2022 Environmental, Social and Governance Report

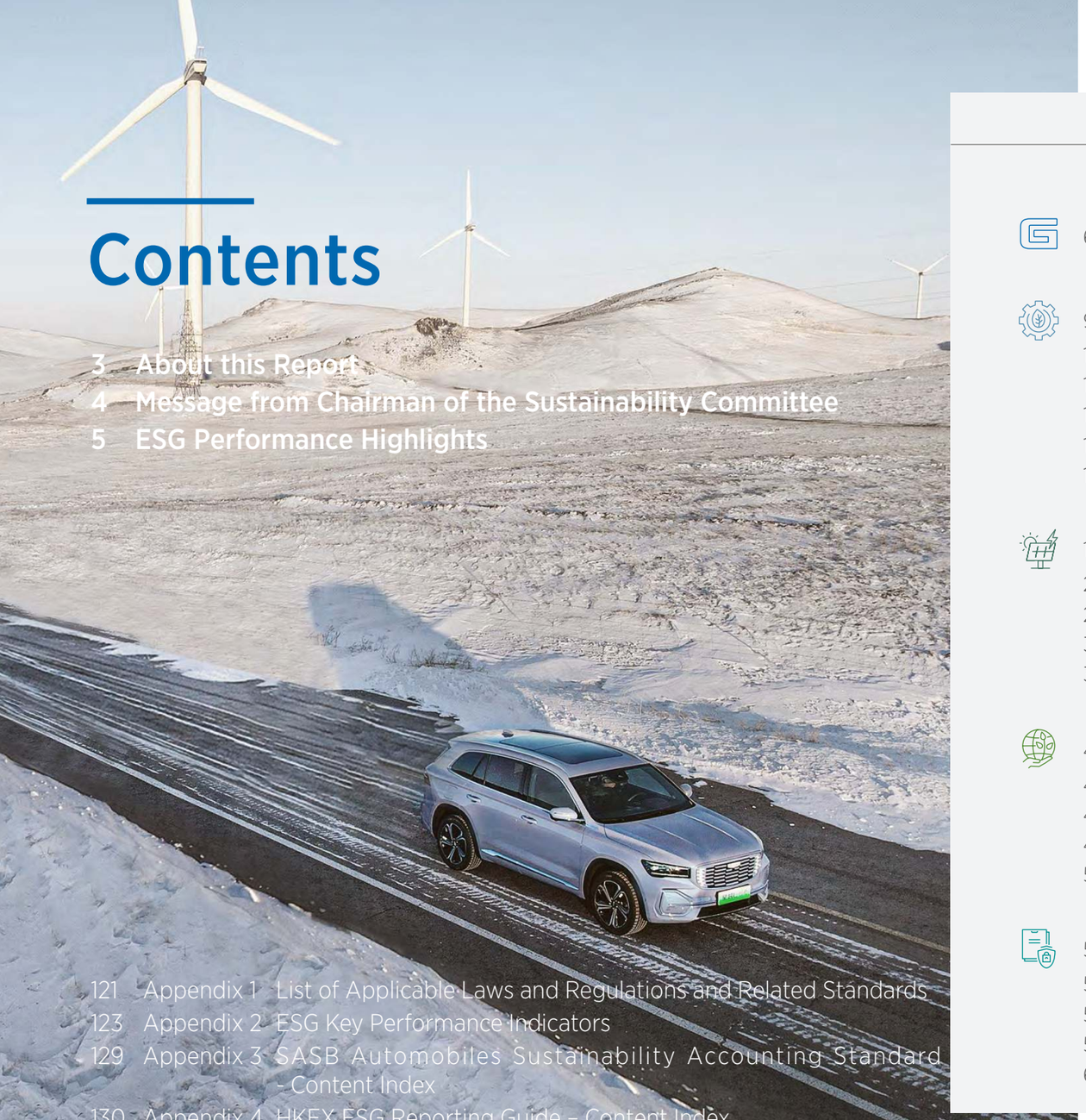
VISION OF SUSTAINABILITY

GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 0175)



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About This Report

INTRODUCTION

This Report is the third standalone Environmental, Social and Governance (hereinafter referred to as "ESG") Report published by Geely Automobile Holdings Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group", "Geely Auto" or "we") to present the Group's strategies and practices in the aspects of ESG management, climate neutrality, environmental protection, governance and compliance, consumer interest, sustainable value chain, employee rights, community and philanthropy, thereby enabling stakeholders to have clear understanding of the Group's ESG performance. The Group's ESG practices and performance from 2015 to 2019 were set out in the Social Responsibility Report of Zhejiang Geely Holding Group Company Ltd., the parent of the Company, and its subsidiaries (hereinafter collectively referred to as "Geely Holding Group").

REPORT SCOPE

Time Scope: This Report covers the period from 1 January 2022 to 31 December 2022 (hereinafter referred to as the "Reporting Period", the "current year" or "2022"). To enhance the integrity of this Report, some of its contents cover period before or after the Reporting Period.

Business Scope: This Report covers the Group and its major joint ventures, which involves these automobile brands: Geely brand, Zeekr and Lynk & Co, a joint venture brand. This Report also includes the information on Geely Holding Group and Livan, a brand of the Group's joint venture.

REPORTING GUIDELINES

This Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" issued by The Stock Exchange of Hong Kong Limited ("HKEX") effective on 1 January 2022. Meanwhile, this Report's disclosures are also made with reference to: the core options of the GRI Standards issued by the Global Reporting Initiative ("GRI"), the Recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), Sustainability Accounting Standards Board ("SASB") Standards.

DATA SOURCE AND DESCRIPTION

The information and data used in this Report are collected from the official documents and statistical reports of the Group, which have been reviewed by relevant departments. Unless otherwise specified, the currency used in this Report is RMB.

RELIABILITY ASSURANCE AND APPROVAL

The Group has not found any false record, misleading statement or material omission in this Report. This Report has been reviewed by the Sustainability Committee and approved by the Board of Directors on 21 April 2023.

ACCESS AND RESPONSE TO THIS REPORT

This Report is available in Chinese and English for readers' reference. In case of any inconsistency, the Chinese version shall prevail. This Report is published in electronic version only to support environmental protection. This Report can be found in the headline category of "Financial Statements/ ESG Information" in the listed company information, on the HKEXnews website or the official website of the Company (http://www.geelyauto.com.hk).

We value greatly on stakeholders' opinions, and welcome your feedback which can help us to further improve, via email to general@geelyauto.com.hk with subject of "ESG Report 2022".

Message from Chairman of the Sustainability Committee

Geely Auto always persists in sustainable development as a core element in its corporate development. In addition to various normalized management efforts on sustainability, we continue to explore the room for improvement by benchmarking best practices in the industry, so as to becoming a benchmark for sustainable development in the automotive industry.

Looking back on the three years since the establishment of the Sustainability Committee, Geely Auto set a goal of "Go Sustainability" in 2021. We improved our ESG governance structure, enhanced the ESG awareness of all employees of Geely Auto through management and training internally, proactively engaged with more stakeholders externally, and prepared the first standalone ESG report of Geely Auto, which significantly enhancing disclosure and transparency. In 2022, with the goal of "Carbon Neutrality", we set targets to reduce the lifecycle carbon emissions per vehicle by 25% by 2025 with 2020 as baseline and achieve carbon neutrality by 2045, and formulated the corresponding implementation plan to address climate change.

Towards 2023, in order to realize Geely Auto's vision of "A Sustainable Future, A Better World" and its sustainability mission of "To create an innovative sustainable mobility ecosystem for intelligent vehicles", we are pleased to announce the ESG strategy of Geely Auto, which outlines the "Vision of Sustainability" of Geely Auto in six major directions, namely the "Climate Neutrality", "Nature Positive", "All-round Safety", "Digitalization & Innovation", "Co-Prosperity" and "Governance and Ethics", leading Geely Auto and its value chain partners to work together to create the future for sustainable mobility.

Geely Auto's "Climate Neutrality" is more than unilateral carbon reduction, with "Carbon neutrality by 2045" as our goal, we aim to make a transition to the 1.5 °C pathway in alignment with Paris Agreement. By accelerating the new energy transformation, increasing new energy vehicles' sales volume by 300%, and increasing the proportion of renewable electricity in vehicle plants' energy consumption by 25%, Geely Auto reduced 8% in the lifecycle carbon emissions per vehicle in 2022 compared to 2020, and is moving towards the goal of reducing 25% by 2025. Next, Geely Auto will accelerate the carbon reduction along the value chain and increase the proportion of low-carbon recycled materials, making breakthrough in methanol-based clean fuel application, and plan to deploy high-quality negative carbon technology, to tackle the final step in climate neutrality.

Geely Auto's "Nature Positive" is more than resource conservation, with "Nature positive" as our guide, we aim to promote the recycling of vehicles and batteries as well as integrate natural resource conservation and biodiversity in our operations. Geely Auto has 9 national "green factories" and 5 municipal "waste-free factories" for vehicle manufacturing. Our vehicle plants' water consumption intensity decreased 10.8% to 3.1 tonnes/vehicle in 2022. Next, Geely Auto will promote the recycling of vehicles and batteries, and conduct natural capital assessments to integrate the conservation of natural resources and biodiversity in our operations.

Geely Auto's "All-round Safety" is more than protecting vehicle occupants, with "Zero casualty, zero health hazard, zero property loss and zero privacy leakage" as our aim, we aim to elevate the concept of safety to include the protection of everyone on the road and intelligent mobility technologies. Geely Auto adheres to the "people-oriented" safety gene to ensure the safety of participants in various scenarios such as driving, parking, maintenance, and repair. Xingyue L became the first 5-star model in C-NCAP 2021 Edition safety assessment. Next, Geely Auto will continue to identify emerging safety risks in mobility, strengthen the development of safety technologies for intelligent driving and new energy, and create intelligent vehicles that can protect all road users.

Geely Auto's "Digitalization & Innovation" is more than technology, with "Letting more people benefit from the growing intelligent digital ecosystem" as our direction, we aim to consider our responsibility to guarantee data security while innovating new ways of utilizing data to empower user experiences and expand the service ecosystem. Geely Auto persists in the principle of "user first, value led" and promotes the principle of "data responsibility" throughout the product lifecycle and extends to our value chain. Meanwhile, we are building an intelligent ecosystem of "Integrating systems from ground to space and Interconnecting everything", which will not only bring users a safer, precise and brand new intelligent driving experience, but also explore the feasibility of vehicle data in solving more extensive sustainability issues in the industry and society.

Geely Auto's "Co-Prosperity" is more than our own development, with "A sustainable future, a better world" as our vision, we aim to enable our employees, business partners. consumers, and communities to benefit from our sustainable development and achieve co-prosperity. In 2022, Geely Auto continued to improve diversity, equity and inclusion in our work environment, with the female proportion in the senior personnel reaching 10%, an increase of 2% from 2021. We also empowered our suppliers and dealers via policies and training to help promoting sustainability in value chain. Next, Geely Auto will plan targeted development programs for employees, business partners and communities: cultivate digital talent, establish more effective responsible supply chain management, build a responsible marketing system, and continue to actively participate in community development.

Geely Auto's "Governance and Ethics" is more than compliance, with "Best practices of global corporate governance" as our benchmark, we aim to build a legally compliant, fair and transparent governance structure and ethical system. In 2022, Geely Auto optimized its board composition, the proportion of female in the Board increased to 27% at the year end and the average tenure of independent non-executive directors decreased by 4.4 years. Next, Geely Auto will continue to improve its governance and ethics system with "Sufficient authorization, legal compliance, clear assessment, fairness and transparency" as its core by benchmarking global best practices in corporate governance.

An Cong Hui
Chairman of the Sustainability Committe

21 April 2023

ESG Performance Highlights

E Environmental

Carbon Emissions and Climate Change

Targets	↓ 25%* Lifecycle carbon emissions per vehicle 2025	Carbon Neutrality 2045

↓ 8%* Lifecycle carbon emissions per vehicle	↓ 10% Average tailpipe carbon emission intensity	↓ 15% Corporate average fuel consumption
329,000 units Annual NEV# sales volume	↑ 300% NEV# sales volume growth	22.9% Proportion of NEV# in total sales volume
↑ 25% Proportion of renewable electricity in vehicle plants	↑ 179% Installed capacity of photovoltaic power stations	10% Tier 1 core suppliers used 100% renewable electricity

SCIENCE BASED TARGETS

Committed to submit science based targets for validation by April 2024

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Became a supporter of Task Force on Climate-Related Financial Disclosures

*Compared to 2020 baseline
#NEV include battery electric vehicles & plug-in hybrid electric vehicles

Environment

100% Vehicle plants with ISO 14001 certification	↓ 10.8% Vehicle plants' water consumption intensity
9 National "Green factories"	98.3% Industrial water recycling rate
5 Municipal "Waste-free factories"	296,000 m² Xi'an factory greenery coverage providing natural habitat for local animals

S Social

Customers

5-Star	1st	3rd
Xingyue L became the 1st 5-star model in C-NCAP 2021 Edition	J.D. Power APEAL domestic brands ranking	J.D. Power CSI mass market brands ranking

Supply Chain

93% Suppliers signed Supplier Code of Conduct	83% Tier 1 suppliers adopted Drive Sustainability Self-Assessment Questionnaire	>90% Suppliers participated ESG (including anti-corruption) training

Employees

50,169* Number of employees	↑ 2% Proportion of female in senior personnel	76 hours/person Average employee training hours
88.4% Employee satisfaction rate	↑ 5% Proportion of female in new hires	100% Vehicle plants with ISO 45001 certification

*cover our overseas subsidiaries

Community

10,688 hours Employees' participation in community activities	12 years Consecutively in non-remunerated blood donation
9 years Consecutively in "Dream Green Running Tracks" education charity project	8 tonnes Marine waste recycled in "Blue Guardian" marine charity project

G Governance

Governance and Compliance

36% (↓ 10%) Proportion of independent non-executive directors	↓ 4.4 years Average tenure of independent non-executive directors	27% (↑ 4%) Proportion of female directors

100% Employees signed conflict of interest declaration	Code of Conduct & Anti-corruption Policy Publicly published
100% Employees participated in information security training	ISO 27001 & CSMS Management system certification in information security & automotive cybersecurity

Sustainable Finance

SECOND-PARTY OPINION

Sustainable Finance Framework obtained 2nd party opinion from Sustainalytics

US$400 million
Sustainable loan for BEV R&D & purchasing batteries

ESG Recognition

MSCI ESG RATINGS A

SUSTAINALYTICS RATED

Hang Seng Corporate Sustainability Index Series Member 2022-2023

FTSE4Good

HKBSI Hong Kong Business Sustainability Index 2021 Achiever

GC BSI Greater China Business Sustainability Index 2021 Achiever

渣打企業成就大獎 2022
Standard Chartered Corporate Achievement Awards

1 ESG Strategy

In order to realize the sustainability vision of "A Sustainable Future, A Better World", the Group has formulated the ESG strategy to outline the Group's sustainability vision, mission, strategic directions and key actions, so as to give clearer guidance internally to plan relevant work, and enable stakeholders to have a better understanding on our future plans and measure our performance externally.

The development process of the ESG strategy considers, including but is not limited to, the following factors:

- The Group's vision and overall strategies
- United Nation's Sustainable Development Goals and other major ESG standards
- Analysis of ESG material issues and other opinions from stakeholders
- ESG risks and opportunities assessment and current ESG performance analysis
- Latest trends on ESG and policies, benchmarking with leading enterprises
- Opinions from internal departments relevant to ESG and external ESG experts

The ESG strategy has been formulated through the steps including framework establishment, preparation of plans, internal and external discussion, and verification. It was then reviewed by the Sustainability Committee, and thereafter approved by the Board of Directors and officially published. Subsequent to its publication, the Group will continue to evaluate the effectiveness of the ESG strategy and changes in internal and external factors, and make adjustments when appropriate to continuously improve our sustainability performance.

Six main directions of the ESG strategy

"Carbon Neutrality by 2045" as our goal

- Paris Agreement 1.5°C
- Set Science-based Targets
- Carbon Neutrality by 2045

"Nature Positive" as our guide

- Circular Economy
- Natural Resources Conservation
- Biodiversity

"A Sustainable Future, A Better World" as our vision

- Employees
- Business Partners
- Consumers
- Community

Climate Neutrality

Nature Positive

Co-Prosperity

All-round Safety

Digitalization & Innovation

Governance and Ethics

"Zero Casualty, Zero Health Hazard, Zero Property Loss, Zero Privacy Leakage" as our aim

- All Road Users
- Safety for New Energy & Intelligent mobility

"Letting More People Benefit from the Growing Intelligent Digital Ecosystem" as our direction

- Data Responsibility
- Data Value Innovation

"Best Practices of Global Corporate Governance" as our benchmark

- Corporate Governance
- Business Ethics

Targets

Short-term	Medium-term	Long-term
2020 → 2025	2025 → 2035	2035 → 2045
Baseline	Lifecycle carbon emissions per vehicle ↓ 25%+	Lifecycle carbon emissions per vehicle ↓ 68%+*
		Achieve **Carbon Neutrality**

* Appropriate adjustment may be made based on science-based targets to be approved by SBTi

Climate Neutrality

Key Actions:

- Submit science-based targets for validation by April 2024;
- Establish a climate resilience management system;
- Comprehensive transition towards new energy products, with a target of new energy vehicles accounting for 50%+ of total sales volume in 2025;
- Accelerate development of zero-carbon factories and promote collaboration with supply chain on carbon reduction;
- Recycled and low-carbon materials;
- Develop methanol economy.

Please refer to "3.1 Climate Strategy" for details.

Nature Positive

Key Actions:

- Conduct nature-related risks and opportunities management, promote decoupling of corporate growth and natural resource consumption by analysis of the mutual impact with natural environment across the entire value chain;
- Conduct natural capital assessment on plants from 2023 onwards and develop a “nature positive” plant as an example based on assessment results. Progressively practicing the management experiences on other plants to achieve approximately 22% reduction in hazardous waste per vehicle produced in vehicle plant in 2025 compared to 2021;
- Develop green circular vehicles with application of high proportion of renewable resource, and explore green commuting pilot runs among plants using circular vehicles;
- Build a green circular mobility ecosystem based on recycling of materials and batteries as well as battery swapping mobility.

Co-Prosperity

Key Actions:

Employees

- Promote gender equality, adhere to equal pay for equal work for men and women, and pay attention to female leadership empowerment; To realize 20%+ female in management, providing training on diversity policy to 100% employees, and reaching 80% satisfaction rate in recognition of diversity, equity & inclusion, in 2025;
- Digitalization as the core of employee competency development in the future, establish a digital competency management system for employees and provide specialized digital trainings covering 100% key positions;
- Dedicated to provide employees a safe and healthy work environment, and focus on occupational health and safety management under the intelligent manufacturing scenario, to realize the transformation of occupational health to "Big Health".

Supply chain

- Implement sustainability risk classification in supply chain management and assist suppliers to mitigate and eliminate sustainability risk; conduct due diligence on 100% suppliers identified with high sustainability risks in 2024;
- In 2024, sustainable development assessment of more rigorous standard will be on trial-run. Assessment will cover Tier-1 suppliers in 2025 and non-tier 1 key suppliers in 2026;
- Focus on conflict minerals such as 3TG (tungsten, tin, tantalum, gold), and collaborate with suppliers to identify, trace and eliminate environmental and social risks in key raw materials, to achieve 100% traceability of key materials.

Dealers

- Collaborate with dealers to create a responsible marketing ecosystem linking with consumers, providing responsible marketing training to 100% of employees in key positions and global key dealers, guiding consumers to choose environmental and social friendly products.

All-round Safety

Key Actions:

- In-depth research on functional safety on batteries, motors, electronic controls and autonomous driving. Identify and address emerging safety risks in mobility arising from climate change;
- Define safety requirements for mobility of subgroups such as children, pregnant women and the disabled. Expand mobility safety coverage to all road users such as vehicle occupants and vulnerable road users (VRU);
- Deepen cooperation with stakeholders such as the government and the media, and continue to carry out safety technology exchanges and output industry-wide research and analysis results.

Digitalization & Innovation

Key Actions:

- With the principle of acquiring and processing data in a transparent, safe and responsible manner and the respect for rights of personal data, promote the principle of “data responsibility” throughout the product life cycle and extend to our value chain;
- Develop ethical artificial intelligence, innovatively explore the feasibility of vehicle data and intelligent technology in solving more extensive sustainability issues;
- Collaborate with Geely Satellite, Xingrui Intelligent Computing Centre, Meizu Ecosystem, to make vehicles becoming the super intelligent terminal connecting freely to any intelligent devices.

Governance and Ethics

Key Actions:

- Build a governance structure with emphasis on board independence, diversity and sustainability;
- Provide trainings on “Code of Conduct” and “Anti-corruption Policy” to all employees;
- Regulate behaviour of organization and employees from the aspect of compliance and ethics, and extend to suppliers and other business partners.

2 ESG Management

Vision:
A Sustainable Future, A Better World

Mission:
To Create an Intelligent Mobility Experience that Exceeds Users' Expectations

Values:
Truth-seeking & Practical, Hard-working & Enterprising, Collaborative & Innovative

We believe that creating long-term value relies on the sustainable development of the business. The Group actively integrates the Sustainable Development Goals (SDGs) from the United Nations (UN) "Transforming our world: The 2030 Agenda for Sustainable Development" in planning and implementing its vision, mission and values. We consider our stakeholders' expectations and our own development, and contribute to global sustainability.

2.1 ESG Governance

ESG Management Mechanism

With reference to the ISO 26000:2010 "Guidance on Social Responsibility" issued by the International Organization for Standardization (ISO) and based on the PDCA management approach (Plan-Do-Check-Act), the Group has established its ESG management mechanism, and set up an ESG management structure consisting of four tiers from top to bottom: the Board of Directors (the "Board"), the Sustainability Committee, the ESG Joint Working Group and the departments relevant to ESG. The division of responsibilities at all tiers is clear, coordinated and unified, and they are committed to enhancing the Group's sustainability performance and creating economic, environmental and social integrated values.

Zhejiang Geely Holding Group Company Ltd., our parent company, officially became a participant of the "United Nations Global Compact" on 6 January 2022. As a member of Geely Holding Group, we also fully support the Ten Principles of the UN Global Compact on human rights, labor, environment and anti-corruption.

- Oversee and approve material ESG matters and the corresponding plans addressing these;
- Discuss the recommendations made by the Sustainability Committee and make decisions.

- Review sustainability's strategy, policies, risks, opportunities and material issues, and make recommendations to the Board;
- Monitor the implementation of sustainability strategy and coordinate required resources;
- Evaluate sustainability's progress and performance, and effectiveness of improvement measures.

- Handle ESG reporting and continuously follow up on the requirements of regulators, investors, and rating agencies;
- Carry out ESG gap analysis and feedback to the relevant parties within the ESG governance structure;
- Support the departments relevant to ESG to set ESG goals and plans aligning with sustainability strategy;
- Review improvement plans made by relevant departments to ensure meeting the requirements of ESG goals and plans;
- Assist the Sustainability Committee to carry out monitoring and evaluation.

- Set ESG related goals and implement the corresponding measures;
- Carry out self-check to ensure ESG goals are accomplished effectively;
- Develop ESG improvement plans and integrate into next year's work plan.

The Board approved the establishment of the Sustainability Committee in December 2020. The Sustainability Committee held 6 meetings from 2022 to present, and invited the key management personnel and the ESG Joint Working Group to discuss together on the following key discussion topics on the Group's planning on ESG development:

- ESG management status and gap analysis;
- Analysis on the ESG surveys of the Board, investors and other stakeholders;
- Measures to address climate change: carbon emission reduction and planning on target setting aligned with Science Based Targets Initiative (SBTi), specific implementation measures and review of progress;
- Improvement measures for other major ESG issues: responsible supply chain management and corporate governance;
- ESG strategic planning and related key implementation measures;
- Review the “Code of Business Conduct”, "Geely Supplier Code of Conduct", "Anti-corruption Policy" and “Terms of Reference of the Sustainability Committee” and their revisions;
- Review and approve the ESG report, and discuss the deficiencies identified in the preparation of the ESG report and the improvement measures;
- Selection of external ESG consultant and participation in ESG-related associations;
- Publicity on ESG.

Based on the above discussions, the Sustainability Committee provided recommendations on material issues to the Board for further review and approval. In addition, in order to ensure the close integration of the Group’s core strategy and ESG strategy, the Board also participated in the following:

- Through regular ESG work reports, keeping abreast of the latest ESG developments of the Group, including work progress and achievements, future room for improvement and plans (e.g., climate change, responsible supply chain management, the independence, diversity and compensation mechanism of the Board) , and identifying relevant opportunities and risks by understanding the requirements and expectations of regulators and investors on the Group’s ESG;
- All directors participated in ESG survey for the year, which included, the identification of material ESG issues, the expectations and suggestions for the Group’s ESG development;
- Making decisions on ESG strategies, targets on carbon emission reduction and carbon neutrality, and ESG key issues such as corporate governance improvement.

With the continuous promotion by the Sustainability Committee and the Board, the Group has made the following major progress in ESG from 2022 to present:

- Publicly announced the six major directions of "ESG Strategy" in March 2023;
- Publicly issued the Code of Conduct (2nd Edition) and the Anti-Corruption Policy (2nd Edition) in March 2023 to supersede the Code of Business Conduct and Anti-Corruption Policy publicly issued in March 2022;
- Officially became a TCFD Supporter in January 2023;
- Xi'an factory obtained the first zero-carbon factory certification among domestic automakers in November 2022, and became the only automaker selected for the 2022 industrial case of the APEC China CEO Forum "Sustainable China's Industrial Development Action";
- Obtained a sustainable club loan of US$400 million under the "Sustainable Finance Framework" in August 2022, and all proceeds would be used for the research and development and production of new energy vehicles;
- Launched the ESG strategic planning project in June 2022;
- Officially published the Sustainable Finance Framework in May 2022 and obtained the second party opinion of Sustainalytics;
- Committed to set science based targets aligning with SBTi in April 2022;
- Publicly announced short-term carbon emission reduction target and long-term carbon neutrality target in March 2022;
- Publicly issued the "Code of Business Conduct", "Geely Supplier Code of Conduct", and "Anti-corruption Policy" in March 2022.

In 2023, we will follow the six major directions set out in our ESG strategy and implement action plans for each of them. Besides, we will continue to assess the risks and opportunities for sustainable development in order to continuously improve the ESG strategy and its action plans.

ESG Training

In addition to establishing ESG management mechanism, we believe that the success of sustainable development depends on the participation of all Geely Auto's employees. Therefore, we conduct training on different ESG topics to popularize the awareness and importance of ESG among employees, such as:

- Training on "HSE Management under ESG Perspective": In August 2022, the Group launched training for employees and responsible persons of safety and environmental system to promote the introduction of new ESG concepts in traditional HSE management.
- Training on "How to transform the automotive industry under the ESG perspective": In September 2022, the Group held a training session on "Risk of nature loss and opportunities for transformation of nature positive economy".
- "Carbon Pathfinder Project" training: In August and October 2022, the Group's management staff participated in courses on carbon accounting (at the organizational and product levels), carbon market and carbon finance, carbon management system, and carbon asset development.
- Training on "G Carbon Cloud Platform": In December 2022, the Group organized 4 training sessions on "G Carbon Cloud Platform" to enhance the digitalization capability of the dual carbon management work, focusing on the carbon accounting methods and scope in different business scenarios.

For more ESG-related trainings, please refer to other chapters of this Report.

2.2 Stakeholder Engagement

The Group understands that sustainable development needs the support of all stakeholders. We highly recognize the importance of stakeholder engagement and have formed a regular communication mechanism. During the Reporting Period, we made the following improvements in communication with stakeholders:

- Actively responded to investors' ESG inquiries, and established ESG communication channels with investors through online and offline interviews and other forms to understand their views, goals and action suggestions on important ESG issues of the Group.
- Taking the opportunity of formulating ESG strategy, strengthened surveys and communication with internal and external stakeholders, and improved the awareness and participation of management and employees on ESG.

Geely Auto Stakeholders Engagement

Stakeholders	Concerned Issues	Communication and Feedback Channels	Communication Frequency
Investors	Carbon emissions and climate change Product quality and safety Corporate governance and risk management Compliance and integrity Responsible supply chain Pollution and waste management	Instant messaging and telephone communication	Weekly
		Investor meetings (online/offline)	Monthly
		Conferences for result announcement	Semi-annually
		General meetings	Annually and irregularly
		Roadshows and reverse roadshows	Semi-annually and irregularly
		Surveys	Annually
Employees	Occupational health and safety Compliance and integrity Product quality and safety Employee rights and interests Diversity and equity Employee training and development	Employee trainings (including online training platform)	Daily
		"Echo Community" online platform	Daily
		General Manager Reception Day	Annually
		Employee engagement conferences	Semi-annually
		Employee forums	Quarterly
		Mailboxes of the Chairman, Labour Union's Chairman, and Secretary of the Commission for Discipline Inspection	Weekly
		Surveys	Annually
Dealers	Product quality and safety Customer service and satisfaction Compliance and integrity	On-site visits and surveys	Monthly
		Dealer trainings	Monthly
		Surveys	Annually
Suppliers	Responsible supply chain Product quality and safety Carbon emissions and climate change Compliance and integrity Resource use and recycling Pollution and waste management	Supplier evaluation	Annually
		Communication on supply quality	Monthly
		Supplier trainings	Monthly
		Surveys	Annually
Customers	Product quality and safety Customer service and satisfaction Compliance and integrity Customer privacy Information security Sustainable mobility	Social media (WeChat official account, video account, Weibo account, etc.)	Daily
		Online and offline promotions	Monthly
		Customer satisfaction surveys	Annually
		Customer complaint and handling	Daily
		Drivers' club	Monthly
		Surveys	Annually
Government and Regulators	Compliance and integrity Carbon emissions and climate change Pollution and waste management Employee rights and interests Corporate governance and risk management	Communication with and reporting to government	Monthly
		Compliance information disclosure	Monthly
Communities	Social welfare and philanthropy Biodiversity	Philanthropy projects	Monthly
		Community communication	Monthly
		Surveys	Annually

The Group will consider the changes of the above stakeholders' demands in the ESG management, timely adjust the stakeholder engagement strategy, strengthen the stakeholders' understanding on our strategy and its implementation, and provide smooth feedback channels for stakeholders to put forward their views and expectations, thus helping the Group to continuously enhance and improve the ESG management mechanism.

2.3 ESG Materiality

Through identifying ESG material issues, we integrated stakeholders and their concerns into the ESG strategy planning and our operation and decision-making process, and combined ESG with daily operations to drive virtuous circular development.

During the Reporting Period, in order to better understand the demands and expectations of stakeholders, the Group conducted identification of material issues. We mainly focused on the material issues of the automobile industry by referring to the materiality map of SASB and disclosure guidelines by relevant regulatory authorities, as well as sustainability issues concerned by capital markets, rating agencies, international reporting standards organizations and peers. During the Reporting Period, we further improved our identification of material ESG issues:

- Combining the latest situation of the Group and the ESG strategy formulation work, further optimized the description of the issues involved in the surveys, so that stakeholders can more accurately understand and evaluate the importance of each issue;
- On the basis of the standardized survey, set differentiated questions to understand the evaluation of the Group's ESG efforts by specific stakeholder groups to help us to identify room for improvement and focus of ESG efforts.

During the Reporting Period, the Group assessed and analyzed material issues through the following processes:

1 Identification

Identified 7 important stakeholder categories and 17 potential material issues.

Identify important stakeholders:

Investors, the Board, management and employees, suppliers, dealers, users and communities.

Method: Identified the important stakeholders closely related to the Group in terms of decision-making power, influence, etc. according to the Group's own business scope, nature of production and operation.

Identify potential material issues:

Sources: Disclosure guidelines of regulatory authorities, capital markets, rating agencies, international reporting standards organizations and peers.

Issue Categories: Environmental, social, consumers and governance.

2 Evaluation

Made a communication plan with stakeholders, and conducted comprehensive and in-depth surveys.

Surveys for material issues with stakeholders:

Conducted internal and external stakeholder surveys. Participants included the important stakeholders in "Identification".

3 Order of Importance

Used surveys to understand the priority issues of concern to the stakeholders, prepared the importance matrix based on the importance to Geely Auto's business development and stakeholders respectively, and identified 6 ESG issues that were extremely important to the Group, 9 very important ESG issues and 2 important ESG issues through matrix analysis. Except for the upgrade in "resource use and recycling" and the downgrade in "customer service and satisfaction", the materiality of ESG issues in 2022 is basically the same as that in 2021.

4 Review & Approval

After review by the Sustainability Committee, the Board examined the consistency with the Group's planning, and finally approved the material ESG issues.

Geely Auto 2022 ESG Materiality Matrix

Materiality	Issues	Issue Category	Strategic Category	Corresponding Chapter	Sustainable Development Goals
Extremely important	Carbon emissions and climate change	Environmental	Climate neutrality	3 Climate Neutrality	7, 9, 11, 12, 13
	Product quality and safety	Consumer	All-round safety	6 Consumer Interest	3, 9
	Corporate governance and risk management	Governance	Governance and ethics	5 Governance and Compliance	16
	Compliance and integrity	Governance	Governance and ethics	5 Governance and Compliance	16
	Responsible supply chain	Social	Co-Prosperity	7 Sustainable Value Chain	8, 12, 16, 17
	Resource use and recycling	Environmental	Nature positive	4 Environmental Protection	6, 9, 12
Very important	Pollution and waste management	Environmental	Nature positive	4 Environmental Protection	6, 9, 12
	Customer service and satisfaction	Consumer	Co-Prosperity	6 Consumer Interest	11, 12
	Occupational health and safety	Social	Co-Prosperity	8 Employee Rights	3, 8
	Information security	Governance	Digitalization & innovation	5 Governance and Compliance	9, 16
	Sustainable mobility	Consumer	All-round safety Co-Prosperity	6 Consumer Interest	9, 11
	User privacy	Consumer	Digitalization & Innovation	6 Consumer Interest	16
	Employee rights and interests	Social	Co-Prosperity	8 Employee Rights	8, 10
	Employee training and development	Social	Co-Prosperity	8 Employee Rights	8
	Diversity and equity	Social	Co-Prosperity	8 Employee Rights	5, 8, 10
Important	Biodiversity	Environmental	Nature positive	4 Environmental Protection	14, 15
	Social welfare and philanthropy	Social	Co-Prosperity	9 Community and Philanthropy	1, 2, 3, 4, 8, 10, 11, 14

Based on the aforementioned survey results on material issues, we examined the consistency between the results and the current ESG strategy, further strengthened the management and disclosure of material issues, and sufficiently reviewed the effectiveness in business planning and improvement. At the same time, we focused on the four aspects of "environment", "society", "consumers" and "governance", and improved the planning, implementation, checking and improvement of ESG issues in accordance with the PDCA management model to promote the true integration of ESG into the business activities and develop towards a virtuous circle, so as to respond to and meet the requirements and expectations of important stakeholders.

2.4 ESG Recognition

ESG Ratings/Indices

As of March 2023

MSCI ESG Ratings	A
Sustainalytics ESG Risk Ratings	Low Risk 17.8
S&P Global Corporate Sustainability Assessment	55
Transition Pathway Initiative (TPI) Management Quality	Level 3

Hang Seng ESG 50 Index	Constituent
Hang Seng Corporate Sustainability Benchmark Index	Constituent
FTSE4Good Index Series	Constituent
Hong Kong Business Sustainability Index	Top 20, Achiever
Greater China Business Sustainability Index	Top 20, Achiever

ESG Awards

- **Standard Chartered Corporate Achievement Awards 2022** - Sustainable Corporate (Environmental) Leadership Award
- **Ernst & Young Sustainability Excellence Awards 2022** - Excellence Award for Companies
- **The KPMG China Future - ESG Awards** - 2022 Best ESG Report Award (Non-Financial)
- **GoldenBee CSR Report Honor Roll 2022** - Leading Enterprise

2.5 Sustainable Finance

In May 2022, the Group published its "Sustainable Finance Framework" (the "Framework) and obtained a second party opinion from Sustainalytics, an international authoritative firm on ESG ratings and research. The Framework covers Geely Auto's future issuance of green, social and sustainability bonds, loans, among other financing instruments. The publication of the Framework will help Geely Auto obtain appropriate financing arrangements for its sustainable development projects, achieve its commitments to sustainable development, and align its financing strategy with the global best practices in ESG debt issuance. In addition, sustainable finance will further enhance Geely Auto's financing efficiency, reduce debt financing costs, expand diversified financing channels, and enable Geely Auto to continuously maintain its advantages in financing categories and costs.

In August 2022, the Group was granted a sustainable club loan of US$400 million in accordance with the Framework. The proceeds from this loan were fully used to finance research and development of electric vehicles and procurement of batteries for manufacture of electric vehicles, to support the realization of carbon emission targets. The Group engaged Sustainalytics to review the projects financed with the proceeds from this loan and provide an assessment as to whether the projects met the use of proceeds criteria and reporting commitments outlined in the Framework. The following is the annual review report issued by Sustainalytics:

SUSTAINALYTICS
a Morningstar company
SECOND-PARTY OPINION

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Geely Automobile Holdings Limited

Type of Engagement: Annual Review
Date: 30 March 2023
Engagement Team:
Mahesh Krishnamoorthy, mahesh.krishnamoorthy@morningstar.com
Torres Chan, torres.chan@morningstar.com

Introduction

In August 2022, Geely Automobile Holdings Limited (Geely Auto) issued its sustainable club loan intended to finance automobile R&D and automobile component procurement.[1] In March 2023, Geely Auto engaged Sustainalytics to review the projects financed with proceeds from issued sustainability loan (USD400 million) and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Geely Automobile Holdings Limited Sustainable Finance Framework (the "Framework")[2]. Sustainalytics provided a Second-Party Opinion on the Framework in April 2022.[3]

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the sustainability loan based on whether the projects and programmes:

1. Met the Use of Proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one Key Performance Indicator (KPI) for each use of proceeds category defined in the Framework.

Table 1: Use of Proceeds Categories, Eligibility Criteria[4]

Use of Proceeds Category	Use of Proceeds Sub-category	Eligibility Criteria
Clean Transportation	Electric Vehicles	• Investments and expenditures for the design, development and manufacturing of zero emission vehicles that are battery electric vehicles ("BEV"), hybrid electric vehicles ("HEV"), plug-in hybrid electric vehicles ("PHEV") and methanol hybrid vehicles. o Research and development dedicated to the technology and production of zero emission vehicles or hybrid vehicles with an emission threshold at or below 75gCO2/km or 120.7gCO2/mile, which include testing, development of facilities, tooling and manufacturing of the abovementioned vehicles
		o Projects related to the development and installation of vehicle charging infrastructure dedicated to electrified transport and intelligent battery swapping ecosystem (when separable from fossil fuel filling stations and garages) o Investment in BEV companies
	Electric Vehicle Batteries	• Investments and expenditures in Projects related to the manufacturing and/or procurement of components for battery electric vehicles ("BEV"), hybrid electric vehicles ("HEV"), plug-in hybrid electric vehicles ("PHEV"), and methanol hybrid vehicles such as batteries and powertrains, as well as remanufacturing and/or recycling of batteries.

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Table 2: Key Performance Indicators

Use of Proceeds	Key Performance Indicators
Clean Transportation	• Reduction in Scope 3 GHG emissions per vehicle kilometre from use of sold products • Expected/achieved new production capacity of EVs • Number of BEVs, HEVs, PHEVs, and methanol hybrid vehicles manufactured • Number of EV charging ports/stations installed • Number of BEVs, HEVs, PHEVs, and methanol hybrid vehicles financed • Estimate of the lifetime reduction in CO2 emissions achieved by the BEVs, HEVs, PHEVs and methanol hybrid vehicles financed by the Sustainable Debt Instrument proceeds

Issuer's Responsibility

Geely Auto is responsible for providing accurate information and documentation relating to the details of the funded projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of Geely Auto's sustainability loan Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Geely Auto and review of said documentation to assess conformance with the Geely Automobile Holdings Limited Sustainable Finance Framework.

Sustainalytics relied on the information and the facts presented by Geely Auto. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Geely Auto.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed projects do not conform with the use of proceeds criteria and reporting commitments in the Geely Automobile Holdings Limited Sustainable Finance Framework. Geely Auto has disclosed to Sustainalytics that the proceeds from the sustainability loan were fully allocated as at January 10, 2023.

1 Geely Auto, "Geely Auto Secures US$400m Sustainable Club Loan to Accelerate Green Transformation", (2022), at: https://global.geely.com/en/news/2022/geely-auto-sustainable-club-loan.
2 The Framework is published on Geely Auto's website and is available at: http://www.geelyauto.com.hk/core/files/corporate_governance/en/Sustainable%20Finance%20Framework.pdf
3 Geely Automobile Holdings Limited Sustainable Finance Framework Second-Party Opinion is on Geely Auto's website at: http://www.geelyauto.com.hk/core/files/corporate_governance/en/Second%20Party%20Opinion%20on%20Sustainable%20Finance%20Framework.pdf
4 The Framework defines seven green use of proceeds categories and one social use of proceeds category. Geely Auto allocated proceeds to one green category: Clean Transportation

Annual Review
Geely Automobile Holdings Limited

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Detailed Findings
Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the 2022 sustainability loan from August 2022 to January 2023 to determine if projects aligned with the use of proceeds criteria outlined in the Framework and Table 2.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the 2022 sustainability loan from August 2022 to January 2023 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 2. For a list of KPIs reported, please refer to Appendix 2.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices
Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Use of Proceeds Sub-category	Project Number	Project Description	Net Loan Proceeds Allocation (RMB in million)	Net Loan Proceeds Allocation (USD in million)	Project Type
Clean Transportation	Electric Vehicles	Project 1	R&D of Model GE13	382.76	55.18	Refinancing
		Project 2	R&D of Model GE11-AB	203.99	29.41	
	Electric Vehicle Batteries	Project 3	Battery Procurement of Geely BEV Models	2188.05	315.42	
Total				2774.80	400.00	–

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Use of Proceeds Sub-category	Project Number	Number of BEVs, HEVs, PHEVs, and Methanol Hybrid Vehicles Manufactured
Clean Transportation	Electric Vehicles	Project 1	23,357
		Project 2	97,710
	Electric Vehicle Batteries	Project 3	39,072

5 Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the issuing entity, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.
6 Data as of February 28, 2023

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About Sustainalytics, a Morningstar Company
Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com
Or contact us contact@sustainalytics.com

3 Climate Neutrality

Material Issues

- Carbon Emissions and Climate Change

Carbon Reduction Targets

Short-term: With 2020 as baseline, lifecycle carbon emissions per vehicle to be **reduced by 25%+** by 2025

Long-term: Achieve **carbon neutrality** by 2045

Progress: Lifecycle carbon emissions per vehicle **(↓ 8%)** compared to baseline

Carbon Reduction in Vehicle Use

- Sales volume of BEVs: **262k units (↑ 328%)**, accounting for **18.3% (↑ 13.7%)** of total sales volume
- Sales volume of PHEVs: **66k units (↑ 219%)**, accounting for **4.6% (↑ 3.1%)** of total sales volume
- Average tailpipe carbon emission intensity: **179.15 gCO_2e/km (↓ 9.87%)**
- Corporate average fuel consumption: **5.23 L/100 km (↓ 15%)**
- Average fuel consumption credits: **1,891,821**; New energy vehicle credits: **836,077**

Carbon Reduction in Manufacturing

- Percentage of renewable energy consumption in vehicle plants' energy consumption: **18% (↑ 12%)**
- Percentage of renewable electricity in vehicle plants' electricity use: **36% (↑ 25%)**
- Total photovoltaic installed capacity: **307 MW (↑ 179%)**
- Energy management system covers **70%** vehicle plants
- Xi'an, Zeekr PMA, Lynk & Co's Yuyao factories use **100%** renewable electricity
- Xi'an factory has obtained the five-star certification of "Zero Carbon Factory"

Carbon Reduction in Supply Chain:

- Percentage of Tier-1 suppliers using renewable electricity: **30%**
- Percentage of Tier-1 core suppliers using **100%** renewable electricity: **10%**

Future:

- Climate Neutrality
- Nature Positive

3.1 Climate Stategy

Carbon emissions and climate change is a core ESG issue of the Group. With "Carbon Neutrality by 2045" as the long-term goal, we have formulated the "Climate Neutrality" Strategy, and are committed to becoming a leader in the automotive industry to cope with climate change and making a transition to the 1.5°C pathway aligning with the Paris Agreement. During the Reporting Period, we announced a short-term target of "With 2020 as baseline, lifecycle carbon emissions per vehicle to be reduced by 25%+ by 2025", and finally achieving the goal of "Carbon Neutrality by 2045".

The Group's "Climate Neutrality" strategy's key actions are as follows:

- Establish a climate resilience management system: improve the climate resilience management system from the aspect of governance structure, risk and opportunity management, product carbon footprint, carbon footprint verification, internal carbon pricing and system certification to enhance the capacity to identify, address and adapt to climate risks
- Comprehensive transition towards new energy products, with a target of new energy vehicles accounting for 50%+ of total sales volume in 2025:
  - Geely brand: 7 medium-to-high-end new energy products in Galaxy series expected to be launched within 2 years
  - Lynk & Co brand: Increase the investment in the research and development of new energy products, 7 brand new products expected to be launched within 3 years and stop investing in combustion-engine vehicles
  - Zeekr brand: 6 intelligent pure electric models expected to be launched wihin 3 years
- Accelerate development of zero-carbon factories:
  - Manufacturing: Develop 3 or more zero-carbon factories by 2025
  - Supply chain: Actively share the experience in zero-carbon factories development and utilize the advantages of Geely's systems to empower suppliers, and promote collaboration with supply chain on carbon reduction
- Recycled and low-carbon materials: Build a closed loop system for material recycling jointly with the suppliers to gradually achieve the application of recycled materials including steel, aluminum and plastic, improve the proportion of recycled materials and increase the procurement of low-carbon products
- Develop methanol economy: Build a city model using vehicle-station collaboration, popularize the application scenarios of methanol vehicles, and establish an industrial chain involving research and development, manufacturing and use of low-carbon green methanol vehicles

The Group will continue to identify the risks and opportunities related to climate changes, assess the effectiveness of the "climate neutrality" strategy on a regular basis, adjust the key actions as appropriate, and disclose the strategic adjustment and implementation progress in future ESG reports.

Science based targets implementation progress

In April 2022, Geely Auto officially submitted the commitment to the Science Based Targets initiative (SBTi) to set a target for the near term in accordance with the standards of SBTi, and set a long-term target to achieve net zero emissions by 2050. In addition, Geely Auto also participated in the "Business Ambition for 1.5°C" led by SBTi and other organizations, and the "Race to Zero" campaign led by the United Nations. We have taken into account the conditions required to achieve the science based targets when developing the "Climate Neutrality" strategy and the implementation measures. Currently, we are conducting research together with external experts, business units and suppliers to set a pragmatic emission reduction target, and plan to submit to SBTi for validation by April 2024.

3.2 Lifecycle Carbon Management

During the Reporting Period, the Group completed the carbon footprint verification of 2020 and 2021 and taking the climate-related risks and opportunities into account, to assess business development strategy. We announced the target of "With 2020 as baseline, lifecycle carbon emissions per vehicle to be reduced by 25%+ by 2025 and achieve carbon neutrality by 2045." in March 2022.

The Group's carbon management is based on the carbon footprints throughout the product lifecycle. We identify and compute the carbon emission sources and their impacts and then classify the carbon emission sources according to the nature of business. Classification of carbon emission sources:

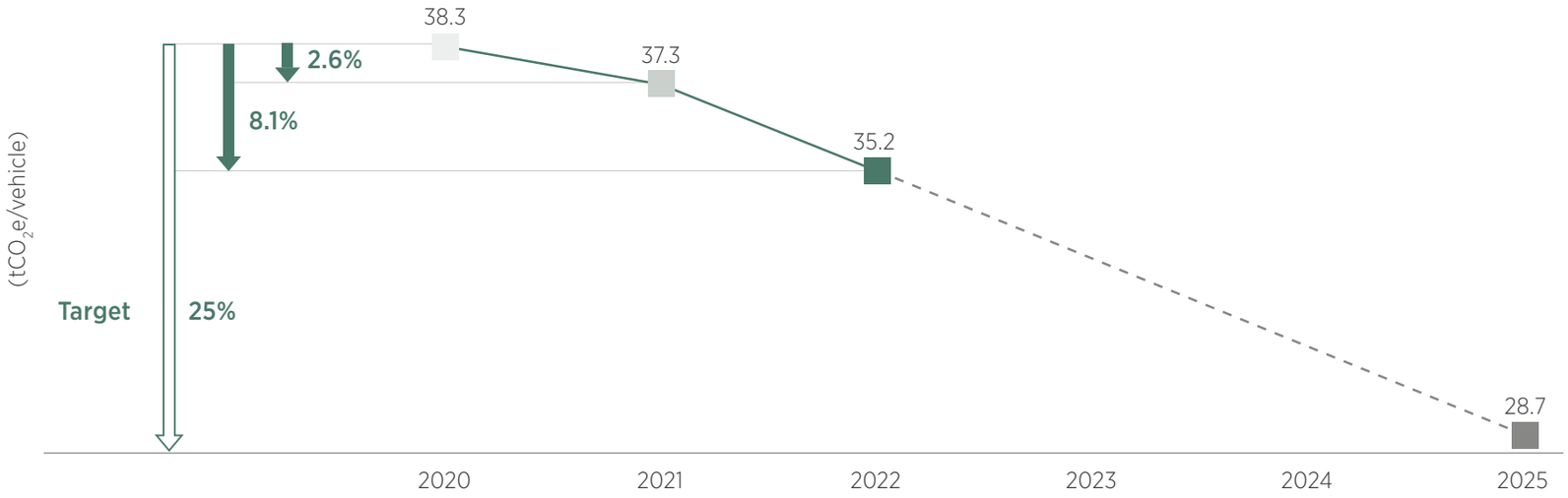
- Vehicle use (Scope 3 – use of sold products)
- Manufacturing (Scope 1 and 2)
- Supply chain (Scope 3 – purchased goods and services)
- Logistics (Scope 3 – transportation and distribution)
- Others (Scope 3 – employee commuting and business travel)

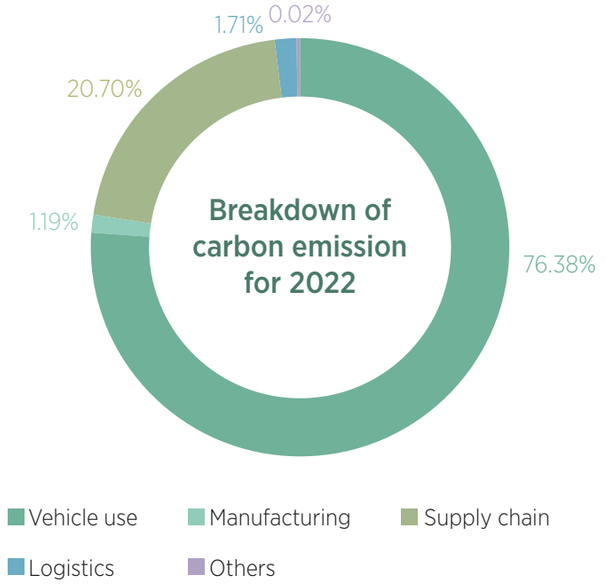
We have planned the corresponding action routes for carbon emission reduction based on the above classification. We will review the progress of each route through carbon footprint verification at least once a year and conduct investigations and planning improvement (as the case may be) based on the annual assessment of climate risks and opportunities to achieve our carbon emission reduction goal more effectively.

During the Reporting Period, Geely Auto participated in the working group on formulating national standard for lifecycle carbon emission accounting for passenger cars and completed the preparation of the "Technical Specification for Lifecycle Carbon Emission Accounting for Road Vehicles" and the "Specification for Greenhouse Gas Emission Accounting and Reporting for Vehicle Manufacturing Enterprises", helping to promote the construction of a carbon emission accounting standard system.

The lifecycle carbon emissions per vehicle in 2022 were 35.2 tCO_2e, representing a decrease of 8.1% from 2020 baseline and a decrease of 5.6% from 2021, which is in line with the progress of the 25% carbon reduction target by 2025.

Lifecycle carbon emissions per vehicle





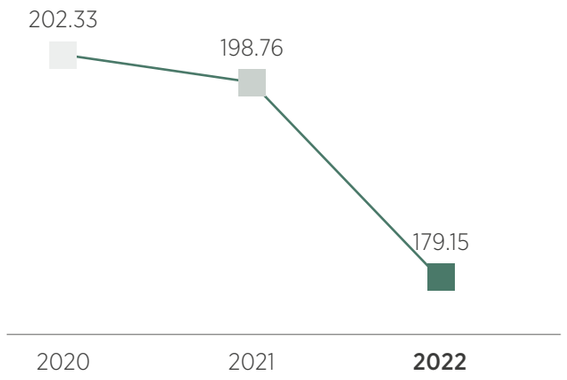
3.2.1 Vehicle Use Carbon Reduction

Vehicle use carbon emissions (scope 3 – use of sold products) are the most significant carbon emission source of the Group, which are generated from fuel combustion during the direct use of vehicles sold by the Group and the production and distribution of fuel and electricity during the use of vehicles. In order to accelerate the new energy transformation and reduce the vehicle use carbon emissions, the Group announced the "Two Blue Geely Action Plans" and the "Smart Geely 2025" strategy in 2021, and proposed the target of reducing vehicle use average carbon emission by more than 30% by 2025. Through formulation of the "Climate Neutrality" strategy, the Group further proposed the target of the sales proportion of new energy vehicles (battery electric vehicles "BEVs and PHEVs") reaching over 50% by 2025, so as to speed up the carbon reduction in vehicle use.

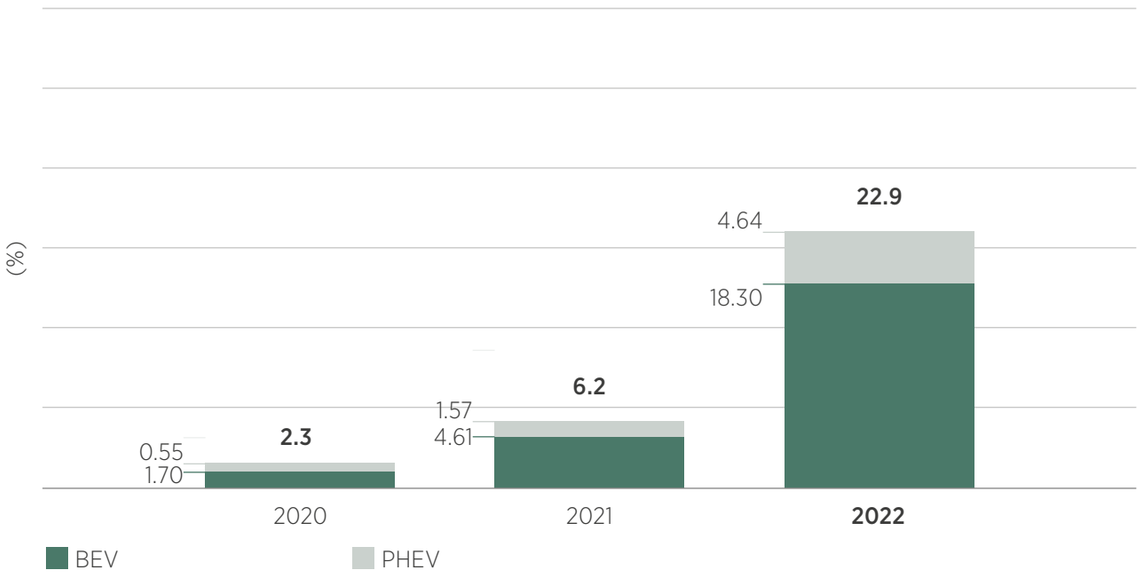
During the Reporting Period, the Group focused on new energy transformation and launched competitive new energy vehicles, and sold 262,253 BEVs and 66,474 PHEVs respectively. The sales volume of new energy vehicles significantly increased by 300% compared to 2021, and accounting for 22.9% of the total sales volume (2021: 6.9%). Therefore, the vehicle use carbon emissions (scope 3 – use of sold products) of the Group reduced to 26.87 tCO_2e per vehicle (2021: 29.81 tCO_2e per vehicle) or 179.15 tCO_2e/km (2021: 198.76 tCO_2e/km), with a decrease of 11.5% compared with 2020 baseline.

*: Unless otherwise stated, the scope of the Group's vehicle product sales volume and the relevant proportions as set out in this Report includes "Lynk & Co" and "Livan" vehicles sold by the Group's two 50%-owned joint ventures, namely Lynk & Co Investment Co., Ltd. and Chongqing Livan Automotive Technology Company Limited

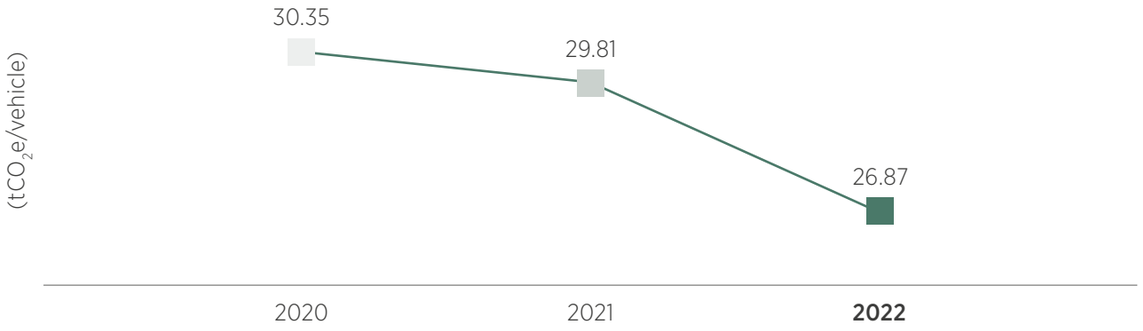
Average tailpipe carbon emission intensity (gCO_2e/km)



Proportion of new energy vehicles in total sales volume



Greenhouse gas emission ("GHG") intensity (scope 3: use of sold products)



3.2.1.1 BEVs

During the Reporting Period, the Group's sales volume of BEVs increased by 328% to 262,253 units (2021: 61,329 units). Each brand's BEV development during the Reporting Period and its future planning are as follows:

Geely brand

The new energy models of the Geely brand consist of two series: Geometry and Galaxy.

Geometry series are positioned as "fashionable and intelligent", and focus on the "economical new energy" pure electric segment, and launched Geometry E and G6/M6 during the Reporting Period, and the total sales volume of Geometry series was 149,389 units, up by 170% year-on-year. Geometry E was awarded "2022 China Auto Low Carbon Leader Model" by "International Seminar of 2022 China Auto Low Carbon Action". In 2023, Geometry series will launch pure electric micro SUV model "Geely Geometry Panda Mini".

The Group launched the Geely Galaxy series in early 2023 to focus on the "mid-to-high-end new energy" segment. The Geely Galaxy series include two major routes, electric hybrid and pure electric. We plan to launch 3 intelligent pure electric models during 2023-2025, including Geely Galaxy E8 pure electric sedan in 2023. All Geely Galaxy products will be equipped with advanced leading technologies such as "Aegis Battery Safety System".

Zeekr

Zeekr targets at the luxury BEVs market, and its first model, Zeekr 001, is the first intelligent luxury pure electric coupe built based on Geely Sustainable Experience Architecture ("SEA") and has outstanding features including pole core battery pack, NTP technology, self-developed BMS system, etc. Its NEDC range can achieve up to 712 km. During the Reporting Period, the sales volume of Zeekr 001 was 71,941 units, ranked the first in terms of sales volume of Chinese brand BEVs models at a price of RMB300,000 or more.

In November 2022, Zeekr launched the first medium-to-large pure electric MPV, Zeekr 009, with a CLTC driving range of 822 km, making it the world's first pure electric MPV with a driving range of more than 700 km, and started delivery since January 2023.

In 2023, Zeekr will launch pure electric SUV Zeekr X and a new model of pure electric sedan, and will enter the European market to accelerate the globalization of electric vehicles, so as to achieve the target of sales volume of 650,000 units by 2025.

Livan

Livan is a battery swapping vehicle brand which belongs to the joint venture established by the Group and Lifan Technology (Group) Co., Ltd. With the feature of quick battery swapping, it can improve the operation efficiency of business customers and provide individual consumers with convenient experience in using BEVs. During the Reporting Period, Livan has sold a total of 56,140 units, and the battery swapping ecosystem has covered Hangzhou, Chongqing, Jinan, Tianjin, Nanjing, Changsha and Suzhou.

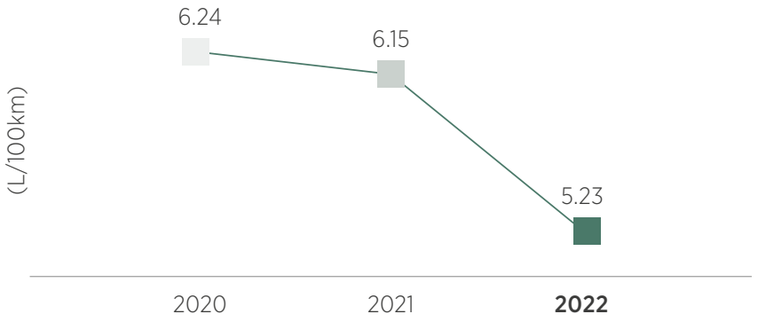
Livan launched the first battery swapping SUV Livan 9 in November 2022. It supports 4 recharging modes: 1-minute fast battery swapping, 40-minute fast charging, 7kW home charging pile, and 2kW slow charging. Livan will launch Livan R7 in 2023.

Dual credit management

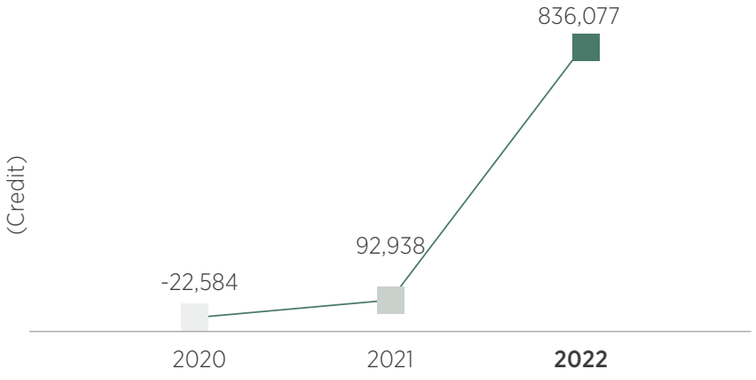
Our performance in new energy transformation effectively improved the Group's average fuel consumption level, thereby greatly improving our dual credit performance in Chinese market.

We have formulated strategy for dual credit performance, planned the proportion of energy-saving and new energy products, formulated energy consumption target of new products, and set up the procedure monitoring mechanism, to manage the Group's owned dual credits.

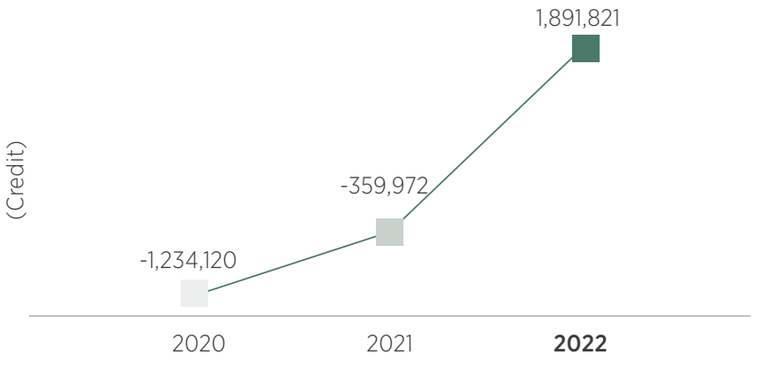
Corporate Average Fuel Consumption



NEV credit



Average fuel consumption credit



Note: Geely Holding Group's subsidiaries, in possession of the automobile catalogue, performed final assembly of the complete knock down kits purchased from the Group (including Geely brand, Zeekr, Lynk & Co and Livan), facilitated payment of the PRC consumption tax, and then sold the complete buildup units assembled back to the Group for distribution. The double credits and corporate average fuel consumption were determined based on these companies' respective figures arising from these complete buildup units. The corporate average fuel consumption is based on NEDC (2020) and WLTC (2021-2022). The dual credits' official results of 2022 will be announced by the Ministry of Industry and Information Technology in June 2023.

3.2.1.2 PHEVs and Hybrid Electric Vehicles ("HEVs")

We continue to carry out the research and development of ultra-low emission technology in order to meet more stringent emission regulations. In addition, we improve the thermal efficiency of the engine through the small displacement energy-saving technology, reduce the energy loss of the engine, and reduce the energy consumption and emissions of PHEVs and HEVs. During the Reporting Period, the sales volume of PHEVs and HEVs of the Group were 66,474 units (2021: 20,841 units) and 25,744 units (2021: 636 units), respectively.

Geely Auto launched NordThor Hi·X hybrid system in 2021, consisting of high-performance hybrid engine, DHT Pro transmission and power battery. With recycled materials and lightweight performance, it can effectively reduce the vehicle's lifecycle carbon emissions. During the Reporting Period, NordThor high-performance hybrid engine BHE15 was awarded the title of "Top Ten Engines of China Heart 2022". This is the ninth consecutive year that Geely Auto's engine has won this award.

Based on the NordThor powertrain technology, we continuously enrich the hybrid product line, to provide low-carbon mobility experience with low energy consumption, low emissions and long driving range. For example, Xingyue L NordThor Hi·F launched in 2022 has an official acceleration from 0 to 100 km/h in 7.9 seconds, a WLTC fuel consumption of 4.79 L/100 km, and an official measured comprehensive driving range of over 1,300 km. In 2022, a total of 5 HEVs and 3 PHEVs under Geely brand and Lynk & Co equipped with NordThor hybrid system were in production and launched. By 2023, a total of 14 models with NordThor hybrid systems are expected to be launched.

At the beginning of 2023, a new generation of "NordThor Electric Hybrid Engine B-Plus" was launched, and 4 intelligent electric hybrid products in the Geely Galaxy series are expected to be launched by 2024, including Geely Galaxy L7 SUV and Geely Galaxy L6 sedan to be introduced in 2023. Geely Galaxy L7 SUV has an ultra-high thermal efficiency of 44.26%. It is equipped with a predictive energy management system in terms of intelligent control, which brings ultra-low energy consumption and electric energy recharging efficiency, and the energy saving rate can be increased by 15%. At the same time, it is equipped with the NordThor 8848 Powertrain, which can achieve acceleration from 0 to 100 km/h in 6.9s, fuel consumption per 100 km is only 5.23 L when lacking electricity and CLTC comprehensive driving range of 1,370 km.

Recognition for green products:

22 models of Geely Auto have been selected into the list of green design products by the Ministry of Industry and Information Technology, and 9 models obtained C-ECAP Platinum Certification, ranking the first in terms of the number of models selected in the industry.

3.2.1.3 Alternative Fuels and Other New Energy Technologies

In addition to hybrid technology and pure electric technology, the Group continues to develop technologies such as methanol alternative fuel and hydrogen fuel cells, so to create a diversified new energy system for automotive products.

Methanol vehicles

Methanol vehicles are an important part of Geely Auto's diversified energy system with in-depth research for 18 years. In 2022, we launched our fourth-generation Emgrand methanol-electric hybrid model with NordThor hybrid systems, which is the world's first methanol hybrid car. It is equipped with a 1.8 L methanol-electric hybrid engine and a hybrid electric transmission, which reduce methanol consumption by over 40%. Methanol consumption per 100km is 9.2 L, and the travel cost per km is less than RMB0.3. For every 10,000 km driving distance, about 0.8 tonnes of carbon can be reduced.

In February 2023, the first 100,000-tonne green low-carbon methanol plant jointly invested by Geely Holdings Group and Henan Shuncheng Group will be commissioned in Anyang. It is a CO_2 hydrogenation green low-carbon methanol plant that uses a leading CO_2 capture purification process to produce 110,000 tonnes of green low-carbon methanol per year, which can directly reduce CO_2 emissions by 160,000 tonnes. At the same time, we are actively exploring more carbon capture technologies, such as using by-product coke oven gas and carbon dioxide from annual industrial waste gas capture as feedstock, combined with Iceland Carbon Recycling's leading green methanol synthesis process to obtain more green low-carbon methanol.

Hydrogen engine

Hydrogen fuel engines continue to use the main structure and systems of traditional internal combustion engines, but use industrial by-product hydrogen as the main fuel, which can significantly reduce fuel costs and achieve lower carbon emissions. During the Reporting Period, the hydrogen fuel engine independently developed by the Group can achieve an effective thermal efficiency of 44%, and its thermal efficiency index is leading in China.

3.2.1.4 Education for Sustainable Consumption

We guide our dealers to convey responsible consumption concepts and purchase decisions to consumers, and advocate sales staff to be aware of the health, safety and environmental performance of products (e.g., fuel consumption, emission standards, etc.). Besides, the new energy version of products will be introduced to consumers for more eco-friendly purchase choices and enhance consumers' ability to evaluate products. In addition, we gradually guide our dealers to provide or advise consumers on recycling and disposal services for old or obsolete power batteries during after-sales services.

The Group also attaches great importance on communicating low-carbon and recycling awareness to consumers. Through Hi·X Smile, a sustainable development brand derived from NordThor Hi·X, we jointly released the first "coffee grounds environmental protection gift box" product with environmental protection organizations.

Zeekr Z-Green explored the mystery of zero carbon with customers

In June 2022, Z-Green, the Zeekr carbon inclusive platform, was launched, which applied technology to the field of environmental protection, helped users to calculate the carbon emission reduction in driving electric vehicle, and let customers feel the contribution to carbon neutrality. As of the end of the Reporting Period, the number of Zeekr users participating in the Z-Green carbon reduction action was 60,907, including 15,749 tonnes of carbon reduction by driving the Zeekr 001, 15 tonnes of carbon reduction by walking and a total of 15,764 tons of carbon reduction were realised.

Zeekr encourages customers to participate in the ranking activity of carbon reduction. The credits gained by customers through individual carbon reduction on the Z-Green platform can be exchanged for environmentally friendly merchandise, car charging services, etc.

Meanwhile, Zeekr shares low-carbon knowledge with customers weekly. As of the end of the Reporting Period, Z-Green has released a total of 29 low-carbon knowledge sharing sessions. Zeekr also led customers to experience the charm of sustainable life by holding various carbon neutrality theme seminars, daily items recycling, mountain waste collection, low-carbon exhibitions and other activities.

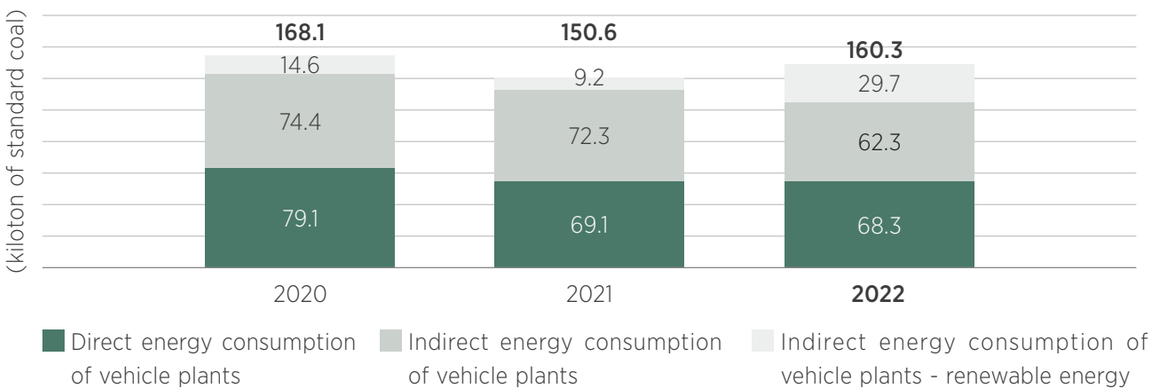
Zeekr promotes customer participation in carbon inclusive actions, actively implements the dual carbon goals and promotes comprehensive green development of society.

3.2.2 Manufacturing Carbon Reduction

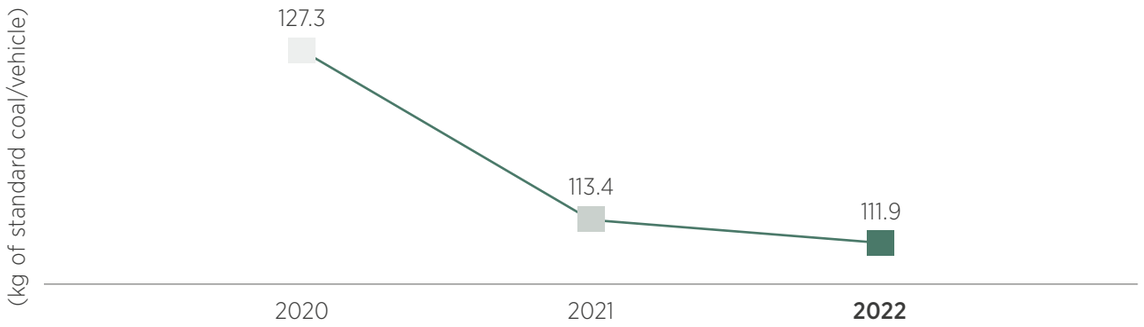
Carbon emissions in manufacturing mainly come from direct emissions during vehicle production and indirect emissions from energy consumption in plant operations. We focus on energy saving and consumption reduction and clean energy substitution to promote carbon reduction in manufacturing. We have set an implementation route of reducing carbon emissions by 50% in manufacturing by 2025. In 2022, the energy consumption per vehicle produced and the total GHG emissions of vehicle plants were reduced by 12.10% and 24.78% respectively compared with 2020.

Vehicle plants energy consumption:

Direct and indirect energy consumption of vehicle plants



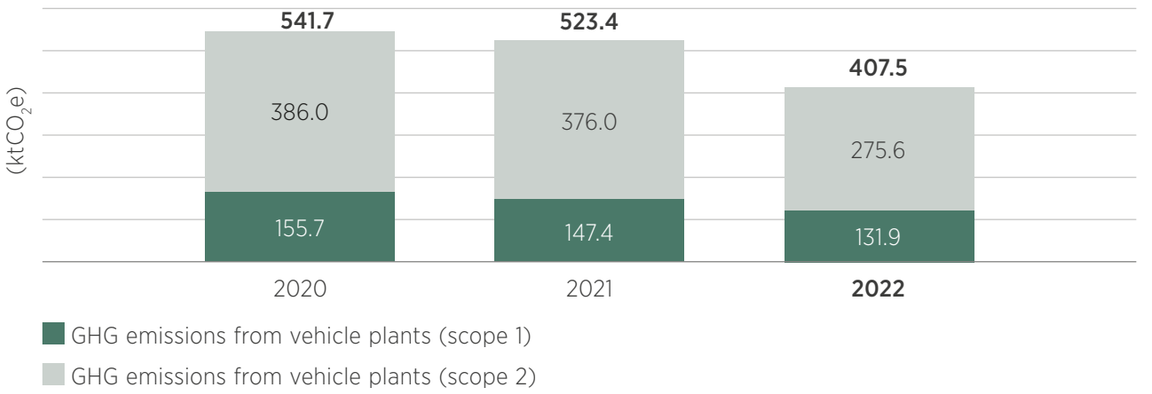
Total direct and indirect energy consumption intensity of vehicle plants



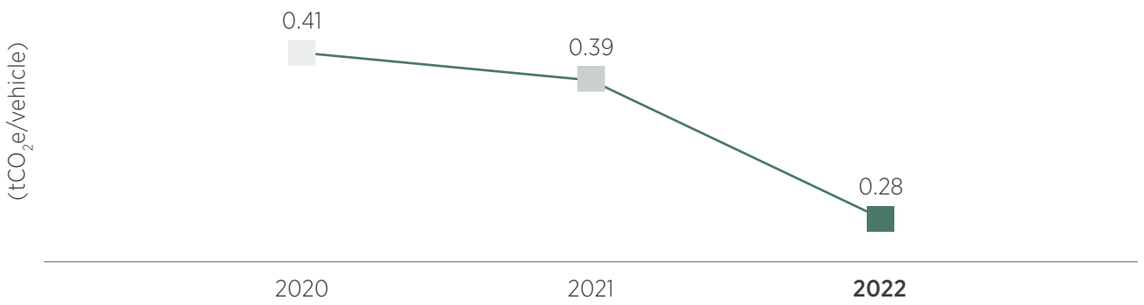
Note: Calculation of the above energy consumption intensity include the following types of renewable energy: photovoltaic (2020-2022), hydroelectricity (2020) and purchase of international renewable energy certificates (I-REC) (2022)

GHG emissions of vehicle plants:

GHG emissions of vehicle plants



GHG emissions intensity of vehicle plants



Note: There is no carbon offset for the data in 2020 and 2021. The data in 2022 includes the carbon credits offset and the offset from purchase of international renewable energy certificate (I-REC).

Main measures for energy saving and consumption reduction:

- Set up annual energy consumption management goals, and split them into production plants, monitor and analyze energy data and evaluate the benefits generated by energy conservation and emission reduction projects;
- Efficiently manage carbon emissions of factories and formulate emission reduction plans accordingly, relying on the "G Carbon Cloud" platform launched by Geely Digital Technology, a subsidiary of Geely Holding Group;
- Continue to promote the deployment and upgrade of the EMS energy management system. In 2022, the EMS energy management system covers 70% of the vehicle plants.

Creating an energy management system platform EMS 2.0

In order to efficiently manage the energy consumption data of each production plant, we cooperated with the industrial Internet platform "Geega" to develop an energy management system platform (EMS 2.0) suitable for the advanced manufacturing and energy management system requirements of the automobile industry, and deeply optimize the control of boilers, air conditioners, water pumps and other high-energy-consuming equipment. At present, the platforms have been deployed in four production plants, and have achieved significant energy-saving and consumption-reducing effects.

Optimizing coating drying system of Hangzhou Bay factory

In Hangzhou Bay factory, we monitor the working conditions of the coating drying system with the energy management system and make corresponding improvements, for example, by changing the heating rate of each heating system (the heating rate of the incinerator is increased from 0.150°C/s to 0.245°C/s) and optimizing the startup and shutdown time, which reduced 104,800 standard cubic meters of natural gas usage.

Main measures for clean energy substitution:

- Set up a photovoltaic special working group to speed up the process of photovoltaic construction projects. In 2022, the total photovoltaic installed capacity reached 307 MW, and the renewable electricity (including photovoltaic and the purchase of I-REC) in the vehicle plant accounted for 35.91%;
- Energy storage power stations built in Yuyao factory, Hangzhou Bay factory #2, and ZEEKR factory, with total installed capacity of 27.82 MW;
- Promote some key tier 1 suppliers to use clean energy in manufacturing. A total of 18 tier 1 core suppliers use 100% renewable electricity.

Building "zero-carbon plant" Xi'an factory

In November 2022, the Xi'an factory obtained five-star certification (the highest is six-star) according to the world's first quantifiable evaluation "zero-carbon factory" standard, becoming the first zero-carbon plant in the Chinese auto industry. Its green and low-carbon performance was successfully selected as the 2022 industrial case of the "Sustainable China's Industrial Development Action" of the APEC China CEO Forum.

Clean energy: Xi'an factory is equipped with a 52 MW super photovoltaic power station, and its average annual power generation is expected to reach 47.5 million kWh, which can reduce carbon dioxide emissions by about 27,000 tonnes;

Digital carbon reduction: relying on G Carbon Cloud, Xi'an factory has established an energy and dual-carbon management system, which significantly improves the level of intelligent manufacturing and reduces energy costs. In the first half of 2022, the energy consumption per vehicle produced reduced by 12.6%, compared with the second half of 2021.

3.2.2.1 Low-carbon Office Operation

The Group integrates the concept of sustainable development into daily operations, and creates a green and comfortable office environment. Besides, it improves employees' low-carbon awareness, and promotes the construction of a climate-friendly ecosystem.

1

Announcing energy-saving initiative for all employees:

We call for all employees to maximize energy-saving utilization of air-conditioning and heating systems, turn off lights in offices, conference rooms, etc. when the last person leaves; and we put forward a number of proposals (e.g., climbing stairs for lower floors without taking elevators) to reduce carbon emissions in the company's office buildings;

2

Green planning of office buildings:

We have implemented energy-saving projects, e.g., using induction lighting, air-conditioning energy-saving management equipment, cable renovation and photovoltaic roof construction, and installing induction-type, touch-type and other energy-saving lamps according to different scenarios. The Group have carried out digital management measures to track total energy consumption and photovoltaic power generation;

3

"Geely Low-carbon Lifestyle" mini program:

We have developed and launched more low-carbon scenarios - travel, meetings, and dining lights, and encouraged employees to practice low-carbon behaviors through carbon credit incentives. The number of participants in the "Geely Low-carbon Lifestyle" activity was 4,432. A total of 183,000 "G Miles" have been collected, and a total of 340.9kg of carbon dioxide emissions have been reduced;

4

Green public welfare activities:

Launched themed activities - April 22 "Earth Day" and March 11 "Arbor Day" - to inspire employees to carry out green volunteer activities;

5

"Pathfinder" program:

Trained carbon management talents via systematic training courses, reinforced the knowledge of carbon management for employees, and established low-carbon and green development culture;

6

Renewable electricity:

Lynk & Co International uses 100% renewable electricity in its offices and in Clubs of its sales network.

3.2.3 Supply Chain Carbon Reduction

The Group adheres to green procurement and helps suppliers improve their carbon management capability to promote carbon emission in supply chain. We have set a goal of supply chain carbon emissions reduction by 20% on average in supply chain for each car series (new energy and fuel vehicles, respectively) by 2025. In 2022, the supply chain carbon emissions in new energy vehicles in supply chain increased by 5.94% on average and the supply chain carbon emissions for fuel vehicles reduced by 4.98% on average compared with 2020.

3.2.3.1 Improvement of the Suppliers' Carbon Management Capability

We assist the suppliers in identifying the feasible carbon reduction methods and help them improve their carbon management capability through the establishment of green production system, special training on carbon peaking and carbon neutrality, the accounting of GHG emissions, etc.

We review the suppliers by investigating and verifying their renewable energy planning and carbon emission status to make carbon reduction plan by levels and guide their work related to carbon emission reduction. Given the importance of the renewable electricity for carbon emission reduction, the Group have set a goal for the proportion of using renewable electricity by tier-1 core suppliers to reach 100% by 2025. By the end of the Reporting Period, 30% of tier-1 suppliers used renewable electricity, 10% of which have achieved 100% of renewable electricity.

During the Reporting Period, we conducted seminars for the suppliers on green electricity, theoretical knowledge of carbon accounting system and carbon neutrality. In future, we will conduct sustainability risk assessment on suppliers using more rigorous standards to identify potential suppliers with high sustainability risk and manage them by tiers according to their risk level. We strive to build a supply chain with climate resilience and stability.

We help suppliers enhance their GHG accounting capabilities by relying on tier-1 suppliers to achieve carbon management coverage of secondary suppliers, and by combining the digital carbon management platform "G Carbon Cloud" to improve the accuracy and transparency of carbon emissions data in the supply chain. At the same time, we can also use it to calculate the carbon emissions of suppliers and extend it to upstream companies in the supply chain, requiring suppliers to disclose the proportion of recycled materials, accurately measure emission hotspots, and assist suppliers in jointly formulating emission reduction plans. Currently, a total of 160 tier-1 suppliers and 67 secondary suppliers use the "G Carbon Cloud" platform and submit product carbon footprint-related data.

3.2.3.2 Green Procurement and Lightweighting

We have established the guidelines for green procurement, the green procurement management system, the green procurement archives and the component green evaluation criteria and encouraged suppliers to sign the Supplier Confirmation Letter on Implementation of Sustainable Development. We encourage suppliers to use environment-friendly materials or recycled materials and establish green procurement mechanism. In view of the diversified structure of our car series, we have made plans for each link of the supply chain and set annual objective based on the carbon emission reduction goals and components of different series. During the Reporting Period, recycled materials and carbon reduction in batteries have achieved carbon reduction of 0.38 tonnes per vehicle on average, and result in a total carbon reduction of 8% in 2022.

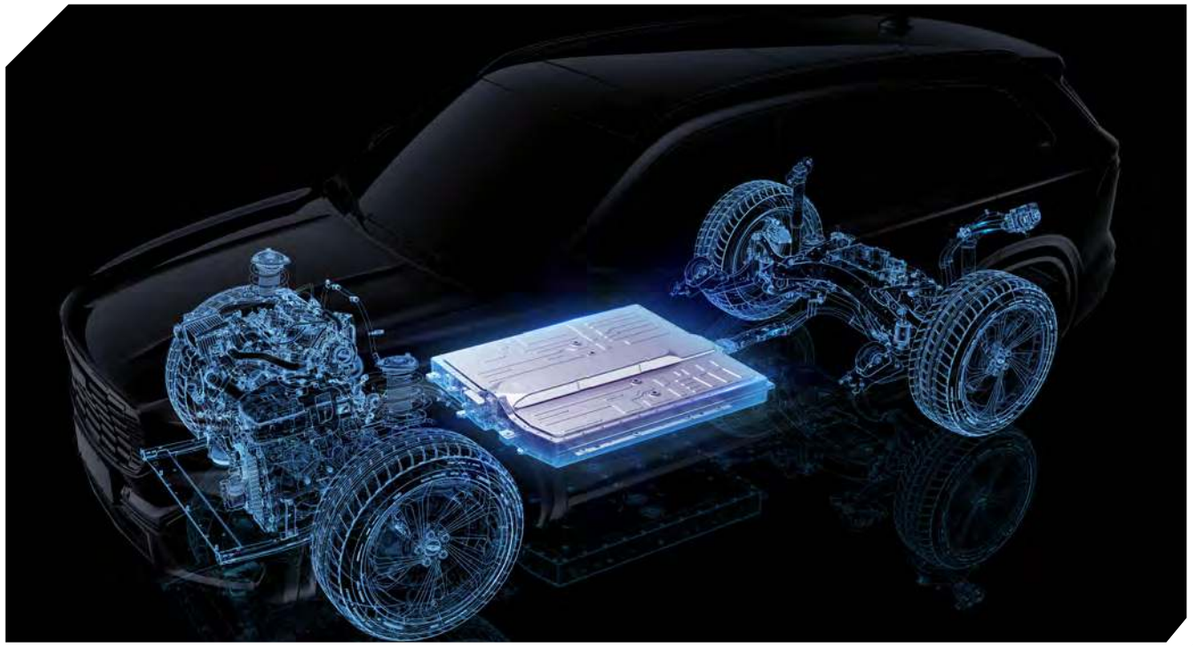
We will give priority to lightweight materials in purchasing and keep developing new technologies and materials to effectively reduce the vehicle weight, energy consumption and carbon emission. During the Reporting Period, we have made the following achievements:

- Prototype vehicle model has verified 22 advanced lightweight materials and processes for the first time, and 25 advanced lightweight materials and processes were applied to the models already in the market as of the end of 2022, of which 15 vehicles have adopted aluminium alloy front anti collision beams and lightweight materials for steering knuckle;
- The weights of the ultrafine fiber soundproof pad and high-pressure vacuum die casting aluminum alloy damping tower are reduced by 45% and 30% respectively and they have been applied to many models;
- Zeekr 009 uses several advanced lightweight materials and processes, including the mass-produced integrated die casting rear floor. Aluminum alloy accounts for 23.9% and high-strength steel and thermal-forming steel account for 42.7% of the body. Tailor rolled blank console and plastic spare tire container are used in the structure for the first time, which are rarely used for the models in the market. Zeekr 009 also uses environment-friendly materials for the whole body.

Carbon reduction in power batteries

Power battery is a key vehicle component with relatively large carbon reduction potential. We encourage the key power battery suppliers to implement the following carbon emission measures to manage the carbon emission throughout the lifecycle of power battery:

- Build the capability of collecting and computing the carbon footprints of products;
- Use low-carbon aluminum, recycled aluminum and steel to reduce emission;
- Use ternary cathode material from recycled cells;
- Recycle the metal and non-metallic materials of the battery case;
- Continuously increase the proportion of using non-fossil energy in cell production.



3.3 Circular Economy

The Group is committed to creating a circular economy and has implemented the following related measures:

3.3.1 Recycling of Scraped Cars

We extend the product manufacturer responsibility system for the purpose of "improving the standard recycling level of scraped cars" and "improving the renewable resource utilization level of scraped cars", and build a closed recycling ecological framework throughout the life cycle of products by incorporating the remanufactured products into the after-sales service system, introducing the recycled material supplier accreditation system and establishing the remanufacturing processes.

We plan to complete 2 scrapped car recycling outlets in Ningbo and Xuancheng and 12 recycling contact points in 6 pilot cities in 2023 to form a grid recycling system centering on 3 recycling and disassembling outlets (Ningbo, Xuancheng and Quzhou) and 12 recycling contact points jointly with the external partners. We have set a goal that the composite utilisation ratio of vehicle recycling and disassemble resources in the recycling system will reach 75% by 2024.

We track and collect real-time data on key components from upstream suppliers to vehicle production, sales, service, and maintenance, as well as downstream disposal, recycling, and reutilization processes, to improve the accuracy of carbon footprint calculations and establish end-to-end product traceability management. This improves the transparency of product flow and enables us to accurately match vehicle information with product data. As of the end of the Reporting Period, we have built 56 outlets in the recycling network for used power batteries from new energy vehicles in Zhejiang according to the Implementation Plan of New Energy Automobile power battery Recycling Pilots in Zhejiang Province. We also have built the internal power battery traceability management platform and completed the joint commissioning with the national platform, which can achieve 100% traceability of the vehicles off the production line of Geely Auto, the vehicles of which the power battery is replaced in the dealers of Geely Auto and the batteries out of service.

3.3.2 Use of Recycled Materials

We have increased the variety and proportion of recyclable materials used in our vehicles, including post-consumer recycled materials (PCR), post-industrial recycled materials (PIR), recycled steel, and recycled aluminum, among other low-carbon materials. During the Reporting Period, the Group has developed 13 types of low-carbon materials and planed to use recycled materials in 25 future vehicle models. Among these, non-metallic recycled materials will account for 25% of the total, while recycled steel and recycled aluminum will account for 15% and 25% respectively."

Our mainstream models have used recycled materials:

- The cowl insulation of Geometry E uses recycled PET fiber, which has passed the GRS global recycling standard certification. Plastic material filled with plant stalk is used to make the door fender;
- The body of the Zeekr 001 adopts 15% renewable steel sheet materials and 25% renewable aluminum alloy materials.

3.3.3 Low-carbon Packaging and Logistics

During the Reporting Period, the Group's Scope 3 – Transportation and Distribution emissions were 863,225 tCO_2e (2021: 853,412 tCO_2e), representing a slight increase, mainly due to higher total sales volumes. The following are carbon reduction measures:

Green packaging

100% of Geely's cars have used recycled packaging. In 2022, the consumption of disposable packaging materials for the finished automobiles was 12,103 tonnes, i.e., 6.81 kg per vehicle; 73.80% auto parts used recycled packaging and 82.71% of the suppliers using recycled packaging materials; 100% of the remaining disposable packaging materials were recycled and 100% of all packaging materials in each plant were recycled.

We encourage suppliers to use recycled packaging materials and put forward two green routes – "All packaging materials used within a transportation range of 1,000 kilometers will be recyclable, and shared packaging will be used for transportation beyond the 1,000 kilometer range" – to reduce the use of disposable packaging materials. During the Reporting Period, 100% of our vehicle manufacturing plants and 67 component suppliers used recycled packaging cases.

Green logistics

We have launched the construction of a digital logistics platform to track and record the carbon emission in the logistics process and analyze based on the vehicle types, haul distance and loading of goods. We will optimize the emission in the logistics process by monitoring the carbon emission data, developing railway-waterway combined transportation and building transfer warehouses to achieve digital and diversified green logistics and transportation.

We have changed the transportation mode of spare parts and established 9 transfer warehouses in China to replace delivery by suppliers with centralized transportation, achieving nearby storage, nearby repackaging and nearby delivery. This improves the truck stowage rate and reduces the transport frequency. We actively promote the use of new energy vehicles in short-distance logistics and transportation. 10 new energy battery swapping vehicles were put in use for Hangzhou Bay-Ningbo North Railway Station section, achieving carbon emission reduction by 614.16 tonnes in 2022. During the Reporting Period, we replaced the parts transport vehicles with new energy models and promoted this among the suppliers in the logistics system, optimized the railway-waterway combined transportation and integrated the idle resources in the market. The dispatching proportion of railway-waterway combined transportation from 2020 to 2022 was stable and the total carbon emission reduction in 2022 was 278,411 tonnes due to the railway-waterway combined transportation.

3.4 TCFD Disclosure

Since 2019 financial year, the Group has disclosed information related to climate change from governance, strategy, risk management, as well as metrics and targets with reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and continued to strengthen relevant disclosure. In January 2023, the Company became a supporter of TCFD.

3.4.1 Governance

The Board is the top oversight and decision-making body of the Group in addressing climate change. The Sustainability Committee under the Board currently consists of two executive directors (one of whom is also the Chief Executive Officer) and one independent non-executive director, and is responsible for:

- Reviewing strategy, action plans and key policies in addressing climate change
- Reviewing climate-related risks and opportunities
- Monitoring the implementation of measures and resource allocation on climate change

The Sustainability Committee has established an ESG joint working group. The ESG joint working group reports to the Sustainability Committee at least twice a year, and is responsible for:

- Assisting the Sustainability Committee in carrying out daily supervision on climate change
- Supervising the progress of climate change related work by management and ESG related departments
- Regularly communicating with stakeholders to learn about their expectations and opinions on climate change
- Analyzing industry trends on climate change and their impact, and benchmarking peer performance in addressing climate change
- Identifying and assessing the climate-related risks and opportunities

During the Reporting Period, the Sustainability Committee held two meetings to discuss climate change. The main issues discussed included:

- Key expectations and suggestions of investors and other stakeholders on climate change
- Target setting of carbon reduction and carbon neutrality, analysis of carbon emission's current status, industry benchmarking analysis, specific carbon reduction measures and feasibility analysis
- Commitment to SBTi

The key management and the ESG working group also attended the aforementioned meetings to report the Group's work progress on climate change and assessment on risks and opportunities, for the Sustainability Committee's oversight.

After the meeting, the Sustainability Committee also provided information on major issues, risks and opportunities of climate change and relevant recommendations to the Board.

The Audit Committee is responsible for reviewing the risk management and internal control of the Group and providing relevant opinions to the Board of Directors. ESG risks such as climate change are included in the risk map used by the Audit Committee to assess the overall risk management, and their related importance is ranked based on the likelihood and impact together with financial, operational, compliance and other risks.

The Board takes into account the relevant opinions of the Sustainability Committee and the Audit Committee on climate change in the formulation of the Group's strategies, business plans, etc. and in monitoring overall risk management.

At the operational level, the Group established a dedicated carbon management department that reports climate related work to the management at least twice a year (including the top management in charge of operations, and person in charge of strategic planning and product planning), and is responsible for:

- Assisting management and collaborating with relevant business departments to identify, evaluate and manage climate-related risks and opportunities
- Planning climate neutrality strategy, establishing carbon neutrality target setting, work implementation planning and management indicator system
- Promoting and supervising business departments and partners to fulfill carbon neutrality, and providing carbon management training

Based on the information reported by the dedicated carbon management department and other operational information, the management is responsible for:

- Evaluating the climate-related risks and opportunities, considers the relevant impacts when making business plans and major decisions
- Ensuring that sufficient resources are put into the climate change countermeasures
- Regularly reporting major climate-related issues to the Sustainability Committee.

Geely Auto announced the "Smart Geely 2025" strategy in 2021, and incorporated the planning of carbon emission reduction and carbon neutrality and related measures into this strategy.

3.4.2 Strategy

The Group identified climate-related risks and opportunities, and considered them in overall risk management, strategy formulation and financial planning.

In identifying climate-related risks and opportunities, we made reference to the factors including, but not limited to, the following for classification on time-horizons:

- National carbon reduction targets of China and other major markets
- Impact of regulations and policies on the industry
- Industry development and technological evolution cycle
- Changes in national energy structures
- Useful life of the Group's major assets

Based on the above, the time-horizons of climate-related risks and opportunities are defined as:

Short term: Within 5 years

Medium term: 5-15 years

Long term: Over 15 years

Climate-related risks are mainly divided into transition risks and physical risks. Transition risks result from the global transition to a climate-resilient low-carbon economy which include policy and legal, technology, market, and reputation risks. Physical risks result from extreme weather events and rising global average temperature which include acute risks (typhoons, floods) and chronic risks (global temperature rise, sea level rise).

Climate-related risks and potential impacts:

Type	Climate-related Risks	Description	Potential Impacts	Risk Management and Countermeasures
Transition risks	Policy and legal	Stringent market / product regulations S M L	– Tightening of pollutant emission standards for motor vehicles results in increased costs for compliant operations – Diminishing subsidies for new energy vehicles lead to increased competition in the market – The expansion of China's carbon market industry coverage exposes corporate business to carbon emission control risks – The Corporate Sustainability Reporting Directive (CSRD) adopted by the EU imposes higher requirements on the ESG performance of companies	– Continuously monitor policy changes, assess their impact in advance and plan countermeasures – Improve the supplier system for new energy key components and enhance bargaining power. Develop new technologies applicable to new energy vehicle models to reduce costs by technical means – Develop climate neutrality strategy, carbon reduction targets and related measures ("3.1 Climate Strategy" and "3.2 Lifecycle Carbon Management") – Continue to pay attention to the development of overseas laws and regulations, and strengthen supply chain ESG performance ("3.2.3 Supply Chain Carbon Reduction") and "7.1 Sustainable Supply Chain")
		International green trade barriers S	– The establishment of the Carbon Border Adjustment Mechanism (CBAM) in the EU increases the costs of exporting products overseas	– Track carbon footprints of products and make whole-chain carbon reduction measures ("3.2 Lifecycle Carbon Management")
	Technology	Product substitution S M L	– Rapid development of new energy vehicles results in the phasing out of existing combustion-engine vehicle production lines	– Make targeted adjustments of production and process lines and implement factory upgrade routes in a planned manner
		Research and development of new technologies S M L	– The progress of low-carbon technology R&D is slower than the expectations, resulting in delayed product launch – The R&D costs for low-carbon technologies are high in the early stage	– Research and develop new models with a new energy architecture (e.g. Sustainable Experience Architecture (SEA)) to reduce development time and costs – Research and develop alternative fuels and explore diversified low-carbon technologies ("3.2.1.3 Alternative Fuels and Other New Energy Technologies")
	Market	Carbon reduction by suppliers S M	– Late awareness of carbon reduction among suppliers results in continuous increase in carbon footprints of products	– Provide supplier training and impose carbon reduction requirements on first-tier core suppliers ("3.2.3 Supply Chain Carbon Reduction" and "7.1 Sustainable Supply Chain")
		Market demand M L	– Shifting of consumer preferences results in a decline in demand for a particular product category	– Our brands have planned different types of diversified new energy vehicle products and continuously improved product performance to meet the different consumer needs ("3.2.1 Vehicle Use Carbon Reduction")
		Rising material costs M L	– Tight supply of low-carbon materials, such as low-carbon steel, affects product production plans – Tight supply and high demand for fossil fuel raw materials and policy restrictions resulting in price increases	– Participate in collaborative R&D of low-carbon materials ("3.2.3.2 Green Procurement and Lightweighting") – Optimize fuel demand, develop and use low-carbon fuels energies ("3.2.2 Manufacturing Carbon Reduction")
	Reputation	Just transition S M	– New energy transition leaves some employees without jobs due to technology obsolescence	– Provide training and job rotation opportunities to employees so that they can acquire relevant skills and knowledge to adapt to new energy transformation ("8.4 Employee Training and Development") – Seek business opportunities for low-carbon transformation of internal combustion engine business, so as to prolong employee employment, and at the same time, contribute more diversified solutions for low-carbon hybrid technology and synthetic fuel applications ("PROPOSED FORMATION OF POWERTRAIN JOINT VENTURE BETWEEN GEELY HOLDING, RENAULT AND SAUDI ARAMCO" on page 14 of Annual Report 2022).
Physical risks	Acute	Extreme weather events M L	– Supply chain disruptions result in delays in product production	– Support suppliers that may be exposed to significant natural disaster risks – Conduct regular risk assessments and establish prevention plans based on historical data of natural disasters occurring in the region of each production plant
	Chronic	Sea level rise L	– Migration of coastal facilities inland and loss of assets	

S Short-term risk | M Medium-term risk | L Long-term risk

Climate-related opportunities and potential impacts

Type	Climate-related Opportunities	Potential Impacts	Opportunities Countermeasures
Resource efficiency	– Use of recycling technologies to enhance resource utilization – Reduced water consumption in production and operation S M	– Reduce operating costs	– The Group is committed to creating a circular economy ("3.3 Circular Economy"). Increase the use of recycled materials and adopt lightweighting techniques in product manufacturing ("3.2.3.2 Green Procurement and Lightweighting"), and strengthen measures to reduce water use ("4.3 Water Resources Management") so as to reduce carbon emissions from resource extraction and water treatment
Energy sources	– Use of low-emission or renewable energy – Energy conservation S M	– Reduce the risk of rising operating costs due to fossil fuel shortages and price fluctuations	– The Group has adopted energy saving and clean energy substitution as two major means in product manufacturing, and has also promoted them to office use and supply chain ("3.2.2 Manufacturing Carbon Reduction" and "3.2.3 Supply Chain Carbon Reduction")
Products and services	– Provision of low-carbon new energy vehicle products – Provision of low-carbon mobility S M L	– Increase revenue from low-carbon products and services – Improve opportunities to enter low-carbon markets that value low-carbon – Increase the number of commercial customers who operate low-carbon transportation	– The Group has been promoting new energy transformation, planned more new energy vehicle products for each brand ("3.2.1 Vehicle Use Carbon Reduction"), and expanded more opportunities for sustainable mobility ("6.1.1 Sustainable Mobility Modes")
Market	– Green financing S M L	– Reduce financing costs, increase cash flow from financing activities and expand diversified financing channels	– The Group published the "Sustainable Finance Framework" in 2022 and obtained a sustainable loan of US$400 million for the research and development of BEVs and purchase of power batteries ("2.5 Sustainable Finance")

S Short-term opportunity | M Medium-term opportunity | L Long-term opportunity

The Board and the Sustainability Committee have discussed the transformation of low-carbon economy, and formulated and announced the Group's carbon emissions reduction and carbon neutrality targets, as well as related action routes, in 2022. In 2023, the Group formulated an ESG strategy, which includes "Climate Neutrality", further expanding the future plan for climate neutrality. Please refer to "3.1 Climate Strategy" and "3.2 Lifecycle Carbon Management" for details.

Scenario analysis

The Paris Agreement proposes to limit the global temperature rise well below the pre-industrial level by 2℃ in this century, while pursuing efforts to further limit the rise to be within 1.5℃. China's goal of peaking carbon emissions before 2030 and reaching carbon neutrality before 2060 has far exceeded the "2℃ temperature rise threshold". Geely Auto is the first Chinese passenger vehicle company committed to set science based targets aligned with SBTi, to help achieve our carbon neutrality goal. Geely is committed to setting carbon reduction pathways and targets that are aligned with the 1.5 ℃ temperature rise threshold and has participated in the UNFCCC's "Race To Zero" Campaign. We have, taken into account China's energy structure and the industrial characteristics and referencing to various scenario pathways provided by IPCC and IEA, explored the future impacts that Geely may suffer under the following four climate scenarios: Brown Scenario, Turquoise Scenario (well below 2℃ threshold), Existing Scenario – Robust Pathway, and Aggressive Scenario – Ambitious Pathway covering two key time – horizons, 2030 and 2045.

Key considerations in the scenario analysis model

Renewable/clean energy: The clean energy mixs will directly affect the Group's carbon emissions from electricity consumption, and the mitigation of carbon emissions during the use of battery electric vehicles depends on the proportion of clean energy on the grid;

Recycled materials: Key raw materials such as steel and aluminum and power batteries contribute to the majority of carbon emissions in the vehicle body manufacturing process;

Body performance: The energy consumption (fuel, methanol and electricity consumption) parameters in the use phase of a vehicle depend on the maturity of lightweight technology and low-energy consumption technologies;

Product mixture: Electric vehicles can significantly reduce dependence on fossil energy in the use phase, and a more appropriate product mixture can help achieve lower carbon emissions in vehicle use;

Carbon pricing: Carbon pricing constrains and accelerates the green and low-carbon transition in the whole society while raising the cost of vehicle production;

Extreme weather: Extreme weather conditions may affect vehicle logistics and transportation and threaten multiple links such as sales in shops and manufacturing.

Major sources of carbon emissions per vehicle

More than half of the lifecycle carbon dioxide emissions from BEVs come from key raw materials such as steel and aluminum, as well as important components of power batteries. Therefore, we must consider raw materials with high carbon emissions. In this regard, it is necessary to ensure a sustainable supply chain system by improving the carbon reduction capabilities of suppliers. For example, we have set the action routes to have tier 1 core suppliers using 100% renewable electricity, and use 20% recycled steel and 30% recycled aluminum by 2025. Electrification and increasing the proportion of PV and other renewable electricity forms are the main carbon reduction measures for our vehicle plants. We also introduced low-carbon technologies such as energy-saving in processes and waste heat recovery in our factories. The Group still mainly sells combustion-engine vehicles. Therefore, fuel combustion continues to be a major source of GHG emissions. We will continue to optimize our product mixture and strive to reduce the emissions in the use phase of vehicles.

Scenarios

Brown Scenario (RCP 8.5 Scenario): The scenario is set up based on the Representative Concentration Pathway (RCP) No. 8.5 of the Intergovernmental Panel on Climate Change (IPCC). In this scenario, countries do not have policies in place to address climate change; the global population grows significantly in the future, with slow income growth, low technological innovation and other characteristics; GHG emissions and concentrations continue to grow, resulting in continued global surface warming and increased frequency of extreme weather events. The Group is likely to face more severe challenges in the future, with coastal facilities being forced to move inland and more costs incurred to prevent or deal with the uncontrollable impacts of extreme weather on development and on the industrial chain.

Turquoise Scenario (well below 2°C threshold): It projects Geely Auto's lifecycle emissions per vehicle under the industry's voluntary carbon reduction contributions, excluding Geely's own measures. The plan was made by us on basis of the Announced Pledges Scenario (APS) of the International Energy Agency (IEA) and in combination with our actual development factors. The external scenario mainly involves the identification of announced policies and measures in China, the speed of decarbonization of Chinese electricity, and the time to achieve net zero emissions by suppliers of key raw material such as steel and aluminum. We are aware that as China's current energy mix is still dominated by fossil fuels and infrastructure development is advancing, the continuation of external policies along the current pathway is the most critical factor determining our future growth potential. In addition, China has become the world's largest market for new energy vehicles, and Geely, as a top Chinese-made vehicle brand, will have more opportunities.

Existing Scenario – Robust Pathway: The Group's existing strategic targets (2025 targets) will be followed for the period by 2025; From 2025 onwards, industry leading and specific outperforming measures under a low cost approach will be adopted together with decarbonization of major suppliers, can enhance, the targets between 2025-2045 and the forecast lifecycle carbon emissions per vehicle under this pathway, as well as fulfilling SBTi's requirement. The scenario lies between APS and the Net Zero Emissions by 2050 Scenario (NZE) by IEA, will balance and more practically consider internal and external factors. We will implement effective carbon reduction measures, improve brand leadership performance and respond to the Chinese carbon neutrality vision and global emission reduction targets.

Aggressive Scenario – Ambitious Pathway: The Group's existing strategic targets (2025 targets) will be followed for the period by 2025; From 2025 onwards, industry leading and specific outperforming measures withe greater effort will be adopted together with decarbonization of major suppliers, can enhance, the targets between 2025-2045 and the forecast lifecycle carbon emissions per vehicle under this pathway, as well as fulfilling SBTi's requirement. With reference to the NZE, more powerful actions and measures which can significant increase low-carbon fuels and energy investment, etc. will be included in the scenario. We expect that by 2045, the Group will still have a portion of emissions that will inevitably escape into the air, so cutting-edge carbon negative technologies such as Carbon Capture, Utilization and Storage (CCUS) will be the core technology means to achieve the ambitious pathway. Currently, there are main challenges such as high cost and limited application in commercialization of the CCUS technology.

Scenario analysis:

Brown Scenario: Combustion-engine vehicles will continue to dominate the mainstream in the future, and the Group's GHG emissions will continue to grow continuously. We may need to pay more to prevent or deal with the uncontrollable impacts of extreme weather and ecological changes due to the world's economic growth and technological advancements are still driven by fossil fuels.

Turquoise Scenario: Major countries in the world comprehensively fulfil climate commitments, clean electricity and electrification and other development are effectively deployed, the impact of global climate changes is relatively stable, the Group's sustainable development will be boosted by external environments, the lifecycle carbon emissions per vehicle will reach 24.43 tCO_2e per vehicle in 2030.

Existing Scenario – Robust Pathway: we consider adding the Group's self-initiated carbon reduction actions based on the Turquoise Scenario, such as continuing to increase the proportion of new energy vehicles, improving the energy structure and sourcing more low-carbon materials. Under this scenario, lifecycle carbon emissions per vehicle will be reduced to 20.85 tCO_2e per vehicle in 2030.

Aggressive Scenario – Ambitious Pathway: Investments in clean energy and new carbon reduction technologies will be significantly increased in the world, Geely will take more measures and set more ambitious targets. We will promote a sustainable supply chain, achieve full coverage of zero-carbon factories and optimize the product mixture. However, this scenario will result in higher costs, but the life-cycle carbon emissions per vehicle will be reduced to 15.93 tCO_2e per vehicle in 2030.

Group's conclusions on scenario analysis

The Group considers the result of scenario analysis to more effectively perform planning of carbon reduction approach in the formulation of our climate strategy. The analysis concluded that the Existing Scenario – Robust Pathway meets the Group's planning objectives for the future and is also consistent with our commitment to SBTi and the goal of achieving net-zero emission by 2050. However, we are aware that the uncertainty of changes in external scenarios has a significant impact on the future scenario pathway. We will continue to refine the scenario assumptions and make them adequate to meet the challenges from multiple external scenarios.

3.4.3 Risk Management

The Group has a well-established risk management framework and related risk management processes, which also apply to climate-related risks. Please refer to "5.2 Risk Management and Internal Control" for details. As set out in "3.4.1 Governance", for the management mechanism of climate-related risks and opportunities, the Board, the Sustainability Committee, the Audit Committee, the ESG joint work group, the management, the dedicated carbon management department and relevant business departments bear different levels of responsibilities.

The identification and assessment of climate change risks and opportunities include, but not limited to, the following methods:

- Collect and analyze existing and emerging regulatory requirements (e.g. automotive emission standards)
- Research on advanced technology and technical development (e.g. new breakthroughs in battery technology)
- Research on market changes (e.g. the impact of consumers' environmental awareness on their purchasing decisions)
- Analyze the impact of climate change on industry trends and the countermeasures taken by industry competitors
- Benchmark market leaders disclosure and practices on climate change
- Collect opinions and information on climate change from stakeholders such as ESG rating agencies, investors and non-governmental organizations

Climate-related risks are assessed in accordance with the Group's risk management framework, their significances are determined based on the likelihood and impact of the risks. When the Audit Committee reviews the overall risk management of the Group, ESG risks such as climate change will also be ranked according to the likelihood and impact with other types of risks and included in the overall risk map of the Group. Climate change has also been identified by the Group as one of the principal risk and uncertainties disclosed by the Group in the Annual Report 2022.

The management manage climate-related risks by developing risk response strategies based on the assessed risk significance, the complexity of the countermeasures and the required resources, as well as the climate neutrality strategy of the Group. Material risk management and response will also be discussed during the meeting of the Sustainability Committee to obtain guidance from the Sustainability Committee. The management measures for climate change will be broken down by the dedicated carbon management department to all relevant business departments for implementation, and supervised according to the mechanism set out in "3.4.1 Governance". For the management and response measures for material climate-related risks, please refer to "3.4.2 Strategy".

3.4.4 Metrics and Targets

The Group's key indicators related to climate change are as follows:

Indicator Category	Indicator	Unit	2020	2021	2022
Greenhouse gas emissions	Total GHG emissions (Scopes 1+2+3)	tCO_2e	50,517,429	49,486,715	50,416,466
	GHG emissions per unit sold (Scopes 1+2+3)	tCO_2e/Unit	38.26	37.26	35.18
Transition risks	Average fuel consumption credits	Credit	-1,234,120	-359,972	1,891,821
	New energy vehicle credits	Credit	-22,584	92,938	836,077
	Corporate Average Fuel Consumption	L/100km	6.24	6.15	5.23
	Proportion of renewable energy in vehicle plants' energy consumption	%	8.68	6.12	18.52
	Proportion of renewable electricity in vehicle plants' electricity usage	%	18.26	11.32	35.91
Climate-related opportunities	Sales volume of new energy vehicles (BEVs + PHEVs)	Unit	29,857	82,170	328,727

For discussions on the above climate change indicators, please refer to the content of relevant sections in this chapter.

4 Environmental Protection

Material Issues

- Resource Use and Recycling
- Pollution and Waste Management
- Biodiversity

Pollution and Waste Management

- **100%** waste gas, wastewater and solid waste treated & discharged in compliance with regulations
- **100%** vehicle plants with ISO 14001 external certification
- **9** vehicle plants rated as national "green factories"
- **5** vehicle plants rated as municipal "waste-free factories"
- Vehicle plants' wastes generated:
  - NOx ↓ **9%**, SO_2 ↓ **58%**, NMHC ↓ **15%**
  - Industrial wastewater discharge intensity: **1.8 tonnes/vehicle (↓ 0.3%)**
  - Hazardous waste intensity: **8.1 kg/vehicle (↓ 4.3%)**

Resource Use and Recycling

- Vehicle plants' water consumption intensity: **3.06 tonnes/vehicle (↓ 10.8%)**
- Industrial water recycling rate: **98.3% (↑ 0.7%)**

Biodiversity

- Xi'an factory has **296,000 m²** of greenery coverage, providing natural habitat for local squirrels, hares and waterfowls

Future:

- Nature Positive

4.1 Environmental Management System

The Group is committed to complying with relevant environmental laws, regulations and standards, relating to environmental protection in the places where it operates. Implementing effective environmental management policies and setting clear targets to reduce the impact of the Group's businesses on the environment, and continuously monitoring and improving environmental performance.

The Group strictly complies with the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on Environmental Impact Assessment", "Law of the People's Republic of China on Promoting Clean Production" and other environmental management regulations and relevant laws applicable to the Group, and continues to improve the environmental management system according to the requirements of ISO 14001 system. The Group has formulated a series of management system procedure documents, such as the "Environmental Factors Identification and Evaluation Procedure", the "Water Pollution Prevention and Control Management Procedures", the "Air Pollution Prevention and Control Management Procedures" and the "Solid Waste Pollution Prevention and Control Management Procedures", to standardise the use of resources and waste discharge of all production plants, and to scientifically monitor and prevent environmental risks.

The safety and environmental protection department of the Group is responsible for coordinating the environmental management system, setting clear targets for environmental performance and carrying out comprehensive system management, as well as supervising and assessing the completion of targets at each factory. Each production plant has also set up a safety and environmental protection department, which is responsible for the environmental management of each plant, supervising and implementing various new, reconstruction and expansion environmental projects, energy conservation and transformation of process equipment and other environmental protection and governance, and undertaking and completing the annual subdivided environmental targets issued by the Group.

100% of the Group's vehicle plants and the OEM vehicle plants of the Group (except for Jinan factory[1]) have obtained external audit certification of the ISO 14001 environmental management system external certification. Nine vehicle plants[2] which produced the Group's products have been included in the list of national "Green Factory" issued by the Ministry of Industry and Information Technology of the PRC, met the requirements of relevant standards on infrastructure, management system, energy and resource input, product environmental emissions and other aspects, and passed third-party evaluation.

During the Reporting Period, **100%** of the environmental protection facilities were in normal operation, and zero complaints were received regarding environmental incidents and environmental problems.

4.2 Pollution and Waste Management

The Group attaches importance to environmental impact assessment, and is committed to reducing the impact of pollution and waste on the environment and local residents. We continuously strengthen our management and improve capability on pollution and waste treatment. We take mitigation measures on potential pollution discharge and waste, and communicate with local communities on possible environmental and ecological impacts, so as to work together to restore and maintain the integrity of natural ecosystems.

Geely Auto strictly complies with the "Atmospheric Pollution Prevention and Control Law of the People's Republic of China", the "Water Pollution Prevention and Control Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes", the "Law of the People's Republic of China on Noise Pollution Prevention and Control", the "Standard for Fugitive Emission of Volatile Organic Compounds" and other laws and regulations on environment and pollution management. Geely Auto strictly implements the disposal standards of waste water, waste gas and waste residue, strictly implements the responsibilities of all parties according to the environmental system developed by the Group, and orderly carries out the waste treatment and recycling through measures such as personnel skills certification and annual maintenance of environmental protection facilities to ensure the legal and compliant discharge of pollutants.

We have established factory environmental emergency plans in all plants, prepared and regularly checked emergency supplies as required to implement control. Each plant conducts environmental emergency drills for wastewater, hazardous waste, waste disposal and hazardous chemicals in accordance with the emergency plan each year, the safety and environmental protection department of the Group conducted two audits each year to promptly correct problems found during the drills.

In 2022, the Group actively responded to the "waste-free factory" selection organized by municipal governments in Zhejiang Province, which was an extension of the "waste-free city" selection and certification, and conducted pilot operation nationwide, with significant progress in Zhejiang. Five vehicle plants passed the municipal "waste-free factory" assessment, covering 56% of the Group's vehicle plants in Zhejiang. In 2023, the Group will establish an internal standard for "waste-free factory" and conduct self-assessment for improvement.

1 Due to the addition of Jinan factory in the fourth quarter of 2022, it is improving relevant system construction, and is expected to obtain ISO 14001 external certification in 2023.

2 Nine plants include Chunxiao factory, Baoji factory, Zhangjiakou factory, Linhai factory, Hangzhou Bay factory, Yuyao factory, Guiyang factory, Xiangtan factory and Xi'an factory.

Supervision and management measures of pollutants:

Build a management system	Build a management system covering the design, manufacturing, installation and operation of daily environmental management and environmental protection facilities based on relevant laws and regulations on environmental and pollutant management and the ISO 14001 environmental management system;
	During the "Three Simultaneities"[3] of a project, the safety and environmental protection department ensures that environmental protection facilities, processes and equipment are sufficiently advanced;
Trial operation and formal operation of projects	During the trial operation and formal operation of a project, the safety and environmental protection department collects the discharge data of each sewage outlet every month, monitors the sewage and waste gas online in real time, controls the indicators and the total amount according to the indicators required by the environmental impact assessment, and sets early warning level on total amount;
Evaluation and audit	The annual environmental protection assessment indicators (including environmental emergencies, environmental protection complaints, administrative penalties and the issuance of treatment documents within the specified time, etc.), and are decomposed into the company level, the factory level and the workshop team level. At the end of the year, each unit's indicator performance will be evaluated. Additionally, the expert panels will be organized twice a year to evaluate and correct the annual target and implementation process;
	Issue the environmental management evaluation standards applicable to all plants of the Group, conduct supervision evaluation and irregular unannounced reviews at least once a year (including the implementation of "Three Simultaneities of Environmental Protection"[3], pollution prevention and control, environmental monitoring, and management of pollution discharge permits). Supervise the resource and energy consumption and pollutant discharge level of plants by analyzing monthly environmental protection data, tracking and evaluating the objectives.

Waste gas, waste water and solid waste
100% compliant in treatment

Waste gas, sewage and noise
100% compliant in discharge

Hazardous waste
100% compliant in disposal

3 The Law of the People's Republic of China on Work Safety stipulates that the safety facilities of the newly built or rebuilt or expanded projects of the production and business operation entities must adhere to the principle of "Three Simultaneities". "Three Simultaneities of Environmental Protection" means that pollution prevention measures of a construction project must be designed, built and put into production and use, simultaneously with the main structure.

In 2022, the treatment of the Group's waste gas, wastewater and solid waste 100% met the regulated standard, the discharge rate of pollutants such as waste gas, sewage and noise met the regulated standard was 100%, and the hazardous waste compliance disposal rate was 100%.

To continue to deepen pollution prevention and emission reduction management, we conducted benchmarking and rating for each factory according to the "Technical Guide for Formulation of Emergency Emission Reduction Measures for Key Industries in Heavy Polluted Weather", and we are conducting gap analysis and implementing improvement plans:

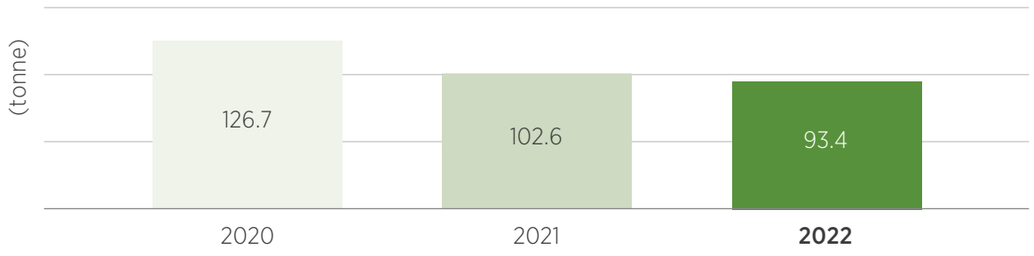
- implementing equipment modification
- adding online environmental monitoring equipment
- switching to water-based paint for spraying
- promoting the factory to complete the performance rating of heavy polluted weather

4.2.1 Emission and Management of Waste Gas

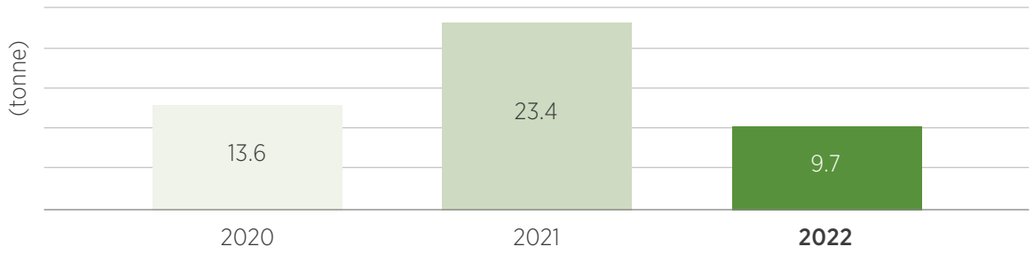
The main sources of our waste gas are spraying waste gas and drying waste gas from the paint shop. In 2022, the emissions of nitrogen oxides, sulfur dioxide and non-methane hydrocarbons from vehicle plants all decreased, and the main measures are as follows:

Identify Pollution Sources	Identify the pollution sources generated by operation activities and the impact on the surrounding environment;
Advanced Process and Equipment	Adopt more advanced process and equipment to reduce the discharge of pollutants and increase the purification rate: - Set up centralized absorption and desorption + catalytic cracking equipment, discharge after VOCs treatment and meeting the emission standards; - Introduce dry spray chamber and recycling wind technology in the paint process and effectively reduce waste gas by 70%; - For new projects, adopt automatic spraying and water-based paint to reduce VOCs emission; - Reduce NOx emissions by using low-nitrogen combustion equipment; - Introduce the regenerative thermal oxidizer (RTO); treat the organic waste gas collected from different painting lines together by incineration; increase the total purification efficiency of VOCs to over 90%;
Management Measures	Hang sign boards such as operation procedures for job post and process flow chart of pollution control facilities in conspicuous positions in waste gas treatment places;
	Measure, record and report the discharge and reduction of major pollution sources and pollutants, and analyze the data and formulate countermeasures;
	Precisely manage the unorganized waste gas generated in the process of material storage, transportation, loading and unloading and production, and reduce the discharge of unorganized pollutants;
Regular Inspection	Carry out regular inspections to ensure the good condition and normal operation of pollution control facilities;
Compliance Discharge	Discharge pollutants in compliance with laws and regulations after the measurement of pollutants meeting the regulatory requirement.

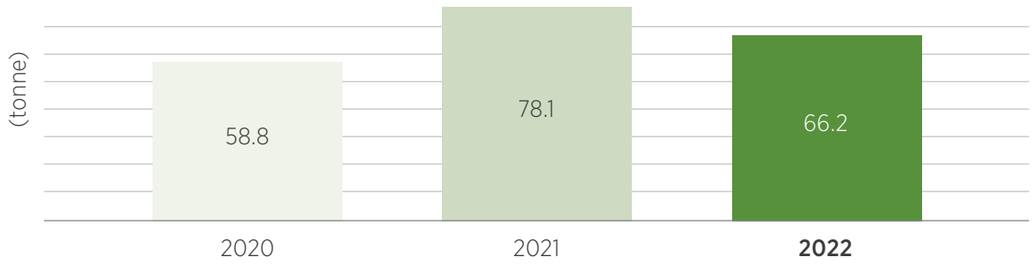
Vehicle Plants' Nitrogen Oxides (NO_x) Emissions



Vehicle Plants' Sulfur Dioxide (SO_2) Emissions



Vehicle Plants' Non-methane Hydrocarbons (NMHC) Emissions



Note: 17 vehicle plants (2021: 17 vehicle plants; 2020: 13 vehicle plants) producing for Geely brand, Zeekr, Lynk & Co were included in 2022. Compared with 2021, Luqiao factory was excluded in 2022, but Jinan factory was additionally included in the fourth quarter. Total sales volume used to calculate intensity was 1,376,848 units excluding Livan.

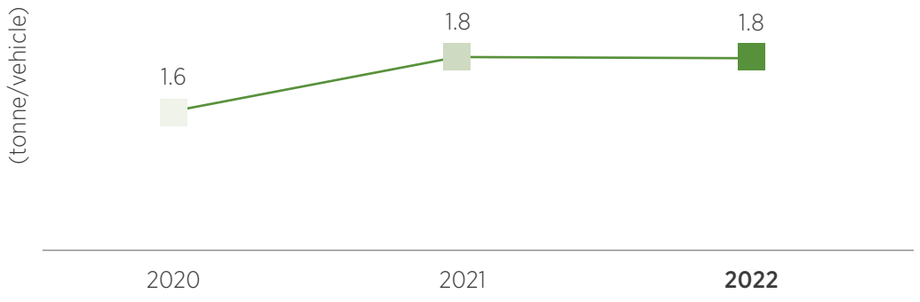
4.2.2 Wastewater Discharge and Management

Our production wastewater mainly comes from painting and water test. The production wastewater will be treated in the centralized wastewater treatment plant of our factory, and will be reused for greening in the park after reaching the standard of green water for urban construction, the remaining is discharged into municipal wastewater plant for centralized treatment. Eventually, it is discharged to the sea after it reaches the Class I Grade A standard of the "Pollutant Discharge Standard for Urban Sewage Treatment Plants".

Wastewater treatment and management measures:

Treatment According to Water Qualities	Adopt a piping system consisting of pipes easily distinguishable so as to transport water of different qualities and thus, achieving separated flows of clean water, rainwater and wastewater. Domestic and production wastewater are also treated separately according to their quality;
	The water resources recycling is designed according to the maximum utilization efficiency, in which all phosphating wastewater is recycled to reduce pollutant discharge;
	Build reclaimed water recycling facilities to recycle reclaimed water discharged from the wastewater station of the plant, and add leftover recycling facilities to recover pure water;
Collection of Production Wastewater by Dedicated Pipes	Collect and transport wastewater generated from production processes with dedicated pipes for easy monitoring and maintenance. Use anti-corrosion pumps for waste liquid transfer pumps to avoid leakage;
	Mark different wastewater collection pipes with different colors to facilitate pipeline inspection on damages;
	Use exposed pipes or overhead pipes to discharge the production wastewater containing Class I pollutants (nickel), indicating the pollutants contained and the flowing direction;
Safeguards in Facilities	Adopt epoxy floor for the production areas, warehouses, auxiliary production facilities, and wastewater treatment unit. Ensure necessary anti-corrosion, anti-leakage measures for the vehicle body pre-treatment area, petroleum and chemicals warehouse, hazardous waste warehouse, and sewage station to prevent chemical contamination of groundwater and soil;
	Implement groundwater sampling and monitoring;
Compliance Discharge	Set up standardized sewage outfalls, and install sewage online monitoring equipment to monitor sewage quality in real time;
	In the event of a sudden environmental pollution, the wastewater affected will be connected to the emergency pool and be tested after the event is handled. This affected wastewater will be treated and only discharged after meeting the required standard.

Vehicle Plants' Production Wastewater Discharge intensity



Note: 17 vehicle plants (2021: 17 vehicle plants; 2020: 13 vehicle plants) producing for Geely brand, Zeekr, Lynk & Co were included in 2022. Compared with 2021, Luqiao factory was excluded in 2022, but Jinan factory was additionally included in the fourth quarter. total sales volume used to calculate intensity was 1,376,848 units excluding Livan.

4.2.3 Waste Management

We classify and manage the solid waste by ordinary solid waste and hazardous waste. The Group identifies and manages the waste attributes of the generated substances in strict compliance with the relevant national standards and regulations and according to the "Identification Standards for Solid Waste-General Rules" (GB34330-2017), the "Identification Standards for Hazardous Waste-General Rules" (GB5085.7-2019), the "Identification of Major Hazard Installations for Hazardous Chemicals" (GB18218-2018), the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution (the "Law of Solid Waste") and other requirements, to make sure the waste is treated according to laws and regulations, minimizing the impact of production and manufacturing on national ecology.

During the Reporting Period, we further improved waste management measures, including strengthening the recycling of solid waste and expanding the scope of hazardous waste management.

Waste management measures:

Management of Solid Waste	Conduct trainings according to the updated Law of Solid Waste, ensuring employees understand the updates of laws and regulations;
	Collect, store, transport, utilize, dispose of and identify the solid waste according to categories, and recycle and collect the renewable part;
	Set up identification signs of solid waste storage places according to the "Graphical Signs for Environmental Protection" (GB15562.2-1995), and ensure proper management of inevitable wastes;
	Regularly evaluate the solid waste management of plants and include it into annual appraisal;
	Verify the qualification and technical capability of the entrusted party of pollution prevention, and specify the pollution prevention requirements in the contract;
	Set up classified trash bins at office, and set up storage place for waste newspapers, cardboard, etc., which are collected regularly by specialized personnel;
Management of Hazardous Waste	Formulate a management plan of hazardous waste and put it on record according to the requirements of the local environmental protection bureau;
	Manage the hazardous waste in a centralized manner in accordance with national laws and regulations, and identify more than ten kinds of hazardous waste, such as waste oil, waste rubber bucket, waste paint, sludge, etc., which mainly come from the process of automobile assembly, welding, painting, maintenance, scrapping, etc.; and expand the scope of hazardous waste management, strengthen the management of water paint contamination, some water solvents and other wastes not included in the Directory of National Hazardous Wastes;
	Set up special hazardous waste warehouses to store hazardous waste by category in different zones;
	Set up identification signs, in accordance with relevant regulations, for the containers and packaging of hazardous waste, as well as facilities and places where hazardous waste was collected, stored, transported, utilized and disposed;
	In view of the risk of transportation leakage, we adopted anti-seepage and anti-leakage containers to ensure timely collection of liquid hazardous waste;
	Dispose of the hazardous waste in the vehicle dismantling yard and the paint shop in time to reduce the occurrence of soil or water pollution incidents;
	Entrust a qualified third party to dispose of the hazardous waste; conduct centralized bidding and procurement of hazardous waste, examine the qualifications of entrusting parties and suppliers, and conduct on-site examination of suppliers' on-site disposal capabilities and disposal methods;
Management of Hazardous Chemicals	Formulate the "Safety Management Regulations of Dangerous Chemicals", define the functions and responsibilities of each department, and refine the requirements for the management of chemicals from the stages of procurement, transportation, storage, use, scrapping, etc.;
	Check the implementation of policies from time to time and make notifications and rectifications; at the same time, conduct regular exercises for chemical leakage incidents to continuously improve the employees' emergency management capabilities;
	Strictly supervise the life cycle of the application, procurement, use, preservation and scrapping of precursor chemicals and explosive materials in accordance with national requirements to ensure that no environmental emergencies occur.

Harmless treatment of domestic waste and solid waste recycling at Zhangjiakou factory

The domestic waste from Zhangjiakou factory was harmlessly treated by a qualified third-party, and does not directly landfilled. Other solid waste was also recycled or comprehensively utilized to minimize the landfill of solid waste.

Hangzhou Bay factory conducted hazardous waste reduction project

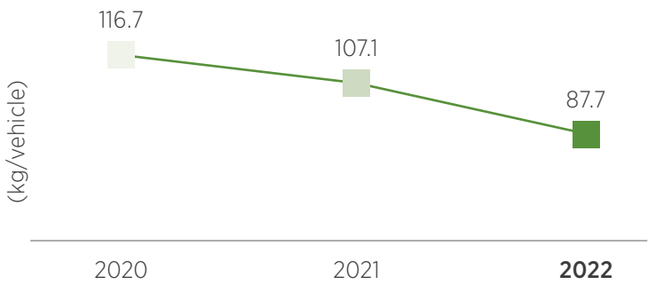
Hangzhou Bay factory 1 and Hangzhou Bay factory 2 proactively responded to the Group's projects of "water conservation, power saving and hazardous waste reduction", and conducted a series of specific hazardous waste reduction actions:

- In view of the high proportion of sewage solvent in the spraying process and the high treatment cost, utilize the biological section of the industrial wastewater treatment station of the factory to degrade the water-based solvent and reduce the treatment cost of sewage solvent;
- In view of the high water content of the paint slag in the painting process, the water filtering tool shall be made to filter the water in the paint slag, press out the water in the paint slag, keep the water content of the paint slag reduced, and reduce the treatment cost;
- Add inner liner in sealant and PVC rubber barrel to reduce the amount of hazardous waste generated.

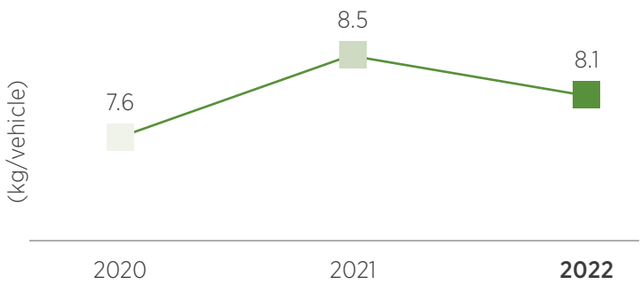
In 2022, the decrease in intensity of non-hazardous solid waste generated by vehicle plants was mainly due to the increase in the proportion of recycling of certain packaging materials and transit containers and the provision of such packaging materials and transit containers to suppliers for recycling, as well as the increase in the utilization rate of raw materials in the stamping process.

During the Reporting Period, the non-hazardous treatment rate of the Group's solid waste reached 100%, and the intensity of hazardous waste generated by vehicle plants also decreased by 4.3%. The Group has set up the target of no landfill of solid waste during the construction of new factory. It is planed that the factories shall be certified as "Zero Landfill Factory" in batches by 2025.

Intensity of Non-hazardous Solid Waste Generated in Vehicle Plant



Intensity of Hazardous Waste Generated in Vehicle Plant



Note: 17 vehicle plants (2021: 17 vehicle plants; 2020: 13 vehicle plants) producing for Geely brand, Zeekr, Lynk & Co were included in 2022. Compared with 2021, Luqiao factory was excluded in 2022, but Jinan factory was additionally included in the fourth quarter. The total sales volume used to calculate intensity was 1,376,848 units excluding Livan.

4.2.4 Noise Management

All of the Group's production sites implement noise management in accordance with the Environmental Noise Emission Standards for Industrial Plants (GB12348-2008). We have established protective facilities for noisy equipment. For example, we have built isolated rooms for noisy equipment such as the Roots fans in factory to reduce noise dispersion; we have built centralized automatic stamping lines at our Meishan and Changxing factories to isolate production lines for noise reduction and effectively reduce surrounding noise. We monitor the noise intensity of the production environment on a monthly, quarterly, and annual basis, with a ceiling of 65 decibels for daytime noise and 55 decibels for nighttime noise at our production sites.

4.3 Water Resources Management

Water resources

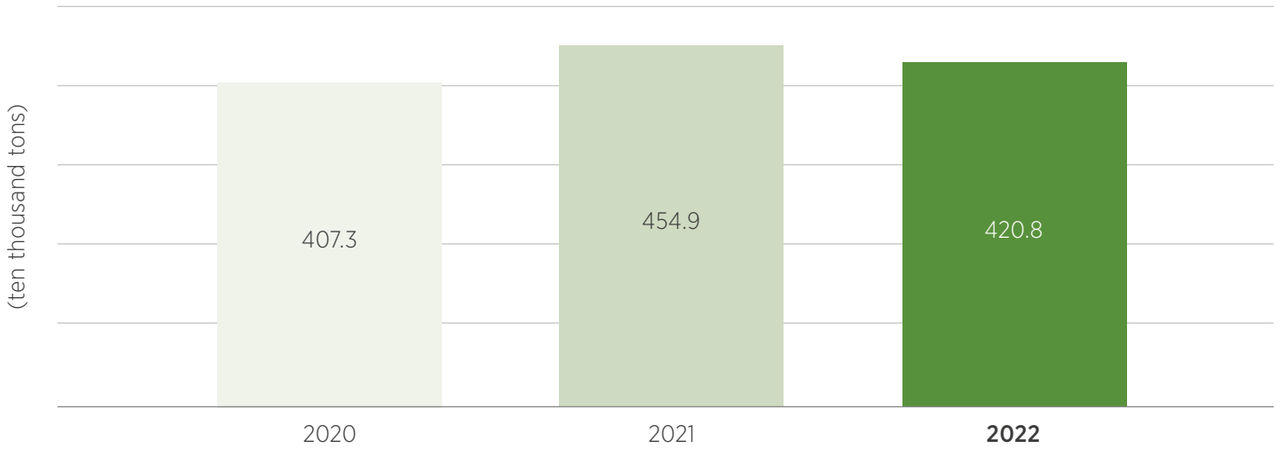
The Group attaches great importance to the impact of water resources on the environment and local communities, and is committed to protecting water resources to ensure that production will not aggravate the shortage of water resources. When the Group conducts a comprehensive environmental assessment on the site selection of a production plant, the Group will take the current situation of water resources in the operating location as an important consideration and avoids building production plants in areas with tight water resources. Therefore, there is no shortage of water resources or incidents involving water safety reported in the operating locations of all production plants at present.

Our water intake is mainly from the municipal water supply network. Through data monitoring and evaluation, the water consumption for production at each production plant is identified as the most important water consumption element, followed by the office water in headquarters building. We strive to optimize our water management by reducing water use, improving water recycling and reuse, and avoiding the negative impact of excessive water use and wastewater discharge on the natural ecology and resources.

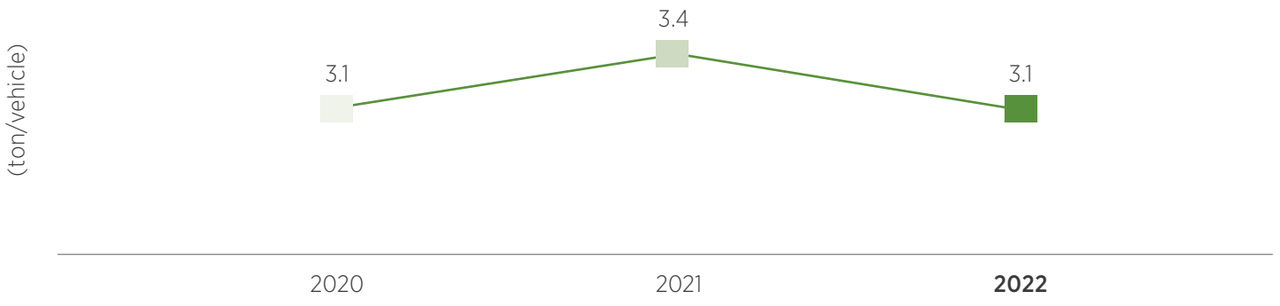
Reduce water use

In terms of water consumption for production, the Group has set an annual target of 4% reduction in water consumption intensity. Each production plant inspects various water consumption activities, formulates and implements water conservation plans, and establishes key indicators for tracking. The Group collects and analyses water consumption information from each plant every month to dynamically track water conservation efforts. In 2022, we selected projects with significant water saving effects and applied them in several plants, such as leak catching in underground pipeline networks, using water for degreasing and phosphating cycles, using soft water in cooling towers and maintaining pure water equipment to improve water production. In 2022, the water consumption intensity in vehicle plant was 3.06 tonnes/vehicle, representing a decrease of 10.8% compared with 2021, exceeding the annual target.

Total Water Consumption in Vehicle Plant



Water Consumption Intensity in Vehicle Plant



Note: 17 vehicle plants (2021: 17 vehicle plants; 2020: 13 vehicle plants) producing for Geely brand, Zeekr, Lynk & Co were included in 2022. Compared with 2021, Luqiao factory was excluded in 2022, but Jinan factory was additionally included in the fourth quarter. total sales volume used to calculate intensity was 1,376,848 units excluding Livan.

Typical water conservation measures adopted for vehicle production in 2022

Water Saving Measures	Water Saving Effect
Pre-treatment reverse process water replenishment process water saving strategy	Degreasing reverse process water recharge can effectively reduce industrial water consumption by about 2 tons/hour;
	Pure water after phosphating reverse process water recharge can save about 1 ton/hour of pure water;
	The use of the electrophoretic coating reverse osmosis system (EDRO) process can save about 4.5 tons/hour of pure water;
	Also can reduce wastewater discharge;
Dry carton painting room	Through the use of dry spray booths + recirculating air technology, the following results can be achieved: - effective reduction of waste water by 70%; - 34% waste (reduction of waste emissions of about 60 tons/year); - 60% energy consumption (cost per vehicle is approximately RMB35/unit); - No industrial water consumption (annual saving of industrial water usage of 9,000 tons/year); - No waste water (annual saving of waste water discharge 4,000 tons/year); Note: Estimated based on an example of 30 jobs per hour (JPH), single shift of 10 hours
Replacement of steam boilers by hot water boilers	Reduction of boiler soft water/pure water usage;
Water recycling in drenching line	The water consumption in drenching line is controlled at 120 m^3/month.

In addition to production water, we also saved office water. By establishing a building inspection mechanism, we regularly checked water pipes and equipment, and properly managed all phases in use of water resources, such as collection, transmission, distribution and use. We upgraded and renovated toilets and adopted a new intelligent water-saving system. We launched campaigns to encourage all employees to participate in water conservation.

We focus on water conservation in the supply chain and include water use performance as the performance evaluation indicator for suppliers, requiring them to develop plans and annual targets for reducing water consumption. (Please refer to 7.1.1 "ESG Management of Supply Chain" in this report)

Water resource recycling

We monitor the water consumption of production, combine the characteristics of the water consumption for production, analyze the room for improvement of water consumption, and optimize the production process through the introduction of new processes, technologies and equipment to increase the recovery and recycling of water resources. In 2022, the Group's industrial water resource recycling rate of industrial water (including production and domestic water) of the Group was 98.3% (2021: 97.6%).

Main measures:

- Biochemical treatment of high-quality miscellaneous drainage water to achieve better reuse of medium water, which can be used for toilet flushing, greening and cleaning;
- The wastewater generated from phosphate cleaning and degreasing cycle water are reused in the body coating area;
- The Dajiangdong factory realizes rainwater harvesting and utilization for greening and road washing according to the concept of "Sponge City";
- Establishing water recovery and reuse facilities to use recycled water/medium water for cooling tower use, greening and wastewater station dosing;
- Achieve zero discharge of wastewater for some production processes, after treatment, 100% of the wastewater can be reused to the corresponding production line.

4.4 Biodiversity

The Group has taken practical actions to respond to the United Nations Convention on Biological Diversity, the Kunming Declaration and the Kunming-Montreal Global Biodiversity Framework, and incorporated the issue of biodiversity protection into the Group's ESG strategy, calling on employees to pay attention to important global issues such as biodiversity loss, climate change, land degradation and desertification. We practice the concept of ecological environment protection in our production and operation, and explore solutions to biodiversity protection in accordance with our own experience and local conditions.

We carry out project construction work in strict accordance with the "Project Construction Safety and Environmental Standards", minimize environmental hazards during the construction stage, avoid adverse impacts on biodiversity and ecosystems, pay attention to biodiversity protection, create a "garden-style factory", and jointly create a good atmosphere of harmonious coexistence between humans and nature.

Biodiversity protection included in the project construction

Construction Project Stages	Important Measures for Biodiversity Protection	Purpose of the Measures
Planning and Design Stage	Environmental impact assessment and design of environmental protection facilities	Measure and evaluate the impact of the projects on biodiversity and ecosystem services
Construction Stage	Environmental protection during construction	Minimize negative impacts on biodiversity and optimize the positive impacts
Acceptance and Operation Stage	Environmental protection acceptance; pass the ISO 14001 system certification	

Plants in harmony with nature

Xi'an factory is located along the Weihe River, which is rich in wetland resources, with a green area of 296,550 cubic meters and 29 species of local trees planted in the landscape, providing a natural habitat for squirrels, hares and various water birds to thrive.

Greening actions

We have insisted for several years to carry out greening actions such as planting trees with our employees and vehicle owners, and progressively enlarge the potential green ecological value, providing habitats for wildlife. In the future, we will make unremitting efforts to continuously expand the green planting area and enhance ecological benefits.

Sustainable material alternatives to animal leather

The Lynk & Co 01 is the first vehicle in the world to feature ECONYL® sustainable nylon seats, a recycled nylon material made from recycled fishing nets and other waste materials, which we use instead of using traditional animal leather. Lynk & Co prepared Chemical Restrictions and Ethical Precautions with reference to the Association for the Management of International Restricted Chemical Lists (AFIRM) to ensure that people, planet and animals are considered in our products.

In the future, with "Nature Positive" as our guide, we will use the scientific tools and methods of natural capital assessment and nature-related risk and opportunity management to identify and analyze the dependency between our business and nature, and further integrate water, energy, land, forest and biodiversity into our production, operation and management.

5 Governance and Compliance

Corporate Governance

- Proportion of INEDs in the Board: **36% (⬇ 10%)**
- Average tenure of INEDs **⬇ 4.4 years**
- Proportion of female in the Board: **27% (⬆ 4%)**

Compliance and Integrity

- Publicly issued Code of Conduct and Anti-Corruption Policy
- **100%** employees signed Compliance Statement and Conflict of Interest Declaration
- **>95%** employees participated in compliance training

Information Security

- ISO 27001 Information Security Management System Certification
- Automotive Cybersecurity Management System (CSMS) Certification
- **100%** employees participated in information security and privacy compliance training
- No information security breaches or other cyber security incidents for three consecutive years

Future:

- Governance and Ethics

Material Issues

- **Corporate Governance and Risk Management**
- **Compliance and integrity**
- **Information Security**

5.1 Corporate Governance

The Group strictly abides by the Listing Rules and relevant laws and regulations, continuously refines its governance structure under the premise of safeguarding our shareholders' interest and providing them sustainable returns. We created checks and balances among the authority, decision-making body, supervisory body and management. Internal control are regularly reviewed to ensure sustainable and robust development in the Group's operations.

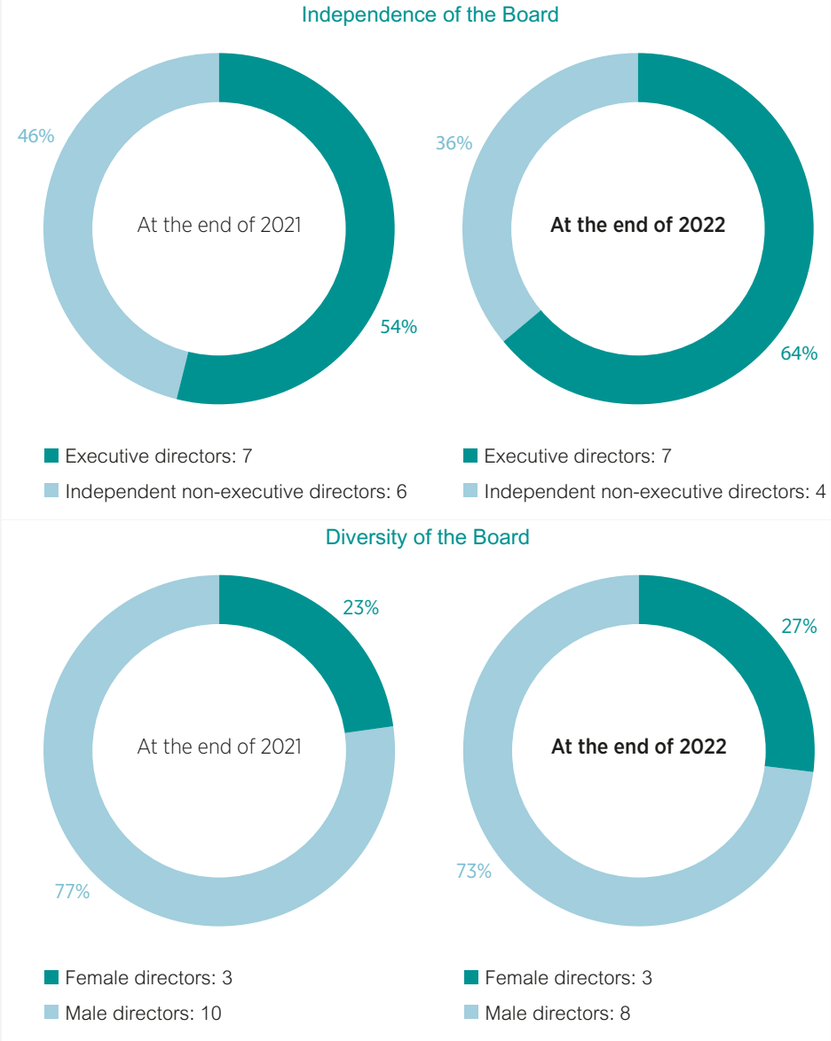
5.1.1 Board Governance

The Board of Directors (the "Board") of the Company consists of 11 directors, and its main responsibilities include formulating strategies, deliberating on material issues, safeguarding investor relations and overseeing risk and control management.

In order to ensure the independence and effectiveness of the Board, the Company makes a clear distinction between supervisory function and executive function. The Chairman of the Board and Chief Executive Officer are held by different individuals to ensure the balance of power and authority. The "Audit Committee" consists of 100% independent non-executive directors. Both the "Remuneration Committee" and the "Nomination Committee" are chaired by independent non-executive directors, with independent non-executive directors accounting for 75% respectively. During the Reporting Period, two independent non-executive directors who had served for more than 16 years retired at the annual general meeting and the average tenure of independent non-executive directors decreased by 4.4 years after their retirement. Currently, the proportion of independent non-executive directors of the Company is 36%. The Company has conducted research on increasing the proportion of independent non-executive directors, and the Nomination Committee will continue to monitor and identify by suitable candidates for the Board.

The Company has three female directors, representing 27% of the total number of directors. Each director has diverse professional experience covering different professional fields such as business operations, accounting and finance, risk management and automotive engineering. During the Reporting Period, the Company continuously reviewed the diversity of the Board, appointed two female independent non-executive directors to chair the Remuneration Committee and the Audit Committee respectively; reviewed the implementation and effectiveness of the "Board Nomination Policy" and "Diversity Policy of Directors"; one executive Director who had served for more than 16 years retired at the AGM and a new executive Director was appointed in July 2022, enhancing the age diversity of the Board and providing regular renewal of the Board.

The Company has incorporated "Governance and Ethics" into its ESG strategy and the Group will, by benchmarking against the best practices of global enterprises' corporate governance, listening to the suggestions of shareholders and investors, and referring to the Corporate Governance Guide for Boards and Directors of HKEx, further improve the structure of the Board and the corporate governance measures as appropriate. For more information on corporate governance, please refer to the Corporate Governance Report on pages 33 to 60 of the Group's Annual Report 2022.



5.1.2 Investor Rights and Engagement

As at 31 December 2022, the number of the Company's issued and fully paid shares was 10,056,973,786. All shares are ordinary shares and rank pari passu based on the principle of one share, one vote. There is no restriction on voting rights.

Under the principles of open communication and fair disclosure, the Group is dedicated to maintaining an effective communication with the shareholders and investors by providing them with necessary information in a timely manner to evaluate the performance of both the Board and the Group. During the Reporting Period, the Company has reviewed the implementation and effectiveness of the "Shareholders' Communication Policy", and made amendments and public announcements. The policy sets out relevant information including communication channel, shareholders' rights and interests, shareholders' meeting and shareholders' privacy. The Board reviews such policy every year to ensure its efficiency. The Company and our investor relations team has established a regular communication mechanism to ensure that shareholders and other stakeholders can have a better understanding of the Group's business operation and future development plan via different ways, including, but not limited to, general meetings, roadshows, investor meetings, in-person meetings, publication of monthly reports on the official website and official media.

During the Reporting Period, the Investor Relations Department continuously optimized online and offline communication channels. We held and participated in more than 400 investor engagement meetings, and met with 1,500 investors online and offline. We regularly summarize investors' opinions and concerns and report them to the Board, so that the Board can fully consider investors' demands when making decisions. During the Reporting Period, Geely Auto held 1 annual general meeting and 1 extraordinary general meeting. The average attendance rate of directors in person/by teleconference were 62% and 91% respectively. The members of the Board fully discussed the Company's operation and business strategy with shareholders, and listened to their opinions and suggestions at the general meeting. In March 2023, the 2022 annual results conference of Geely Auto was held in the form of combination of media and investors to further enhance transparency.

Meanwhile, the Group gained understanding of investors' opinions on the current situation and planning of our ESG through ESG surveys, and held many discussions with investors on sustainable development and carbon emission reduction issues. For more information on shareholders' rights and investor relations, please refer to pages 55 to 58 of the Group's "Annual Report 2022".

5.2 Risk Management and Internal Control

Geely Auto established the risk management system by referring to the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s "Internal Control – Integrated Framework" and the "Basic Standard for Enterprise Internal Control" issued by the Ministry of Finance of the People's Republic of China and other four Ministries, forming a "three lines of defense" control mechanism for business, internal control and internal audit. The Board, the Audit Committee, management (including the risk management and control functions), business units, and Internal Audit Department undertake their respective duties and responsibilities of risk management under this framework, please refer to pages 49 to 51 of the Group's "Annual Report 2022" for more details.

Control environment: We are committed to creating a good risk management and internal control environment. All subsidiaries shall establish internal control departments to promote the participation of all employees from top to bottom. We have enhanced risk management awareness through risk culture trainings.

Risk assessment: We carried out risk identification and assessment through various forms such as internal control maturity, internal control evaluation projects and special projects as well as internal control meetings, to implement risk response at the group level, in business areas and on special projects.

Control activities: We identified a key business risk control points from institution, process and system, built a key business risk control matrix, and checked the design and implementation of control actions monthly.

Information communication: We obtained internal and external information in a timely manner through regular and irregular work meetings, regularly published information internally related to risk internal control policies, systems, processes and other information, and carried out internal control trainings to ensure that all employees are informed in a timely manner.

Internal supervision: We have established a supervision mechanism for internal control effectiveness, conducted supervision and inspection against issues identified in internal control and internal audit, and followed up and monitored their rectifications.

In 2022, Geely Auto conducted 7 internal control trainings in total, covering senior management, internal control personnel and business personnel, and prepared the Administrative Measures for Internal Control Self-evaluation, the Administrative Measures for Rectifications Closed-loop of Internal Control Issues as well as internal management tools, regulated the internal control business procedures.

The Audit Committee makes use of internal audit and external audit to review the effectiveness of risk management and internal control. The Internal Audit Department functionally reports directly to the Audit Committee to ensure its independence. The internal audit scope covers all operations of the Group. The annual audit plan is formulated based on the risk assessment and is executed after being reviewed and approved by the Audit Committee. The internal audit projects are implemented at least once a month on average, subject to the scale of the projects. The internal audit projects mainly test the effectiveness of internal control in various business processes to identify major risks in the aspects of strategy, operation, finance, compliance and ESG. After the issuance of audit reports to the auditees, the auditees are required to make rectification plans on the identified issues and designate persons in charge and set deadlines for rectifications. To strengthen the monitoring on resolving the audit issues, the audit reports are also sent to the management and the Internal Control Department to ensure that the rectifications are completed timely and sufficient resources are provided. Meanwhile, the Internal Audit Department also regularly performs follow up review on the status of the rectification.

The Audit Committee listens to the report of the Internal Audit Department at least twice a year without the presence of management, so as to evaluate its independence, objectivity and effectiveness of its work. The Internal Audit Department also reports on ad-hoc basis to the Audit Committee and gathers its opinions, to improve the audit work's effectiveness.

During the Reporting Period, the internal audit completed the following work:

- Continued to strengthen the application of information systems, including audit follow-up and daily work management;
- Included ESG category risks into the risk appraisal for annual internal audit planning;
- Conducted audit projects for ESG risks, such as: customer information protection

During the Reporting Period, external auditor has performed audit on the Group's annual consolidated financial statements and review on the interim consolidated financial statements. For more details on external audit and the Audit Committee's review on its independence and objectivity, please refer to pages 52 to 54 in the Group's "Annual Report 2022".

5.3 Compliance and Business Ethics

The Group firmly believes that ethical and legal responsible operation is the premise of enterprise's sustainable development. By practicing our values and action guidelines, the Group follows the applicable laws and regulations in countries and regions, the "ISO 19600 Compliance Management Systems – Guidelines" and the compliance management guidelines issued by related Ministries of the PRC. We support the "Ten Principles of the UN Global Compact", continues to improve the compliance and business ethics system, build a scientific and effective compliance management organizational structure, and ensure effective organizational structure and decision-making mechanisms for compliance management.

5.3.1 Compliance Management

Geely Auto has set up a compliance committee which consists of members of Operational Management Committee (including chief legal officer) and is responsible for leading the development of the compliance organization system and policy system of the Group. It analyzes requirements and risks regarding internal and external compliance, regularly evaluates accuracy and adherence of compliance policies and procedures. The compliance department is in charge of the daily construction of compliance system, fulltime and part-time compliance posts are set in various business units to form a complete compliance management system. The compliance committee reports significant compliance matters to the Board and the Board oversees such matters and makes relevant strategic decisions of the Group. The functional responsibilities are divided by compliance department at each level, and the compliance departments of business units report to their business heads on an actual basis, and report to the compliance department of the Group on a virtual basis, so as to maximize the independence of the compliance department.

The Group focused on the compliance risk investigation and governance of four core businesses, namely production, research and development, supply chain and sales, predicted possible risks and extent of impact with reference to regulatory directives, market trends and peer crises, and continued to focus on key areas such as conflict of interest, fair competition, intellectual property rights protection and tax transparency. The Group also conducted special risk governance on export and trade control, transaction compliance, anti-corruption, privacy protection as well as network and data security, and focused on risk assessment and rectification of major and key risk scenarios to build global governance capabilities of Geely Auto.

On the basis of complying with external laws and regulations and industry norms, the Group has established a compliance system of four levels applicable to all employees: principles, management, implementation and business, covering six aspects: achieving sustainable production and operation, the rights and obligations of employees, protecting Company's assets and interests, relations and cooperation with business partners, relationships with the community, and compliance support. It proposes a total of 18 specific requirements for compliance management to guide and standardize employees' behavior. During the Reporting Period, we:

- Refined compliance management regulations based on actual work conditions, promoted and enhanced the implementation of compliance work, and embedded them in daily business operations through internal training, supervision, processing, etc.;
- Continued to optimize and improve the compliance, and linked compliance performance to organizational performance by applying the "Evaluation Measures for Compliance Performance" (Version 2022) and evaluating the effectiveness of the compliance work of various systems this year, and on basis of differentiated analysis;
- Released the "Code of Business Conduct", summarizing the main policies, standards of conduct and business ethics applicable to the Group's global operations.

In March 2023, the Code of Business Conduct of the Group was reviewed and revised to the Code of Conduct (2nd Edition), which added more relevant content regarding employee rights and interests (such as participated in and organised labour union, collective bargaining and human trafficking), environmental protection, etc.

Compliance training

Compliance training runs through the employee life cycle from new employee induction training, exit audit of key positions, personnel transfer and re-employment. The Group formulated the "Implementation Rules for Compliance Training", and required business units to conduct compliance training for all of their employees at least annually. The Group has tailor-made different compliance courses for employees of different grades and different positions. All new employees are required to complete the compliance training within three months.

In 2022, the Group updated the general training course (version 2022) for all staff in key compliance areas such as anti-corruption, human rights, conflict of interest, fair competition, export control, protection of intellectual property rights, tax transparency, information security, data compliance, etc., and regularly organised online and offline compliance courses lectured by external experts for internal employees and shared developments and cases of compliance regulations in the world, and combined with the monthly compliance culture activity in each year, covering all staff from both online and offline channels, so as to strengthen their awareness of compliance, promote the dissemination and construction of a compliance culture. During the Reporting Period, the rate of compliance training for all employees (including anti-corruption and integrity education) reached over 95%. The total length of offline compliance training exceeded 130,000, with nearly 82,000 participants. The signing rate of the Compliance Statement by employee reached 100%.

5.3.2 Anti-corruption

Geely Auto adopts a zero-tolerance attitude towards corruption, strictly abides by the applicable laws and regulations on fair competition, anti-bribery and anti-corruption, as well as the United Nations Convention against Corruption, and set up an internal anti-corruption system consisting of organizational system, policy system, risk prevention as well as monitoring and reporting. During the Reporting Period, we prepared and publicly released the Anti-corruption Policy of the Group, which was revised into the Anti-corruption Policy (2nd Edition) in March 2023, so as to make all stakeholders more transparently and clearly understand the Group's attitude, demand, standards and management relating to anti-corruption. Provided that any director, employee or others in violence with regulations applicable to relevant person under the Anti-corruption Policy, will be subject to relevant discipline penalties and transferred to judicial organs. As at the end of the Reporting Period, the Group has investigated and dealt with 57 corruption-related incidents, of which 1 lawsuit case was filed against the Group or its employees and has been concluded. The Group has terminated the employment relationship with the personnel involved and handed over to the judicial authorities for judgment in accordance with the law. We have taken actions to recover losses and prevent similar incidents from occurring. During the reporting period, a total of 23 persons were dismissed or blacklisted from the Group's recruitment list for corruption-related reasons and 3 business partners were terminated for corruption-related reasons.

Geely Auto anti-corruption system

Organizational System	The Compliance Department, the Legal Department, the Internal Control Department, the Discipline Inspection and Supervision Office, the Internal Audit, and the business units' compliance management functions jointly form the Group's anti-corruption system.
Policy System	The "Anti-corruption Policy", "Compliance Code of Conduct", the "Management System on Compliance of Business Partners", the "Management System on Conflict of Interest", the "Management System on Gifts and Entertainment", the "Management Measures for Compliance Consultation, Reporting, Investigation and Reward", the "Implementation Rules for Disciplinary Actions in Compliance Supervision" and other compliance management measures and implementation rules serve as the policy basis for the Group's anti-corruption work.
Risk Prevention	Through the introduction of corporate culture, training, organizing key positions and risk identification, compliance performance evaluation, mutual supervision, etc., forming an all-round corruption risk prevention extending from ideology to supervision, auditing and investigation.
Monitoring and Reporting	The Group has publicly disclosed anti-corruption reporting channels, including mail and telephone in the "Anti-corruption Policy", and kept the whistleblowers and reporting contents strictly confidential. The discipline inspection, supervision and compliance departments irregularly carry out inspections, spot checks and investigations. The Group has developed standardised case investigation procedures, set up multiple internal and external reporting channels, including the OA platform, telephone, email, WeChat official account of supply chain compliance management, and developed a digital management platform to realize online closed-loop management covering the acceptance of reporting information, development of investigation plan, investigators arrangement, upload of investigation report, approval of disposal plan and investigation event archiving, to minimize human interference.

Anti-corruption and integrity education are important parts of compliance training for all employees of the Group. During the Reporting Period, the Group conducted live streaming training on anti-corruption and integrity education for all staff, including the Board of Directors and senior management, and conducted special admonishing integrity improvement trainings for key positions and key personnel. We also planned to conduct trainings of the Anti-corruption Policy for all staff in 2023.

We added the "Special Conditions of Integrity and Self-discipline" in our contracts to further guarantee dealers, suppliers, etc. strictly abide by the relevant requirements on integrity and self-discipline in business transactions with us. The "Anti-corruption Policy", "Management System on Compliance of Business Partners", the "Management System on Gifts and Entertainment", etc. further standardized the management of business partners and related handling procedures, and effectively prevent possible corruption and corrupt behaviors in business dealings. Meanwhile, the Compliance Department will conduct communications or trainings for business partners. During the Reporting Period, the proportion of dealers and contractors participating in anti-corruption training reached 100%, and the total hours of participating in training exceeded 1,800 hours; the proportion of suppliers participating in anti-corruption training reached 73%, and the total hours of participating in training exceeded 700 hours. The Group also conducts annual and periodic compliance due diligence evaluations on business partners. The Group will put forward rectification requirements for business partners who fail to pass the evaluations, and may cancel the business partners' eligibility for cooperation if they have seriously violated the regulations.

5.3.3 Compliance Operation

The Group continuously pays attention to the following key compliance areas, for more details please refer to the Code of Conduct of the Group and the Geely Supplier Code of Conduct.

Human rights risk

The Group respects the international standards for human rights including the Universal Declaration of Human Rights, UN Guiding Principles for Business and Human Rights and ILO Declaration on Fundamental Principles and Rights at Work. The employment of child labor, forced labor and human trafficking are prohibited in all businesses, please refer to the Code of Conduct publicly issued by the Group for details. We also incorporate work environment and human rights requirements into the Geely Supplier Code of Conduct, requiring suppliers to conduct business in accordance with applicable laws and regulations and the principles set forth in the Geely Supplier Code of Conduct during their business relationship with Geely. When selecting their own suppliers related to Geely, they should conduct appropriate due diligence, and require their own suppliers to also comply with the principles set forth in the Geely Supplier Code of Conduct.

The public issued Code of Conduct and the Geely Supplier Code of Conduct also provide confidential channels of consulting and reporting to internal and external stakeholders, and we will conduct investigation and adopt appropriate discipline penalties after receiving the report.

Conflict of interest

The "Management System on Conflict of Interest" specifically demands all our employees to make their best efforts to avoid any conflict or possible conflict between their own interest and the Company's interest and strive to safeguard the Group's interest and reputation. To avoid damage caused by the employees to the Group as a result of conflict of interest, the employees of the Group need to comply with the requirements as follows:

1. Sign the "Conflict of Interest Declaration" to ensure that the employees have read and understood the "Management System on Conflict of Interest" and undertake to comply with relevant requirements;
2. When a conflict of interest occurs, the employee concerned shall immediately terminate the activities causing the conflict and follow up with the necessary declaration and approval procedures;
3. Any conflict of interest that has not been reported, once found, will be considered as a violation and dealt with in accordance with related regulations.

During the Reporting Period, we have strengthened screening for external investment and employment of employees, improved the management systems of conflict of interest and incorporated it into induction trainings of new employee, the employee signing rate of the "Conflict of Interest Declaration" of the employees was 100%.

Fair competition and anti-monopoly

The Group adheres to the principle of fair competition, complies with the laws and regulations on anti-monopoly and anti-unfair competition, and protects fair and open competition from undue restrictions, collusive restrictions or anti-competitive restrictions. We adopt the "Anti-monopoly Compliance Management System" and strictly abide by the following: not engage in monopolistic behaviors such as unified pricing with competitors, restricting the production and sales volume of commodities, etc. When cooperating with suppliers and other entities, we also convey the compliance concepts of fair competition and anti-monopoly to our partners, and require relevant partners to comply with laws and regulations on anti-monopoly and anti-unfair competition. Meanwhile, we have established a fair competition resource library, sorted out and compiled a list of common monopoly risks and unfair competition behaviors to assist employees in understanding and improving their fair competition literacy.

The Group conducted regular anti-monopoly compliance reviews, and strengthened the training and publicity of anti-monopoly laws and regulations. During the Reporting Period, we developed online training courses for all staff, and conducted 3 anti-monopoly training and 1 anti-unfair training against high risk scenarios of all business units of R&D, production, supply and sales, nearly 655 participants attended the trainings. As at the end of the Reporting Period, the Group had no legal proceedings related to anti-unfair competition practices, violations of antitrust or anti-monopoly.

Export and trade control

The Group complies with applicable laws and regulations relating to export control and trade sanctions for its business, and the Compliance Department tracks updates to relevant laws and regulations in time, and conducts compliance checks in accordance with legal and regulatory requirements. Also, in order to adapt to the strategic development and operational management needs of the Group and respond to the rapidly changing international environment and complex situation, we have further improved the compliance management organizational system and established a special working group on export and trade control compliance under the Compliance Committee, which is responsible for reviewing, implementing and resolving key special work related to export and trade control compliance, coordinate with various business compliance teams to establish a multi-party linkage communication mechanism for export control and trade compliance.

In addition, the Compliance Department regularly conducts compliance training to enhance the awareness and professional competence of employees of business units regarding export and trade control compliance risks, and specifies that business units should consult the Compliance Department in advance regarding cross-border cooperative business. The Compliance Department will assess compliance risks and provide compliance advice to ensure steady business compliance.

During the Reporting Period, the Group developed online training courses on export control and trade sanctions for all employees, and conducted 7 trainings for key business units, with the number of participants of nearly 1,900.

Protection of intellectual property rights

Geely Auto strictly abides by relevant laws and regulations relating to protection of intellectual property rights of the countries and districts where it operates, and built an intellectual property management system covering the entire life cycle from R&D, procurement, manufacturing and sales of products, to respect and protect the intellectual property rights. The Group has formulated the “Intellectual Property Management Measures”, the “Patent Management Measures, the “Trademark Management Measures”, the “Copyright Management Measures”, the "Scientific Papers Management Measures” and the “Implementation Rules for Patent Management by Hierarchy and Classification”, etc., established the digital management platform to standardize the internal approval process for intellectual property application. The Group protects its intellectual property rights through internal intellectual property management system and external agency control. Through internal and external intellectual property transfer/licensing, achievement transformation, value management, etc., we conducted intellectual property rights operation. During the Reporting Period, Geely Auto made additional applications for over 1,000 patents domestically, and obtained 700 patent authorization; and made additional applications for 25 patents overseas, and obtained 11 patent authorization.

Meanwhile, we proactively protect the Group’s intellectual property rights and fight against counterfeiting and infringement of automotive components. The Group has formulated the “Management Measures for the Rights Protection of Automotive Components” and other regulatory documents, developed training courses such as the “Authenticity Identification of Geely Auto Components”, the “Implementation Rules for On-site Rights Protection Actions”, the “Enforcement, Complaint Process and Communication Skills for Rights Protection Actions”, and set a mailbox for rights protection to collect opinions from stakeholders such as the market, automobile owners and the public. Also, we joined the Alibaba Anti-Counterfeiting Alliance (AACA) to collaborate with various forces to jointly purify the after-sales spare parts market and protect the legitimate rights and interests of consumers.

We protect our own intellectual property rights from infringement while avoiding infringement of others’ intellectual property rights. During the Reporting Period, the Group has not received any legal proceedings related to infringement of intellectual property rights.

Tax transparency

The Group conducts taxation work in accordance with laws and regulations, strictly abides by the taxation laws and regulations in places where we operate. We refer to the laws and regulations of China's transfer pricing and the Organization for Economic Co-operation and Development (OECD)'s transfer pricing guidelines, and taking arm's length principle as the basic principle for pricing of the related party transactions within the Group to carry out our cross-region transactions on basis thereof. The Group's commitments to tax strategy include but are not limited to: complying with the spirit and text of the tax laws and regulations of the regions where the Group operates; not transferring the value created to a jurisdiction with low tax rate; not using tax structure without commercial substance; making transfer pricing according to the principle of fairness; not using non-transparent jurisdiction or so-called "tax havens" to avoid taxes, including taxation base erosion and profit shifting.

External donation

We commit to make positive contributions to the community where its business operations are located, and have not seek for inappropriate advantages leveraging on charitable donations. The Anti-corruption Policy of the Group clarify that the donation shall for the purpose of public welfare only and in compliance with regulations and taxation laws. The recipients should be public welfare social groups and non-profit enterprises and institutions established legally.

The Anti-corruption Policy also specify that Directors and employees as well as business partners conducting business in the name of Geely shall not be engaged in political donations. During the Reporting Period, the Group made no political donations.

5.3.4 Review and Supervision

The Internal Audit Department has adequately included compliance in the annual audit plan's scope, including, but not limited to, compliance related policies such as the "Code of Conduct", the "Geely Supplier Code of Conduct" and the "Anti-corruption Policy". Non-compliance issues identified in the audit or relevant control deficiencies are reported in the audit report in which the auditees are required to rectify. Severe violations found are transferred to related departments for disciplinary actions. For more information on internal audit, please refer to Chapter 5.2 "Risk management and internal control" in this Report.

We have formulated the "Whistleblowing Policy" which aims to provide an avenue for employees, suppliers, customers, etc., who deal with the Group to raise any suspected misconduct or malpractice within the Group. Persons making appropriate whistleblowing in accordance with the "Whistleblowing Policy" are assured of protection against unfair dismissal, victimization, retaliation or unwarranted disciplinary action. The Group has the right to take appropriate legal action against any persons who victimize or retaliate against the whistleblowers, and punish (including instant dismissal) them if they are employees. The Group's management support and encourage employees to raise their concerns without being afraid of retaliation.

In addition, all personal information collected during the inspection will be kept highly confidential under the Hong Kong Personal Data (Privacy) Ordinance (if applicable), and will be disclosed and dealt with only by the person designated by the Audit Committee.

5.4 Data Responsibility

The establishment of an effective information and network security management system has become one of the Group's most important tasks. Geely Auto has developed a comprehensive management system based on domestic and foreign laws and regulations related to information and network security, and combined with the trend of information and network security. The Group incorporated "Digitalization & Innovation" as an important pillar of its ESG strategy, gradually moved its data responsibility from information and privacy protection to a responsible data governance system of "value creation, technology leadership and low-carbon development".

5.4.1 Information Security

As the automobile industry enters a new stage of intelligent transformation, information security has become one of the Group's key concerns. In terms of information security, the Group strictly follows the applicable laws and regulations relating to information security of the countries and districts where its business operations are located, actively fulfills its corporate security protection obligations, focuses on the protection of corporate information security, telematics security and data security. In accordance with the ISO 27001 standard, the Group has set up an information security control system including the security group organization, systems and processes, technical tools, as well as the normal operation and the cultivation of cultural awareness.

Information security management

The organizational structure of the Group's information security group adopts a management model with clear division of authority and responsibility and four levels of coordination. The Information Security Committee is established at the Group level as the highest decision-making body for information security, with members comprising 3 executive Directors of the Company, the chief information officer and the chief legal officer. The information security department, information security management functionaries at all levels and the information security technology team form the information security executive team, with the participation of all employees and partners, thus forming a complete set of information security organization system, so to ensure the systematic operation of the information security management and provide comprehensive support and protection for various activities.

The Information Security Committee reports major information security issues to the Board of Directors once a year, and the Board of Directors supervise and make decisions on such matters.

System and process management

The Group formulated a comprehensive security management system in accordance with the Several Provisions on the Management of Automobile Data Security (for Trial Implementation), ISO 27001 standard, and the series of national standards for network security level protection; developed three systems of Information Security Management System (ISMS), Privacy Security Management System (PSMS), and Data Security Management System (DSMS), and gradually transformed from multiple systems in coexistence to one set of implementation standards.

With regard to data security, the Group formulated the "General Principles of Data Security Management" and "Data Security Classification and Categorization Management Regulations", which cover the data classification and categorization, use approval, desensitization, open management, external disclosure, data cross-border compliance management, user information display and partner data security management and other policies, and formed information security control requirements covering the entire business chain.

Security operation, monitoring and incident response

The Group established a unified operation analysis platform and a security operation center to continuously monitor 24/7 to strengthen the security protection and operation capability of the basic operation platform, to improve the security operation indicators, to speed up the detection of security incidents and to shorten the disposal time of security incidents. We also regularly conduct review on security principle and verification on security technology implementation. We conduct penetration tests and vulnerability analysis for critical business systems on average four times a year to identify and rectify security risks (including operating systems, database systems, intermediary software, network equipment, and others).

The Group established an information security incident disposal team to carry out hierarchical management, alarm monitoring and emergency response of information security incidents. The Group arranged dedicated staff to be responsible for network threat tracking and vulnerability management. We have developed and reviewed contingency plans for common information and network security incidents (such as brute force cracking, vulnerability attacks).

Software development security control

We developed a complete software development lifecycle management system to effectively improve the security development capability of developers, avoid wasting time and manpower in pre-release repair work, improve the ability of application systems to resist threats and improve the prevention capability of application systems.

We built a software development security control platform (G-SDLC) to cover the full cycle of information system management in all areas of the Group. The platform has incorporated security compliance requirements into the requirement design library, and provides comprehensive automated tools including static code, open source components, application security, container mirroring security, Mobile Applications (App) security and privacy compliance inspection capabilities, forming a standardized management of the entire process of project creation, requirement design, coding, testing, release and operation and maintenance. Through visual metrics display and standardized security testing, the required design phase is reduced from 2 hours to 15 minutes, and the delivery cycle is reduced from 15 days to 7 days, and software security compliance is ensured from the source.

Besides, we conduct quarterly (4 times a year on average) red-blue team offensive and defensive drills and hacking simulations covering all our business areas to evaluate the reasonableness and adequacy of our response plans and staffing, and to ensure that our incident handling teams are fully conversant with the emergency handling process so to avoid exposing major vulnerability risks.

Information security training

The Group provides training on information security awareness for all employees, the Directors and senior management, and employees in high-risk positions, and update the training courses every year based on the actual situation.

During the Reporting Period, information security awareness and incident case training for employees covered 100%, with more than 2 hours of training per person and approximately 153,555 participants; the Directors and senior management participated in 1 hour per person of training related to data security risks and governance; employees in dedicated and part-time positions in information security attended training on information security management system, practical exercises and incident investigation, with 35.5 hours of training per person and approximately 1,256 participants, and were required to take and pass an examination.

Information security external certification and review inspector

The Group combed and upgraded its information security management system since 2018, and passed the review and obtained the ISO 27001 information security management system certification for four consecutive years, covering the business scope of R&D, production, sales, supply chain and service support system.

Zeekr has been awarded three certificates, namely ISO 27001 (Information Security Management System), ISO 27701 (Privacy Protection Management System) and ISO 38505 (Data Governance Management System) granted by BSI, an internationally renowned standard certification body, becoming the first domestic new energy vehicle manufacturing enterprise to receive these three honors simultaneously granted by BSI. The Zeekr Smart App has successfully passed the mobile internet application (App) security certification of the China Cybersecurity Review Technology and Certification Center (CCRC), becoming the first in the smart car industry.

The Group's information security department, in conjunction with the digitalization center and the internal audit department, conducts information security reviews at least once a year for the units in the operation system to confirm the effectiveness of the information security management system and make timely recommendations for improvement. During the Reporting Period, the internal audit also audited the protection of user information. Besides, we also focused on the network security inspection and self-inspection of industrial control systems at production bases, and conducted comprehensive tracking and management of high-risk data backup, anti-virus, and USB disk control. We regularly generate inspection results and require rectification of problematic items every month.

Security event control

For information security, the Group formulated and improved the "Information Security Incident Management Program", "Information System Security Event Management Regulation", "Information Security Incident Management Regulation", "Information Security Violation Management Regulation" and "Information Security Reward and Punishment Implementation Rules", etc., covering the information security control of the whole business chain. Employees will be subject to penalties including deduction of performance bonus and disciplinary actions based on the risk level for their information security violations. Employees who make outstanding contributions to information security work, report relevant incidents or assist in investigations will be rewarded. All employees of the Group have the obligation to notify and report information security incidents that occur. Information security management functionaries shall promptly determine whether an incident is an information security incident, determine the level of the information security incident, immediately report it to the Information Security Department and take measures. The relevant departments shall give priority to business restoration for information security events that affect business systems.

Telematics security

With the development of networked vehicles and autonomous driving, we focus on and ensure the security of software development and telematics. The Group has met the requirements of the United Nations Economic Commission for Europe (UNECE) Cyber Security Vehicle Regulation and the ISO/SAE 21434 Road Vehicles - Cyber Security Engineering Standards, and has developed and passed the external certification of the Automotive Cyber Security Management System (CSMS), signifying that Geely Auto has already built a comprehensive cyber security management system to ensure network security throughout the product lifecycle.

During the Reporting Period, the Group has not experienced any information security breaches or other network security incidents for three consecutive years, and has not been involved in fines.

5.4.2 Privacy Protection

Geely Auto attaches great importance to user privacy protection, strictly complies with global privacy protection related laws and regulations, maximizing respect and protection of the privacy rights of all parties. We have improved our privacy protection compliance management system with reference to the IEC/ISO 27701 Privacy Management System Requirements, and implemented the eight basic principles of privacy protection:

1. Legitimate and justifiable: The Group shall comply with the laws and regulations of the country/region where its business is located when conducting personal information processing activities;
2. Consistent rights and responsibilities: During the course of business, the Group shall be required to take appropriate technical and other necessary measures to ensure the security of personal information and assume responsibility for the subject of personal information;
3. Clear purpose: Personal information processing activities must have a definite, clear and specific purpose for personal information processing;
4. Choice of consent: To ensure the right of the subject of personal information to make independent choices, and to express the purpose, method, scope and other rules of personal information processing to the subject of personal information during the course of business, and to seek their authorization and consent;
5. Minimal necessity: Ensure that the business only processes the minimum type and quantity of personal information required to meet the purpose authorized by the subject of personal information, and delete personal information in a timely manner once the purpose is achieved;
6. Publicity and transparency: Personal information shall be processed in a clear, understandable and reasonable manner, including the scope, purpose and rules, and subject to the external supervision;
7. Ensuring security: The Group shall have security capabilities that match the security risks to it exposes, and take sufficient management measures and technical means to protect the confidentiality, integrity and availability of personal information;
8. Subject participation: The Group shall provide the subject of personal information with methods to inquiry, correct or delete their personal information, withdraw authorization or consent, deregister accounts and file complaints during the course of business.

Privacy protection compliance organization and system security

The Group has established various national/regional data protection officers (DPOs) and privacy protection compliance officers for each unit under the Compliance Management Department, clarifying the organizational structure and division of responsibilities for privacy protection compliance management, defining the requirements of privacy protection for each business unit and functional department, and maximizing satisfaction of the compliance requirements of laws and regulations, users and the industry.

The Group has established and released a fourth hierarchy privacy protection compliance management system covering management systems, procedural documents, process guidelines and sheet tools, providing comprehensive guidance and standard for reference, and promoting it to key personnel. Also, the Group set up a mechanism covering policies and specifications, planning reporting, operation control, meeting communication, event reporting, compliance filing and supervision and evaluation, to make sure the effective operation and closed-loop.

Privacy protection compliance awareness guarantee

In 2022, the Group carried out privacy and compliance awareness trainings for all employees, including specialized trainings on the General Data Protection Regulation (GDPR) of the European Union, the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China. The total training hours exceeded 50 hours with nearly 130,000 participants. For business unit privacy protection compliance officers and key position employees, our Group conducted privacy protection compliance management system training, with training hours exceeding 40 hours and nearly 5,000 participants, covering key business units such as R&D, IT, supply chain, sales, quality and human resources.

We conducted special training for employees in key business units and key positions involved in medium to high-risk areas and scenarios including mobile applications such as Apps and applets, smart Internet-enabled vehicles, face recognition applications, and cross-border data transmission.

Full process protection of consumer privacy

Information Collection	The Group clearly requires that when collecting personal information, each unit shall first obtain the consent of the user (and obtain permission from the guardian of the minor if necessary), comply with the privacy protection principles of clear purpose, minimum necessity and lawfulness, openness and transparency, etc., and shall not collect personal information that is not related to the services it provides; shall not collect or use personal information in violation of the provisions of laws and administrative regulations and the agreement between the parties; and shall handle the personal information it collects in accordance with the provisions of laws and administrative regulations and the agreements with users.
Information Use	In the process of using information, the Group shall ensure that the purpose of using consumers' personal information is reasonable and minimally necessary. In cases involving the convergence and integration of personal information and automatic decision-making of information systems, the Group conducts corresponding data protection impact assessments (DPIA) in accordance with applicable laws and regulations, and takes effective measures based on the results of the assessments.
Information Storage	The Group ensures the accuracy and security of personal information storage, specifies that the storage period of personal information handled by each unit shall be the shortest time necessary to achieve the purpose of personal information processing, and shall establish comprehensive access control policies and encrypts sensitive personal information to ensure the security of personal information.
Information Transfer and Disclosure	In accordance with the privacy protection principles of consistent authority and responsibility, clear purpose and security, the Group specifies that when the transfer of personal information involves entrusting, sharing, transferring, transmitting and disclosing to third parties, the Group shall take necessary management measures to protect the rights and interests of the subject of personal information, such as desensitization of personal information. In addition, the Group handles the cross-border transfer of personal information with care and has set up a strict review process.
Personal Information Security Management	The Group issued the "Personal Information Security Management Control Procedures", clarified additional security requirements during the life cycle of the collection, transmission, storage, use, deletion and destruction of consumer personal information, and clarified the security principle of graded protection of personal information to prevent unauthorized access, disclosure, damage or loss of personal information.
Consumer Privacy Protection	The Group strives to facilitate the channels for responding to the rights of personal information subjects and to protect the basic rights of personal information subjects, such as the right to access, copy, correct, know, delete, carry, self-determine, restrict processing, reject, and obtain explanation. The Group has set up a dedicated customer service telephone line and a privacy protection email feedback channel to actively respond to requests for the rights of personal information subjects.

Privacy and security engineering

Geely Auto is committed to integrating privacy protection principles into the existing product development system to ensure the privacy compliance of developed products. The Group has formulated and strictly implemented the "Product R&D Privacy Development Management Regulations" and "IT System Development Life Cycle Privacy Protection Compliance Management Regulations" to manage the entire process of product requirements, product design, development and testing, and preparation for launch to ensure that privacy protection compliance requirements are embedded at the R&D end from the source.

Privacy compliance risk management and inspection and audit

During the Reporting Period, Geely Auto conducted special work of privacy protection compliance risk assessment, comprehensively sorted out privacy and compliance risks of 6 key business units, and identified a total of 69 risk scenarios in 9 categories of risks including data processing legality, privacy transparency, data retention, third-party processing, etc. We completed the development of a privacy protection compliance risk map and promoted the rectification of medium to high risk items, and simultaneously carried out special governance actions in multiple medium to high risk areas, including facial recognition, privacy protection of vehicle and machine, and cross-border transmission. In the sales scenario, we set up a dedicated position for privacy protection to be responsible for the development and implementation of full touch and entire process standards for consumer privacy. We also added a consent form for the collection of personal information from vehicle owners at the time of purchase, added privacy policy statement to the vehicle interface, comprehensively revised the user privacy policy of the mobile application, and added personal information collection list, personal information sharing list and permission list to the mobile application to better fulfill the transparency requirements of personal information processing.

To ensure that the implementation process of the privacy compliance system of the Group is in compliance with the regulations and the operational process continues to be effective, the Group has clarified the basic principles and requirements for inspection and audit, and developed and promoted an audit plan to ensure that the audit and inspection results are fully utilized. In 2022, Our Group comprehensively rectified the privacy compliance issues of Apps in accordance with laws, regulations and regulatory requirements. We also plan to conduct comprehensive compliance inspections on Apps and effectiveness inspections on embedding privacy compliance requirements in research and development in 2023.

Privacy incident emergency response

In respect of privacy incident response, the Group has introduced the Privacy Incident Response Management Measures, which clarified the classification criteria for privacy incidents, the responsibilities and handling processes of each department during the disposal process, improved the efficiency and effectiveness of privacy incident reporting and emergency response, and further improved the Group's management requirements on privacy incident filing, analysis and summary.

During the Reporting Period, the Group had no leakage of user data/privacy, and received no complaints related to loss of consumer data and privacy protection.

5.4.3 Third-party Information Security and Compliance Control of Privacy Protection

As automotive products continue to move towards the era of intelligent interconnection, the role of software is becoming more and more obvious. The value chain cooperation in the automotive industry is gradually linking up with enterprises in the information and communication field, and the open cooperation of multiple entities and cross-domains requires Geely Auto to ensure information security and privacy protection for itself and consumers under more complex scenarios.

During the Reporting Period, the Group formulated the "Data Security Management Procedures for Partners" for suppliers and business partners to clarify the management requirements and responsibilities of both parties, and launched classification and grading management based on the level of data interaction involved in the process of cooperation with partners to ensure consistent security protection during the process of data interaction. The Group plans to continue to promote value chain data security management in 2023, formulate corresponding information security qualification examination programs based on the level of cooperation, and form the evaluation of the data security protection capability of the partners to continuously track their risk status.

In order to regulate third-party personal information processing activities, reduce the risks of personal information processing and ensure the legality and compliance of third-party personal information processing activities, the Group has issued the Management Measures for Third Party Processing of Personal Information, which clarified the basic process for third-party processing of individuals (including but not limited to scenario identification for conducting third-party processing, data protection impact assessment, notification of consent and agreement signing, third-party privacy processing control and inspection and audit). During the Reporting Period, the Group clearly required all business units to sign the Compliance Commitment Letter when cooperating with third parties. Besides, Geely Auto continues to promote the signing of third-party data processing agreements and plans to use them as a precondition for data cooperation and interaction between both parties in 2023 to ensure that third parties comply with privacy protection compliance requirements and standards of Geely Auto.

In addition, the Group developed a third-party privacy compliance management process and conducted trainings on system requirements. During the Reporting Period, we conducted 3 training sessions to raise suppliers' information security awareness, covering a total of 358 suppliers.

6 Consumer Interest

Material Issues

- Product Quality and Safety
- Customer Service and Satisfaction
- Sustainable Mobility
- Customer Privacy

Sustainable Mobility

- Lynk & Co Europe subscription members**>150,000**, launched car sharing platform
- Zeekr's **>600** self-built charging stations for pure electric vehicles covering **>100** cities
- New joint-venture brand, LIVAN created battery swapping ecosystem to provide more choices for zero-carbon mobility

Product Quality and Safety & Customer Privacy

- Xingyue L became the first 5-star model in C-NCAP 2021 Edition
- Boyue L and Zeekr 009 received C-ECAP Platinum
- ISO 9001 Quality Management System Certification
- 4 vehicle plants certified for cybersecurity and cybersecurity management system, and software upgrade and software upgrade management system from the German Ministry of Transport
- 3 recalls with a total of 140k vehicles been recalled
- Geely brand's ranking in J.D. Power 2022:
  - China Initial Quality Study (IQS): the **4th** in domestic brands. Lynk & Co 03 and Geely Vision X3 ranked the **1st** in their segments respectively
  - China Vehicle Dependability Study (VDS): the **2nd** in domestic brands Geely Binrui ranked the **1st** in its segment
  - China Automotive Performance, Execution and Layout Study (APEAL): the **1st** in domestic brands. Geely Binrui ranked the **1st** in its segment

Customer Service and Satisfaction

- Geely brand's ranking in J.D. Power 2022 China Customer Service Index (CSI): the **2nd** in domestic brands and the **3rd** in mass market brands

Future:

- All-round safety
- Digitalization & Innovation
- Co-Prosperity – Customers

6.1 Sustainable Mobility

Guided by the needs of user, the Group empowers mobility experiences of users through technologies such as satellite data applications, builds an intelligent ecosystem of "Integrating systems from ground to space and Interconnecting everything", continuously increases technological investment in the fields of intelligence, and comprehensively upgrades the user experiences.

6.1.1 Sustainable Mobility Modes

We continue to move forward on the path of "making urban life better", and explored new sustainable mobility experiences to meet the diverse, personalized and economical mobility needs of more different types of consumers.

Shared mobility

Lynk & Co International, offers a subscription-based model for users to obtain access to vehicles on a monthly basis, providing them with a more flexible, affordable and environmentally friendly travel experience. By the end of the Reporting Period, Lynk & Co International had more than 150,000 "Subscription" members in Europe. During the Reporting Period, Lynk & Co International developed a vehicle sharing application for vehicle users to rent their vehicles, which not only saves the vehicle users' own costs, but also increases vehicle usage, thereby reducing the space available for vehicle use. It also provides people with more convenient and flexible usage options in addition to purchase and monthly subscriptions.

Lynk & Co International's sustainable mobility

1. Creating a greener urban space

In 2022, Lynk & Co International conducted a survey on "Lynk & Co, reimagine the city", covering over 8,000 respondents in 8 European capital cities. The survey shows that the most common wish of Europeans is to replace parking spaces with more urban greening, recreational areas and wider pavements. As vehicles are parked for 96% of the time, and are actually in use for only 4% of the time on average, Lynk & Co International makes vehicles more flexible, shareable and adaptable to modern life through its vehicle sharing, creating more space for people in the city.

2. Providing more economical mobility mode

70% of consumers said that reducing the cost of vehicle use was the main reason for subscribing to shared mobility. The shared mobility mode not only reduces the mobility cost for consumers, but also means that the production volume of automobiles will be reduced, thus effectively extending the product life cycle and improving product utilization efficiency. In the future, Lynk & Co International will continue to focus on innovation and research and development, drive product development that covers the entire life cycle of vehicles with user thinking and user needs.

3. Creating fairer and easier accessible mobility opportunities

During the Reporting Period, Lynk & Co started a non-profit project named "Driving Change", in collaboration with "My Driving Academy" and "Göteborg's Stadsmission". The project aims to help disadvantaged groups in Sweden by creating a level playing field for those who may not have the same opportunities, and making it easier for them to obtain driving licenses.

Reshaping green shared mobility with science and technology

Geely Auto actively laid out the shared ecology of new energy vehicles and strengthened cooperation with shared mobility ecological partners. In 2022, the Intelligent Driving Center of Geely Auto Innovation Research Institute cooperated with Caocao Mobility to create the first open commercial intelligent mobility travel platform in China, Robotaxi. The platform focuses on an open operational service ecosystem. By cooperating with technology companies to collect intelligent driving data, collaborating with vehicle companies to build a shared mobility platform, and obtaining commercial operation licenses with government support, the platform has gradually established a nationwide operation network of Caocao Robotaxi, thereby providing users with online taxi experiences and promoting the transformation of society towards green shared mobility.

In addition, Caocao Mobility launched the first new energy shared mobility platform in China - the carbon credits exchange system "Carbon Mileage", to record green mileage carbon emissions reductions for users and provide low-carbon commodity exchange services. Since its establishment, Caocao Mobility has reduced carbon emissions by over 1.7 million tonnes.

Battery swapping mobility

With the brand positioning of the "popularizer of battery swapping mobility", Livan strives to create a battery swapping mobility ecology with separation of vehicle and battery, and to provide users with a new mode of travel that is more convenient and zero carbon. In 2022, Livan launched a new battery swapping architecture, GBRC Crystal Framewor, covering the vehicle technology platform, battery swapping and energy supply platform and big data cloud platform, to realize full scene of intelligent battery swapping. Livan shared resources with E-Energee and CaoCao Mobility to form an integrated battery swapping ecosystem of "vehicle - station- battery - cloud" based on battery swapping station technology advantages and battery technology advantages of E-Energee and mobility platform advantages of CaoCao Mobility. As of the end of the Reporting Period, the cumulative battery swapping mileage of Livan brand was approximately 240 million kilometers, the cumulative times of battery swapping exceeded 1.26 million times.

During the Reporting Period, Livan was awarded the "New Force of Battery Swapping Mobility for the Year" at the Western Automotive Consumption Innovation Forum, and the "Most Anticipated Battery Swapping Brand Golden V Award for the Year 2022" at the China Automobile Golden V Awards Ceremony.

Charging network

Zeekr Energy focuses on the three business lines of "Home Charging, Public Charging and Charging Express", and is committed to building a full-scene intelligent energy ecosystem based on mobile internet, so that users can enjoy a more convenient experience of using pure electric vehicles. As of the end of the Reporting Period, ZEEKR Power's self-built charging stations have accumulated more than 600 stations (excluding dedicated stations) in over 100 cities nationwide, while accessing third-party high-quality public charging networks through charging maps, covering more than 380,000 charging terminals in 336 cities nationwide, bringing users a convenient and fast charging experience.

Zeekr energy charging network

Home Charging Service

- Provide one-stop home charging installation services, with 7 kW and 11 kW power products to meet the different needs of vehicle owners, suitable for long-stay parking charging scenarios such as homes and communities.

Public Charging

- Provide public charging services (20 kW light charging piles, 60-120 kW super charging piles, 240-360 kW extreme charging piles) to layout major cities, core business districts, road network hubs and travel destinations throughout across China.

Charging Express

- Provide Help Charging (i.e., valet charging) and Charging Vehicles (i.e., vehicle to vehicle charging) services to meet the needs of users, whether they need a charging butler to drive to the charging station on behalf of the vehicle owner, or the charging vehicle will be driven to the location designated by the user for charging.

6.1.2 Intelligent Driving Experience

We are committed to "building the most reliable, safest and responsible" intelligent driving vehicles, and achieve "safe upon delivery". To enhance the performance and practicality of intelligent driving, we continue to develop "safe, experiential and efficient" intelligent driving solutions to meet users' driving needs in different scenarios and provide users with ecological services for future intelligent three-dimensional mobility.

Intelligent architecture

Geely Auto has four modular architectures: CMA, BMA, SPA and SEA, and focuses on models in different fields. In 2023, Geely Auto released the "Geely Galaxy New Energy" strategy, introduced two major new energy architectures: intelligent electric hybrid (covering A0 to B grade intelligent electric hybrid products) and intelligent pure electric (covering A to D grade intelligent pure electric products). Geely Auto plans to launch seven products in Geely Galaxy series in the next two years.

Intelligent driving

The Group continues to develop intelligent driving solutions based on iterative computing. The Group focuses on L2+ and L3 level intelligent driving technologies. We have applied the new generation of Navigate on Autopilot (NOA) to the Boyue L model, and will also be applied to the latest products of Lynk brand and Geely brand subsequently. Zeekr and Mobileye plan to jointly launch the world's first consumer-grade intelligent driving electric vehicle with L4 level intelligent driving capabilities in 2024.

We are working on three types of verification methods of intelligent internet connectivity testing, namely simulation testing, closed road testing and open road testing, to meet the requirements for algorithm iteration, virtual validation, compliance control of intelligent driving functions, and accelerate the implementation of vehicle driving technology.

Intelligent Driving Scheme of Zeekr

Zeekr has the ability to achieve the current mainstream L2+ function in the industry. The Zeekr 001 and Zeekr 009 models adopt the world's first system solution based on Mobileye dual EyeQ 5H chips, including seven 8 million meta cameras, one long-range millimeter wave radar and twelve ultrasonic sensors, which are leading the industry in the pure visual technology route. In addition, the Responsibility Sensitive Safety Model (RSS) has been applied to the intelligent driving systems of Zeekr 001 and 009, and four common sense models are established:

1. Keeping a safe distance from the vehicle in front, so that even if the vehicle in front suddenly brakes sharply, the vehicle can react in a timely manner to avoid collisions;
2. Keeping a safe distance from the side vehicle to allow sufficient time for other vehicles to react when changing lanes;
3. The principle of enjoying the rights of way: no competition for rights of way;
4. Be aware of the blind areas around intelligent driving vehicles to avoid traffic accidents caused by blind areas of vision.

In June 2022, the first nine satellites of "Geely Future Mobility Constellation" of Geely Holding Group were successfully launched into orbit, and the network of 72 low orbit satellites will be completed in the future. The technologies such as high-precision positioning integrating systems from ground to space, satellite remote sensing AI and space-based communication services will help promote continuous transformation of Geely Auto in the field of mobility.

During the Reporting Period, we successfully passed two intelligent driving tests, the Automatic Emergency Braking (AEB) and the Emergency Lane Keeping Assistance (ELKA) in rainy and foggy days, in the Top Intelligence Challenge, and won the grand prize with outstanding results. In the 4th Gaogong Intelligent Internet Vehicle Summit - 2022 Intelligent Vehicle Industry Selection, we won three awards, namely the "Most Popular and Competitive Advanced Intelligent Driving System in the Market", "Leading Market Share Award for Independent Brand Parking Assist Driving Front Installations" and "Intelligent Vehicle Benchmark Model - Geely Boyue L" for the year 2022.

Software research and development

We have built a self-research and development system to promote digital transformation and continuously improve our self-research capabilities based on user experience in scenario design, function development, system security, data closed-loop and software self-research, to achieve rapid iterative computing and steady improvement, deeply explore user behavior and preferences, and improve the user experience digitally.

In the field of intelligent cockpit, the "Dragon Eagle One" chip created by Siengine, a company invested strategically by ECARX, is the world's leading and the only 7nm vehicle-grade intelligent cockpit chip in China. It will achieve mass production and be applied to Lynk in the mid-2023. In addition, Geely Auto launched its own self-developed distributed operating system - Galaxy N OS in 2023, deploying national secret algorithms in its self-developed chip to improve user privacy protection capabilities. The system connects the new voice engine at the system level to provide users with a full-scene visible and speakable interactive experience of more accurate recognition with millisecond-level response. By creating a new User Interface (UI) style at the application level, users can customize intelligent scenes and freely adjust sound, lighting, seats, etc., leading intelligent electric vehicles from software definition to a new era of ecological definition.

6.1.3 Safe and Healthy Products

The Group regards the All-round Safety as an important pillar of ESG strategy, with the aim of "Zero Casualties, Zero Health Hazards, Zero Property Loss, Zero Privacy Leakage", the target of "Zero Accidents and Zero Casualties", and upgrades traditional security to cover all road users and intelligent mobility safety under the new four transformations. We always adhere to the principle of safety first, and uphold the "people-oriented" safety gene, so as to create reliable products with excellent safety performance in all aspects.

All-round Safety system

We continued to improve the All-round Safety System to ensure the safety of all stakeholders involved in various scenarios throughout the vehicle's life cycle. We have created an All-round Safety Sustainability+ function matrix, and through the development of a series of industry-leading security technologies, we have expanded the care group for mobility safety to all road participants such as in-vehicle drivers and passengers, vulnerable road users, maintenance and rescue personnel.

Integrated security

The Group continued to invest in integrated security development related technology:

Mobility Group Category	Security Technologies
Children	Collaborate on developing child protection performance based on vehicle characteristics in the safety simulation stage;
	Use in-vehicle millimetre-wave radar to detect the remains of life, to prevent children or pets from being left in the vehicle and avoid possible life hazards;
Vulnerable Road Users (VRU)	Invent a pop-up hood and VRU protective airbag based on multi sensor and multi feature target recognition technology to reduce the risk of injury in collisions between pedestrians and vehicle hoods;
In-vehicle Drivers and Passengers	Develop of reclining occupant protection technology to solve the problem of collision protection in zero gravity seats and large angle riding state;
	Develop and apply post-crash low-voltage power preservation technology to avoid the problems of low-voltage power loss, non-unlocking doors and non-triggering E-call after an accident;
	Develop new occupant protection technologies such as overhead airbags for the driver and passenger seats, fully wrapped airbags, head and chest integrated airbags and remote airbags to improve the level of occupant collision protection in intelligent driving scenarios;
	Intelligent analysis of drivers' face and physical characteristics through Driver Monitor System (DMS) to avoid traffic accidents caused by fatigue driving.

Safety of new energy vehicles

The Group continues to invest in new energy vehicle safety related technologies:

Battery Safety	developed and verified power battery according to Underwriter Laboratories Inc. automotive power battery safety standard UL 2580 and EU ECER100 safety certification standard;
	created the Geely Galaxy's exclusive Shendun battery safety system, created industry standard for safe design of human electromagnetic radiation and industry standard for verification and evaluation of high safety bottom crash protection, self-developed "BMS3.0 battery life", protected the safety of people and vehicles in all aspects;
	adopted technologies such as extreme-cell battery pack and ten-gong lattice aluminum threshold bumper to improve the stability of the cell thermal loop and effectively resist side impact, realizing the battery safety requirement of no thermal spread and no fire;
	conducted safety performance tests on battery packs with stringent development standards and tests to fully eliminate users' concerns about the safety of new energy batteries;
Fire and High Voltage Safety	jointly built a combustion laboratory with internal and external resources, and conducted in-depth research on the fire mechanism, fire-fighting measures and traceability methods of new energy vehicles, which has continuously improved the development of the fire prevention capability of the whole vehicle;
	conducted a special topic - thermal simulation study, established a vehicle simulation model, identified and analyzed the risk of heat dissipation under different operating scenarios, and controlled that there were zero vehicle fire accidents due to design reasons.

Healthy safety and network safety

We are committed to creating the safest and most environmentally friendly vehicles, improving the quality of the air inside the vehicles, ensuring the safety of the raw materials used, and taking care of the physical and mental health of the consumers, as well as continuously improving our network security and data compliance management capabilities.

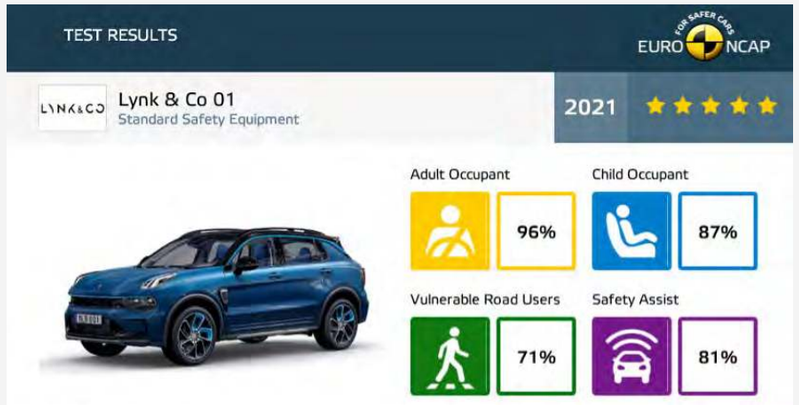
Air Quality Safety	deepened the technical repetitive computing in two dimensions of health and comfort and health management, and established Geely Auto's position as the industry benchmark in the field of health and environmental protection;
	reduced the use of glue for interior cladding materials, and technically avoided the risk of odor and organic emissions from new low-carbon materials and high-perception materials;
	according to the China Initial Quality Study (IQS), the average value of all Geely vehicles is 4.5, with a completion rate of 125.7%;
	Zeekr 009 is equipped with microclimate fresh air intelligent air conditioning system and intelligent fragrance system to isolate harmful substances in the air, as well as air disinfection and prevention of respiratory infections;
Raw Material Safety	controlled the material side from the source of raw materials to meet the requirements of standards and regulations, carried out informative data management through the China Automotive Material Data System (CAMDS) and End-of-Life Vehicle (ELV) compliance system, and established a complete hazardous material control system;
	Zeekr 009 uses Ultrasuede® Oswald suede and other environmentally friendly materials to cover the cabin, and more than 180 tests and experiments have been conducted inside the vehicle to set limits on more than 30 hazardous substances, which exceed the certification standards for baby clothes;
Network Safety	developed cyber safety management processes at all stages of the vehicle lifecycle. In October 2022, obtained the UN regulation No. R155 CSMS network security system certification and No. R156 SUMS software upgrade system certification in January 2023 from the German Ministry of Transport, covering four production sites in Yuyao, Chengdu, Hangzhou Bay and Xi'an, ensured that network safety is maximized in our products.

Safety assessment

During the Reporting Period, we passed the health and safety assessments on our vehicles conducted by third-party testing organizations such as China-New Car Assessment Program (C-NCAP), China Insurance Automotive Safety Index (C-IASI), China Eco-Car Assessment Programme (C-ECAP) and European New Car Assessment Program (E-NCAP), and received a number of award certificates:

- Geometry E model received the first A-class 001 certificate for pure electric passenger bottom crash protection from China Automotive Research;
- Xingyue L received the first five-star rating from C-NCAP 2021;
- Boyue L and Zeekr 009 received the platinum medal from C-ECAP;
- Lynk & Co 09 received the A-class 001 certificate for tailgating rollover protection from China Automotive Research collision and received the C-IASI 2020 version AGGG rating;
- Lynk & Co 01 EU model received a five-star rating in 2021 test from E-NCAP.

The four models currently on sale have a C-NCAP safety rating of 5 stars or higher.



Lynk & Co 01 EU model received a five-star rating

6.1.4 Comprehensive Quality Control

In 2022, we adhere to the quality principle of "insisting on being responsible for the products at all times and always satisfying customers", we manufactured the safest cars, and provided high quality products and services to customers throughout the life cycle of vehicle ownership of planning, selecting, buying, using, repairing, and replacing of a vehicle. Geely Automobile 's performance in J.D. Power's 2022 survey is as follows:

- In China Initial Quality Study (IQS), which focuses on new vehicle quality, Geely Automobile was ranked No. 4 in independent brands and No. 11 in mainstream brands, Geely Vision X3 and Lynk & Co 03 was ranked No. 1 in mini SUVs and mid-size sedans respectively.
- In China Vehicle Dependability Study (VDS), which focuses on 2-4 year vehicle quality problems, Geely brand ranked No. 2 in independent brands and No. 12 in mainstream brands. Geely Binrui ranked No. 1 in mid-size sedans.
- In China Automotive Performance, Execution and Layout (APEAL), which focuses on vehicle owners' perceptions and satisfaction with automotive products, Geely brand ranked No. 1 in independent brands and No. 8 in mainstream brands. Geely Binrui ranked No. 1 in mid-size sedans.

As of the end of the Reporting Period, we have received 141 quality-related awards, including 20 national awards, 37 provincial and municipal awards, 5 regional awards and below, and 13 awards from associations and certification bodies. We have been awarded "Outstanding Enterprise in Quality Control Activities in National Machinery Industry" for 11 consecutive years.

In 2023, based on the "3050" Comprehensive New Plan, Geely Auto adheres to the customer-centric principle and build a quality ecology along the entire value chain. We will carry out comprehensive quality control in seven major processes, including R&D and design, supply chain quality, manufacturing process, marketing, after-market service, test management, and quality planning, and we will carry out comprehensive quality control based on five major directions, including new energy, new technology, new products, new marketing, and new value chain.

Quality control system

During the Reporting Period, the Group revised the "Power Storage Battery Recycling and Traceability Management Regulations", refined the recycling process of power storage batteries for new energy vehicles, guided and regulated the management of power storage battery recycling service nodes and the construction of recycling service nodes.

In accordance with relevant standards such as GB/T19001-2016/ISO 9001:2015 quality control system, IATF16949:2016 automotive quality control system, and relevant laws and regulations on quality, the Group established a quality control system covering the entire management process of design and development, manufacturing, sales and services. In 2022, the companies located in China that develop and manufacture products under Geely, Lynk & Co and Zeekr of the Group were certified to ISO 9001 quality control system certification, and the powertrain company was certified to the IATF 16949 automotive quality control system certification.

The Group established a laboratory management system in accordance with ISO 17025:2017, covering testing of automotive, metal materials, electrical, chemical and sensory fields. As of the end of the Reporting Period, 10 laboratories have been accredited by China National Accreditation Service for Conformity Assessment (CNAS), and more than 300 test projects and 200 standards have been approved, fully covering the testing needs of the whole life cycle from R&D to mass production of automobiles.

We established a series of quality systems with Geely Auto characteristics to bring consumers a guaranteed driving experience:

Geely Consumer Product Audit Standard (GCPA)

GCPA is a quality management method that focuses on user experience and covers automotive R&D, manufacturing, supply chain and sales. GCPA deeply studied Chinese users' habits and conducted a full life-cycle, all-round experience evaluation of products, aiming to quickly translate users' demands and expectations into product development specifications and requirements, and to create a full process, full domain, user experience-centered ecosphere.

In 2022, with the "GCPA Quality Control Experience Based on User Experience", we participated in the national quality benchmark evaluation of China Quality Association and won the award successfully, and with "Research on the Improvement of Vehicle Quality Based on GCPA Evaluation Concept of User Experience", we won the first prize of excellent paper on quality control in China Machinery Industry in 2022.

Maturity evaluation Criteria for full process competitive quality system

In order to accurately evaluate the quality control standards of the Company, we established the "whole process competitiveness quality system evaluation standard" based on ISO 9001/IATF 16949 standard and the theory and method of maturity evaluation. As of the end of the Reporting Period, we conducted maturity tests for 24 enterprises of the Group, covering the whole value chain business processes such as R&D, procurement, supply chain, manufacturing, sales and after-sales, with an overall maturity rating of 88.71 points, an increase of 0.71 points from 2021. In 2023, we plan to launch a quality system engineer training program, and to build a team of system engineers, so to create the full process competitive quality.

Self-assurance system

We established workplace assurance evaluation standards and promoted risk assessment of quality assurance capability during mass production and new vehicle model manufacturing. As of the end of the Reporting Period, we have completed the promotion and implementation of 21 models in 100% of Geely Auto's vehicle manufacturing bases, resulting in a 91.4% year-on-year decrease in the number of low-level problems in market manufacturing in 2022. In the future, we will continue to improve the guidance manual for evaluation of workplace assurance and to guide the bases to carry out evaluation work on a regular basis.

Error prevention management system

We carried out the concept of error prevention from the whole life cycle of product development, process design and mass production, and formed a complete error prevention management system around product error prevention, equipment and tooling error prevention, and manufacturing execution system (MES system) error prevention in multiple dimensions, and established a group-level error prevention case database, which is shared in the cloud for the base to benchmark and learn from, thus avoiding the recurrence of similar problems.

Product recall

We established the Product Safety Committee and formulated the "Regulation on Geely Auto Product Recall Management" in strict accordance with the "Regulation on the Administration of Recall of Defective Auto Products" of the PRC. In combination with overseas laws and regulations, Geely Auto has formulated the "Measures for Administration of Recall of Detective Auto Products in Overseas" for overseas markets, and recalled products that meet the recall conditions. During the Reporting Period, there were three active recalls (including: transmission oil spillage in the Vision 4AT model, lack of hood unclosed alert function in the Boyue X model, abnormal wear of the clutch distributor pump in some vehicles of the Dihao GS/GL), for which we issued a phase report and a summary report. As of the end of the Reporting Period, the completion rate of all three recalls has reached the periodic recall completion rate target set out in "GB/T39603-2020 Defective Vehicle Product Recall Effectiveness Assessment Guide".

Recalls of Geely Auto

Indicator	2020	2021	2022
Number of Recalls (times)	0	0	3
Number of Recalls (10 thousand units) - active	0	0	14

Defect verification process and proactive recall process

Defect validation process

1. receive defect information from production and market
2. organize relevant units for defect analysis and further validation
3. report to the National Recall Center and implement the active recall process once confirmed the defect

Active recall process

1. develop and validate the defect elimination plan, then procure relevant parts
2. trace the affected vehicles and the corresponding customers' files, and issue a notice to stop selling defective products
3. set and verify the recall plan, issue recall notice approved by recall office, and implement recall
4. real-time monitor the recall's effectiveness, and issue periodic reports every three months and a summary report on the completion rate

We continued to improve the prevention management system, carried out 100% prevention and investigation of domestic and overseas recall problems and internal batch problems, and established product safety problem levels and risk assessment standards. During the Reporting Period, we identified 165 quality risks and conducted monthly reviews, achieved normalized and convenient risk and hazard management. By the end of the Reporting Period, we received 126 safety-related defect complaints, and we have investigated models and parts of the same platform and structure according to the failure mechanism, carried out problem avoidance work, and achieved 100% of the investigation follow-up.

6.2 Responsible Marketing

The Group has always adhered on creating a fair marketing environment for every user, protecting the legal rights of consumers, continuously improving service standards, and guiding users to choose green and low-carbon consumption.

6.2.1 Fair Marketing

Based on the "Advertising Law of the People's Republic of China", we regulated the accuracy and standardization of the content of external communications of our brands, formulated the "Regulations on the Management of Communications", effectively checked the content of non-compliant communications, and strictly controlled the content of various types of communications. We regularly organized relevant training to enhance the professionalism of our staff in reviewing; we issued quarterly alerts on materials that involve communication risks and focused on tracking; we took timely relief measures for publications that cause negative impacts, which including case sharing, strengthening the process of reviewing advertising materials, and targeted training for advertising reviewers by legal staff, so as to ensure the efficient operation of our risk control mechanism for advertising auditing.

We provided consumers with the following convenient and diverse access to information to ensure that they have clear and accurate information before making purchase decisions. In order to clearly communicate product information, Geely's international sales has produced product catalogs, folders and other product promotion materials, posted technical tips on the official website or social media, and organized caring classes to communicate with users.

Information acquisition channel

Online:

Official website, WeChat official account, official Weibo account, official video account, overseas social media platforms such as Facebook, Instagram and other online platforms such as overseas websites

Offline:

Paper materials such as product leaflets/foldouts/catalogs provided by officially authorized sales outlets, sales consultant presentations, product promotion meetings, and test driving

6.2.2 User Ecosystem

Establish a user brand

Geely Brand follows the core value of "Happy Life, Geely Drive", officially established the user brand "G Family", built a brand-new mode of user-led, user-managed and user-operated, enabling users become the dream partner of Geely Brand. Through building the owner business alliance partner stores, "G Family" provided exclusive interests for Geely car owners and enhanced the social life attribute.

As at the end of the Reporting Period, the number of registration users of Geely Brand App reached 3.032 million, including 1.90 million car owners. Lynk & Co had over 2.30 million fans, with a retention rate of 66%, and the daily activity ratio of Geometry App exceeded 8%, with 201,000 registered users.

Link users through multiple relationships, establish user social networks, and promote business model upgrading

"G Family"

Listen to users' voices, precipitate user data and achieve accurate marketing

Build the reputation among users, expand brand recognition and improve the brand premiums

"Hi G Family" 2022 Geely Brand users conference

During the Reporting Period, Geely Brand created the largest user co-creation, user-led and user-empowered event to date – "Hi G Family" user conference. Thousands of users from all over the country came to the scene, releasing the user co-creation magazine "Hello G Family", the theme song "Hi G Family", the user co-creation story micro-film, and the "G Family +" 86 public welfare day, leaving valuable user assets.

We have successfully created an annual event IP for Geely Brand users, making the "Hi G Family" Geely Brand user conference an annual appointment between the "G Family" user brand and users.

User community

Based on "We are together with Geely" user brand philosophy, Geely Brand has carried out themed activities such as Geely family banquet, entering the factory, vehicle empowerment, interest community, surprising fans, etc., achieving co-creation with users, directly connected with more than 100 car clubs, 38,000 users.

Geometry's business chain focused on the users' car use scenario, with the "reality" as the core, and carried out IP activities such as the "E Heartbeat", the "Summer N Power", and the "Geometry Happy Mileage". As of the end of the Reporting Period, Geometry has conducted over 2,000 activities, covering over 25,359 users in depth, with an exposure of over 70 million, which were effectively enhanced the user stickiness.

Lynk & Co has established the Co Club, as of the end of the Reporting Period, the number of membership of clubs exceeding 460,000 and the dealer occupancy rate was 99%, and a total of 13,000 offline activities were organized.

Zeekr created a user ecosystem of value sharing and value co-creation, driving the common growth of brands and users. As of the end of the Reporting Period, there were more than 250 offline stores under Zeekr, covering nearly 70 major cities across China, including Zeekr Center, Zeekr Space and Zeekr Delivery Center. The stores are trendy spaces for users to fully understand the Zeekr brand and product experience, as well as urban meeting rooms and co-creation centers for Z-ers to enlighten each other. As at the end of 2022, it launched IP activity – Alliance Player, coordinated nearly 80 alliance merchants in 10 cities across the country, to jointly create a lucky interest package, demonstrating the concept of Zeekr's ecosystem. As of the end of the Reporting Period, there were 340 Zeekr alliance stores, with a target achievement rate of over 200%.

Zeekr users' experience center brought new service experience to consumers

On 8 July 2022, a Zeekr Center, which is the third in China and the first in West China, officially put into operation in Taikoo Li, Chengdu. The Chengdu Zeekr Center proposed the design concept of "zero and infinite", demonstrating the eco-environmental protection and the zero-oriented attitude towards life pursued by the "zero generation", and incorporating the local element "bamboo forest" into the design of the store, with activity areas such as a bar, leisure area, free space, forum area and conference room, which does not only create an exclusive space for users, but also brings users a more modern, trendy and technologically sensitive lifestyle.

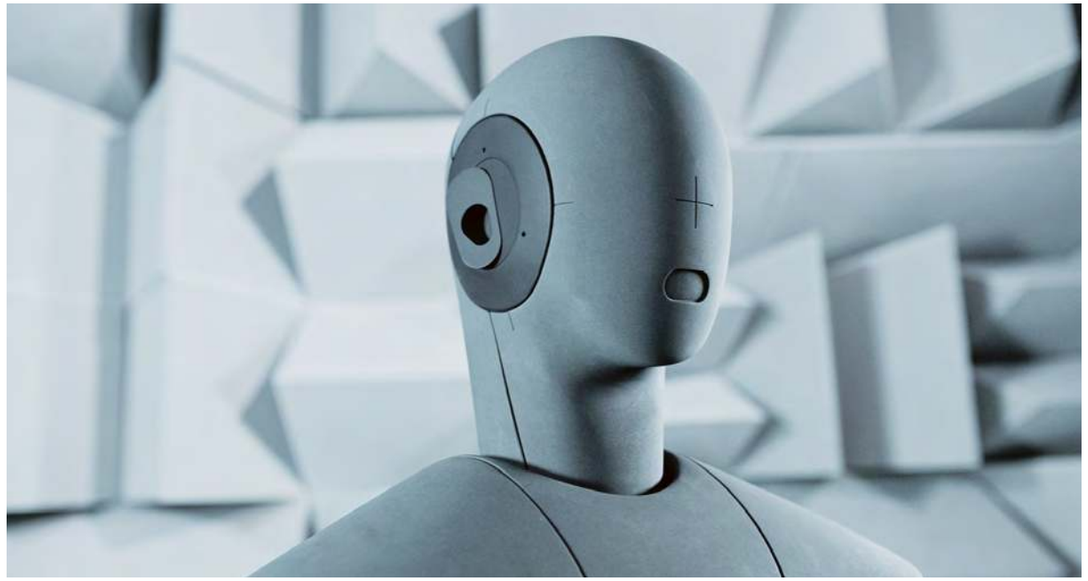
Case: Lynk & Co car owners prepared an album of painting with enthusiasm

Lynk & Co recruited nearly 40 "Co artists" who are good at painting, and drew 77 themed paintings, forming "COCLUB 自己人 ". The 148-page painting album provides a platform for Lynk & Co car owners to share their stories, incorporating Lynk & Co car owners' subversive imagination of the future travel mode, and fully reflecting Lynk & Co's continuous innovation on the path of user co-creation.

6.2.3 Store Services

We have developed the "Geely Auto Standard Service Process" (2022 Edition) to guide service stations to comprehensively implement various standards for service departure, appointment, store reception, diagnosis and billing, maintenance and quality inspection, vehicle delivery, settlement and tracking services. During the Reporting Period, we have formed digital experience functions such as Social Customer Relationship Management (SCRM), online booking, transparent workshop, online service evaluation, etc.

We carried out Geely Key Position Certification (GKPC) for seven key positions including stationmaster, technical chief officer, service consultant, customer relationship officer, spare parts specialist, claim specialist and general inspector. We formulated monthly training plans and objectives, calculated the certification compliance rate of service stations nationwide, and conducted point assessment. As of the end of the Reporting Period, GKPC has conducted a total of 210 training courses, covering 4,840 person-times, effectively improving the quality and level of store services.



6.2.4 Information Protection

We strictly abide by with data security management standards to ensure that user privacy is guaranteed. We provide full chain privacy protection from data planning, collection, audit and storage, and continuously improve security measures and data security audit capabilities. During the Reporting Period, we launched a special risk investigation for personal privacy, identified potential business risks and clarified the responsibilities and resolving schedule.

Special risk investigation for personal privacy

1 **Identify risks**

Regularly review 15 user privacy related agreements such as Geely App, Tiktok mini program, after-sales service account, Geely welfare mini program, automobile replacement mini program, and automobile shopping mall mini program, to identify non-compliance issues

2 **Clarify responsibilities**

Establish a dedicated position for user privacy protection, responsible for the standardization, implementation and monitoring of user privacy across all touchpoints and whole processes

3 **Continuous improvement**

Plan and implement a comprehensive online program for user operation, eliminate offline transmission of user privacy data, conduct comprehensive audit and standardize the entire process of generatation, storage, transmission and utilization of user data

6.3 After-sales Service

The Group always adheres to the service philosophy of "caring for the details", and is committed to providing consumers with meticulous and ultra-high-quality services with a "professional, rigorous, efficient and friendly" work style.

6.3.1 Customer Satisfaction

Domestic customer service

We regularly conduct consumer satisfaction research activities through telephone survey and SMS survey. The telephone satisfaction survey takes seven indicators including "overall satisfaction, proactive reservation, service team attitude, service process execution, maintenance quality, service value and service recommendation" as the starting points, to comprehensively understand the level of consumer satisfaction. At the same time, we conduct monthly statistics on the phone and SMS satisfaction data of service managers and service stations in various provinces and cities, issue satisfaction analysis reports, and issue rectification tasks to service managers or service stations whose satisfaction fails to meet the standards or falls significantly short of the target value. We continue to track the rectification results, effectively ensuring the steady improvement of consumer satisfaction.

After-sales service satisfaction of Geely Brand in 2022

Telephone Satisfaction (Score)		
2022 Target	2022 Result	2021 Result
93.5	93.6	93.1

SMS Satisfaction (Score)		
2022 Target	2022 Result	2021 Result
96.5	97.8	96.9

Zeekr's service brand, ZEEKR Care, provides intelligent, efficient and premium services, including intelligent diagnosis, 24-hour rapid response to customer needs, and online companionship and dual-vehicle rescue services. Zeekr has developed a service evaluation model and conducted user satisfaction surveys through net recommendation values and five-star ratings, with an overall user satisfaction score of 4.7 out of 5 in 2022.

In the J.D. Power 2022 China Customer Service Index (CSI), Geely Brand ranked **No. 3** in mainstream brands and **No. 2** in independent brands. Our joint venture company, Genius Auto Finance Company Limited, ranked **No. 2** in the J.D. Power 2022 China Dealer Financing Satisfaction (DFS) in retail credit.

Overseas customer service

As to overseas aftersales service, Geely cooperated with all the cooperative dealers around the world. Customer service satisfaction surveys was conducted from 13 dimensions, such as service efficiency, service appointment, service reception, service professionalism, pre-service explanation, post service explanation, service facilities, spare parts availability, service cost, vehicle cleaning, service delivery, service quality and accompanied final inspection after service completion by means of telephone follow-up, email surveys, etc. Geely conducted monthly satisfaction surveys in 19 overseas key markets, including Eastern Europe, Southeast Asia and the Middle East for overseas aftersales service. The overall service satisfaction of key markets was stable at over 93.5%. In 2023, Geely will continue to improve the content of the satisfaction survey questionnaire for overseas aftersales service, maintain service highlights while improving service weaknesses and enhance user satisfaction.

6.3.2 Product Warranty

At the initial stage of approval of products, we formulated the quality warranty policies for new models through market benchmarking, combined with model definitions and the Regulations on the Liability for the Repair, Replacement and Return of Household Automotive Products. All models strictly abided by the Three Guarantees Certificate and Warranty Maintenance Manual for Household Automotive to provide product warranty services for consumers. We have established a complete quality claim process and conducted monthly "Junior Claimant Job Certification" training to ensure that claimants are familiar with new car warranty policies and requirements, improve their business capabilities and bring better quality service to consumers.

Claim review procedures

The service station reports quality claim documents via DMS → The service station return the old parts to the claim office → Geely reviews the claim documents via DMS → **Not meet the requirements:** reject or refuse to compensate / **Meet the requirements:** agree and enter the review process of claimed parts

6.3.3 Complaints Processing

Domestic sales complaints processing

We paid close attention to the laws and regulations related to protection of consumers' rights and interests issued and revised by the country, and revised after-sales policies, systems, contracts and user manuals such as the "Management Provisions for Customer Complaint Processing" and the "Sales Complaint Processing Management Measures" in a timely manner. We have established sound standards, processes and platforms for processing customer complaints, and received inquiries and complaints from users 7x24 hours a day to facilitate user feedback and effectively protect the legitimate rights and interests of consumers.

Total number of complaints and processing rate in 2022

	Geely	Lynk & Co
Total number of Complaints	17,792	3,229
Processing Rate	97.49%	99.50%

Domestic sales complaint processing flow

1. **Complaint Acceptance**
   Geely Auto collects the customer complaint information through multiple channels and multiple platforms such as Customer Calling Center (400 hotline), official account, Enterprise WeChat, and distributes the customer complaint information to the dealer through Dealer Management System (DMS) for handling.
2. **Response, Handling**
   A dealer/service station shall, within 2 hours after receiving a complaint from a user, contact the user for preliminary communication and response in the system, and complete the handling of the complaint and report the handling plan within 3 days. A goal of "sales complaint occurrence rate ≤ 1%, 2-hour response rate ≥ 95%, 3-day closed-loop rate ≥ 92%" shall be set up.
3. **Result Evaluation**
   Customer Calling Centre confirms the results with follow up call. Personnel in charge of customer complaint evaluates the entire complaint handling process and its result. Satisfactory case will be closed while unsatisfactory case will be forwarded to service station for follow up until the case becomes satisfactory.
4. **Assessment and Improvement**
   For dealers/service stations who have responsibilities during the service and repair process, an accountability sheet will be issued to analyze the causes of the problems, formulate rectification measures, urge the market to improve, and avoid recurrence.

Overseas sales complaints processing

As to international sales, Geely adheres to the principle of legality, rationality and reasonableness, and processes customer complaints in the best way, with the most reasonable cost of complaint processing and with the fastest speed. The customer complaints are properly processed through various channels such as Geely's official email, service hotline, social software and online media. As of the end of the Reporting Period, Geely received a total of 287 customer complaints for international sales and 285 of them were closed, with a closed-loop rate of 99.3%.

6.3.4 Scrapping and Recycling of Products

In 2022, we continued to implement extended producer responsibility management, improved the standard recycling level of scrapped vehicles and the renewable resources utilization level of scrapped vehicle, and actively practiced the recycling and utilization of automobile products and new energy batteries. As of the end of the Reporting Period, we have overfulfilled the plan of the "Zhejiang Province Pilot Implementation Plan for the Recycling and Utilization of New Energy Vehicle Power Batteries", and have built 56 new energy vehicle waste power battery recycling outlets in Zhejiang Province. At the same time, in order to achieve precise traceability of new energy vehicle power batteries, we have completed the construction of an internal power battery traceability management platform of the Company and completed joint debugging with the national platform. In 2022, the recyclable rate of scrapped materials for the entire vehicle of the Group reached 92.8%, and the recyclable rate of scrapped materials for the entire vehicle reached 97.3%.

We have set the 2023 pilot goal of extending the responsibility of automobile product manufacturers, and planned to construct 12 recycling contact points in 6 pilot cities, and collaborated with external cooperation units to ultimately form a grid-based recycling system with 3 recycling and dismantling branches as the center and 12 recycling contact points. By formulating policies such as trade-in, point exchange, maintenance discount and prompt publicity, we have further improved the number of scrapped vehicle recycling and regulated the scrapped vehicle recycling market. We have cooperated with scrapped vehicle recycling and dismantling enterprises, remanufacturing enterprises and other resource comprehensive utilization enterprises to carry out the recycling of end-of-life vehicle materials, and improved the utilization rate of reused and remanufactured parts. By 2024, we expect to achieve the target of "75% comprehensive utilization rate of automotive resources" for key models.

Case: Zeekr's authentication replacement service

"ZEEKR Certified" is the official used vehicle brand under Zeekr, which includes intelligent appraisal, inspection service, replacement service, upscale trade-in, official buyback and certified used vehicle retail, providing users with one-stop value management services for vehicle asset. "ZEEKR Certified" official used vehicle shopping mall was officially launched on 6 March 2023, and Zeekr will also set up offline official used vehicle experience spaces in core cities, including the first official used vehicle experience center in Shanghai.

In terms of vehicle value assessment, Zeekr created a tool for vehicle owners to assess their vehicle's asset-based retention rate – intelligent assessment. By opening the intelligent inspection in Zeekr's App with one click, vehicle owners who have had their vehicles for more than three months will be informed of the value of their vehicle s at any time. In terms of vehicle quality appraisal, "ZEEKR Certified" lunched offline vehicle inspection service, includes 360+ items of comprehensive intelligent electric vehicle customization inspection. With one vehicle, one "code", it can generate exclusive digital report so to understand the vehicle's history. In terms of vehicle replacement, Zeekr provides one-stop professional services for users who need to dispose of their old vehicles, supporting the replacement of all brands of old vehicles and helping users make a good connection between old and new vehicles. At present, the replacement service has covered 40 cities including Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Chengdu, and it will be available in more cities one after another.

7 Sustainable Value Chain

Supply Chain

- **93% (⬆ 23%)** Tier 1 suppliers signed Geely Supplier Code of Conduct
- **83% (⬆ 59%)** Tier 1 suppliers adopted Drive Sustainability Self-Assessment Questionnaire
- **>80%** Tier 1 suppliers participated in compliance training
- **>90%** Tier 1 suppliers participated in ESG training

Dealers

- **100%** dealers covered by dealer management system
- **>98%** dealers covered by dealer audit
- **100%** dealers participated in integrity and compliance training and customer service training

Industrial Collaboration

- The only Asian automobile group with voting right in IATF
- 6 memberships in national technical committees for standardization
- **374** standards led or participated

Future:

- Climate Neutrality
- Nature Positive
- Co-Prosperity – Dealers
- Co-Prosperity – Supply Chain

Material Issues

- **Responsible Supply Chain**

7.1 Sustainable Supply Chain

Supply chain is the core element for building the sustainable value chain, we therefore integrate the ESG concept into the supply chain management, and set up the governance structure of sustainable supply chain, to promote the sustainable supply chain management. We established the Supply Chain System Management Committee which consisted of Purchasing Department, the Supply Chain Quality Engineering (SQE) Centre, Logistics Department, Finance Department, Legal Department, Human Resources Department, IT Department and etc. Such committee is responsible for the overall management of supply chain and supervision of the daily work of subordinate departments. The management of the Group supervises the Supply Chain System Management Committee and makes decisions on significant matters of supply chain management. The Board is responsible for supervising the work of the management including listening to the management's report on significant matters of supply chain management and making relevant decisions on the strategy of the Group.

The Group has established a three-level risk early warning mechanism to respond to risk escalation and changes in a timely manner: 1) the procurement department-level risks weekly meeting, 2) the joint departments-level risks fortnightly meeting, the project selection meeting and 3) the procurement committee.

Supplier risk management process

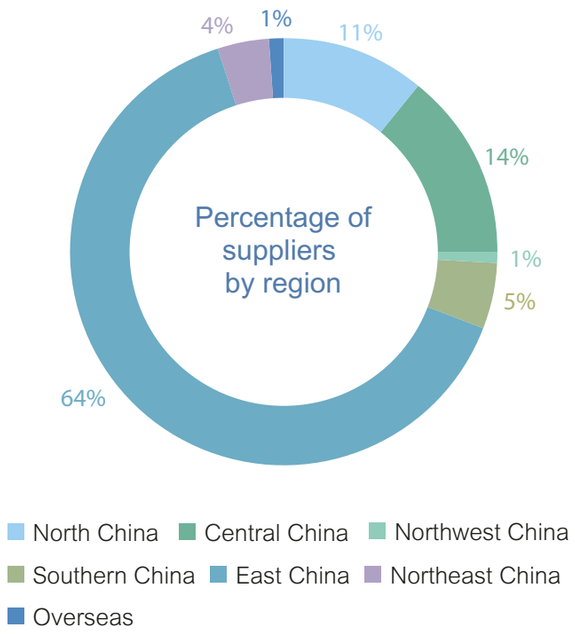
Risk Identification	Review suppliers' management teams, financial conditions, production capacity status, technology research and development capabilities, human resources, quality management capabilities, compliance management capabilities, human rights, employee care, safety and emergency response mechanisms, management status of outsourcing units and sub-suppliers, investment and financing risks, etc.
Risk Management	Update the risk management contents in real time, clarify the risk responsibility, track the implementation progress of risk management measures, determine the risk status and upgrade or downgrade the handling of suppliers' risk items until the suppliers' risk items are eliminated.
Risk Analysis	Analyze the superficial and deep causes of risks, determine whether the risks are triggered by the Group or suppliers, and further clarify the risk source of the responsible party.
Risk Prevention	According to the results of risk analysis and traceability, further clarify the risk control elements, properly adjust the supplier audit mechanism and the project development management mechanism, and formulate a promotion plan to prevent the recurrence of similar risks.

Controllable risk management

The Group identifies the risk of supply stoppage and production stoppage caused by poor internal management of suppliers, changes in external markets, fluctuation of production plan, iterative upgrading of products, dual sourcing quota adjustment, engineering change, etc. as the controllable risk of supply chain. We classify suppliers into high risk suppliers, medium risk suppliers and low risk suppliers according to the degree of delivery risk, the feasibility of corresponding strategies, etc. Through the real-time monitoring and quick decision-making of the risk warning mechanism, we can avoid the risks becoming out of control which affect our operations.

Force majeure risk management

The Group identifies the risk of actual and potential supply suspension caused by natural disasters, trade environment and policy changes as the force majeure risk of supply chain, and specifically identifies and manages the supply and delivery risks. In order to ensure the delivery and quality of supply chains during the normalization of COVID-19 pandemic, we collected data about the risk status in pandemic areas in real time, classified the areas into high, medium and low, and determine the suppliers in each region and their scope of supply. We continuously updated such risk map on suppliers and materials and control the supply chain risk by regions. We identified high-risk materials and cooperated with the government, logistics providers and other resources to urgently allocate or ship out scarce resources; on the other hand, we carried out and continuously promoted the feasibility study of domestic material substitution to ensure the supply of key materials. We remotely monitor the suppliers' production schedules and supply chain status, so as to control the delivery quality.



As of the end of the Reporting Period, the Group had a total of 1,050 tier 1 suppliers with an increase of 49 suppliers. We actively promote local procurement and encourage suppliers to build factories locally, and give priority to key components suppliers of heavy or bulky parts which produce nearby.

The Group continuously tracks risks affecting delivery such as national policies, climate and environment. To ensure timely supply, the proportion of procurement in East China continued to increase, which mitigated the delivery risk caused by long-distance procurement and carbon emissions in the process of logistics and transportation, achieved rapid response to quality issues, and continued to drive the development and employment of local suppliers. Our diverse supply chain could still maintain resilient and supported business development through early planning and risk management.

7.1.1 ESG Management of Supply Chain

The Group continues to perfect the full life cycle management mechanism of suppliers (see the chart below). The ESG working group of supply chain system, composed of the Procurement Department, SQE Centre, and Logistics and Spare Parts Centre, coordinates with the ESG joint working group to analyze and benchmark policy trends and industry development of sustainable development of the supply chain, to evaluate the ESG risk of supply chain, and formulates medium and long-term goals and implementation plans for sustainable development of the supply chain, and regularly reports to the system management committee and the sustainable development committee of the supply chain.

Based on our own requirements for sustainable development and ESG risk assessment of the supply chain, we have formulated the Geely Supplier Code of Conduct and the Geely Supplier Confirmation Letter on Implementation of Sustainable Development to clarify relevant requirements to suppliers, so as to strengthen their management to respond to the ESG risks in our supply chain.

As at the end of the Reporting Period, we have promoted more than 90% of the first-tier suppliers to sign the Geely Supplier Code of Conduct, and 45% of the first-tier suppliers to sign the Geely Supplier Confirmation Letter on Implementation of Sustainable Development. In 2023, we will continue to promote the comprehensive signing of the Supplier Code of Conduct among first-tier suppliers.

Supplier ESG management rules[1]

Environment	Carbon emissions and climate change	Suppliers need to formulate carbon emission targets and promotion carbon reduction in their own operations and supply chain; Provide necessary environmental data to the Group.
	Use and recycling of resources	Make plans and annual targets for improving energy efficiency and reducing water consumption; Commitment to a recycled material circulation system, focusing on plastics, aluminum and steel and a closed-loop system including battery life cycle; Ensure the improvement plan of renewable electricity and energy in the battery value chain.
	Pollution and waste management	Comply with all applicable environmental laws and regulations; Obtain and update all necessary environmental permits and relevant qualification certifications (such as ISO 14001 environmental management system certification) in time, and comply with the requirements specified in these documents; Conduct annual inspection on the three wastes (noise/waste gas/wastewater) and obtain qualified reports, and dispose of hazardous wastes according to the requirements of national laws and regulations; Make plans and annual targets to reduce waste in production facilities.
Communities	Employee rights and interests	Prohibit any form of forced labour and child labour; The remuneration and benefits paid to employees shall not be lower than the local statutory minimum standards; Comply with the provisions of applicable laws on working hours; Prohibit any form of discrimination against employees based on gender, race, religion, age, marital status, reproductive status, disability, sexual orientation, nationality, political opinions, labour union membership, social background or other status protected by applicable laws.
	Occupational health and safety	Pass the ISO 45001 occupational health and safety management system certification; Establish a safety production committee to guarantee compliance with the requirements of national laws and regulations on building safety, fire safety, and inflammable and explosive dangerous goods; Take effective measures to prevent accidents, formulate emergency plans, provide annual safety training to employees, so as to minimize the risks and impacts of health and safety.
	Product quality and safety	Pass the IATF 16949 automobile industry quality management system certification; Improve the quality assurance system, and manage the quality objectives; Carry out continuous quality improvement activities.
Governance	Business ethics	Comply with anti-monopoly and anti-unfair competition laws and regulations; Do not carry out or tolerate any behavior that may be interpreted as corruption or bribery; Avoid possible conflicts of interest with Geely.
	Conflict minerals	Referring OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and adopting the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative for assessment, in order to ensure that the minerals and metals contained in the products supplied to the Group will not cause or contribute to infringement of human rights, violation of ethical business (e.g. corruption), or harm of the environment in their mining and trading, and the proceeds from their sales shall be used to finance armed conflicts.

[1] Excerpted from the "Geely Supplier Code of Conduct", the "Geely Supplier Confirmation Letter on Implementation of Sustainable Development", and the "Evaluation Form for Supplier On-site 3A Review"

Key raw materials

The Group attaches great importance to the environmental and human rights risks posed by high-risk key raw materials, including conflict minerals, and continuously strengthens procurement compliance management level. During the Reporting Period, we identified a total of 14 high-risk key raw materials including tungsten, tin, tantalum, gold, cobalt, lithium, nickel, manganese, copper, graphite, mica, natural rubber, wool and leather, and planned to further investigate the risk profile of these raw materials in 2023 to form a risk list. In addition, we continuously required the suppliers to adopt the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative for reporting their raw material information to assess and check the key raw material risks of suppliers.

The "Geely Supplier Code of Conduct" stipulates that suppliers shall conduct due diligence on related minerals and metals in their supply chains, and the Group shall, with the cooperation of suppliers, strive to ensure the transparency and traceability of the conflict mineral supply chains. The "Confirmation Letter on Implementation of Sustainable Development" states that suppliers should ensure responsible supply chains in the procurement of cobalt, lithium, nickel and graphite, which shall not cause or contribute to infringement of human rights, violation of ethical business (e.g. corruption) or harm of the environment during mining and trading, and that the sales proceeds shall not be used to finance armed conflicts. In addition, Lynk & Co issued the "Chemical Restriction and Ethical Consideration", which put forward detailed requirements for various kinds of metals, fibers, leather, coatings, polymers, etc. to ensure that the principle of sustainable development is integrated into products from the source.

Human rights and compliance

The Group is committed to complying with internationally accepted human rights and labor standards and to eliminating child labor and forced labor in all of our operations. We have also incorporated working environment and human rights requirements into the Geely Supplier Code of Conduct, which requires suppliers to conduct business in accordance with applicable laws and regulations and the principles set forth in the Geely Supplier Code of Conduct during the course of their business relationship with the Group. In addition, suppliers should conduct appropriate due diligence when selecting sub-suppliers related to the Group and are required to comply with the principles set forth in this Code. We also continue to monitor whether there are allegations of human rights violations by suppliers, and communicate with relevant suppliers when discovered to determine the next actions to be taken.

7.1.1.1 ESG Review on Suppliers

Accreditation review

Based on the "Procurement Pre-selection Management Regulations", "Supplier Access Management Regulations", "Supplier Operation Management Evaluation Form", "Evaluation Form for Supplier On-site 3A Review" and other systems, the Group has formed a multi-dimensional evaluation form for selection of suppliers, which consists of operation and management capabilities (including social and environmental review indicators), R&D and technical capabilities, quality control and manufacturing capabilities, and conducted 100% of on-site review on newly admitted suppliers. Besides, we require 100% of newly admitted suppliers to complete the "Business Partner Compliance Self-check Form" and the compliance department to complete due diligence through professional tools and public information.

- Purchasing department is responsible for evaluating operational and management capabilities (including business ethics, labour human rights, environmental responsibility, social responsibility, etc.);
- R&D department is responsible for evaluating R&D technical capabilities;
- SQE center is responsible for evaluating quality control and manufacturing capabilities;
- Compliance department is responsible for due diligence on legal and compliance risks such as anti-corruption, infringement, and conflict of interest.

Based on the introduction of evaluation, the Group adopts four types of response plans for suppliers: "fast access, on-site review, risk access and denial of access".

Project development-phase rview

After supplier access, we conduct production part approval process (PPAP) and laboratory access review based on project requirements for supplier's production and manufacturing stability, as well as Drive Sustainability SAQ assessments. Suppliers were required to meet project-specific sustainability requirements before they could participate in the project.

- Drive Sustainability SAQ: verifies suppliers' risks in terms of environment, human rights, business ethics, health and safety, etc;
- Supplier Due Diligence: Uses tools such as the Dow Jones to verify whether suppliers are at risk from national/regional political, economic, trade, legal and other factors;
- Based on project requirements, the R&D department puts forward clear requirements on the proportion of loop materials (e.g. steel, aluminum, plastic) to be used by relevant project suppliers through technical files.

On 1 December 2022, our parent company, Geely Holding Group, joined the "Drive Sustainability", the automotive industry's sustainable supply chain consortium, making it the first Chinese company to join as a global partner. With the coordination and support from Geely Holding Group, the Group can connect to cutting-edge global practices and proven tools via "Driving Sustaibility", unite with major brands in the automotive industry, deliver consistent standards, management and evaluation methodologies among suppliers, stakeholders and relevant departments, and develop local language training support beyond tier 1 suppliers.

During the Reporting Period, the Group continued to promote the Drive Sustainability SAQ questionnaire as a basic supplier sustainability assessment tool, covering 83% of tier 1 suppliers, an increase of 59% over the coverage rate in 2021. In 2023, we will conduct on-site verification based on supplier's performance, such as factory visits and quality documentation checks, and strengthen communication with supplier management on sustainability requirements.

In addition, the Group require admitted suppliers to sign documents such as the Procurement Contract, Confidentiality Agreement, Quality Agreement, Geely Supplier Code of Conduct and Geely Supplier Confirmation Letter on Implementation of Sustainable Development to regulate the management of our suppliers in terms of product quality, compliance, working environment and human rights, health and safety, business ethics and environmental protection.

In 2023, for suppliers that have not completed signing the Geely Supplier Code of Conduct, the Group will conduct compliance reviews based on the criteria to ensure that all suppliers meet the Group's requirements.

7.1.1.2 Annual Review of Suppliers

With reference to standards such as the "Supplier Review Guidance Manual", "Production Parts Approval and Control Procedures" and "Risky Supplier Management Regulations", and through the adoption of annual reviews, process reviews, flight reviews, daily information aggregation and third-party tools, the Group dynamically identifies potential risks of suppliers in environmental, social, production, delivery and quality aspects.

As of the end of the Reporting Period, the percentage of the Group's suppliers certified by the management system is as follows:

IATF 16949	99% (-)
ISO 14001	84% (+2%)
ISO 45001	56% (+8%)

Supply chain management beyond tier 1

The Group is committed to improving the overall standard of sustainable development of the supply chain by enhancing the management of tier 1 suppliers and gradually influencing tier 2 and below suppliers. The Group conducts daily management, annual and other irregular reviews of suppliers in accordance with the "Supplier Optimization Management Regulations" and "Supplier Business Performance Evaluation Management Regulations" and other management systems. Besides, we conduct timely assessments and updates of various standards and system documents to ensure that supplier management is in line with the Group's development, industry-leading standards, and changes in domestic and international policies.

Geely brand and Lynk & Co initially use the purchase amount as an important basis for identifying and classifying key tier 1 suppliers. During the Reporting Period, 86% of tier 1 suppliers were reviewed, including 100% of the 183 identified key tier 1 suppliers, 35 tier 2 suppliers and 3 tier 3 suppliers (mainly for raw material review).

After the selection of the premise of the supplier, Zeekr identifies and makes classification of key tire 1 suppliers based on the 3A level of suppliers, component importance, supplier's past performance, product and special processes, and sub-supply risks as evaluation criteria. Zeekr continues to deepen the review and management of tier 1 suppliers, and gradually affects tier 2 or lower suppliers. It is committed to improving the overall level of the supply chain. During the Reporting Period, 67% of tier 1 suppliers were reviewed, including 100% of the 47 identified key tier 1 suppliers, and visited tier N suppliers such as suppliers of chips, printed circuit boards (PCBs), special processes (heat treatment, welding, SMT, etc.) including 282 tier 2 suppliers and 2 tier 3 suppliers (mainly for raw material review) were reviewed.

For tier 1 suppliers with problems identified in the reviews, the Group provided specific feedback and worked with the suppliers' senior management and relevant department heads to start improvement communication and jointly formulate improvement plans. We also required the suppliers to complete the rectification within one month and conducted acceptance of the rectification results within 12 months. During the Reporting Period, 100% of the suppliers with problems identified in the reviews have completed the rectification and improvement.

For tier 2 and below suppliers, Zeekr issued the "Sub-supplier Quality Control Regulations", which requires tier 1 suppliers to submit a list of tier 2 and tier 3 sub-suppliers at the project development phase in order to identify and review critical and risky sub-suppliers in a timely manner. Risky sub-suppliers who fail the review will be included in the "Blacklisted Sub-suppliers List" and prohibited from subsequent new product development for two years. Zeekr also requires secondary critical parts and special process sub-suppliers to meet IATF 16949 certification and ISO 14001 certification, and general sub-suppliers to meet ISO 9001 certification.

Supplier communication and grievance

The supplier relationship management system provides a variety of convenient communication channels for suppliers to communicate with the Group. Suppliers can communicate with the Group or file complaints about reviews through various channels such as compliance complaint mailbox (coc@geely.com), telephone, WeChat, and visits, and will receive feedback from the Group within five working days. Besides, the Group adopts a real-time communication mechanism and carries out two-way communication through various channels such as work exchange groups, roundtable meetings, on-site communication and supplier relationship management system.

The Supplier Code of Conduct also provides a formal communication and reporting channel. Relevant parties, including supplier employees, can report supplier violations of the Supplier Code of Conduct (including labor rights). We conduct supplier compliance reviews on a quarterly basis, conduct regular compliance talks with suppliers for key projects, and require suppliers to sign the Compliance Commitment Letter and Integrity Compliance Initiative Letter to identify and avoid corruption risks.

7.1.1.3 Supplier Capability Enhancement

The Group adopts a scientific and dynamic supplier classification management system, which integrates the results of annual and other irregular reviews of suppliers, supply performance, new projects in production, major quality problems in the market and other types of information to classify and manage suppliers.

Meanwhile, we adopt appropriate capacity enhancement and management methods based on the supplier classification. We have set up a supply chain academy under Geely School, which is responsible for supplier system introduction, management introduction and culture introduction. We also conduct thematic improvement programs by locating suppliers' weaknesses.

Supplier classification and response capacity enhancement measures

Supplier Classification	Management Measures
Class I suppliers	focusing on quality collaboration, the Group shall procure the independent management of suppliers through indicators monitoring, performance management and quality discussion
Class II suppliers	focusing on conscientiousness, the Group will conduct 3A capability improvement management of suppliers base on random review
Class III suppliers	focusing on trainings, the Group will conduct common management mode with suppliers based on key capability improvement project
Class IV suppliers	focusing on management interfere, the Group will conduct refined manufacturing and target support for suppliers

The Group established a supplier capability improvement system based on quality assurance, and conducted the improvement and evaluation of supplier's capability from the aspects of management quality, R&D quality and manufacturing quality respectively. We conduct quality assurance training for all suppliers at least once a year. In 2022, the Group continued to improve the professional training and professional qualification recognition program for suppliers, conducted 38 quality training sessions with a total of 308 hours, covering 100% of tier 1 suppliers and reaching 187 tier 2 suppliers. Zeekr conducted a series of general and specialized quality assurance training for tier 1 suppliers, including Advanced Product Quality Planning (APQP) and interior air quality; and conducted special process training for tier 2 suppliers, with a total of 244 hours, covering 146 tier 1 suppliers and 16 tier 2 suppliers.

In order to further enhance the sustainability synergy management with suppliers, the Group built a sustainable value chain digital management platform on the basis of the original procurement platform to establish a stable and fast supplier data interaction channel. Through the platform, we provide tier 1 suppliers with sustainability-related training and guidance materials, third party resources and other information to assist tier 1 suppliers in their sustainability planning and to transfer sustainability capacity enhancement resources to their sub-suppliers, thus promoting the improvement of the overall supply chain sustainability management level.

During the Reporting Period, the Group conducted 9 training sessions on sustainability fundamentals, 2 training sessions on sustainable supply chain synergy management, and several training sessions on supply chain collaboration for carbon reduction, covering human rights, conflict minerals, carbon emission reduction and other issues, covering over 90% of suppliers in total. On this basis, the Group has established one-to-one sustainability working groups with over 90% of its tier 1 suppliers to provide daily guidance, and conducted on-site visits and sustainability roundtable meetings from time to time to receive opinions from relevant parties. Besides, the Group continued to develop and optimize supplier compliance training courses (including the Geely Supplier Code of Conduct, compliance culture, etc.). During the Reporting Period, we conducted two compliance training sessions for senior management and staffs on various key positions of the suppliers, including compliance department, commercial department, logistics department, quality department suppliers to enhance our partners' awareness of the Geely Supplier Code of Conduct and value chain compliance requirements (including anti-corruption and integrity education), covering a total of 73% of tier 1 suppliers.

The Group has opened its self-developed carbon footprint management system to suppliers, and tier-one suppliers can also invite their upstream suppliers for date reporting through the system to achieve efficient supply chain collaborative carbon reduction management. As of the end of the Reporting Period, the Group had a total of 160 tier 1 suppliers and 67 tier N suppliers completing the reporting process. In 2023, we will continue to promote the reporting of tier 1 suppliers and invite key tier N suppliers to participate in our Group's carbon accounting training.

Sustainable supply chain is the focus of ESG's work planning, and also involves multiple ESG strategies such as "Co-Prosperity", "Climate Neutrality" and "Nature Positive", etc. During the Reporting Period, we have committed to prepare the supplier's "Sustainable Development Evaluation Standard", which evaluates the supplier's sustainable development performance based on 28 execution items such as company attitude, carbon emission reduction, energy utilization and corporate social responsibilities, etc., and planned to include additional key issues such as circular economy, water resource management and conflict minerals, etc. In 2023, the Group will continue to improve the suppliers' sustainable development evaluation system in practical application, and promote the hierarchical management mechanism of suppliers' sustainable risk based on the evaluation results.

In addition, we will further carry out regular and special review and due diligence focusing on the sustainable development of suppliers, and build a team to promote on-site audit, guidance and assistance, improvement tracking and other related work closed-loop.

7.2 Responsible Dealer

During the Reporting Period, the dealer network covers 51 countries around the world, including 1,744 dealers (including Geely and Lynk & Co brands) in China. In overseas, there are 43 distributors, 379 sales and service outlets, and 11 Lynk & Co clubs.

The dealer network of the Group mainly located in countries in Asia, Europe, Middle East, Africa and Latin America.

We attach great importance to create a responsible market ecology with dealer partners as the front line communicated with customers. We will proactively support dealers to establish standardized management systems, improve dealers' service quality and ensure that consumers' rights and interests are fully protected through diversified marketing trainings.

7.2.1 Integrity Management of Dealers

The Group is committed to regulating the work of dealers, conveying responsible management concepts and requirements, and working together with dealers to maintain a good market order. We conduct compliance audits on potential distributors during the entry stage, including business qualifications, legal qualifications and commercial reputation, to ensure the selection of trustworthy dealer partners.

In order to ensure that distribution of reliable product information to consumers by dealers, the Group has established a sound dealer communication management system, issued and implemented the "Management Measures for Dealer Public Communication", standardized dealers' database of external communication materials, defined dealers' communication materials and production specifications, and ensured the consistency of communication content.

During the product purchase process, the Group provides dealers with a unified purchase contract template to avoid misleading or inaccurate explanations. At the same time, we require dealers to provide user manuals, inform consumers of service care classes, power battery recycling service outlets and obtain after-sales service information and channels related to policy subsidies for car scrapping and recycling when delivering, in order to ensure users' safe use, protect consumers' rights and interests and fairness.

The Group abides by the policies and rules such as the "Management Measures for Dealer Operations" and the "Management Measures for Dealer Integrity Points" to carry out daily dealer management and audit work, further constructing a comprehensive evaluation system covering the entire business chain of dealers, introducing process indicators and after-sales indicators, relying on on-site evaluation and back-end data monitoring of business departments, regularly evaluating authorized distributors nationwide in terms of performance evaluation, integrity points, sales health, financial health and other aspects. Among them, we record negative marketing events during the dealer's business process on a monthly basis, evaluate the dealer's integrity in terms of verification integrity, financial integrity, customer integrity, compliance integrity and compliance with market order, release the integrity management score and consider it as an important assessment part of the appraisal and entitlement of policy incentives of dealers. The coverage rate of the Group's dealer management system has reached 100%.

Percentage of dealers affected by each measure of the quality management system	100%
Percentage of dealers who prepared customer service quality standards documents, regularly updated and provided the updated documents	100%
Percentage of dealers attending quality management seminars	100%

The Group conducts quarterly audit on dealers. Based on the audit results, we provide support such as the "Quality Service Award, Terminal Award, Annual Excellence and Channel Development Priority" to leading dealers; include the identification of weak points and related dealers into the 15-day rectification closed-loop mechanism, and include tail dealers into abnormal channel control.

The audit coverage rate of domestic dealers was **98.7%**

The audit coverage rate of overseas distributors was **100%**

About 14.6% of domestic distributors have abnormal audit results, of which 46% completed rectification and 38.3% under rectification within the Reporting Period and 15.7% completed withdrawal and termination of cooperation during the Reporting Period; The proportion of overseas distributors with abnormal audits is 6%, and we have taken corresponding measures to avoid risks.

In order to continuously improve the service quality level of dealers, the Group has formulated the "Geely Auto Sales Policy Management Specification", which specifies four categories of dealer incentive policies including basic, promotional, customers' interest and special support. Basic policies include various rewards such as rebates, contract performance and local high-quality service, which clarifies the direction for dealers to improve their operation management and encourage them to better serve local customers; the promotional policies aim to strengthen the cooperation between dealer partners and Geely, and promote the business development of dealers; the customers' interest policy aims to encourage dealers to continuously improve customer satisfaction; and special support policies are macro adjusted based on the special circumstances or market demands of each region to ensure the stability of the policy system. During the Reporting Period, we continued to optimize the Geely Auto Sales Policy Management Specification, and updated the Management Measures for the Implementation of the Local Quality Service Award of Geely Auto in 2022 and other management rules. We awarded outstanding dealers based on the dealer's on-site audit results, customer service satisfaction and other multi-dimensional evaluations.

7.2.2 Improvement of Dealers' Capabilities

The Group continues to enhance the professional service capabilities of dealers, establish a sense of integrity and compliance, and create high-quality benchmark services for dealers. We build a dealer talent management system from four aspects of selection, education, promotion and retention, continue to carry out systematic training in three dimensions of dealers' product knowledge, position certification and sales skills, identify, cultivate and retain the elites in the dealer system, and build a dealer expert team of Geely Auto.

The Group adheres to a user-oriented mindset and collaborates with multiple research, production and sales forces to develop product training courses and related materials. Through online live streaming training, offline centralized training and regional enhancement training, we carry out product training that covers 100% of domestic and overseas sales positions throughout the entire cycle of product pre-sale, product launch and product arrival. Also, we adopt methods such as video or in store verification to ensure that sales personnel are familiar with product highlights, accurately convey product characteristics to consumers, accurately meet consumer needs and ensure safety utilization.

In 2022, on the basis of the original certification for key management positions, the Group initially introduced the three-hierarchy certification for talent in dealer business positions (junior basic, intermediate elite and senior think tank), extending the scope of identifying and managing dealer talent to cover frontline business personnel. During the Reporting Period, the average entry-level certification rate for key positions of domestic dealers was 98.4%, and the average entry-level certification rate for business positions was 90.7%, further promoting the recognition and cultivation of high potential talents for dealers by Geely Auto. In overseas distributor training, the Group clarifies the ability requirements and training objectives for key overseas positions, and develops a variety of course systems including service management capabilities for key position personnel, standard service processes for overseas service consultants, and certification of overseas technician repair capabilities and level. During the Reporting Period, the training coverage rate for key positions of overseas distributors was 100%.

Through offline training and seminars, online live streaming G school, etc., the Group synchronously carried out special training on customer service quality, privacy protection, integrity and compliance, sustainable marketing and other topics to dealers. During the Reporting Period, the cumulative training hours of the Group's dealers was 9,535 hours, with a coverage rate of 97%. Among them, the training coverage rate of customer service quality is 100%, the training coverage of integrity and compliance is 100% and the training coverage of sustainable marketing is 91%. We actively established integrity and compliance and responsible marketing awareness among dealer partners, and conveyed green consumption awareness to promote the transmission of sustainable concept to users.

7.3 Industrial Collaboration

Geely Automotive officially joined the International Automotive Task Force (IATF) in 2021. As the only Asian automotive group with voting rights as a director, we lead the industry's development, and collaborate with Chinese automotive companies and the upstream and downstream industries to participate in the formulation of international standards, promote the improvement of global automotive industry standards and the high-quality development of China's automotive industry.

Besides, we have joined the 6 national standardization technical committees including the National Technical Committee of Auto Standardization (the "NTCAS"), the National Information Security Standardization Technical Committee of China (the "NISSTC"), 9 subcommittees including the Complete Vehicle sub-committee, Automotive Energy Saving sub-committee, Intelligent and Connected Vehicle sub-committee, Automotive Impact Test Procedures and Crash Protection sub-committee and Electric Vehicles sub-committee under relevant committees, and 3 working groups including big data security.

On the eve of the National People's Congress of the People's Republic of China and the National Committee of the Chinese People's Political Consultative Conference (the "two sessions") in 2022, Mr. Li Shu Fu, a member of the National Committee of the Chinese People's Political Consultative Conference and the chairman of the Company, announced the Proposal on Promoting the Application of Methanol Vehicles to Assist Carbon Neutrality in Transportation and the Proposal on Increasing the Construction of Electric Vehicle Switching System, to promote the marketing of more diversified new energy vehicles and support carbon neutrality. On the eve of the two sessions in 2023, the Proposal on Improving the Carbon Emission Management Mechanism and Promoting Enterprises to Consciously Practice the "Dual Carbon" Responsibility, the Proposal on Accelerating the Development and Implementation of Carbon Credit Management Measures for Commercial Vehicles and the Proposal on Promoting the Transformation and Upgrading of Light Multipurpose Trucks" were announced to improve carbon market management and accelerate the realization of carbon neutrality.

At the same time, the Group actively promoted the organic integration of industry, study, research and application with an open and cooperative attitude:

- jointly undertook the R&D and industrialization project of advanced hybrid systems for new energy vehicles under the NDRC with China Automotive Technology & Research Center and GAC Group;
- cooperated with Tianjin University, Beijing University of Technology and other units to carry out and declare the governmental project: "key technologies and engineering applications of hydrogen fuel hybrid power special engine and efficient electromechanical coupling". The R&D project of hydrogen engine has achieved an industry-leading thermal efficiency of 44%;
- the research on ultra-efficient hybrid gasoline engine and efficient electromechanical coupling key technologies carried out in cooperation with Zhejiang University and Tongji University, etc. has achieved 46% thermal efficiency;
- at the 2022 Digital Academic Exchange and Seminar on Mechanical Industry Quality Management organized by the China Machine Building Quality Management Association and the Shanghai Institute for National Economy (上海交通大學中國質量發展研究院), and undertaken by Geely Auto, leaders of associations, experts from research academics and institutes as well as senior executives of enterprises jointly discussed the quality improvement of the manufacturing industry supported by digital capabilities.

As of the end of the Reporting Period, Geely Auto has led/participated in the formulation of 374 international, national, industry, local and group standards, and has completed the release of 209 standards. In 2023, it is expected that no less than 20 national, industry and group standards will be released.

Anniversary of Geely Auto's Official Joining the IATF

- The proposal for the "Software Supplier Management Issues" has been successfully approved;
- Participate in the update of IATF 16949 certification rules;
- Recommend to add a Chinese version to the IATF official website, which was launched in March 2022;
- Organize the establishment of the International Automotive Quality Standardization Cooperation (IAQSC) to promote the integration of enterprises and cooperative units such as the International Academy of Quality (IAQ), the Yangtze River Delta Branch of the Chinese National Institute of Standardization , the Verband der Automobilindustrie e.V. Qualitäts Management Center (VDAQMC), and the Automotive Industry Action Group (AIAG) with international automotive industry standards;
- As the first IATF 16949 CSR (customer specific requirements) released by Chinese vehicle enterprises, it has promoted the improvement of quality standards for Geely Auto's suppliers.

8 Employee Rights

Employee Rights and Interests

- **100%** employees insured by statutory social insurance and commercial insurance covering dependents
- **100%** employees signed collective contract

Diversity, Equality and Inclusion

- **88.4% (↓0.2%)** employee satisfaction rate
- Female in total employees **↑3%**, female in new hires **↑5%**, female in senior personnel **↑2%**
- Publicly issued Code of Conduct to promote diversity, equality and inclusion
- Equal pay for women and men and adopted more diversity measures to promote women's career development
- **2,600** ethnic minority employees and **7 employees** with disabilities

Training and Development

- **100%** employee training coverage
- Average no. of training hours per employee: **76 hours (↓1.3%)**

Occupational Health and Safety

- **100%** employees participated in health and safety training
- **100%** vehicle plants certified by ISO 45001
- **Zero** work-related fatalities or occupational diseases

Future:

- Co-Prosperity – Employees

Material Issues

- Occupational Health and Safety
- Employee Rights and Interests
- Employee Training and Development
- Diversity and Equity

8.1 Employment

Talents are basis for business development of Geely Auto. We successively proposed three strategies, namely "Talent Forest", "four materialization and a new (四化一新)" and "common prosperity and development - employees", which created value for employees and provided strong support for the sustainable development of Geely Auto.

8.1.1 Talent strategies

The Group actively constructed a talent forest with strong vitality and coordination function to achieve a win-win situation between individual value creation and organization strategy reach. On one hand, the talent forest theory of Geely Auto takes root in Geely Auto by introducing external high-end talents to form a big talent team and providing requisite external conditions for growth; on the other, it enables common growth of smaller branches along with the big team through internal cultivation and branch formation and in the end, they will grow together into a layered and staggered talent team of Geely Auto with strong vitality and ecological regulation functions.

Based on the development trend of intelligent auto industry, we formulated the "four materialization and one new" talent strategy planning, and accelerated the introduction of high-end talents with the characteristics of new four transformations, internationalization, youth and digitization worldwide to promote the establishment of science-based talent structure. Meanwhile, we advocated new organizational culture by building a management team with business and operation capabilities and leadership on one hand, and cultivating a team of employees who take responsibility, create value for users, collaborate efficiently and embrace change on another, which provides strong support for the Group's strategic transformation of human resources.

The "inclusive development - employees" of the ESG strategy aims to achieve common prosperity and development between employees and the Group through creating inclusive environment and promoting talent integration. We will carry out practical activities from the three aspects of "digitization, diversification and comprehensiveness", build a talent team with digital transformation thinking, and provide employees with a safe and healthy working environment under the backdrop of digital and intelligent manufacturing. We will discover the value of talents in diversity, and achieve the integration of diverse talents of different genders, nationalities and age groups, promote the construction of the entire life cycle of employee career development, and the post-employee career planning path, continuously optimize human capital structure and guide employees to common prosperity, so as to realize the co-prosperity and development between employees and the Group.

Human capital analysis

In order to realize the "four transformations and one new" talent structure, the Group has made forward-looking forecasts for future talent demand, and analyzed the talent operation every quarter to formulate the workforce plan for the next year at the end of each year.

Geely Auto had **3,150** talents of new four transformations, accounting for **33%** of the powertrain talents and **32%** of the vehicle development talents

Human Capital Analysis and Planning of Geely Auto

	Planning
Professional talent structure	Each business unit was organized to analyze the competitive environment in the talent market and plan vertical rank structure and structural objectives in the transversal area under the guiding principle of "matching business for dynamic management";
	The structural gap was analyzed by quarters and the talent structural objectives were achieved through external introduction, internal talent transformation and capacity enhancement and other initiatives.

8.1.2 EMPLOYEE MANAGEMENT

In strict accordance with relevant applicable laws and regulations on labours in the place where it operate and relevant practices, the Group has established a human resources management system covering employee employment, education and training, occupational development, performance appraisal and remuneration and benefits, with a view to building a fair and reasonable human resources management system that efficiently motivates and respects employees, to protect their rights.

The Group had recruited **18,187** new employees, The total number of mainland employees reached **49,237** with **44,681** full-time employees, accounting for more than **90%**.

In 2022, the Group actively performed talent introduction and employer brand building focusing on its "talent forest" strategy implementation and "four transformations and one new" strategic transformation, and endeavored more efforts in innovation and achieved breakthroughs in multiple dimensions in talent market analysis, talent precise supply, and talent entrance examinations.

Social recruitment:

We achieved the transformation of talent introduction from "high quantity" to "high quality". Exploring in-depth of the potential of talent market in core value chains in the finance, marketing, IT, internet and new four transformations, we were deeply committed to the distribution and introduction of "top" talents in key fields. We enhanced the building of the talent forest by way of a modular-based recruitment management and specific management.

Internal recruitment:

We established and improved internal talent market, created a "vitality plan" internal recruitment activity label, developed talents with comprehensive strength and promoted long-term development of employees. We encouraged the exclusive channel of internal recommendation and incentive policies. The vacancies of Geely Auto filled by internal candidates accounted for above 30% throughout the year.

8.2 Employee' Rights and Benefits

Geely Auto respects the international human rights standards and promises to comply with labor laws and regulations, to protect the basic rights and interests of employees, and provide employees with complete employment, compensation and welfare in accordance with national regulations and local market conditions, including but not limited to remuneration that meets the national minimum wage standard, statutory working hours, statutory overtime payment, statutory holidays, statutory paid vacation, maternity protection, etc..

The Group signed labor contracts with **100%** employees in accordance with laws and regulations, and paid social insurance premiums for **100%** regular employees.

8.2.1 Salary and Performance Incentive

The Group continues to implement the salary performance management philosophy of "high challenge and high return", and adheres to the salary distribution philosophy of equal pay for equal work for male and female employees and is committed to providing fair and favorable working conditions for all employees. The Group makes sure that salary is paid to all employees on time and in full, besides, we provide employees their respective payrolls and also specified therein any legal deductions.

We encourage the setting of more challenging goals, increase the motivation of top performers, and the performance results are correlated with performance bonuses, salary increases, promotions, and medium and long-term incentives. We encourage innovative incentives, and stimulate employees' sense of honor and achievement along the main line of "star strivers".

Based on its performance policy summary in 2021, the Group optimized its performance management in 2022. During the Reporting Period, all employees of the Group participated in the objective management assessment, that is, all employees set clearly defined, measurable and systematic follow-up assessment objectives. Meanwhile, we implement the "double hundred" appraisal system in all aspects and assess employees' performance based on their actual contribution to the organization at the score of 100 points, with a focus on ability enhancement, cadre ability shaping and improvement as well as the extension and development of employee ability.

The ratio of the standard basic salary of male and female employees of Geely Auto to the local minimum wage are over **211%**

100% of employees participated in the objective management assessment

In 2022, in line with the strategic transformation of our business, we continued to explore OKR (Objectives and Key Results Method) routes suitable for the actual situation of Geely Auto's business in core business such as R&D systems, power systems, and supply chain systems. Based on the characteristics of different business value creation, supplemented by different compensation combinations, the Group has formulated a compensation system around salary growth and performance incentives for all employees, and regularly implemented energy efficiency improvement measures to encourage business units to improve efficiency through innovation, so as to drive the common growth of the Company's efficiency and personal income.

In order to ensure the achievement of the Group's performance objectives in the next five years and the continuous growth of employee income, the Board of Directors of the Company approved a long-term incentive plan based on restricted shares, and granted up to 350 million shares. According to the rules of the plan, on 30 August 2021, the Group granted approximately 167 million shares to 10,884 employees, covering senior, middle, junior and frontline skilled employees. Based on the achievement of performance of the Company and personal performance in 2021, the Group vested first batch of restricted shares in 2022 under the awards granted in 2021, sharing the development achievements of the Group with employees.

As the long-term incentive plan, the restrictive shares were granted to senior management, middle, entry-level and front-line skilled employees, with the talent retention rate of the granted personnel was **85%**, basically achieve the objectives of income growth of staff and retention of core personnel.

8.2.2 Employee Benefits

The Group is committed to providing more detailed services and guarantees for all employees and creating work conditions that balance work and life.

Insurance benefits

We have continuously improved our welfare supporting system, in addition to paying social insurance premiums including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance for all employees, we actively implemented the commercial insurance welfare project for employees, which provided all employees and their families (spouse, children and parents) with all-round commercial insurance coverage. This not only helps employees and their families avoid or reduce economic and mental stress and risks caused by accidents and diseases, but also effectively enhances their happiness, and further enhances corporate cohesion.

All-Staff Family Health Insurance Initiative to protect employees' health benefits

As part of the Geely Common Prosperity Initiatives, the All-Staff Family Health Insurance Plan is committed to providing health insurance for all employees and their immediate family members, helping employees withstand the financial pressure caused by accidents or major illnesses, and achieve the "employment of a family member ensuring the well-being of the whole family".

Medical benefits

We provide annual free medical examination services for employees, and medical examination discount services for their families. Meanwhile, we brought in various medical and health resources, improved the employee health management platform Geely Health, and provided medical examination report interpretation, medical health seminars and other services. During the Reporting Period, we engaged doctors with rich clinical experience and health management experience to carry out various health management services, formulated scientific and reasonable health examination packages, and provided free physical examination services, which strongly support the implementation of our talent strategy.

Holiday benefits

The Group provides quarterly benefits, holiday benefits, birthday benefits, and induction benefits for all employees every year, and provides all employees with annual leave, sick leave, maternity/paternity leave, parental leave, marriage leave, bereavement leave, only child parental leave and other holiday benefits in strict accordance with national regulations. During the Reporting Period, based on the policies including the Regulations on Population and Family Planning newly released nationwide, we adjusted appropriately the management measures on maternity leave, nursing leave, childcare leave and only child parental leave, which effectively solved employees' worries, and promoted a balance between family and work. By the end of the Reporting Period, both the employees' return rate of Geely Auto after parental leave reached 100%, and the retention rate reached 100%.

Material benefits

The Group continued to provide material benefits to employees, improved the "Geely Goods" online employee welfare shopping mall, and taken a series of welfare measures such as employee birthday "Gift Angels", holiday benefit packages and internal preferential car purchase. Meanwhile, a special education scholarship was set up by "Li Shufu Charity Foundation" to help employees' children receive good higher education.

8.2.3 Care for Employees

The Group has built an integrated and customized employee care system throughout their career from on-boarding, on-position, resignation and retirement. We have established the systems for caring and encouragement, mutual support among employees, and education aids. We have achieved the following: celebrating birthdays, weddings, and childbirths, visiting hospitalized employees, helping employees with family difficulties, expressing condolences on deaths, and rewarding employees' virtuous acts. We are concerned about the needs of different groups of employees and their families, and have offered diversified care and condolences to retired employees, female employees, second generation employees, ethnic minorities, employees from Hong Kong, Macao, and Taiwan, non-Chinese employees, transferred/retired officers and their families, graduates from abroad, volunteers, model employees, spouses of employees who passed away during employment, etc.

In 2022, to further promote the employee care and mutual assistance, we formulated the "Implementation Regulations for Employee Care and Mutual Assistance". The implementation of care and mutual assistance standards comprise of blessing category (including marriage and maternity), comfort category (including hospitalization and retirement), assistance category (including life difficulties, sudden dangerous situations, major diseases and pension) and incentive category (including education, skill improvement and obtaining honors).

Meanwhile, we organized a series of corporate celebrations such as mass wedding, family open day, relay race, quarterly cultural theme activities, community activities, volunteering activities, "Two-way Care" campaign's activities, and cultural trips to communicate our corporate culture to our employees and their families, instill a sense of belonging and happiness in our employees, and make the Group a responsible and heart-warming enterprise.

Geely Employee Care System Throughout Their Career

On-boarding → Dating, marriage, maternity → Enrollment of children → Residence → Care by classification → Risk guarantee → Education guide → Honors and recognition → Retirement and post-retirement care

Carrying out EAP project to care for mental health of employees

We carried out Employee Assistance Program (EAP) with EAPs Consulting, and provided psychological consulting services such as psychological assessment, intelligent psychological consulting, intelligent psychological education, intelligent psychological training, and personal health management by building a platform for employee mental health care, which effectively improved employees' mental health, intrinsic motivation and well-being.

Providing diverse and flexible work model by allowing work from home

Employees who were unable to work at office on time due to the pandemic were allowed to work from home for task accomplishment. In addition, we implemented a flexible working mechanism with staggered commuting to address peak congestion and reduce the risk of cross-infection among employees, while promoting increased efficiency.

"June 26th Employee Care Day", a festival exclusive to Geely employees

We have been organizing "June 26th Employee Care Day" activity for 5 years in a row since our inception in 2018. The activity is diverse and rich in form and content and have become a festival exclusive to Geely employees.

8.3 Diversity, Equity and Inclusion

Geely Auto firmly believes that diverse employees and their viewpoints will help us to maintain innovation and achieve long-term success. We promise to provide equal opportunities to all employees to establish sense of belonging and cohesion. We also established a variety of convenient communication channels, which encourage employees to express their views more confidently and actively, and form an equity and inclusive working environment that respects different opinions, viewpoints and beliefs.

8.3.1 Protection of Human Rights

The Group respects the international standards for human rights including the "Universal Declaration of Human Rights", the "United Nations Human Rights Norms for Business" and the "Indigenous and Tribal Peoples Convention".

Elimination of discrimination in employment and occupation

We disclose and undertake in the "Code of Conduct", to provide equity opportunities to all staff, we prohibit any discrimination on age, race, color, gender, sexual orientation, origin, nationality, religious belief and disability, and we also state in the "Recruitment Management System" that we will not take social characteristics unrelated to work as the basis of recruitment. We also emphasized respect for every employee and providing a fair development platform for all employees in labor documents and various employee notices. We also provide open and equal employment opportunities for vulnerable groups such as the disabled. As at the end of the Reporting Period, we employed 7 disabled people and 2,600 ethnic minorities.

We attach importance to checking whether there is direct or indirect discrimination in our own operating activities, and regularly assess the impact of the implementation of policies and businesses on promoting fair opportunities and non-discrimination, so as to ensure that no discriminatory behavior is encouraged. During the Reporting Period, the Group did not receive any compliant or whistle-blowing regarding above-mentioned aspects.

Effective abolition of child labor and elimination of all forms of forced labor

We resolutely prohibit the employment of child labor and forced labor and employees below 16 years old, and follow statutory working hours. The Group implements credit review before employment, including identity verification. If any violence, the employment process will be immediately terminated or the employment will be terminated. The Group prohibits the use of misleading or fraudulent behaviors in providing employment opportunities, prohibits the occurrence of recruitment fees paid by employees, and prohibits the confiscation, destruction or concealment of employees' identity documents. Additionally, we will not restrict the free movement of all employees or require them to live in the dormitories provided by the Company. As at the end of the Reporting Period, there was no employment or use of child labor or forced labor within the Group, nor violations of laws and regulations in relation to employment, child labor and forced labor and internationally accepted labor standards occurred.

Anti-harassment

We strictly prohibit sexual harassment and other workplace harassment, including any language or behavior that may defame, coerce or offend others, and regard behaviors such as disrespect for others' labor achievements, beating, threatening, insulting, malicious attack, false accusation and intentional disturbance as serious violations of discipline.

Respecting the civil and political rights of individuals

We respect basic human rights and civil rights of our employees, such as personal right to life, right of privacy, right to freedom of speech and expression, right to freedom of peaceful assembly and association, etc. Any internal disciplinary measures do not involve corporal punishment or inhuman or degrading treatment. The commitment of the Group regarding protecting personal data privacy and relevant protection mechanism also include personal information and privacy of employees. During the Reporting Period, the Group did not receive any compliant or whistle-blowing regarding infringement of employees' basic human rights and civil rights.

Employee grievance mechanism

We have zero tolerance for violations of basic human rights, and we have formulated legitimate, barrier-free, fair, clear and transparent complaint procedures and means based on dialogue and mediation. When employees are subjected to improper or unfair treatment such as discrimination and harassment, we encourage the employees to make complaints through established channels, and guarantee the independence of complaint handling and protect the safety of the complaining employees.

Open multi-dimensional communication channels	Set up a suggestion box for employees to senior management, including mailboxes of the Chairman of the Board, general manager and the chairman of the Labor Union;
	Continuously operate special communication channels such as "Heart Channel", "Talk to the Tree Hole" and "Echo Community", actively responding to employees' reasonable demands and improve the overall response rate;
	Establish the regular meeting mechanism to all employees, including the employee symposiums, etc.;
Establish and improve the compliance management mechanism	Employees' claims are guaranteed by the Company's system;
Combination of channel and management activities	Performance, salary and other systems involving employees' vital interests, and matching employee complaints and problem solving mechanism synchronously.

Employees who become aware of violations of the "Code of Conduct" and "Compliance Management System" regarding the prohibition of discrimination, prohibition of child and forced labor, anti-harassment, protection of personal data privacy, etc. may report them through the phone and email details set out in the code and the system. The compliance department will take appropriate disciplinary action against the relevant responsible personnel in accordance with internal regulations and procedures based on the reporting lead.

During the Reporting Period, we did not receive any whistle-blowing or claims regarding discrimination and harassment. In future, we will continue to optimize and carry out training on human rights policies and relevant due diligence, as well as multi-level and multi-dimensional practical activities that guide initiative involvement of our employees, deepen the construction of talent experience with an attitude of people-orientation, scientific development, tolerance to differences and concept recognition, and further integrate with relevant management conventions on international human rights.

8.3.2 Diversity Management

The Group is committed to promoting diversity of our employees and creating a diverse working environment that respects different opinions, viewpoints and beliefs. We follow the principle of "openness, fairness and justice" stipulated in the "Recruitment Management System" in the selection of talents, and actively seek out people with different abilities, backgrounds, cultures, genders, experiences and personalities, so as to provide Geely Auto with new perspectives and innovative value.

The Company's Sustainability Committee is responsible for overseeing the Group's diversity performance, including approving the "Diversity Pathway" in the ESG strategy, setting relevant targets and measures to achieve them. During the Reporting Period, the Board also participated in discussions on diversity and approval of related matters through ESG work reports. The Group's management, talent management department, ESG office, compliance office coordinated to manage and promote the implementation of diversity measures, and regularly report the results and progress achieved to the Sustainability Committee.

Gender diversity

The Group actively promotes the development of equality, inclusiveness and gender diversity, and creates a corporate culture of diversity, equality and inclusion. During the Reporting Period, the Group's management and the core backbone of the Company organized more than 20 "cultural seminars" to deeply discuss the construction of a cultural system of "equality, diversity, collaboration and efficiency", providing management and guidelines for creating a diversified cultural atmosphere. We have also provided a number of welfare measures for female employees to enhance the convenience and happiness of female employees and promote gender diversity in the Group.

Female employee care activity

Organising activities for female employees including floral arrangement, baking, beauty, and organising courses titled human power on the Women's Day.

Giving care to female employees by setting up a mother and baby care room

We have set up a "Mother and Baby Care Room" in Hangzhou headquarters and research institutes to solve breastfeeding problems for nursing female employees and provide a rest place for pregnant mothers-to-be and satisfy their needs in special periods and give them a sense of comfort and security.

Establishing Geely Kindergarten and Summer Nursery Class to make employees' work with peace of mind

In order to address the pick-up and drop-off, and the problem of left unattended of employees' children in the summer and enable them to be looked after, we established Geely Kindergarten and held kindergarten summer care classes in cooperation with high-quality kindergarten institutions in some office areas such as Xiangtan Company to solve employees' worries and enhance experience and happiness of employees and their families.

In transition to an enterprise automatically driven by science and technology, the Group has been increasing its female employees' percentage of several positions.

Female employees accounted for **19%**, increased by **3%** as compared with the end of 2021 Female employees in the newly hired employees accounted for **21%**, up **5%** as compared with the end of 2021 Females employees accounted for **10%** of the senior personnel, increased by **2%** as compared with the end of 2021

In order to implement a "diverse" employee responsibility strategy, we will step up female's leadership and empowerment initiatives, increase the proportion of female employees in management positions, provide new perspectives, ideas and approaches to decision-making, and create an innovative cultural atmosphere. At the same time, we will provide training for employees on diversity policies to enhance their recognition of diversity. To further enhance diversity in the workplace, we set relevant quantitative targets and regularly analyse the achievement of our diversity goals. We plan to have more than 20% female in management (at Vice Minister level and above) of Geely Auto by 2025. In 2022, the percentage of female in our management was 13%. Lynk & Co International also set up the objective of reaching equity gender proportion of employees in 2023.

Diversity in nationality, experience and educational background

With the advancement of the Group's international business, we formulated the "Management Regulations on Local Employment of Non-Chinese Employees", the "Management Regulation on Remuneration and Welfare for Non-Chinese Employees Employed Locally" and other standards to include diverse policy into the "Code of Conduct" and provide foreign employees with various care measures such as housing, children's education, insurance, vacation, and family visit benefits. We respect the traditional festival culture, religion and customs of employees from different cultural backgrounds and organise cross-cultural integration activities to create an inclusive corporate culture. As at the end of the Reporting Period, the Group engaged a total of 57 foreign employees. We will continue to attract more outstanding talents from all over the world in the future.

To further enhance the attractiveness of our employer brand based on diversity talent introduction, Geely Auto has taken a number of diversity measures to enhance the experience and professional background of our employees:

Introduction of the "Big Camphor Tree" project. We focus on scientific research and talent development. During the Reporting Period, we focused on core areas such as automotive electrification, automotive intelligence, automotive international market, digital marketing, and IT Internet, and introduced a total of 5 key leader talents[1].

Cultivation of "Little Seedlings" program. In order to consolidate the construction of talent teams and strengthen the reserve of young talents, we have improved the recruitment and selection standards for management trainees catching a particular close eye on post-90s backbone forces and post-95s successors. During the Reporting Period, the proportion of management increased by 2%.

Integration of talents from diverse backgrounds. We take digitization as the core of future employee capability development, and promote business development focusing on digitization. We will arrange software talents for R&D system, intelligent manufacturing talents for manufacturing system, digital talents for marketing system, informatization and internationalization talents for support service system, etc.

During the Reporting Period, the proportion of diversified talents[2] increased by **5%**.

[1] Individuals with certain authority, reputation and social influence in a certain field or industry
[2] Talents with different fields, industry backgrounds and professional advantages

8.3.3 Democratic Communication

The Group respects employees' freedom of association and collective bargaining rights, gradually forms a democratic management system with Employees' Representatives Conference as the main body and steadily optimizes democratic management. Geely Auto fully respects the rights and interests of employees, established a labour union and other employee representative organizations, and actively consulted and negotiated with the labour union on the revision of major policies. For important matters that involve the vital interests of employees, such as the revision on labour discipline, attendance policy, performance system and major change of the Group's operation, we adopted the form of collective consultation, and all relevant departments must negotiate and discuss with the labour union. We have formulated successively the "Regulations of Employees' Representatives Conference", the "Framework Measures for Collective Consultation Work", the "Detailed Rules for Implementation of the "Regulations of Employees' Representatives Conference", "Collective Contract", the "Wage Agreement", and the "Special Collective Contract for Labour Safety and Health", to effectively protect employees' rights to know, participate, express and supervise. In addition, we singed and published the "Special Agreement on Protection of the Rights and Interests of Female Employees" and "Double Love Joint Agreement" to maintain and safeguard the legitimate rights and interest of female employees.

During the Reporting Period, the Group continued to hold various dialogue activities, such as employee conferences and employee symposiums, mailboxes of the Chairman of the Board, the Labour Union President and the general managers of business units, and continued to operate special communication channels such as "Heart Channel", "Talk to the Tree Hole" and "Dialogue Marketing", actively guiding employees to understand the dynamic information of corporate development and actively responding to employees' reasonable demands. In addition, we optimized the online communication platform – "Echo Community", with the tenet of "what you think must echo". We are committed to enabling every employee to speak freely, enabling every valid problem to be solved, making every innovative idea to be a competitive advantage of the Group, and finally building a content ecological platform with cultural guidance, problem solving and knowledge precipitation. Except full-time employees, "Echo Community" also invited members of the Board and key management to personally answer questions raised by employees.

As at the end of the Reporting Period, "Echo Community" received a total of **7,322** valid problem posts, and all problems have been solved, with an overall response rate of **100%**, responding to various problems encountered by employees in their daily work in a timely manner.

"Echo Community", enabling every employee to speak freely

In order to create a more equal and open organizational culture atmosphere, build a more efficient and collaborative organizational management system, and promote the transformation of such atmosphere, we continue to build a communication brand with the characteristics of "Echo Community", as an important carrier and platform for the implementation of "people-oriented" values. In 2022, the platform added features such as interest groups, echo youth, flea markets, and mutual help and friendship to encourage more employees to speak out on an equal footing.

At the same time, we actively conduct benign collective negotiation with the labor union, discuss and negotiate on various topics such as the "Special Collective Contract for Wages" and "Special Contract for Safety and Health", and finally reach a consensus. We carry out collective negotiation every three years, which not only protects the rights and interests of employees, but also has a positive impact on our policy formulation, solution seeking, management changes, among others, and is conducive to the establishment of good relations between enterprises and employees, and promotes harmonious and stable labor relations and healthy development of enterprises.

100% mainland employees joined labour union

Collective contract signing rate reached **100%**

8.3.4 Employee Satisfaction

The Group has cooperated with consulting organizations to carry out employee efficiency surveys for eight consecutive years, proactively listening to employees' voice to understand their satisfaction with the Group's operation and management activities in all dimensions, enabling management upgrading and improving organizational efficiency. During the Reporting Period, the result of employee satisfaction survey, which covers the vice president and nearly 40,000 staff of the Group, was 88.4% (2021: 88.6%), remaining at a high level as compared with previous years. In order to further enhance employee satisfaction, we authorised our internal professional team to conduct employee performance improvement programs based on performance survey questionnaires supplemented by executive leadership interviews and focus group interviews, covering over 20 dimensions such as engagement, vitality, strategy and confidence as well as team cooperation, at the Group's digital shared platform, and established a tracking mechanism for the implementation of the performance improvement action plan, to track the completion and implementation effect of each unit's plan on a quarterly and annual basis, and to provide direction guidance for the subsequent series of improvement actions.

The Group has been recognized by many external organizations in terms of employee management. During the Reporting Period, we promoted employer brand culture through multiple channels such as social recruitment and school recruitment online and offline as well as on and off campus, accelerated the transformation of the Group to "technology-based" employer brand image. In recent years, we won a number of awards in the annual selection of major recruitment websites, including the "Best Employer Brand of China's Top Companies" granted by LinkedIn, the "Extraordinary Employer" granted by Liepin, the "Most Intellectual Spirit Employer" granted by Zhaopin, "Ciwei Employer Brand List" of ciwei platform, the "Most Influential Young Employer Brand", the "Intelligent Innovative TOP Employer" of lagou.com, the "Most Popular Employer among College Students" of nowcoder.com, the "Most Influential Employer" of haitou.com, etc. In the future, we will continue to improve the employer brand to gain more recognition from society and talents.

As at the end of the Reporting Period, the Group had no major retrenchment[3] or employee strike of any kind The total employee turnover rate was **19.7% (2021: 19.8%)** The ratio of the re-employed employees in the newly employed employees was **15% (2021: 24%)**

[3]: Major retrenchment means the number of layoffs is more than 10% of the total number of employees, or more than 1,000 employees.

8.4 Employee Training and Development

Geely Auto values employee cultivation and development and provide all employees (including official employees, part-time or temporary employees) with diverse occupational development opportunity. We organize and carry out rich and complete talent cultivation programs to build a quality talent team.

8.4.1 Employee Trainings

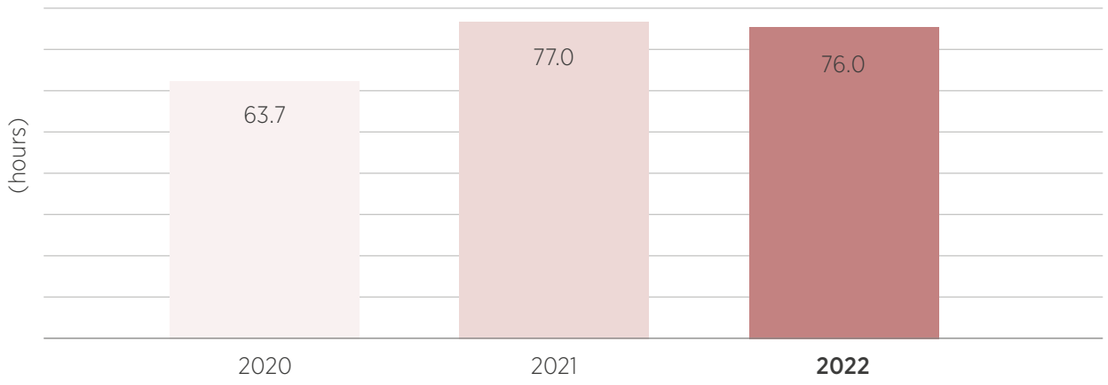
The Group has built a comprehensive, multi-level and distinctive talent training system to encourage and support the continuous and efficient learning and development of employees. In 2022, Geely Auto Academy took over the Group's strategic goals of "shifting towards the image of a technology employer" and "improving employee satisfaction", starting from four positions, being inheriting corporate culture, building an intelligent engine, driving talent development, and promoting management change.

Horizontal Cultivation	
Digital talents	In the programs for management, we have successively introduced teacher resources in digital transformation, organizational innovation, and business change to enhance employees' digital competency, provide guidance and training support for employees in the process of digital transformation, coordinate and promote the comprehensive and coordinated development of digital talent teams, and promote the realization of the strategic goal of "digital" employee responsibility. As at the end of the Reporting Period, we had conducted 12 training sessions and established 6 special counselling courses for digital transformation;
Quality talents	We continue to operate quality colleges focusing on quality culture, management talents, professional talents and resource construction, and carry out quality culture training. In 2022, we set up a compulsory course "Quality Awareness and Culture" in the new employee training section and develop the "Quality Dictionary" to popularize and train among all employees. We also set up a "Q Plan" to build a platform for quality system cadre discussion, empowerment and exchange, and promote business integration and innovation with three scenarios: being special seminars, big figure lectures and business co-creation, and cultivate the thinking and development ability of quality system cadres;
Comprehensive talents	We upgraded and released the management mechanism of boutique teacher courses, and jointly developed 7 boutique courses with masters in various businesses, including Generation Z employee management, user thinking, strategic concentration, Geely culture, talent management and other aspects. As at the end of the Reporting Period, we delivered 112 lectures in total, covering 7,500 employees.

Longitudinal Cultivation	
New recruits	We designed programs including the "Dream Chaser" and "Dayan Training Project" to help employees understand corporate culture and product concept, and understand the organizational structure and operation mode of the Group. In 2022, with the influx of Generation Z and Internet talents, we further optimized the training system for new employees and offered 4 new boutique courses;
On-the-job staff	Through internal organizations such as the School of Law, the School of Security, and the School of Human Resources Management, we focus on the frontier of the industry and the annual focus of business, and carry out the backbone training of the "X-Team" program. At the same time, we link up with the annual employee qualification evaluation, develop and push the learning guidance on the compulsory courses for proposed promotions, and support the career development of on-the-job employees;
Senior personnel	Focusing on the three dimensions of leadership, operation and professionalism in the "three forces of cadres", the training system is upgraded by adopting important figures and regulation in the industry to empower cadre groups. As at the end of the Reporting Period, we have launched 2 training programs for new cadres, and 15 training projects and forums for high-potential cadres in such departments as quality, finance and economics, supply chain system, manufacturing system, and R&D system, to continuously improve the efficiency of cadre management.

The coverage rate of employee training reached **100%**, and the average training hours of each employee reached **76 hours** Total training investment amounted to RMB**34.31** million and the training expense for each employee was RMB**696.83** on average

Average Training Hours per Employee



8.4.2 Employee Development

The Group provides employees with three development channels: management channel, professional channel and skill channel, provides longitudinal promotion channel for management cadres, professional talents and skilled talents, and builds a horizontal career development path through high-potential talent pool, job competition, and others. Guided by "value contribution, objective transparency, and benchmarking improvement", we improve employee participation and performance appraisal transparency through the publicity of application projects, public jury and employee observation group, and help employees improve their capabilities through a combination of on-site suggestions from judges and feedback from superiors.

Focusing on the "comprehensive" employee responsibility strategy, we have built a lifecycle career plan for employees, providing a comprehensive career development path for employees at different age groups, and realizing the continuous improvement and transcendence of employees' self-worth. In particular, for elderly employees, we have formulated and improved retirement and re-employment management methods, supported their identity transformation through re-education and retraining, realized the continuous optimization of human capital structure, and brought new growth vitality to Geely Auto. In order to stimulate the potential ability of the internal employees and expand the depth of composite talent organisation, we developed the "Vitality Scheme" of internal recruitment, provided the specific releasing channel of internal recruitment information, and effectively improved the efficiency of talent transfer. The Group has also established a mentorship system to create an internal teaching atmosphere, encourage senior employees to pass on their experience to young employees, and encourage senior employees to become lecturers at Geely Academy to give full play to their professional and technical advantages.

"Vitality Scheme":
Promote the continuous optimization of the internal talent structure

In order to further stimulate the vitality of the organization, stimulate the potential ability of the internal employees and expand the depth of composite talent organisation, we developed the "Vitality Scheme" of internal recruitment culture label, optimised the functions of the "Internal Recruitment" information system, developed the specific releasing channel of internal recruitment information, and effectively improved the efficiency of talent transfer. As at the end of the Reporting Period, nearly 30% of employees made successful position transfers through internal recruitment.

Empowering professionals: broadening career development paths

We carried out various professional empowerment actions to help employees develop their careers, including supply chain system project manager empowerment, human resources F plan, quality Q plan, intelligent manufacturing T plan, etc. As at the end of the Reporting Period, we had carried out more than 10 professional empowerments in 5 major areas to enhance the capabilities of finance professionals, covering 1,500 employees.

Career enhancement plan for all employees to create a learning community

As part of the Geely Common Prosperity Initiatives, the All-Staff Career Enhancement Initiative establishes an education and training system covering employees' full-career life cycle, covering all employees internally and partners across the industry chain. In 2022, we promoted Geely's culture and management system with the help of the "Ripple Plan" products, and shared Geely's excellent experience and cases in cultural construction, quality management and manpower management with suppliers, distributors, and small and medium-sized business partners in the upstream and downstream of the industry.

8.4.3 Talent Reserve

The Group has built a comprehensive and multi-level skills training system for front-line employees to reserve high-level practical skilled talents. We organize and carry out skills competitions to build a broad skills display platform for the majority of front-line employees. During the Reporting Period, a total of 8 skills competitions were organized, with more than 15,000 participants in the selection competitions at various bases. The purpose of such competitions is to develop 2,246 skilled craftsmen, and there are 9 "national technical experts" and 21 "national operation technical experts" so far. Meanwhile, we issued the "Measures for Management of the Skill Master's Studio of Geely Auto Group" and built a skill master studio to widely carry out various forms of technical experience exchange activities and skills competition training activities, cultivate front-line innovative talents and young technical talents, and build a high-skilled and high-level innovation team. As at the end of the Reporting Period, we set up 50 studios in total, and in 2022, we had 1 provincial, 1 municipal, 2 district, and 9 group level studios.

In order to build the Geely artisan brand, we released the "Management Measures for Artisan Selection (2022 Edition)", and launched a series of activities such as the Craftsman Culture Festival, the Craftsman Story Competition, and the Craftsman Park Dress Up Competition, creating a cultural atmosphere of "respecting craftsmen and striving to be artisans". During the Reporting Period, we organised two live broadcasts of "Artisan Style", with more than 3,000 online and offline participants.

In 2022, we held the annual summit of the Industry-Education Collaborative Talent Training Alliance, and released three new industry-education collaborative products, including "Industrial College", "1+X Certificate" and "Modern Apprenticeship of School in Factory", to further explore and cultivate more talents who are highly qualified for the Chinese industry in the new era.

"Artisan Style" live broadcasts, group photo of the 5th Craftsman Selection Awards

Supporting continuing education

We continued to explore the cultivation methods of applied talents, actively cooperated with well-known universities at home and abroad through Zhejiang Automotive Engineering Institute (浙江汽車工程高研院), established a transformation and cultivation system of highly skilled talents that integrates "academic upgrading, vocational skill levels and title certificates", and cultivated excellent high-level technical and management talents who meet the requirements of industrial transformation and upgrading and meet the strategic development direction of the Company. We regularly carry out activities such as vocational grade identification and assessment, "craftsman" selection and skills competitions to cultivate skilled craftsmen, and provide rewards for employees who have obtained academic and vocational skill improvements to encourage them to surpass themselves and achieve professional value. Zhejiang Automotive Engineering Institute (浙江汽車工程高研院) also provides internships and continuing learning opportunities for new graduates, which solves the employment problem of enterprises while relieving employment pressure of society.

In 2022, the Group actively built an open, shared and unified system of industry-education collaboration to accelerate the integration of industry and education; focused on three electrical technologies, human-computer interaction, artificial intelligence, financial technology and other fields, and strengthened applied technology research and talent cultivation; continued to carry out the assessment of senior engineers in the automotive industry for the whole province, and was also approved to carry out the pilot work of independent assessment and employment of professional titles in natural science research series, providing strong talent support for the construction of the Group's full stack of self-research ecosystems in core technology fields. As at the end of the Reporting Period, Zhejiang Automotive Engineering Institute had enrolled a total of 1,629 students, including 1,600 postgraduates and 29 post-doctoral students, conducted 48 post-doctoral research projects and obtained 362 senior engineer titles in the automotive industry in Zhejiang Province.

8.5 Occupational Health and Safety

Guided by the long-term strategic goal of "green and low-carbon, excellence & safety, and promotion of the health of all employees", Geely Auto is committed to providing a safe and healthy working environment for all its employees (including regular employees, part-time employees or temporary employees), as well as various necessary guarantees to meet occupational health and safety standards.

We strictly comply with the laws and regulations relevant to occupational health and safety of the place where our operation locates, regularly identify and update, and carry out applicability evaluation and conformity evaluation to continuously improve the occupational health and safety management system. In scenarios such as human-machine collaboration and intelligent manufacturing, we pay attention to the identification and prevention of risks, regularly conduct risk investigations, and organize safety awareness training for all employees, to constantly improve the occupational health and safety management system. For management methods, equipment and facilities that may not meet the requirements of the regulations, we immediately carry out health and safety risk analysis, and formulate rectification plans and follow up the implementation to ensure the safe production and management of Geely Auto in a compliant and lawful manner.

8.5.1 Structure and System

The Group has built an optimal health and safety management system, formulated the "Occupational Health and Safety Policy" and established the Work Safety Committee as the highest management organization of work safety, which set up a labour union and has employee representatives for communication and negotiation regarding occupational health and safety matters and was responsible for overall planning and decision-making related work of work safety management. Each subsidiary of the Group has a safety and environmental protection management department, which meet regularly to communicate matters on safety and environment and performance of indicators, and is responsible for the implementation of occupational health and safety. Each subsidiary is equipped with full-time work safety management personnel, who are responsible for the implementation of work safety. Safety management organizations at all levels are responsible for safety production at different levels, and cooperate to carry out safety production work. At the plants, the person in charge and sub-leaders fully promote and implement the safety and environmental management measures of the Group and the plants to enhance the safety and environmental leadership.

The Group has realized the effective compatibility of the ISO 45001 occupational health and safety management system, the GB/T33000 guideline of Standardization of Corporate Work Safety, the AQ/T7009 standard for work safety standardization of machinery manufacturing enterprises and other laws, regulations and standards, and implemented safety and environmental management.

Occupational Health Policies	The "Personal Protective Equipment Control Procedures", the "Management Standards on Occupational Health Filing", the "Standards on Occupational Disease Hazards and Warning", the "Management Standards on Occupational Physical Examination", etc.
Safety Policies	the "Hazard Source Identification and Risk Assessment Procedures", the "HSE Management Procedures for Equipment", the "Hazardous Operation Approval Management Procedures", the "Hazardous Chemicals Management Procedures", the "Work Safety Information Management Procedures", the "New Energy Battery Pack HSE Management Standards", the "Qualification Management Standards for New Energy Safety Related Positions", "Ten Prohibition Management Standards for Safety and Environmental Protection", "Park Accident Insurance Protection Plan", "HSE Management Evaluation Procedure", etc.

In 2022, we set goals focusing on the HSE management system and actively carried out practical activities to effectively improve the safety and environmental management level of each plant by establishing evaluation standards for safety and environmental management applicable to each plant of Geely Auto. In July and December 2022, the Group conducted semi-annual and annual safety and environmental assessments respectively. As at the end of the Reporting Period, all the R&D units have participated in safety and environmental, all safety and environmental indicators have reached annual targets, and 2,753 issues have been rectified.

HSE Management System	We have built an HSE management system to conduct HSE information system monitoring of safety hazards, safety inspection, daily safety production training and early warning index.

100% of the Group's vehicle plants and the OEM vehicle plants of the Group (except Jinan factories[1]) received the ISO 45001 occupational health and safety management system certification. Hangzhou Bay factory successfully passed the national safety production standardization first-level review, and Changxing factory and Guiyang factory passed the provincial safety production standardization second-level review certification. We plan to have 50% of our bases complete the first-level certification of safety production standardization by 2025. In the future, we will update the HSE management system, refine the work management process, and carry out special activities on high-level safety and environmental leadership to further upgrade and improve HSE management standards and management requirements. We will also actively promote the use frequency of HSE information system, conduct review inspection, continuously optimize the system's use experience, and improve management efficiency.

[1] Due to the addition of Jinan factory in the fourth quarter of 2022, it is improving relevant system construction, and is expected to obtain ISO 45001 external certification in 2023.

8.5.2 Safety Management

Safety risk identification

The Group carried out risk source identification and risk assessment taking the tool for assessing risk of the HSE information system as a platform and implemented risk grading control measures. Each base evaluated various risky points and hazards online, and as at the end of the Reporting Period, 14,026 risky points had been evaluated and 581,511 potential safety hazards have been identified.

The Group attaches great importance to the investigation of hidden dangers in production by improving its plan on safety risk management and control. In 2022, we formulated the strategic policy of "excellent safety performance, reducing the accident rate of Class II and above by 10%, and consolidating the bottom line of safety", revised and released the "HSE Accident Reporting and Investigation Handling Program (Version A2)", "HSE Hidden Hazard Investigation and Management Program (Version A1)", and "Safety and Environmental Inspection Standards (2022 Edition)", further promoting accident investigation, accident development, and accident management procedures optimization.

A total of **24,418** equipment and facilities were inspected, **5,698** hidden dangers were identified and the timely rectification rate reached **99.32%**

Fire safety hazard investigation

The Group investigates fire safety hidden danger from four aspects: improving the system, optimizing the management process, applying information technology and improving the firefighting ability of all employees:

- It revised and released the "Fire Safety Management Procedures" and other documents, and in 2022, we newly issued the "Regulations on the Management of Fire Construction Projects" to further improve the construction of the fire safety system.
- It has taken "Thunder Action" to track and promote the rectification of 203 fire protection issues. The fire protection engineer of the safety and environmental protection department initiated process optimization, and realizes the process management of fire protection engineering quality through cross-departmental process cooperation with the engineering construction center and ME.
- As of the end of the report, more than 90% of the Group's production bases have been connected to the HSE system. Relying on the HSE information system platform, the fire protection management data submitted by the subsidiaries are summarized and released every month.
- Launch of the third professional competitions for fire-fighting management personnel in all units within the Group. During the reporting period, 192 fire management personnel including the Minister of Security were trained.

Safety awareness popularization

In 2022, the Group compiled and published the "Ten Prohibition Management Standards for Safety and Environmental Protection". Contents that must be complied with include: pre-job training, high-altitude work protection, normal operation of firefighting equipment, reasonable disposal of hazardous waste, safety in explosion-proof areas, approval of dangerous operations, special post operations with license, energy lock implementation, normal operation of safety equipment, and no hidden dangers at the end of operations. The Group adopts zero tolerance for ten dangerous behaviors that violate laws and regulations or are likely to cause significant loss of life and property, to avoid accidents caused by high-risk behaviors.

We organized the "Ten Prohibitions on Safety and Environment" all-staff training examination through Geely's internal e-learning platform, with **47,005** participants and a pass rate of **98.3%**.

The Group attaches great importance to the construction of safety production culture, and continues to carry out "Safety Production Month" activities in various forms to effectively enhance the awareness of managers at all levels of "abiding by the Work Safety Law and taking responsibility actively" and creating a safety and environmental culture in which all employees participate. Besides, we carry out all-round publicity and training, and issue job safety commitment cards to form a good atmosphere as if "it is a consensus among employees to observe".

The "number one" takes the lead in stressing security and gives full play to its leading role

The "number one" (senior leaders such as the CEO and CFO of the Group) shares safety concepts, and we take the lead in safety awareness training by conducting safety video publicity activity.

HSE knowledge contest stimulates employees' enthusiasm for learning

We support the continuous improvement and optimization of the HSE management system by launching HSE knowledge contests. As at the end of the Reporting Period, 120,000 employees participated in the HSE knowledge contest.

An environmental consultation day to create a rich atmosphere of activities

We organized a safety and environmental consultation day activity in the headquarters campus to popularize safety and health knowledge through interactive quizzes, garbage sorting games, friend circle likes and in other forms, with more than 1,000 on-site participants.

Interaction of topics in Geely circle effectively promotes internal dissemination

We carried out interactions on topics within the Company, and the topics were read more than 1.9 million times, becoming the number one hot topic many times.

Record a safety message video to motivate employees' enthusiasm to participate

By launching the Safety Message Initiative, we encourage employees to record safety message videos to form a good situation for employees and families to jointly ensure safety.

Security incident rectification and warning

Based on the accident case, we conduct a horizontal "review" on the normalized production safety accident, where the principal unit completes the preliminary investigation of the accident within 3 working days in accordance with the "HSE Accident Report and Investigation Handling Procedure", and organizes an accident exchange meeting within one week. During the Reporting Period, the Group organized 5 safety and environmental accident exchange meetings to discuss accident cases online, on the one hand, by analyzing the causes of accidents, summarizing and clarifying the key points of accident development; and on the other hand, posting safety warnings to include areas with safety risks in daily supervision to ensure that accident risks are effectively identified. We plan to revise the hazard identification control program in 2023 to ensure that the dual preventive work mechanism of risk classification control, hidden hazard investigation and governance is effectively connected with the existing hazard identification control program.

During the Reporting Period, the annual safety objectives set were fulfilled for all accident indicators, hidden hazard rectification and health, safety and environment (HSE) assessments. As at the end of the Reporting Period, there were no work-related fatalities at the production bases.

Performed Safety Indicators formulated in 2022
Death accidents: ≤0.035‰
Serious injury accidents: ≤0.2‰
Rate of general and above traffic accidents: ≤0.25‰
Rate of general and above fire accidents: 0.4‰

The Group emphasized the records and investigation of all safe accidents and issues and implemented incentives and disincentives and improvement measures to eliminate the recurrence of similar accidents as far as possible.

Work Safety Key Performance

Indicators	2020	2021	2022
Number of safety accidents (number)	15	22	23
Number of work-related fatalities (person)	1	0	0
Ratio of work-related fatalities (‰)	0.026	0	0
Lost days due to work injuries (day)	6,773	786	889
Rate of severe injuries (‰)	0	0.056	0.017
Rate of minor injuries (‰)	0.36	0.31	0.28
Number of occupational disease cases (number)	0	0	0
Rate of occupational diseases (‰)	0	0	0
Rate of work-related injury (‰)	0.39	0.36	0.38
Rate of absenteeism (‰)	0.71	0.056	0.063
Financial loss caused by accident (RMB10,000)	237.88	32.51	47.062

8.5.3 Occupational Health

The Group provides free annual occupational health examinations for employees exposed to occupational hazards every year, and has established a complete management system for employees' occupational health and procedures for occupational health inspection, which implements the requirement of "one person, one file" for occupational health. We also attach importance to provide occupational health and safety training for all employees. During the Reporting Period, the proportion of employees who received this training reached 100% and accumulative hours reached 967,408, and pre-job training covered 14,616 new recruits.

Focusing on the 2022 Occupational Disease Prevention and Control Law Publicity Week, we have formulated the planning and arrangement for the Occupational Health Week activity taking "All for the Health of Workers" as the theme. In April 2022, we organized the Occupational Health Week activity and carried out intensive publicity and training on topics such as health knowledge, ergonomics, and HSE for all employees, so as to establish self-care awareness.

Six Measures for Occupational Disease Prevention and Treatment	Content
Occupational health inspection and evaluation	Regularly carry out annual identification of occupational disease hazards on site and quarterly regular monitoring to monitor the occupational disease hazard exposure level on the job site;
Occupational health surveillance of employees	Carry out occupational health examinations before, during and when leaving the post, establish personal files of occupational health, and implement comprehensive traceability management;
Management of labor protection articles	Provide a full set of protective equipment for all front-line employees free of charge, and ensure the quality and comfort of protection articles to prevent work injury, occupational diseases and occupational accidents;
Improve the working environment	Vigorously carry out the production process reform, such as adopting water-based paint instead of oil-based paint, automatically spraying by robots, closed stamping line, etc. to reduce the risk of occupational disease hazards in the working site;
Carry out occupational health trainings	Carry out pre-job occupational health trainings and assessments, and organize regular occupational health trainings and examinations for all employees;
Special occupational health inspection	Regularly carry out special inspections on occupational health files, wearing of labor protection articles, operation and maintenance of occupational disease protection facilities, etc.

In addition, the Group continuously strengthens the identification of occupational hazard factors related to job posts, increases investment in occupational disease prevention facilities, and carries out occupational disease prevention and treatment. We required all operators involved in occupational disease hazard factors to receive special trainings and examinations, and the pass rate of examinations was 100%.

In 2023, we will focus on comprehensive occupational health risk assessment and gradually shift from occupational health to "big health", and establish a new model of employee health and safety management in the context of intelligent manufacturing. The specific plan includes:

- First-aid Capability Improvement and Sudden Death Prevention: We arrange emergency medical technologists at the base and headquarters where Automatic External Defibrillators (AED) are equipped with, to continuously improve the emergency response plan process and promote the improvement of emergency response capacity.
- Comprehensive risk assessment and upgrading of occupational disease hazards: We implement self-examination of occupational health management and risk classification of occupational disease hazards at each production plant, optimise the identification of occupational disease hazards, sort out the list of toxic and hazardous substances and hazardous equipment, reduce the number of people affected by exposure to serious occupational disease hazards, and improve on-site management, protective facilities and emergency facilities for occupational disease prevention and control.
- Occupational Health Management Improvement: We conduct monthly occupational health communication and annual occupational health management empowerment, and streamline occupational health management procedures and processes, establishing guidelines, instruction manuals and standardised templates to effectively enhance occupational health management capabilities.

9 Community and Philanthropy

Material Issues

- **Social Welfare and Philanthropy**

Eco-friendliness

- "Blue Guardian" marine charity uses satellite to monitor marine litter and oil spills
- Nearly **8 tonnes of marine litter** recycled with over 2,500 volunteers participated

Education Equity

- **9 years** consecutively in "Dream Green Running Tracks" rural youth sports dream project
- "Yi Learning Programming Action" provided programming education to **about 1,000 teenagers** in underdeveloped areas

Rural Revitalization

- The "Geely-Featured Classes" helped students in poverty and ethnic minority women with their studies and employment
- Employees serving as part-time teachers at Geely School, contributing nearly 10,000 talents to society every year

Community Development

- **1,709 employees** participated in community volunteer activities with **10,688 activity hours**.
- **12 years** consecutively of "Non-remunerated Blood Donation Day"
- Intangible cultural heritage digital collection and sponsored arts development (e.g., music)
- Held charity relay runs to raise money for disabled youths

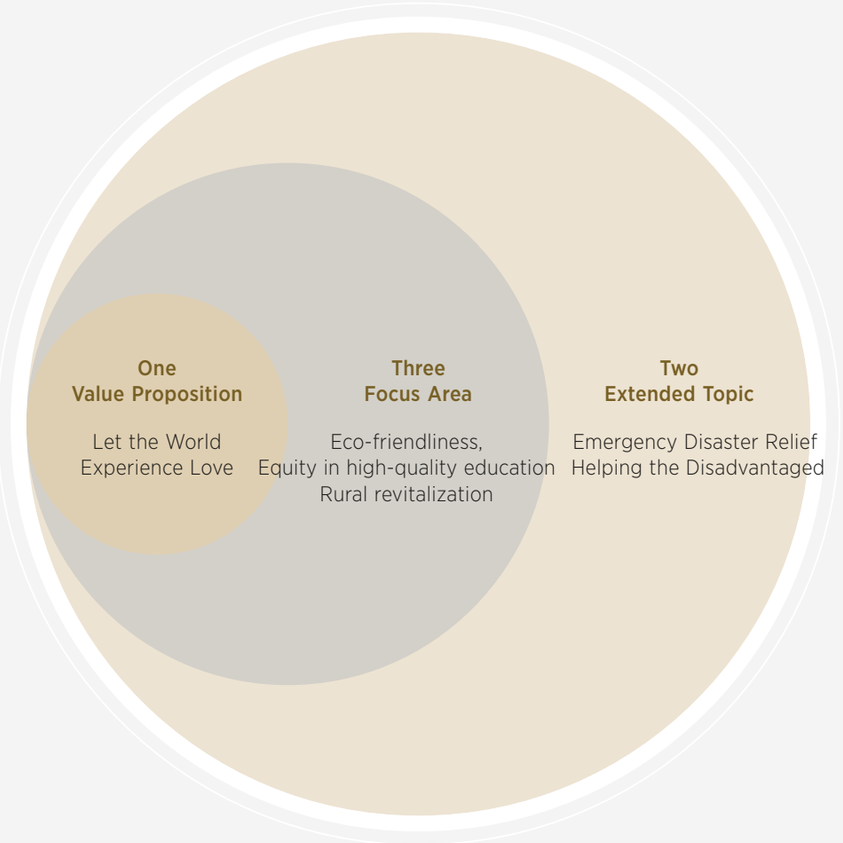
Disaster Relief

- Participated in emergency disaster relief such as **Sichuan earthquake**
- Zeekr called on vehicle owners to participate in sports events for the disabled and children's charity activities

Future:

- Co-Prosperity – Community

The Group share the same ideal and system of social responsibility of Geely Holding Group, and participate in the related philanthropic activities. With "Let the world experience love" as our value proposition, we focused on the three fields of Eco-friendliness, Equity in high-quality education and rural revitalization, and extends to the two major philanthropic topics of emergency disaster relief and helping the disadvantaged. Geely Auto's ESG strategy of "Co-Prosperity" covers community welfare, and through science and technology empowered philanthropic innovation, we actively explored sustainable philanthropic model and built a characteristic public welfare system.



We visit relevant government units, local communities, charitable organizations and disadvantaged groups monthly to understand the needs of the society, and also for efficient planning of our philanthropic activities and optimizing our relevant resources. We also promote our philanthropic ideal to customers, employees, suppliers and dealers, and encourage them to actively participate in our philanthropic activities. In order to listen to the demands more effectively and disseminate our philanthropic ideal, we update the latest development in our philanthropic activities on the official websites, blogs, social media platforms, etc., and collect opinions from our stakeholders via such channels. We integrate the views of stakeholders into the development process of ESG strategy, review the philanthropic areas and issues we focus on, as well as the progress of implementing projects and formulate improvement plans.

Based on the ESG strategy of the Group and opinions from the stakeholders, in 2022, we conducted philanthropic activities in five fields including eco-friendliness, education equity, rural revitalization, community development and relief and assistance.

Through continuous philanthropic activities, Geely won the following honors and recognition in 2022:

Award Name	Awarding Organization
Collection of Excellent Cases of Corporate Social Responsibility Education Projects in 2022 and # CSR China Education List Award #: "Best Responsible Corporate Brand of the Year", "CSR CHINA SDG Excellent Project of the Year"	2022 CSR China Education Ranking Organizing Committee

9.1 Eco-friendliness

70% of the Earth's area is covered by the ocean, and the abundant mineral and biological resources in the ocean provides resources for the sustainable development of human civilization. The pollutants discharged by humans into the ocean not only threaten the health of the marine ecosystem, but also have a profound impact on the sustainable development of social economy and the safety and health of people themselves.

Adhering to the brand values of "Equity, Diversity and Sustainability", Zeekr has been cooperated with Geespace of Geely Technology Group, to jointly initiate "Blue Guardian", a global marine protection charity project since 2021. The project leveraged the satellite technology of Geespace to support the protection of marine environmental and global ecology, widely linked with governments, academic research and NGO organisations such as the Second Institute of Oceanography, MNR, the Ministry of Ecology and Environment of the PRC and the China Environmental Protection Foundation, established the Blue Guardian Smart Marine Ecological Protection Alliance, and released the "Blue Guardian Remote Sensing AI Satellite Data Platform" to protect marine ecology with new technologies and new means, which has gained the attention and support of Professor Daniel Kamman, a Noble Prize winner and sustainability advocate, and other celebrities. Zeekr donated RMB1 million to the China Environmental Protection Foundation for the "Zeekr x China Environmental Protection Foundation Blue Guardian Project", based on which we continually carried out marine conservation actions in 2022.

"Blue Guardian" global marine protection charity project has the following features:

(1) Satellite technology empowers marine conservation

Relying on the high performance remote sensing AI satellites developed and designed in-house by the Geespace, the "Blue Guardian" project observe litter slicks, oil spills, red tides and natural hazards from moss in offshore and near-coastal areas. In June 2022, Zeekr X Geespace·Blue Guardian No. 1-6 was successfully put into orbit, officially opening the high-performance remote sensing AI data service function. In August 2022, the "Blue Guardian Remote Sensing AI Satellite Data Platform" jointly built by Zeekr and the China Environmental Protection Foundation was released in Zeekr Smart Factory, which is the first time that a Chinese commercial brand has used satellite technology to empower marine environmental protection. The "Blue Guardian" will make the marine remote sensing data available to academic institutions, environmental departments, etc., to help marine research and protection.

(2) Gathering users to participate in the marine conservation action

Zeekr cooperated with the China Environmental Protection Foundation and the Blue Ribbon Ocean Conversation Association to organize the "Blue Guardian Marine Conservation Project Action", carried out the actions of coastal cleanup, releasing fish fry, coral planting and conservation in nine cities, including Qingdao, Ningbo, Sanya, Haikou and Rizhao in 2022.

During the year, the activity gathered more than 2,500 volunteers (including Zeekr users), conducted 345 coastal environmental patrols, 154 voyages of marine pollution prevention and control and organized 6 marine science popularization and urban relay activities.

The "Blue Guardian Ocean Conservation Project" brought back a total of 8.4 tonnes of a variety of marine garbage from ocean/coast, of which over 1.1 tonnes entered the recycling channel. The "Blue Guardian" also cooperated with the partners of the Marine Debris Fishing Net Recycling Project of the United Nations Development Programme (UNDP) to make recycled nylon from discarded fishing nets into recycled environment-friendly T-shirts, recycle bags, note books, computer bags and other environment-friendly products which are sold in the Zeekr Shopping Mall, so as to pass the concept and lifestyle of sustainable development to users and fans.

9.2 Education Equity

Achieving fair education is the key to blocking the intergenerational transmission of poverty. We help to improve the quality of local primary and secondary education in the underdeveloped areas, so as to create a better learning experience for children. We have carried out the "Green Running Tracks" rural youth sports dream plan for 9th consecutive year. In 2022, the "Dream Green Running Tracks" youth dreaming public welfare platform was further upgraded to include several fields such as youth programming, aerospace exploration and biotechnology, focusing on the "education and growth" and "development potential" of individuals. As of the end of the Reporting Period, the "Green Running Tracks" covered a total of 82 schools in Inner Mongolia Autonomous Region, Yunnan Province, Shanxi Province, Gansu Province, Zhejiang Province, Shaanxi Province, Guizhou Province, Ningxia Hui Autonomous Region, Hubei Province, Guangdong Province, Hebei Province and Sichuan Province, and helped more than 40,000 rural students.

"Green Running Tracks" helped more than **40,000** rural students in **82** schools

"Yi Learning Programming Action" helped about **1,000** teenagers

Deep into mountains to conduct dream realization activities of Asian Games Hangzhou

As an official partner of the 19th Asian Games Hangzhou, Geely proactively supported the football dream welfare project of the Asian Games as the joint supporter of "seeking for 2022 dreams for Asian Games", supported the football development of the youth of China, and proactively empowered the Asian Games.

On 12 July 2022, Geely joined in the public welfare action of " seeking for 2022 dreams for Asian Games " of the Asian Games Hangzhou and went to Shahe Town Primary School, Chaotian District, Guangyuan City, Sichuan Province, to bring a "Rural Asian Games" designed by reference to the competition system of the Asian Games Hangzhou to the mountain teenagers. The event also invited Yang Qian, the Olympic shooting champion, and Zhou Yu, the table tennis champion of the Asian Game, and Zeekr owners from Guangyuan to participate in and to realize the dream for Asian Games and sports of the children.

Second season of "Yi Learning Programming Action" of Lynk & Co

The "Dream Green Running Tracks" of Geely and the "Yi Learning Programming Action" of Lynk & Co were collectively carried out by Lynk & Co together with the China Internet Development Foundation, Zhongke Innovation Education, Codemao and other organizations in 2021, promoting the in-depth application of new Internet technologies such as big data, virtual reality and artificial intelligence in education, strengthening the innovative education and research study for students in underdeveloped areas, promoting the balanced development of education, and building a bridge for children in rural areas and underdeveloped areas to enter the field of intelligent cars and participate in the construction of digital villages.

In 2022, on the basis of continuing to provide teenagers with programming enlightenment education, the "Yi Learning Programming Action" went to seven schools in the mountain of Guangyuan, Sichuan, brought programming courses, tablets and books, laying a "seed" of local teenagers' interest in programming. The project also expanded to Jiangsu Province and Zhejiang Province, etc., and cooperated with local science and technology museums to provide programming courses for children. As of the end of the Reporting Period, we have invested 200 sets of equipment and supporting programming classes, and added unlimited programming classes in 10 primary and secondary schools across the country, and helped about 1,000 teenagers.

9.3 Rural Revitalization

We proactively explored the new model of rural revitalization and assistance, made full use of the educational resources advantages of Geely's colleges and universities, and developed a complete system of educational assistance in supporting students in poverty, vocational education, hardware facilities construction, teacher training, etc., to provide talent and intellectual support for regional development.

Launch the "Geely-Featured Classes" to change fate with knowledge

As of the end of the Reporting Period, we have opened more than 100 "Geely Talent Classes" in numerous regions of China to provide teachers, training conditions, student grants and employment opportunities for local students in poverty. Also, we have set up the "Geely Women's Class" in Lvyin School of Daliangshan Prefecture since 2019, helping 120 girls of the Yi ethnic successfully complete their junior high school studies and open a window for them with knowledge.

Adhere to non-profit public welfare education and create a new mode of rural labor employment transfer

Geely adhered to non-profit public welfare education, and jointly established 10 colleges with Geely Holding Group, including Geely College, Sanya College, Zhejiang Automotive Vocational and Technical College, Hunan Geely Automobile Vocational and Technical College, etc. Many senior experts, intermediate and senior engineering technicians and management cadres of Geely Automobile Research Institute served as part-time teachers at these colleges, giving full play to the advantages of college and enterprise educational resources, and implementing the college and enterprise dual education mode. By the end of 2022, more than 180,000 talents have been cultivated for the society, and nearly 10,000 graduates have been employed every year.

We carried out vocational education such as vocational skills, entrepreneurship training and academic upgrading for rural labor employment groups in the surrounding areas of colleges, and formed a new mode of rural labor employment transfer with a one-stop service of "training + recognition + employment". By the end of 2022, Sanya Vocational College has trained more than 12,500 person-times, and 505 person-times have been trained in the poverty alleviation professional ability for the cadres of the two village committees and poverty alleviation officers in the region, helping students to complete their employment.

Over **180,000** talents have been delivered to the community

Nearly **10,000** graduates been employed each year

9.4 Community Development

We advocate the integration of enterprise development into the community, encourage and support employees to actively participate in community development and volunteer services, and strive to establish open, sincere and harmonious relationships with the local communities. In 2022, we organized employees to participate in various community volunteer activities such as community services, visits and blood donation. 1,709 employees participated with 10,688 activity hours[1].

In order to maintain cooperation and mutual trust with the society, Geely Auto advocates the following policies, and carries out its commitments through community voluntary actions:

- Comply with the local laws and regulations, respect the local culture, and strive to achieve a diversified win-win situation
- Constantly enhance communication with local communities, promote the understanding and support for the Group's business development and business activities
- Actively create employment opportunities in communities, carry out vocational education to enhance the employability of community residents, and contribute to the local industrial talent cultivation
- Timely communicate and feedback on the matters that the Group has actual or potential impacts on the communities (public events, potential crisis events, etc.)

[1] During the Reporting Period, due to the Group's employees also participated in voluntary activities for pandemic prevention and control, resulting in a significant increase in the number of employees participated in community activities and activity hours in 2022.

Encourage employees to participate in charity activities

We encourage our employees to actively participate in community volunteering activities. On 16 September 2022, we organized the 12th Blood Donation Day, in which 179 employees participated and donated a total of 56,200 ml of blood. Since the first "Non-remunerated Blood Donation Day" in 2011, a total of 1,080 employees have participated in the event, with a total blood donation of 304,280 ml.

Promotion of arts and culture

We actively promote the integration of arts and culture with public service. In 2022, Geely Auto started the Chinese cultural innovation and exploration journey jointly with China Oriental Performing Arts Group. We also continued to sponsor the Hong Kong Philharmonic Orchestra. And as a pearl member of Maestro Circle, we continued to support the development of the musical arts and enrich the cultural life of the local community.

In 2022, we joined hands with Geetaverse, Geely's digital collection platform, to launch our first digital collection, "Star Youth Dream". The original creators of the digital collection are the youngsters from Guangyuan, Sichuan province. They were invited to watch the launch of the first nine stars of the "Geely Future Travel Constellation" and drew this painting. The painting was made into an embroidered mahogany embroidery to help pass on and promote the national intangible cultural heritage.

Active promotion of healthy lifestyles

We actively promote healthy lifestyles in the community and encourage our employees, users, partners, the public and other groups to participate in sports, realizing the cross-border combination of "sports + public welfare". Since 2017, we have continued to build our signature marathon events In 2022, we joined hands with the Hangzhou Asian Games Organizing Committee to launch the "Search for 2022 Asian Games Dreams" charity project. We also launched the "36th Anniversary of Entrepreneurship of Geely - Happy Asian Games Charity Relay Run" to raise funds for disabled youths together with our employees, users and caring people. By the end of the event, a total of RMB100,000 was raised for the dream fund. Li Shufu Charity Foundation donated money to Zhejiang Youth Development Foundation to help physically disabled youths to install prostheses, fulfill their dreams of sports, and help them to realize their dreams.

9.5 Relief and Assistance

Emergency relief

We continued to focus on disaster relief. With the advantage of our resources, we launched various forms of emergency relief actions and actively participated in emergency relief activities organized by Li Shufu Charity Foundation. We have been working with local communities and residents to overcome difficulties together in order to promote and achieve social justice and common prosperity.

In the face of the COVID-19 pandemic, Li Shufu Charity Foundation established a RMB200 million fund in early 2020 to support the prevention and control of the pandemic in Hubei, Guangdong, Zhejiang, Henan, Shaanxi and other areas with serious pandemic, including the purchase of pandemic prevention materials, support for vaccine and drug research and development, and the donation of vehicles for transportation deployment. As of the end of the Reporting Period, the amount of donation related to the prevention and control of domestic and foreign pandemics by "Li Shufu Charity Foundation" exceeded RMB150 million, including more than RMB70 million in medical supplies.

In 2022, when an earthquake occurred in Luding, Sichuan Province, Geely set up an emergency response department immediately and set up a professional rescue team to rush to the front line at full speed to provide technical guidance and apply industrial grade UAV technology, making important contributions to the disaster relief.

Helping the disadvantaged

Zeekr always upholds the concept of co-creation with users and creates a Zeekr community, to fully leverage the role of users to carry out public welfare activities:

- In March 2022, members of the "Zeekr Public Welfare Team" established by the Ningbo Zeekr Motorists Club participated in the "Ningbo Disabled Snow Sports Season – Dry Land Curling Experience" event, and held a dry land curling friendly competition with the disabled team and teachers and students from the University of Nottingham;
- On 2 April 2022, World Autism Concern Day, Zeekr organised car owners to watch movies, to understand the world of children with autism, interact with them and donate materials in necessity to them;
- In June 2022, Zeekr gathered car owners with care to start an intercity relay race. Starting from Ningbo, it took two days and went across of 1,245 kilometers to deliver the caring books to Paishitou Primary School in Huixian County, Xinxiang City, Henan Province.

Appendix 1

List of Applicable Laws, Regulations and Related Standards

As a Hong Kong-listed company, Geely Auto strictly abides by the "Main Board Listing Rules" of the The Stock Exchange of Hong Kong Limited and the Appendix 27 "Environmental, Social and Governance Reporting Guide". Geely Auto mainly operates in mainland China. Our operation and management strictly complies with the laws, regulations, standards and rules that have a significant impact on the Group, and also carries out the relevant applicable provisions.

No.	Names of Documents
I. List of laws and regulations applicable to energy conservation and environmental protection	
1.	Law of the People's Republic of China on Environmental Protection
2.	Law of the People's Republic of China on Environmental Impact Assessment
3.	Law of the People's Republic of China on Water and Soil Conservation
4.	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
5.	China' Emission Standard of Automotive Vehicle Pollutants in 6th stage
6.	Technical Specification for Application and Issuance of Pollutant Permit Automotive Industry (HJ971-2018)
7.	Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution
8.	Directory of National Hazardous Wastes
9.	Law of the People's Republic of China on the Prevention and Control of Water Pollution
10.	Law of the People's Republic of China on the Prevention and Control of Ambient Noise Pollution
11.	Regulation on the Administration of Permitting of Pollutant Discharges
12.	Catalogue of Classified Management of Discharge Permits of Fixed Pollution Sources
13.	Standard for Fugitive Emission of Volatile Organic Compounds
14.	Guide for Assessment on Green Factory of Vehicle Manufacturing in Automobile Industry
15.	Evaluation Requirements for Green Factory
16.	Law of the People's Republic of China on Conserving Energy
17.	Law of the People's Republic of China on Promoting Clean Production
18.	Circular Economy Promotion Law of the People's Republic of China
19.	Renewable Energy Law of People's Republic of China
20.	Environmental Protection Tax Law of The People's Republic of China
21.	Energy-Saving Examination Methods for Fixed Assets Investment Projects
22.	Catalogue of Guidance for Some Industries to Eliminate Backward Process Equipment and Products (2010 Edition)

No.	Names of Documents
23.	Measures for the Administration of Industrial Energy Conservation
24.	Notice on Strengthening Energy Saving Assessment and Examination of Industrial Fixed Assets Investment Projects
25.	Notice on Further Strengthening the Elimination of Backward Capacity
26.	Notice on Carrying Out Special Supervision of National Major Industrial Energy Conservation
27.	Decision of the State Council on Strengthening Energy Conservation
28.	Measures for Energy Saving Supervision
29.	Management Measures for Power Saving
30.	Management Measures for Photovoltaic Power Station Development and Construction
31.	Audit Method of Cleaner Production
32.	Administrative Measures for Environmental Protection of Construction Projects
33.	Discharge Standard of Pollutants for Urban Wastewater Treatment Plant
34.	Emission Standard of Pollutants for Electroplating
35.	Integrated Wastewater Discharge Standard
36.	Indirect Discharge for Emission Limitation of Nitrogen and Phosphorus for Industrial Wastewater
37.	Identification Standards for Solid Wastes General rules
38.	Identification Standards for Hazardous Waste General rules
39.	Identification of Major Hazard Installations for Dangerous Chemicals
40.	Graphical Signs for Environmental Protection
II. List of laws, regulations and related standards applicable to occupational health and safety	
1.	Law of the People's Republic of China on Prevention and Control of Occupational Diseases
2.	Fire Prevention Law of the People's Republic of China
3.	Law of the People's Republic of China on Work Safety
4.	Law of the People's Republic of China on Road Traffic

No.	Names of Documents
5.	Special Equipment Safety Law of the People's Republic of China
6.	The Law of the People's Republic of China on Emergency Responses
7.	Regulations on the Supervision and Administration of Occupational Health In Workplaces
8.	Management Standard of Occupational Health Record
9.	Notification and Warning Standard of Occupational Hazards
10.	Management Measures for Occupational Health Examination
11.	Measures for Reporting Occupational Hazards
12.	Classification and Catalogue of Occupational Diseases
13.	Regulations on Safety Management of Dangerous Chemicals
14.	Regulation on the Administration of Precursor Chemicals
15.	Measures for Supervision and Management of Special Equipment Operators
16.	China's Three-Year Action Plan for Special Rectification on Work Safety
17.	Standard to Determining Hidden Danger of Major Production Safety Accidents in Industry and Trade
18.	Method Determining Major Fire Hazards
III. List of laws, regulations and related standards applicable to human resources	
1.	Labor Contract Law of the People's Republic of China
2.	Regulations for the Implementation of the Labor Contract Law of the People's Republic of China
3.	Trade Union Law of the People's Republic of China
4.	Labor law of the People's Republic of China
5.	Law of the People's Republic of China on the Protection of Minors
6.	Law of the People's Republic of China on Mediation and Arbitration of Labor Disputes
7.	Employment Promotion Law of the People's Republic of China
8.	Social Insurance Law of the People's Republic of China
9.	Implementing Regulations of the Social Insurance Law of the People's Republic of China
10.	Special Provisions on Labor Protection of Female workers
11.	Measures for Determining of Industrial Injury
12.	Regulations on Industrial Injury Insurance
13.	Regulation on Prohibition of Child Labor
14.	Interim Provisions on Payment of Wage
15.	Regulations on Paid Annual Leave of Employees
16.	Measures for the Implementation of Paid Annual Leave for Enterprise Employees

No.	Names of Documents
17.	Regulations on Medical Treatment Period for Employees of Enterprises Suffering from Illness or Non-Work Related Injuries
18.	Measures on Having a Holiday for National Annual Leaves and Memorial Days
19.	Regulations on Unemployment Insurance
20.	Interim Provisions on Labor Dispatch
21.	Regulations for the Employment of the Disabled
22.	Regulations on Management of Housing Provident Fund
23.	Regulations on Practice Management of Vocational School Students
IV. List of laws, regulations and related standards applicable to product quality management	
1.	Law of the people's Republic of China on the Protection of Consumers' Rights and Interests
2.	Product Quality Law of the People's Republic of China
3.	Regulations on the Liability for Repair, Replacement and Return of Household Automotive Products
4.	Measures for the Implementation of Regulations on Recall Management of Defective Automobile Products
5.	Guidelines for Air Quality Assessment in Passenger Cars
6.	Management Method for Passenger Car Makers' Average Fuel Consumption and Points of New Energy Vehicle
7.	Interim Measures for the Management of Recycling and Utilization of Power Batteries for New Energy Vehicles
V. List of other applicable laws, regulations and related standards	
1.	Criminal Law of the People's Republic of China
2.	Company Law of the People's Republic of China
3.	Anti-Money Laundering Law of the People's Republic of China
4.	Law of the people's Republic of China on Anti Unfair Competition
5.	Anti-Monopoly Law of the People's Republic of China
6.	Law of the People's Republic of China on Cybersecurity
7.	Data Security Law of the People's Republic of China
8.	Personal Information Protection Law of the People's Republic of China
9.	General Data Protection Regulation (GDPR)
10.	UN/WP.29 R155 Information Security and Information Security Management System
11.	Advertising Law of the People's Republic of China
12.	Trademark Law of the People's Republic of China
13.	Patent Law of the People's Republic of China
14.	Copyright Law of the People's Republic of China
15.	Regulations of the People's Republic of China on the Administration of Import and Export of Technologies
16.	Management Standard for Enterprise Intellectual Property (GB/T 1.1-2009)

Appendix 2

ESG Key Performance Indicators

Names of the Indicator	Unit	2020	2021	2022
Environmentally-friendly operation[5]				
Completion rate of "environmental impact assessment" and execution of "design, building and commission" in new projects and expansion projects	%	100	100	100
Complaint rate of environmental incidents and issues	%	0	0	0
The rate of environmentally-friendly facilities allocated and normally operated	%	100	100	100
Amount of hefty fines for violation of environmental laws and regulations	RMB10,000	0	0	0
Times of non-economic punishment for violation of environmental laws and regulations	time	0	0	0
Weight of important leakage	tonnes	0	0	0
Greenhouse Gas (GHG) emissions [6,7]				
Scope 1 GHG emissions [8]	tCO_2e	157,820	164,173	145,563
– Vehicle plants	tCO_2e	155,726	147,374	131,854
– Others	tCO_2e	2,094	16,799	13,709
Scope 2 GHG emissions [9]	tCO_2e	506,704	529,090	455,550
– Vehicle plants	tCO_2e	385,958	376,022	275,599
– Others	tCO_2e	120,746	153,068	179,951
Scope 3 GHG emissions [10]	tCO_2e	49,852,905	48,793,452	49,815,353
– Purchased goods and services	tCO_2e	8,990,678	8,326,976	10,433,139
– Transportation and distribution	tCO_2e	780,258	853,412	863,225
– Use of sold products	tCO_2e	40,068,586	39,594,564	38,508,008
– Employee commuting	tCO_2e	2,979	9,291	1,983
– Business travel	tCO_2e	10,404	9,209	8,999

Names of the Indicator	Unit	2020	2021	2022
Total GHG emissions (Scope 1+2+3)	tCO_2e	50,517,429	49,486,715	50,416,466
Intensity of GHG emissions (Scope 1+2+3)	tCO_2e/vehicle	38.26	37.26	35.18
Intensity of average tailpipe emissions [11]	gCO_2e/km	202.33	198.76	179.15
Energy consumption [6, 12]				
Renewable energy				
Renewable electricity [13]	kWh	119,667,167	78,879,212	245,892,045
– Vehicle plants	kWh	118,712,017	75,047,763	241,577,635
– Others	kWh	955,150	3,831,449	4,314,410
Non-renewable energy				
Natural gas	standard cubic meter	59,609,987	57,650,819	57,880,386
– Vehicle plants	standard cubic meter	59,134,643	56,441,274	56,940,146
– Others	standard cubic meter	475,344	1,209,545	940,240
Gasoline	L	13,579,493	12,204,415	10,047,355
– Vehicle plants	L	13,076,535	6,539,705	4,938,583
– Others	L	502,958	5,664,710	5,108,773
Diesel	L	56,303	52,181	48,924
– Vehicle plants	L	56,303	44,035	43,007
– Others	L	N/A	8,146	5,917

Names of the Indicator	Unit	2020	2021	2022
Electricity purchased	kWh	741,987,956	851,011,760	746,172,470
– Vehicle plants	kWh	531,268,500	587,988,510	431,132,438
– Others	kWh	210,719,456	263,023,250	315,040,032
Steam purchased	tonnes	70,792	119,538	103,830
– Vehicle plants	tonnes	70,792	117,128	102,876
– Others	tonnes	N/A	2,410	954
Direct energy consumption[14]	tons of standard coal	80,126	76,499	75,186
– Vehicle plants	tons of standard coal	79,067	69,116	68,319
– Others	tons of standard coal	1,059	7,383	6,867
Direct energy consumption[15]	tons of standard coal	115,001	114,299	131,343
– Vehicle plants	tons of standard coal	88,987	81,502	92,006
– Others	tons of standard coal	26,014	32,797	39,337
Total energy consumption	tons of standard coal	195,127	190,798	206,529
– Vehicle plants	tons of standard coal	168,054	150,618	160,325
– Others	tons of standard coal	27,073	40,180	46,204
Intensity of energy consumption	kg of standard coal/vehicle	147.80	143.67	144.12
Pollutant emissions [5]				
Air pollutants				
Nitrogen oxides (NOx) emission	tonnes	128.79	104.25	97.01
– Vehicle plants	tonnes	126.67	102.63	93.38
– Others	tonnes	2.12	1.62	3.64

Names of the Indicator	Unit	2020	2021	2022
Sulfur dioxide (SO_2) emission	tonnes	13.56	23.93	10.93
– Vehicle plants	tonnes	13.56	23.35	9.72
– Others	tonnes	N/A	0.58	1.21
Volatile organic compounds (VOCs) emission	tonnes	39.73	69.64	44.97
– Vehicle plants	tonnes	38.87	66.91	44.92
– Others	tonnes	0.86	2.73	0.06
Non-methane hydrocarbon (NMHC) emission	tonnes	60.44	90.49	68.16
– Vehicle plants	tonnes	58.81	78.13	66.21
– Others	tonnes	1.63	12.36	1.95
Particulate emission	tonnes	45.44	64.47	56.07
– Vehicle plants	tonnes	45.44	54.81	52.61
– Others	tonnes	N/A	9.66	3.46
Wastewater				
Chemical oxygen demand (COD) emission	tonnes	250.37	128.33	142.64
– Vehicle plants	tonnes	249.16	125.15	139.73
– Others	tonnes	1.21	3.18	2.91
Ammonia nitrogen emission	tonnes	8.96	6.16	6.25
– Vehicle plants	tonnes	8.86	5.84	5.92
– Others	tonnes	0.10	0.32	0.34

Names of the Indicator	Unit	2020	2021	2022
Industrial wastewater discharge	tonnes	2,078,145	2,361,785	2,441,402
– Vehicle plants	tonnes	2,060,592	2,349,462	2,433,200
– Others	tonnes	17,533	12,323	8,202
Industrial wastewater discharge per unit of sales volume	tonnes/vehicle	1.57	1.78	1.77
Domestic wastewater discharge	tonnes	1,104,362	1,410,366	1,627,727
– Vehicle plants	tonnes	497,895	651,468	737,276
– Others	tonnes	606,467	758,898	890,451
Domestic wastewater discharge per unit of sales volume	tonnes/vehicle	0.84	1.06	1.18
Waste				
Total non-hazardous solid waste generated	tonnes	160,163	163,260	140,740
– Vehicle plants	tonnes	154,020	142,204	120,759
– Others	tonnes	6,143	21,056	19,981
Intensity of non-hazardous solid waste generated	kg/vehicle	121.32	122.93	102.22
Total hazardous waste generated	tonnes	11,180	12,707	12,926
– Vehicle plants	tonnes	10,005	11,281	11,196
– Others	tonnes	1,175	1,426	1,730
Intensity of hazardous waste generated	kg/vehicle	8.47	9.57	9.39
Percentage of solid waste recycled[16]	%	99.50	97.37	95.90
Percentage of compliant discharge of solid waste	%	100	100	100
Percentage of compliant discharge of major pollutants	%	100	100	100
Water consumption [5]				
Water consumed for production (freshwater)	10,000 tonnes	440.34	493.27	482.89
– Vehicle plants	10,000 tonnes	407.34	454.85	420.76
– Others	10,000 tonnes	33.00	38.42	62.13

Names of the Indicator	Unit	2020	2021	2022
Total water consumption	10,000 tonnes	497.01	583.65	583.72
– Vehicle plants	10,000 tonnes	407.34	454.85	420.76
– Others	10,000 tonnes	89.67	128.80	162.96
Water consumption per unit of sales volume	tonnes/vehicle	3.76	4.39	4.24
Industrial water resources recycled	tonnes	4,355,869	4,812,769	4,746,169
– Vehicle plants	tonnes	4,029,370	4,466,663	4,136,099
– Others	tonnes	326,499	346,106	610,070
Percentage of industrial water resources recycled	%	98.92	97.57	98.29
Use of Raw Materials – Manufacturing				
Steel consumption	tonnes	355,508	334,003	363,557
Intensity of steel consumption	kg/vehicle	269.28	251.50	264.05
Paint consumption	tonnes	16,105	15,159	16,522
Intensity of paint consumption	kg/vehicle	12.20	11.41	12.00
Packaging Materials				
Disposable packaging material consumption (vehicle manufacturing)	tonnes	6,238	9,977	12,103
Intensity of disposable packaging materials	kg/vehicle	4.73	7.51	8.45
Percentage of suppliers with recycling packaging materials	%	75.00	81.58	82.71
Recycling rate of packaging materials	%	100	100	100

Number and distribution of employees[1]				
Total employees at year end	person	38,376	44,157	50,169
New hired employees	person	1,676	14,327	18,187
Fresh graduates employed	person	1,606	3,198	3,161
Ethnic minority employees at year end	person	1,021	2,549	2,600

Names of the Indicator	Unit	2020	2021	2022
Employees at year end by employment type				
Full-time employees	person	31,785	37,299	44,681
Others (including interns and rehired retirees)	person	6,591	6,858	4,556
Employees at year end by gender				
Male	person	33,048	37,041	39,860
Female	person	5,328	7,116	9,377
Employees at year end by age group				
Under 30 years old	person	21,133	23,827	25,073
30-50 years old	person	16,639	19,692	23,583
Above 50 years old	person	604	638	581
Employees at year end by region				
North China	person	1,181	2,051	2,186
Northwest China	person	2,008	2,376	2,451
Southwest China	person	3,707	2,043	2,338
East China	person	28,336	34,974	38,868
South China	person	3,003	2,581	3,328
Northeast China	person	0	8	66
Hong Kong, Macao and Taiwan	person	20	18	16
Overseas	person	121	106	916
Number of members in the highest governing body at year end				
Members in the highest governance body	person	11	13	11
Female members in the highest governance body	person	1	3	3
Employee rights and benefits				
Percentage of labor contract signed	%	100	100	100
Percentage of social insurance covered	%	100	100	100

Names of the Indicator	Unit	2020	2021	2022
Percentage of medical examination and health profiles covered	%	100	100	100
Percentage of employees receiving regular performance and career development appraisal	%	100	100	100
Proportion of mainland employees membership in labour union	%	100	100	100
Employee turnover				
Total employee turnover	person	5,206	8,725	9,676
Total employee turnover rate	%	12.80	19.80	19.65
Turnover rate by gender				
Male	%	13.20	20.10	20.49
Female	%	12.10	17.90	16.07
Turnover rate by age group				
Under 30 years old	%	14.20	19.30	23.16
30-50 years old	%	10.90	20.80	15.70
Above 50 years old	%	6.50	6.30	28.74
Health and Safety				
Safety accidents	number	15	22	23
Work-related fatalities	number	1	0	0
Rate of work-related fatalities	%	0.026	0	0
Lost working days caused by work-related injuries	Day	6,773	786	889
Rate of serious injury accidents	‰	0	0.056	0.017
Rate of minor injury accidents	‰	0.36	0.31	0.28
Occupational disease accidents	number	0	0	0
Rate of occupational diseases	‰	0	0	0
Rate of work-related injuries	‰	0.39	0.36	0.38
Rate of absenteeism	‰	0.71	0.056	0.063
Financial losses caused by safety accidents	RMB10,000	237.88	32.51	47.06

Names of the Indicator	Unit	2020	2021	2022
Development and training				
Total no. hours of employee training	hour	2,444,846	3,397,795	3,740,996
Percentage of employee training	%	100	100	100
Percentage of employee training by gender				
Male	%	100	100	100
Female	%	100	100	100
Percentage of employee training by types of employees				
Senior personnel	%	100	100	100
Middle personnel	%	100	100	100
General employees	%	100	100	100
Average training hours per employee by gender				
Male	hour	64.50	75.98	77.15
Female	hour	58.77	82.00	71.02
Average training hours per employee by types of employees				
Senior personnel	hour	65.78	186.14	172.05
Middle personnel	hour	66.84	107.89	120.75
General employees	hour	63.64	75.66	74.54
Average training hours per employee by positions				
Research	hour	54.70	83.86	62.46
Support	hour	74.09	85.83	66.25
Management	hour	53.36	113.43	75.39
Operation	hour	63.68	64.37	91.41
Percentage of suppliers by region [17]				
Total number of suppliers	number	1,360	1,099	1,050
North China	%	11.00	10.92	11.14
Central China	%	14.00	13.65	13.72

Names of the Indicator	Unit	2020	2021	2022
Northwest China	%	1.00	0.55	0.67
Southern China	%	5.00	6.19	5.14
East China	%	60.00	62.69	64.00
Northeast China	%	4.00	4.09	3.81
Overseas	%	5.00	1.91	1.52
Supplier management [15]				
Tier one suppliers received routine and irregular flight audit (Geely brand and Lynk & Co)	%	65.00	40.46	85.95
Tier one suppliers received routine and irregular flight audit (Zeekr)	%	N/A	69.81	66.82
Total training hours of suppliers	hour	N/A	849	1,291
Percentage of suppliers participated in anti-corruption training	%	N/A	80	73
Suppliers with ISO 14001 system certification	%	82	82	84
Suppliers with OHSAS 18001/ISO 45001 system certification	%	N/A	48	56
Suppliers with IATF 16949 system certification	%	99	99	99
Percentage of direct suppliers signed the “Supplier Code of Conduct”	%	N/A	70	93
Suppliers that are determined to have actual or potential significant negative environmental and social impact	number	0	0	0
Product quality and safety				
Percentage of products passing safety and health assessment	%	100	100	100
No. of vehicles sold or shipped subject to recalls for safety and health reasons	vehicle	0	0	0
Incidents per thousand vehicles (IPTV) (12MIS) of Geely Automobile[18]	‰	20	17	14
Public recall	time	0	0	3
IQS of Geely Automobile[19]	%	203	212	216
Dealer management				
China’s dealers	number	1,456	1,550	1,744
Oversea distributors	number	N/A	32	43
Number of trainings for delaers	time	691	813	1,032

Names of the Indicator	Unit	2020	2021	2022
Percentage of dealers participated in trainings				
– China's dealers	%	93	95	97
– Oversea distributors	%	N/A	100	100
Products and customer services				
No. of club members in China [20]	person	2,459,707	3,812,441	5,534,060
Annual growth rate of club members	%	4.27	55.00	45.16
Club members' activities	time	3,180	4,376	3,572
Complaints of product and service	number	47,103	35,992	21,021
Percentage of complaints handled				
– China's dealers	%	100	100	98.16
– Oversea distributors	%	N/A	99.30	99.30
Customer satisfaction				
– Geely brand (China)	score	94.85	95.05	95.70
– Lynk & Co	score	94.00	92.64	95.32
– Geely brand (International)	score	92.00	90.10	93.50
J.D. Power Customer Service Index (CSI) Study	score	753	770	770
Anti-corruption				
Compliance (including anti-corruption) training hours	hour	132,905	109,938	130,890
Average hours of compliance (including anti-corruption) training per director and employee	hour	3.5	2.5	2.7
Percentage of employees participated in compliance (including anti-corruption) training	%	100	100	100
Community activities				
Total hours of employees participated in community activities	hour	2,592	1,806	10,688

Notes:

1. The scope of ESG key performance indicators covers the Group and its major joint venture. Except for employee-related indicators for 2020-2021, and total number of employees and distribution of employees by region in 2022, which include overseas subsidiaries. The other indicators do not cover overseas subsidiaries unless specified.
2. Due to the expanded disclosure scope of ESG key performance indicatorsand the split presentation of certain indicators, certain indicators are not available for 2020 and 2021 and presented as "N/A" for undisclosed data.
3. Geely Auto adopts a "Basing production on sales"'s production model. Therefore, the related environmental indicators were expressed in unit sales in this report.
4. GHG emissions, energy consumption, pollutant emissions and water consumption mainly comprise vehicle plants and others (powertrain plants, office premises).
5. The 2022 statistical scopes of environmentally-friendly operation, pollutant emissions and water consumption indicators cover 17 vehicle plants producing for Geely brand, Zeekr, Lynk & Co (Hangzhou Bay factory 1&2, factories in Meishan, Baoji, Jinzhong, Chunxiao, Xi'an, Changxing, Qiantang, Linhai, Guiyang, Xiangtan, Jinan, Lynk & Co Factories in Chengdu, Yuyao, Zhangjiakou, and Zeekr PMA factory), 10 powertrain plants and office premises (headquarters in Hangzhou and R&D centre at Ningbo Hangzhou Bay).
6. The 2022 statistical scopes of GHG emission and energy consumption indicators cover 20 vehicle plants producing for Geely brand, Zeekr, Lynk & Co and Livan (Hangzhou Bay factory 1&2, factories in Meishan, Baoji, Jinzhong, Chunxiao, Xi'an, Changxing, Qiantang, Linhai, Guiyang, Xiangtan, Jinan, Lynk & Co Factories in Chengdu, Yuyao, Zhangjiakou, and Zeekr PMA factory, Livan factories in Chongqing, Jinan and Rugao), 10 powertrain plants and office premises (headquarters in Hangzhou and R&D centre at Ningbo Hangzhou Bay).
7. The data of GHG emissions are calculated with reference to the "Guide to Accounting Methods and Reporting of Greenhouse Gas Emissions of Machinery and Equipment Manufacturing Enterprises", the "Fifth Scientific Assessment Report of IPCC (2014)" and the data released by government authorities. The greenhouse gas emissions in 2022 have included carbon credit offsetting and offsetting by purchasing the International Renewable Energy Certificate (I-REC), resulting in a decrease in both greenhouse gas emissions (Scope 1) and (Scope 2) in 2022.
8. GHG emissions (Scope 1) are direct emissions from the use of direct energy such as natural gas, gasoline and diesel.
9. GHG emissions (Scope 2) are indirect emissions from the use of purchased electricity and steam; The 2022 national grid average emission factor of 0.5703 tCO_2e/MWh is used for the calculation of purchased electricity.
10. GHG emissions (Scope 3): 1) Purchased goods and services: mainly based on is the upstream industrial chain data calculated according to the material structure (without considering the material utilization rate) and the carbon emission factors published by the CATARC, and the data adopted from the suppliers' LCA report submitted to us; 2) Logistics: including incoming logistics, outgoing logistics and after-sales logistics, excluding export logistics data. The data is based on the enterprise logistics settlement fees (settled per kilometer and per cubic meter); 3) Use use of sold products (including direct and indirect emissions) is based on the announced fuel consumption and power consumption of each model, and the mileage is calculated based on an average of 150,000 kilometers; 4) Employee commuting: Calculated based on the data of our commuter buses and company cars; 5) Business travel: including the data of employees' official travel by plane and train booked on the "Geely Business Travel.
11. Intensity of average tailpipe emissions = GHG emissions (Scope 3) - use of sold products/total sales volume of the year/150,000 kilometers.
12. Energy consumption data is calculated with reference to the "General Rules for Calculation of the Comprehensive Energy Consumption" (GB2589-2020).
13. Renewable electricity mainly includes photovoltaic power and hydropower (direct purchase of electricity in 2020 only), as well as the purchase of International Renewable Energy Certificates (I-REC) by vehicle plants in 2022, resulting in a significant increase in data for 2022.
14. Direct energy include: natural gas, gasoline, diesel
15. Indirect energy includes: renewable energy (photovoltaic, hydroelectric power and purchase of International Renewable Energy Certificates I-REC) and non-renewable energy (purchased electricity, purchased steam)
16. The calculation method of percentage of solid waste recycled is: comprehensive utilization amount of general industrial solid waste/generation amount of general industrial solid waste, and the scope of disclosure includes production plants only.
17. In 2021 and 2022, for the proportion of suppliers by region and the supplier management, Zeekr's suppliers were added on the basis of previous years.
18. Incident per thousand vehicles (IPTV) 12MIS = the number of maintenance of vehicles produced and sold for prior 12 months/number of vehicles produced and sold for prior 12 months X1,000
19. IQS = the number of complaints/the number of vehicles X100
20. China's club members represent App accumulative registered number of Geely, Geometry, Lynk & Co and Zeekr, including potential customers and end customers.

Appendix 3

SASB Automobiles Sustainability Accounting Standard-Content Index

Topic	Code & Accounting metrics		Unit of measure	2021	2022	Page/Comment
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured[1]	Unit	1,328,031	1,432,988	N/A
	TR-AU-000.B	Number of vehicles sold	Unit	1,328,031	1,432,988	N/A
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	%	China: 88.9 Europe: 50	China: 100 Europe: 0	73
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	Number	103	126	76
			%	100	100	76
	TR-AU-250a.3	Number of vehicles recalled	Unit	0	140,477	76
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	%	100	100	98, 105
	TR-AU-310a.2	Number of work stoppages and total days idle	Number	0	0	112
			Day idle	0	0	112
Fuel Economy & Usephase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy in China	Litre/100km	6.15	5.23	40
	TR-AU-410a.2	Number of 1) zero emission vehicles (ZEV),	Unit	61,329	262,253	22
		2) hybrid vehicles, and	Unit	636	25,744	25
		3) plug-in hybrid vehicles sold	Unit	20,841	66,474	22
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	/	With 2020 as the baseline, Geely Auto has set targets to reduce life cycle carbon emissions per vehicle by 25% by 2025, and commits to achieving carbon neutrality by 2045. For the discussion of fuel economy, please refer to: Carbon Neutrality Action (P.14-16), Low-carbon Products (P.17-20), and Low-carbon Mobility (P.20-22); Geely Auto has long been concerned about the carbon emission and climate change trend and the deployment of macro policies, and incorporated the risks and opportunities related to carbon emission and climate change into the risk management process. Please refer to: TCFD – Strategy (P.27-30), TCFD – Risk Management (P.30-31).	With 2020 as the baseline, Geely Auto has set targets to reduce life cycle carbon emissions per vehicle by 25% by 2025, and commits to achieving carbon neutrality by 2045. For the discussion of fuel economy, please refer to: Climate Strategy (P.20-21), Carbon Reduction at Using End (P.22); Geely Auto has long been concerned about the carbon emission and climate change trend and the deployment of macro policies, and incorporated the risks and opportunities related to carbon emission and climate change into the risk management process, please refer to: TCFD – Strategy (P.35-39), TCFD – Risk Management (P.40).	
Materials Sourcing	TR-AU-440a.1	Description of the management of risks associated with the use of critical materials	/	The use of critical materials is a key concern for supply chain management, please refer to: Supply Chain Risk Management (P.69-70) and Supplier ESG Management (P.71); Supply chain is an important source of carbon emissions in the life cycle of vehicle products, please refer to: Raw Material Extraction, Application of Sustainable Materials and Recycling (P.24-25).	The critical materials is a key matter for supply chain risk management, Geely Auto has identified 14 critical raw materials of high risk, and planned to conduct further investigation on its risk exposure, please refer to: Supply Chain Risk Management (P.84-85) and key raw materials (P.87) for details;	
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	Tonne	173,083	132,698	N/A
			%	97.37	96.50	N/A
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	Tonne	366.46	387.35	N/A
			%	100	100	N/A

1 Geely Auto adopts a "Basing production on sales"s production model. Therefore, the data for vehicles manufactured and vehicles sold are the same.

Appendix 4

HKEX ESG Reporting Guide - Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Page/Comment
A. Environmental		
Aspect A1	**Emissions**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	20-21, 24, 42, 50, 121
KPI A1.1	The types of emissions and respective emissions data.	123-125
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	24, 27, 123
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	47, 125
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	47, 125
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	19-21, 48-49
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	42-49
Aspect A2	**Use of Resources**	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources can be used for production, storage, transportation, buildings, electronic equipment, etc.	27-29, 42-49
KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	123-124
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	48, 125
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	27-29
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	48-49
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	33,125
Aspect A3	**The Environment and Natural Resources**	
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	20-33, 42-50
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	20-33, 42-50
Aspect A4	**Climate Change**	
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	34-40
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	34-40
B. Social		
Aspect B1	**Employment**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	98-99, 101-105
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	97, 126
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	126

Subject Areas, Aspects, General Disclosures and KPIs		Page/Comment
Aspect B2	**Health and Safety**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	109-113
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	112, 126
KPI B2.2	Lost days due to work injury.	112, 126
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	109-113
Aspect B3	**Development and Training**	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training and may include internal and external courses paid by the employer.	106-109
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	107, 127
KPI B3.2	The average training hours completed per employee by gender and employee category.	107, 127
Aspect B4	**Labour Standards**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	101-102
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	101-102
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	101-102
Aspect B5	**Supply Chain Management**	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	85-91
KPI B5.1	Number of suppliers by geographical region.	85
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	85-88
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	84-91

Subject Areas, Aspects, General Disclosures and KPIs		Page/Comment
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	85-88
Aspect B6	**Product Responsibility**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	71-73, 75-76, 79-82
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	76
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	81
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	58
KPI B6.4	Description of quality assurance process and recall procedures.	74-76, 82
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	79
Aspect B7	**Anti-corruption**	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	54-56, 122
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	56
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	56
KPI B7.3	Description of anti-corruption training provided to directors and staff.	55-56
Aspect B8	**Community Investment**	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	114-120
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	114-120
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	114-120

Appendix 5

GRI Sustainability Reporting Standards – Content Index

Statement of use: Geely Automobile Holdings Limited has reported the information cited in this GRI content index for the period from January 2022 to December 2022 with reference to the GRI standards.

GRI 1 used: GRI 1: Foundation 2021

GRI standards	Description	Page/Comment
GRI 2: General disclosures 2021		
2-1	Organizational details	3
2-2	Entities included in the organization's sustainability reporting	3
2-3	Reporting period, frequency and contact person	3
2-4	Restatements of information	3, 128
2-5	External assurance	N/A
2-6	Activities, value chain and other business relationships	3, 85, 92
2-7	Employees	97, 125-126
2-8	Workers who are not employees	126
2-9	Governance structure and composition	10, 52
2-10	Nomination and selection of the highest governance body	52
2-11	Chair of the highest governance body	52
2-12	Role of the highest governance body in overseeing the management of impacts	10-12
2-13	Delegation of responsibility for managing impacts	10-11
2-14	Role of the highest governance body in sustainability reporting	10-11
2-15	Conflicts of interest	57
2-16	Communication of critical concerns	10-12
2-17	Collective knowledge of the highest governance body	12
2-18	Evaluation of the performance of the highest governance body	52
2-19	Remuneration policies	52
2-20	Process to determine remuneration	52
2-21	Annual total compensation ratio	52
2-22	Statement on sustainable development strategy	4, 6-8
2-23	Policy commitments	10-12
2-24	Embedding policy commitments	10-12
2-25	Processes to remediate negative impacts	81-82, 90, 102
2-26	Mechanisms for seeking advice and raising concerns	54, 56, 59, 90, 102
2-27	Compliance with laws and regulations	121-122
2-28	Membership associations	94
2-29	Approach to stakeholder engagement	13, 53, 104-105, 119
2-30	Collective bargaining agreements	105
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	14-15
3-2	List of material topics	15
3-3	Management of material topics	14-15

GRI standards	Description	Page/Comment
Economy		
GRI201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	N/A
201-2	Financial implications and other risks and opportunities due to climate change	34-40
201-3	Defined benefit plan obligations and other retirement plans	99-100
201-4	Financial assistance received from government	N/A
GRI202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	98
202-2	Proportion of senior management hired from the local community	N/A
GRI203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	114-120
203-2	Significant indirect economic impacts	114-120
GRI204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	N/A
GRI205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	52-56
205-2	Communication and training about anti-corruption policies and procedures	56
205-3	Confirmed incidents of corruption and actions taken	56
GRI206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	57
GRI207: Tax 2019		
207-1	Approach to tax	59
207-2	Tax governance, control, and risk management	N/A
207-3	Stakeholder engagement and management of concerns related to tax	N/A
207-4	Country-by-country reporting	N/A

GRI standards	Description	Page/Comment
Environmental		
GRI301: Materials 2016		
301-1	Materials used by weight or volume	33, 125
301-2	Recycled input materials used	33, 125,129
301-3	Reclaimed products and their packaging materials	33, 125
GRI302: Energy 2016		
302-1	Energy consumption within the organization	123-124
302-2	Energy consumption outside of the organization	123-124
302-3	Energy intensity	123-124
302-4	Reduction of energy consumption	123-124
302-5	Reductions in energy requirements of products and services	20-40, 123-124
GRI303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	41, 48-49
303-2	Management of water discharge-related impacts	41, 45, 48-49
303-3	Water withdrawal	125
303-4	Water discharge	125
303-5	Water consumption	125
GRI304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	50
304-2	Significant impacts of activities, products and services on biodiversity	50
304-3	Habitats protected or restored	50
304-4	International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations	N/A

GRI standards	Description	Page/Comment
GRI305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	27, 123
305-2	Energy indirect (Scope 2) GHG emissions	27, 123
305-3	Other indirect (Scope 3) GHG emissions	23, 123
305-4	GHG emissions intensity	23, 27, 123
305-5	Reduction of GHG emissions	123
305-6	Emissions of ozone-depleting substances (ODS)	124
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	44, 124
GRI306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	42-47
306-2	Management of significant waste-related impacts	42-47
306-3	Waste generated	125
306-4	Waste diverted from disposal	125
306-5	Waste directed to disposal	125
GRI308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	84-88
308-2	Negative environmental impacts in the supply chain and actions taken	84-91
Social		
GRI401: Employment 2016		
401-1	New employee hires and employee turnover	97, 126
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	99-100
401-3	Parental leave	100, 103

GRI standards	Description	Page/Comment
GRI402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	N/A
GRI403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	109-100
403-2	Hazard identification, risk assessment, and incident investigation	110-112
403-3	Occupational health services	113
403-4	Worker participation, consultation, and communication on occupational health and safety	109
403-5	Worker training on occupational health and safety	111-113
403-6	Promotion of worker health	113
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	110-113
403-8	Workers covered by an occupational health and safety management system	109-110
403-9	Work-related injuries	112, 126
403-10	Work-related ill health	112-113
GRI404: Training and Education 2016		
404-1	Average hours of training per year per employee	107, 126
404-2	Programs for upgrading employee skills and transition assistance programs	106-109
404-3	Percentage of employees receiving regular performance and career development reviews	98
GRI405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	102-104
405-2	Ratio of basic salary and remuneration of women to men	98
GRI406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	101-102

GRI standards	Description	Page/Comment
GRI407: 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	104-105
GRI408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	55, 86-87, 101-102
GRI409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	101
GRI410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	101
GRI411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	N/A
GRI413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	114-120
413-2	Operations with significant actual and potential negative impacts on local communities	114-120
GRI414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	84-88
414-2	Negative social impacts in the supply chain and actions taken	84-91

GRI standards	Description	Page/Comment
GRI415: Public Policy 2016		
415-1	Political contributions	59
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	73
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	76
GRI417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	77-82
417-2	Incidents of non-compliance concerning product and service information and labeling	81
417-3	Incidents of non-compliance concerning marketing communications	77
GRI418: Customer Privacy 2016		
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