

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)

Carbon Neutrality

2021

Environmental, Social and Governance Report

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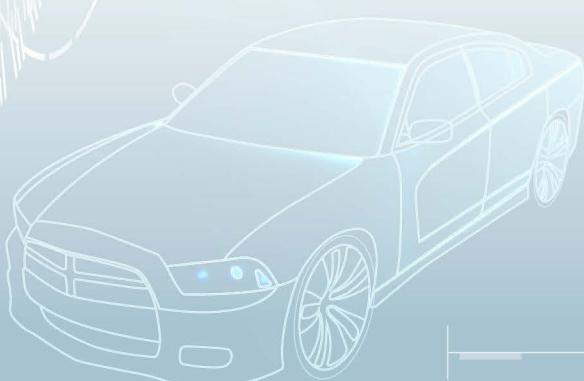
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About this Report

GEELY

INTRODUCTION

Since 2020, Geely Automobile Holdings Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group", "Geely Auto" or "we") have published its standalone Environmental, Social and Governance (hereinafter referred to as "ESG") Report to present the Group's strategies and practices in the aspects of ESG management, carbon emissions and climate change, environmental protection, governance and compliance, consumer interest, business partners, employee rights, communities and philanthropy thereby enabling all stakeholders to have a more intuitive and clear understanding of the Group's ESG performance. This is the second standalone ESG Report published by the Group. 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").

SCOPE OF THE REPORT

Time Scope: This Report covers the period from 1 January 2021 to 31 December 2021 (hereinafter referred to as the "Reporting Period", the "current year" or "2021"). 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 and associates. The business involves the following automobile brands: Geely Automobile, Geometry Automobile, Lynk & Co Automobile and Zeekr Automobile. This Report also includes the information on Geely Holding Group and Livan Automotive, 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, we have referred 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 amounts in this Report are presented in 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 of the Company on 30 May 2022.

ACCESS AND RESPONSE TO THE 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 within the category of "Financial Statements/ESG Information", on the HKEX news 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 2021".

Message from Chairman of the Board of Directors



2021 was the first year of China's "14th Five-Year Plan". The development of new energy and intelligent connected vehicles has entered a new phase, but it also faced many challenges in the post COVID-19 pandemic era. The effect of international situation on global economic integration, the promotion of automobile industry's low-carbon development by China's "Dual Carbon" goals, the transformation of automobile value chain towards the integration of information & communication technology and mechatronics, the increasing regulators' attention on the extended responsibilities of automobile manufacturers, are bringing the best timing for Geely Auto to reshape its business, make a leap in technology, shift paradigm, optimize its operation and upgrade its brands. We are constantly moving up in challenges, keeping our traditional core advantages, actively grasping the digital empowerment, showing the industry leadership in sustainability, and effectively realizing the collaborated development of enterprise, environment and society.

2021 was also the 35th anniversary of Geely. Geely Auto has sold over 1 million cars for five consecutive years, and remains as the best-selling domestic passenger car brand in China. The sales volume of Lynk & Co has exceeded 700,000 units, achieving regular export to Europe. Leishen Power and Zeekr were launched. We have formulated "Two Blue Geely Action Plans", and are committed to achieving "carbon neutrality by 2045" to accelerate sustainable practices in products, value chain, operations, communities and even wider fields, including:

Create sustainable products. We actively respond to the low-carbon and intelligent requirements of products under climate change, and continue to explore and improve various new energy technologies. In 2021, we achieved a year-on-year increase of 177% in the total sales volume of new energy vehicles, but we are not content with this. Based on our carbon emission reduction goal, we will continue to promote the "Two Blue Geely Action Plans" and accelerate the development of new energy vehicles.

Promote a sustainable value chain. We act in accordance with the concept of life cycle management on automobile products: guiding the whole value chain's responsible action with our sustainable design, cooperating with supply chain partners to build a sustainable supply chain, building national-level green factories, combining the upstream and downstream enterprises to explore a "joint recycling" system of automobile products, and promoting sustainability among consumers.

Adhere to sustainable business operations. We always adhere to creating value for customers and encourage co-creation to create an intelligent travel experience that exceeds customers' expectations. We strictly abide by business ethics, protect the legitimate rights and interests of consumers and business partners, and actively and closely work with partners of the industry to achieve mutual benefit and mutual win. In April 2021, Geely Auto joined the International Automotive Task Force (IATF), becoming the only Asian automobile group as an OEM voting member.

Support sustainable communities. We followed the talent concept of "Bringing respect, accomplishment and happiness to people", enabled employees to grow and announced "Common Prosperity Initiative" to share the enterprise's development achievements with employees. We focused on two public welfare areas, i.e. education and environmental protection, and made use of technological advantages to create solutions. We upgraded the "Dream Green Running Tracks" rural youth sports dream project, launched the "Blue Guardian" global marine charity project, and continued the result of "Timely Rain", the targeted poverty alleviation project.

We sincerely thank our shareholders, colleagues, customers and business partners for their support and efforts in this turbulent period, and we are deeply aware that we bear greater responsibilities. Sustainable transportation is directly related to various goals of the United Nations' 2030 Agenda for Sustainable Development, and is also an important element to achieve China's carbon neutrality goal by 2060. Geely Auto will continue to plan ahead and collaborate extensively with global ecological partners to build up sustainable competitiveness in automobile transformation in electrification and intelligence, so as to create an exceptional mobility experience for the future.

Li Shufu

Chairman of the Board of Directors

30 May 2022

Message from Chairman of the Sustainability Committee

Sustainability has become a core element in Geely Auto's strategy. We review our business model and governance structure with our ideal on sustainability and is devoted to creating sustainable mobility for the future. We are also committed to become a leading sustainable automobile manufacturer in China and the world.

2021 was the first full fiscal year after the establishment of the Sustainability Committee. Geely Auto formulated its short, medium & long term ESG plans, based on its strategy and the consideration of its impact on stakeholders. More manpower and resources have also been allocated to improve ESG management and performance in material issues. Meanwhile, we set targets to reduce the life cycle carbon emissions per vehicle by more than 25% by 2025 with 2020 as baseline and achieve carbon neutrality by 2045.



Accelerate the development of hybrid vehicles and pure electric vehicles, to fulfil the commitment in carbon emission reduction. We formulated the "Two Blue Geely Action Plans" in 2021. Action Plan I: focus on energy-saving and new energy vehicles, in which the new Leishen Hi·X hybrid system has launched, bringing more fuel-saving high performance hybrid products. Action Plan II: focus on intelligent pure electric vehicles. Zeekr, a newly established brand, has launched "Zeekr 001", its first intelligent pure electric vehicle which is built on SEA architecture. More than 16,000 Zeekr 001 were sold in 6 months since its delivery at the end of October 2021. We also set up 2025's new energy vehicles' (including Zeekr) sales volume goal of 1,550,000 with the proportion of total sales volume exceeding 40%.

Popularize low-carbon technologies of methanol and battery swapping to reduce carbon emission during product use phase in various ways. We have developed methanol cars for 17 years with more than 200 core technology patents. In 2022, we will launch "The 4th Emgrand Methanol Hybrid Sedan" vehicle model using green methanol to popularize methanol automobiles. We also established a joint venture brand "Livan", which adopts the self-developed battery swapping technology to provide more flexible and competitive battery swapping products and services for the market and create more low-carbon mobility scenarios.

Increase the investments in renewable energy to promote low-carbon production. We shall vigorously promote the use of renewable energy in production plants and begin the era of Geely Auto production using clean energy through significant increase in installed capacities of photovoltaic power generation and other energy conservation measures. 8 vehicle plants of the Group received the award of "National Green Factory". The Group aims to achieve 100% renewable electricity in all production plants by 2025.

Committed to improve corporate governance and human capital management. We firmly believe that in the process of transition to sustainability, good corporate governance is indispensable. In 2021, we actively promoted the independence and diversity of the Board of Directors, and two female independent non-executive directors were newly appointed to bring fresh insights to the Board of Directors and understand the stakeholders' needs more comprehensively, which can better support Geely Auto's sustainable development. We continued to enhance employees' dignity and announced the "Common Prosperity Initiatives", thereby enabling employees to work delightfully and diligently and share the development achievement of the Group.

With the support of technological innovation, diversified talents and good corporate governance, Geely Auto will integrate resources across industries to promote the transformation of sustainable mobility, speed up the fulfilment of our commitment of carbon neutrality by 2045, and contribute to addressing climate change.

An Cong Hui

Chairman of the Sustainability Committee

30 May 2022

GEELY



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ESG Highlights

GEELY AUTO 2021 ESG HIGHLIGHTS

E Environmental

Carbon Emissions and Climate Change



↓ 3%

Life cycle carbon emissions per vehicle reduction during the year

2025 Carbon Reduction Target ↓ 25%

With 2020 as baseline, life cycle carbon emissions per vehicle to be reduced by 2025

Carbon Neutrality 2045

1st Chinese passenger car company committed to SBTi and will announce the next phase's carbon reduction targets after submission & approval by SBTi. Participated in "Business Ambition for 1.5°C" & "Race to Zero"



↑ 177%

Increase in new energy vehicles sales volume



110 MW

Solar photovoltaic installed capacity

↓ 360,000 tonnes

Carbon emission reduced by adopting railway, water & new energy logistics

Environment



100% Production plants with ISO 14001 certification



97.6% Industrial water recycling rate

100% Solid waste treated & disposed in compliance with regulations

0 Complaint on environmental incidents and issues

100% Waste gases & wastewater treated & discharged in compliance with regulations

S Social

Customer



8 Models receiving 5-star or above in C-NCAP safety rating



China Quality Award
The only Chinese passenger car company receiving the award



1st J.D. Power China Customer Service Index (CSI) domestic brand ranking

Supply Chain



99% Suppliers with IATF 16949 certification

70% Suppliers signed Supplier Code of Conduct

80% Suppliers participated in anti-corruption training

Employees



> 10,000 employees Granted share awards



76 hours/employee Average training hours of employees



↑ 3% Increase in proportion of female senior management

88.6% Employee satisfaction rate

100% Employees participated in health & safety trainings

↑ 9% Increase in proportion of new female employees

Community



1,806 hours Employee's participation in community activities



11 years Consecutively in non-remunerated blood donation activities



8 years Consecutively in "Dream Green Running Tracks" education charity project

G Governance

Governance and Compliance



46% (↑10%) Proportion of independent non-executive directors



23% (↑14%) Proportion of female directors



100% Employees participated in information security training



100% Employees signed conflict of interest declaration

ESG Recognition



Constituent of Hang Seng ESG 50 Index and Hang Seng Corporate Sustainability Benchmark Index



FTSE4Good

Constituent of FTSE4Good Index Series



MSCI ESG RATINGS
CCC B BB A AA AAA

As of 2021, Geely Auto received an MSCI ESG Rating of BBB



HKBSI
Hong Kong Business Sustainability Index 2020
香港企業可持續發展指數 2020



Ranked top 20 among HSI constituents in "Hong Kong Business Sustainability Index" and promoted to "Achiever"

2 ESG Management

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 core values. We consider our stakeholders' expectations and our own situations, and continuously contribute to global sustainability.

Vision
A Sustainable Future, A Better World



Mission
Create an Exceptional Mobility Experience



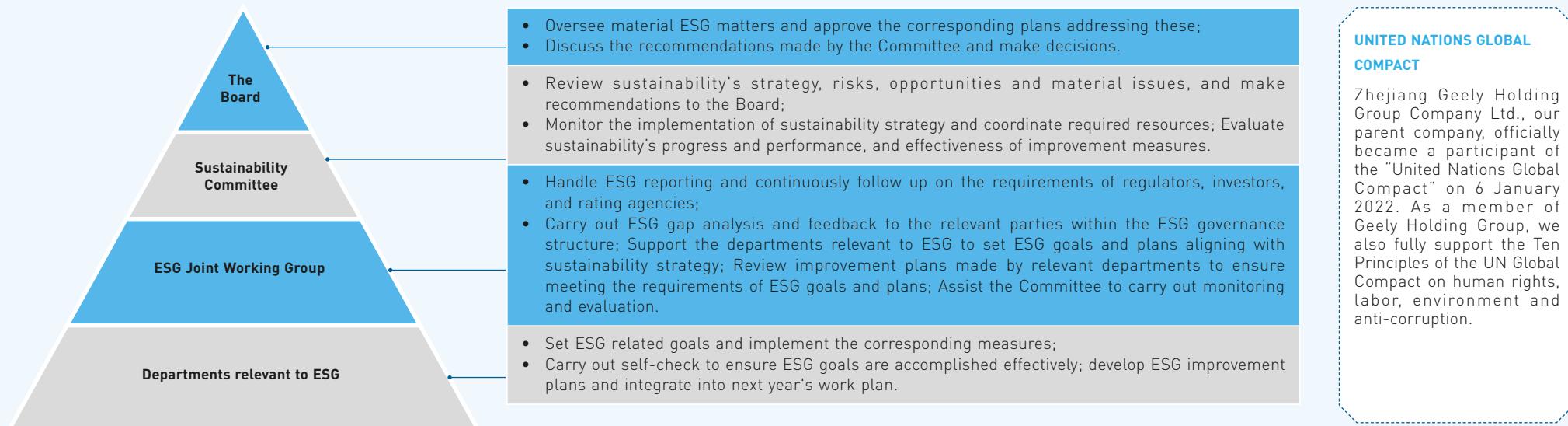
Core Values
People-oriented,
Innovation and Excellence



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 "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.



The Board approved the establishment of the Committee in December 2020. After appointing the chairman and members of the Committee, the Committee held the first meeting in early February 2021, inviting key management personnel and the ESG Joint Working Group to attend the meeting to discuss the ESG development planning of the Group. During the Reporting Period, the Committee held 4 meetings, with the following key discussion topics:

- ESG strategic goals and development planning
- Room for improvement on ESG management and related action plan
- Increase resource allocation in ESG, such as appointing more full-time staff to handle ESG
- Hold more ESG trainings to improve employees' understanding and awareness in ESG

- Analysis of ESG material issues and in-depth discussion on the most important issues, such as: carbon emission target and implementation plan, improvement plan of corporate governance
- Amendments to the "Listing Rules" and the "Corporate Governance Code" by the HKEX and action plans to be taken
- Review ESG reports
- Selection of external ESG consultant



Based on the above discussions, the Committee provided suggestions 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:

 Listened to ESG status reports at board meetings, including the requirements and expectations of regulatory authorities, investors, etc. on the Group's ESG, gap analysis on ESG rating performance, benchmarking against peer companies' best practices, etc., so as to grasp the latest development of the Group's ESG and identify ESG-related opportunities and risks;

 All directors participated in ESG survey, which included: the identification of material ESG issues, the Group's goal in its ESG positioning among the peers and the amount of resources to be allocated, and the ESG strategic directions affecting the core business development, etc;

 Discussion on two key ESG issues, namely, carbon emissions and climate change, and corporate governance. This resulted in driving the Group to kick-off the formulation of quantitative carbon reduction targets and action plans, and implementation of the improvement plan on the board independence and diversity.

With the continuous promotion by the Committee and the Board, the Group has made the following major progress in ESG:

Officially published the Sustainable Finance Framework in May 2022;

Committed to Science Based Targets Initiative (SBTi) in April 2022 and prepare to set targets meeting its requirement;

Publicly announced quantitative carbon emission targets in March 2022. For details, please refer to Chapter 3.1 "Carbon Neutrality Action" in this Report;

Publicly issued the Group's "Code of Business Conduct" and "Anti-corruption Policy" in March 2022;

Appointed two new female independent non-executive directors in November 2021 to enhance the independence and gender diversity of the Board;

Added three full-time ESG management personnel in late 2021 to coordinate carbon neutrality planning and ESG daily management;

Held 3 ESG and carbon related trainings which were open to all employees in 2021. These were conducted by external experts and internal experts, covering topics such as general knowledge in ESG and carbon footprint management. The number of participants reached 1,656.

SUSTAINABLE FINANCE FRAMEWORK



In May 2022, the Group issued the Sustainable Finance Framework, which is applicable to the future issuance of green, social and sustainable financing instruments such as bonds and loans. The publication of this framework will help Geely Auto to 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.

The eight eligible categories for the use of proceeds under the framework include green and social projects such as clean transportation and renewable energy. Sustainalytics has given a second-party opinion that the Sustainable Finance Framework of Geely Auto is credible and impactful and aligns with the "Sustainability Bond Guidelines 2021", "Green Bond Principles 2021", "Social Bond Principles 2021", "Green Loan Principles 2021", and "Social Loan Principles 2021".

ESG TRAINING BY EXTERNAL EXPERTS

In March 2021, external ESG expert conducted an ESG training open to all employees in live and via online broadcasting. The training included: basic introduction of ESG, ESG surveys of international institutional investors, best ESG practices, China's ESG development policies, ESG characteristics and cases of automobile industry, etc.

In 2022, we will continue to strengthen the ESG governance, deepen the ESG supervision responsibility, and improve the Group's ESG performance. At the same time, we will speed up the formulation and improvement of ESG goals and action plans of various departments, promote the achievement of carbon reduction goals, and publicly disclose more ESG-related policies.



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:

-  Based on the Group's ESG development planning and the intention of stakeholders, we constantly cultivated stakeholders' attention to more ESG issues in our daily communication, and communicated in details on key issues;
-  ESG materiality survey added more questions related to improvement suggestion on the Group's ESG development, so as to better understand stakeholders' specific expectations and requirements on the Group's ESG, and reflect them in the future ESG work planning of the Group.

Stakeholders	Concerned Issues	Communication and Feedback Channels	Communication Frequency
Investors 	<ul style="list-style-type: none">  Carbon emissions and climate change  Corporate governance and risk management  Product quality and safety  Responsible supply chain  Compliance and integrity 	<ul style="list-style-type: none"> Instant messaging, mailbox for investors and telephone communication Investor meetings (online/offline) Conferences for result announcement General meetings Roadshows and reverse roadshows Surveys 	<ul style="list-style-type: none"> Weekly Monthly Semi-annually Annually and irregularly Semi-annually and irregularly Annually
Employees 	<ul style="list-style-type: none">  Product quality and safety  Occupational health and safety  Employee rights and interests  Employee training and development  Diversity and equity 	<ul style="list-style-type: none"> Employee trainings (including online training platform) "Echo Community" online platform General Manager Reception Day Employee engagement conferences Employee forums Mailboxes of the Chairman, Labour Union's Chairman, and Secretary of the Commission for Discipline Inspection Surveys 	<ul style="list-style-type: none"> Daily Daily Annually Semi-annually Quarterly Weekly Annually
Dealers 	<ul style="list-style-type: none">  Product quality and safety  Customer service and satisfaction 	<ul style="list-style-type: none"> On-site visits and surveys Dealer trainings Surveys 	<ul style="list-style-type: none"> Monthly Monthly Annually
Suppliers 	<ul style="list-style-type: none">  Responsible supply chain  Product quality and safety  Carbon emissions and climate change  Resource use and recycling  Pollution and waste management 	<ul style="list-style-type: none"> Supplier evaluation Communication on supply quality Supplier trainings Surveys 	<ul style="list-style-type: none"> Annually Monthly Monthly/Quarterly Annually



Stakeholders	Concerned Issues	Communication and Feedback Channels	Communication Frequency
Customers 	Product quality and safety	Social media (WeChat official account, video account, Weibo account, etc.)	Daily
	Customer service and satisfaction	Online and offline promotions	Monthly
	Sustainable mobility	Customer satisfaction surveys	Annually
	Customer privacy	Customer complaint and handling	Daily
	Information security	Drivers' club	Monthly
	Resource use and recycling	Surveys	Annually
Government and Regulators 	Compliance and integrity	Communication with and reporting to government	Monthly
	Carbon emissions and climate change	Compliance information disclosure	Monthly
Communities 	Pollution and waste management	Philanthropy projects	Monthly
	Employee rights and interests	Community communication	Monthly
	Social welfare and philanthropy	Surveys	Annually

The Group will consider the changes of the above stakeholders' demands in the ESG management strategy, timely adjust the stakeholder communication 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 integrate stakeholders and their concerns into our operation and decision-making process, and combine ESG with daily operations to drive mutual 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 the Sustainable Accounting Standards Board (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:

- 🚘 Re-categorized and simplified the issues based on the latest situation of the Group and the analysis of the correlation among various issues, so that stakeholders can evaluate the importance of each issue more accurately;
- 🚘 Adopted standardized questionnaire, and expanded the scope of stakeholder survey groups.





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



1



2



3



Identification

Identified 7 important stakeholder categories and 17 potential material issues.

Identify important stakeholders:
Investors, the Board, management and employees, suppliers, dealers, customers 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, governance and consumers.

Evaluation

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

Interviews with stakeholders and questionnaires for material issues:

Conducted internal and external stakeholder interviews/surveys. Participants included the important stakeholders identified in the first step.

Order of Importance

By understanding the priority issues concerned by stakeholders, we 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.

Review & Approval

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



Geely Auto 2021 ESG Materiality Matrix



Materiality	Issues	Category	Corresponding Chapter
Extremely important	Carbon emissions and climate change	Environmental	3 Carbon Emissions and Climate Change
	Product quality and safety	Consumer	6 Consumer Interest
	Customer service and satisfaction	Consumer	6 Consumer Interest
	Corporate governance and risk management	Governance	5 Governance and Compliance
	Compliance and integrity	Governance	5 Governance and Compliance
	Responsible supply chain	Social	7 Business Partners
Very important	Resource use and recycling	Environmental	4 Environmental Protection
	Pollution and waste management	Environmental	4 Environmental Protection
	Customer privacy	Consumer	6 Consumer Interest
	Sustainable mobility	Consumer	3 Carbon Emissions and Climate Change 6 Consumer Interest
	Information security	Governance	5 Governance and Compliance
	Occupational health and safety	Social	8 Employee Rights
Important	Employee rights and interests	Social	8 Employee Rights
	Employee training and development	Social	8 Employee Rights
	Diversity and equity	Social	8 Employee Rights
	Social welfare and philanthropy	Social	9 Community and Philanthropy
	Biodiversity	Environmental	4 Environmental Protection



3

Carbon Emissions and Climate Change

Climate change is a major challenge faced by human beings all over the world today. Geely Auto bears a heavy responsibility in addressing climate change. Geely Auto has been committed to bringing energy-saving and environmentally friendly products to customers. In 2021, we announced “Two Blue Geely Action Plans” to set the strategic direction of low-carbon products. At the same time, we actively plan for the Group’s carbon neutrality, set our life cycle carbon emission reduction targets in 2025, and formulate specific carbon reduction action plans for supply chain, manufacturing and product use. These enable our actions on climate change to enter a new phase and achieve carbon neutrality goal in 2045.

MATERIAL ISSUES

- Carbon Emissions and Climate Change
- Sustainable Mobility





2021 Highlights

Carbon emissions and climate change



Progress:

Life cycle carbon emissions per vehicle ↓ 3%

In 2021, life cycle carbon emissions per vehicle was 37.3tCO₂e, reducing by approximately 3% as compared with 2020.



Sales volume of new energy vehicles ↑177%

Sales volume of pure EV increased by 172% (+38,778 units); sales volume of PHEV increased by 185.3% (+13,535 units); sales volume of HEV increased by 636 units.

"Leishen Hi-X" announced

Lishen Hi-X can reach a fuel saving rate of 40% and fuel consumption as low as 3.6L/100km. In 2021, Xingyue L Leishen Hybrid Edition has been launched. In 2022, >8 "Leishen Hi-X" HEV and PHEV will be launched.

New Zeekr brand and "Zeekr 001" EV launched

We established the "Zeekr" brand to enter the high-end intelligent EV market. Zeekr 001 has been delivered since the end of October 2021, and a total of 6,009 Zeekr 001 vehicles have been delivered during the Reporting Period. As at 30 April 2022, >16,000 Zeekr 001 vehicles were delivered.

Future plan:

- ⌚ With 2020 as baseline, life cycle carbon emissions per vehicle to be reduced by more than 25% by 2025
- ⌚ Achieve carbon neutrality by 2045
- ⌚ Set the next phase's carbon reduction targets complying with SBTi and announce these targets after future submission to & approval by SBTi
- ⌚ Sales volume of new energy vehicles will account for more than 40%, among which the sales volume target of Zeekr vehicles will be 650,000 in 2025

Livan - a battery swapping EV JV brand

A 50% owned joint venture was formed which will provide battery swapping vehicles & services under the Livan brand.



Shared Mobility - Europe subscription & China ride-hailing

In 2021, Lynk & Co delivered 5,937 vehicles under the innovative subscription model in Europe. Cao Cao Mobility continued to provide low-carbon online ride-hailing services mainly with the Group's products, Emgrand EV and Geometry A.



8 "National Green Factory" production plants

All production plants obtained ISO 14001 Environmental Management System, of which 8 production plants were awarded the "National Green Factory". The coverage rate of Energy Management System (EMS) increased to 65%.



Obtained "CEC Green Supply Chain Level 4" rating

We are committed to build a sustainable supply chain. Setup ESG supply chain working group and green procurement policy. Investigated suppliers' situation in renewable energy planning & use of recycled materials.

Carbon emission reduction of 360,000 tonnes with low carbon logistics

Optimized railway & water logistic and reduced approximately 300,000 tonnes carbon emissions. Used new energy transport vehicles and reduced approximately 60,000 tonnes carbon emissions.



3.1 CARBON NEUTRALITY ACTION

Climate change poses a threat to our planet and all human beings. It is a major challenge that the Group must face. The automotive and mobility industry to which Geely Auto belongs is a main contributor of global carbon emissions. Therefore, we shoulder an important responsibility in the mitigation of climate change. At the same time, we believe that climate change presents both risks and opportunities to our operations. We plan to respond to the financial impact of climate change related risks with sound corporate risk management and strategic planning and take active measures to seize the opportunities it brings.

Reducing carbon emissions is the most critical means to address climate change. In 2020, the Board discussed the issue of climate change and assessed the risks and opportunities brought by climate change to the Group. In 2021, we further propelled the planning of carbon neutrality actions:

- ① The Board regularly discussed the impact of carbon neutrality and low-carbon transition on the Group and the strategic direction to address climate change;
- ② The management integrated carbon emission reduction targets and plans into the strategic planning of the Group;
- ③ Allocated more resources in the carbon neutral working group to conduct a comprehensive carbon accounting, and speed up the setting of carbon emission reduction and carbon neutrality targets and planning of corresponding implementation measures;
- ④ The Sustainability Committee regularly reviewed and supervised the climate change-related work of the management and the carbon neutrality working group.

Carbon emission reduction and carbon neutrality targets

On 23 March 2022, Geely Auto officially announced its carbon emission reduction and carbon neutrality targets:

Short-term target: With 2020 as baseline, life cycle carbon emissions per vehicle to be reduced by more than 25% by 2025;

Long-term target: Achieve carbon neutrality by 2045.

Our carbon neutrality planning includes three aspects, namely, "vehicle use", "manufacturing" and "supply chain". We formulated corresponding emission reduction paths based on these aspects. Through this strategy, we hope to mobilize suppliers, business partners, consumers and other value chain partners to jointly build a low-carbon scenario in the product life cycle and create a sustainable future prospect for the automobile industry.

On 7 April 2022, Geely Auto became the first passenger car company in China which is committed to SBTi:

📍 Committed to set the following targets following the SBTi standards:

- ⌚ Near-term target
- ⌚ Net-zero target



📍 Participated in the "Business Ambition for 1.5°C" led by SBTi & others and the "Race to Zero" led by the United Nations

We will set the SBTi targets and submit for approval by April 2024 and publicly announce them as the next phase's carbon emission reduction targets.

In accordance with the requirements of SBTi, the target year for that phase will be between 2028 and 2034.



Milestones of Geely Auto's Low-carbon Transition

2007

- Geely Auto made a strategic transition, proposing to "produce the safest, most environmentally friendly and most energy-efficient cars"

2017

- Started research on life cycle carbon emission



2019

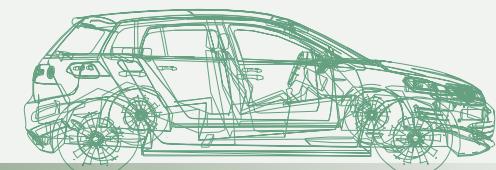
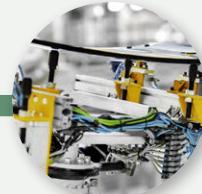
- Announced the pure electric vehicle brand "Geometry"

2015

- Announced the new energy vehicle strategy "Blue Geely Action"

2020

- Disclosed the information related to climate change for the year 2019 for the first time according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Established the Sustainability Committee and organized an inter-departmental special carbon neutrality working group to study the carbon neutrality targets and routes of the Group



2022

- Announced its 2025 carbon emission reduction and long-term carbon neutrality targets
- Became the first passenger car company in China committed to SBTi
- Published the "Sustainable Finance Framework" to promote diversified financing channels to support the sustainable development of the Group

2045

- Achieve carbon neutrality

2025

- New energy vehicles will account for more than 40% of total sales, and the life cycle carbon emissions per vehicle will be reduced by more than 25% as compared with 2020

Targets:

- With 2020 as baseline, life cycle carbon emissions per vehicle to be reduced by 25%+ by 2025
- Achieve carbon neutrality by 2045

Manufacturing: 50% reduction

- Enhance self-developed energy storage technology and echelon utilization of power batteries, so as to build green energy solution integrating photovoltaic, storage and charging, for production plants;



- Through widely use of renewable electricity such as photovoltaic, 400MW distributed photovoltaic power stations to be built by 2023. Achieve 100% utilization of renewable electricity in vehicle plants by 2025

Vehicle use: 30%+ average reduction



- Launch more than 25 intelligent new energy vehicles products and sales volume of new energy vehicles will account for more than 40% by 2025;

Supply chain: 20% reduction in each product line



- Establish a sustainable supply chain to promote green procurement;
- Achieve 100% utilization of renewable electricity by tier-1 core suppliers by 2025;

- Use 20% recycled steel, 30% recycled aluminum and 25% recycled plastics by 2025;
- 25%+ reduction in life cycle carbon emissions of power batteries used in new energy vehicles by 2025.



- Establish the Extended Producer Responsibility system to promote circular economy.



3.2 LOW-CARBON PRODUCTS

Vehicle use is the most important part of vehicle carbon footprint. Geely Auto takes the "Two Blue Geely Action Plans" as the core to accelerate the transition of the Group towards new energy vehicles. At the same time, we also continue to invest in clean technology, lightweight technology and other technologies that help reducing vehicle energy consumption and carbon emissions.

Geely Auto announced the "Two Blue Geely Action Plans" in early 2021 to realize our low-carbon transition strategy:

Plan 1: Intelligent energy-saving and new energy vehicle: hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), enhanced plug-in hybrid electric vehicles and small-displacement energy-saving vehicles.

Plan 2: Intelligent pure electric vehicles (EVs): establish a brand-new pure electric vehicle company, and actively participate in market competition.

The progress of the "Two Blue Geely Action Plans" during the Reporting Period is set out as below:

3.2.1 HEVs and PHEVs

During the Reporting Period, Geely Auto announced a brand-new powertrain technology brand "Leishen Power" and a self-developed hybrid system "Leishen Hi-X", which consists of a DHE15 engine, a DHT Pro transmission and power battery, including the following features:

The DHE15 dedicated hybrid engine adopts four advanced technologies: high-pressure direct injection, supercharged intercooling, Miller cycle and low-pressure EGR. During the Reporting Period, DHE15 was certified by "Energy Star" as the world's highest thermal efficiency of 43.32%, with a fuel saving rate of 40% and fuel consumption as low as 3.6L per 100 km;

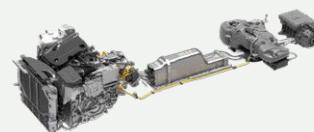
The 3-speed DHT Pro hybrid transmission is efficient and fuel-efficient, while maintaining performance in driving control and noise control;

Driving range can exceed 1,300 km;

Powertrain domain OTA capability, with self-learning of driving style, adaptive driving mode switching, intelligent energy management and other functions;

148 NVH optimizations. At the full throttle acceleration of 30km/h, the sound pressure level in the vehicle is up to 58db, which is lower than that of competing products at the same level.

Leishen Hi-X



The "Leishen Hi-X" Hybrid System not only greatly improves the performance of our HEVs, but also greatly reduces the carbon emissions of our HEVs with its better fuel-saving rate. During the Reporting Period, we have launched the Xingyue L Leishen Hybrid Edition, with a fuel consumption of 4.3L per 100 km in NEDC and 4.79L per 100 km in WLTC.

DHE15 dedicated hybrid engine was awarded the "China Heart" Top Ten Engines in 2021, and Geely Auto's engines have already received this award for eight consecutive years.

DHE15 Dedicated Hybrid Engine



In 2022, we expect to launch more than 8 "Leishen Hi-X" HEVs and PHEVs. In the next three years, there will be more than 20 models equipped with the "Leishen Hi-X", which will greatly increase the proportion of the Group's HEVs and PHEVs, and realize the "Blue Geely Action Plan 1" to further reduce the carbon emissions of our products. In 2025, we plan to launch the next generation hybrid system products, increasing the fuel saving rate to more than 50%.



3.2.2 Pure EVs

During the Reporting Period, the Group made the following technological progress in the field of pure EVs:

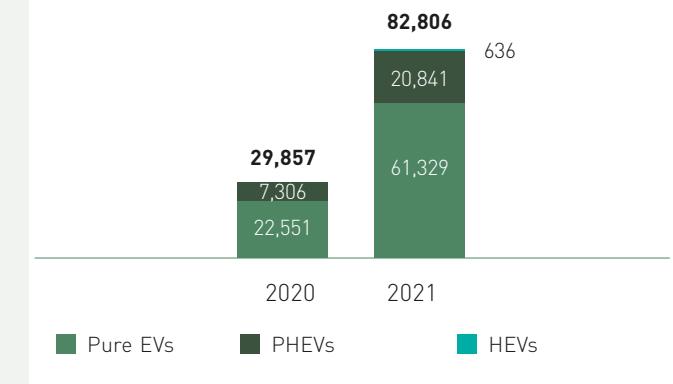
Battery:

- ⚡ Fully mastered battery modules and Pack technology, and realized mass production;
- ⚡ Capable of battery cell design, and set up a joint venture battery factory with strategic partners to form a diversified layout of batteries;
- ⚡ Through big data from our users, we matched the reasonable charging strategy to prolong the service life of the battery;
- ⚡ Optimized the use strategy of lithium battery, and reduced the invalid heat loss and energy waste in combination with the change law of lithium battery impedance.

Electric Motor:

- ⚡ Application of 800V, controller based on silicon carbide power device and high-efficiency oil-cooled motor to achieve comprehensive efficiency of over 92%, maximum power of over 475 kW, and the most extreme products could achieve ultra-high performance experience with 100 km acceleration in less than 3 seconds;
- ⚡ The self-developed and self-produced silicon carbide power chips will enter mass production in 2023.

Sales Volume of New Energy Vehicles (unit)



In 2021, we established the “Zeekr” brand to enter the high-end intelligent EV market, and realized the “Blue Geely Action Plan 2”. Zeekr not only launched more competitive pure EVs, but also is the key means for the Group to improve the proportion of pure EVs in our product mixture and promote carbon reduction in our products. Based on Geely Sustainable Experience Architecture (SEA), Zeekr has built the first model “Zeekr 001”, which is equipped with a battery pack of up to 100kWh, and the NEDC driving range can reach up to 712km.



Zeekr 001

Zeekr 001 has been delivered since the end of October 2021, and a total of 6,009 Zeekr 001 vehicles have been delivered during the Reporting Period. As at end of April 2022, over 16,000 Zeekr 001 vehicles were delivered. In 2025, the sales volume target of Zeekr is 650,000 units.



Geometry, another pure EV brand of the Group, has also continuously expanded its product line to provide more models of pure EVs for the mass market. During the Reporting Period, Geometry launched “Geometry A Pro”, with a driving range of up to 600 kilometers, and a pure electric small SUV “EX3 Kungfu Cow”. Starting from 2022, Geometry will successively launch more than five pure EVs, and the target sales volume of Geometry in China will be 300,000 units in 2025.



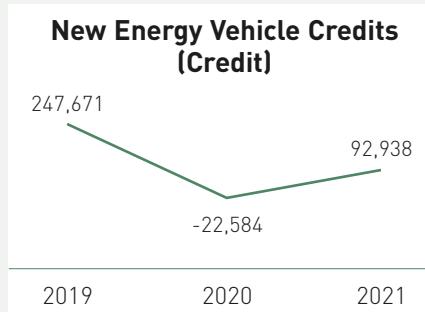
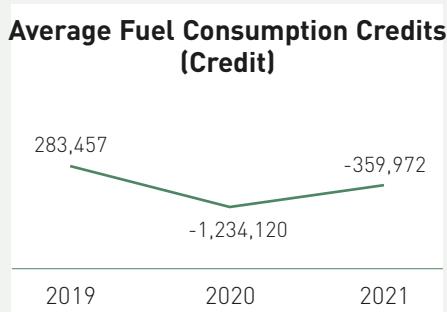
Geometry A Pro

In 2021, the sales volume of pure EVs (excluding Zeekr brand) of the Group was 55,320, representing a year-on-year increase of 32,769 units (+145%). In 2025, the sales volume target of pure EVs (excluding Zeekr brand) is 900,000 units.

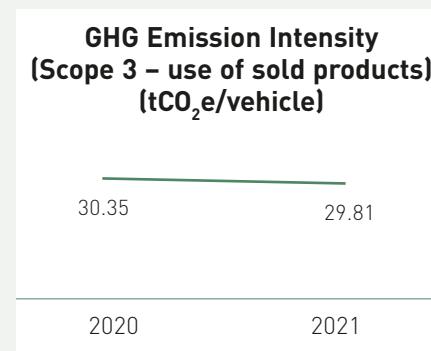
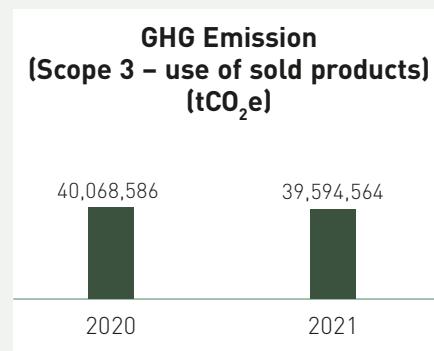


As a result of the changes of the automobile market and the planning on the Group's technology and products, the actual sales volume of new energy vehicles in 2021 is higher than that in 2020. As a result, our Average Fuel Consumption Credits and New Energy Vehicle Credits ("Dual Credits") as well as Corporate Average Fuel Consumption ("CAFC") improved as compared with the previous year. At the same time, we conducted a comprehensive carbon accounting and collected the Group's greenhouse gas (GHG) emission data in scope 3 for the first time. Please refer to the following charts for the GHG emissions from the use of sold products. Benefiting from the growth of new energy vehicles, the total GHG emissions and intensity from the use of sold products decreased. However, the average size of the vehicles sold during the Reporting Period increased, partially offsetting the positive impact of the increase in proportion of new energy vehicles, so the overall change was not significant.

We expect that more products equipped with "Leishen Hi-X" will be launched in 2022, which will help increase the proportion of new energy vehicle products in 2022. At the same time, Zeekr vehicles to be sold throughout the year of 2022 will also help the total sales volume of pure EVs to increase. Therefore, we expect that the performance of Dual Credits and greenhouse gas emission scope 3 (use of sold products) in 2022 will improve.



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 Lynk & Co), 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 dual credit in 2021 are still in the publicity stage, and the official results will be announced by the Ministry of Industry and Information Technology in June 2022.



3.2.3 Alternative Fuels and Other New Energy Technologies

In addition to the development of new energy vehicles mentioned above, we also adopt diversified new energy technologies and research alternative fuels and other new energy technologies:

Methanol-fueled Vehicles

Geely has performed in-depth research of methanol-fueled vehicles for 17 years, and has more than 200 core technology patents. Our methanol vehicles have operated in Xi'an, Jinzhong, Guiyang and other places. Geely's green methanol technology produces "hydrogen" by electrolysis of water, a renewable energy source, and produces green methanol in combination with "carbon dioxide" obtained by carbon capture technology. Every tonne green methanol produced can consume 1.375 tonnes of carbon dioxide.

We have launched "The 4th Emgrand Methanol Hybrid Sedan" vehicle in 2022, with the methanol consumption of about 9.2L per 100 km, a decrease in consumption by over 40%. By 2025, the methanol consumption will drop to 7.6L per 100 km, which is equivalent to 3.5L fuel consumption per 100 km.

Other New Energy Technologies

In addition, we also conducted research and development of fuel cells. We cooperated with Shanghai Jiao Tong University, Tongji University, Beijing Institute of Technology and Tianjin University to carry out pre-research on hydrogen power technology in different fields and promote the application of clean energy in different ways.



3.2.4 Lightweight Design

Lighter vehicle body means less energy consumption and emissions. We continue to carry out the research and development and application of advanced lightweight technology, and are committed to bringing effective energy consumption reduction to all our products. During the Reporting Period, we achieved the following lightweight technology applications:

- Front floor central passage: Through the optimization of TRB rolling process with variable material thickness combined with structural optimization analysis, the frame weight was reduced by 1.2kg;
- Highly integrated plastic storage box: By integrating 13 welded sheet metal parts into one plastic part, the weight was reduced by 0.95kg. Multiple frame components were integrated for further weight reduction;
- Front engine room torsion beam: Through the design of ultra-high strength torsional connecting rod, the weight was reduced by 0.33kg;
- Systematic application of laser tailor-welding on body-in-white: TWB laser tailor-welding was adopted for the 15 parts, and the weight of the structure was reduced in combination with structural optimization analysis;
- High-performance lightweight design: Lightweight achieved from the innovative rotation of multi-functional aluminum alloy sill beam, the multi-functional cabin beam and the front anti-collision beam;
- Zeekr 001 is equipped with steel-aluminum hybrid body + aluminum alloy chassis bearing structure, reducing the weight by 175kg.

The models launched in 2021 have achieved an average weight reduction of 46.7kg through the application of lightweight technology.

In the future, we plan to further develop and apply multi-material hybrid body technology, aluminum alloy panel technology, low bulk density, low area density material technology, high strength metal material technology, etc. We aim to continue to make progress towards the industry leading level, constantly break through the boundary of lightweight technology, and gradually realize the "lean and lightweight design of each part" based on user needs.

3.2.5 Vehicle Recycling System

We extend the producer responsibility of automobile products, focus on the two major goals of "improving the standard recycling level of scrapped vehicles" and "improving the utilization level of renewable resources of scrapped vehicles". We cooperate with automobile manufacturers, scrapped motor vehicle recycling and dismantling companies, automobile parts remanufacturing manufacturers and other upstream and downstream related units, and join the China Automobile Producer Responsibility Organization (PRO) to jointly build the EPR pilot consortium of automobile products, carry out the research and construction of the "joint recycling" system of scrapped vehicles, and explore a closed-loop management of the life cycle of automobile products, which is easy to promote and replicate. In 2021, the Group's reusability and recyclability of the scrapped materials from vehicles were 92.8% and 96.9%, respectively.

3.2.6 Product Carbon Footprint Management

We manage the life cycle carbon footprint of products, integrate the low-carbon concept into product design, and carry out product carbon emission accounting in the stages of raw material procurement, product manufacturing and use, so as to better manage the carbon emission of the life cycle of vehicle.

During the Reporting Period, we started carbon accounting and product carbon footprint verification. With 2020 as baseline, the life cycle carbon emissions per vehicle was 38.3tCO₂e, which was reduced by 2.7% to 37.3tCO₂e in 2021. Our goal is to reduce the carbon emissions per vehicle in the life cycle by more than 25% by 2025 as compared with 2020.

In order to achieve more efficient carbon management, we will also adopt the "Geely Carbon Cloud" one-stop carbon management platform in the future, as an intelligent management solution for carbon neutrality target, carbon assets and product carbon footprint.

3.3 LOW-CARBON MOBILITY

Entering the new era of electrification, Geely Auto brings the exceptional intelligent and low-carbon mobility experience to everyone by shared mobility and battery swap mobility.

3.3.1 Shared Mobility

In Europe, Lynk & Co not only provides traditional vehicle sales, but also provides innovative subscription mode, that is, users pay regular vehicle subscription fees to use vehicles and ancillary services during the subscription period, including vehicle insurance, daily maintenance, data services, road rescue, etc. During the Reporting Period, a total of 5,937 vehicles have been delivered under the innovative subscription model. At the same time, the products sold by Lynk & Co in Europe and through innovative subscription mode are PHEVs and HEVs, creating a lower carbon mobility experience.

The subscription model of Lynk & Co 01 in Europe has also earned high praise and Lynk & Co 01 was awarded the Best Green Emission Initiative in Marie Claire Sustainability Awards 2021.



In the future, Lynk & Co will launch the Lynk & Co sharing platform in Europe. Suitable Lynk & Co car owners and subscribers will be able to lease and share vehicles through the platform, and rental users will be able to enjoy vehicles in a more economical way, further promoting sustainable shared mobility.

Ride-hailing has become an important choice for mass mobility. Cao Cao Mobility, a subsidiary of Geely Holding Group, and an important business partner of the Group and an important link in the value chain, provides online ride-hailing services mainly with Geely Emgrand EV and Geometry A pure EVs of the Group. Cao Cao Mobility has always adhered to the philosophy of green and low-carbon development, and is committed to reshaping a low-carbon, healthy and shared life circle of people and vehicles. Cao Cao Mobility has been established for 6 years. By using only pure EVs to put into service, Cao Cao Mobility has saved 534 million litres of fuel resources and reduced carbon emissions by over 1,083,500 tonnes. In January 2022, Cao Cao Mobility officially announced the implementation of carbon neutral operation in 2023, and net zero emission of all mobility orders in 2035.



Geometry A used by Cao Cao Mobility

3.3.2 Zeekr Energy

Energy supply system is the key to the popularization of pure EVs. Zeekr launched "Zeekr Energy" to provide users with self-built and self-operated charging network, and connected the charging map of Zeekr App to the charging stations of Zeekr Energy and the third-party charging resources from mainstream charging operators in China, providing users with convenient one-stop charging service. In addition, Zeekr Energy also provides one-stop home charging installation service and Charging Express service, so that Zeekr energy can cover scenarios such as home charging, in-transit charging and emergency charging.

During the Reporting Period, self-built charging stations of Zeekr Energy have covered 15 cities in China, and provided ultra fast charging stations, super charging stations and light charging stations with different charging powers to meet the different needs of users.

Charging Express can meet different electricity needs and provide 24-hour caring services through two services: Help Charging and Charging Vehicles. During the Reporting Period, Help Charging covered 30 cities in China, and Charging Vehicles were launched in Beijing, Shanghai and Hangzhou. In 2021, Charging Express saved users an average of about 82 minutes per service.

Zeekr Energy will continue to expand its presence. It is estimated that by the end of 2022, there will be more than 600 stations and more than 130 cities will be covered.

3.3.3 Battery Swapping Mobility

Geely Auto has already owned thousands of technical patents in the field of "battery swap structure, battery swap station and battery swap vehicle", and participated in the formulation of national battery swap standards. A modular battery swap station can complete battery swapping for only 60 seconds per vehicle.



Zeekr Energy Charging Station

During the Reporting Period, we announced the formation of a joint venture company with Lifan Technology (Group) Co., Ltd. with a 50:50 shareholding ratio to launch battery swap vehicle products. At the beginning of 2022, the joint venture company was formally established and launched its battery swap mobility brand "Livan", which provides products and services for battery swap vehicles.

Livan plans to launch battery swap vehicles and battery swap stations in the market in 2022. At the same time, Livan and Cao Cao Mobility reached a strategic cooperation to jointly develop a customized vehicle for mobility. Livan's goal in 2025 is to realize the layout of more than 5,000 power stations in more than 100 core cities, so as to meet the battery swap demand of 1 million vehicles.



3.3.4 Sustainable Consumption Education

The Group actively promotes the transmission of the low-carbon green concept to the consumers, and makes full use of communication resources to carry out green marketing, carry out community activities on environmental protection co-creation, raise consumers' awareness of low-carbon emission reduction and resource recycling, and jointly create the new values of mobility and life. For example, Zeekr and "BOTTLOOP", an environmental protection brand, jointly carried out co-creation activities to share the recycling philosophy with users.

We guided dealers to promote the concepts of responsible consumption and purchase decisions to consumers and require salesmen to clearly introduce the health, safety, and environmental performance of our products (e.g. CN95 Healthy Car, safe driving, anti-theft system, fuel consumption, emission standards, etc.), as well as the clear introduction of the new energy version of this model, so as to provide consumers with more diversified and environmental friendly choices and further enhance consumers' ability to evaluate products. In addition, we guided dealers to introduce consumers on the recycling service of used batteries in new energy vehicles, provide or suggest consumers these recycling and handling services, and encourage consumers to choose products and services with smaller negative social and environmental impact.

3.4 LOW-CARBON PRODUCTION

The Group attaches great importance to the impact of the production on the environment, and is committed to establishing sustainable green factories to minimize the negative impact of the production on climate change. We have established HSE management system's documentation, standards and evaluation specifications in combination with the safety production standardization requirements of machinery industry and the ISO 14001 environmental management system. In 2021, all the vehicle manufacturing companies of the Group completed the external audit of ISO 14001, among which eight plants, Chunxiao Factory, Baoji Factory, Zhangjiakou Factory, Linhai Factory, Ningbo Hangzhou Bay Factory (Zeekr Factory), Yuyao Factory, Guiyang Factory and Xiangtan Factory, were awarded the "National Green Factory".

During the Reporting Period, the Group continued to focus on energy saving and consumption reduction, and clean energy substitution. Our specific measures and progress include:

- leaf We continued to carry out energy-saving transformation, promote energy consumption management and optimize system coverage. In 2021, the coverage of EMS energy management system increased from 50% to 65%;
- leaf In 2021, the installed photovoltaic capacity was about 110 MW, and more photovoltaic facilities were already under construction. We planned to increase the related investment in the coming year, and the target is that the installed capacity of distributed photovoltaic will reach 400 MW in 2023;
- leaf We organized experts to carry out energy-saving audit and diagnosis activities, collect and analyze monthly energy consumption data, share outstanding energy-saving cases, and promote the continuous improvement of energy and resource use efficiency through sharing of internal resource and good examples;
- leaf We introduced new process, new technology and new equipment to save energy and reduce consumption in an efficient manner.

Key energy-saving measures adopted in the vehicle production in 2021 and their effects

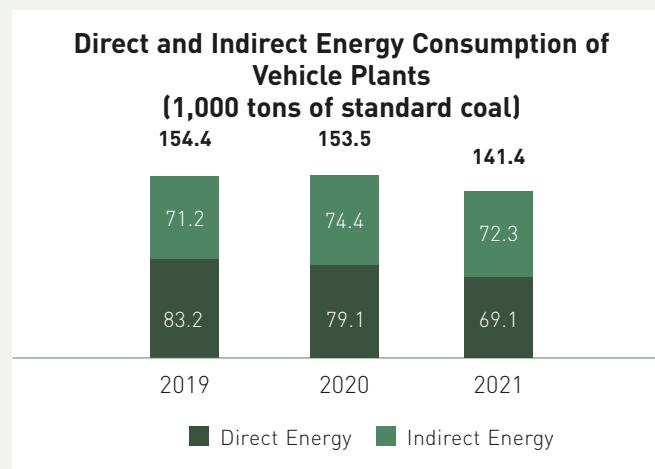
Vehicle Production Process	New Process, New Technology and New Equipment	Energy-saving Effect ¹
Stamping	Automatic sleep mode of stamping line	Reduce equipment energy consumption
Welding	FDS (flow drill screws)	No generation of smoke & dust No cool circulating water is needed Reduce power consumption by 90%
Painting	Drying furnace waste heat recovery	Save 66 standard cubic meters of natural gas per hour Recover 571,200 kilocalories per hour
	Dry carton spray booth	Reduce waste gas volume by 70%, waste residue by 34% (reduce waste residue discharge by about 60 tonnes/year) and energy consumption by 60%; No industrial water consumption (saving 9,000 tonnes of industrial water per year) and no waste water generation (saving 4,000 tonnes of waste water per year)
Assembly	LED lighting	Reduce power consumption by 30%-50%
	Intelligent monitoring of equipment power consumption	Reduce power consumption by 10%-20%
	Intelligent control of station lighting	Reduce power consumption by 10%-20%

¹ Estimated based on an example of 30 jobs per hour, single shift of 10 hours

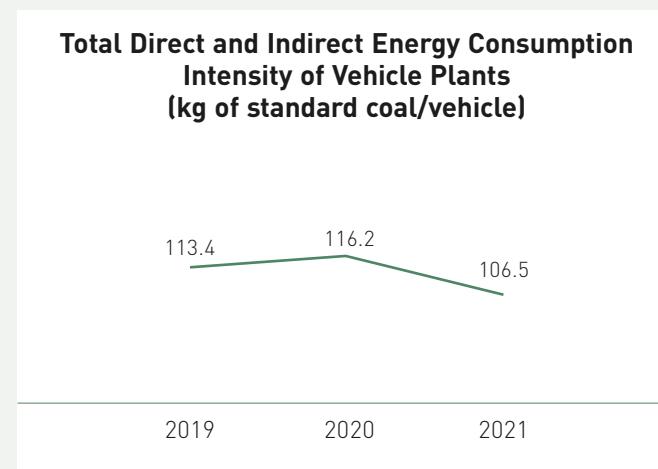
As a result of the above measures, the energy consumption and intensity of the vehicle plants of the Group decreased as compared with previous years. Therefore, the total amount and intensity of GHG emissions in scope 1 and scope 2 of the vehicle plants have also decreased.



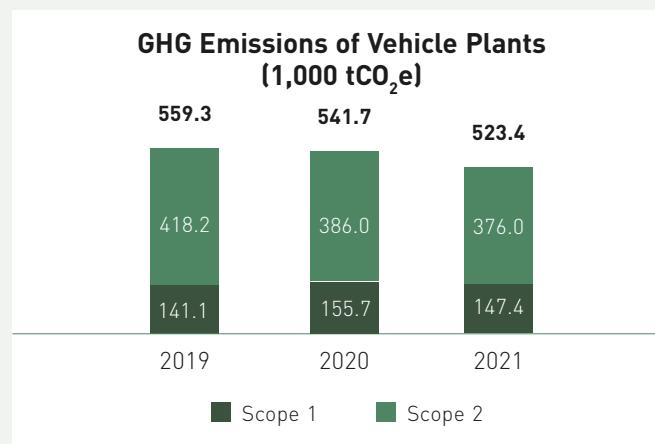
Energy Consumption of Vehicle Plants



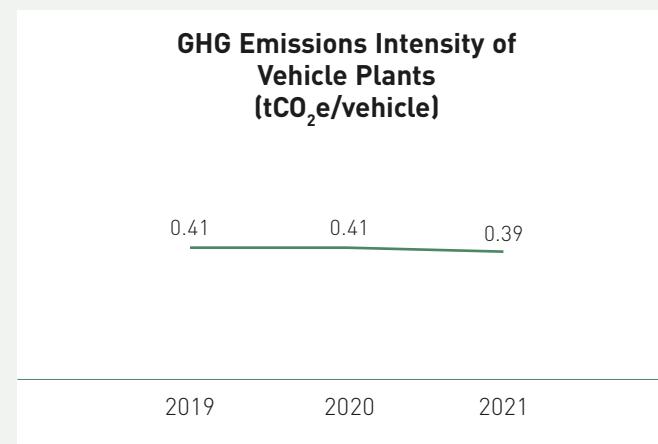
Total Direct and Indirect Energy Consumption Intensity of Vehicle Plants (kg of standard coal/vehicle)



Greenhouse Gas Emissions of Vehicle Plants



GHG Emissions Intensity of Vehicle Plants (tCO₂e/vehicle)



In order to achieve the carbon emission reduction target in 2025, we expect to enhance the echelon utilization of self-developed energy storage technology and power battery through wide use of renewable electricity including photovoltaic, thereby building green energy solutions for plants with integration of photovoltaic, storage, charging and exchanging. Our goal is that the installed capacity of distributed photovoltaics will reach 400 MW by 2023, and the vehicle plants' energy consumption per vehicle will be reduced by 20% and renewable electricity will be 100% utilized by 2025.

Recovery and Utilization of Waste Heat in Guiyang Factory

Geely Auto actively recycles the waste heat generated in the paint shop, reduces the temperature of exhaust gas discharged into the environment, and reduces the consumption of natural gas in gas-fired boilers. Guiyang Factory adopts waste heat recovery technology in paint shop. By installing the waste heat recovery system in the combustion furnace, Guiyang Factory saves 500 m³/day of natural gas consumption of gas boiler, with annual economic benefit of RMB500,000 and annual carbon emission reduction of 325 tonnes.



Waste Heat Recovery System Installed in Guiyang Factory

The Group practices the concept of green office, continuously reduces daily operation energy consumption and waste emissions, and strives to create a good green office atmosphere for all employees. We have formulated management systems such as the "Management Measures for Company Cars", the "Management Measures for Office Supplies" and the "Management Measures for Travel Reimbursement". We advocate saving, oppose waste, and cultivate employees' good virtues of diligence and thrift by monitoring resource consumption data and conducting energy-saving trainings. In 2021, we launched the initiative of "saving office paper together" to continuously reduce the daily use of office resources.

GEELY



Important measures for energy conservation and emission reduction in office areas

Electricity saving initiative. We launched the Initiative of "Meeting the Peak Summer and Saving Electricity", put forward this initiative to all employees, strengthened the control of saving electricity to participate in energy conservation and emission reduction;

Save electricity for lighting. We require employees to turn on the lights as little as possible when there is sufficient day light, and turn off the lights when they leave the office area. Except for emergency lighting, we required employees to minimize the lighting in public areas at night;

Save office electricity. Office equipment: turn off the power supply of office equipment that has not been used for a long time to reduce standby consumption; control the temperature of air conditioners, and close the doors and windows in time when air conditioners are running; turn off the air conditioners in time after work; advocate the use of ground floor office space and the use of walking stairs for short-distance.

Launched "Geely Low-carbon Lifestyle" app

Geely Auto actively promotes employees' pursuit of healthy and sustainable lifestyle, and launched the "Geely Low-carbon Lifestyle" WeChat app. By participating in activities such as Geely low-carbon stairs climbing, employees' results will be quantified as "Geely Green Miles", which can be exchanged for gifts in online mall.



Geely Auto regularly carried out energy-saving publicity activities, and held the "Earth Day" activity on 22 April 2021 to publicize the ideal of energy saving and consumption and improve the employees' awareness.

3.5 LOW-CARBON PROCUREMENT

Supply chain is an important source of carbon emissions in the life cycle of vehicle products. For Geely Auto, achieving low-carbon products require the cooperation with our partners in supply chain. At the same time, the Group actively promotes the use of recycled materials and vehicle recyclings, and supports the automobile industry to achieve a closed loop management on resource recycling. Thus, the upstream supply chain's carbon emission can be reduced which in turn contributes to the life cycle carbon emission reduction.

3.5.1 Raw Materials Extraction

The Group is committed to establishing a sustainable supply chain. The Group continuously improved the green and low-carbon full process management, consisting of research and development and design, manufacturing, circulation and consumption, recycling, waste disposal, etc. We established the Supply Chain ESG working group, and formulated documentation such as guide, policy and accreditation on green procurement, and "Confirmation Letter on Implementation of Geely Suppliers' Sustainable Development". These strengthened our green and environmental protection requirement on suppliers and thus, promote their management of supplier product information and their production traceability. At the same time, we conducted in-depth audits on suppliers, and verified suppliers renewable energy planning and use of recycling materials through survey, so as to reduce suppliers' environmental risks and effectively promote the realization of carbon reduction in supply chain. We have obtained the "CEC Green Supply Chain Level 4" rating. (Please refer to Chapter 7.1 "Supply Chain Management" in this Report for more details)

Geely Auto's requirement for Low-carbon Procurement of Battery Materials

- ⚡ Require suppliers to confirm product life cycle carbon accounting and submit improvement plans;
- ⚡ Require suppliers to reduce the life cycle carbon emission of power battery by more than 25% by 2025, and to provide renewable electricity and energy improvement plans;
- ⚡ Require suppliers to provide a road map on the use of recycled materials and specify the recycling degree of each material.



3.5.2 Application of Sustainable Materials

We constantly improve the application of sustainable materials consisting of recycled materials, bio-based materials, natural fiber materials, etc., to reduce carbon emissions generated in manufacturing and use of products without sacrificing the product performance. The Group has gradually established sustainable materials' development, accounting and implementation processes. Meanwhile, we also strengthen the supply chain management on sustainable materials, and establish control process and standards on sustainable materials. In 2021, the Group has established database consisting of more than 50 sustainable materials.

The development and application of bio-based materials are the focus of the Group's sustainable materials research. We focus on the extraction of plastic and leather materials from plant fiber, animal fiber and bio-based oil, and have achieved many achievements such as the adoption of hemp fiber bio-based materials for car door panels and the addition of Bio-yarn materials converted from plant enzymes in car interior fabrics.

3.5.3 Recycling

On the premise of ensuring the performance and safety of products, the Group follows the 3R principle (Reduction, Reuse, Recycle), and improves the effective utilization of resources by adopting lightweight design (Please refer to Chapter 3.2.4 "Lightweight Design" in this Report for more details) in product development stage, applying recycled materials in production stage, and recycling materials in scrapped stage, thus achieving carbon emission reduction in raw materials stage.

Application of Recycled Materials

We have introduced post-consumer recycled materials (PCR), post-industrial recycled materials (PIR), natural materials, etc., and gradually the application of materials such as recycled steel plates, recycled cast aluminum, recycled plastics, recycled fiber fabrics, marine recycled materials, etc., and continuously promoted the research in more types of physical materials and chemical plastics with higher recycled proportion such as recycled aluminum plates, recycled aluminum profiles, recycled plastics, etc. At present, the Group has achieved the application of recycled steel and aluminum in vehicle body sheet metal parts, cast aluminum parts and other parts, recycled plastics bumper, engine trim cover, trim panel and other parts, recycled yarns in interior fabric, and recycled hemp fiber in seat back plates, etc.

Recycling of Batteries

With the goal of "ensuring 100% traceability management of key components in 2023", we continuously improve the product traceability management of key components (engine, steering wheel, transmission, front and rear axles, frame, and power battery) from suppliers' production, vehicle manufacturing, sales, service maintenance, scrapping, recycling, and reuse through real-time data collection, monitoring and early warning, and match the information of each key component with that of the vehicle to improve the transparency of supply chains.

In order to recycle batteries, the Group carried out traceability management of power batteries for new energy vehicles, and established an internal traceability management system, so that the sources and whereabouts of power batteries can be checked, the nodes can be controlled and the responsibilities can be investigated. We carried out in-depth research on battery echelon utilization, targeted research on the direction of battery energy storage, directly applied the whole pack battery system, reduced the secondary development and manufacturing costs, and improved the residual value of batteries. We maximized the echelon utilization scenario and improved the battery utilization rate in combination with the analysis of the data of battery life cycle.

3.5.4 Low-carbon Logistics

Packaging, transportation and logistics are also important in the carbon footprint of automobile products, so the Group also keeps optimizing to reduce the related carbon emissions.

Packaging Materials

We focus on changing own packaging to recyclable packaging and supplier packaging management to promote the simplification, reduction, reuse, degradation and recycling of auto parts packaging. Geely Auto's own packaging has achieved 100% recyclable packaging. In 2021, the consumption of disposable packaging materials for the vehicle was 9,976.49 tonnes², equivalent to 7.25 kg per vehicle. Auto parts covered by recyclable packaging reached 72.41%, and the suppliers using recyclable packaging reached 81.58%, representing an increase of 7.55% as compared with previous year.; all packaging materials in the plants were entrusted to third party for recycling, and the recycling rate of packaging materials was 100%.

With the goal of "using recyclable packaging materials within the transportation range of 1,000 km, and adopting shared packaging outside the transportation range of 1,000 km", we continue to promote the supplier recyclable packaging improvement project. Taking Hangzhou Bay Plant and Xiangtan Plant as the pilot, we carried out the recyclable packaging improvement project for 72 suppliers, and adopted the combination of dynamic leasing and packaging sharing, so that the parts were used directly after arrival, avoiding disposable packaging.

² The consumption of disposable materials increased, mainly because the data of Xi'an Plant, Changxing Plant, Meishan Plant, Zeekr Plant and other plants were added in the Reporting Period, and the production volume in the Reporting Period increased as compared with previous year.

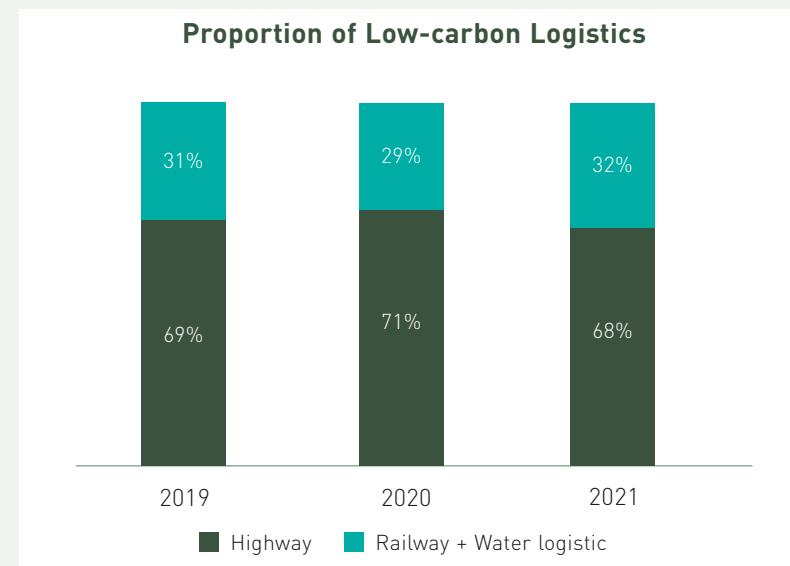
³ During the Reporting Period, several new plants were put into operation where they are located at a long distance from Jiangsu, Zhejiang and Shanghai where our suppliers are mainly situated. Thus, the packaging strategy temporarily tends to use disposable packaging, resulting in a decrease in the proportion of auto parts covered by recyclable packaging as compared with the previous year.



Logistics and Transportation

We took various measures to promote the development of low-carbon logistics system. We started building a logistics digital platform, which is equipped with the carbon emission monitoring function and can analyze carbon emissions based on factors such as vehicle types, transportation distance, cargo loading, etc. The monitoring data optimized low-carbon path and loading, and provide data support and foundation for achieving the goal of green and low-carbon logistics and transportation.

We changed our transportation model by setting up 9 regional transit warehouses and consolidated the goods for delivery rather than individual direct delivery by the suppliers. This achieved storage, repacking and deliver at the nearest locations and resulted in an increase in truck stowage rate and reduced the transportation frequency by about 1 million vehicle trips per year. Xi'an Factory, Changxing Factory and Baoji Factory reduced the total transportation mileage by 950,000 km/year, and the total truck exhaust emissions by about 180,000 kg. We promoted the use of new energy vehicles in logistics, and put 10 new energy battery swapping vehicles into trial operation in the section from Hangzhou Bay to Ningbo North Railway Station. In 2021, the carbon emissions were reduced by 55,426 tonnes. In the next step, the Group plans to replace all the auto parts transport vehicles in the factory with new energy transport vehicles, and promote such replacement among logistics service providers. We continued to optimize the combination of railway and water transport and river transport. From 2019 to 2021, the proportion of delivery by railway and water transport remained stable, with a total carbon emission reduction of 297,683 tonnes as compared with traditional road transport in 2021.



3.6 TCFD DISCLOSURE

Geely Auto follows the recommendations of TCFD, and discloses the information related to addressing climate change in terms of governance, strategy, risk management, as well as metrics and targets as follows:

Governance

The Board is the highest supervisory and decision-making body of the Group to addressing climate change. In December 2020, the Board approved the establishment of the Sustainability Committee to assist the Board in overseeing the Group's ESG development and providing guidance in the implementation of related measures. The Sustainability Committee consists of two executive directors (one of whom is also the Chief Executive Officer) and one independent non-executive director as the chairman and members. In terms of climate change, the Sustainability Committee is responsible for:

- Reviewing climate change responses' strategy and key policies;
- Reviewing climate change related risks and opportunities;
- Monitoring the implementation of measures on climate change and managing their progress and performance.

The Sustainability Committee has also established an ESG working group, which is responsible for assisting the Sustainability Committee in carrying out daily ESG supervision (including climate change). The ESG working group, together with the management and ESG-related departments, collected the information on the work progress, risks and opportunities related to climate change, and regularly communicated with stakeholders to learn about the relevant information. The ESG working group reports to the Sustainability Committee at least twice a year. During the Reporting Period, ESG Working Group reported to the Sustainability Committee twice with respect to climate change.

The Sustainability Committee will carry out the above responsibility at least once a year and report directly to the Board for proposing recommendations. After receiving the recommendations of the Sustainability Committee, the Board will further review and discuss to determine whether the recommendations should be approved. The Board and the Audit Committee will factor in ESG related risks (including climate change related risks) to assess the effectiveness of our risk management. In addition, the Board will assess the material ESG issues (including climate change related issues) on an annual basis, and the results will also be an important consideration for our sustainable development.



During the Reporting Period, the Sustainability Committee held four meetings and discussed the following major climate change issues:

- The main concerns of investors and other major stakeholders on climate change and low-carbon economic transformation;
- Analysis of the gap between the Group and other peers on climate change;
- Target setting, planning of implementation measures, supervision and progress management of carbon emission reduction and carbon neutrality.

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

After the discussion, the Sustainability Committee also proposed recommendations to the Board. During the Reporting Period, the Board held two formal discussions on climate change, and considered the impact of climate change in the strategic development direction and future business plan of the Group.

In view of the risk of climate change, the Group established cross-functional special task force (e.g., dual credit management task force and carbon neutrality task force), which are responsible for formulating response plans. During the Reporting Period, in order to further strengthen the assessment and management of climate change, the Group established a dedicated carbon management department, which is responsible for assisting the management in assessing and managing climate-related risks and opportunities. This dedicated carbon management department is responsible for planning the carbon-neutral strategy, setting targets and related implementation, establishing the operation mechanism and process, improving the related management indicator system, carrying out trainings on management methods and concepts, and supervising the implementation of carbon-neutral and ESG work carried out by business departments and business partners. This dedicated carbon management department reports climate-related work to the management (including the top management in charge of operations) at least twice a year, so that the management is well informed of the latest progress of related work.

Based on the information reported by this dedicated carbon management department and other operational information, the management evaluates the climate-related risks and opportunities, considers the relevant impacts when making business plans and major decisions, and ensures that sufficient resources are put into the countermeasures. The management also regularly reports major climate-related issues to the Sustainability Committee and the Board.

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

Strategy

Geely Auto has long been concerned about the climate change trend and the deployment of macro policies. After putting forward the goal of "peak carbon dioxide emissions, carbon neutrality", the Chinese government issued the "Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy" and the "Action Plan for Carbon Dioxide Peaking Before 2030" in September 2021. The Group also considered the contents of the above documents as an important input for the identification of risks and opportunities.

We incorporated the risks and opportunities related to sustainability and climate into the risk management process, and adopted an effective management and control system to comprehensively identify, evaluate and manage the financial and non-financial risks and opportunities of our business. In identifying financial risks and opportunities, we comprehensively analyzed the impact of climate change, policies, etc. on the development of automobile and mobility industries in combination with the Group's strategies, plans and actions.

In the identification of climate-related risks and opportunities, we referred to China's carbon reduction targets, the potential impact of relevant policies on the industry and the industry's life cycle. We adopted 2021-2025 as our time frame for short-term risks and opportunities, and will carry out formulation and implementation of various technical routes to carbon emissions reduction. In view of the cycle of major changes in the market and the industry, our time frame for mid-term risks and opportunities is 2026-2035. In view of technological revolution and changes in the national energy structure, our time frame for long-term risks and opportunities is 2035-2060. According to the recommendations of TCFD, we communicated with regulatory authorities, investors, rating agencies and third-party professional organizations in order to more comprehensively identify the transition risks and physical risks related to climate change. 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).



Policy and legal risks

- ▶ The Group shall comply with the relevant provisions of the "Decision on Revising the Measures for the Parallel Administration of the Average Fuel Consumption and New Energy Vehicle Points of Passenger Vehicle Enterprises" (hereinafter referred to as the "Dual Credit Policy") revised and issued by the Chinese government in 2020. In 2021, the revised Dual Credit Policy officially came into effect, which specifies the assessment requirements for the credit ratio of new energy vehicles from 2021 to 2023. The Dual Credit Policy stipulates that automobile manufacturers must meet the standards, otherwise they would have to purchase credits to achieve their goals, thus causing short-term risks. For the medium-term and long-term risks, the Chinese government is speeding up the construction of the peak carbon dioxide emissions and carbon neutrality "1+N" policy system and the preparation of the action plan for carbon dioxide peaking before 2030 and the implementation plan by sectors and industries. Relevant policies and plans, such as the credit policy, may become stricter. Based on the transition progress of new energy vehicles of peers and the corresponding supply and demand, the credit price may fluctuate, and the penalties for non-compliance may become harsher. In addition, carbon market and carbon tariff may exist in the future, which will further increase the production costs;
- ▶ As government tightens the environmental regulation, we may face stricter regulatory requirements and harsher penalties for non-compliance in terms of production energy consumption and emissions and the disposal of pollutants in addition to exhaust emissions;
- ▶ The European Green Deal issued by the European Union promised to achieve carbon neutrality by 2050. In order to achieve this goal, the European Union has successively issued a series of policies and decrees to clarify the path of realization. In 2021, with the entry into force of the Regulations on Sustainable Financial Disclosure, the European Climate Law and other important policies, the European Union's requirements on climate change and carbon reduction actions are becoming increasingly stringent, and its supervision is increasingly strengthened. Therefore, the Group faces the risk of tightening policies and increasing product requirements in overseas markets.

Technology risks

- ▶ Climate change, carbon footprint reduction, energy demand, and urban pollution create global demand for low-emission and zero-emission vehicles. As charging facilities become more accessible and non-renewable energy gets depleted, in the mid to long term, the proportion of traditional petrol cars will continue to decline as they will be gradually replaced by new energy vehicles;
- ▶ In the short term, auto brands will need to increase R&D investments in new energy technologies. The success of the relevant R&D results and how quickly they can apply them to mass production will have a great impact on the competitiveness of the vehicle products. This risk will continue in the long-term;
- ▶ The demand for low-carbon production will drive constant breakthroughs in technology and processes. However, the application of such new technologies and processes will likely require replacement of the existing equipment, which gives rise to asset impairment risk in the medium-term;
- ▶ The increase in the price of fossil fuel will cause the auto companies to face higher costs in the use of production facilities powered by fossil fuel in the short term. In the medium and long term, auto companies need to invest in capital expenditures on equipment powered by non-fossil energy.



Market risks

- ▶ Advances in technology may change customers' habits of using vehicles. As the maturity of shared mobility and automatic driving will create more scenarios, some customers, especially those who are committed to a low-carbon lifestyle, may pursue more eco-friendly experience and no longer perceive cars as their assets. Therefore, in the mid to long term, automobile manufactures may face the risk of business transformation;
- ▶ As non-renewable resources and energy become scarce, energy prices will become harder to estimate, which will affect costs and selling price of products, thus affecting customers' demand for automotive products and their preferences in the type of vehicle products. In the mid to long term, automobile manufactures will face greater market acceptance risks on their products;
- ▶ At the same time, rising traditional energy prices may increase the costs for manufacturing facilities running on non-renewable energy.

Reputation risks

- ▶ As the government strengthens its efforts on climate change, public awareness of climate change will improve. Responsible enterprises must lead by example to drive a low-carbon economy and avoid behaviors that damage the environment; otherwise they will lose the support of stakeholders and tarnish their reputation.

Physical risks

- ▶ Exacerbated climate change may lead to increase in frequency of occurrence and severity of extreme weather. Extreme weather such as typhoon, heavy rainfall and flood may affect the stability of our operations and supply chain. Therefore, to prevent and counter physical risks, we need to invest more resources into risk identification and improvement in response planning and execution capabilities.
- ▶ Extreme hot or cold environment caused by climate change may cause increase in wear and tear of the factories' production equipments, and affect their service life, thus leading to medium-term and long-term risks.



Opportunities

Although climate change presents the aforementioned risks to enterprises, it also provides unprecedented opportunities. Climate change urges us to vigorously develop low-carbon climate-resilient products and industry chains to protect and stabilize our production value chain. At the same time, climate change stimulates our innovation and experimentation in products and businesses, such as the promotion of new energy technologies or application of lightweight technology, which will help us adapting to a low-carbon economy and formulating the related business planning. More importantly, climate change brings considerable opportunities for developing resilient business models and new products, such as new energy mobility services and new energy vehicles, to meet the market and customers' expectations of sustainability and low-carbon mobility. In addition, based on the "Sustainable Finance Framework" issued in 2022, we can issue green or sustainable financing instruments to raise fund with lower cost in the future for the purpose of clean transportation development.

In view of reforms in the global automotive industry and the rise of the new energy vehicles market, Geely Auto has formulated the relevant strategy and announced "Two Blue Geely Action Plans" and also addressed the climate change related risks and opportunities. During the Reporting Period, we have rapidly promoted the Blue Geely Action Plans and other measures to address climate change:

- ▶ Blue Geely Action Plan 1: launched the "Leishen Hi·X" hybrid system to further reduce fuel consumption and carbon emissions. In 2022, we will launch more than 8 models of Leishen Hi·X hybrid and super electric hybrid products;
- ▶ Blue Geely Action Plan 2: launched the first intelligent pure EV Zeekr 001 based on the SEA architecture, with a cumulative sales volume exceeding 16,000 vehicles in six months after the delivery since the end of October 2021;
- ▶ Continue to popularize the application of methanol energy in automobiles. In 2022, we will launch "The 4th Emgrand Methanol Hybrid Sedan" model, with methanol consumption reducing by over 40%. We promote green methanol technology, electrolyze water to produce hydrogen through renewable energy, and combine it with carbon dioxide obtained by carbon capture technology to produce green methanol. Every production of 1 tonne of green methanol can consume 1.375 tonnes of carbon dioxide;
- ▶ Continue to promote the low-carbon transformation of production plants, such as photovoltaic power, residual heat recovery, etc., which is conducive to reducing carbon emissions in production and results in saving in energy cost.

We are committed to achieving the target of carbon neutrality by 2045, and are gradually formulating the actions to be taken to achieve this target, and will comprehensively evaluate the effectiveness of these actions by internal and external evaluations. In combination with the goal of controlling the temperature rise below 1.5 degrees Celsius due to global warming, we strive to achieve the target of reducing the life cycle carbon emissions per vehicle by more than 25% by 2025, with 2020 as baseline.

Risk management

The Group has a well-established risk management framework and related risk management policies, which also apply to climate-related risks. In accordance with this risk management framework, the management established risk management policies and internal control procedures to identify, evaluate and manage risks. Each business unit implements such policies and processes in the daily operations and reports the significant risks identified to the management regularly. The management assesses and evaluates these significant risks reported then allocates sufficient resources to address these risks and monitors the risk management status reported by the relevant business unit from time to time. The management will communicate the risk management and internal control findings to the Board for its assessment of the effectiveness of the relevant risk management and internal control systems of the Group. The Board and the Audit Committee, through their risk oversight role, ensure that the management establishes an effective risk management, consistent with the Group's strategy and risk appetite.



In the identification and assessment of the aforementioned climate-related risks, the following risk factors will be taken into consideration: existing and emerging regulatory requirements, future technologies and techniques, market changes, etc. The significance of such risk factors is determined on the basis of their probability and impact (financial or non-financial).

We manage climate-related risks by developing risk response strategies based on the risk significance and the complexity of addressing such risks. For major climate-related risks, as mentioned in the "Governance" section, we established the special routine carbon management department, which is responsible for the formulation of addressing plan. The Sustainability Committee is also responsible for regularly reviewing the risks and opportunities of climate change, as well as overseeing the implementation of climate-related measures to further improve our climate-related risk management. For climate-related risks and other important risks mentioned in the "Strategy" section, we have developed risk management processes as described in the following sections listed below:

Major climate-related risks	Countermeasures (Chapter and section)
Vehicle exhaust emissions	3.2 Low-carbon Products
Shared business	3.3 Low-carbon Mobility
Carbon reduction in production process	3.4 Low-carbon Production
Materials recycling	3.5.3 Recycling
Packaging and logistics	3.5.4 Low-carbon Logistics

Metrics and Targets

The main climate-related indicators of the Group are as follows:

Indicator category	Related Section	Indicator	Unit	2019	2020	2021
Greenhouse gas emissions ¹	3.2-3.5	GHG emissions per unit of sales (Scope 1+2+3) ¹	tCO ₂ e/Unit	N/A	38.26	37.26
Transformation risk	3.2	Average fuel consumption credits ²	Credit	283,457	-1,234,120	-359,972
	3.2	New energy vehicle credits ²	Credit	247,671	-22,584	92,938
	3.2	Average Fuel Consumption Passenger Car Company ²	Litre/100km	5.53	6.24	6.15
	3.4	Proportion of renewable energy in vehicle plants' energy consumption	%	6.85	8.68	6.12
Climate-related opportunities	3.2	Sales of new energy and electrified vehicles (pure EV + PHEV + HEV + mild hybrid electric)	Unit	113,067	68,142	100,128
	3.2	Sales of new energy vehicles (pure EV + PHEV + HEV)	Unit	69,608	29,857	82,806

For discussion on the above indicators for the climate change, please refer to respective sections in this Chapter.

Notes:

¹ For more details of GHG emission data, please refer to Appendix 2.

² 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 Lynk & Co), facilitated payment of the PRC consumption tax, and then sold the complete build up 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 2021 Double Credit is still in the publicity stage, and the official results will be announced by the Ministry of Industry and Information Technology in June 2022.

4 Environmental Protection

Geely Auto actively fulfills its corporate responsibility for environmental protection. Besides addressing climate change, we are also committed to saving the earth's resources and protecting the environment and biodiversity. We establish and implement a comprehensive environmental management system based on relevant environmental laws and regulations and in combination with industry standards, and introduce advanced technology and environmental protection equipment to improve the efficiency of resource use and reduce pollution and waste production.

MATERIAL ISSUES

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





2021 Highlights

Pollution and Waste Management



Progress:

- 100% waste gases & wastewater treated & discharged in compliance with regulations**
- 100% solid waste treated & disposed in compliance with regulations**
- 100% production plants with ISO 14001 external certification**



Future plan:

⌚ Waste gases

100% production plants reach A-grade in the "Technical Guide for Formulation of Emergency Emission Reduction Measures for Key Industries in Heavy Polluted Weather" by 2025.

⌚ Hazardous waste

Reduce the hazardous waste production per vehicle by approximately 22% in 2025 as compared to 2021.

Resource Use and Recycling



Progress:

No shortage of water resource in operating locations

Water resource is an important factor during environmental evaluation for selecting site for our production plants. There is no shortage of water resource currently at places where our production plants are located.



Industrial water recycling rate reached 97.6%

Water saving via reduction of the use of water resources, and water resource reclamation and recycling.

Future plan:

⌚ Water consumption for production

Vehicle plants' water consumption intensity for production of 3.16 tonnes/vehicle by 2025.

Biodiversity



Progress:

Protection of the habitat for >130 kinds of birds

Guiyang Plant carried out biodiversity protection from source management, process control and end-of-pipe treatment, providing an excellent habitat for more than 130 kinds of birds in Baihua Lake near the factory.



Replace animal leather with sustainable materials

Lynk & Co 01 sold in Europe is the first vehicle in the world with its seats manufactured with sustainable materials made of recycled fishing nets instead of the traditional animal leather.

Future plan:

⌚ Garden style factory

We will protect biodiversity throughout the life cycle of the construction of production plants, and build "Garden style factories".



4.1 POLLUTION AND WASTE MANAGEMENT

The Group is committed to reducing the impact of pollution and waste on the environment and local residents. We continuously strengthen our management, production processes and capability on pollution and waste treatment. We take mitigation measures on potential pollution discharge and waste, and communicate with local communities.

The Group strictly complies with the "Environmental Protection Law of the People's Republic of China", 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. During the Reporting Period, 100% of the Group's production plants received the ISO 14001 environmental management system external certification.

Supervision and Management Measures of Pollutants:

Build a management system	<ul style="list-style-type: none"> ❑ 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"¹ 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	<ul style="list-style-type: none"> ❑ 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	<ul style="list-style-type: none"> ❑ The annual environmental protection assessment indicators include environmental emergencies, environmental protection complaints, administrative penalties, and the issuance of treatment documents within the specified time, and are decomposed into targets at the company level, the factory level and the workshop team level, respectively. At the end of the year, each unit's indicator performance will be evaluated; ❑ Issue the evaluation standards of environmental management system of the Group, conduct annual supervision evaluation and irregular unannounced reviews (including the implementation of "Three Simultaneities of Environmental Protection", 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.

In 2021, 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 disposal rate of solid waste in compliance with the regulations was 100%. In the future, we plan to perform gap analysis and formulate improvement plans based on A-grade in the "Technical Guide for Formulation of Emergency Emission Reduction Measures for Key Industries in Heavy Polluted Weather", and strive to have all factories achieving A-grade rated by local environmental protection bureau in 2025.



Waste gas, waste water and solid waste	Waste gas, sewage and noise	Hazardous waste
100% compliant in treatment	100% compliant in discharge	100% compliant in disposal

¹ 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.

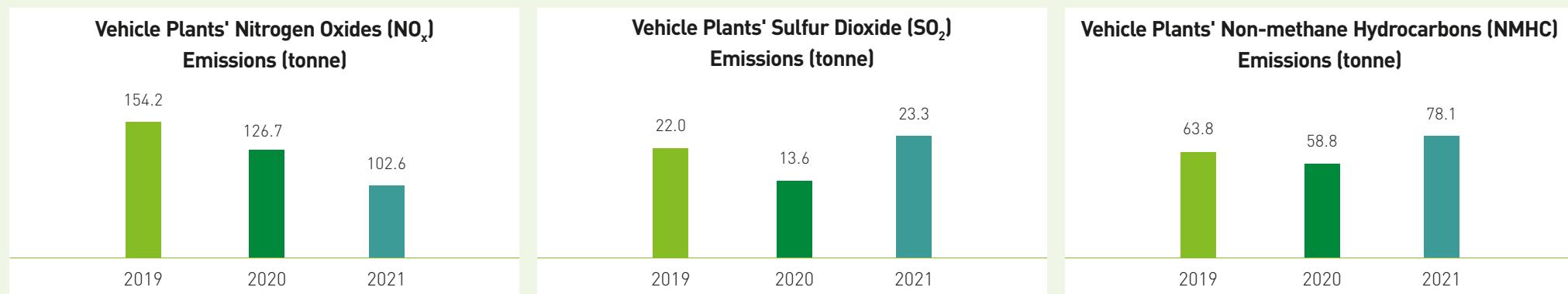


Emission and Management of Waste Gas

The main sources of our waste gas are spraying waste gas and drying waste gas from the paint shop.

Main Prevention Measures of Waste Gas:

Identify pollution sources	<ul style="list-style-type: none"> leaf Identify the pollution sources generated by operation activities and the impact on the surrounding environment;
Advanced process and equipment	<ul style="list-style-type: none"> leaf Adopt more advanced process and equipment to reduce the discharge of pollutants and increase the purification rate, for example: <ul style="list-style-type: none"> - For new projects, adopt automatic spraying and water-based paint to reduce VOCs emission; - For large painting lines, adopt dry paint mist to be concentrated by zeolite wheel; for small painting lines, adopt dry paint mist; - 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	<ul style="list-style-type: none"> leaf 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; leaf Measure, record and report the discharge and reduction of major pollution sources and pollutants, and analyze the data and formulate countermeasures; leaf 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	<ul style="list-style-type: none"> leaf Carry out regular inspections to ensure the good condition and normal operation of pollution control facilities;
Compliance discharge	<ul style="list-style-type: none"> leaf Discharge pollutants in compliance with laws and regulations after the measurement of pollutants meeting the regulatory requirement.



Note: 17 vehicle plants were included in 2021, representing an increase of 4 vehicle plants as compared with 2020. The reduction of [NO_x] emission was mainly due to the new plants and some old plants adopted low-nitrogen combustion equipment; the increase of SO₂ was due to the number of vehicle plants increased, and the additional emission was generated from the consumption of fuels in vehicles during the road test; the increase of non-methane hydrocarbons (NMHC) emissions was due to the number of vehicle plants increased, small painting was included in the statistical scope, and some unorganized emissions were transformed into organized emissions and included in the statistical scope.



Wastewater Discharge and Management

Our production wastewater mainly comes from painting and water test. The production wastewater is treated by our in-house treatment facility and then discharged into municipal sewage treatment stations. 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	<ul style="list-style-type: none">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;
Collection of production wastewater by dedicated pipes	<ul style="list-style-type: none">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	<ul style="list-style-type: none">Adopt hardened flooring 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 substances and wastewater from infiltrating.Implement groundwater sampling and monitoring;
Compliance discharge	<ul style="list-style-type: none">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.

LINHAI PLANT UPGRADED THE MOLD CLEANING EQUIPMENT

Linhai Plant upgraded the equipment in the mold cleaning room of stamp shop, and the bag filtration was optimized and replaced with a more advanced tubular reverse osmosis mode. The precision of sewage treatment was improved to 5 micrometre, and 99.9% of impurities, oil stains and other pollutants in sewage could be effectively filtered, greatly reducing the pollution and damage to the natural environment.

Vehicle Plants' Production Wastewater Discharge Intensity (tonne/vehicle)



Note: 17 vehicle plants were included in 2021, representing an increase of 4 vehicle plants as compared with 2020.



Waste Management

The Group identifies the waste attributes of the generated substances except for products and by-products 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) and other requirements.

Management of solid waste	<ul style="list-style-type: none">④ Collect, store, transport, utilize, dispose of and identify the solid waste according to categories;④ 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;④ Verify the qualification and technical capability of the entrusted party of pollution prevention, and specify the pollution prevention requirements in the contract;
Management of hazardous waste	<ul style="list-style-type: none">④ Formulate a management plan of hazardous waste and put it on record according to the requirements of the local environmental protection bureau;④ 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.;④ Set up special hazardous waste warehouses to store hazardous waste by category in different zones;④ 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;④ In view of the risk of transportation leakage, we adopted anti-seepage and anti-leakage containers to ensure timely collection of liquid hazardous waste;④ 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;④ Entrust a qualified third party to dispose of the hazardous waste;
Management of hazardous chemicals	<ul style="list-style-type: none">④ 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.;④ 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;④ 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.

During the Reporting Period, we carried out:

- **Hazardous waste reduction:** Standardize the treatment of hazardous waste in the production process, regularly carry out emergency disposal exercises for environmental incidents, and improve employees' environmental awareness and emergency response capacities;
- **Training on the new "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste":** The updated highlights of laws and regulations were uploaded to the online training platform for all employees to learn, and the plants cooperated with us in carrying out various forms of publicity and trainings on the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste;
- **Classification of office waste:** Set up classified trash bins on each floor of each workplace, and require employees to dispose of the wastes according to the classification of the wastes; set up storage place for waste newspapers, cardboard, etc., which are collected regularly by specialized personnel to achieve resource recycling.

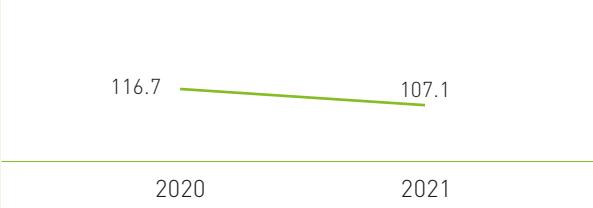


ENVIRONMENTAL EMERGENCY EXERCISE

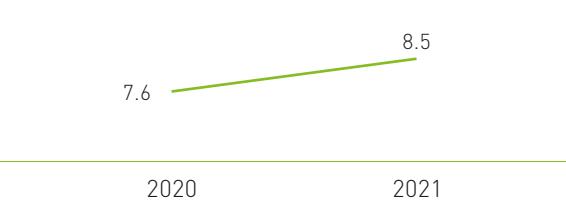
Geely Auto has formulated an environmental emergency plan according to applicable laws and regulations, and submitted it to the local environmental protection bureau for record after review. Geely Auto conducts emergency exercises for hazardous waste leakage, waste water leakage and chemical leakage according to the environmental emergency plan.

In October 2021, the sewage station of No.2 Plant of the Painting Trial-production Department of the Trial-production Center of Geely Auto Central Research Institute conducted an emergency exercise for leakage accidents of dangerous chemicals (medicines). Employees' capabilities on responding to sudden medicine leakage accidents were enhanced through exercises, which helped to improve employees' capabilities to handle accident treatment, familiarize themselves with the process of the emergency plan, and improve their capabilities to prevent and deal with emergencies.

Vehicle Plants' Intensity of Non-hazardous Solid Waste Generated (kg/vehicle)

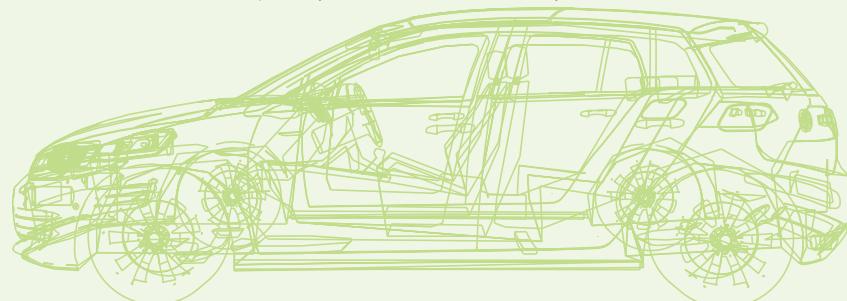


Vehicle Plants' Intensity of Hazardous Solid Waste Generated (kg/vehicle)



Note: 17 vehicle plants were included in 2021, representing an increase of 4 vehicle plants as compared with 2020, as such, additional solid waste and hazardous waste were generated from the construction, commissioning, trial production and pre-operating of newly built plants and will reach the average level of other plants with the mass production of newly built plants.

During the Reporting Period, the non-hazardous treatment rate of the Group's solid waste reached 100%. We aim to reduce the hazardous waste by 8% per RMB10,000 of output value in 2022.



4.2 WATER RESOURCE

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. Therefore, there is no shortage of water resources reported in the operating locations of all production plants at present. We carry out water-saving actions in terms of reduction of the use of water resources, and water resource recovery and recycling.

In 2021, we continued to implement the principle of multiple use and reuse of water. We supervised the water consumption pattern and water consumption process features, to identify room for improvement for water use. We also introduced new process, technologies, and equipment to optimize the production process and thus, resulted in more efficient water utilization. In 2021, the recycling rate of industrial water resources of the Group reached 97.57%.

Key Water-saving Measures Taken in Vehicle Production in 2021

Water-saving measures for painting	Water-saving Effect ²
Water-saving strategy of pre-reverse process water replenishment process	<ul style="list-style-type: none"> Reduce industrial water consumption by 2 tonnes/hour; Save 5.5 tonnes of pure water/hour;
Dry carton spray booth	<ul style="list-style-type: none"> No industrial water consumption; No generation of waste water;
Hot water boilers replaced steam boilers	<ul style="list-style-type: none"> Reduce the usage amount of soft water/pure water of boilers;
B1B2 middle painting-free dry spray painting process	<ul style="list-style-type: none"> Complete each process in a closed system to prevent unorganized discharge, and adopt the countercurrent rinsing water-saving design to greatly reduce the discharge of waste water.

² Estimated based on an example of 30 jobs per hour, single shift of 10 hours



Main measures for water resources reclamation and recycling in 2021:

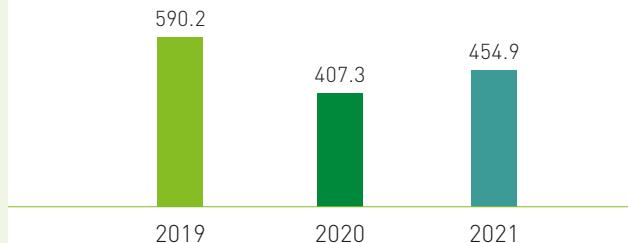
- Reclaim and recycle all wastewater and steam condensed water of phosphating section;
- Reclaim the residual heat resources of paint shop, and use heat exchangers to recover the air residual heat from ovens into water for recycling;
- Build reclaimed water recycling pools in the factories, and recover the reclaimed water discharged from the wastewater stations for the cooling and greening of the factories;
- For the newly-built production plants, part of the planned production process will reach zero discharge of waste water, and 100% of waste water will be reused for the corresponding production lines after treatment.

The Group aims to reduce the production water consumption intensity in vehicle plants to 3.16 tonnes/vehicle in 2025.

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 carried out water-saving publicity, and encouraged all employees to participate in water conservation and establish the ideal of environmental protection.



**Vehicle Plants' Water Consumption for Production
(10,000 tonnes)**



Vehicle Plants' Water Consumption Intensity for Production (tonnes/vehicle)



Note: 17 vehicle plants were included in 2021, representing an increase of 4 vehicle plants as compared with 2020.

4.3 BIODIVERSITY

The Group actively responded to the "United Nations Convention on Biological Diversity" and the "Sharm El-Sheikh to Kunming Action Agenda for Nature and People", called on employees to protect the ecological environment, promote biodiversity and practice the philosophy of ecological environment protection in production and operation, and explored solutions to wildlife protection according to local conditions based on its own experience.

In construction projects, we strictly complied with the "Working Standards for Safety and Environmental Protection of Project Construction", reduced the environmental pollution impact of the construction project, avoided the impact on the biodiversity and ecosystem integrity in the life cycle of project construction, protected the biodiversity, built "Garden Style Factories", provided good habitats for animals and plants, and created a beautiful environment for harmonious coexistence between human and nature.

Biodiversity protection included in the project construction

Construction project stages	Important measures for biodiversity protection	Purposes of 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 impact on biodiversity and optimize the positive impact
Acceptance and operation stage	Environmental protection acceptance; pass the ISO 14001 system certification	

PROTECT BIRD HABITATS

Geely Auto has put the ideal of ecological environment protection into the production and operation process. Guiyang Company invested huge management resources and international advanced treatment equipment to carry out biodiversity protection from source management, process control and end treatment, providing an excellent habitat for more than 130 kinds of birds in Baihua Lake near the factory.



BUILD “GARDEN STYLE FACTORY”

Geely Auto takes ecological environment protection as an important consideration in construction project. Before construction, Guiyang Company carried out an ecological assessment on the project location. The construction philosophy of the project was consistent with the urban ecological construction philosophy of “Binhu Flower City” in Guiyang. The project retains the original ecological lakes and mountains, and is known as a “Garden Style Factory” with mountains and water.



TREE PLANTING

During the Arbor Day, Geely Auto mobilized its employees to participate in the ecological protection of the surrounding environment and carried out activities such as afforestation, sand fixation and soil conservation.



REPLACE ANIMAL LEATHER WITH SUSTAINABLE MATERIALS

Lynk & Co 01 sold in Europe is the first vehicle in the world with its seats manufactured with sustainable materials made of recycled fishing nets instead of the traditional animal leather.

5

Governance and Compliance

Creating better corporate governance and ethical business environment are prerequisites for an enterprise's continuous innovation and sustainable development. With "sufficient authorization, legal compliance, clear assessment, fairness and transparency" as the core principles of governance, we have established a corporate governance structure which complies with the Listing Rules and takes full consideration of the shareholders' interest. Besides, we abide by the laws and regulations where we operate, respect culture and market discipline, continuously benchmark against the best practices of global enterprises' compliance management, and commit to maintaining the fairness, transparency and integrity of our business environment.

MATERIAL ISSUES

- Corporate Governance and Risk Management
- Compliance and Integrity
- Information Security





2021 Highlights

Corporate Governance Progress:

46% independent non-executive directors (+10%)

2 new independent non-executive directors (INEDs) were appointed and the proportion of INEDs increased from 36% to 46%.



23% female directors (+14%)

The two new independent non-executive directors are female, and the proportion of female directors increased from 9% to 23%.



Compliance and Integrity Progress:

“Code of Business Conduct” and “Anti-corruption Policy”

To convey clearly our business ethics and zero-tolerance on corruption to employees and other stakeholders, we started the preparation of Code of Business Ethics and Anti-corruption Policy, during the year.



100% employees signed the “Conflict of Interest Declaration”

In order to prevent employees from prejudicing the interests of the Group due to conflict of interest, 100% employees are required to comply with the relevant policy and sign declaration.

Compliance training for 100% employees with 2.5 hours/person

The Group regularly provides compliance trainings for employees of different ranks, so that all employees can fully understand the compliance requirements.



Information Security Progress:

Set up privacy protection compliance system

Set up privacy protection compliance system based on ISO 27701 Privacy Information Management and ensure its effectiveness with monitoring and audits.



ISO 27001 Information Security Management System Certification

Passed the annual audit on the information security management system certification for 3 consecutive years, covering R&D, manufacturing, sales, supply chain and service support.



100% employees participated in the information security trainings

100% employees participated in the information security trainings with average training of more than 2 hours per employee.

Future plans:

Continuous improvement of the board effectiveness

We will continue to enhance the board effectiveness, including benchmarking against the best global practice on corporate governance and listen to investors and regulators' suggestions and guideline

Publication & training of “Code of Business Conduct” and “Anti-corruption Policy”

“Code of Business Conduct” and “Anti-corruption Policy” have been published in March 2022 and we will conduct trainings for employees, so as to ensure all employees will comply relevant requirements.



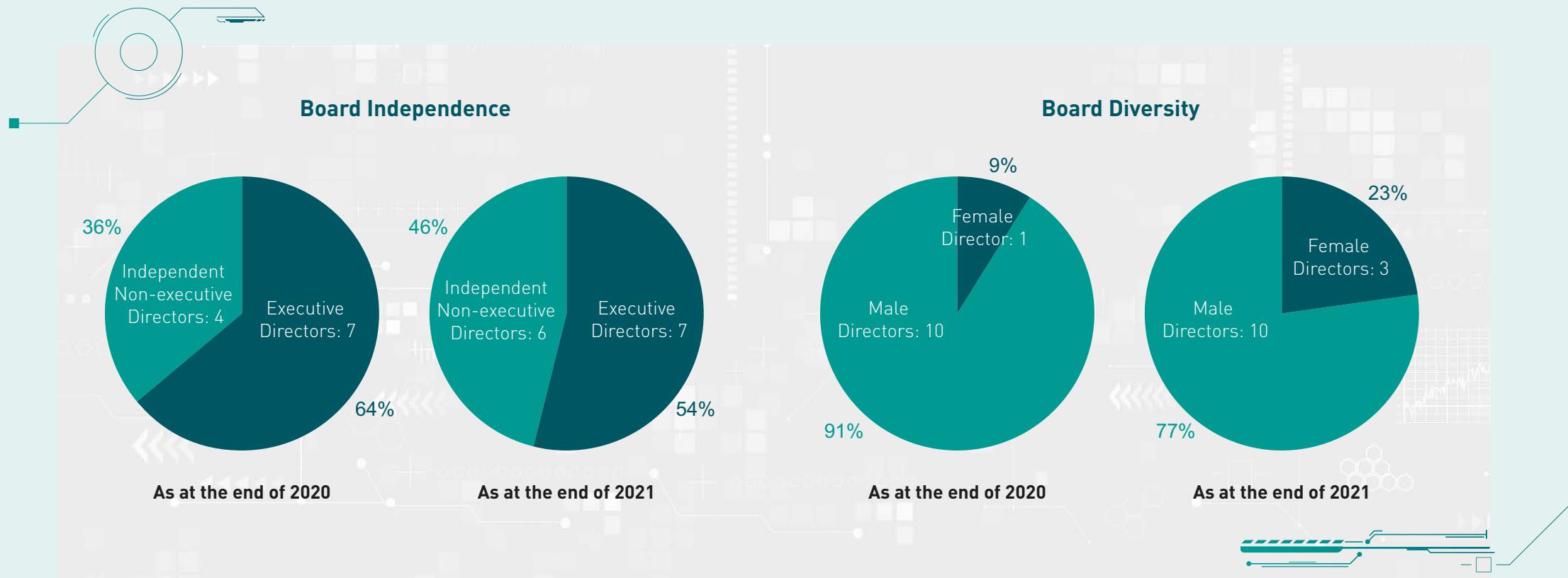
5.1 CORPORATE GOVERNANCE

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 policies and implementation are regularly reviewed to ensure sustainable and robust development in the Group's operations.

5.1.1 Board

The main responsibilities of the Company's Board of Directors (the "Board") include formulating strategies, deliberating on material issues, safeguarding investor relations and overseeing risk and control management. The Chairman of the Board and Chief Executive Officer are held by different individuals to ensure the balance of power and authority.

The Company continuously reviews the effectiveness of the Board. In 2021, the Company explored the room for improvement on the composition and diversity of the Board. The Company identified suitable directors based on the "Director Nomination Policy" and the "Board Diversity Policy" and appointed Ms. Lam Yin Shan, Jocelyn and Ms. Gao Jie as independent non-executive directors in November 2021, so as to strength the independence and gender diversity of the Board.





In addition, the Company also appointed Ms. Lam Yin Shan, Jocelyn and Ms. Gao Jie as the members of the audit committee, the remuneration committee and the nomination committee of the Board. Thus, the proportion of independent non-executive directors in the remuneration committee and the nomination committee increased. The chairman and the members of the audit committee still consist of independent non-executive directors only.

After the Board makes the above changes, the Company will continue to evaluate the room for improvement in the Board effectiveness, and continue to optimize the board structure in due course 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, so as to further improve the level of corporate governance.

Please refer to the "Corporate Governance Report" from pages 39 to 64 of the Group's "Annual Report 2021" for more information on corporate governance, including but not limited to: responsibilities of directors, composition of the Board, appointments and re-election of directors, board committees, board diversity policy, etc.

5.1.2 Investor Rights and Engagement

As at 31 December 2021, the number of the Company's issued and fully paid shares was 10,018,441,540. 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.

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. The Company has formulated and disclosed the "Shareholders' Communication Policy" to the public, which 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 two-way 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 further optimized online and offline communication channels, strengthened online social media and kept close communication with more institutional investors. 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 3 extraordinary general meetings. The average attendance rate of executive directors and independent non-executive directors in person/by teleconference were 68% and 90% 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.

Meanwhile, the Group gained understanding of investors' opinions on the current situation and planning of our ESG through ESG materiality surveys, and held many discussions with investors on sustainable development strategy and carbon emission reduction issues. For more information on shareholders' rights and investor relations, please refer to pages 57 to 64 of the Group's "Annual Report 2021".





5.2 RISK MANAGEMENT AND INTERNAL CONTROL

In order to promote the implementation of internal control and refine our policies and processes, we regularly evaluate the effectiveness of our risk management and internal control, timely identify potential risks and internal control deficiencies to ensure the Group's risk management and internal control are operating effectively. We established the risk management framework and related risk management policies 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.

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 P.54-55 of the Group's "Annual Report 2021" for more details.

Risk identifications were carried out both annually and irregularly. Various business units (including but not limited to research & development, purchasing, manufacturing, sales, human resources, information technology) conducted studies of internal and external information related to their business and analysis of historical risks, etc. to identify risks. The impact and probability of the risks were evaluated to create risk maps and strategies of risk responses were formulated and implemented. To verify the effectiveness of risk assessment and risk responses, Internal Control Department, Internal Audit Department, Compliance Department, Finance Department, Legal Department, Human Resource Department and other risk management and control related departments jointly evaluate the related works of various business units. The results are summarized annually and delivered to the management in the form of an annual report on overall risk management, and serves as the basis for the next year's risk management work arrangement and implementation plan.

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, and compliance. 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. At the same time, 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 has also strengthened the tracking of the rectification of audit issues by means of information technology, and included ESG risks in the planning of its annual audit plan.

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 page 54, pages 56 to 57 in the Group's "Annual Report 2021".



5.3 COMPLIANCE AND INTEGRITY

The Group firmly believes that compliance operation is the premise of enterprise's sustainable development. Based on the "Ten Principles of the UN Global Compact", the applicable laws and regulations in countries and regions where we operate, the "ISO 19600 Compliance Management Systems – Guidelines" and the compliance management guidelines issued by related Ministries of the PRC, we continuously develop a complete system of compliance and business ethics. We adhere to the best practices in the industry, constantly review and improve our own compliance and business ethics system, build a scientific and effective compliance management organizational structure, and ensure that the compliance management decision-making mechanism is scientific and effective.

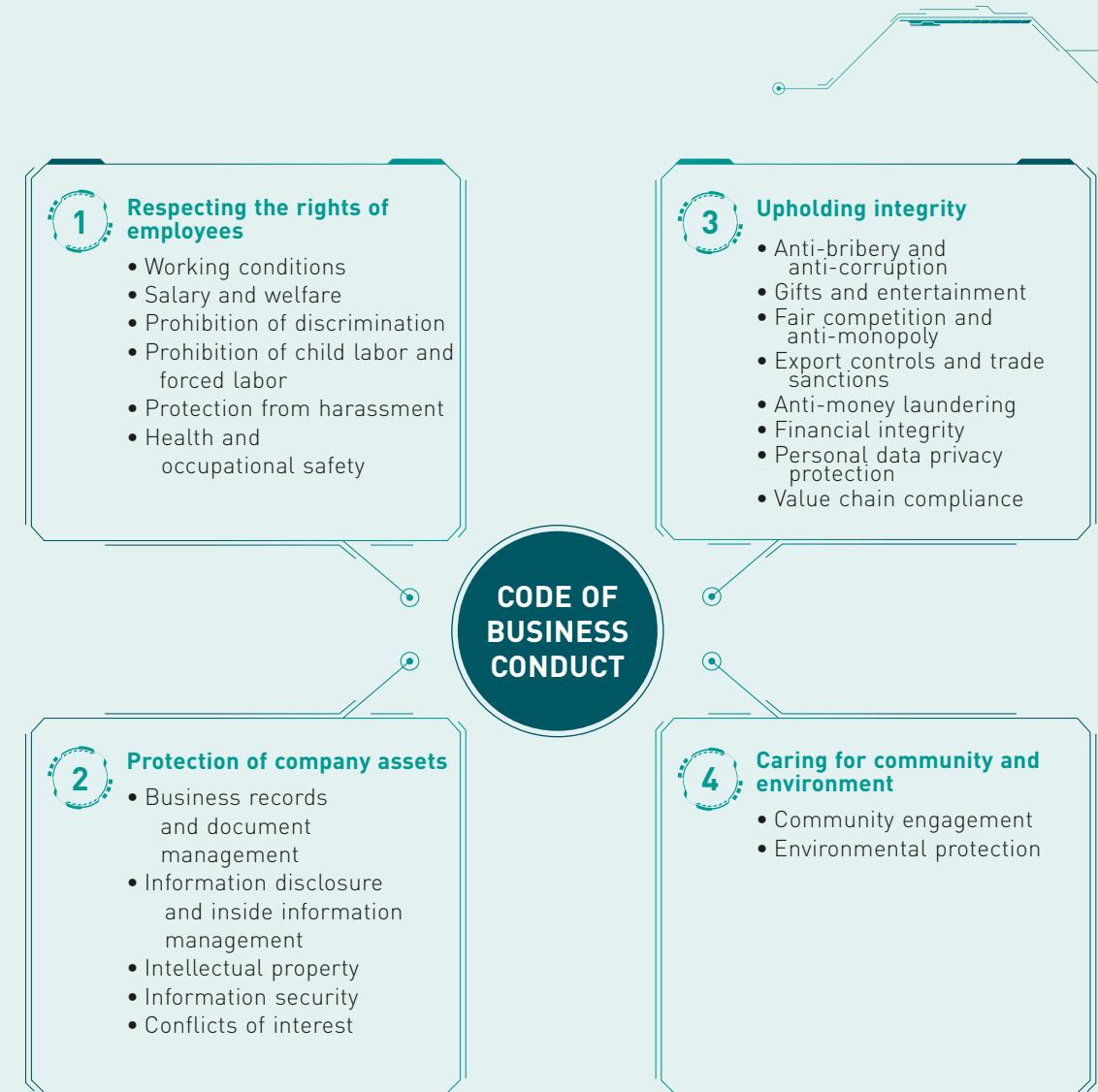
5.3.1 Compliance Management and Policy System

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 operation of compliance system, full-time 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 work of the compliance management system focuses on key compliance areas such as anti-corruption, privacy protection, cyber and information, anti-monopoly, export control, etc., and guides the Group to achieve operational compliance, transaction compliance and data governance compliance.

On the basis of complying with external laws and regulations and industry norms, the Group has established a compliance system of four levels: principles, management, implementation and business. During the Reporting Period, we:

- formulated a number of compliance management measures, which were embedded in daily business operations through internal training, supervision and handling.
- evaluated the effectiveness and maturity of compliance work of various business systems and subsidiaries in organizational development, policy development, cultural development, reporting & investigation, etc. by revising the "Compliance Evaluation Method of Geely Auto Group" (2021 Edition);
- set up compliance red-lines to regulate the behaviors of relevant employees with respect to the daily business activities involving information security, conflicts of interest, business dealings, personnel avoidance and other areas prone to compliance problems.

During the Reporting Period, we developed the Code of Business Conduct, summarizing the main policies and standards of conduct applicable to the Group's global operations, so as to ensure that our corporate culture and conduct can be clearly conveyed to all employees, and other stakeholders can have a clear understanding of our norms in compliance operation and business ethics. This Code of Business Conduct was officially published on the Company's official website in March 2022 and all employees are organized to study the conduct, and its main contents are as described on the right side:





5.3.2 Compliance Operation

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, the signing rate of the "Conflict of Interest Declaration" of the Group's employees was 100%.

Fair Competition and Anti-monopoly

The Group upholds the principle of fair competitions and adheres to laws and regulations on anti-monopoly and anti-unfair competition. We also work to protect fair and open competition from undue restrictions, conspiracy restrictions or anti-competitive restrictions. We have set competition policy, including, but not limited to, prohibition on signing unified pricing agreements with our competitors, and discussing cost or pricing information, and restricting competition by improper means. We also set relevant competitive rules in relation to suppliers, dealers, and customers to avoid the occurrence of unfair situations like monopoly.

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. During the Reporting Period, the Group conducted regular anti-monopoly compliance reviews, and strengthened the training and publicity of anti-monopoly laws and regulations. The Compliance Department conducted 4 trainings on fair competition and anti-monopoly compliance for sales personnel. The number of participants was 129, with a total of 258 training hours.

Trade Sanctions and Export Control

We comply with trade sanctions & export controls' laws & regulations in countries and regions where we operate. The Compliance Department keeps track of the updates of laws and regulations on export control and economic sanctions and the changes in the related lists, and conducts due diligence according to the requirements of laws and regulations, including blacklist screening. Meanwhile, the Compliance Department regularly conducted compliance trainings to help employees of business units fully understand the laws and regulations on export control and economic sanctions, and clarified the application in their work.

To avoid trade sanctions or export control risks, when products, technologies or services involve transnational R&D, transmission and trading, business units must consult the Compliance Department in advance. The Compliance Department reviews the import and export businesses and keeps the transaction records properly according to regulations.

Protection of Intellectual Property Rights

Geely Auto strictly implements the requirements related to intellectual property management. We strictly abide by the "Patent Law of the People's Republic of China", the "Copyright Law of the People's Republic of China", the "Anti-unfair Competition Law of the People's Republic of China", the "Enterprise Intellectual Property Management Standards", the "Guide to Intellectual Property Management of Industrial Enterprises", the "Measures for the Transfer of Intellectual Property (Trial Implementation)" and other relevant laws and regulations, and formulates and refines the Group's intellectual property management system and process.

The Group has issued policies including the "Intellectual Property Management Measures", the "Patent Management Measures", the "Trademark Management Measures", the "Copyright Management Measures", and the "Scientific Papers Management Measures", and standardized 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 avoid infringing the intellectual property rights of others while ensuring that our own intellectual property rights are not infringed.

During the Reporting Period, we had no legal proceedings regarding infringement of intellectual property rights.



Tax Strategy

The Group 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. 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.

5.3.3 Anti-corruption

We adopt a zero-tolerance attitude towards commercial corruption. Geely Auto strictly abides by the laws and regulations on anti-corruption, prevention of extortion, fraud and money laundering based on the "Anti-Money Laundering Law of the PRC", and the "Criminal Law of the PRC", etc. as well as the "United Nations Convention against Corruption". Meanwhile, in order to maintain a good corporate image and prevent potential corruption and property loss in business dealings, we have set up an internal anti-corruption system consisting of organizational system, policy system, risk prevention as well as monitoring and reporting. Any employee who violates laws, regulations, rules and administrative decisions and orders shall bear disciplinary responsibility and be dealt with according to relevant regulations. As at the end of the Reporting Period, the Group and employees have no settled litigation cases related to corruption.

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 "Implementation Rules for Compliance Supervision and Disciplinary Punishment", the "Management System on Conflict of Interest", the "Management Measures for Compliance Consultation, Reporting, Investigation and Reward", the "Implementation Rules for Disciplinary Actions in Compliance Supervision", the "Business Partner Compliance Management System", the "Management System on Gifts and Entertainment" 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.



Anti-corruption and integrity education are important parts of compliance training for all employees of the Group. During the Reporting Period, the Group:

- held an integrity and compliance warning education conference for the senior management of the Group;
- conducted a special admonishing integrity improvement conference training for each personnel in other key positions and key personnels;
- held a special warning integrity education training for 139 key personnel in supply chain.

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 "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 Discipline Inspection & Supervision Department and the Compliance Department conduct irregular communications or trainings with suppliers and dealers to convey the requirements of the Group's anti-corruption related policies and regulations. During the Reporting Period, the proportion of suppliers participating in anti-corruption training reached 80%, and the total hours of participating in anti-corruption training reached 1,920 hours; the proportion of dealers participating in anti-corruption training (including interpretation on compliance culture requirements) reached 100%. Due to the COVID-19 pandemic, we conducted two online training for dealers with total 2,136 training 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.

During the Reporting Period, we also initiated the preparation of the "Anti-Corruption Policy", for public disclosure, so that all stakeholders could better understand the attitude, requirements, standards and management of the Group in anti-corruption. The "Anti-Corruption Policy" was officially published on the official website of the Company in March 2022.



5.3.4 Compliance Culture and 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. At the same time, the Group organized "Compliance Culture Month" every year to enhance compliance awareness of all employees and promote the diffusion and development of compliance culture. During the Reporting Period, we conducted 1,624 compliance-related trainings (including anti-corruption and integrity education), and took 635 examinations, with the passing rate of over 95%.

Average training (including anti-corruption) hours for each director and employee:

2.5 hours

Percentage of employees participating in compliance (including anti-corruption) training:

100%

INVITING EXTERNAL EXPERTS TO CONDUCT CORPORATE COMPLIANCE TRAINING

In June 2021, the Group invited external lawyers and the registered experts of ISO/TC309 Corporate Governance Technical Committee to conduct three-day training on the "Principles and Practice of Enterprise Compliance Management Development" and the "Enterprise Compliance Practice" for management personnel in compliance and legal.





5.3.5 Compliance and Internal Audit

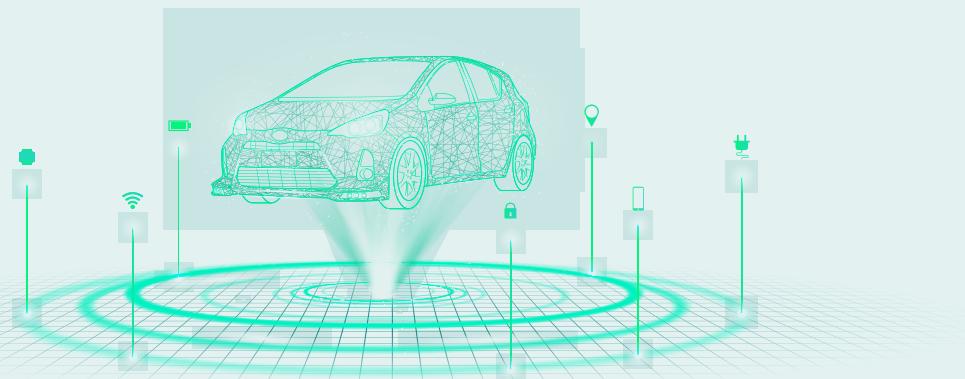
The Internal Audit Department has adequately included compliance in the annual audit plan's scope, including, but not limited to, compliance related policies such as the "Code of Business Conduct", the "Geely Supplier Code of Conduct" and the "Anti-corruption Policy". Non-compliance issues identified 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.

5.3.6 Whistleblowing

The Group is committed to upholding and implementing high standards business principles and conduct in open, clean and accountable manner. 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 and to ensure that the whistleblower will be protected from reprisals or victimization for whistleblowing.

Persons making appropriate whistleblowings 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 INFORMATION SECURITY

With the constant improvement of the informatization and intelligence level of automobile products, the society's awareness of information security gradually increases. Building a safe and effective information security management system has become one of the important tasks of the Group. The Group actively bears the responsibility of protecting customers' information and privacy, and carries out information security work in an all-round way based on domestic and international information security laws and regulations and in combination with information security trends.

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

5.4.1 Information Security Management

The Group has established an information security management system consisting of the Information Security Committee, the Information Security Execution Teams of all levels, the Information Security Compliance Department, the information security management functional personnel of all levels, to report, handle, investigate and archive the information security incidents at all levels of the Group. The Information Security Committee consists of members of Operational Management Committee (including Chief Information Officer and Chief Legal Officer) and is the highest management decision-making body of information security. It is responsible for overall co-ordination, planning, analysis, guidance and support of information security management-related work. The Information Security Committee reports material matters on information security to the Board for its oversight and making relevant strategic decisions of the Group. At the same time, all employees are obliged to report information security incidents. The information security management functional personnel shall timely judge whether an incident is an information security incident, determine the level of an information security incident, immediately report it to the Information Security Compliance Department and take measures. For information security incidents that affect business systems, relevant departments should give priority to business recovery.

In accordance with ISO 27001 standard and relevant laws and regulations, the Group formulated and improved a series of system documents and management methods such as the "Information Security Charter", the "Management Procedures for Information Security Incidents", and formed the information security management and control covering the full business chain. During the Reporting Period, the Group revised the "Management Procedures for Information Security Incidents", optimized the information security incident handling process and audit process, and classified and ranked the information security incidents according to the economic losses and reputation impact, so as to comprehensively improve the ability to respond to information security incidents in a reasonable and orderly manner. As at the end of the Reporting Period, no information security incident of the Group has occurred.



5.4.2 Privacy Protection

Geely Auto attaches great importance to the safety and protection of customer privacy information. During the Reporting Period, with the adoption and implementation of the "Personal Information Protection Law of the People's Republic of China", we further set up and improve an internal privacy protection compliance system based on the requirements of ISO 27701 Privacy Information Management. In terms of organizational assurance, we established a Privacy Protection Compliance Office, which consists of a privacy management team, a privacy operation team and an audit supervision team, and is responsible for guiding and supervising the privacy protection of various brands and business operation areas. In terms of operational assurance, we ensure the validity of privacy protection through four major measures: formulation of plans, precise implementation, whole-process monitoring and regular audits.

We strictly implement the requirements of laws and regulations and meet customers' demands and expectations. The Group protect the consumer's privacy in the whole process from information collection, information use and information management and control. The personal information collection and processing control procedures clearly required that all business units shall obtain the users' consent before collecting personal information, and inform users the purpose of information collection and processing activities, and ensure that personal data will not be rented, sold or provided to third parties for other purposes instead of trading/services. Meanwhile, the privacy protection compliance system of the Group requires all business-related departments to handle users' personal information minimally and transparently according to the requirements of the "Personal Information Protection Law of the People's Republic of China", and store and transmit sensitive personal information in an encrypted manner. In addition, we carefully handle the cross-border transmission of personal information data, and set up a strict audit process for such cross-border transmission. In addition, in the process of product development, we regard personal privacy protection as an important open demand, and require the product development department to implement the personal privacy protection.

MEASURES FOR DATA PRIVACY PROTECTION BY DEALERS

Sales Data Management by Dealers	Set strict access rights for the collection, distribution, filing, etc. of sales leads to prevent sales personnel from making inquiries on customers not under their service;
External market research data management	Third party market research companies are required to sign confidentiality agreement in providing service to us. They are strictly required to protect consumers' privacy and cannot use the consumer information for other purpose. Such external parties are not allowed to carry cellphones or use any data storage devices when performing on-site surveys;
IT technology safeguard	All consumer-related information is deleted before sending the survey results to dealers, branches and related business departments, and only keep the remaining survey data results and related dealer information to facilitate the rectification and improvement of dealers;
	Store all customer file information in the dealer collaboration information system, which only supports intranet login and thus, can effectively protect the information security.

5.4.3 Information Security Trainings and Exercises

To ensure that all departments and the employees understand and abide by the information security requirements of the Group, we conducted information security awareness trainings for all employees, and we conducted information security incident exercises at least once a year to assess whether the response plan and the staffing were reasonable and adequate. During the Reporting Period, we:

- organized information security awareness trainings for all employees and security skill trainings for professional personnel with over 2 training hours per employee;
- held special seminars and external expert trainings, published publications, organized drama performances, etc. during the Compliance Culture Month to deepen the awareness of privacy protection and information compliance of all employees;
- the information security management team conducted information security training related to telecommuting during the pandemic and required all employees to sign declaration for information security on telecommuting.

5.4.4 Information Security Test

To ensure cybersecurity, the cybersecurity team of the Group has specifically arranged persons to be in charge of cyber threat tracing and vulnerability management. Besides this, we have formulated contingency plan for cybersecurity incidents, and will implement simulation tests and update 4 times per year on average. We have assessed whether the contingency plan and staff allocation were proper and sufficient by desktop simulation which was to simulate the potential cybersecurity incident. We conducted penetration testing and vulnerability screening/scanning on key business systems (including operating system, databases, middleware, network equipment, etc.) on average four times a year to avoid exposure to significant vulnerability risks. During the Reporting Period, we completed the Red Team Test, and set up an official procedure to rectify the problems identified during the test, but we did not find any large-scale incidents such as malicious attacks and virus infections.

5.4.5 Information Security External Certification and Internal Audit

Geely Auto has been enhancing the information security management system since 2018 and acquired ISO 27001 Information Security Management Certification. We passed the annual audit on information security management system for three consecutive years, covering the business scopes of R&D, production, sales, supply chain and service support system.

In addition, the Information Engineering Department of the Group performed internal information security check during the Reporting Period, and carried out information security audit together with the Internal Audit Department at least once a year to ensure the effectiveness of the information security management system and proposed recommendations for improvement timely. Based on the outcome of these security checks and recommendations by Internal Audit, the Information Engineering Department planned and executed corresponding rectifications.



6

Consumer Interest

With the mission of “Create an Exceptional Mobility Experience”, Geely Auto adheres to the customer-centric principle and fundamental requirements of providing quality and safe products and excellent service. We actively respond to the challenges from the transformation of automobile industry, and continuously provide a satisfying intelligent mobility experience to our customers. At the same time, Geely Auto is also committed to developing more sustainable, convenient and safe mobility methods, which will benefit our customers, road users and other society groups and contribute to industrial development and sustainability.

MATERIAL ISSUES

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



2021 Highlights

Product Progress:

Quality and Safety



China Quality Award

In 2021, Geely is the only Chinese passenger car company that was selected and awarded the China Quality Award.



Lynk & Co ranked 3rd among China domestic brands in IQS

Lynk & Co ranked 3rd among China's domestic brands in J.D. Power 2021 Initial Quality Study (IQS). Geely Borui and Geely Vision X3 ranked 1st in the mid-size premium economy sedans and mini SUV segment respectively.



Passed ISO 9001 Quality Management System Certification

Companies in China that develop and produce the products in our Group's three brands obtained ISO 9001 Quality Management System certification, and the powertrain company obtained IATF 16949 Automotive Quality Management certification. In 2021, ISO 9001 has also covered 100% of the Lynk & Co and Zeekr businesses.

No product recalled

A complete defect validation and active recall process to ensure public recalls when needed. In 2021, no vehicles were recalled.



Autonomous driving

We achieved the mass production of L2+ driving assistance model. L3 conditional automation was achieved under certain working conditions and L4 high automation was achieved in some scenarios. Zeekr will develop exclusive vehicles for Waymo One Driverless Fleet.

8 models with five-star rating or above in C-NCAP

In 2021, Geely Preface was awarded the five-star rating of the China-New Car Assessment Program (C-NCAP), and a total of 8 models on sale were awarded the five-star rating or above, accounting for 88.9%. Lynk & Co 01 was awarded with the five-star rating in European New Car Assessment Program (E-NCAP).

Battery safety assurance

We developed and tested the power batteries according to UL 2580 of the Underwriter Laboratories Inc. and ECER 100 safety certification standards of European Union. The power batteries meet ISO, IEC, SAE, GB and other standards. We also ensure the safety of battery pack through simulation analysis, side impact tests and a bottom guard plate structure.

Product information security

We established a Cyber Security Management System (CSMS) to optimize information security management and established a Vehicle Security Operations Center to monitor the information security of vehicles in real time. We completed information security risk assessment based on ISO 21434.

Product health and safety

We put forward "Healthy Vehicle" concept with the aim to provide customers more healthy mobility experience from healthy interior, air, defense, monitoring and environmental protection plans. Vehicle models such as Lynk & Co 06, Geely Jiaji, Geely ICON and Zeekr 001 have successively obtained Ecological Product Certification for Vehicles issued by China Environmental United Certification Center.



Customer Progress:

experience Launched the user brand "G FAMILY" and service



Launched the user brand "G FAMILY"

We officially launched the user brand "G FAMILY", taking "user experience" as the cornerstone and defining the brand culture with "user-led, user-managed, user-operated and user-consensus". In 2021, in terms of brand and user recognition, Geely Preface won 14 mainstream media awards, and Geely Preface won 10 mainstream media awards.



100% complaint handling rate

The customer complaint platform accepts customer's inquiries and complaints 7x24 hours a day. In 2021, the complaint handling rate of Geely Brand, Lynk & Co Brand and Geometry Brand reached 100%.

Future plan:

Intelligent service system

We will build a full-value, integrated intelligent service system with the focus on user experience. By 2025, we will realize 100% of user direct connection and establish more than 2,000 digital smart stores, and the number of APP users will exceed 10 million.

Autonomous driving

By 2025, Geely Auto will realize the commercialization of L4 autonomous driving and fully master L5 autonomous driving. Our goal is to "build the most reliable, safest and responsible" autonomous vehicles, and achieve "safe upon delivery".

Binrui ranked 1st in the mid-size car segment market in APEAL

Geely Binrui ranked 1st in J.D. Power APEAL's mid-size car segment market.



Ranked 1st among China domestic brands in CSI

In 2021, in the customer satisfaction index (CSI) of automobile after-sales by J.D. Power, Geely brand scored 770 points, ranking 3rd among mainstream brands and 1st among China domestic brands.



We centre on customer satisfaction, and provides an exceptional mobility experience built upon product research and development, quality assurance and service improvement to satisfy customers' demands at different stages.

6.1 MOBILITY EXPERIENCE AND INTELLIGENT SAFETY

"User experience" is the lifeline of Geely Auto's development. Each user leads to Geely Auto products' continuous improvement through experience and co-creation. The Group strives to establish an intelligent connection among people, cars and technology with our insight on customers' demand and the ever-evolving technology. Thus, we can build products with excellent performance which can provide our customers with a more intelligent, efficient, safer and more humanistic mobility experience and a perfect driving journey.

6.1.1 R&D and Innovation

R&D and innovation are the endogenous forces for Geely Auto to cope with industry changes and achieve sustainable development. The automobile industry is becoming an area integrating cutting-edge technologies from multiple fields. This not only requires us to continuously improve our independent R&D and innovation capabilities, but also requires the support of users. In 2021, the total number of the Group's patent applications reached 1,994, including 711 invention patents, 531 utility model patents and 752 exterior design patents. Patent license reached 1,636, including 453 invention patents, 569 utility model patents and 614 exterior design patents.

New Product Development System (NPDS)

In 2021, our new product development system (NPDS) released the latest version, and continuously strengthened the implementation of the philosophy of "customer-centric, platform-oriented, modular, synchronous engineering, lean, agile and flat management". NPDS made new progress in the following modules:

- Innovative development and forward-looking engineering development modules enable us to effectively gain insight on consumers' demands and market trends, and introduce technology that can enhance the product's competitiveness and products in a timely manner;
- The user experience module will continue to play a key role in innovating the user experience through high-quality human-computer interaction. Meanwhile, we will refine the product development and operation process of our software and over-the-air (OTA) technology , and push forward into the era of "software defining vehicles" through efficient collaboration;
- Product compliance ensure that our products continued to meet the requirements of applicable laws and regulations of relevant countries and regions, and respond to the expectations of local users.

User Co-creation

We have established a good interaction mechanism with users, and maintained user communities through interactive platforms such as Geely Club and Co:club . At the same time, we continued to increase users' involvement in product testing, FOTA (Firmware Over-The-Air) iterative development, pre-sales and after-sales, service upgrade, etc., and jointly build an ecosystem for mutual creation and sharing.

The user brand "G Family" was officially released in June 2021, taking "user experience" as the cornerstone to introduce the development philosophy of "open platform and co-creation by users", and defining the brand culture of "user-led, user-managed, user-operated and user-consensus". In 2021, in terms of brand and user recognition, Geely Preface won 14 mainstream media awards, and Geely Xingyue L won 10 mainstream media awards.

"G Family" Brand Activities

- Geely brand carried out 13 industrial tours of "Trendy Intelligent Manufacturing in China Star"
- 6 "G Family Day"
- 14 special events of "G Family"



Geely Brand User Activities

6.1.2 Intelligent Interconnection

Intelligent interconnection is an important means to provide a more integrated, smoother and safer connected experience and achieve sustainable transportation and sustainable city.

In October 2021, Geely Auto announced the "Smart Geely 2025" strategy, which aims to build a full strategic layout of "One Network and Three Systems" and is dedicated to achieving full stack independent R&D on the core technologies of intelligent vehicles. "Smart Geely Technology Ecological Network" will build end-to-end independent R&D system and ecological alliances around chips, software operating systems, data and satellite network. Based on smart architectures, smart drive, and smart cockpits, we can build core competitiveness in future intelligent vehicles and drive an evolving user intelligent mobility experience.

During the Reporting Period, the Group continuously strengthened its software and hardware R&D capabilities, continuously optimized the implementation of related functions such as connectivity, intelligent driving and car-road coordination, formed a number of independent core technologies, and realized the intelligent development route in all directions.



"G Family" Open and Co-creation

In May 2021, Geely Auto and Huaban.com launched the "G Family" LOGO co-creation design competition. Geely Auto let our users design "G Family" logo, and more than 1,000 users submitted their designs. Finally, a design with the idea of "two interlocking circles representing openness and integration" became the officially announced "G Family" brand LOGO.



"One Network and Three Systems" of the Smart Geely 2025

Intelligent Architecture

Geely Auto adopts four modular architectures: BMA, CMA, SPA and SEA, which are not only suitable for different sizes and energy configurations of automobile products, but also have modular advantages in terms of cost reduction and 30% of improvement in R&D efficiency. New intelligent vehicles of Geely, Lynk & Co and Geometry built upon smart architectures will be equipped with GEEA2.0 electronic and electrical architecture, which will bring users the ultimate experience of advanced intelligent driving assistance and continuous products updates via OTA.



Connectivity

Geely is committed to creating an "end-to-end" integrated vehicle software user experience, building an ecology covering electronic and electrical architecture, vehicle basic software, intelligent cockpit software and autonomous driving software. Together with Geely Holding Group, we are the only automobile group with full-stack and self-R&D system on satellite communication and positioning, high-definition maps, auto chips and software in the world.

In 2021, the Group continued to make progress in connectivity, including the use of WiFi6 vehicle-mounted terminal, the implementation of 4G and 5G projects, and the transceiving and amplification of Vehicle-to-everything(V2X) antenna, which greatly increased the data transmission speed, further improved the network connection between cars and cars, people, roads and service platforms, and contributed to the coordination between cars and roads and the realization of road safety. With the increasing demand of in-vehicle bus bandwidth, we started the development of 1,000M ethernet products in 2021, and we expect implementation in 2022.

At the same time, we applied the SOA software service architecture, opened more than 1,000 API interfaces, provided software tools and platforms to global developers, and worked with more than 1,000 digital partners around the world to create active scenario services, so as to stimulate innovation with an open and inclusive ecology and continuously meet the diverse scenario needs of different user groups. It is estimated that by 2025, our products can achieve at least one or two vehicle OTA updates every quarter, so that intelligent cars can evolve from "vendor defined" to "customer software co-creation" and enter the era of software-defined cars.

Intelligent Driving

In terms of intelligent driving, our goal is to "build the most reliable, safest and responsible" autonomous vehicles, and achieve "safe upon delivery". In the design process, we adopt the international ISO 26262 functional safety standard to ensure the safety of system design and improve the usability of autonomous driving. By 2025, Geely Auto will realize the commercialization of L4 autonomous driving and fully master L5 autonomous driving.

During the Reporting Period, the Group achieved the mass production of L2+ driving assistance model, L3 conditional automatic driving under certain working conditions and L4 highly automatic driving in some scenarios. The Group will focus on how to create safer and more practical functions in the future. In 2021, all the new models of the Lynk & Co brand realized the eCALL function (initiated by the European Union to provide quick assistance to drivers in collision), and more than 90% of the models were equipped with backup batteries, which can realize the eCALL function even when the vehicle is out of power. This is in line with the requirements of the European Union laws and regulations. The Zeekr brand started the development of advanced functions such as turning angle control, member number monitoring, fire rescue, etc., and developed and completed the e-Call rescue system to realize the emergency rescue function. The Zeekr brand developed the function of recognizing fatigue driving by camera, which is connected to intelligent fragrance system to refresh drivers. In addition, The Zeekr brand realized seamless connection between intelligent wearable devices and vehicle ecosystem service system to provide users with a more intelligent driving experience.

Zeekr Developed Exclusive Vehicles for Waymo One Driverless Fleet

In December 2021, Zeekr and Waymo became strategic partners to jointly develop driverless exclusive vehicles for Waymo One fleet, which will put into commercial operation in the United States. This model is based on the architecture of Zeekr Intelligent Mobility Platform-Sustainable Experience Architecture-M (SEA-M), and is designed and developed by the China Euro Vehicle Technology AB (CEVT).

Different from the traditional vehicle design concept focusing on drivers, Zeekr and Waymo worked together to create exclusive mobility service products for driverless application scenarios. This model adopts the design concept of taking passengers as the core, pays more attention to passengers' preferences, and highlights the comfort and convenience of riding experience.





Progress of Vehicle-Road Collaboration Technology in Hangzhou Asian Games

Geely Auto's cars equipped with L4 driverless and intelligent digital cockpit will serve Hangzhou Asian Games. During the Reporting Period, we have completed the algorithm design of application scenarios, and the functional development and testing of V2X application scenarios such as vehicle out of control warning, abnormal vehicle reminder, left turn assistance, reverse overtaking warning, emergency vehicle reminder, green wave speed guidance/red light warning, etc.

6.1.3 Safety and Health

Geely Auto's "people-oriented" safety gene is rooted in the inheritance and adherence to the car making philosophy of "safety first".

Safe Mobility Experience

Geely Auto "Vehicle Comprehensive Defense System" (VCDS)'s vision is zero casualties, zero harm to health, zero loss of property and zero leakage of privacy. Based on life domain, health domain, property domain, and privacy domain, VCDS includes people-oriented nine safety systems, which put all-around attention to the safety of occupants in both our users and others' cars, vulnerable road users, maintenance and rescue personnel and comprehensively cover a variety of scenarios where cars are used, such as driving, parking, maintenance, and repairing. In 2021, we focused on enhancing cyber security and health safety.



Nine safety systems in VCDS

Information Security

We constantly benchmark against the requirements of relevant international and domestic laws, regulations and standards, establish a vehicle defense-in-depth system, carry out security development and protection from the external interface, network and terminal ECU, and take multiple measures to ensure user information security and privacy protection:

- ⑥ Based on the "European Union's General Data Protection Regulation" (GDPR), we formulated solutions for data privacy and information security to protect and respect users' privacy requirements, and comply with the requirements of compliance, fairness, transparency, confidentiality, data collection minimization, data storage and usage restriction, etc;
- ⑥ Based on the UNECE WP.29 Regulation R155, we established a Cyber Security Management System (CSMS) covering the R&D, production and post-production stages of automobiles, optimized the internal information security management and risk identification and response processes, and extended the control measures to third-party participants such as suppliers and service providers, thus greatly improving the information security of automobiles;
- ⑥ Based on the ISO 21434 standard, we completed the information security risk analysis and evaluation covering vehicle architecture, functions, parts, etc., and formulated corresponding information security measures to minimize the information security risk and ensure timely response;
- ⑥ We established a vehicle security operations center (VSOC) to monitor the information security status of vehicles in real time and make a quick response to threats;
- ⑥ We formulated an overall information security scheme based on SOA architecture, identified newly-added information security risks based on services and formulated relevant security strategies, so as to ensure the openness and innovation of the ecosystem service system and ensure information security at the same time;
- ⑥ We developed a V2X information security solution, applied national cryptographic chips to ensure communication security, and combined software and hardware to ensure user information security.



Healthy and Safety

We put forward the concept of "healthy car", and planned the technical route in five areas: healthy interior, healthy air, health defense, health monitoring and healthy environmental protection, hoping to bring users a healthier mobility experience.

The Group carries out skin-friendly automobile eco-product certification for the surface materials directly contacted by users. Through the development and testing of more than 100 substances involved in more than 20 items of products (steering wheel, seat belt, sun visor, armrest, seat, etc.), such as formaldehyde, heavy metals, polycyclic aromatic hydrocarbons, sensitizing carcinogenic dyes, color fastness, PH value, etc., we ensure that the interior products meet the ecological, health and environmental protection characteristics, greatly reducing the risk of contact allergy.

Lynk & Co publicly disclosed its "Chemical Restrictions and Ethical Considerations", put forward requirements for the control of chemicals and harmful substances in accordance with a restricted substance list based on AFIRM, and extended the requirements for the fulfillment of health and safety responsibilities to business partners.

Lynk & Co 06, Geely Jiaji, Geely ICON and Zeekr 001, etc. have successively obtained automobile ecological product certificates issued by China Environmental United Certification Center.



In-car Air Quality

The Group established a dedicated odor team to carry out the whole-process management and control of the in-car air quality. In the product design stage, we select raw materials with low odor and low emission, strictly screen the odor management and control capabilities of suppliers, and strictly manage and control the production, storage and logistics processes to ensure that the air quality of the vehicle meets the best condition. In 2021, Lynk & Co products passed the odor certification and VOC certification of the CATARC Automobile Parts Inspection Center, providing a safe and harmless mobility environment for drivers and passengers. During the Reporting Period, the passing rate of vehicle odor IQS reached 85%, and the passing rate of vehicle odor reached 92%.

Meanwhile, our fragrance system has been iteratively upgraded, alleviating the driving pressure and mild fatigue of users. Together with the experts of Zhejiang Chinese Medical University and Zhejiang Association of Chinese Medicine, we jointly developed the "herbal fragrance of solar terms" made of pure natural Chinese medicines. This formula has been clinically proved to have the functions of air disinfection and respiratory infection prevention, and has been included in the special science and technology project of the National Administration of Traditional Chinese Medicine. In 2021, the fragrance system was first applied to two popular high-end models, Lynk & Co 09 and Zeekr 001.

Child Health Protection System

The Group pays attention to the protection of child health and safety, and has entered into a strategic cooperation agreement with MAX-INF, to develop the Geely intelligent child health and safety protection system. This technology has realized the functions of Bluetooth communication between in-vehicle infotainment and child seat, detection of children entering/leaving the seat, installation and detection of child seat safety fixtures, seat heating, ventilation and heat dissipation, etc., and meets the requirements of the China-New Car Assessment Program [C-NCAP] 2021 for child protection static evaluation.

Meanwhile, we developed the children presence detection (CPD) according to the latest vehicle safety indicators in Europe, which can effectively monitor and provide the situation of children left in the car, and effectively protect children's riding safety. In addition, Lynk & Co has launched special training camps for "Little Safety Officers" in Shanghai, Xi'an and other cities, continuously spreading the knowledge of children's riding safety .



Health Monitoring Steering Wheel

Through the integration of biosensors on the steering wheel to measure the bioelectric current signal of human body and calculation of the parameters such as heart rate with reliable algorithm, the system accurately monitor and analyze the driver's health status, thus gradually realizing the timely release of emergency rescue signals for sudden health abnormalities; mild fatigue can be relieved by real-time control of multimedia/air conditioning/fragrance system; for severe fatigue, the intelligent driving system is involved to make the car stop to a nearby safe area. The monitoring system can also identify the driver's grip on the steering wheel and prompt the dangerous driving situation in time.

Meanwhile, we upgraded the original antibacterial technology of steering wheel to antiviral technology, that is, adding organic, inorganic or natural antiviral additives to the materials to realize rapid virus inactivation. Based on the ISO 21702 antiviral activity test method, after the steering wheel test samples are treated for 24 hours, the anti-viral activity rate of the steering wheel test samples against influenza A virus H1N1 is over 99%.

Safety Verification

We have established a comprehensive and advanced safety technology development and verification system, closely combined technology and product development with the actual application scenarios. As at the end of the Reporting Period, the Group completed the data analysis of over 6,400 traffic accidents in total. In the design stage, we use virtual simulation to identify potential problems and optimize them in a timely manner, so as to avoid repeating the trial and error, and reduce the development costs and shorten the development cycle.

In 2021, Geely Preface was awarded the five-star rating of the China-New Car Assessment Program (C-NCAP), and our 8 models on sale were awarded the five-star rating and above, accounting for 88.9% of the Group's vehicle models participating in the assessment. Lynk & Co 01 won the five-star rating of the European New Car Assessment Program (E-NCAP). During the Reporting Period, we received 103 defaults complaints related to safety and investigated and followed up all complaints. We will continue to improve relevant measures.



Lynk & Co 01 was awarded the five-star test result of the Euro NCAP in 2021

6.2 QUALITY MANAGEMENT

Geely Auto continues to promote the "Quality 4-3-10 Strategy", and further reform in four aspects: quality system, new energy quality, durable quality and supply chain quality.

In 2021, Geely applied for China Quality Award, the highest honor in China's quality field, for the first time, and became the only Chinese passenger car company that was awarded.



6.2.1 Quality Management System

As of the end of the Reporting Period, the Group has established 433 quality management system documents at all levels. In 2021, according to the needs of business development, the Group added/revised 108 documents, issued the "Knowledge and Experience Control Procedure" to realize sharing of quality management experience, issued the "Software Development Management Procedure" to prepare for the era of "software defining vehicles", and updated the "Risk Control Management Procedure" to further improve risk prevention and control.

The Group has established a quality management system according to the GB/T 19001-2016/ISO 9001:2015 Quality Management Systems, the IATF 16949-2016 Automobile Quality Management System, quality-related laws and regulations and other relevant standards, covering the whole process of design, development, manufacturing, sales and service. Companies located in China that develop and produce three automobile brands under the Group have passed ISO 9001 Quality Management System certification, and the powertrain company has passed IATF 16949 Automotive Quality Management System certification. In 2021, ISO 9001 has covered 100% of the Lynk & Co and Zeekr business. During the Reporting Period, we won 166 quality-related honors, including 8 national awards, 29 provincial and municipal awards, 10 district-level and below awards, and 119 awards from associations and certification bodies.

Independent Assurance System of Manufacturing Quality

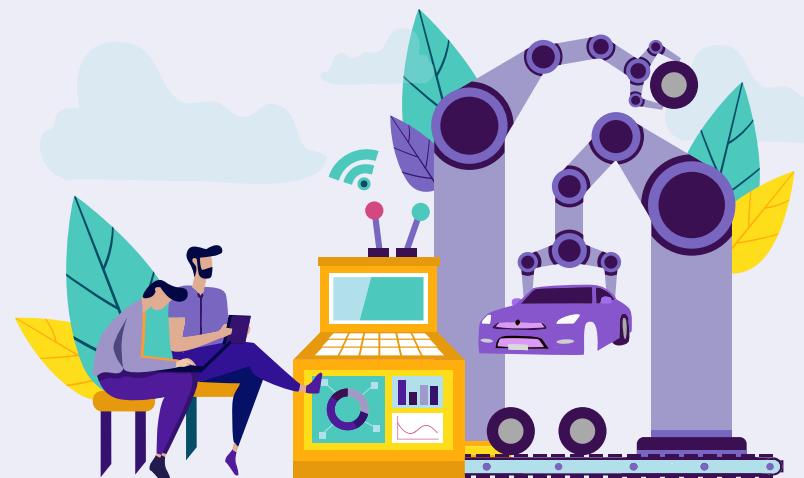
We built an "independent assurance system of manufacturing quality" to monitor process risks, identify bad problems, carry out improvement activities, realize the traceability and accountability of the whole process quality to individuals. During the Reporting Period, the independent assurance system of manufacturing quality has been fully operated in 100% of mass production bases. The assurance level of manufacturing process was steadily increased from 90.3% in 2020 to 91.3%.

The global customer product audit (GCPA) with Geely characteristics, standing at the most critical user's point of view from a professional perspective, established the product evaluation in the user's vehicle selection stage, the new car evaluation at the initial stage of car purchase, and the durability evaluation during normal service life. At the same time, we upgraded GCPA according to the changes of market users' needs, industry benchmarking and big data research, and improved its evaluation in intelligent cockpit, intelligent driving, etc., and carried out localization according to overseas users' habits. In 2021, GCPA won the "Professional Award" of the innovative project of "Publication and Exchange of China's Quality Innovation and Quality Improvement Achievements" of China Quality Magazine.

According to the research report of J.D.Power, Lynk & Co ranked 3rd among China domestic brands in 2021 Initial Quality Study (IQS). Geely Borui and Geely Vision X3 ranked 1st in the midsize upper economy car and small SUV segment respectively.

Quality of New Energy Vehicles

In 2021, Geely Auto successfully passed the "2021 Supervision and Inspection Work of Road Motor Vehicle Manufacturing Enterprises and Products" organized by the Ministry of Industry and Information Technology of the People's Republic of China.





Safety of New Energy Vehicles

To ensure the safe use of new energy vehicles in extreme application scenarios, upgraded the battery protection of side pillar bumps in the simulation analysis, and conducted side pillar bumps inspections every 100 millimeter;

Conducted research on bottom scraping commonly happened in traffic accidents, and completed the hardware needed for vehicle-level battery pack bottom scraping test. This test has been performed to ensure the safety performance at the bottom of the battery pack;

New energy vehicles are equipped with bottom guard plate structure which lower the risk of puncturing at the bottom of battery pack;

Adopted and passed the extreme side impact tests such as EUN Pole 75deg 32km/h、FMVSS 214 Pole 75deg 32km/h to ensure that the power battery is located at the safest core position of the vehicle, thus maximizing the safety of collision.

Quality System Evaluation

Geely Auto, based on standards of ISO 9001, IATF 16949 and VDA series and in combination with the management experience of experts in various fields of the automobile industry, has constructed the "whole process competitiveness quality system evaluation standard" based on maturity evaluation from the perspective of the whole business value chain. Through qualitative evaluation and quantitative analysis of the responsibilities, processes, standards, objectives, implementation, performance and benchmarking of each business process, Geely Auto can effectively identify the weak links in the quality management system, and propose improvement.

In 2021, we upgraded the whole process competitiveness quality management system standard, with further details in market research, demand determination, product definition and planning, product design and development, process design and development, production maturity cultivation, mass production quality control, sales and after-sales service.

In 2021, in the China Automobile Customer Satisfaction Index (CACSI) organized by the China Association for Quality, four of our products won the first place:

- Vision X3 won the first place in the small SUV segment market of RMB70,000 and below;
- Binyue won the first place in the small SUV segment market of RMB80,000 to RMB100,000;
- Vision X6 won the first place in the compact SUV segment market of RMB70,000 and below;
- Emgrand S won the first place in the compact SUV segment market of RMB80,000 to RMB100,000.

Product Recall and Prevention

Geely Auto has 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". In combination with overseas laws and regulations, Geely Auto has formulated the "Measures for Administration of Recall of Detective Auto Products in Overseas", and publicly recalled the products that meet the recall conditions. During the Reporting Period, Geely Auto did not recall any vehicles.

Recall of Geely Auto

Indicators	2019	2020	2021
Number of Public Recalls (times)	1	0	0
Number of Public Recalls (10,000 vehicles)	9	0	0



Defect Validation Process

- Receive information on product defects from production and market;
- Analyze the defect and further validate;
- Once defect is confirmed, report to national recall centre and enter the active recall process.

Active Recall Process

- Set and verify defect elimination plan and purchase the relevant parts;
- Trace the affected vehicles and the corresponding customers' files, and issue a notice to stop selling defective products;
- Set and verify the recall plan, issue recall notice to implement;
- Real-time monitor the recall's effectiveness, and issue periodic reports every three months and a summary report on the completion rate.

Geely Auto established the defect inspection process in IT system. Recall issues and potential batch issues in China and abroad are input to products in mass production and new product projects in this system for checking and avoidance. During the Reporting Period, 817 cases have been investigated and 12 hidden dangers have been avoided, and the management of potential risks has been normalized and facilitated.

6.2.2 Quality and Safety Culture

Through the operation of the Quality Institute, Geely Auto established the cultivation and hierarchical recognition system for quality management talents, quality professionals and front-line quality skilled talents, so as to optimize the talent structure, enhance quality awareness and empower the whole quality business chain.

During the Reporting Period, 100% of employees in the quality department participated in the training on product quality and safety at least once a year. In the future, we will further make more than 95% quality personnel involved in research, production, supply and marketing participate in training.

Quality Management Talents

- Established the "Wolf Club", and empowered the quality system managers with three scenarios: special seminar, master lecture and business co-creation;
- The project has been carried out in three phases, focusing on new energy, digitalization and intelligent manufacturing, and covering 52 quality system managers from 20 units.

Quality Professionals

- Carried out 12 professional personnel training and certification projects such as Product Quality Engineer (PQE), laboratory auditor, quality system auditor at different levels;
- Carried out dynamic management and continuous education for the certified personnel to ensure that the qualification of the personnel is 100%, covering 859 persons.

Front-line Quality Skilled Talents

- Held the first-line quality skill contest, set up an internal benchmarking exchange platform, stimulated quality skilled personnel through "competition, learning, catching up and surpassing", and built a group of quality compound talents;
- In 2021, a total of 1,072 employees from 20 units participated in the competition, and 31 employees won the prize.



6.3 CUSTOMER SERVICE

Geely Auto always grasps and leads users' needs, takes users as the center to integrate products and services into users' lives, and brings users an exceptional mobility experience. Geely Auto keeps improving its service system and is recognized by the industry. From 2009 to 2021, Geely Auto was awarded the Golden Service in China Automotive for 13 consecutive years, including the Golden Service in China Automotive-Customer Satisfaction in 2020, and the Golden Service in China Automotive-Quality Service in 2021.

6.3.1 Customer Service Philosophy and Culture

During the Reporting Period, Geely Auto adhered to customer satisfaction as the center, and continuously deepened the service philosophy of "caring for the details", so as to make customers feel intimate, worry-free and secure, and comprehensively improve service quality.

We attach importance to the cultivation of service talents, upgrade the training curriculum system in an all-round way, and change the evaluation and certification mechanism to annual examination system. In 2021, the training's coverage ratio of front-line employees reached 100%; the ratio of GEELY Key Positions Certification reached 84.2%; the ratio of the Geely Automobile Maintenance Technology Certification reached 76.4%, and it is planned to increase the ratio to 85% in 2022.

The Group adheres to the principle of "competition replaces and promotes practicing". Since 2010, The Group has held 12 consecutive national after-sales service skill competitions to continuously improve the service skills and service quality of employees.

Consumer Marketing and Service

On 15 March 2021, Geely Auto, together with a number of car companies, issued a joint statement "Honest Service, Action with 'Heart'" - a commitment to providing honest service.

We attach importance to the protection of consumers' rights and interests, and put an end to false marketing and consumer misunderstanding. In order to ensure that the direction and contents of marketing communication comply with the relevant laws and regulations, and meet the business needs at the same time, we have established policies and procedures for communication contents' preparation, distribution and review respectively, and defined that the brand marketing strategy committee as the authority for review and approval. As the ways of journalism and communication are constantly updating and changing, Geely Auto timely launched communication planning policies to address new media operation, media relations, and dealership management. We standardized marketing and public relations activities accordingly, to ensure that the communication contents did not contain false, misleading, fraudulent, unfair, unclear or vague information. Furthermore, the legal team of our sales function evaluated and reviewed whether important communication materials were exaggerated and in compliance with the advertising laws and regulations. For dealers' marketing and communication activities, we provided the dealers an exclusive platform to download marketing materials. Marketing materials could only be uploaded to this platform after being approved by the product team, the communication team, and the legal team of our sales function. We have also set requirements for the production of marketing materials, in order to standardize our marketing communication.

Before the purchase of our products, customers can make test drive appointment via service hotline, official website, Wechat official account, etc., and make reasonable consumption after sufficiently understand our products' performance and experience. After purchasing our products, our customers can quickly enquire the addresses and contacts of our dealers and after service providers via customer service hotline, our official website and WeChat official account. In addition, we publish information on vehicle maintenance regularly on our official website and WeChat official account, which help our customers to build up a good usage pattern and lengthen the lives of our products. Customers can also find the vehicle products' manual in WeChat official account for their quick reference.

In order to ensure the transparency of the cost on after-sale service, customers can enquire the recommended retail price of the spare parts used in after-sale service from our official website and thus, protect the consumer interest.

Geely Auto provides users with a 24-hour service hotline, more than 1,000 service stations, official websites, WeChat official account and other diversified service channels, providing customers with accurate product information and realizing a better use experience. During the Reporting Period, Geely Auto improved its 400 telephone call experience, making customer communication more convenient and intuitive. With the background of user demand research and industry benchmarking, Geely Auto has built 140 service demonstration stations all over the country. At the same time, in order to comprehensively improve the operation capability of service stations, Geely Auto has introduced a new AAA evaluation system. As of the end of the Reporting Period, Geely Auto had completed the construction of 110 demonstration stations, with an average AAA score of 88.0 points.



Based on the application of intelligent, digital and humanized technology, Zeekr brand launched Zeekr Care service brand to solve the service difficulties of pure electric mobility, and provide "intelligent, efficient and exclusive" services to customers. During the Reporting Period, Zeekr Care services covered 208 cities in 31 provinces.

Intelligent Service

Based on intelligent interconnection technology and big data application, the Zeekr Care Service System realizes intelligent control and pre-inspection, full service tracing and full transparency cars and intelligent diagnosis of car use problems.

Efficient Service

Based on over 300 high-quality service points distributed all over the country, "Zeekr Orange" team can achieve 24-hour quick response.

Exclusive Service

When users get into trouble outdoors, the Zeekr Care Service System will immediately start the distress companionship and rescue service, and provide 24-hour distress online companionship and two-car rescue service.

Customer Complaints

In order to protect the legitimate rights and interests of consumers, Geely Auto has established comprehensive customer complaint handling standards, processes and platform. The platform accepts users' inquiries and complaints 7x24 hours a day, which is convenient for users to provide feedback. Geely Auto has established the complaint handling standard of "2-hour response, 3-day resolved", quickly solving customers' inquiries and complaints and improving customer satisfaction.

Complaint Acceptance

Geely Auto collects the customer complaint information through multiple channels and multiple platforms such as Customer Calling Center (400 hotline) (24-hour answering), and brand public relations network monitoring, and distributes the customer complaint information to the dealer through Dealer Management System (DMS) for handling.

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.

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.

Complaint Handling Process

	Geely	Geometry	Lynk & Co
Total Number of Complaints	32,720	1,238	1,735
Handling Rate	100%	100%	100%

Review and Improvement

Review every complaint about service quality, maintenance quality and spare parts, analyze and clarify the root causes, and require the dealers to take preventive measures against the results of the review, and supervise the rectifications.

Assessment and Evaluation

If a dealer/service station bears responsibility in the service or maintenance process, the violation will be assessed according to the requirements, and the premium service reward fee of the corresponding project shall be cancelled.



6.3.2 Customer Satisfaction

Satisfying customers is our eternal pursuit. We always hope that our products and services can be fully recognized by our customers, so we constantly improve and continuously enhance customer satisfaction. Every year, Geely Auto conducts customer satisfaction survey through telephone, SMS and third-party evaluation center to fully understand the customers' satisfaction with products and services, and take targeted improvement measures.

After-sales Service Satisfaction of Geely Brand & Geometry Brand in 2021

Telephone Satisfaction (Score)		
2021 Target	2021 Result	2020 Result
92	93.17	92.80
SMS Satisfaction (Score)		
2021 Target	2021 Result	2020 Result
95	96.92	96.90

Emergency service for the affected users after the torrential rain in Henan Province

In July 2021, Zhengzhou and other cities in Henan province suffered from torrential rain, and 11 service stations in Zhengzhou were affected to varying degrees. Each service station organized self-help and resumed service immediately, and actively helped users rescue the affected vehicles. The after-sales service established Zhengzhou Disaster Emergency Support Team at once to coordinate technical personnel from manufacturing bases across the country to go to Zhengzhou to support the front line. As of the end of July 2021, more than 5,900 rescue messages had been received, more than 10,000 rescue personnel had been dispatched, and more than 5,300 flooded vehicles had been towed back in Zhengzhou.

The after-sales service of Lynk & Co implements an all-round customer satisfaction tracking and follow up system. The survey methods include telephone, Lynk & Co APP, WeChat, etc. During the Reporting Period, Lynk & Co successfully conducted follow up on more than 87,000 customers and its customer satisfaction score was 92.64.

During the Reporting Period, Geely brand ranked 21st among Chinese brands and Geely Binrui ranked 1st in the mid-size sedan segment market in J.D. Power's Automotive Performance, Execution and Layout (APEAL) which was based on customer experience. In Customer Satisfaction Index (CSI) of automobile after-sales service, Geely brand scored 770 points, ranking 3rd among mainstream brands and 1st among China domestic brands.

Overseas Customer Service

Geely Auto International's after sales service persists on customer-centric principle. We analyzed the highlights in various markets' CSI to optimize our customer satisfaction system and enhance our business policies, in order to continuously improve our customer satisfaction. In 2021, by cooperating with all the cooperative dealers around the world, Customer service satisfaction surveys were conducted from nine dimensions, such as service appointment, service facilities, staff attitude, service reception, service description, maintenance quality, spare parts availability, service delivery and service costs, through telephone follow up, email survey, etc. Satisfaction surveys have been conducted in a total of 14 overseas key markets including Saudi Arabia, Philippines and Kuwait, and the overall service satisfaction of each market was stable at over 93%.

6.3.3 Scrapping and Recycling of Products

We have established a recycling system for automobile products and new energy batteries, paying attention to the needs of users until the last stage in the product life cycle, and at the same time promoting the sustainable consumption concept, so as to contribute to the sustainable development of the environment and society. (Please refer to Chapter 3.2.5 "Vehicle Recycling System" in this Report for more details).





7

Business Partners

Geely Auto adheres to the principles of fair operation, mutual trust and interdependence and win-win cooperation to work with suppliers, dealers and other business partners, and to jointly build responsible and sustainable supply chain and sales & service system. Based on Geely Auto's own sustainability vision, we exert our industry influence to drive business partners to transform towards sustainability and continuously promote the collaborative development of the upstream and downstream of the automobile industry.

MATERIAL ISSUES

- Responsible Supply Chain
- Product Quality and Safety
- Compliance and Integrity



2021 Highlights

Supplier

Progress:

Management 70% Signing rate of the “Supplier Code of Conduct”

As at the end of the Reporting Period, we promoted 70% of the direct suppliers to sign the “Supplier Code of Conduct” which was issued in August 2021.



Formulated “Geely Supplier Confirmation Letter on Implementation of Sustainable Development”

The suppliers undertakes the sustainable development commitment at the same level, such as drawing up the roadmap for carbon reduction and tracking raw material with high risks such as cobalt, lithium and nickel.

24% suppliers completed Drive Sustainability SAQ

260 suppliers have submitted Drive Sustainability SAQ and formulated their own sustainable purchasing policies.

Anti-corruption training for suppliers with 1,920 hours

Anti-corruption and integrity training for suppliers reached 1,920 hours, with a coverage rate of 80%.

Future plan:

◎ Suppliers' ESG review

We will continue to expand the coverage ratio of suppliers' ESG review by using Drive sustainability SAQ and other similar tools, and at the same time, we will optimize the supplier management platform of Geely Auto to investigate the suppliers' sustainable development status through information collection.

◎ Supplier training

We will promote the training on the “Supplier Code of Conduct”, with 100% coverage rate of anti-corruption and integrity training.

◎ Tier-2 to Tier-N suppliers

We will attach particular importance to chip suppliers and other suppliers of high-risk raw material. We will gradually influence tier-2 and tier-N suppliers by on-site visit and review to improve the overall level of the supply chain.

Dealer

Progress:

management The coverage rate of dealer management system was 100%

In order to better protect the rights and interests of consumers and standardize the management of dealers, we have formulated and implemented the “Measures for the Management of Dealers’ Operations”, with the coverage of 100% dealers.

> 90% dealers covered by audits

We conducted daily audits and irregular flight audits on dealers. The audit coverage rate of dealers in China was 93.2%, and that of overseas distributors was 100%.

100% training coverage rate of dealers

We encouraged dealers to learn online, and Geely G School provided online training course. The coverage rate of compliance training reached 100%, and 100% overseas dealers participated in sustainable marketing related trainings.

Future plan:

◎ Audit of dealers

We will improve the audit coverage rate of dealers, provide support and assistance to the dealers with abnormal audit and optimize the rectification.

◎ Responsible Marketing

Prohibit false and misleading marketing, and guide the dealers to pass on a responsible consumption concept and purchase decision to consumers, so as to maintain a good market order.

Industrial

Collaboration

Progress:

The first Asian automotive group to join the IATF

We officially joined the International Automotive Task Force (IATF), becoming the only Asian automobile group with voting right.



> 130 standards with major involvement

We have joined in the National Technical Committee of Auto Standardization [TC114] and the National Information Security Standardisation Technical Committee of China [TC260], and have taken the lead in the formulation of more than 130 standards, with the content involving the methanol fuel vehicle and automobile information security.

Future plan:

◎ Participation in the formulation of international standards

We will continue to participate in the formulation of standards of local industry associations and technical exchange and will participate in the formulation of international standards together with International Automotive Group and automobile associations of various countries via our participation in IATF.

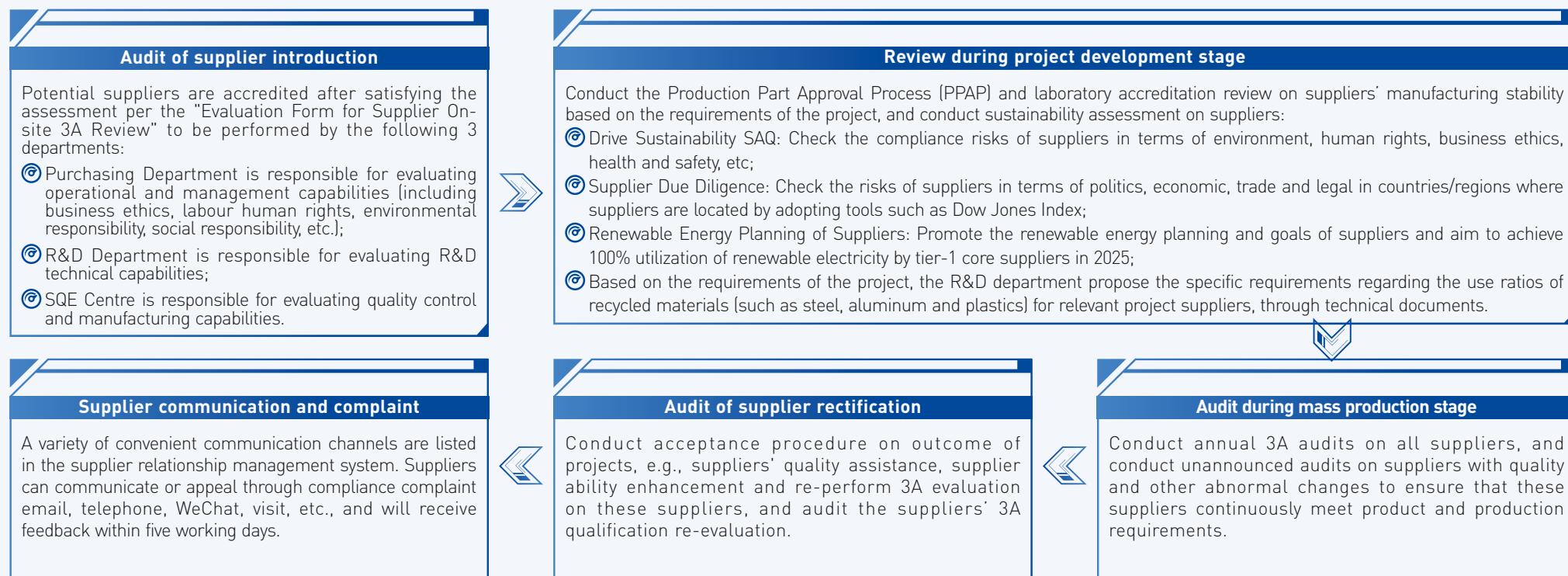


7.1 SUPPLY CHAIN MANAGEMENT

Supply chain management is an important part of the Group's sustainable development. We continue to improve the supplier life cycle management, and incorporate ESG into supply chain risk identification and daily 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.

In August 2021, we issued the "Geely Supplier Code of Conduct", which regulated the working environment and human rights, health and safety, business ethics, environmental protection, etc. As at the end of the Reporting Period, we promoted the direct suppliers' signing rate of the Geely Supplier Code of Conduct to reach 70% and will continued to promote the signing rate to cover 85% of direct suppliers in 2022. We also issued the "Geely Supplier Confirmation Letter on Implementation of Sustainable Development", explaining the specific requirements of the Group's sustainable development to suppliers and requiring them to confirm the implementation.

In terms of selection of new suppliers, the Group formed a multi-dimensional evaluation focusing on operation and management capabilities, R&D technical capabilities, quality control and manufacturing capabilities. This evaluation was implemented based on the "Management Measures for Procurement Pre-selection", the "Management Measures for Supplier Accreditation", the "Evaluation Form for Supplier Operation Management", the "Evaluation Form for Supplier On-site 3A Review"¹, etc. After the suppliers were selected, the Group required them to sign the "Purchase Contract", the "Non-Disclosure Agreement", the "Quality Agreement", the "Supplier Code of Conduct", subject to project requirement, the "Geely Supplier Confirmation Letter on Implementation of Sustainable Development", etc., and carried out the assessment according to the "Supplier Optimization Management Method", the "Supplier Performance Evaluation Management Method", etc. At the same time, we timely evaluated and updated various standards and policies to ensure that supplier management was consistent with the Group's development, industry leading standards as well as domestic and foreign policy changes.

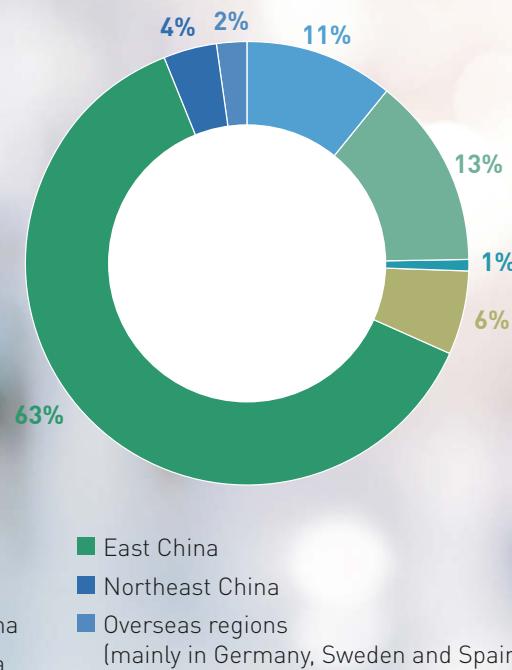


¹ 3A evaluation includes three modules: R&D quality evaluation, manufacturing quality evaluation, and management quality evaluation



In 2021, the Group added 20 new suppliers and purchased products and services from 1,099 suppliers. We actively promote local procurement and encourage suppliers to build factories locally, and give priority to the suppliers of heavy or bulky parts which produce nearby. During the Reporting Period, the proportion of procurement in East China increased, which further drove the development and employment of local suppliers, realized quick response to quality problems, and at the same time reduced the delivery risk caused by long-distance procurement and carbon emissions in the process of logistics and transportation. The proportion of overseas purchases declined overall, with overseas suppliers mainly concentrated in Sweden, Germany and Spain. Under the challenge of global COVID-19 pandemic prevention and control, national power rationing and dual control policy, our cross-regional supply chain could still maintain resilient and supported business development through early planning and risk management.

Proportion of Suppliers by Region



7.1.1 Supply Chain Risk Management

We continued to deepen the audit and management of tier-1 suppliers, and at the same time gradually influenced tier-2 to tier-N suppliers to improve the overall level of the supply chain. In 2021, the Group audited a total of 500 tier-1 suppliers and visited a number of tier-N suppliers such as sub-suppliers of chips and printed circuit boards (PCB), among which Zeekr audited 135 tier-2 suppliers, and conducted raw material audits on 2 tier-3 suppliers.

We used annual audit, unannounced audit, daily information summary, third-party tools and other means to dynamically identify suppliers' potential environmental, social and production delivery risks, etc. and formulated and implemented the "Risky Supplier Management Measures". SQE Centre, Purchasing Department, R&D Department, etc. investigated and managed the risks of supply stoppage and production stoppage directly or indirectly caused by the internal operation and management of suppliers, changes in external markets of suppliers, domestic policy regulation, international trade environment and natural disasters, etc., and gave priority to investigation of the suppliers that were in mass production, had high participation in supporting our products, had long development period, and were heavily invested by the Group. At the same time, the Group has established an escalated decision on early warning mechanism formed by the procurement department-level risks weekly meeting, the joint departments-level risks fortnightly meeting, the project selection meeting, and the supply chain system management committee, to respond to the risk changes in time.





Supplier Risk Management Process



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 of suppliers, fluctuation of Geely Auto's 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 supply stoppage and production stoppage caused by natural disasters, international trade environment and domestic 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.

For the high-risk material of automobile chips, we established a chip supply guarantee team to find suppliers able to deliver spot goods with reliable channels and controllable quality. We also established a direct communication channel with the direct chip supplier, strictly required and

checked the production dates and packaging of chips, ensured the transparency of information and controllable quality, and required the senior management of chip suppliers to participate in quality supervision and management.

To ensure the supply and delivery in extreme weather, the Group demanded to establish an early warning mechanism with suppliers and logistics providers in daily management, and smooth the information flow in the whole value chain of procurement, transportation, production and sales, and track the weather conditions involving outlets and transportation routes every day. In July 2021, Typhoon No.6 "In-Fa" landed in Zhoushan, Zhejiang Province. Geely Auto established an emergency leading group according to the requirements of the risk plan, to carry out the investigation and rectification of the potential safety hazards of anti-typhoon and flood control, and deploy the safe transfer of our vehicle products to minimize the losses caused by the typhoon.

Conflict Minerals

During the Reporting Period, we paid more attention to high-risk raw materials such as conflict minerals and strengthened procurement compliance management. Geely Auto adopted the Conflict Minerals Reporting Template developed by the Responsible Minerals Initiative to assess and check risks of suppliers and proposed relevant requirements in the supplier management system document. The "Geely Supplier Confirmation Letter on Implementation of Sustainable Development" clearly 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. The "Geely Supplier Code of Conduct" clearly stipulates that suppliers shall conduct due diligence on related minerals and metals in their supply chains, and Geely Auto shall, with the cooperation of suppliers, strive to ensure the transparency and traceability of the conflict mineral supply chains. In addition, Lynk & Co issued the "Chemical Restriction & 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.



7.1.2 ESG Management of Suppliers

We also actively integrate ESG into the daily management of suppliers. In 2021, the Group established the ESG working group of supply chain system, whose members were mainly in-charge personnel of Purchasing Department, SQE Centre, and Logistics and Spare Parts Centre. This working group is mainly responsible for studying ESG-related policy trends related to supply chain, formulating medium and long-term goals of supply chains, and regularly reporting to the ESG joint working group and seeking support. The Sustainability Committee under the Board is responsible for listening to the report of the ESG joint working group on relevant matters of ESG management of supply chains and carries out supervision.

We proactively choose environmentally and socially friendly suppliers. The social standard audit coverage rate of the suppliers newly added in 2021 was 100%, and the environmental standard audit coverage rate was 85%. At the same time, we continued to promote the suppliers to transform towards sustainable development, and worked with suppliers to jointly achieve sustainable development goals in business ethics, labor rights and interests, health and safety, environmental protection and climate change. During the Reporting Period, a total of 260 direct suppliers of the Group passed Drive Sustainability SAQ and formulated sustainable procurement policies.

Proportion of Suppliers Passing Management System Certification	
IATF 16949	99%
ISO 14001	82%
ISO 45001	48%

Our ESG requirements on suppliers²

Environment	Carbon emissions and climate change	<ul style="list-style-type: none"> ■ Suppliers need to formulate carbon emission targets and promotion carbon reduction in their operations and their own supply chain; ■ Provide necessary environmental data to Geely Auto.
	Use and recycling of resources	<ul style="list-style-type: none"> ■ Make plans and annual targets for improving energy efficiency and reducing water consumption; ■ Promote development of 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	<ul style="list-style-type: none"> ■ 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 (waste gas/wastewater/waste residue) 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ 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	<ul style="list-style-type: none"> ■ Referring OECD's mineral due diligence guide, 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 Geely Auto 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.

Meanwhile, "Geely Supplier Code of Conduct" stipulates formal communication and whistle-blowing channels and enables relevant persons including employees of suppliers to report suppliers' violation of the "Geely Supplier Code of Conduct" (including labour rights and interests).

² 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".



7.1.3 Supplier Capability Improvement

Geely Auto adopts a scientific and dynamic grading management system for suppliers, and adopts appropriate capacity improvement and management measures according to the grading of suppliers. Relying on Geely School, we established Supply Chain College, which is responsible for the introduction of quality management system, lean production and quality problem management. By locating supplier weaknesses, we carry out targeted promotion programs.

Supplier Grading and Corresponding Capacity Improvement Measures

Supplier Grading	Measures for Capacity Improvement and Management
Class I Suppliers	Indicator Control: Carry out quality collaboration, which is managed by suppliers independently
Class II Suppliers	Capacity Management: 3A capacity audit to enhance suppliers' awareness
Class III Suppliers	Key Improvement: Carry out supplier capability improvement items, which are jointly managed by both parties
Class IV Suppliers	Resident Assistance: Send lean experts to provide consultation and carry out intervention



The Group established the Supplier Capability Improvement System to conduct supplier capability improvement and assessment in terms of management quality, R&D quality and manufacturing quality. We provided training on quality assurance to all suppliers at least once a year. In 2021, Geely Auto continued to improve the supplier professional training and professional qualification accreditation program, with a total of 377 training hours, covering 339 tier-1 suppliers. According to the development nodes of each project, Zeekr has carried out trainings for the quality and capacity assurance at the initial stage and early stage of production, as well as for special processes, various car body parts, new energy and other modules, with a total of 94 training hours, covering 185 tier-1 suppliers and 14 tier-2 suppliers. Besides professional competence, we focused on labor rights protection and anti-commercial bribery in the supply chain, and provided targeted training courses for suppliers. In 2021, 80% of the Group's suppliers participated in anti-corruption training, with a total of 1,920 training hours.

During the Reporting Period, the Group launched and carried out the "Set sail" program for supplier empowerment monthly, and established a training project team with suppliers. Both parties jointly participated in the planning and organization of the whole training process, process management and effect acceptance from three aspects i.e. cultural value, system standardization and business consultation, helping suppliers to select and cultivate key talents. In 2021, we conducted the "Set sail" training for 9 strategic suppliers , with a total of 152 training hours, covering 1,036 person-times, and conducted special management training for quality talents with a total of 226 training hours, covering 2,286 person-times.

For Class III and IV suppliers with weak quality competitiveness, high cost advantage, and strong will for improvement, we continued to carry out supplier capability improvement projects, assist suppliers to identify where the problems are and the responsible units, and set improvement plan. We organized regular improvement meetings for suppliers every month and carried out special trainings. After the completion of the improvement project, the Group accepted and summarized the improvement effect of suppliers' capabilities by the 3A evaluation system, and re-examined suppliers' 3A qualifications to assess whether the suppliers have achieved the improvement target requirements.

During the Reporting Period, the Group carried out 15 suppliers' special capacity improvement projects, 5 suppliers' lean assistance projects and 5 suppliers' co-management resident projects, helping suppliers to identify 1,410 improvement items, with the completion rate of 100% on schedule.



7.2 Dealer Management

The dealer network of the Group covers 32 countries around the world, including 1,550 dealers and 16 Zeekr delivery centers in China. In overseas, there are 32 distributors, 237 sales and service outlets, and 7 Lynk & Co clubs, mainly located in countries in Europe, Southeast Asia and South America. The Group attaches great importance to dealer management and capability improvement, helps dealers to establish standardized management systems, and actively carries out multi-field marketing training programs, so as to improve dealers' service quality and ensure that consumers' rights and interests are fully protected.

7.2.1 Standardized Management of Dealers

To better protect the rights and interest of consumers and standardize the management of dealers, we carry out standardized management in terms of market discipline, genuine reimbursement, financial integrity, credibility to customer, compliance integrity, and other aspects in combination with the actual business situation, and implemented policies including "Measures for the Management of Dealers' Operation", "Measures for the Management of Dealer's Integrity Scores", etc. The coverage rate of the Group's dealer management system has reached 100%.

Percentage of dealers included in quality management system	100%
Perecentage of dealers covered by customer service quality standard documentation	100%
Percentage of dealers attending quality management seminars	100%

The Group issued the "Measures for the Verification of Dealers' Operational Performance", according to which the Group evaluates the dealers' operation efficiency in terms of operation results, operation process, and customer satisfaction. The Group performs the assessment mainly by combining on-site surveys and unannounced surveys. Outstanding dealers are commended while ineffective dealers are put under special management. We conduct daily audits and unscheduled unannounced audits on dealers, and continuously improve the operational management level of dealers. The audit coverage rate of dealers in China was 93.2%, and that of overseas distributors was 100%.

During the Reporting Period, the proportion of Chinese dealers with abnormal audit result was about 14%, of which 77% have completely rectified and 10% were terminated in cooperation. The proportion of overseas dealers with abnormal audit result was 6%, and the proportion of overseas dealers whose cooperation with us was terminated due to abnormal audit result was 3%.

7.2.2 Responsible Marketing

The Group is committed to working with dealers to maintain good market discipline and continuously improve consumers' experience in car shopping. We disclosed vehicle models and the respective manufacturer's suggested retail prices on our official websites to offer reasonable and transparent pricing information and products' detailed specifications for dealers and consumers. This information can avoid decision-making risks caused by asymmetric information between consumers and dealers and deliberate concealment by dealers, and support consumers in evaluating products and services and making appropriate choices. Moreover, we provided unified template of vehicle purchase agreement for the dealers' reference to avoid misleading or inaccurate explanation and protect consumers' rights and fairness.

At the same time, we also published the information (names, addresses, telephone numbers, etc.) of dealers providing test drive and recycling used batteries of new energy vehicles on the website to help consumers choosing the most suitable and convenient products and services. In terms of vehicle use risk, and disposal and recycling of scrapped vehicles, the Group required dealers to provide after-sales service information and access channels, such as user manuals, customer service care classes, power battery recycling service outlets, policies and subsidies related to scrapped vehicles upon delivery, to ensure users' safe use of vehicles and promote their responsible consumption.



7.2.3 Trainings for Dealers

The Group built a dealer talent management system covering four aspects, i.e. selection, education, promotion and retention, and continuously carried out various trainings for dealers, such as new vehicle product and regional key vehicle product training, sustainable marketing training and compliance training. In 2021, the training coverage rate of the Group's dealers was nearly 100%, and the training duration totaled 24,786 hours. Besides professional trainings, Geely G School provided online compliance and sustainable marketing related training courses, and encouraged dealers to learn online. The coverage rate of compliance training reached 100%, and 100% overseas dealers participated in sustainable marketing related trainings.

Through irregularly conducting training on product launching and sales skills for dealers, the Group provided guidance on ideas of sales and marketing, analyzed and summarized the common problems encountered in sales service, thereby constantly developing new ideas on our services.

Business Planning Elite Club

In order to better understand the market trend and customers' needs, the Group designed and operated the Business Planning Elite Club, continuously deepened the communication between Geely Auto brand and first-line dealers, and continuously ensured the improvement of dealers' capabilities. The club continued to carry out marketing such as studies on competing products, reputation maintenance, product research, exhibition layout and special research to assist dealers in responding quickly to customer needs. We set up elite classrooms to encourage excellent dealers to share the experience, and organized regular offline communication meetings between club members and our marketing staff to promote the mutual communication between the two parties and efficiently respond to market changes.



For the dealers affected by the catastrophic flood disaster in Henan Province, Geely Auto has issued a series of assistance policies since July 2021. In October 2021, Geely Auto issued the assistance policy for dealers in pandemic areas, and provided incentives and other benefits to dealers in high-risk pandemic areas defined by the National Health Commission.



7.3 Industrial Collaboration

Geely actively established an open industry ecology, led the development of the industry with advanced technology, actively participated in promoting industry exchanges, promoted the organic integration of enterprises, universities, research institutions and consumers, and built a platform for all parties in the industry to create exchanges and achieve win-win cooperation and resource sharing.

7.3.1 Leading the Construction of Industry Standards

As the leading automobile manufacturer in China, the Group keeps self-iteration and keeps the leading level in the industry. At the same time, the Group also actively participates in the formulation of national industry-related standards to promote the advancement in the industry. We have joined 22 sub-standard committees under the National Technical Committee of Auto Standardization (TC114) and 3 working groups under the National Information Security Standardisation Technical Committee of China (TC260), and have taken the lead in the formulation of 139 national, industry and group standards, including the "Determination of Volatile Organic Compounds and Aldehydes and Ketones in Nonmetallic Parts of Vehicles" (GB/T 39897-2021), the "Technical Specifications of Methanol Fuel Vehicle" (QC/T 1151-2021), the "Technical Specifications of Methanol Fuel Engine" (QC/T 1146-2021), the "Measurement Methods of Fuel Consumption for Methanol Vehicles" (QC/T 1130-2021), the "General Technical Requirements for Vehicle Cybersecurity" (GB/T 40861-2021), etc. In the future, we will continue to actively participate in the formulation of international quality standards, drive our own high-quality development with scientific and technological innovation, and promote the sustainable progress of China's automobile industry.

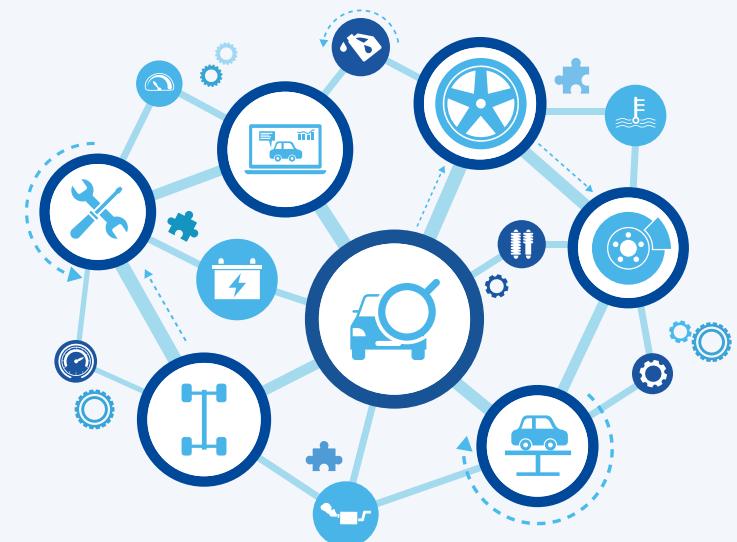
7.3.2 In-depth Industry Exchanges and Interactions

The Group actively exerted its influence, deeply participated in industry interaction, promoted the common development of the industry, and promoted industry communication and resource sharing. We have joined the China Automobile Producer Responsibility Organization (PRO), the China Association of Automobile Manufactures, provincial automobile industry associations, automobile parts industry associations and other industry organizations to learn and develop together with the industry. In April 2021, Geely Auto officially joined the International Automotive Task Force (IATF), becoming the only Asian automobile group with voting right.

Industry Associations Geely Auto Participates in and Its Roles

Association Name	Role
China Association for Quality	Director
China Association for Quality Inspection	Director
China Association for Consumer Products Quality and Safety Promotion	Vice President

We actively participate in industry activities. In 2021, we attended the 7th Automotive Advanced Manufacturing Technology Summit, the 4th Summit of MF Materials and Coatings Linkage and other industry exchange activities, conducted benchmarking exchanges with major domestic and international car companies, shared, discussed and exchanged advanced experience, technical achievements and applications in the industry, and actively promoted the development of intelligent manufacturing and digital transformation in the automobile industry.





In March 2021, we attended the 7th Automotive Advanced Manufacturing Technology Summit, sharing the experience of intelligent manufacturing and digital transformation in the automotive industry.



In April 2021, we joined forces with the Confederation of Chinese Metalforming Industry, Beijing Benz and Shougang Group to hold the Shougang Research Conference of Stamping Association in Beijing, and conducted in-depth exchanges and discussions on automobile steel plates and new materials.



In May 2021, we hosted the 2nd China Automobile Quality and Technology Conference, which attracted 293 units and 720 individuals to attend, and 18 academic authorities took part in speeches, establishing a high-quality platform for all parties in the industry to deeply exchange on digital transformation of automobile industry and improve product quality.



In June 2021, we attended the 4th MF Automotive Materials and Coating Technology Summit in Shanghai, shared the "Geely Film Pretreatment Recognition and Application Technology", and won the Best Organization Award.

8 Employee Rights

Geely Auto adheres to the talent concept of “Bringing respect, accomplishment and happiness to people”, and is committed to creating a fair, harmonious and inclusive working environment for employees. Meanwhile, our refined human resource system and “Talent Forest” Concept provide assurance on employee rights and interests, training and development, as well as health and safety. By attracting and retaining diversified talents, we can jointly contribute to achieving the sustainable development of Geely Auto.

IMPORTANT ISSUES

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



2021 Highlights

Employee Progress:

rights
and
interests



> 10,000 employees granted with share awards

Adopted restricted share incentive scheme for the first time and granted 167,022,000 Shares to the first batch of 10,884 employees, covering senior management, middle, entry-level and front-line skilled employees.



88.6% employee satisfaction rate

Remained at a high level as compared with previous years, and a brand-new online platform – "Echo Community" was launched to resolve and respond to the demands of employees

100% employees entitled to insurance benefits and other benefits

Signed labor agreements with 100% employees, provided social insurance including pension, medical, unemployment, work-related injury and maternity and provided holiday benefits, additional medical benefits and material benefits.

Future plan:

◎ "Geely Auto Common Prosperity Plan"

Further improved and implemented the family health insurance plan for all employees, the income growth plan for all employees, and the career promotion plan for all employees.

◎ Employee incentive

We will grant share awards every year according to the Company's performance indicators and individual performance appraisal, and qualified employees have equal opportunities to enjoy equity incentives. We will also explore various forms of incentive combinations to encourage and retain talents.

Employee Progress:

training and development

100% coverage rate in employee training

All employees took part in the trainings and were provided with diverse training courses on management cadres, skilled talents and professionals.

Average training hours of employees ↑ 21%

The average training hours of employees reached 77 hours, with an increase of 21% as compared with that of 2020 and investment in training exceeding RMB50 million.

Improving education qualification for 1,388 employees

We have carried out joint training projects with many well-known universities, and provided opportunities for continuing education and improving education qualification for 1,388 employees of the Group.



Future plan:

◎ Talent development

We continuously reviewed and improved the "Talent Forest" system, linked talent cultivation with business practice, and provide all employees with adequate and diverse training and development options.

Diversity Progress:

and
Equity



Proportion of female management ↑ 3%

The proportion of female employees increased by 2% and the proportion of newly employed female employees increased by 9%. We adopt equal pay for equal work for male and female employees.



2,549 ethnic minority employees

All discrimination is prohibited. We also provide equal employment opportunities to minorities and vulnerable groups and employ 2,549 ethnic minorities, 147 foreign employees and 2 disabled people.

100% collective contract signing rate

We support the four core principles of the International Labour Organization and the UN Global Compact, and also respect employees' freedom of association and collective bargaining rights.



Future plan:

◎ Female senior management

More resources and leadership development for female management, in order to enhance women's status in the workplace.

◎ Female employees

With the improvement of intelligent manufacturing level, the proportion of female employees in front-line skilled employees will be further increased.

Occupational Progress:

health and safety



100% employees were provided with health and safety training

We provided all employees with health and safety training and the coverage ratio of free annual physical examination reached 100%.

100% production plants obtained ISO 45001 certification

All production plants have completed the external certification of ISO 45001 occupational health and safety management system.

Lost days due to work injuries ↓ 88%

In 2021, there was no work-related fatalities or occupational disease cases.

Future plan:

◎ Comprehensively create a healthy enterprise

We will transform from "occupational disease prevention and treatment" to "health promotion for all employees".



Talent Forest Concept of Geely Auto

- Bring in high-caliber talents outside of Geely as "banyan trees" supporting the Geely Auto Talent Forest. Geely Auto provides a nourishing environment for these banyan trees to settle well in our forest;
- Cultivate young employees as talent saplings and let the banyan trees guide their growth. Then, they will grow into trees of different shapes and sizes, and form a talent forest of Geely Auto with strong vitality and ecological regulation function.

SEE Model:



The two concepts in the SEE model:

The first concept is looking in from the outside, we hope to attract the "big banyan trees" of the world by letting everyone see our nourishing corporate environment resulted from our successful development strategy and excellent corporate culture;

The second concept is looking out from the inside, we adopt the "internal talent cultivation" mechanism and competitive incentive systems to motivate vitality and creativity of employees, enabling internal "saplings" grow.

8.1 EMPLOYEE MANAGEMENT

With the attitude of "openness, equity, respect and inclusion", the Group promises to provide all employees with equal opportunities and a broad career development platform, so as to enhance employees' sense of belonging and enthusiasm and creativity, and then promote the Group to achieve sustainable development. Meanwhile, we continue to invest resources to absorb global talents with different backgrounds and support the development of employees, carry out cross-cultural communication and integration, and build a diversified talent team. We also made every effort to provide long-term employment opportunities for employees and local communities where we operate. As at the end of the Reporting Period, the Group had recruited 14,372 new employees. The total number of employees reached 44,157 with 37,299 full-time employees, accounting for more than 84%.

The Group strictly abides by related labor laws and regulations and corresponding practices applicable to the places where it operates, including the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Minors" and the "Provisions on the Prohibition of Using Child Labor" issued by the State Council. For all businesses of the Group, it is strictly forbidden to employ people under the age of 16 and forced labor. During the Reporting Period, we did not employ or use child labor or forced labor, nor did we violate laws and regulations related to employment, child labor and forced labor and internationally accepted labor standards.

The Group has established a human resources management system including employee recruitment, education and training, career development, performance appraisal, salary and welfare, etc. During the Reporting Period, we reviewed and revised the policies including the "Measures for the Management and Reward of Vocational Skills Competition" and the "Employee Performance Management System", and made every effort to build a fair, reasonable, highly efficient, motivational human resource management system that respects employees and ensures employees' rights and interests.

8.2 EMPLOYEES' RIGHTS AND BENEFITS

Geely Auto promises to comply with internationally accepted human rights and labor standards, and provide decent working conditions and social security for employees according to national regulations and local market conditions, including, but not limited to, wages, working hours, overtime payment, weekly rest time, holidays, paid vacation, health and safety, maternity protection, etc. During the Reporting Period, the Group signed labor agreements with 100% employees in accordance with laws and regulations, and paid social insurance premiums for 100% regular employees.

During the Reporting Period, we officially announced the "Geely Common Prosperity Initiatives", including a series of measures such as the income growth plan for all employees, the family health insurance plan for all employees and the career promotion plan for all employees, so as to further enhance all employees' dignity at work and cultivate their dedication to work, and realize the change from efficiency priority to fairness priority.





8.2.1 Salary and Performance Incentive

The Group implements 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 respecting labor efforts and achievements. During the Reporting Period, the Group implemented equal pay between male and female employees and the ratio of the standard starting salary of male and female employees to the local minimum wage are over 210%.

In 2021, on the one hand, we strengthened the analysis of the talent market and made two salary adjustments based on salary benchmarking, current salaries review and the Group's development needs, in order to attract and retain more talents. On the other hand, we revised the performance management system for all employees and improved the setting of performance pay and bonus incentive. Meanwhile, the Group provides employees with reasonable complaint feedback channels. If an employee has any doubt about the performance result, he/she can file a complaint with the Human Resources Department within two working days after the evaluation result is published, and the Human Resources Department is responsible for conducting investigation, coordination and putting forward suggestions.

The remuneration incentives of the Group cover all employees and different schemes were formulated based on different levels and functions:

- ⑤ **Incentives for operation units:** Various operations units set various goals based on their own operation results and value creation. Achievements in these goals are rewarded with incentives accordingly;
- ⑤ **Incentives for high-performance employees:** Employees creating more values and making more efforts are rewarded with better returns in the form of incentives, in order to boost the morale of employees and build a high-performing organization;
- ⑤ **Incentives for manufacturing workers:** Adopting incentives based on profit-sharing, special project achievement, specialized job position, and peak period retention, to formulate a remuneration mechanism optimized for manufacturing workers;
- ⑤ **Mid and long-term incentives for core talents:** Providing mid & long-term incentives for middle and senior executives as well as core employees to align corporate interests and personal interests which can attract and retain these talents;
- ⑤ **Benefits for employees on job rotation:** Providing multiple benefits including subsidies for job rotation, benefits for visiting relatives at hometown, relocation benefits to support our employees rotating to distant places and settling in their new positions.

During the Reporting Period, in accordance with the "Geely Common Prosperity Initiatives", the Group adopted a share award scheme to grant up to 350 million shares. All employees have equal opportunities to enjoy share incentives and qualified employees confirmed by the Board are entitled to the involvement. Every year, shares are awarded according to the Company's performance indicators (including but not limited to sales volume, market share and net profits) and individual performance appraisal of qualified employees. The purposes of such share award scheme were to: (i) provide qualified employees with the opportunity to obtain the ownership interests of the Company; (ii) encourage and retain talents to make contributions to the Group; and (iii) provide additional incentives for achieving performance targets to qualified employees, so as to achieve the goal of improving the Group's value and goals and enabling the interests of qualified employees align with the interests of the Company's shareholders through holding shares.

Upon adoption of such share award scheme, the Group has granted a total of 167,022,000 shares to 10,884 qualified employees, covering senior management, middle, entry-level and front-line skilled employees. In the future, we will establish business partnership mechanism and explore various forms of incentive combinations such as equity, options, income rights and bonuses according to different subsidiaries and business categories, so as to realize the income growth of all employees.

8.2.2 Employee Benefits

The Group is committed to providing more detailed services and guarantees for all employees and creating working conditions that balance work and life. We not only pay social insurance premiums including endowment insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance for all employees, but also constantly improve the welfare system on this basis. In addition, the labour union formulated the "Notice on Further Caring Work for Retired Employees" for retired employees, which provided additional benefits for retired employees other than endowment insurance and pension.

During the Reporting Period, in addition to continuing to provide regular benefits such as quarterly benefits, holiday benefits, birthday benefits, and free medical examination, "Geely Common Prosperity Initiatives" also brought in the family health insurance plan, providing health insurance plan for all employees and their immediate relatives. Meanwhile, we have launched the "Timely Speaking" personnel consultation platform, opened a hotline and 24-hour online customer service, providing all employees with timely consultation on social insurance, welfare policies, commercial insurance, holidays and other personnel matters.



Holiday Benefits: We provided annual leave, sick leave, parental leave, marriage leave, bereavement leave, etc. in strict accordance with national regulations. We respected the reproductive rights of female employees and provide them with parental leave. During the Reporting Period, the employees' return rate after parental leave reached 100%, and the retention rate reached 100%.

Medical Benefits: We provided annual free medical examination service for employees, and employees' families could enjoy medical examination discount service. We continued to improve the employee health management platform - "Geely Great Health" and provided medical examination report interpretation, medical consultation and medical health seminars, etc.

Insurance Benefits: We started the family health insurance plan for all employees, which provided all employees and their immediate family members with all-round commercial insurance coverage, including death from accident/illness, serious illness, emergency treatment, etc. In 2021, we added medical insurance for women's maternity and purchased supplementary medical insurance for employees who have worked for one year and their families to help employees and their families avoid or reduce the economic and mental stress and risks caused by accidents and diseases.

Material Benefits: We improved the "Geely Goods" online employee welfare shopping mall, and continued to carry out a series of projects such as employee birthday "Gift Angels" 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 employee care system throughout the employee's life cycle in terms of onboarding, making friends, marriage, childbirth, childcare and children's enrollment in schools, accommodation, training, career development, risk protection, holiday celebration, social responsibility, 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 militaries and their families, graduates from abroad, volunteers, model employees, spouses of employees who passed away during employment, etc.

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.



"6.26" Employee Care Day



Human Resources Service Day: Answering Questions about Personnel Benefits for Employees



Employee Health Day: Providing Traditional Chinese Medical Physiotherapy and On-site Health Consultation



8.3 DIVERSITY AND EQUITY

The Group firmly believes that diverse employees and their viewpoints will help us to maintain innovation and achieve long-term success. We continue to build a “dare to do” culture, encourage employees to express their views more confidently and actively, actively participate in the co-construction and co-creation of the Group’s development. We promise to provide equal opportunities to all employees, and form a diversified working environment that respects different opinions, viewpoints and beliefs by actively promoting the diversity of employees. In addition, we express our emphasis and management requirements on the human rights, anti-discrimination and anti-harassment of employees and business partners in the “Code of Business Conduct” and the “Code of Supplier Conduct” publicly disclosed by us and provided relevant consultation and whistle-blowing ways. The Compliance Department is responsible for handling the whistle-blowing cases.



8.3.1 Protection of Human Rights

The Group strictly complies with the laws and regulations of the places where the Group operates, and internationally accepted human rights and labor standards. We support the four core principles of the International Labour Organization, including freedom of association and effective recognition of the right to collective bargaining, elimination of all forms of forced and compulsory labor, effective abolition of child labor, and elimination of discrimination in employment and occupation. 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. Meanwhile, 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. 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, we emphasized respect for every employee and providing a fair development platform for all employees in labor documents and various employee notices. The Group did not receive any complaint or whistle-blowing regarding violation of basic human rights and civil rights 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.

8.3.2 Anti-discrimination and Anti-harassment

With the attitude of “openness, equity, respect and inclusion”, the Group explicitly opposes all forms of discrimination in the “Recruitment Management System” and the “Code of Business Conduct”, and is committed to maintaining an equitable and non-discriminatory working environment. In the recruitment process and daily staff management, we prohibit any discrimination on age, gender, origin, nationality, race, color, religious belief, sexual orientation, disability, etc., and do not take social characteristics unrelated to work as the evaluation basis. During the Reporting Period, the Group did not receive any compliant or whistle-blowing regarding above-mentioned aspects. 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 2 disabled people and 2,549 ethnic minorities.

Meanwhile, 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. 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.



8.3.3 Diversity Management

The Group is committed to creating a diverse working environment that respects different opinions, viewpoints and beliefs. We believe diversified team can bring in benefits including innovative and different viewpoints, more effective team cooperation and better understanding of requests of different stakeholders. We integrate the philosophy of diversity into human resource management, carry out cross-cultural communication and integration according to local conditions, and constantly enhance the diversified understanding of employees in terms of gender, cultural background, age, experience, etc.

At the end of 2021, female employees of the Group accounted for 16%, representing an increase of 2% as compared with the end of last year. The Group is transforming from a traditional manufacturing enterprise to a technological mobility enterprise with more flexible diversity planning. During the Reporting Period, female employees in the newly hired employees accounted for 16%, up 9% as compared with 2020. We continued to take measures in terms of recruitment and talent cultivation to establish more diversified team and further expand the recruitment ratio of female employees in non-frontline production positions. In the future, we will increase investment in female managers, carry out a series of activities on female leadership, and strengthen the expression of diverse opinions in daily management. As at the end of the Reporting Period, the ratio of female employees in the senior management was 8%, representing an increase of 3% as compared with the end of 2020.

With the introduction of global talents, we formulated the "Management Regulations on Local Employment of Non-Chinese Employees" and other management standards to provide comprehensive assistance to non-Chinese employees in terms of housing, children's education, insurance, holidays, benefits for visiting relatives, etc. We respect the traditional festival culture, religions and customs of non-Chinese employees, and also hold various cultural activities to help non-Chinese employees understand Geely Auto's culture, integrate into local work and life, and continuously improve their sense of belonging and satisfaction. As at the end of the Reporting Period, the Group had employed 147 non-Chinese employees.



8.3.4 Democratic Communication

The Group respects employees' freedom of association and collective bargaining rights, maintains the four core principles of the International Labour Organization, steadily promotes democratic management, and gradually forms a democratic management system with Employees' Representatives Conference as the main body. 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 the "Regulations of Employees' Representatives Conference", the "Detailed Rules for Implementation of the "Regulations of Employees' Representatives Conference" and the "Framework Measures for Collective Consultation Work" to strengthen the system construction of the employees' representatives conference and provide a strong institutional basis for employees to exercise their democratic power. Meanwhile, in order to establish and improve the democratic management system, we have successively issued a number of documents, such as the "Collective Contract", the "Wage Agreement", the "Special Agreement on Protection of the Rights and Interests of Female Employees", and the "Special Collective Contract for Labour Safety and Health", and signed relevant collective contract documents with all employees. As at the end of the Reporting Period, 100% of the employees of the Group participated in the labour union, and the coverage rate of collective contract signing reached 100%.

Collective negotiation to protect employees' rights and interests

In August 2021, the Group planned to revise the relevant employee policies such as attendance and labor discipline, and invited the members of the labour union and employee representatives to discuss and solicit opinions, and finally adopted the relevant rationalization proposals after fully communicating with each other. Geely Auto realized that the benign negotiation with the labour union not only safeguarded the rights, interests and powers of employees, but also had a positive impact on our policy formulation, solution seeking, management reform and other aspects, contributing to the establishment of a good relationship between us and 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 launched a new 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. During the Reporting Period, "Echo Community" received a total of 6,274 valid problem posts, and 6,119 problems have been solved, with an overall response rate of 97.5%, effectively responding to various problems and concerns encountered by employees in their daily work.



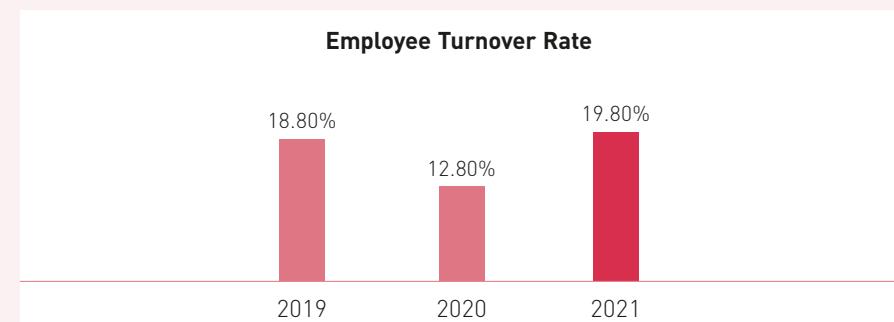
"Echo Community" invited the chairman and vice chairman of the Board of Directors, executive directors and the management of the Company to personally answer questions raised by employees

8.3.5 Employee Satisfaction

The Group has cooperated with consulting organizations to carry out employee efficiency surveys for seven consecutive years, aiming at using scientific methodology to understand employees' satisfaction with the Group's operation and management activities in all dimensions, enabling management upgrading and improving organizational efficiency. The result of employee satisfaction survey in 2021 was 88.6%, remaining at a high level as compared with previous years. We compared the 2020 efficiency survey data, carried out qualitative and quantitative analysis, output a survey report, worked together to form an action plan, and reported the survey results to the management 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, Geely won the "Best Employer Brand of China's Top Companies in 2021" granted by LinkedIn, the "Extraordinary Employer in 2021" granted by Liepin, the "Best Employer in China at the End of 2021" and the "Most Intellectual Spirit Employer" granted by Zhaopin, and other awards.

As at the end of the Reporting Period, the Group had no major retrenchment or employee strike of any kind, the employee turnover rate was 19.8%, and the ratio of the re-employed employees in the newly employed employees was 24%.



Note: the employee turnover rate included employees rotated to Geely Holding Group and its other business as a result of organizational structure adjustment.



8.4 EMPLOYEE TRAINING AND DEVELOPMENT

Geely Auto provides skills development, trainings and corresponding career development opportunities to all employees (including part-time or temporary employees and outsourced personnel) with different experience in accordance with the principle of equity and non-discrimination. The Group continuously improves the "Talent Forest" system, links talent cultivation with business practice, and continues to provide all employees with adequate and diverse training and development options, so as to ensure that employees are able to meet new challenges in the background of rapid industry development, and then to realize the synchronous improvement of employee ability development and organizational effectiveness. Meanwhile, Geely Auto has also established the required talent pool based on the needs of the Group's strategic development.

8.4.1 Employee Trainings

Geely Auto School is the carrier of the Group's employee trainings, providing rich management, professional and skill training resources for all employees. For management cadres, skilled talents and professionals, we formulate flexible and diverse training policies according to their actual work experience and post levels, and empower them at different career stages.

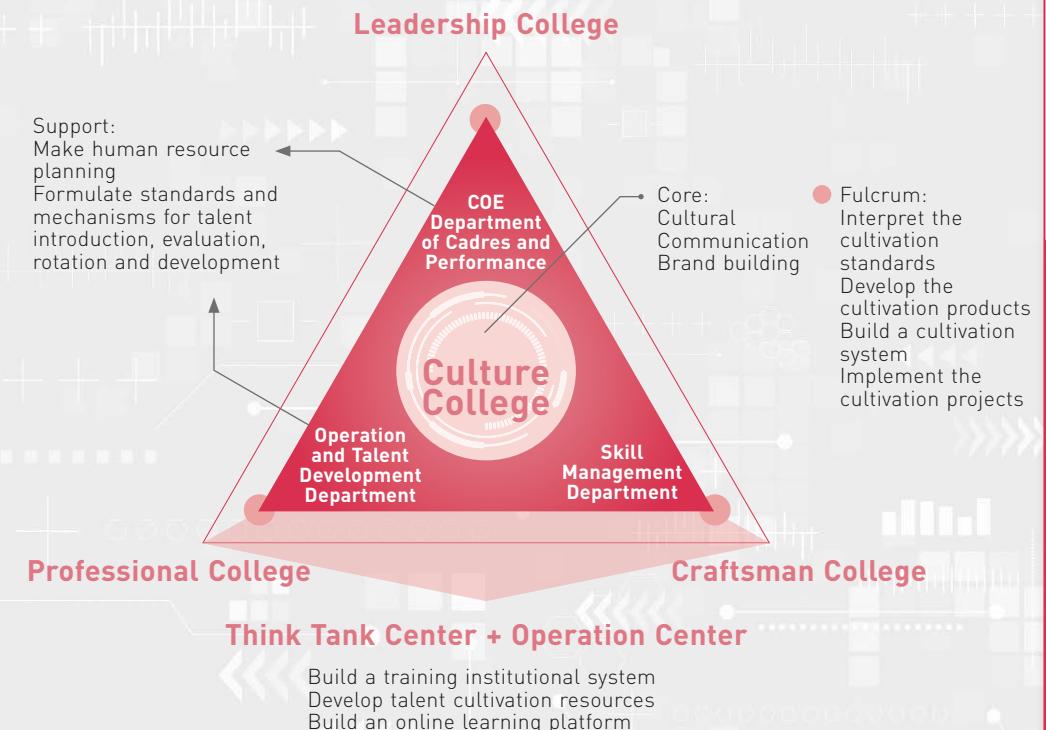
In addition, we have designed different onboarding programs for new experienced hires, new graduates, new executives, namely "Dream Chaser", "Project Reservoir", and "Turnaround" respectively, including four training stages: orientation, online learning of compulsory courses, skill improvement, on-job mentoring and assessments. We have also set up personalized learning plans for new employees from the modules of culture, literacy and specialty to help them integrate into the corporate culture, improve their professional literacy and be competent for their jobs.



Geely Auto School empowers talents

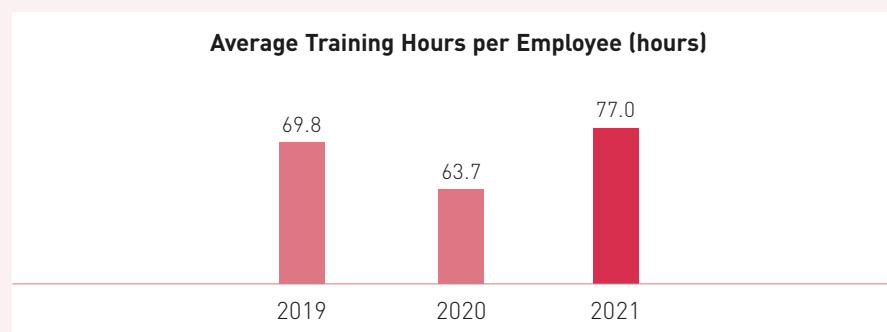
Geely Auto School takes cultural communication and brand building as its core, the Leadership College, the Professional College and the Craftsman College as its fulcrum, and human resource planning and human resource management as its support, and is committed to systematically developing and operating talent products within the Company to meet the diverse needs of all employees.

Structure of Geely Auto School





During the Reporting Period, we launched the career promotion plan for all employees, and set up an education and training system for all employees in the full career cycle. With a combination of online and offline trainings, the Geely's internal e-learning platform is open to all employees, breaking the limitation of training time and space, meeting the diverse and interdisciplinary learning needs of employees, and setting up corresponding compulsory courses for each employee. As at the end of the Reporting Period, the coverage rate of employee training reached 100%, and the average training hours of each employee reached 76.95 hours, representing an increase of 20.80% as compared with that of 2020, with a total training investment of RMB53.83 million.



8.4.2 Employee Development

During the Reporting Period, the Group assessed all employees in target management, and adopted multi-dimensional performance appraisal methods according to their different job levels, job posts, inter-departmental cooperation, etc., so as to evaluate employees at all levels in a more comprehensive and objective way and lay the foundation for building a fair and smooth career development channel.

Geely Auto provides employees with three major career development paths, namely, the management path, the professional path, and the skill path, and organizes three corresponding evaluation systems on an annual basis, including executives' reporting on their work performance, professional qualification evaluation, and star rating for skilled employees respectively. Meanwhile, the Group is committed to creating conditions to promote communication and linkage among various business departments, so as to cultivate compound talents in the automotive industry. Therefore, we encourage employees to rotate jobs internally and formulate rotation mechanisms to provide employees with corresponding salary and welfare protection and promotion opportunities.

8.4.3 Reserve High-level Talents in the Industry

In order to nurture practical high-level talents, we have actively linked universities, colleges and institutions to introduce university teachers and students to join the Geely Talent Forest Ecosystem, and cultivated and applied compound future talents for the industry as a whole. Relying on Zhejiang Automotive Engineering Institute, we have carried out joint training projects with many well-known universities in China, opened up the curriculum system of enterprises and universities, and successively provided opportunities for continuing education and academic upgrading for 1,388 employees of the Group.

Skill talent development path-Star development evaluation

Geely Auto attaches great importance to the development of professional and skilled talents. By taking "basic professional ability, core post ability, comprehensive ability and job performance evaluation" as the core, and combining with the characteristics of the automobile industry, we have formulated a seven-star path evaluation mechanism for skilled talents. At the same time, we established a skill master studio. In 2021, we optimized the evaluation criteria of one-star employees and two-star employees, and canceled the setting of professional length of service, so that new employees can achieve rapid development on the seven-star path of skilled talents after induction into their jobs, and increase the income of new employees. During the Reporting Period, 1,657 skilled craftsmen were trained through the internal skill competition.





8.5 OCCUPATIONAL HEALTH AND SAFETY

The Group is committed to providing a safe and healthy working environment for its employees, and we provide equal health and safety protection for employees including part-time workers, temporary workers and outsourced workers. We strictly comply with the laws and regulations relevant to occupational health and safety, including the "Safety Production Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" and the "Fire Prevention Law of the People's Republic of China", regularly identify and update, and carry out applicability evaluation and conformity evaluation to continuously improve the occupational health and safety management system. For the management means, equipment and facilities that may not meet the specification requirements, we will immediately carry out the health and safety risk analysis, formulate a rectification plan and follow up the implementation of the rectification plan, so as to ensure the safe production management of Geely Auto in compliance with laws and regulations.

Achieved Safety Indicators for 2021

Death accidents: <0.035%
Serious injury accidents: <0.2%
Minor injury accidents: <3%
General and above fire accidents: 0.05‰

Completion rate of hidden hazard rectification: >98.5%

During the Reporting Period, we further strengthened safety risk identification and hidden hazard investigation with the help of informatization tools, and revised the "Accident Reporting, Investigation and Handling Procedures" to strengthen the control of accident indicators. All accident indicators, hidden hazard rectification and health, safety and environment (HSE) evaluation have reached the established annual safety goals. As at the end of the Reporting Period, there had been no death accidents due to work-related injuries in all production plants.

8.5.1 Structure and System

The Group 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 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.

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. During the Reporting Period, all production plants of the Group have completed the development of ISO 45001 occupational health and safety management system and passed the third-party certification.

The 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.

The 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", etc.



The occupational health and safety system applied to all employees (including part-time or temporary employees and outsourced personnel). The Group timely reviews and revises the occupational health and work safety policies, so as to ensure the continuous standardization of work safety and the protection of employees' occupational health with high standards. At the same time, we formulated and optimized the "HSE Management System Evaluation Specification" to evaluate the occupational health and safety performance of each production plant, and established a professional HSE audit team. According to its own process characteristics, each production plant has established a HSE management system applicable to itself, and the Work Safety Committee regularly organizes special safety inspections to implement safety management.

8.5.2 Safety Management

Risk Identification

We attach great importance to the risk identification and hidden hazard investigation of work safety. In 2021, as the new "Work Safety Law" officially came into effect, we re-formulated the "Hazard Identification and Risk Assessment Control Procedure", further defined the processes of occupational health and safety hazard identification, risk assessment and control measures formulation, and updated such processes in the HSE information system, where thousands of risk points and hazard sources have been recorded. At the same time, we have incorporated the regulations on the type, cycle, rectification tracking, statistical analysis and other matters of hidden hazard inspection in the "Management Procedure for Hidden Hazard Investigation and Governance" into the HSE information system. During the Reporting Period, the Work Safety Committee of the Group organized and formulated the "Safety and Environmental Protection Inspection Standards", unified the safety inspection standards of the Group's equipment and facilities, and effectively improved the ability of each unit to investigate the hidden hazards of various equipment and facilities.

Safety Supervision

At the same time, the Group actively carried out internal and external reviews of work safety, and comprehensively investigated the potential risks in the process of work safety. During the Reporting Period, 100% of the Group's production plants each carried out at least one comprehensive health and safety risk assessment, and the total number of hazard identification, risk assessment and accident investigation was 36. Through timely identification of hidden hazard and effective control, the completion rate of rectification reached 99.3%. At the same time, we organized the safety production accidents into case sets on a quarterly basis and display them in the factory area, so that all staff can pay attention to and summarize and reflect on the safety problems in the work process and ensured that all employees abided by security affairs and correct operation procedures.

To cope with the potential hazards caused by natural disasters and extreme weather in summer to work safety, the Group urged all units to carry out special inspections on gas safety, electrical equipment, chemicals and typhoon prevention and flood control, and found and investigated 735 hidden hazards.

Emergency Management

The Group organized all production plant units to establish a three-level safety emergency mechanism of "company-level, department-level, and team-level", established emergency groups at all levels, formulated emergency plans, organized emergency exercises regularly every year, and maintained emergency response capabilities.

Safety Awareness Training and Popularization

The Group regards the development of work safety culture as the key work of work safety management, and continuously carries out a series of activities of "Work Safety Month" to strengthen safety awareness and improve safety skills from the aspects of atmosphere creation, training and education, hidden hazard investigation and emergency exercises. We carried out safety awareness trainings for all employees, and carried out various publicity activities of work safety characteristics such as "Safety SHOW" micro-video contest and safety professional skill contest. A total of 95 micro-videos were collected, and 30 excellent works were displayed through the Geely's internal e-learning platform.



Normalized management of fire safety

The Group pays great attention to fire safety management, and regularly conducts the "Fire Safety Month" activity every year. During the activity period of this year, we carried out fire emergency exercise, hidden hazard investigation and rectification, regular fire safety meetings, weekly answers, group fire business skill contest, etc. to comprehensively improve the fire safety management capabilities and the fire safety awareness of all employees. At the same time, we reported the fire management situation of each unit every month through the Group's HSE information management platform to promote the continuous improvement of fire management level.



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.

Indicators	2019	2020	2021
Number of safety accidents (number)	13	15	22
Number of work-related fatalities (person)	0	1	0
Ratio of work-related fatalities (%)	0	0.026	0
Lost days due to work injuries (day)	336	6,773	786
Rate of severe injuries (%)	0	0	0.056
Rate of minor injuries (%)	0.20	0.36	0.31
Number of occupational disease cases (number)	0	0	0
Rate of occupational diseases (%)	0	0	0
Rate of occupational diseases (%)	0.22	0.39	0.36
Rate of absenteeism (%)	0.044	0.71	0.056
Financial loss caused by accident (RMB10,000)	11.60	237.88	32.51

8.5.3 Occupational Health

The Group provides free annual physical examination for all employees every year, and has established a complete management system for employees' occupational health, which implements the requirement of "one person, one file" for occupational health. We also attach importance to training all employees on occupational health and safety. During the Reporting Period, the proportion of employees who received this training reached 100% and accumulative hours reached 663,205. 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. To ensure that employees always comply with the requirements of safety practices and correct operating procedures, we required all operators involved in occupational disease hazard factors to receive special trainings and examinations, and the pass rate of examinations was 98.4%.

In the future, the Group will speed up the transformation from "occupational disease prevention and treatment" to "health promotion for all employees", aiming at improving the health of all employees, and comprehensively creating a healthy enterprise.

Six Measures for Occupational Disease Prevention and Treatment

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.





8.5.4 Normalized Management of COVID-19 Pandemic

In view of the continuous rebound of the COVID-19 pandemic, the Group established a pandemic prevention team, formulated an emergency plan for pandemic prevention, and formulated a normalized management mechanism that was coordinated by the Group and independently carried out by subsidiaries, so as to fully protect the health of employees and the normal and orderly operation of the Company. During the Reporting Period, according to the development trend of the COVID-19 pandemic and the implementation of COVID-19 pandemic prevention and control, we conducted timely reviews, held 4 special communication meetings on pandemic prevention, and issued 7 guiding documents to ensure the applicability of management measures. At the same time, we actively prepared pandemic prevention materials, sterilized high-risk key materials, organized vaccination work, implemented joint check of health code and travel code, checked the temperature of employees, and carried out pandemic prevention publicity and education through multiple channels to fully implement the normalized management of the COVID-19 pandemic prevention and control.

During the Spring Festival of 2021, in order to cope with the obvious increase of the import and aggregation risks caused by the large-scale staff turnover, we required all employees to sign the pandemic prevention commitment letters, and through the development of pandemic prevention information completion and reporting platform, required all employees to report the information of returning home and returning to work regularly, so that the Group could grasp the pandemic-related situation of employees' travel in time. We purchased more than 63,000 pandemic prevention gift packages for all employees to ensure the health and safety of all employees during the Spring Festival holiday.



Disinfection and Sterilization in Factory



Check the Health Code and Measure Body Temperature when Entering and Leaving the Workshop



Organize Employees to Receive Vaccination



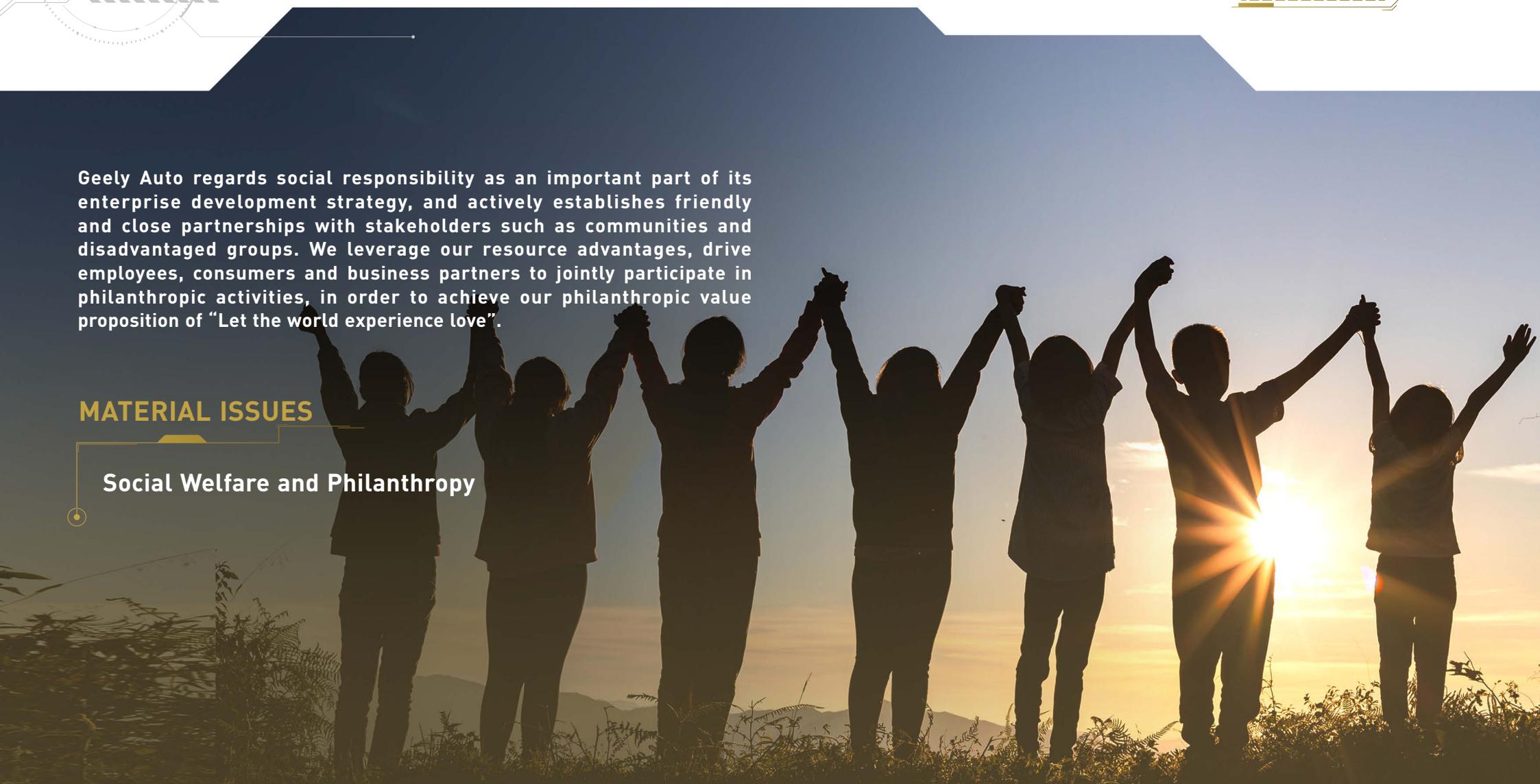
9

Community and Philanthropy

Geely Auto regards social responsibility as an important part of its enterprise development strategy, and actively establishes friendly and close partnerships with stakeholders such as communities and disadvantaged groups. We leverage our resource advantages, drive employees, consumers and business partners to jointly participate in philanthropic activities, in order to achieve our philanthropic value proposition of “Let the world experience love”.

MATERIAL ISSUES

Social Welfare and Philanthropy





2021 Highlights

Education Equity



Progress:

8 consecutive years in "Green Running Tracks" charity project

"Green Running Tracks" charity project upgraded to "Dream Green Running Tracks" to extend education relief from sports to other education areas, and provide more comprehensive support in education.

Approximately 30,000 rural students helped

Cooperated with "Li Shufu Charity Foundation", "Nanjing Amity Foundation" and local government, to organize charity projects covering 52 schools in Qinghai, Guizhou and Sichuan provinces, and helped about 30,000 rural students.

> 600 teenagers participated in "Yi Learning Programming Action"

Lynk & Co and others jointly launched "Yi Learning Programming Action" to provide education in programming to rural students and has covered more than 600 teenagers in 20 schools.



Future plan:

◎ Promote education equity in underdeveloped areas

Continue helping the schools and teachers in underdeveloped areas to improve their education resources and technical skills, resulting in more rural teenagers receiving fair education.

Environmental Protection



Progress:

"Blue Guardian" global marine charity project

Zeekr and Geespace initiated "Blue Guardian", a global marine protection charity project leveraging self-developed satellite technology to assist local government in monitoring marine garbage and incidents.



> 100 million pageviews for "Good Sea with You"

Zeekr launched the "Good Sea with You" charity project which drew the attention of all walks of life on marine protection, and attracted a large number of Zeekr users to share their environmental protection stories. This post in Weibo has generated >100 million pageviews with >200,000 discussions.

Future plan:

◎ Marine protection

Zeekr has established an environmental protection fund of RMB1 million under the China Environmental Protection Foundation, and will cooperate with the Blue Ribbon Ocean Conservation Association to organize various marine protection activities in Henan, Shandong, Zhejiang, Guangdong provinces of China.

Public Health



Progress:

>10 cities of Asian Games cultural promotion

Organized "Asian Games 10 Cities Tour with Geely" with 19th Hangzhou Asian Games Organization Committee, and promoted Asian Games culture in 10 cities in 2021.

Future plan:

◎ Healthy life

We will expand the promotion of "Sports + Charity" combination from our employees to our customers, business partners and the public.

Community Development

Progress:

1,806 hours community voluntary services

455 employees participated in community voluntary service for 1,806 hours.



11 consecutive years in non-remunerated blood donation

Our employees participated in non-remunerated blood donation for 11 consecutive years, with a total blood donation of 31,320 ml in 2021.

Sponsored non-profit arts development

We sponsored the Hong Kong Philharmonic Orchestra to support the development of music and art and enriching the cultural life of local citizens.



Future plan:

◎ Integration into communities

We advocate the integration of enterprise development into communities, and will communicate with communities in a timely manner, and lead employees and business partners to participate in community construction.

Disaster Relief



Progress:

RMB40 million in emergency relief

"Li Shufu Charity Foundation" donated RMB40 million in emergency relief through Li Shufu Public Welfare Foundation, which was used for flood relief and post-disaster reconstruction in many areas in Henan and Jinzhong, Shanxi.



Charitable donation of RMB49.94 million

"Li Shufu Charity Foundation" donated a total fund of RMB49.94 million for 34 charity projects, such as targeted education relief, Geely Children's Education Fund, college equipment donation, and donation of pandemic prevention and control materials.

Future plan:

◎ Disaster relief and help the disadvantaged

We will respond to the call of the government, society and community in a timely manner, and promote education relief and rural revitalization.



The Group shares the social responsibility ideal and system of Geely Holding Group:

Four Principles:

- ① Solving real social problems
- ② Achieving community integration
- ③ Promoting stakeholders' in-depth participation
- ④ Exploring sustainable philanthropic model



We share the same ideal and system of social responsibility of Geely Holding Group, and participate in the related philanthropic activities. 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 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.

Based on our social responsibility system and opinions from the above stakeholders, we conduct philanthropic activities in five fields including education equity, environmental protection, public health, community development and disaster relief.

9.1 EDUCATION EQUITY

Continuing the philanthropic ideal of "Let the world experience love", we deeply cultivate the philanthropic activities of youth education. We pay attention to and promote the circulation of high-quality educational resources to underdeveloped areas, improve the quality of local primary and secondary education, and strive to promote education equity. We have carried out the "Green Running Tracks" rural youth sports dream plan for eighth consecutive year. In 2021, the "Green Running Tracks" project was further upgraded to become "Dream Green Running Tracks", a charity platform for teenagers to build their dreams, which provided more comprehensive education support through extension of scope from sports to programming and others. In this year, we joined hands with the fitness software KEEP again to launch the activity of "Dream Green Running Tracks Online". Every 10,000 online participants helped a rural teenager to have the opportunity to watch the 19th Asian Games in Hangzhou.

At the same time, Lynk & Co introduced "Yi Learning Programming Action", which extended our focus to provide programming enlightenment education for school-age rural teenagers, and helped to cultivate future talents in digital villages. In 2021, the project covered a total of 52 primary and secondary schools in Qinghai, Guizhou and Sichuan provinces, and helped about 30,000 rural students.

Lynk & Co "Yi Learning Programming Action"

In March 2021, Lynk & Co, together with the China Internet Development Foundation, Zhongke Innovation Education, Codemao and other organizations, officially launched the "Yi Learning Programming Action", promoting the application of new Internet technologies such as big data, virtual reality and artificial intelligence in primary and secondary 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.

From July to August 2021, the "Yi Learning Programming Action" carried out research and training activities for 30 middle school IT teacher representatives from 26 counties in mountainous areas of Zhejiang Province, to improve the quality of rural IT education.

Lynk & Co, together with the China Internet Development Foundation and the AiHuiShou Platform, jointly launched the "Hardware Recycling Plan", which attracted more than 10,000 people's attention. Through this plan, the idle waste electronic equipment were recycled and tested for programming learning in Xichang Luyin School, and solved the problem of lack of online learning equipment for students in remote areas.

In October 2021, Lynk & Co joined the "Dream Green Running Tracks" project, and established pilot "Yi Learning Programming Action" in Zhaohua District Experimental Primary School and Chaotian District Zengjia Town Primary School in Guangyuan, Sichuan Province, bringing advanced animation programming courses and hardware facilities to rural schools. In addition, teachers were dispatched to conduct offline short-term teaching, helping to improve the quality of rural schools' teachers and their hardware resources. These obtained good feedback from teachers, students and local government. It is planned to continue to expand to more people through pilot schools.



Online programming class in Guangyuan, Sichuan



Training of information technology teachers in mountainous areas



9.2 ENVIRONMENTAL PROTECTION

70% of the Earth's area is covered by the ocean, and the abundant mineral and biological resources in the ocean are the basis for human sustainable development. However, since the industrial revolution, marine pollution incidents caused by human activities such as improper discharge of domestic sewage, oil leakage, and increase of floating objects in marine garbage have emerged one after another.

To realize Zeekr's brand values of "Equity, Diversity and Sustainability", it cooperated with Geespace of Geely Technology Group, a subsidiary of Geely Holding Group, to jointly initiate "Blue Guardian", a global marine protection charity project. The project leveraged the satellite technology of Geespace to support the protection of marine environmental and global ecology. Professor Daniel Kamman, a Noble Prize winner and sustainability advocate, and other celebrities supported this project which conveyed the importance of marine ecological environmental protection.

Zeekr has established an environmental protection fund of RMB1 million under the China Environmental Protection Foundation will cooperate with the Blue Ribbon Ocean Conservation Association to organize various marine protection activities in places including Hanan, Shandong, Zhejiang, Guangdong provinces of China. Therefore, our social responsibility in sustainability can be extended to marine protection.



"Blue Guardian" Guards the Blue Ocean

Through the self-developed high-performance remote sensing AI satellite or networking with other satellites, "Blue Guardian"

- observes the floating marine garbage and reports to the local marine or environmental protection bureau for salvage, resulting in the formation of a collaborated system to prevent and control marine garbage;
- monitors oil spills on the sea surface, accurately identify oil spill areas and analyze the trend of oil spill, to help reducing its environmental impact;
- monitors marine natural disasters such as red tide and enteromorpha prolifera, and dynamically monitor sea surface data with spectral model and processes with AI algorithm, to enhance the monitoring and warning of harmful organisms and thus, reduce the impact on local fisheries.



In order to further expand the influence of the "Blue Guardian", Zeekr and the People's Daily Kepu jointly launched the "Good Sea with You" marine charity environmental protection initiative. This initiative designed the image of marine friends based on the marine organisms suffering from marine pollution as well as incorporating Zeekr 001's product features. The aim is creating a healthy marine ecology by increasing public awareness and leverage on technology. There were more than 100 million readings and more than 200,000 discussions on this topic in Weibo. At the same time, Z customers, Zeekr users, put the philanthropic philosophy into action and actively share their environmental protection tips and experiences.

In the future, the public, philanthropic organizations, etc. can regularly access ocean-related satellite images, accumulate "Blue Carbon Points" with environmental protection acts, and participate in cross-border activities of marine environmental protection by logging in to the "Blue Guardian" system.



9.3 PUBLIC HEALTH

We actively advocate healthy lifestyle, and encourage employees, customers, business partners, the public, etc. to participate in sports by organizing sports activities and donating sports equipment. Since 2017, continue to organize signature events like marathons, as well as stairs and mountain climbing to realize the cross-border combination of "sports + charity".

In this year, as an "Official Partner of the 19th Asian Games Hangzhou", we organized events to extend the influence from our employees to public. We call on car owners, dealers, Asian Games team staff, other official partners of the Asian Games, media, fitness enthusiasts and local citizens to participate in these events, so as to enhance the public health awareness and promote the communities to maintain good health.

"Happy Run with Asian Games" relay race



On 24 October 2021, in order to welcome the Asian Games and the 35th anniversary of Geely, we held a relay race "Happy Run with Asian Games". A total of 50 teams, consisting of the employees of the Group, the staff of Asian Games Hangzhou and other official partners of the Asian Games, and 1,266 participants' started from the Group's headquarters and ran to Hangzhou Olympic

Sports Center Stadium, with a total distance of 10.8 kilometers. In addition to speed competition, each relay point was designed with challenges integrating technology, fun and sports.



Asian Games 10 Cities Tour with GEELY

In 2021, we jointly organized a large-scale cultural promotion activity of "Asian Games 10 Cities Tour with GEELY" with Asian Games Hangzhou Organizing Committee. The event began in Hangzhou, with Geely Auto's products as the parade vehicles, and passed through 10 cities including Xi'an, Tianjin, Wuhan and Chengdu, spreading the Asian Games cultural spirit according to each city's sports characteristics.



The event was open to the public, attracting the participation of the local citizens, enthusiasts of fitness running groups, media, dealers, Geely car owners, etc. Through the interactive interview of "Asian Games Talk" and the stage performance of "Asian Games Music", participants shared Asian Games stories and dreams and promoted the awareness of national sports. "Asian Games Up Fun Run" provided game sessions for participants' enjoyment during the 2.5km run. The runners completing the event were awarded with the commemorative certificates and medals issued by the Olympic Council of Asia and Asian Games Hangzhou Organizing Committee.





9.4 COMMUNITY DEVELOPMENT

We advocate the integration of enterprise development into the community, encourage and support employees to participate in community development and volunteer services, and strive to establish open, sincere and harmonious relationships with the local communities. In 2021, we organized employees to participate in various community volunteer activities such as pandemic prevention and control, community services and visits. 455 employees participated with 1,806 activity hours.

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 laws and regulations where it operates, respect the local culture, business customs, local community members and their rights, and strive to achieve a diversified win-win situation under the premise of economic cooperation;

Constantly enhance communication with local communities, promote local communities' understanding and support for the Group's business development and business activities, and actively participate in local philanthropic activities;

Actively create employment opportunities in communities, carry out vocational education to enhance the employability of community residents, and promote and serve the local industrial talent cultivation;

Strive to maintain the close connection with local government, community organizations and residents, timely communicate and feedback on the matters that the Group has actual or potential impacts on the communities (public events, potential crisis events, etc.), and establish a good cooperative relationship of mutual benefit and symbiosis.

Geely Auto Common Prosperity Vocational Training Base

In October 2021, the "Geely Auto Common Prosperity Vocational Training Base" was successfully unveiled in Hangzhou Bay Youth Practice Base, Ningbo. This project is dedicated to promoting the coordinated development of schools and enterprises, jointly building a think tank system, empowering employees' full career cycle, cultivating young talents, realizing innovative practices in the fields of industrial research and learning, industrial partner development, etc. This created a new platform for talent cultivation that covers all employees of the Group internally and all industrial chain partners externally.



Signing and unveiling ceremony of school-enterprise cooperation of "Geely Auto Common Prosperity Vocational Training Base"

The 11th "Non-remunerated Blood Donation Day" Activity

On 17 September 2021, we launched the 11th Annual Employee Non-remunerated Blood Donation Activity to encourage employees to contribute to the society. In 2021, 108 employees from different departments and positions participated in blood donation, with a total blood donation of 31,320 ml.



Promotion of Arts and Culture

In 2021, we sponsored the Hong Kong Philharmonic Orchestra and became a pearl member of Maestro Circle, in order to support musical development and local citizens' cultural enrichment.



Employee Volunteer Service

We encourage employees to actively participate in community volunteer service. Geely Auto's employees participated as civilized instructors in Hangzhou Metro "Caring Service Team" after work or during weekends to provide volunteer service and contribute to the society for years.



9.5 DISASTER RELIEF

We continue to focus on disaster relief and helping the disadvantaged. We carry out various of emergency relief actions, and work together with local communities and residents to overcome difficulties and promote social equity and common prosperity.

Relief Enhancement

"Li Shufu Charity Foundation" and Geely Holding Group have responded to the national call for poverty alleviation since 2016. They launched "Timely Rain", a targeted poverty alleviation project, and have invested over RMB693 million in poverty alleviation through industrial development, education, employment, agricultural development and consumption. These helped 20 regions in 10 Chinese provinces and helped lifting people out of poverty. "Timely Rain" has been successfully completed by the end of 2020 but we believe that eradicating poverty is not a final destination. We continue to explore new philanthropic model on rural revitalization. The Group has always actively participated in "Timely Rain" and other philanthropic activities organized by "Li Shufu Charity Foundation".

In 2021, we continued to provide education relief and fulfilled the grant of tuition fees to applied students. The education relief of RMB13.59 million covered over 800 students in 7 institutions including the University of Sanya, Xiangtan Institute of Technology and Geely Women's Class of Liangshan School. At the same time, we continued "Timely Rain"'s effort and, flexibly used the employee internal purchasing platform of "Shanpin Commune" to prioritize the purchase of agricultural products and other charity goods from the areas we are helping, as employee benefits. We developed a new model of "Cultural Creation + Public Welfare" to constantly stimulate the relief through consumption.

Create a New Model of "Cultural Creation + Public Welfare"

Following "Gongxi Fu Tea" and "Feitian Moon Cake", Geely's cultural creative charity products were upgraded again in 2021. Taking the Palace Museum's collections as the design inspiration and "Timely Rain" poverty alleviation products as the core, we selected the five-color cereals from Zhangjiakou, an area helped by Geely, and combined with tailor made non-legacy paper-cutting, to form the "2021 Gongxi Fu Box". This resulted in a combination of relief through consumption, cultural diffusion and traditional customs.

Disaster Relief

Under the influence of extreme weather, Henan, Shanxi and other areas suffered from natural disasters of heavy rainfall. We responded to community demands efficiently, cooperated with various internal resources, mobilized local stakeholders to participate deeply, and helped the government and all walks of life to fight the disaster and overcome the difficulties together. Geely and "Li Shufu Charity Foundation" donated RMB30 million for emergency assistance to Henan and RMB10 million for assistance to Shanxi.

Help Henan on Flood Control and Disaster Relief

In July 2021, Henan suffered from heavy rainfall. Geely Auto and Lynk & Co immediately established a special flood control and disaster relief team, mobilized the resources of dealers and service stations all over the country to launch a number of emergency service guarantee policies. These included starting a 7x24 emergency road rescue channel, opening an emergency maintenance green channel, starting priority spare parts supply guarantee, and appointing personnel in charge to assist in handling car damage insurance claims, etc. At the same time, the Group constantly contacted with Aerofugia, a subsidiary of Geely Technology Group. Through three industrial unmanned aerial vehicles and auxiliary equipment donated by Aerofugia for flood control emergency command and disaster survey and Aerofugia's dispatched professional team, the Group continuously tracked the disaster relief needs and timely adjusted the scope of relief.

9.6 AWARDS AND ACHIEVEMENTS

Through continuous philanthropic activities, Geely won the following honors and recognition in 2021:

Award Name	Awarding Organization
National Advanced Collective for Poverty Alleviation	The State Council of the People's Republic of China
The 11th China Charity Awards	The Ministry of Civil Affairs of the People's Republic of China
National "10,000 Enterprises Assisting 10,000 Villages" Targeted Poverty Alleviation Action Advanced Private Enterprises	The All-China Federation of Industry and Commerce, the State Council Leading Group Office of Poverty Alleviation and Development
2020 Zhejiang Corporate Social Responsibility Benchmarking Enterprise	Zhejiang Association for Promotion of Corporate Social Responsibility

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 Hong Kong Stock Exchange 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)
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
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
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

No.	Names of Documents
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 Determine 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
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
No.	Names of Documents
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 Provisions on Traceability Management of Power Battery Recycling 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
9.	General Data Protection Regulation (GDPR)
10.	Advertising Law of the People's Republic of China
11.	Trademark Law of the People's Republic of China
12.	Patent Law of the People's Republic of China
13.	Copyright Law of the People's Republic of China
14.	Management Standard for Enterprise Intellectual Property (GB/T 29490-2013)

Appendix 2

ESG Key Performance Indicators

Names of the Indicator	Unit	2019	2020	2021
Environmentally-friendly operation				
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
Pollutant emissions				
Nitrogen oxides (NOx) emission	tonnes	154.18	128.79	104.25
– Vehicle plants	tonnes	154.18	126.67	102.63
– Others	tonnes	N/A	2.12	1.62
Sulfur dioxide (SO ₂) emission	tonnes	21.97	13.56	23.93
– Vehicle plants	tonnes	21.97	13.56	23.35
– Others	tonnes	N/A	N/A	0.58
Volatile organic compounds (VOCs) emission	tonnes	N/A	39.73	69.64
– Vehicle plants	tonnes	N/A	38.87	66.91
– Others	tonnes	N/A	0.86	2.73
Non-methane hydrocarbon (NMHC) emission	tonnes	63.83	60.44	90.49
– Vehicle plants	tonnes	63.83	58.81	78.13
– Others	tonnes	N/A	1.63	12.36
Particulate emission	tonnes	N/A	45.44	64.47
– Vehicle plants	tonnes	N/A	45.44	54.81
– Others	tonnes	N/A	N/A	9.66

Names of the Indicator	Unit	2019	2020	2021
Chemical oxygen demand (COD) emission	tonnes	N/A	250.37	128.33
– Vehicle plants	tonnes	N/A	249.16	125.15
– Others	tonnes	N/A	1.21	3.18
Ammonia nitrogen emission	tonnes	N/A	8.96	6.16
– Vehicle plants	tonnes	N/A	8.86	5.84
– Others	tonnes	N/A	0.10	0.32
Industrial wastewater discharge	tonnes	2,259,478	2,078,145	2,361,785
– Vehicle plants	tonnes	2,259,478	2,060,592	2,349,462
– Others	tonnes	N/A	17,553	12,323
Industrial wastewater discharge per unit of sales volume	tonnes/vehicle	1.66	1.57	1.78
Domestic wastewater discharge	tonnes	N/A	1,104,362	1,410,366
– Vehicle plants	tonnes	N/A	497,895	651,468
– Others	tonnes	N/A	606,467	758,898
Domestic wastewater discharge per unit of sales volume	tonnes/vehicle	N/A	0.84	1.06
Total non-hazardous solid waste generated	tonnes	N/A	160,163	163,260
– Vehicle plants	tonnes	N/A	154,020	142,204
– Others	tonnes	N/A	6,143	21,056
Intensity of non-hazardous solid waste generated	kg/vehicle	N/A	121.32	122.93
Total hazardous waste generated	tonnes	7,592	11,180	12,707
– Vehicle plants	tonnes	7,592	10,005	11,281
– Others	tonnes	N/A	1,175	1,426
Intensity of hazardous waste generated	kg/vehicle	5.58	8.47	9.57
Percentage of solid waste recycled ^a	%	91.91	99.50	97.37
Percentage of compliant discharge of solid waste	%	100	100	100
Percentage of compliant discharge of major pollutants	%	100	100	100

Names of the Indicator	Unit	2019	2020	2021
Use of Energy and Resources				
Natural gas	standard cubic meter	N/A	59,609,987	57,650,819
– Vehicle plants	standard cubic meter	N/A	59,134,643	56,441,274
– Others	standard cubic meter	N/A	475,344	1,209,545
Gasoline	L	N/A	13,579,493	12,204,415
– Vehicle plants	L	N/A	13,076,535	6,539,705
– Others	L	N/A	502,958	5,664,710
Diesel oil	L	N/A	56,303	52,181
– Vehicle plants	L	N/A	56,303	44,035
– Others	L	N/A	N/A	8,146
Electricity purchased	kWh	N/A	741,987,956	851,011,760
– Vehicle plants	kWh	N/A	531,268,500	587,988,510
– Others	kWh	N/A	210,719,456	263,023,250
Steam purchased	tonnes	N/A	70,792	119,538
– Vehicle plants	tonnes	N/A	70,792	117,128
– Others	tonnes	N/A	N/A	2,410
Direct energy consumption ⁷	tons of standard coal	83,223	80,126	76,499
– Vehicle plants	tons of standard coal	83,223	79,067	69,116
– Others	tons of standard coal	N/A	1,059	7,383
Indirect energy consumption ⁷	tons of standard coal	71,222	100,294	104,605
– Vehicle plants	tons of standard coal	71,222	74,397	72,279
– Others	tons of standard coal	N/A	25,897	32,326
Total energy consumption ⁷	tons of standard coal	154,445	180,420	181,104
– Vehicle plants	tons of standard coal	154,445	153,463	141,395
– Others	tons of standard coal	N/A	26,957	39,709
Intensity of energy consumption	kg of standard coal/ vehicle	113.43	136.66	136.37

Names of the Indicator	Unit	2019	2020	2021
Renewable energy use – photovoltaic power				
– Vehicle plants	kWh	65,813,432	74,956,685	78,879,212
– Others	kWh	N/A	74,001,535	75,047,763
Renewable energy use – hydropower	kWh	26,547,553	44,710,482	0
Water consumed for production (freshwater)	10,000 tonnes	590.16	440.34	493.27
– Vehicle plants	10,000 tonnes	590.16	407.34	454.85
– Others	10,000 tonnes	N/A	33.00	38.42
Total water consumption	10,000 tonnes	590.16	497.01	583.65
– Vehicle plants	10,000 tonnes	590.16	407.34	454.85
– Others	10,000 tonnes	N/A	89.67	128.80
Water consumption per unit of sales volume	tonnes/vehicle	4.33	3.76	4.39
Industrial water resources recycled	tonnes	N/A	4,355,869	4,812,769
– Vehicle plants	tonnes	N/A	N/A	4,466,663
– Others	tonnes	N/A	N/A	346,106
Percentage of industrial water resources recycled	%	98.92	98.92	97.57
Greenhouse Gas (GHG) emissions				
Scope 1 GHG emissions ⁹	tCO ₂ e	141,100	157,820	164,173
– Vehicle plants	tCO ₂ e	141,100	155,726	147,374
– Others	tCO ₂ e	N/A	2,094	16,799
Scope 2 GHG emissions ¹⁰	tCO ₂ e	418,180	506,704	529,090
– Vehicle plants	tCO ₂ e	418,180	385,958	376,022
– Others	tCO ₂ e	N/A	120,746	153,068

Names of the Indicator	Unit	2019	2020	2021
Scope 3 GHG emissions ¹¹	tCO ₂ e	N/A	49,852,905	48,793,452
- Purchased goods and services	tCO ₂ e	N/A	8,990,678	8,326,976
- Transportation and distribution	tCO ₂ e	N/A	780,258	853,412
- Use of sold products	tCO ₂ e	N/A	40,068,586	39,594,564
- Employee commuting	tCO ₂ e	N/A	2,979	9,291
- Business travel	tCO ₂ e	N/A	10,404	9,209
Total GHG emissions (Scope 1+2+3) ⁸	tCO ₂ e	N/A	50,517,429	49,486,715
Intensity of GHG emissions (Scope 1+2+3)	tCO ₂ e/vehicle	N/A	38.26	37.26
Use of Raw Material – Manufacturing				
Steel consumption	tonnes	383,020	355,508	334,003
Intensity of steel consumption	kg/vehicle	281.31	269.28	251.50
Paint consumption	tonnes	19,726	16,105	15,159
Intensity of paint consumption	kg/vehicle	14.49	12.20	11.41
Packaging Materials				
Disposable packaging material consumption (vehicle manufacturing)	tonnes	N/A	6,238	9,977
Intensity of disposable packaging materials	kg/vehicle	N/A	4.73	7.51
Percentage of suppliers with recycling packaging materials	%	70.00	75.00	81.58
Recycling rate of packaging materials	%	100%	100%	100%

Names of the Indicator	Unit	2019	2020	2021
Number and distribution of employees				
Total employees at year end	person	42,785	38,376	44,157
New hired employees	person	N/A	1,676	14,327
Fresh graduates employed	person	N/A	1,606	3,198
Ethnic minority employees at year end	person	N/A	1,021	2,549
Employees at year end by employment type				
Full-time employees	person	36,865	31,785	37,299
Others (including reserve staff, interns, dispatch workers and rehired retirees)	person	5,920	6,591	6,858
Employees at year end by gender				
Male	person	37,037	33,048	37,041
Female	person	5,748	5,328	7,116
Employees at year end by age group				
Under 30 years old	person	27,751	21,133	23,827
30-50 years old	person	14,433	16,639	19,692
Above 50 years old	person	601	604	638
Employees at year end by region				
North China	person	N/A	1,181	2,051
Northwest China	person	N/A	2,008	2,376
Southwest China	person	N/A	3,707	2,043
East China	person	N/A	28,336	34,974
South China	person	N/A	3,003	2,581
Northeast China	person	N/A	0	8
Hong Kong, Macao and Taiwan	person	N/A	20	18
Overseas	person	N/A	121	106

Names of the Indicator	Unit	2019	2020	2021
Number of members in the highest governing body at year end				
Members in the highest governance body	person	11	11	13
Female members in the highest governance body	person	1	1	3
Employee rights and benefits				
Percentage of labor contract signed	%	100	100	100
Percentage of social insurance covered	%	100	100	100
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	8,921	5,206	8,725
Total employee turnover rate	%	18.80	12.80	19.80
Turnover rate by gender				
Male	%	N/A	13.20	20.10
Female	%	N/A	12.10	17.90
Turnover rate by age group				
Under 30 years old	%	N/A	14.20	19.30
30-50 years old	%	N/A	10.90	20.80
Above 50 years old	%	N/A	6.50	6.30
Health and Safety				
Safety accidents	number	13	15	22
Work-related fatalities	number	0	1	0
Rate of work-related fatalities	%	0	0.026	0
Lost working days caused by work-related injuries	Day	336	6,773	786
Rate of serious injury accidents	%	0	0	0.056
Rate of minor injury accidents	%	0.20	0.36	0.31
Occupational disease accidents	number	0	0	0
Rate of occupational diseases	%	0	0	0
Rate of work-related injuries	%	0.22	0.39	0.36
Rate of absenteeism	%	0.044	0.71	0.056
Financial losses caused by safety accidents	RMB10,000	11.60	237.88	32.51

Names of the Indicator	Unit	2019	2020	2021
Development and training				
Total no. hours of employee training	hour	4,854,023	2,444,846	3,397,795
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 management	%	100	100	100
Middle management	%	100	100	100
General employees	%	100	100	100
Average training hours per employee by gender				
Male	hour	69.60	64.50	75.98
Female	hour	70.40	58.77	82.00
Average training hours per employee by types of employees				
Senior management	hour	59.80	65.78	186.14
Middle management	hour	63.60	66.84	107.89
General employees	hour	62.60	63.64	75.66
Average training hours per employee by positions				
Research	hour	79.30	54.70	83.86
Technical	hour	60.20	74.09	85.83
Administration	hour	63.80	53.36	113.43
Operation	hour	65.50	63.68	64.37
Percentage of suppliers by region ¹²				
Total no. of suppliers	number	N/A	1,360	1,099
North China	%	N/A	11.00	10.92
Central China	%	N/A	14.00	13.65
Northwest China	%	N/A	1.00	0.55
Southern China	%	N/A	5.00	6.19
East China	%	N/A	60.00	62.69
Northeast China	%	N/A	4.00	4.09
Overseas (mainly in Sweden, Spain and Germany)	%	N/A	5.00	1.91

Names of the Indicator	Unit	2019	2020	2021
Supplier management				
Tier one suppliers received routine and irregular flight audit (Geely Automobile)	%	N/A	65.00	40.46
Tier one suppliers received routine and irregular flight audit (Zeeker)	%	N/A	N/A	69.81
Total training hours of suppliers	hour	N/A	N/A	849
Percentage of suppliers participated in anti-corruption training	%	N/A	N/A	80
Suppliers with ISO 14001 system certification	%	N/A	82	82
Suppliers with ISO 45001 system certification	%	N/A	N/A	48
Suppliers with IATF 16949 system certification	%	N/A	99	99
Percentage of direct suppliers signed the "Supplier Code of Conduct"	%	N/A	N/A	70
Suppliers that are determined to have actual or potential significant negative 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 ¹³	‰	28	20	17
Public recall	time	1	0	0
IQS of Geely Automobile ¹⁴	%	103	203	212
Dealer management				
China's dealers	number	1,416	1,456	1,550
Oversea distributors	number	N/A	N/A	32
No. of trainings	time	N/A	691	813
Percentage of dealers participated in trainings				
- China's dealers	%	N/A	93.00	94.75
- Oversea dealers	%	N/A	N/A	100

Names of the Indicator	Unit	2019	2020	2021
Products and customer services				
No. of club members in China ¹⁵	person	2,358,908	2,459,707	3,812,441
Annual growth rate of club members	%	17.71	4.27	55.00
Club members' activities	time	644.00	3,180	4,376
Complaints of product and service	number	31,501	47,103	35,992
Percentage of complaints handled				
- China's dealers	%	N/A	100	100
- Oversea dealers	%	N/A	N/A	99.30
Customer satisfaction				
- Geely Automobile	score	N/A	94.85	95.05
- Lynk & Co	score	N/A	94.00	92.64
- International customers	score	N/A	92.00	90.10
J.D. Power Customer Service Index (CSI) Study	score	750	753	770
Anti-corruption				
Compliance (including anti-corruption) training hours	hour	N/A	132,905	109,938
Average hours of compliance (including anti-corruption) training per director and employee	hour	N/A	3.50	2.50
Percentage of employees participated in compliance (including anti-corruption) training	%	N/A	100	100
Community activities				
Total hours of employees participated in community activities	hour	N/A	2,592	1,806

Notes:

- The scope of ESG key performance indicators covers the Group and its major joint venture. Except for the number and distribution of employees which cover our overseas subsidiaries, the other indicators do not cover overseas subsidiaries unless specified.
- Geely Auto adopts a "Basing production on sales"’s production model. Therefore, the related environmental indicators were expressed in unit sales in this report.
- Pollutant emissions, use of energy and resources, and greenhouse gas emissions mainly cover vehicle’s plants and others (powertrain plants, office premises).
- Due to the expanded disclosure scope of ESG key performance indicators in 2021 and the split presentation of certain indicators, certain indicators are not available for 2019 and 2020 and presented as "N/A" for undisclosed data.
- The 2021 statistical scopes of environmentally-friendly operation, use of energy and resources, and greenhouse gas emissions indicators have expanded from the previously years’ scopes which covered vehicle’s plants and significant powertrain plants, office premises only. The 2021 scopes cover 17 vehicle plants (Hangzhou Bay Plant 1&2, Chunxiao, Jinzhong, Baoji, Dajiangdong, Guiyang, Xiangtan, Linhai, Lujiao, Changxing, Meishan, Xi'an, Lynk & Co Factory in Chengdu, Yuyao, Zhangjiakou, and Ningbo Hangzhou Bay), 10 powertrain plants and office premises (headquarters in Hangzhou and R&D centre at Ningbo Hangzhou Bay). Furthermore, the former Chengdu Plant shut down in the first half of 2021 and the environmental data during the production period was included in the data statistics for the year.

6. 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 only includes each production plants.
7. Energy consumption data is calculated with reference to the "General Rules for Calculation of the Comprehensive Energy Consumption" [GB2589-2008].
8. The data of carbon dioxide is calculated with reference to the "Guide to Accounting Methods and Reporting of Greenhouse Gas Emissions of Machinery and Equipment Manufacturing Enterprises", the "Table of Average Carbon Dioxide Emission Factors of China's Regional Power Grid in 2012-2017", the "Fifth Scientific Assessment Report of IPCC (2014)" and the data released by government authorities.
9. Scope 1 GHG emissions include direct emissions from the use of direct energy such as natural gas, gasoline and diesel oil during office operation in 17 vehicle plants, 10 powertrain plants and office premises.
10. Scope 2 GHG emissions include indirect emissions from the use of electricity and steam purchased during office operation in 17 vehicle plants, 10 powertrain plants and office premises. The outsourcing power for office operation is calculated according to the calculation factor of greenhouse gas generated by power in East China when calculating Scope 2 GHG emissions.
11. Purchased goods and services of GHG emissions (Scope 3) 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. Logistics includes 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). The data from use of sold products 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. Employee commuting is calculated based on the data of our commuter buses and company cars. Business travel for 2020 is the data of employees' official travel by air booked on the "Geely Business Travel", and the data of business travel for 2021 has added employees' train travel from the "Geely Business Travel".
12. In 2021, for the proportion of suppliers by region and the supplier management, Zeekr's suppliers were added on the basis of previous years.
13. 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 X 1,000
14. IQS = the number of complaints/the number of vehicles X 100
15. China's club members represent App accumulative registered number of Geely, Geometry, Lynk & Co and Zeekr, including potential customers and end customers. The club members increased substantially due to launch of Geely Brand APP and increase in App registered users of Zeekr in 2021.

Appendix 3

SASB-Content Index

Topic	Code & Accounting metrics		Unit of measure	2021	Page/Comment
Activity Metrics	TR-AU-000.A	Number of vehicles manufactured ¹	Unit	1,328,031	N/A
	TR-AU-000.B	Number of vehicles sold	Unit	1,328,031	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	59
	TR-AU-250a.2	Number of safety-related defect complaints, percentage investigated	Number %	103 100	59
	TR-AU-250a.3	Number of vehicles recalled	Unit	0	61
Labor Practices	TR-AU-310a.1	Percentage of active workforce covered under collective bargaining agreements	%	100	83
	TR-AU-310a.2	Number of work stoppages and total days idle	Number Day idle	0 0	84
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy in China	Litre/100km	6.15	31
	TR-AU-410a.2	Number of	Unit	61,329	18
		1) zero emission vehicles (ZEV),	Unit	636	18
		2) hybrid vehicles, and	Unit	20,841	18
	TR-AU-410a.3	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 strategy for managing fleet 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. We 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).			
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).	
Materials Efficiency & Recycling	TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycled	Tonne %	173,083 97.37	N/A N/A
	TR-AU-440b.2	Weight of end-of-life material recovered, percentage recycled	Tonne %	366.46 100	N/A 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.	14-16, 34-39, 98
KPI A1.1	The types of emissions and respective emissions data.	100-102
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).	19, 23, 101-102
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	38, 100-101
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	38, 100-101
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	15-16, 33, 37
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.	33-39
Aspect A2	Use of Resources	
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	22-24, 34-39
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).	100-101
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility).	39, 100-101
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	33-39
B. Social		
Aspect B1	Employment	
General Disclosure	(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.	79-86, 98-99
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	79, 102
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	84, 103

Subject Areas, Aspects, General Disclosures and KPIs		Page/Comment	Subject Areas, Aspects, General Disclosures and KPIs	Page/Comment
Aspect B2	Health and Safety		KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. 71
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.	87-90, 98-99	Aspect B6	Product Responsibility
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	89, 103	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. 22, 50-51, 57-59, 63, 73, 99
KPI B2.2	Lost days due to work injury.	89, 103	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 104
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	87-90	KPI B6.2	Number of products and service-related complaints received and how they are dealt with. 64, 104
Aspect B3	Development and Training		KPI B6.3	Description of practices relating to observing and protecting intellectual property rights. 47
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	85-86	KPI B6.4	Description of quality assurance process and recall procedures. 20, 25, 59-62, 65
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	103	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored. 50-51, 57
KPI B3.2	The average training hours completed per employee by gender and employee category.	103	Aspect B7	Anti-corruption
Aspect B4	Labour Standards		General Disclosure	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing bribery, extortion, fraud and money laundering. 48-50
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.	79, 82	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. 48
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	79	KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored. 48-50
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	79	KPI B7.3	Description of anti-corruption training provided to directors and staff. 49
Aspect B5	Supply Chain Management		Aspect B8	Community Investment
General Disclosure	Policies on managing environmental and social risks of the supply chain.	68-71	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. 93, 96
KPI B5.1	Number of suppliers by geographical region.	69	KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport). 92-97
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.	68-71	KPI B8.2	Resources contributed (e.g., money or time) to the focus area. 92-97
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	68-71		

Appendix 5

GRI Sustainability Reporting Standards – Content Index

Disclosure issues/items	Description	Page/Comment
GRI 1: Foundation 2021		
Applicable GRI Sector Standards	N/A	
GRI 2: General disclosures 2021		
2-1	Organizational details	1
2-2	Entities included in the organization's sustainability reporting	1
2-3	Reporting period, frequency and contact point	1
2-4	Restatements of information	1
2-5	External assurance	N/A
2-6	Activities, value chain and other business relationships	1
2-7	Employees	78-90
2-8	Workers who are not employees	N/A
2-9	Governance structure and composition	43-44
2-10	Nomination and selection of the highest governance body	44
2-11	Chair of the highest governance body	43
2-12	Role of the highest governance body in overseeing the management of impacts	6, 43
2-13	Delegation of responsibility for managing impacts	43-44
2-14	Role of the highest governance body in sustainability reporting	6-7
2-15	Conflicts of interest	47
2-16	Communication of critical concerns	6-7, 44
2-17	Collective knowledge of the highest governance body	6-7, 44
2-18	Evaluation of the performance of the highest governance body	44
2-19	Remuneration policies	44
2-20	Process to determine remuneration	44
2-21	Annual total compensation ratio	44
2-22	Statement on sustainable development strategy	14-16
2-23	Policy commitments	6-7
2-24	Embedding policy commitments	46, 68-71, 79, 82, 98-99

Disclosure issues/items	Description	Page/Comment
2-25	Processes to remediate negative impacts	45, 48, 50
2-26	Mechanisms for seeking advice and raising concerns	44, 50, 83-84
2-27	Compliance with laws and regulations	98-99
2-28	Membership associations	6, 20, 75
2-29	Approach to stakeholder engagement	8-9, 44
2-30	Collective bargaining agreements	83
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	9-10
3-2	List of material topics	11
3-3	Management of material topics	6-11
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	26-31
201-3	Defined benefit plan obligations and other retirement plans	80-81
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	80
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	92-97
203-2	Significant indirect economic impacts	92-97
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	48-49
205-2	Communication and training about anti-corruption policies and procedures	48-49

Disclosure issues/items	Description	Page/Comment	Disclosure issues/items	Description	Page/Comment
205-3	Confirmed incidents of corruption and actions taken	48-49	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
GRI206: Anti-competitive Behavior 2016			GRI305: Emissions 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and anti-monopoly practices	47	305-1	Direct (Scope 1) GHG emissions	23, 101
GRI207: Tax 2019			305-2	Energy indirect (Scope 2) GHG emissions	23, 101
207-1	Approach to tax	48	305-3	Other indirect (Scope 3) GHG emissions	19, 102
207-2	Tax governance, control, and risk management	N/A	305-4	GHG emissions intensity	19, 23, 102
207-3	Stakeholder engagement and management of concerns related to tax	N/A	305-5	Reduction of GHG emissions	102
207-4	Country-by-country reporting	N/A	305-6	Emissions of ozone-depleting substances (ODS)	100
Environmental			305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	35, 100
GRI301: Materials 2016			GRI306: Waste 2020		
301-1	Materials used by weight or volume	25, 102	306-1	Waste generation and significant waste-related impacts	34-38
301-2	Recycled input materials used	25, 102, 106	306-2	Management of significant waste-related impacts	34-38
301-3	Reclaimed products and their packaging materials	25, 102	306-3	Waste generated	100
GRI302: Energy 2016			306-4	Waste diverted from disposal	100
302-1	Energy consumption within the organization	100-102	306-5	Waste directed to disposal	100
302-2	Energy consumption outside of the organization	100-102	GRI308: Supplier Environmental Assessment 2016		
302-3	Energy intensity	100-102	308-1	New suppliers that were screened using environmental criteria	100
302-4	Reduction of energy consumption	100-102	308-2	Negative environmental impacts in the supply chain and actions taken	68-72
302-5	Reductions in energy requirements of products and services	13-31, 102	Social		
GRI303: Water and Effluents 2018			GRI401: Employment 2016		
303-1	Interactions with water as a shared resource	33, 38-39	401-1	New employee hires and employee turnover	79, 84, 102, 103
303-2	Management of water discharge-related impacts	33, 36, 38-39	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	79-81
303-3	Water withdrawal	100-102	401-3	Parental leave	81
303-4	Water discharge	100-102	GRI402: Labor/Management Relations 2016		
303-5	Water consumption	100-102	402-1	Minimum notice periods regarding operational changes	N/A
GRI304: Biodiversity 2016			GRI403: Occupational Health and Safety 2018		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	39-40	403-1	Occupational health and safety management system	87-88
304-2	Significant impacts of activities, products and services on biodiversity	39-40			
304-3	Habitats protected or restored	39-40			

Disclosure issues/items	Description	Page/Comment
403-2	Hazard identification, risk assessment, and incident investigation	88-89
403-3	Occupational health services	89
403-4	Worker participation, consultation, and communication on occupational health and safety	87
403-5	Worker training on occupational health and safety	88-89
403-6	Promotion of worker health	87-90
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	87-90
403-8	Workers covered by an occupational health and safety management system	88
403-9	Work-related injuries	89
403-10	Work-related ill health	89-90
GRI404: Training and Education 2016		
404-1	Average hours of training per year per employee	86, 103
404-2	Programs for upgrading employee skills and transition assistance programs	85-86
404-3	Percentage of employees receiving regular performance and career development reviews	103
GRI405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	43, 83, 103
405-2	Ratio of basic salary and remuneration of women to men	80
GRI406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	82
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	83
GRI408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	68, 71, 79, 82
GRI409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	68, 71, 79, 82
GRI410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	82

Disclosure issues/items	Description	Page/Comment
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	92-97
413-2	Operations with significant actual and potential negative impacts on local communities	92-97
GRI414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	68, 71
414-2	Negative social impacts in the supply chain and actions taken	68-72
GRI415: Public Policy 2016		
415-1	Political contributions	N/A
GRI416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	57-62
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	104
GRI417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	22, 63, 73
417-2	Incidents of non-compliance concerning product and service information and labeling	22, 63, 73
417-3	Incidents of non-compliance concerning marketing communications	22, 63, 73
GRI418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	50-51, 57

