integrity Enterprises. Among them, Yubei Factory and Liangjiang Factory have consecutively won this title for eight years.

Environmental emergency drills

All of the Company's facilities regularly conduct risk assessments for environmental emergencies and investigations of emergency response resources in accordance with regulations and requirements of environmental management system. We formulate and review response plans for environmental emergencies and, at the same time, prepare on-site response for units at risk while we regularly screen and eliminate potential hazards. In 2024, no environmental emergencies occurred at any of our facilities.



Chongqing Lingyao conducts a comprehensive emergency drill for environmental emergencies in collaboration with the People's Government of Chongqing Banan District and the Ecology and Environment Bureau of Chongqing Banan District

Environmental protection training and promotion

We highly value ecological and environmental protection work. The Company enhances the environmental awareness and management skills of our technical management personnel by regularly organizing special environmental protection training programs to interpret policy and regulatory requirements, provides training on the Company's environmental protection systems, and discusses new pollution treatment technologies. In addition, the Company takes advantage of occasions such as the World Environment Day and National Ecology Day and holds regular awareness building activities to promote energy saving and emission reduction among all employees. In June 2024, all subsidiaries of the Company planned and carried out a series of Environment Day activities centered on the theme of "Building a Beautiful China". Among these activities, the various facilities set up 17 Environment Day themed booths, distributed 1,250 brochures, and engaged 8,034 participants.



Liangjiang Factory's wastewater treatment activity: "Observing Changes in Bacteria in Wastewater under a Microscope."



ChangAn Automobile's Environment Day activities

Energy and resource management

We actively promote the idea of resource recycling, continuously improve resource utilization efficiency, and are committed to building an eco-friendly enterprise.

Energy management

Based on the requirements of GB/T 23331-2020 *Energy management systems—Requirements with guidance for use*, we have established a factory-level energy management system and introduced qualified third-party organizations to conduct energy management system assessment and certification for our subsidiaries. At the same time, we actively promoted digital transformation and have built a digitalized energy management system for the digital intelligent factory. This system covers all energy usage from the plant level down to the equipment level, with features including visualization, intelligent analysis, and better management of indicators such as comprehensive energy consumption and carbon emissions.

In 2024, we continued to improve our energy management system. We revised 20 system documents, including the energy management manual, procedure documents, and work instructions, and promoted certification of energy management system to strengthen the implementation of system management and improve management efficiency. By the end of 2024, eight out of nine facilities had received energy management system certification. We have cumulatively conducted 60 energy saving training programs with 9,270 participants.

Water resource management

We are committed to preserving water resources with efficient utilization and recycling to ensure that our production activities do not exacerbate water scarcity. We have established a comprehensive three-level water metering mechanism, monitoring daily water consumption and establishing daily water usage standards based on historical consumption. By comparing actual consumption with these standards, we identify anomalies and supervise closed-loop rectification through regular factory meetings. For key water-consuming areas in coating operations, we have established standards for guide troughs and continuously conduct benchmarking to constantly refine water usage standards. Furthermore, we actively raise water conservation awareness among employees and the public through awareness weeks, training, and other initiatives, jointly promoting the sustainable utilization of water resources. In 2024, our water consumption per ten thousand yuan of industrial output value was 0.35004 tons, a year-on-year decrease of 20.2%, and the water reuse rate reached 98.51%.



Green office

In our green office practices, we actively implement the concept of sustainable development and are committed to creating a low-carbon, efficient office environment. In our daily operations, we promote paperless office practices, reducing paper usage and improving office efficiency through digital means. At the same time, we optimize energy management in office areas by adopting intelligent lighting and air conditioning systems that automatically adjust based on actual usage, thereby reducing energy consumption. Furthermore, we encourage employees to engage in green commuting. We build smart charging piles and promote the use of public transportation, carpooling, and other methods to reduce commuting carbon emissions. In terms of office supply procurement, we prioritize eco-friendly and recyclable products to minimize our environmental impact.

Main measures for green office



Energy saving in production areas: Production schedules are reasonably arranged with centralized and staggered production to improve energy utilization. The on and off times for factory streetlights, landscape lighting, and other lighting follow a strict standard. Lighting fixtures are used reasonably and turned off when not in use. Energy consumption is effectively monitored, and temporary consumption of energy is supervised.



Energy saving in office areas: Public lighting in areas such as corridors, walkways, and restrooms on all floors is strictly controlled. The use of natural light is maximized, and indoor lights are promptly turned off. The use of lighting during lunch and break times is standardized. Energy conservation for equipment such as computers, air conditioners, and electric fans is strengthened. Lights and energy-consuming equipment are switched off during non-working hours.



Water conservation: Close attention is paid to water conservation through use of bathrooms, landscaping, fountain cleaning, irrigation and cleaning of tools and dinnerware. Any leakage is promptly reported.



ChangAn Automobile's green work environment

Pollutants and waste management

We consistently place a high priority on waste management. In accordance with relevant Chinese laws and regulations such as the *Environmental Protection Law* and the *Law on Prevention and Control of Environmental Pollution by Solid Waste*, we have established relevant management systems. The Company focuses on reducing waste, takes effective measures to control exhausts, wastewater, solid waste, noise, and other pollutants generated during production, and makes every effort to minimize the impact of manufacturing on the ecosystem.

Our key environmental supervision subsidiaries have all prepared self-monitoring plans in accordance with the requirements of their pollutant discharge permits. They conduct self-monitoring and disclose monitoring information to various provinces and cities or the central government, as required by local ecological and environmental authorities. By the end of 2024, all of our facilities had strictly carried out monitoring of groundwater, soil, and surrounding environmental quality in accordance with the requirements of environmental impact assessment policies. Results indicated that local ecology around our facilities was not affected by our activities.



Case Nanjing ChangAn achieves international leadership in clean production

Following the principle of "trial, learning, promoting, and improving," Nanjing Changan Automobile Co., Ltd. (Nanjing ChangAn) has comprehensively advanced clean production initiatives across various areas, including factory infrastructure, management systems, and energy and resource input. By continuously improving design, adopting clean energy and raw materials, utilizing advanced technologies and equipment, and enhancing management practices, the Company has effectively reduced pollution, improved resource efficiency, and minimized pollutant generation and emissions. These efforts have culminated in an innovative, replicable, and scalable model for clean production. In March 2024, Nanjing ChangAn passed the clean production audit and acceptance review conducted by Nanjing authorities, earning an "International Leadership in Clean Production". This achievement makes it one of the only four companies in Nanjing and the sole enterprise in Lishui District to receive this prestigious recognition.

Waste management

We have established dedicated storage facilities for hazardous waste and general industrial solid waste in strict compliance with standards such as the *Standard for Pollution Control on Hazardous Waste Storage*, *Standard for Pollution Control on the Non-hazardous Industrial Solid Waste Storage and Landfill*, and *Technical Specification for Setting Identification Signs of Hazardous Waste*. Guided by internal regulations such as the *Solid Waste Management Procedure* and *Chemical Packaging Management Procedure*, we made management of solid and hazardous waste traceable across the entire lifecycle—from reduction and process control to disposal. In 2024, the Company's smart factory, R&D parks, and Hefei ChangAn developed and implemented management systems for solid waste, enabling full-process traceability of solid waste from generation to storage and disposal.

We maintain stringent oversight of the generation, collection, and transportation of hazardous waste and actively introduce advanced technologies and equipment to minimize it. All solid waste is handed over to qualified or certified entities with essential technical capabilities for lawful utilization or disposal, and no excess discharge of pollutant was reported. In 2024, we recorded 100% lawful utilization and disposal of solid waste across all our facilities, and no illegal or non-compliant disposal incidents occurred. In the same year, Yubei Factory was honored with the "Zero Waste Factory" title by Chongqing Municipality, and the New Powertrain Factory received the "Zero Waste Factory" recognition from Jiangbei District of Chongqing Municipality.

Wastewater management

We have established a comprehensive wastewater management system to categorize and treat various types of wastewater generated during production. Pollution control facilities operate nominally to ensure lawful discharge. In 2024, the *Operational and Maintenance Management Regulations for Wastewater Treatment Stations (Facilities)* was formulated to standardize the operational and maintenance requirements for wastewater treatment stations, effectively improving the operational and maintenance standards at all our facilities. The Company has established a digital platform for operations of wastewater treatment plants, integrating IoT and big data technologies with wastewater treatment processes. This allows us to comprehensively monitor and collect data on the operational status of wastewater treatment equipment, water quality, and key parameters. Through data analysis, we improve water usage and reduce water consumption. Throughout 2024, all facilities achieved full compliance in wastewater discharge, with no incidents of exceeding pollutant limits or total discharge quotas.

Exhaust gas management

ChangAn Automobile strictly complies with the *Atmospheric Pollution Prevention and Control Law* and rigorously controls various types of exhaust gas generated during production. Furthermore, we regularly conduct monitoring and assessment of exhaust gas emissions, develop site-specific emergency emission reduction measures for heavily polluted weather conditions ("one factory, one policy") and actively and continuously improve our exhaust gas treatment measures to constantly enhance our environmental performance. In 2024, Hefei ChangAn was rated as an Environmental Performance Grade A Enterprise, while Liangjiang Factory, Chongqing Lingyao, Hebei ChangAn, and Nanjing ChangAn were rated as Environmental Performance Grade B Enterprises. All our facilities recorded discharge of exhaust gas pollutants within limits of law, with no violations of pollutant limits or total emission quotas.



Case ChangAn Automobile establishes VOCs air emission early warning platform

Nanjing ChangAn has developed a VOCs early-warning control system powered by IoT and big data. This system features a rapid-response mechanism with active monitoring, tiered alerts and three-level warnings, and a four-step management process of 0-ms data capture, anomaly detection, fault identification, and rapid repair. This effectively reduces the occurrence of abnormal VOCs emissions ensuring stable production operations.

Noise management

During production and operation, ChangAn Automobile attaches high importance to noise management and strictly adheres to national noise level standards. In key production processes such as stamping and welding, we implement measures such as sound absorption, soundproofing, and vibration damping to reduce the propagation of noise from equipment.

Contributions to the Circular Economy

ChangAn Automobile deeply integrates the concept of circular economy into its corporate strategy, comprehensively promoting the green transformation of the automotive industry. From the source of production to the end of the product lifecycle, we are committed to building a sustainable green ecosystem, contributing ChangAn's strength to our planet. In 2024, the Company contributed an Outstanding Green Development Case in the "Circular Economy" category of the Beijing News Zero-Carbon Research Institute.

Waste recycling

We regard waste recycling as crucial to circular economy, and strive to recycle wastewater, solid waste and exhaust gas, thereby reducing environmental pollution, lowering energy consumption, and alleviating pressure on natural resources. In 2024, Hefei ChangAn launched its first water-based waste solvent recycling project. Thanks to a water-based waste solvent recycle and reuse system, approximately 80% of the components in the water-based waste solvent were reused by the coating workshop.

Vehicle and component recycling

As one of the first enterprises in China to pilot the Automotive Product EPR, ChangAn Automobile actively collaborates with enterprises along the supply chain in areas such as building recycling systems and comprehensive resource utilization. Guided by the *Detailed Rules for the Implementation of Automobile Trade-in Subsidies*, we have formulated relevant incentives to encourage consumers to trade in end-of-life vehicles. In 2024, 14,717 end-of-life vehicles were traded in.



ChangAn Automobile hosts first roadshow of remanufactured auto parts.

In 2024, ChangAn Automobile met the pilot requirements set by the Ministry of Industry and Information Technology for automotive product EPR:

≥85% Overall resource utilization rate

≥96% Recyclability rate

≥5% Share of recycled raw materials used in key pilot components



Further reading

- The Company's end-of-life vehicle recycling service network locations can be found on the "China Automotive Green Dismantling System" (<http://www.cagds.org.cn>).
- Qualified recycling and dismantling enterprises may log in to the "China Automotive Green Dismantling System" to access the dismantling manuals for M1 passenger vehicles.
- Users can access relevant information about model-specific dismantling manuals through the WeChat Mini Program "Automotive Dismantling Manual Identification and Analysis Tool".

Battery recycling

The Company is committed to establishing a well-rounded system for recycling end-of-life power batteries and forming a closed-loop system covering the entire lifecycle of battery recycling, graded utilization, and material regeneration. At the same time, we advance R&D in battery recycling technologies and explore new methods for graded reuse and material recovery to enhance resource efficiency. In 2024, ChangAn Automobile collaborated with China ChangAn Automobile Group Co., Ltd. and Miracle Automation Engineering Co., Ltd. to establish Chenzhi Anqi (Chongqing) Recycling Technology Co., Ltd., completing the last step in the entire lifecycle of power batteries.



Further reading

- More information on power battery recycling service network locations can be found on ChangAn Automobile's official website (<https://www.changan.com.cn>).

Protecting Biodiversity

ChangAn Automobile actively encourages employees to adopt green and low-carbon lifestyles and enhances their environmental awareness and social responsibility by carrying out various environmental public welfare activities. From caring for children with autism and supporting children's education in mountainous areas to planting the ChangAn Forest in Jinyun Mountain and tree planting near Qinghai Lake for public welfare, we continuously work with our users through various measures to advance public welfare. In the future, ChangAn Automobile plans to carry out public welfare activities such as visiting Hope Primary Schools, organizing study tours for left-behind children, and planting trees in Sichuan and Tibet, and will continue to encourage more users to join the "Partner +" public welfare program. Through these sustainable, experiential, and value-creating activities, we aim to convey warmth and strength to society.

We deeply appreciate the importance of harmonious coexistence between human and nature. In the early stages of project planning, professional project environmental assessments are conducted to evaluate potential environmental impacts and identify local vegetations, animals, and mineral resources. The Company strives to not overstep ecological red lines during site selection and ensure that the selected areas do not contain important wildlife habitats, breeding grounds, or other special or important flora and fauna colonies, to minimize the impact on the surrounding ecology. Throughout the entire production and operation process, we pay attention to the direct and indirect impacts on nature, avoid the use of non-renewable materials and animal and plant materials, maintain soil and water conservation, and protect biodiversity and ecosystem integrity. In addition, tree-planting activities are carried out annually around our various manufacturing facilities to create better habitats for wildlife.



Case

ChangAn Automobile joins hands with partners to promote carbon sequestration and increase sink capacity

Spearheading the effort, ChangAn Automobile, in collaboration with the Foreign Environmental Cooperation Center of the Ministry of Ecology and Environment and Beijing Forestry University, jointly launched the "Methodology Development for Carbon Offset Projects Based on the Full Lifecycle of Tea Oil Products," becoming the first automotive company to lead research on carbon sink methodologies. We researched and established a tea oil ecological carbon sequestration demonstration base in Youyang, Chongqing Municipality, helping to establish 210,666,667 m² tea oil tree plantations. By improving the carbon sequestration capacity of tea oil trees through scientific management, we established a carbon sink measurement model, parameter system, and measurement standards for tea oil trees, and constructed a methodology system for evaluating tea oil tree carbon sinks. This methodology will aid the transformation of tea oil products into ecological products, connecting agriculture and industry, preserving and adding value to tea oil, with an outcome of empowering the industry, enriching the people, and greening the countryside.



Signing ceremony of ChangAn Automobile supporting the sustainable Development of Youyang tea oil through strategic cooperation.



Case

CHANGAN NEVO joins Chongqing Youth Giant Panda Conservation Program

In July 2024, at the first birthday of the giant panda Mang Cancan, CHANGAN NEVO officially announced its participation in the "Chongqing Youth Giant Panda Guardian Program". They actively participated in environmental protection, and invited more users and fans to join the conservation program and contributed to global biodiversity. The program aims to promote the concept of biodiversity conservation by leveraging the influence of the giant panda IP, inspiring the public to understand, respect, and protect nature, thereby enhancing public awareness of giant pandas and their habitats.



CHANGAN NEVO joins Chongqing Youth Giant Panda Conservation Program.



Case

DEEPAL fully initiates Ecological Protection Plan for China National Highway G318

On March 18, 2024, DEEPAL released the "Ecological Protection Plan for China National Highway G318". Over the next three years, the plan will involve building no fewer than 1,000 DEEPAL charging stations along the highway. By actively participating in green development, the initiative aims not only to improve transportation infrastructure but also to protect this scenic route. The project features stations built and operated by suppliers, and sites leased by DEEPAL". By 2024, the project had already covered nine major cities along the Chengdu-Lhasa section. It is expected that 1,000 DEEPAL-branded AC charging stations will be completed by 2026, covering 22 towns and 8 major scenic spots along the route.



DEEPAL fully initiates Ecological Protection Plan for China National Highway G318.



Case

Factory construction based on ecological protection

When designing ChangAn Digital Intelligence Factory, the coating workshop had an east-west orientation, based on process requirements and factory layout. However, due to its proximity to Yufeng Mountain Forest Park on the east side, there was a risk that exhaust gas from coating operations could affect the park's flora and fauna. To address this, the construction team developed an air pollutant dispersion model to predict the direction of the exhaust gas. The simulation results showed that minimal ground-level concentration of exhaust gas would enter the park area. To protect biodiversity, the team adjusted the process layout, changing the factory building's orientation to north-south and modifying the aboveground and underground pipeline networks accordingly. At the same time, based on the prevailing wind direction and maximum wind frequency throughout the year, the coating exhaust stack was moved to the westernmost side. Actual measurements taken after the factory went into operation showed that the exhaust gas concentration was far below the emission standards, demonstrating effective protection of the surrounding environment.



Case

Desert Oasis Guardian Initiative

On November 23, 2024, the first anniversary of CHANGAN NEVO, the Company launched the "Desert Oasis Guardian Initiative" in Gansu Province, a user-oriented public welfare campaign. This event strengthened the brand image and conveyed the brand value of "Digital Intelligence for a Better Life" through public welfare. It also promoted deep user interaction under the theme "I Planted a Tree in the Desert," attracting 150,000 users through both online and offline channels, thereby enhancing users' sense of belonging and identification with the brand. Leveraging innovative mechanisms such as the "NEVO Digital Intelligence Forest," the initiative explored the path to transform brand public welfare into an IP and ensure its long-term operation, laying a solid foundation for subsequent public welfare initiatives.



CHANGAN NEVO hosts "I Planted a Tree in the Desert" event.

04

Products and Services

ChangAn Automobile prioritizes user interests and needs, and has implemented a stringent end-to-end quality control system to ensure safety of travel. We foster collaborative partnerships with users to create value and mutual success, while delivering exceptional experiences through "new services, new experiences, and new relationships."

Contributions to SDGs



Crafting Superior Quality

Driven by our commitment to excellence, we uphold the philosophy of "unceasing improvement, customer satisfaction, and pursuit of excellence." By constantly elevating our quality management and service standards, we strive to be the benchmark for superior products.

Quality management

We rigorously comply with all applicable laws and regulations, such as the *Law of the People's Republic of China on Product Quality*, while maintaining full compliance with ISO 9001 *Quality Management System Requirements*, IATF 16949 *Automotive Quality Management System and other requirements*. Our continuously improving quality management system spans the entire product lifecycle—from R&D and production to supply chain, sales and logistics. Meanwhile, we consistently maintain annual certifications including ISO 9001, China Compulsory Certification (CCC), and IATF 16949. In 2024, we achieved multiple quality milestones: renewal of our ISO 9001, CCC, and IATF 16949 certifications, attainment of ASPICE CL-3 certification, successful completion of over 60 certification tests for DEEPAL S07 model leading to the EU Whole Vehicle-Type Approval (WVTA) and top ranking for CS35 PLUS in J.D. Power's 2024 Initial Quality Study (IQS) for compact SUVs.



R&D quality management

We have established and released procedures such as the *Vehicle Trial Production Management Procedure* and *Product Safety Design Management Procedure* to ensure the safety and reliability of our products. These procedures provide detailed technical specification requirements, and ensure that product designs meet the established quality objectives.



Production quality management

Following procedures such as the *Manufacturing Process Review Procedure*, we implemented process-monitoring measures, including routine inspections and specialized inspections to enhance product testing coverage and ensure delivery quality.



Supplier quality management

In compliance with the *SRM Process System Management Measures* and other relevant requirements, we have put in place a strict standard governing management processes across various stages, including supplier qualification, risk control, and quality issue management, further ensuring product quality throughout the supply chain.



Vehicle inspection management

We have established a comprehensive end-of-line inspection standard in accordance with regulations such as the *Vehicle Final Inspection Specification*, performing full inspections and tests on all vehicles coming off the final assembly line. Our products are designed to meet a 10-year/260,000-kilometer durability target. Each new vehicle model shall undergo rigorous testing, including reliability road testing in a comprehensive proving ground (2.4 million kilometers), adaptability testing (400,000 kilometers) in high-temperature, high-altitude, and extreme-cold environments, and nationwide real-road testing (1.2 million kilometers), totaling 4 million kilometers of testing. Furthermore, each new model must complete 12,400 test verifications and undergo over 60 crash performance tests to ensure quality and reliability.



After-sales quality management

We follow established procedures including the *VRT Work Procedure and Quality Complaint Management Procedure* to enable rapid analysis and resolution of quality issues. In full compliance with regulations such as the *Regulations on Administration of the Recall of Defective Motor Vehicle Products and its Implementation Rules*, we have developed our Defective Vehicle Recall Management Procedure to administer product recall processes effectively.

Quality culture

We have systematically incorporated innovative quality methodologies, including Six Sigma and TRIZ, while regularly conducting specialized quality management training with external experts to enhance quality awareness and suppliers' quality management capabilities for all. Since 2014, our training programs have certified 7,658 Green Belts Engineers, 46 Black Belts Engineers, and 132 Innovation Engineers.

We actively organize the "ChangAn Quality Month" campaign and events during "National Quality Month," aiming to drive deeper integration of quality principles across the Company and strengthen awareness of quality responsibility throughout the supply chain. In addition, we regularly host the CA-SSCP Forum. By establishing an industry exchange platform, we facilitate multidimensional discussions on smart manufacturing, intelligent technologies, and digital transformation, thereby providing methodological support for the development of our quality innovation center.

2024

54.43%

Share of employees who received training in quality assurance

30,000+

Participants in quality assurance training

60,000+

Participants in quality enhancement initiatives

Ensuring Safe Journeys

Prioritizing the safety of our users above all, we rigorously comply with authoritative safety standards like the China New Car Assessment Program (C-NCAP) and the European New Car Assessment Program (Euro NCAP) to improve vehicle body safety, battery safety, and intelligent driving/assisted driving safety. Through the continuous advancement of safety technologies, we help users mitigate potential risks and provide comprehensive protection for every journey.

Vehicle body safety

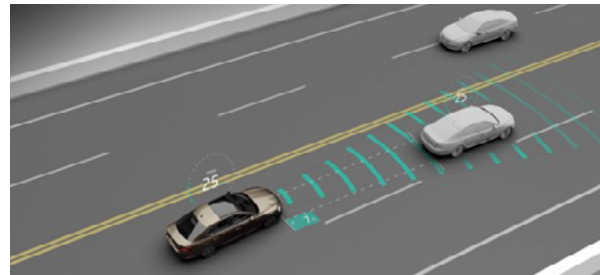
We place paramount importance on automotive crash safety development. In safety performance engineering, our rational body structure design, application of high-strength materials, and high-precision manufacturing processes have reached industry-leading standards. We have established comprehensive capabilities in high-precision simulation analysis, high-standard product design, and multi-tiered verification. For safety validation, we have built comprehensive crash test laboratory facilities, and conducted over 3,500 vehicle crash tests, more than 5,400 sled tests, and over 15,000 pedestrian protection and component tests across more than 230 vehicle models. We have successfully validated dozens of high-safety vehicle models, achieving C-NCAP 5-star ratings, Euro NCAP 5-star ratings, A-NCAP 5-star ratings, and "Good" safety ratings from the China Insurance Automotive Safety Index (C-IASI). This reflects our unwavering commitment to delivering comprehensive safety protection for customers.



DEEPAL S07 has received 5-star ratings from the Euro NCAP and ANCAP

Intelligent driving/assisted driving safety

We have independently developed ADAS solution SDA Pilot, which delivers exceptional perception capabilities. By incorporating LiDAR technology, the ADAS system enables more precise and stable environmental perception, while its exceptional collision avoidance capability ensures safety even in complete darkness or extreme weather conditions. The SDA Pilot is not only technologically advanced but also deeply human-centric, with a special focus on safety innovation for vulnerable road users. As an industry pioneer, it features first-of-its-kind rider detection and protection technology, safeguarding both vehicle occupants and external road participants, with particular attention to vulnerable groups to provide comprehensive protection for every journey.



The SDA Pilot delivers unparalleled protection for drivers and passengers

Battery safety

To maximize battery safety, we utilize thermal insulation materials that deliver 30% greater thermal resistance than industry average. These materials provide 100% thermal suppression and can operate at temperatures 200°C higher than conventional materials, offering unprecedented battery protection. Supported by real-time cloud-based big data analytics, our solution ensures comprehensive safety throughout the battery's entire lifecycle. Featuring millisecond-level hazard detection, the system proactively identifies and mitigates potential safety risks.

We have become one of the firsts in the industry to establish a 24/7 power battery monitoring team. Concurrently, we have developed plans to improve big data monitoring accuracy and introduced multiple safety-related algorithms for new energy vehicles. By precisely identifying at-risk vehicles, we have achieved an overall warning accuracy rate of over 99%. Furthermore, we have integrated big data monitoring into ChangAn Product Development System (CA-PDS) to manage milestones, established a big data monitoring management process, and implemented the "Three Unifications": unified resource allocation, unified process management, and unified warning algorithms. We have also formed three 24/7 teams: a 24/7 technical warning monitoring team, a 24/7 customer support team, and a 24/7 rapid-response marketing team.

Honor

DEEPAL SL03 has won a C-EVFI (China Electric Vehicle Fire Index) 5-star rating.



Customer Care Program withU

By engaging customers directly and addressing their pain points, ChangAn Automobile gains deep insights into their needs. We have achieved a three-stage evolution: shifting from passive to proactive service, from servicing vehicles to serving people, and from contractual bonds to emotional connections, thereby ensuring consistent service standards and quality for customers worldwide.

Caring services

Always putting users first, we continuously enhance our service system through our "five smart and proactive commitments" to deliver smart, proactive, professional, convenient, and transparent services. We have implemented a comprehensive proactive service process featuring timely detection, precise service delivery, and closed-loop follow-up, and completed the transition from "customers seeking service" to "service anticipating customer needs."



- In J.D. Power 2024 China Sales Satisfaction Index (SSI) Study, ChangAn Automobile climbed from 9th in 2023 to 5th place among mainstream brands in Chinese market, achieving five consecutive years of ranking improvements and exceeding the mainstream brand average for the first time.

Smart concierge: Always online, providing instant responses to customer inquiries.

Smart maintenance: Professional and transparent service workshops with real-time progress tracking.

Transparent pricing: Fully transparent pricing online and offline for all vehicles, never above the official MSRP; 10x compensation for any unauthorized price markup; clearly listed and fully optional additional fees.

Genuine parts: 100% authentic components (OEM parts only); 10x compensation for any counterfeit parts discovered; standardized parts pricing plus 10x compensation for unauthorized markups.

Fast delivery: New vehicles delivered within the contracted timeframe; 12,000 points per day (maximum 1,000,000 points) for late delivery compensation.

Fast installation: Standard installation completed within 72 hours (5-10 days in select regions); 12,000 points per day for late completion compensation.



24/7 emergency assistance: On-demand roadside assistance (available round-the-clock) with guaranteed on-time arrival; 12,000 points compensation per hour for delays.

Thoughtful service: End-to-end journey support, offering daily protection with a personal touch

Fast maintenance and repair: Immediate service upon scheduled arrival; 20,000 points compensation if wait time exceeds 30 minutes; 12,000 points compensation for basic maintenance exceeding 60 minutes; 12,000 points per day for general repairs lasting over 24 hours.

First-time fix promise: Free re-repair for identical non-customer-caused faults within 30 days; 50,000 points compensation for first re-repair; 300,000 points compensation for any subsequent re-repairs.

After-sales service

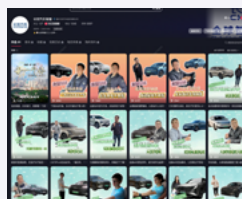
We have continuously improved our after-sales service system, offering 24/7 support to users through 27 direct communication channels, including the "95 Hotline", official website and mobile apps. By introducing the "ChangAnpedia" platform, upgrading our contact center system, and launching 5G remote services, we address technical issues in real time, speeding up service response and ensuring fast, effective solutions for our users.

Focusing on the "buying" and "servicing" phases of the customer lifecycle, which includes "buying, selling, using, repairing, and servicing", we regularly conduct satisfaction surveys to gain a holistic view of consumer experiences in sales and after-sales support. These surveys also help identify service gaps, as well as customer expectations and recommendations. In 2024, our direct customer satisfaction score exceeded 99%.



Case Driving comprehensive service upgrades through the "ChangAnpedia" platform

ChangAn Automobile has continuously optimized the digital knowledge platform "ChangAnpedia", striving to build a comprehensive service ecosystem. Through the "co-created content + system reuse + omnichannel engagement" model, the platform has evolved into an eco-level solution covering automotive knowledge, vehicle services, and brand empowerment. Since its launch in 2020, users have contributed 25,366 entries and 9,201 videos, with 12,565 entries and 5,834 videos officially adopted by the system. In 2024 alone, 1,960 service experts interacted with customers more than 160,000 times on the platform. Cumulatively, the platform has facilitated over 1 million customer interactions since its inception.



ChangAn Automobile's customer service channel on Douyin.

Value co-creation with users

We regularly host customer meetups, live-streamed interactive sessions, and other engagement initiatives to strengthen communication and gain deeper insights into user needs. These ongoing dialogues enable us to refine service strategies in real time, and ensure every offering precisely meets user requirements. Through this collaborative approach, we transform service interactions into meaningful connections.

2024

405

Online and offline customer experience activities

1,000,000+

Total participants



Customer care program



A "withU" event launched in Thailand



ChangAn Automobile open-day event



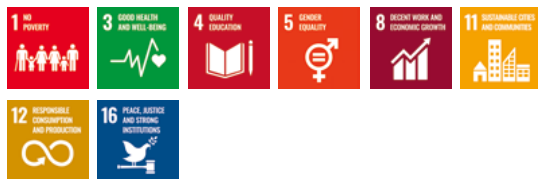
The 8th ChangAn Automobile Fan Festival

05

Diversity and Openness

No talent, no future for ChangAn Automobile. We have dedicated ourselves to building a new type of labor relationship characterized by people-centric development, harmony, and stability.

Contributions to SDGs



Protecting Employee Rights

Staying true to its original aspiration of people-centric management, ChangAn Automobile establishes a fair and sustainable talent ecosystem based on a harmonious labor relationship, and improves compensation and benefits system. The Company also ensures that employees enjoy the rights to know, to participate, to express, and to supervise, and works to build a sustainable platform that fosters the shared development with employees.

Equal employment

We strictly follow Chinese laws and regulations, including the *Labour Law of the People's Republic of China*, and the *Labor Contract Law of the People's Republic of China* and uphold the concept of equal and diverse employment. Any discrimination against employees on the basis of nationality, gender, race, religion, or other factors and any wrongdoing such as sexual harassment in the workplace are strictly forbidden. We respect and protect the legitimate rights and interests of employees in terms of remuneration, dismissal, working hours, leave, etc. in accordance with the law.

2024

55,119

Total employees

14 %

Proportion of female employees

6.5 %

Proportion of ethnic minorities

21,367

New jobs created

100 %

Employee labor contract signing rate

100 %

Social security coverage

★ Honor



➤ ChangAn Automobile has won China's TOP 100 Best Employer Award 2024.



Compliant employment

In strict accordance with Chinese laws and regulations, such as the *Labour Law of the People's Republic of China*, we have established complete recruitment standards and procedures, and published rules in terms of social recruitment and campus recruitment based on the recruitment platform, as a means to ensure fairness, equity, compliance, and transparency within the recruitment process. During the recruitment, a strict process is implemented to verify the identity information of interviewees, so as to ensure they are above the age limit. Child labor and forced labor are explicitly prohibited. At the same time, with a focus on the protection of employees' privacy and legitimate rights, we have established the *Measures on the Management of Employees' Personal Information Protection* to standardize the use and management of employees' personal information and avoid the loss, illegal acquisition, illegal disclosure and abuse of employees' personal information. In 2024, there were no discrimination, child labor, or forced labor.

Compensation and benefits

We have made constant efforts to improve the compensation and benefits system and improve employees' sense of achievement and gain with flexible and diverse incentive mechanism.

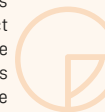
Compensation system

We have built a compensation system based on job titles, performance and competency, and implemented a compensation structure that is commensurate with our job architecture. We have also established a broadband salary structure determined by factors such as position value, and market benchmarks, aiming to promote employee career development, enhance their competency, and improve their performance. The salary system for all employees of the Company makes it clear that employees' monthly performance bonus is tied to the KPI attainment of the Company and departments, as well as the assessment of personal performance. Variable pay aligns employees' income with the position value, competency level, and performance.



Incentive mechanism

We have established a market-oriented incentive mechanism featuring "pay for performance", and built a gain sharing mechanism, deeply combining the development of the core teams and the Company with incentive tools such as equity incentive, deferred bonuses, project co-investment, etc. By granting restricted shares with restrictions closely related to the Company's operation and development to incentive recipients, and specifying that the shares can not be sold until the restrictions are met on time and the vesting schedule is met, we have formed a closer career development community to promote the Company's high-quality development. By the end of 2024, 93,956,600 restricted shares have been granted to 1,603 incentive recipients, and 50,359,100 restricted shares were fully transferable this year.



Welfare and benefits

We keep improving the welfare system, timely and fully pay social security premiums and housing provident fund based on the rates prescribed by the state, and strictly implement policies such as collective consultation on wages, minimum wage, and basic allowance for subsistence. In the meantime, we actively provide non-monetary benefits to employees for promoting their health and wellbeing besides mandated benefits.

Insurance

- Social insurances including endowment insurance, medical insurance, unemployment insurance, employment injury insurance, and maternity insurance.
- Housing provident fund.
- Supplemental medical insurance (including critical illness insurance, casualty insurance, death insurance, etc.).

Healthy life

- Employee physical check.
- Mental health training.

Fertility incentives

- Maternity leave, breastfeeding leave, paternity leave, etc.
- Nursing rooms.

Overseas support

- Better treatment for expatriate employees in accordance with the Vast Ocean Plan.

Non-monetary benefits of ChangAn Automobile

Employee communication

In strict accordance with relevant Chinese laws and regulations, including the *Trade Union Law of the People's Republic of China*, we adhere to collective consultation. We sign the *Collective Contract* every three years, and sign the *Special Collective Wage Contract* every year, aiming to safeguard legitimate rights of employees and build a harmonious labor relationship. In 2024, all employees were unionized. In the same time, the employee satisfaction survey shows that the professional employee satisfaction is 78.5, 4.67% higher than industry average; the skilled employee satisfaction rate is 84.3, 10.05% higher than industry average. There were no recorded instances of strikes or work stoppages in 2024.

Safeguarding Employee Safety

The Company strengthens the red-line consciousness of workplace safety and environmental protection, fulfills its responsibilities of production and operation entities. In addition, we continue to improve safety management, enhance risk assessment and improve emergency response capability.

Work safety

Upholding the safety and environmental principles of "risk pre-control, full participation, intelligent efficiency, sustainable development", we consolidate safety management, conduct safety hazard investigation on a regular basis, and create a safety culture for all employees. In 2024, no minor injury accidents or more serious accidents above occurred.



Safety management system

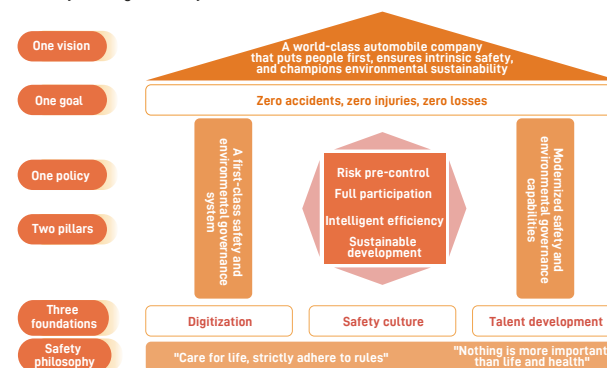
We strictly implement the accountability system for production safety and environmental protection for all employees, and the "one position, two responsibilities" mechanism, and build a safety collaboration mechanism characterized by "clearly-defined responsibility and joint oversight and management." We have revised and published documents including *Overseas Operations Safety Management Measures*, *Chongqing Changan Automobile Co., Ltd. Safety Production Responsibility System*, *Safety and Environmental Protection Objectives Management Procedure* and *Hazardous Work Approval Procedure*, so as to continue to improve safety management capacity. In 2024, 10 factories (units) were certified as Grade II National Work Safety Standardization Enterprise.

2024

91.71 million yuan

Investment in safety production

Following the requirements of ISO 45001 *Occupational Health and Safety Management Systems*, and the *Guideline of China Occupational Safety and Health Management System* (GB/T 33000-2016), we comprehensively identify, control, coordinate and manage the Company's occupational health and safety management, and establish an occupational health and safety management system. In addition, the Company and its affiliated enterprises make active efforts to obtain HSE management system certification, and introduce the third-party institutions to conduct safety management assessment. Since the first time we were certified to ISO 45001 in 2005, we have invited external auditors to recertify the Company's system every three years in accordance with the operation requirements of the environmental and occupational health and safety management system to ensure that the certificate is valid.



Conducting safety inspections and rectification

Focusing on key areas, we conducted daily, weekly, monthly, quarterly, semi-annual, and annual checks over all dangerous points at different levels guided by the hierarchical supervision principle. In 2024, 2,788 hidden dangers were identified and 2,748 of them were rectified, with a completion rate of 98.57%. 20 units updated and improved the list of hazards under the guidance.

Safety emergency management

We revised on-site response plans based on response levels, procedures, and emergency handling requirements; introduced a dedicated emergency plan for extreme weather, and carried out on-site verification of emergency response capabilities, in a bid to resolutely prevent and curb major accidents. In 2024, 1,017 emergency drills of various types were carried out, and more than 200,000 people participated in emergency drills.



Case

Everyone promotes safety awareness and everyone can handle emergencies, keeping the life-saving passage clear

In June, 2024, ChangAn Automobile launched the "Safety Production Month" campaign. During the month, a total of 58 emergency drills were organized, covering scenarios such as fire, earthquake, and employee shuttle bus emergency evacuation, in accordance with emergency plans for fire, mechanical injury, extreme weather, etc., involving 5,297 participants. We also organized 71 sessions of emergency knowledge training on fire, earthquake, employee shuttle bus emergency evacuation, etc., with a total of 4,884 participants.



Organizing emergency drills

Developing safety culture

With a focus on improving employees' safety awareness, we have issued the global employee safety manual, which deeply integrates basic theoretical knowledge in key areas including work safety, environmental protection, confidentiality and information security and daily code of conduct. In addition, we have carried out safety training and promotion campaigns during key periods such as Safe Production Month, National Ecology Day and National Security Education Day. These efforts aim to help employees learn more about safety, bear in mind safety concept, and practice safety knowledge in their positions. In 2024, we carried out more than 300 promotion campaigns themed on safety and environmental protection and 260 thematic trainings. 76 activities were organized to empower safety and environmental efforts, with 181,864 people trained. The safety training covered all employees.



Safety and environmental protection knowledge competition



Carrying out training on emergency rescue



The 4th Firefighting-themed Sports Meet



Occupational health

Following the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, we have formulated the responsibility system for prevention and control of occupational diseases, specifying responsibilities of all types of personnel at all levels. An occupational health management institute has been established, equipped with full-time/part-time occupational health management personnel. At the same time, relying on source management, we carry out the pre-evaluation of occupational disease hazards in construction projects, and evaluate efforts to control occupational disease hazards. Investigation on occupational disease hazard factors is conducted on a regular basis in the workplace. In 2024, 8.95 million yuan was invested in labor protection. All workplace occupational disease hazard factors were investigated and physical check were provided to all employees.

We continue to improve the employee mental health management system and published the *Measures for the Pre-control of Physical and Mental Health Risks in the Employee Life Cycle*. We have built a company-wide psychological care network and drawn a psychological risk map, so as to assess the psychological state of employees, solve their psychological distress, thus improving employees' mental health and sense of belonging. In 2024, 45 mental health training sessions were held, covering more than 10,000 people.

Contributing to Employee Growth

Anchoring to its strategic objectives and business scope, ChangAn Automobile facilitates talent transformation and empowerment at different levels, to improve their capacity in transformation and business development at a faster pace. The Company strengthens the building of "managerial, professional, and technical" talent teams, so as to help employees grow and develop fast.

Talent development

We promote talent pipeline development in a systematic manner. Placing a priority on building a high-quality management team, we take solid steps to empower leadership talent. Efforts have been made to improve employees' general skills, foreign language skills and professional skills in order to develop international talents. We are strengthening the development of skilled talent in core areas, aiming to build a team of leading experts in technical excellence. In 2024, we cultivated a total of 8 national-level talents.

We attach great importance to the development of female sci-tech talents, and strive to increase women's participation and influence in the technology area. An equal and diverse workplace is created as a means to stimulate the innovation vitality of female. At the same time, we pay attention to the cultivation of young talents. By building a growth platform and providing diversified training resources, we help young employees grow rapidly, thus injecting fresh vitality into the enterprise.

Main measures for talent cultivation

- Carried out specialized training on "performance management" for frontline managers, and pioneered a 1-on-1 simulated challenge-based interview model, empowering **782** participants.
- Carried out new employee orientation, guiding **1,068** newcomers through a full transformation into professionals ready for a tech-driven workplace.
- 18** talents were awarded honorary titles of science and technology and skills by the Group Company. We conducted the occupational skill assessment for **6,247** employees.

2024

880,400

Total training hours

15.87

Training hours per employee

820,000

Employees involved in training

100%

Percentage of employees trained



In December 2024, the research project led by Yu Hui won the silver award at the third Western China Women's Science and Technology Innovation Contest. Yu, on behalf of excellent teams, presented opportunities for the application of scientific and technological advances at the conference.



In July 2024, Zou Yi was selected as one of the top 10 IEC China International Standardization experts in the China International Standardization Leadership Elite & IEC YP (China) Programme.



In April 2024, Liao Xiangning, as an outstanding youth representative in scientific and technological innovation, was invited to the symposium for young representatives and gave a speech, themed Exploring the New Height of Automotive Acoustics and Presenting Chongqing's Intelligent Manufacturing to the World.



In August 2024, Li Haozheng, Zhong Yixin, and Xie Bingjun won the second prize for the outstanding enterprise team in the 4th IEC Young Professionals Programme. Li Hapzheng, was honored as the "Excellent Young Expert", with the highest overall performance and gave a speech as the only outstanding participant in the event.

Occupational development

We are continuously improving our employee career development system by establishing 7 career paths with 22 levels. This framework is supported by a qualification system that integrates competency certification, position appointment, and rank promotion. We build up the ranks of technical personnel, and unblock the career development channel for highly-skilled personnel. We improve the evaluation and recruitment mechanism of professional talents. By organizing transparent recruitment of experts, we gradually improve the quality of professional talents, thus realizing the two-way empowerment and shared growth of the Company's goals and personal values. In 2024, 4,020 people passed the vocational skill level certification assessment held by the Company, and more than 1,700 people obtained level 3 or above certification. More than 2,200 people got a rank promotion and more than 6,100 people got a level promotion.

Caring for Employees' Lives

ChangAn Automobile provides well-rounded care and support for employees. We create a safe, happy and creative working environment with respect, and pay attention to employees' physical and mental health and their desire for a better life, thus effectively improving their sense of gain, happiness and security.

Employee care

We have established a comprehensive support mechanism, upholding our Five Care initiative: delivering warmth in winter, cool relief in summer, holiday greetings, assistance in hardship, and care during illness. In 2024, we allocated 58.6858 million yuan for employee support and welfare. We have built a mental health service system for employees, and built a total of five employee care centers, to provide comprehensive care for employees' mental health, and integrate humanistic care and psychological care into the work of trade unions and enterprise management.

2024

58.6858 million yuan
Allocated for employee support and welfare

We pay attention to diverse needs of female employees. Every year, we organize free cervical and breast cancer screening, health education programs and on-site medical consultations focused on women's well-being. In 2024, we provided special illness mutual aid insurance for 4,243 female employees, built 29 Mommy Care Rooms which became a multifunctional place for health education, physiological counseling, and parenting support. We planned and carried out a variety of quality development and aesthetic activities on Women's Day, Mother's Day, Children's Day and other festivals, to enhance the comprehensive ability of female employees in both careers and lives.

We actively support the employment of people with disabilities by providing an annual subsidy of 3,000 yuan per person and contributing to the disability employment security fund.

Employee activities

We organize a wide variety of cultural and sports activities for employees, aiming to enhance team cohesion, and create a healthy, positive, and inclusive workplace culture that encourages active participation from all.



2024 ChangAn Automobile Chongqing Marathon



The 2024 Employee Talent Show themed ChangAn Automobile with you: Forty and Forward



E-sports competition



Music festival



Fishing contest



Second anniversary celebration for DEEPAL

06

Partners and Communities

Leveraging its strengths in talent, technology and capital, ChangAn Automobile actively joins forces with global partners to co-create a sustainable value chain grounded in shared responsibility and mutual benefit. With steadfast dedication, ChangAn Automobile strives to meet the aspirations of people for a better life.

Contributions to SDGs



Striving for Win-Win Partnership

ChangAn Automobile actively harnesses its industry influence to foster synergies for collaborative development. Working hand-in-hand with suppliers, dealers and other partners, we are committed to building an open, cooperative, and mutually beneficial ecosystem that enables sustainable development.

Sustainable supply chain

We adhere to the principles of fairness, impartiality and openness, emphasizing compliance, transparency, mutual trust, and empowerment. We are working with our partners to drive a transformative shift toward a more sustainable supply chain.

Transparent procurement

We uphold principles of integrity, transparency, and ethical conduct in procurement, and have established a suite of supplier compliance policies, including the *Code of Conduct for Business Partners*. These frameworks set clear expectations regarding anti-corruption and other business ethics. All suppliers are required to sign the *Letter of Integrity Commitment*, which outlines mutual obligations and responsibilities in key areas such as labor rights, occupational health and safety, anti-bribery and corruption, and intellectual property protection. In addition, in accordance with the *Supplier Blacklist Management Procedure* and the *T3 Supplier Integrity and Compliance Collaboration Mechanism*, we implement systematic monitoring and blacklist controls for suppliers that violate relevant regulations and policies. In 2024, the signing rate of the *Letter of Integrity Commitment* among suppliers reached 100%.

Supplier management system

We continually improve our sustainable supply chain management system by establishing relevant policies such as *Supplier Certification Management*, *Pricing and Nomination Management for Production Parts Procurement*, *Supplier Performance Evaluation Management*, and *Production Supplier Integration Management*. These policies clarify the management processes at each stage, from supplier sourcing and admission certification to pricing and nomination, parts development, performance evaluation, and integration. This ensures efficient collaboration throughout the supply chain. Meanwhile, we have developed and published the *Supplier Risk Response Management Process*, specifying the areas of supplier risk, individual risk items, and the leading departments responsible for risk handling and their respective duties. We strive to minimize supply chain risks and consolidate the foundation of supply chain security.

Improving processes and implementing the "111" mechanism for major risks

We have established procedures for capacity risks and emergency management, ensuring that suppliers report issues within 1 hour, STA (Supplier Technical Assistance) escalates the issue within 1 hour, and a corrective plan is finalized within 1 day.

Conducting proactive risk identification and contingency planning

We have conducted forward-looking N+3 risk identification, developed mitigation plans for operational risks at 6 key suppliers (including Sichuan Fuji), and resolved 36 capacity constraints, covering wiring harnesses, wheel hubs, and other components.



Driving emergency delivery recovery through rapid response

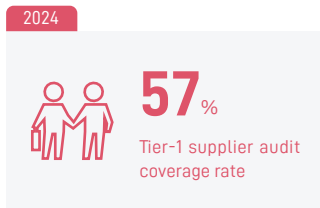
We have secured 13 critical resources (e.g., batteries), addressed power-supply disruptions for 40 suppliers (such as Rongyang and Huaqing), and accelerated production transition and resumption at partners like Junhe and Xin'ou.

Supplier admission and certification

We strictly enforce the *Supplier Certification Management policy*, which establishes a comprehensive quality control mechanism covering supplier selection, certification and audit processes. To gain approval, suppliers are required to obtain certifications such as the IATF 16949 *Automotive Quality Management System* and the ISO 14001 *Environmental Management Systems*, while also meeting criteria related to TQCD, ethical business conduct, and compliance with our *Code of Conduct for Business Partners*. Suppliers are assessed based on the product categories they offer, following tailored scoring and admission standards. As of 2024, 99% of suppliers were certified under IATF 16949, 98% held ISO 14001 certification and 22% were recognized as China's national-level Green Factories or Green Supply Chain Enterprises.

Supplier audit and evaluation

In accordance with the *Supplier Performance Evaluation Management*, we have developed supplier process audit management procedure, supplier product audit management procedure, supplier quality capability assessment system, supplier quality capability certification system management procedure and supplier system tripartite certification effectiveness management process. Based on audit results, we implement tiered supplier management



and carry out strategic core supplier management for critical categories. In alignment with our *Critical Component Traceability Management Procedure*, we collaborate with suppliers to ensure traceability of raw materials, including battery sourcing information. To comply with regulations on restricted substances, we collect material data across the supply chain, audit supplier submissions to the China Automotive Material Data System (CAMDS), and conduct recycling calculations, restricted substance analysis, and material consistency data reporting, ensuring the reliability of product quality. In 2024, we conducted audits covering both Tier-1 and Tier-2 suppliers, achieving a 57% audit coverage rate among Tier-1 suppliers.

ESG management of suppliers

We fully embed sustainability principles into our supplier management processes, establishing well-defined requirements across environmental, social, and governance dimensions. On the environmental front, we promote green procurement by requiring suppliers to comply with our *Energy Management Manual*, *Environmental and Occupational Health and Safety System Document*, and *Restricted Substances Management Procedures* during the procurement of parts, chemicals, and other raw materials. On the social and governance front, we integrate compliance, human rights, conflict minerals, anti-corruption, and intellectual property protection into supplier admission, selection, and performance evaluation implementing high standards of due diligence.

Supplier training

We offer diversified training programs for our suppliers through a blended approach combining in-person sessions and online video modules. These programs cover a wide range of topics including special manufacturing processes, logistics management, design development and validation, and green supply chain, empowering supplier personnel across technical, procurement, EHS and manufacturing roles.

In 2024, we actively organized a series of green supply chain management training sessions, covering topics such as the interpretation of green manufacturing system policies, domestic and international dual-carbon policies and goals, product carbon footprint quantification and assessment requirements, corporate carbon emission accounting practices, green supply chain management, and our supplier environmental management. In parallel, to address quality-related challenges, we conducted comprehensive training programs covering supplier performance management, Quality Improvement Process (QIP) evaluation standards, general quality control requirements, Manufacturing Capability Evaluation (MCE), and our Supplier Quality Capability Assessment (QCA) framework. These sessions not only conveyed our quality management expectations, but also helped standardize supplier understanding of QCA standards, enabling the continuous expansion and optimization of QCA practices and driving sustained improvement in supplier quality assurance capabilities. Throughout the year, 109 suppliers received QCA certification and laboratory recognition, while 63 Manufacturing Site Assessments (MSA) were conducted as part of QCA empowerment evaluations, achieving a 100% completion rate.



Chongqing Tsingshan Industrial Co., Ltd. and Changshu Valeo Automotive Wiper Systems Co., Ltd. were recognized as the ChangAn Automobile QCA Suppliers in 2024.

2024



21

Supplier training sessions

8,000

Participants in the training

80%

Supplier quality training coverage

Dealer management

We actively advance the development of our marketing network and have established a dealer empowerment system. By deepening partnerships with our dealers through resource sharing and joint capability building, we are working together to create a healthy and sustainable automobile ecosystem.



Dealer empowerment

Leveraging digital tools, we have optimized dealer business processes and established a standardized operational management system to facilitate their transition from traditional sales models to intelligent, data-driven operations. This transition enables dealers to effectively meet the sales and service demands of smart new energy vehicles. Furthermore, through the building of a dealer knowledge-sharing platform and extensive skills competitions, we continuously enhance dealers' operational management capabilities and service quality assurance.

2024

64,000

Dealer training sessions

500,000

Cumulative number of training hours for dealers



Responsible marketing and sales

We uphold the principles of responsible marketing and sales, embedding sustainability and business ethics throughout the entire sales process. Sales personnel at our dealerships are required to provide honest and accurate information regarding product features, highlights, functions and brand attributes. We strictly prohibit false advertising and exaggerated promotional tactics, ensuring that customers receive more standardized and transparent services as well as an authentic product experience. This commitment helps safeguard a fair and orderly market environment.

Equal opportunity for SMEs

Rooted in the values of diversity and inclusion, we actively provide small and medium-sized enterprises (SMEs) with equal opportunities in our procurement of products and services, along with access to professional training and technical support. This creates a fair opportunity platform for SMEs and promotes social justice and harmonious development. In 2024, no overdue payments to SMEs were recorded.



Promoting Rural Revitalization

Combining the Company's advantages with local characteristics, ChangAn Automobile makes solid efforts to provide targeted assistance in an orderly manner, striving for both quantitative and qualitative improvement. Through these initiatives, ChangAn is making meaningful contributions to the comprehensive advancement of rural revitalization. In 2024, we completed the scheduled disbursement of 10.6 million yuan in assistance funds, including 2.5 million yuan to Luxi County and 8.1 million yuan to Yanshan County, for industrial, talent, cultural, ecological, and organizational projects in the two counties, aiming to contribute to important work such as rural development, rural construction, and rural governance.



Industrial assistance

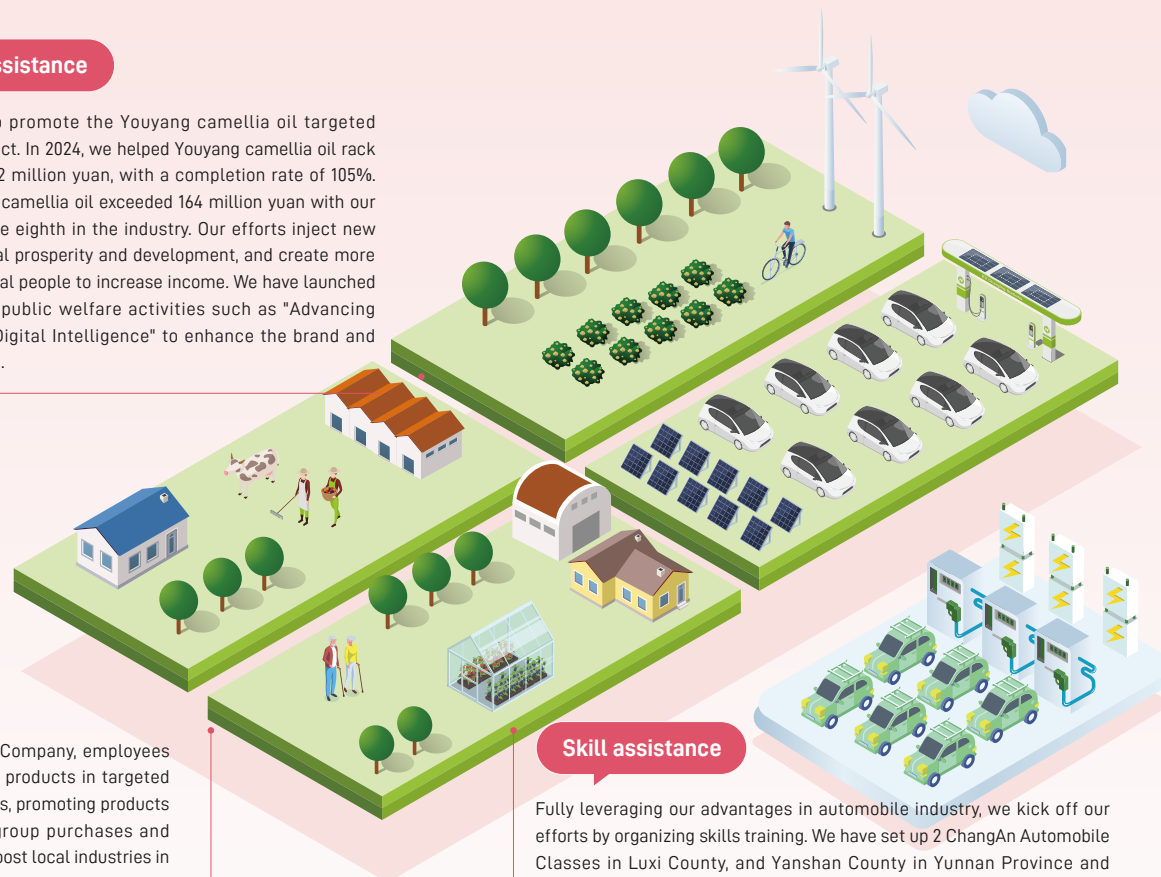
We continue to promote the Youyang camellia oil targeted assistance project. In 2024, we helped Youyang camellia oil rack up sales of 31.72 million yuan, with a completion rate of 105%. Annual sales of camellia oil exceeded 164 million yuan with our help, ranking the eighth in the industry. Our efforts inject new impetus for local prosperity and development, and create more channels for local people to increase income. We have launched cross-industry public welfare activities such as "Advancing Together with Digital Intelligence" to enhance the brand and corporate image.

Consumption assistance

We encourage and advocate all teams of the Company, employees and suppliers to purchase special agricultural products in targeted assistance regions, by making promotion posters, promoting products via links on ChangAn Mall APP, organizing group purchases and calling on partners. These practical measures boost local industries in formerly impoverished regions, and sustain income growth for people lifted out of poverty. In 2024, consumption assistance totaled 2.12 million yuan.

Skill assistance

Fully leveraging our advantages in automobile industry, we kick off our efforts by organizing skills training. We have set up 2 ChangAn Automobile Classes in Luxi County, and Yanshan County in Yunnan Province and Youyang County in Chongqing City, organized 2 lectures given by craftsman and experts on campus, held 4 social recruitment events, and hired 300 graduates



Committed to Public Welfare

Staying true to the original aspiration, ChangAn Automobile fulfills social responsibilities with concrete actions, and continuously injects innovative momentum into public welfare undertakings in the fields of education, assistance for people with disabilities and underprivileged groups, and environmental protection. In 2024, we donated 11.61 million yuan to external parties.

Building dreams for children

We focus on public welfare activities related to children's education, and send care and support to children with autism, children with illness and orphans, aiming to protect their physical and mental health. As of 2024, we have been visiting Hope Primary School in Sichuan for 14 consecutive years, and have donated supplies worth more than 7.3 million yuan.



In April 2024, DEEPAL launched the Believe in the power of growth: Two-year anniversary of DEEPAL's Hope Primary School dream-fulfilling initiative, providing paired assistance to underprivileged children, thus lighting up children's path of growth with our company and care.



In October 2024, ChangAn Automobile, together with its partners, visited a Hope Primary School in Sichuan to offer care and support, spending joyful moments and sharing smiles with the children.

Engaging in rescue and disaster relief

In the face of disasters, we are ready to take on responsibilities and act quickly, delivering love and solidarity through material donations, emergency relief efforts, and close collaboration with all sectors of society to overcome challenges together.



Case

ChangAn Automobile, along with its brands and partners, donates 7 million yuan to aid the earthquake-stricken areas in Shigatse, Tibet

At 9:05 AM on January 7, 2025, a 6.8-magnitude earthquake struck Tingri County in Shigatse, Tibet, with a focal depth of 10 kilometers. The disaster touched the hearts of people across China. ChangAn Automobile, together with its brands and partners donated 7 million yuan to support the earthquake-stricken area in Tibet and provide aid to the affected residents. At the same time, the Company implemented emergency plans for customers in the affected regions, and provided 24/7 rescue services for car owners. Additionally, we actively contacted suppliers and dealers in the affected areas to offer disaster prevention guidance and coordinated work safety instructions, so as to actively fulfill our corporate social responsibility.



Case

ChangAn Automobile cares, responds, and supports earthquake relief

ChangAn Automobile provided round-the-clock rescue services for users in the earthquake-affected area in Aksu, Xinjiang, and assigned dedicated personnel to assist users with insurance claims. At the same time, the Company also provided services including free vehicle inspection, free interior disinfection and free vehicle exterior cleaning, bringing positive energy to society.

Safeguarding public safety

We actively participate in public welfare projects for traffic safety, and enhance people's safety awareness and protection skills, thus safeguarding urban public safety.



Case

Mang Cancan, the honorary traffic police officer No. 010122

CHANGAN NEVO joined hands with Chongqing Zoo to adopt the giant panda Mang Cancan and jointly took care of this national treasure. In 2024, Mang Cancan became the Chongqing 122 National Traffic Safety Day Ambassador, and was awarded the special "police badge" No. 010122. In addition, CHANGAN NEVO presented a statue of Mang Cancan as a cute police officer to Chongqing Zoo. At the same time, the Company launched activities such as safety classes and traffic knowledge quizzes, in order to strengthen education on traffic knowledge, and enhance brand awareness and preference.

Prospering the nation through exercise

We are devoted to the development of national sports and formed "ChangAn Forward Group" and "ChangAn Cheering Group" composed of ChangAn Automobile employees, car owners, and close partners. We participate in sports events such as the Chongqing Marathon, widely spreading the positive, and healthy sports spirit to all walks of life.



2024 ChangAn Chongqing Marathon

Contributing to Overseas Development

ChangAn Automobile deepens implementation of the Vast Ocean Plan, continues to promote in-depth integration of global extraordinary resources, and deepens cooperation with the world's top enterprises and universities in new products, new technologies, and new businesses. These efforts contribute to the transformation and upgrading of the local automobile industry, and effectively alleviate the pressure of local employment, showing our commitment to working together with local people to create social prosperity and progress.



In January 2024, ChangAn Automobile successfully held a cooperation ceremony for ChangAn Vietnam Automobile Manufacturing Base, and signed a cooperation framework agreement with Vietnam Kim Long Motor. The both sides will carry out in-depth cooperation in product technology, brand, marketing, supply chain, OEM cooperation, and social responsibility.



In 2024, ChangAn Automobile established three overseas subsidiaries in Mexico, Germany, and the Netherlands. The Company dived into the needs of local consumers, and strove to establish close ties with local communities and economic systems, thus making positive contributions to the development of the local economy.



ChangAn Thailand delivered flat-bottom rescue boats and survival kits to Chiang Rai Province in northern Thailand, which suffered from continued flooding. The Company provided medical assistance to the affected areas. ChangAn Thailand has launched the DEEPAL WithU care program, which aims to provide comprehensive assistance to DEEPAL and LUMIN car owners affected by the floods.



On July 8, 2024, the completion and trial operation ceremony of ChangAn Automobile's flagship store in Riyadh, Saudi Arabia was grandly held.



Prospect

The year 2025 represents the most pivotal year in ChangAn Automobile's strategic transformation. This ambitious journey brings both extraordinary opportunities and significant challenges. Maintaining our unwavering commitment to sustainable development, we will vigorously pursue our three core strategic initiatives: the Green Plan for electrification, the Intelligent Plan for intelligent development, and the Vast Ocean Plan for global operations. With relentless passion and determination, we will drive forward the third strategic transformation. Guided by profound responsibility and vision, we will collaborate with global partners to achieve mutual success, and accelerate our transformation towards an intelligent low-carbon mobility technology company as we advance decisively toward building a world-class auto brand.



Indicator Index

Instructions: ChangAn Automobile reported the information cited in this index in accordance with *GRI Standards*, with time frame ranging from January 1, 2024 to December 31, 2024.

Used GRI: Foundation 2021

GRI standard	Disclosures	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	About ChangAn Automobile
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report Reader Feedback
	2-6 Activities, value chain and other business relationships	Striving for Win-Win Partnership Customer Care Program withU
	2-7 Employees	Protecting Employee Rights
	2-8 Non-employee workers	Protecting Employee Rights Striving for Win-Win Partnership
	2-9 Governance structure and composition	Enhancing Corporate Governance
	2-10 Nomination and selection of the highest governance body	Enhancing Corporate Governance
	2-11 Chair of the highest governance body	Message from the Chairman
	2-12 Role of the highest governance body in overseeing the management of impacts	Enhancing Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Sustainability Management
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Management
	2-16 Communication of critical concerns	Sustainability Management
	2-17 Collective knowledge of the highest governance body	Sustainability Management
	2-18 Evaluation of the performance of the highest governance body	Enhancing Corporate Governance
	2-19 Remuneration policies	Enhancing Corporate Governance
	2-20 Procedures for determining remuneration	Enhancing Corporate Governance
	2-23 Policy commitments	Upholding Compliance and Integrity Striving for Win-Win Partnership
	2-24 Embedding policy commitments	Upholding Compliance and Integrity Protecting Employee Rights
	2-25 Processes to remediate negative impacts	Upholding Compliance and Integrity Striving for Win-Win Partnership
	2-26 Mechanisms for seeking advice and raising concerns	Upholding Compliance and Integrity Protecting Employee Rights

GRI standard	Disclosures	Page
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	Upholding Compliance and Integrity Protecting Employee Rights Utilization of Energy and Resources
	2-29 Approach to stakeholder engagement	Stakeholder engagement
	2-30 Collective bargaining agreements	Protecting Employee Rights
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality analysis
	3-2 List of material topics	Materiality analysis
	3-3 Management of material topics	Materiality analysis
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	About ChangAn Automobile
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change
	201-3 Defined benefit plan obligations and other retirement plans	Protecting Employee Rights
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Promoting Rural Revitalization
	203-2 Significant indirect economic impacts	Committed to Public Welfare
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Upholding Compliance and Integrity
	205-3 Confirmed incidents of corruption and actions taken	Upholding Compliance and Integrity
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Upholding Compliance and Integrity
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Addressing Climate Change Utilization of Energy and Resources
	301-2 Recycled input materials used	Contributions to the Circular Economy
	301-3 Reclaimed products and their packaging materials	Addressing Climate Change Contributions to the Circular Economy
GRI 302: Energy 2016	302-3 Energy intensity	Addressing Climate Change
	302-4 Reduction of energy consumption	Addressing Climate Change Utilization of Energy and Resources
	302-5 Reductions in energy requirements of products and services	Addressing Climate Change Utilization of Energy and Resources
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Utilization of Energy and Resources
	303-2 Management of water discharge-related impacts	Utilization of Energy and Resources

GRI standard	Disclosures	Page
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	Utilization of Energy and Resources
	303-4 Water discharge	Utilization of Energy and Resources
	303-5 Water consumption	Utilization of Energy and Resources
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protecting Biodiversity
	304-2 Significant impacts of activities, products and services on biodiversity	Protecting Biodiversity
	304-3 Habitats protected or restored	Protecting Biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change
	305-2 Energy indirect (Scope 2) GHG emissions	Addressing Climate Change
	305-4 GHG emissions intensity	Addressing Climate Change
	305-5 Reduction of GHG emissions	Addressing Climate Change
	305-6 Emissions of ozone-depleting substances (ODS)	Utilization of Energy and Resources
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Utilization of Energy and Resources
	305-8 Greenhouse gas emissions from business travel	Utilization of Energy and Resources
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Utilization of Energy and Resources
	306-2 Management of significant waste-related impacts	Utilization of Energy and Resources
	306-3 Waste generated	Utilization of Energy and Resources
	306-4 Waste diverted from disposal	Utilization of Energy and Resources
	306-5 Waste directed to disposal	Utilization of Energy and Resources
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Striving for Win-Win Partnership
	308-2 Negative environmental impacts in the supply chain and actions taken	Striving for Win-Win Partnership
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Protecting Employee Rights
	401-3 Parental leave	Protecting Employee Rights
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Safeguarding Employee Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Safeguarding Employee Safety
	403-3 Occupational health services	Safeguarding Employee Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Safeguarding Employee Safety
	403-5 Worker training on occupational health and safety	Safeguarding Employee Safety
	403-6 Promotion of worker health	Safeguarding Employee Safety

GRI standard	Disclosures	Page
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding Employee Safety
	403-8 Workers covered by an occupational health and safety management system	Safeguarding Employee Safety
	403-9 Work-related injuries	Safeguarding Employee Safety
	403-10 Work-related ill health	Safeguarding Employee Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Contributing to Employee Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	Contributing to Employee Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	Contributing to Employee Growth
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Protecting Employee Rights
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Protecting Employee Rights
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protecting Employee Rights
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Protecting Employee Rights
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protecting Employee Rights
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Protecting Employee Rights
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Promoting Rural Revitalization
	413-2 Operations with significant actual and potential negative impacts on local communities	Promoting Rural Revitalization
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Striving for Win-Win Partnership
	414-2 Negative social impacts in the supply chain and actions taken	Striving for Win-Win Partnership
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Ensuring Safe Journeys
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Ensuring Safe Journeys
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Striving for Win-Win Partnership
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strengthening Data Security

Key Performance

Topic	Indicator	Unit	2023	2024
E Environmental	Environmental protection training sessions	-	107	125
	Accumulated environmental protection training hours	Hour	176	182.50
	Participants of environmental protection training	Headcount	2,032	1,898
	National green plants owned	-	1	2
	Safety and environmental accidents of general level and above	-	0	0
	Energy structure and proportion			
	Natural gas	%	37.35	36.61
	Gasoline	%	6.19	6.44
	Kerosene	%	0	0
	Diesel	%	1.24	1.39
	Thermal power	%	0	0
	Electric power	%	52.18	53.78
	Other energy sources	%	3.04	1.78
	Pollutant discharge			
	COD	t/a	180.69	170.42
	Ammonia nitrogen	t/a	9.53	10.20
	Total nickel	t/a	0.05	0.03
	Total zinc	t/a	0.11	0.10
	Phosphate	t/a	1.16	0.99
	Sulfur dioxide	t/a	18.30	19.22
	Nitrogen oxides	t/a	88.53	122.75
	Particulate	t/a	87.38	83.11
	Volatile organic compounds ¹	t/a	146.04	186.00

Topic	Indicator	Unit	2023	2024
S Social	Newly added patent applications	-	5,739	3,384
	Valid invention patents	-	2,704	3,881
	Total employees	-	49,117	55,119
	New hires	-	17,769	21,367
	Labor contract signing rate	%	100	100
	Social insurance coverage rate	%	100	100
	Per capita paid leaves ²	Day	7	6
	Work safety cost ³	Million yuan	57.6621	91.71
	Investment in labor protection funds	Million yuan	16.515	8.95
	Participants of safety training sessions	Headcount	217,587	181,864
	Detection rate of occupational hazards in the workplace	%	100	100
	Coverage rate of employee health check ups	%	100	100
	Number of supplier training sessions	-	13	21
	Number of participants in supplier training	Headcount	4,200	8,000
	Proportion of low-risk suppliers	%	97	98
	Proportion of suppliers certified by IATF 16949	%	98.40	99
	Proportion of suppliers certified by ISO 14001	%	95.10	98
G Governance	Revenue	Billion yuan	151.298	159.733
	Net profit attributable to shareholders of the listed company	Billion yuan	11.327	7.321
	Total assets	Billion yuan	190.171	208.168
	Vehicle sales	1,000 vehicles	2,553	2,683.8
	Overseas export vehicle sales	1,000 vehicles	358	536.2


Note:

¹Organized emissions
 ²Calculated based on the actual paid leaves of employees
 ³The statistic scope is Chongqing headquarters

Reader Feedback

Dear readers,

Thank you very much for reading This Report. It is the 17th social responsibility/ESG report publicly released by ChangAn Automobile to society. To continuously improve our ESG performance and our sustainability capability, we sincerely invite you to evaluate This Report objectively. Your valuable opinions and suggestions will drive our continuous improvement. You can leave your feedback through the following channels.

 Tel: 023-67591008

 Add: Building T2, No. 2 Financial City, 61 Dongshengmen Road, Jiangbei District, Chongqing

Multiple choice questions (please mark ✓ in the corresponding option)

1. How do you evaluate the Report in terms of comprehensive and accurate disclosure of the significant impact of the Company on the economy, society, and environment?
- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor
2. How do you evaluate the Report in terms of the response and disclosure of the topics concerned by stakeholders?
- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor
3. How do you evaluate the Report in terms of the clear, accurate, and complete information, indicators, and data disclosures?
- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor
4. How do you evaluate the Report in terms of the readability (i.e. the logical line, content design, language and layout design)?
- ☐ Very good ☐ Good ☐ Fair ☐ Poor ☐ Very poor

Open questions

1. Which aspects of This Report do you find most satisfactory?
2. What other information do you think should be included in This Report?
3. What suggestions do you have for us for our future ESG report preparation?



Scan the QR code to leave your feedback

