



China Evergrande New Energy Vehicle Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock code : 00708)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2022





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Environmental, Social and Governance Report

1. About this Report

Introduction

Overview of the Report

China Evergrande New Energy Vehicle Group Limited (the “**Company**” or “**Evergrande Auto**”) and its subsidiaries (the “**Group**”) are pleased to publish the environmental, social and governance (ESG) report of 2022 (the “**Report**”) to describe the Group’s policies, practice and performance in the fulfillment of its environmental and social responsibilities. It is the intention of the Group to respond to the stakeholders’ concerns and expectations with transparent and objective information disclosure, and pave the way for the Group’s sustainable development by joining hands with all sectors of society.

Interpretation

This report is issued on a yearly basis covering the period from 1 January 2022 to 31 December 2022 (hereinafter referred to as the “**Reporting Period**” or “**FY2022**”), while certain information relates to previous years. For interpretation purpose, “**Evergrande Auto**”, the “**Company**” and “**we**” or “**us**” used herein shall refer to “**China Evergrande New Energy Vehicle Group Limited**”. During the Reporting Period, new energy vehicles and health management are the major businesses of the Group. The revenue of all companies under the New Energy Vehicle segment and the Health Management segment (Industrial Park and Health segment) accounted for approximately 99.7% of the Group’s total revenue for the year ended 31 December 2022. The scale of operations and corresponding environmental, social and governance risks can be directly reflected from the revenue of the business nature. Therefore, we will focus on disclosing the environmental, social and governance data of all companies under the New Energy Vehicle segment and the Industrial Park and Health segment.

The Group is determined to continue adjusting the reporting framework and disclosure principles to gradually cover the general disclosures and key performance indicators at different levels in various environmental and social areas in the newly revised guidelines. If the scope and boundary of the specific content covered are different, it has been noted in the relevant parts in this Report. The Group’s revenue distribution for the year is as follows:

Segments of China Evergrande New Energy Vehicle Group Limited		Business	Proportion of the Group’s total revenue
New Energy Vehicle	Research and development, manufacture and sales of new energy vehicles		3.2%
Health Management (Industrial Park and Health)	Health management such as the Internet, community health management, medical institutions, elderly care and rehabilitation industries		96.5%
Others			0.3%
Total			100%

The ESG Report covers key performance indicators (“**KPIs**”) of the Group’s corporate office (“**office**”) and the representative project(s) (“**project(s)**”) of the Group during FY2022.

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Reporting Basis and Principles

Reporting Standards

This Report is prepared in compliance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 of the Rules Governing the Listing of Securities of Stock Exchange (“**Listing Rules**”), with reference to the Global Reporting Initiative (“**GRI**”) Standards, Task Force on Climate-related Financial Disclosure (“**TCFD**”) Recommendations, Sustainable Development Goals (“**SDGs**”) and based on actual conditions of the Group.

The Group has complied with the “comply or explain” provision and adopted the four reporting principles set out in the “Environmental, Social and Governance Reporting Guide” as follows:

- “**Materiality**” Principle:

The Group identifies material ESG issues by stakeholder engagement and materiality assessment. Details are set forth in the section headed “Materiality Assessment”.

- “**Quantitative**” Principle:

Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used, and provision of comparative data.

- “**Balance**” Principle:

The ESG Report identifies the achievements and challenges faced by the Group.

- “**Consistency**” Principle:

The ESG Report will continue using consistent methodologies and environmental performance indicators for comparisons in the following years, unless improvements in methodology are identified.

Review and Approval

The Board acknowledges its responsibility for ensuring the accuracy and completeness of the ESG Report and to the best of their knowledge, the ESG Report has addressed all relevant material issues and has fairly presented the ESG performance of the Group for the FY2022. The ESG Report was reviewed and approved by the Board on 26 July 2023.

Information and Feedback

The Group respects your comments on this Report. Should you have any opinion or suggestion on the ESG Report, please feel free to liaise with the Group as follows:

Address: 29th Floor, Evergrande International Centre, No. 78 Huangpu Avenue West, Guangzhou, Guangdong Province

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2. About Evergrande Auto

Active Planning to Support Sustainable Development

The capacity to assume active social responsibility reflects both the competitive edge and vitality of an enterprise. The Group firmly believes that giving back to community and profit-making weigh equally in order to achieve harmony and unity in society and environment, which, in turn, will bring about sustainable development and long-standing business. The Group adheres to the corporate mission of improving the people's happiness index and focusing on the actual needs of the society. It has built an excellent and timely service support system featured with, among others, innovative products and services, customer-centric experience, customer rights protection and smart operation. We aim to provide the market with safe, reliable and environmentally friendly automotive products and services, actively participate in environmental protection, fulfill corporate social responsibilities, commit to producing sustainable and environmentally friendly automotive products, promote the sustainable development of society and the environment, and cooperate with the national "dual carbon" goals to reduce carbon emissions.

New Energy Vehicle segment

The Company actively responds to the national strategy of building a strong country through science and technology, and forayed into the new energy automobile industry with a huge market scale by forward planning. Through the closed loop of technology and data, the Group will create an intelligently connected mobile space of "car and home integration", and establish Hengchi ("恒驰") as a world-renowned Chinese automobile brand. Dedicated to the global R&D and promotion of new energy vehicles applications, the Group adheres to its core technology vision of "achieving world-class core technology and proprietary intellectual property rights" and its quality goal of "achieving world-class product quality", and has established a full industry chain of new energy vehicles covering automobile manufacturing, electric motor control, power batteries, vehicle sales, smart charging and other aspects.

"Hengchi" vehicle series

During the Reporting Period, the Group commenced the pre-order of Hengchi 5, more than 320 units of which were delivered. The Group built exhibition and experience centres, sales centres, as well as after-sales service centres, to be located in cities in Beijing, Shanghai, Guangzhou and Tianjin, in order to construct a strong closed loop of online and offline transaction. The main functions of such centres include promoting the Group's brand, vehicle sales and user experience, and providing after-sales maintenance and repair services such as vehicle delivery, machine repair and sheet metal spraying services.

As the issue of non-differentiated products becomes serious in the automobile sector, to ensure that each "Hengchi" model has the stunning appearance and capacity that beat the world, the Group has selected first-class designers from global context, and established the "Styling and Design Expert Committee for Evergrande New Energy Automotive" to nurture creative ideas and wisdom to the product design under "Hengchi" series. The overall design from frontal appearance to interior decoration gives the impression of luxury, technology-based and futuristic, bringing users brand new experience.

Environmental, Social and Governance Report



Industrial Park and Health segment

The Group actively implements the national strategy of “Healthy China” and takes “improving the healthy living standards of the people” as its corporate vision. It aims to create a comprehensive health membership mechanism for all ages based on the health needs of the people, and build a multi-level and graded medical treatment, high-precision health management, all-ages health care, and diversified elderly care systems have comprehensively improved the national healthy living standards. During the Reporting Period, although the Group has sold its Boao International Hospital, it continues upholding the innovative service concept of combining health management, medical treatment, rehabilitation, elderly care and insurance, and built a membership platform to provide services such as health management, health preservation, medical treatment, rehabilitation and elderly care, etc.; study and formulate comprehensive health service standards for all ages, and create “Evergrande • Elderly Care Valley” in an innovative way.

The Group continues to innovate products and services, actively seek global new energy solutions, continuously optimize healthcare and medical service models, strive to improve the quality of green travelling and healthy lifestyle of people in China, as well as to measure up with the latter expectation for better living.

Environmental, Social and Governance Report

Unique four major parks — Elderly Care Park, Fun Park, Sports Park and Kids Park

Evergrande Elderly Care Valley has built its first-ever four major parks, namely Elderly Care Park, Fun Park, Sports Park and Kids Park. Equipped with service facilities that are suitable for all ages, the four parks provide a good foundation for a healthy life with respect to the healthy development of children, the peaceful life for the elderly, as well as a harmonious and amicable family life.

Elderly Care Park

With a core function of health care and elderly care, the park combines medical and nursing services and provides high-precision and multi-dimensional scientific life management. It has **10 individual buildings,** including a Chinese medicine hall, a meditation hall, a food court, a medical beauty center, a national art hall, a spiritual hall, a health spa center, a yoga hall, a tea house and a wine house.

Sports Park

With a core function for health and exercise, the park offers scientific guidance by professional private tutors to shape a healthy and energetic new life. It has **6 individual buildings,** including a fitness centre, a somatosensory sports hall, a table tennis hall, a badminton hall, a billiard hall and a croquet hall.

Fun Park

With a core function of culture and entertainment, the park combines culture and entertainment and provides high-quality health care methods. It has **13 individual buildings,** including a senior school, a chess club, a pet club, a Chinese opera club, a singing club, a Chinese studies gallery, a sunshine library, a theatre, a photo gallery, a dancing club, a gardening house, a craft workshop, and a museum.

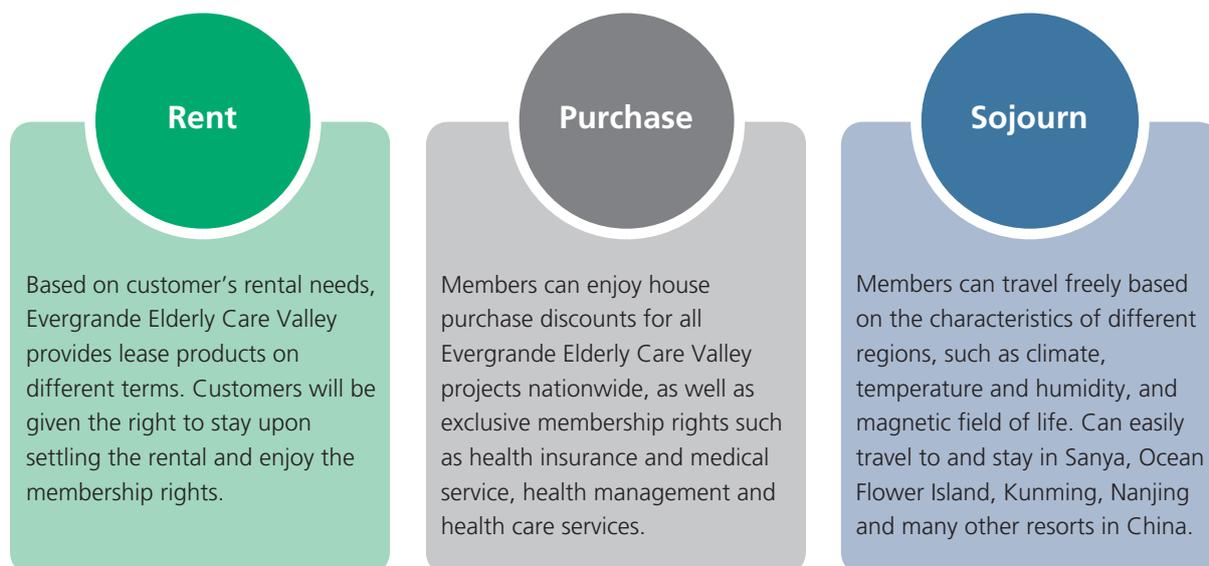
Kids Park

With a core function of advocating harmonious relationship between the elderly and children, the park practices the concept of parent-child fun, organises regular parent-child activities, cross-border exchange activities for college students, etc., which help to build trans-generation social cluster. It has **3 individual buildings,** including a children's talent centre, a children's toy city and a children's water world.

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Creating member-only new experience of “rent, purchase and sojourn”

Evergrande Elderly Care Valley provides members with the service rights on “rent, shop, and travel” to effectively improve their healthy life quality.



Awards

In 2022, Evergrande Auto received the following major recognition:

Segment	Award	Awarding institution	Time of award
New Energy Vehicle	iF Design Award 2022 Hengchi 6 iF Design Award 2022 Hengchi 1	iF Industrie Forum Design	April 2022

The image shows two award certificates from the iF Design Award 2022. Each certificate includes the iF logo, the award name, a congratulatory message, and detailed information about the winning product.

Top Certificate: Hengchi 6 LX

- Discipline:** Product
- Client / Manufacturer:** Evergrande New Energy Auto Group, Guangzhou, China
- Category:** 1.01 Automobiles / Vehicles
- Design:** Evergrande New Energy Auto Group, Guangzhou, China
- Type of entry:** car
- Entry-ID:** 351-FD-340644

Bottom Certificate: Hengchi 1 FS

- Discipline:** Product
- Client / Manufacturer:** Evergrande New Energy Auto Group, Guangzhou, China
- Category:** 1.01 Automobiles / Vehicles
- Design:** Evergrande New Energy Auto Group, Guangzhou, China
- Type of entry:** Car
- Entry-ID:** 351-FD-330807

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3. Board Statement

Dear Stakeholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of China Evergrande New Energy Vehicle Group Limited (“Evergrande Auto”, “we” or “us”, the “Company” which together with its subsidiaries, collectively, the “Group”), I am pleased to present the Environmental, Social and Governance Report (the “**ESG Report**”) of the Group for the year ended 31 December 2022 (the “**FY2022**”) for the purpose of demonstrating the Group’s policies, practices, measures and performance on environmental, social and governance (“**ESG**”) areas. This ESG report demonstrates our continuous commitment to improving our sustainability performance in the areas of environmental performance and objectives, corporate governance, community engagement, customer satisfaction and employee care.

In order to further promote the stable, healthy and high-quality development of the new energy vehicle industry, the country issued a number of guiding policies in 2021 on new energy vehicle consumption, supporting construction, energy structure, core technology, and intelligent network connection, such as the “Several Measures for Boosting the Consumption of Major Durables and Key Consumer goods and Unleashing Consumption Potential in Rural Areas” proposes to stabilize and expand automobile consumption, release the potential of automobile consumption, the “Guiding Opinions on Accelerating the Establishment and Improvement of a Green, Low-carbon and Circular Development Economic System” issued by the State Council proposes to strengthen the construction of supporting infrastructure such as charging and swapping new energy vehicles, “The 14th Five-Year Plan for National Economic and Social Development of the People’s Republic of China and Outline of Long-term Goals for 2035” proposes to focus on strategic emerging industries such as new energy vehicles, promote the energy revolution, and build a clean, low-carbon, safe and efficient energy system. It also proposes to formulate a dual carbon goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060.

The Group will firmly grasp the development opportunities brought about by the transformation and upgrading of the automobile industry, adhere to independent research and development and cooperative innovation, strengthen the solid layout of high-end intelligent core technologies, at the same time improve our “soft power” in terms of software design and service experience, as well as our “hard power” in hardware configuration and high-end manufacturing, continue to develop new energy vehicle products with unique competitiveness, and create a diverse and rich product matrix, build a smart and leading new energy vehicle ecosystem covering the whole life cycle.

The company is committed to addressing ESG issues. We understand that sustainability and ESG issues can affect all of us and our future generations. Therefore, as an influential listed company, the board of directors has the responsibility to assess and identify the ESG-related risks of the Group, and ensure the establishment of appropriate and effective ESG risk management and internal control systems. We believe that a sound ESG can indeed create value for the development of the Group.

The Board of Directors is primarily responsible for the Group’s ESG-related issues and oversees its ESG strategy, direction and policies. The Board believes that an effective governance structure is very important to the Group’s successful integration and effective management of sustainable businesses. In order to manage the Group’s ESG performance more effectively, we have identified relevant issues and potential risks, and the Board of Directors also regularly analyses and reviews the Group’s ESG risks and opportunities, performance, progress, goals and indicators.

The board of directors will also ensure the effectiveness of the Group’s ESG risk management and internal control systems, and actively communicate with internal and external stakeholders to understand their expectations and requirements. The Board believes that the Group’s participation in ESG issues will be very beneficial to the Group’s long-term development. The Board of Directors will continue to review and monitor the Group’s ESG performance to ensure the effectiveness of the report and provide stakeholders with consistent, comparable and reliable ESG information every year.

Environmental, Social and Governance Report

Effective governance is critical to the success of ESG strategies. To ensure that our long-term vision is effectively and consistently implemented across the Group, we have developed a sustainability governance framework that covers ESG issues identified as material to our business operations. The framework is designed to provide our employees with a strategic direction and a clear agenda. The Group has established an ESG leadership organization composed of representatives from different departments, including the Financial Centre, Integrated Management Centre, and Management and Monitoring Centre. This leading organisation assesses, prioritizes and advises on the effectiveness of the Group's sustainable development strategies and reports regularly to the Board to review its operations and progress towards ESG-related goals and indicators.

In response to climate change, the Group has established clear and definite short-term and long-term sustainable development vision goals, and is constantly moving towards the vision of emission reduction in accordance with the requirements of local governments, and set up relevant emission reduction targets and corresponding strategies, and incorporate sustainable development factors into the Group's strategic planning, business model and other decision-making processes. We have adopted 2021 as the base year (as this year can reflect the Group's operation under a normal market condition), striving to reduce air emissions, energy consumption, water resource consumption and waste emissions by 3% in 2026 and 20% in 2036 to meet the country's dual carbon goals.

The Group's environmental, social and governance approach enables it to bring long-term value to stakeholders and implement the company's mission, vision and values, and address the most important environmental, social and governance issues through clear target plans, meaningful commitments and practical actions. Therefore, to the Group, continuing to integrate ESG considerations into its business can bring value to all stakeholders and enhance long-term shareholder value.

Finally, I would like to sincerely thank all counterparties, shareholders, employees and the board of directors for their support and cooperation. I believe all members of the Group will continue dedicating their best endeavours to promote the business growth of the Group and strive to achieve the highest ESG standards.

Sincerely

On behalf of the Board

Siu Shawn

Chairman of the Board

26 July 2023

Environmental, Social and Governance Report

4. Policies

ESG Governance Structure

Principle of Sustainable Development

The Group bases on the practical needs of China and the rest of the world to promote sustainable development, and mankind’s dream to achieve sustainable future. Actively responding to the national strategies of “Empowerment through Technology” and “Healthy China” in China, the Group incorporates contributing to human well-being and better living into its development strategies, lays out planning on the New Energy Vehicle segment and the Industrial Park and Health segment, actively integrates and introduces quality resources both at home and abroad, leads a green lifestyle through tangible corporate actions, and creates social value to reduce and lighten the burden on the government, with dedication to becoming an outstanding corporate citizen.

Social Responsibility

- The Group adheres to the concept of contributing to the country with efforts in doing business, integrates “prioritize responsibilities, be accountable and benefit the society” into its corporate culture, and creates social value through tangible corporate actions to reduce and lighten the burden on the government, with dedication to becoming an outstanding corporate citizen.

Global Vision

- The Group adheres to the tenet of “giving play to each party’s advantages to achieve mastery” and proactively recruited leading international expert teams and advanced science and technology to strengthen the international development of its new energy vehicle and healthcare service products. The Group aims for in-depth integration and localization of domestic and international resources, and has built an excellent service support system that keeps pace with the times.

Build and Share Together

- The Group leverages the Internet and other technological measures and pushes forward smart production and management, promotes the rational allocation and sharing of domestic and international quality resources, while also initiating R&D cooperation to increase the rates of contribution and achievement transformation of technical innovation for the New Energy Vehicle segment and Industrial Park and Health segment, thereby contributing to the sustainable development of society.

Green Travelling

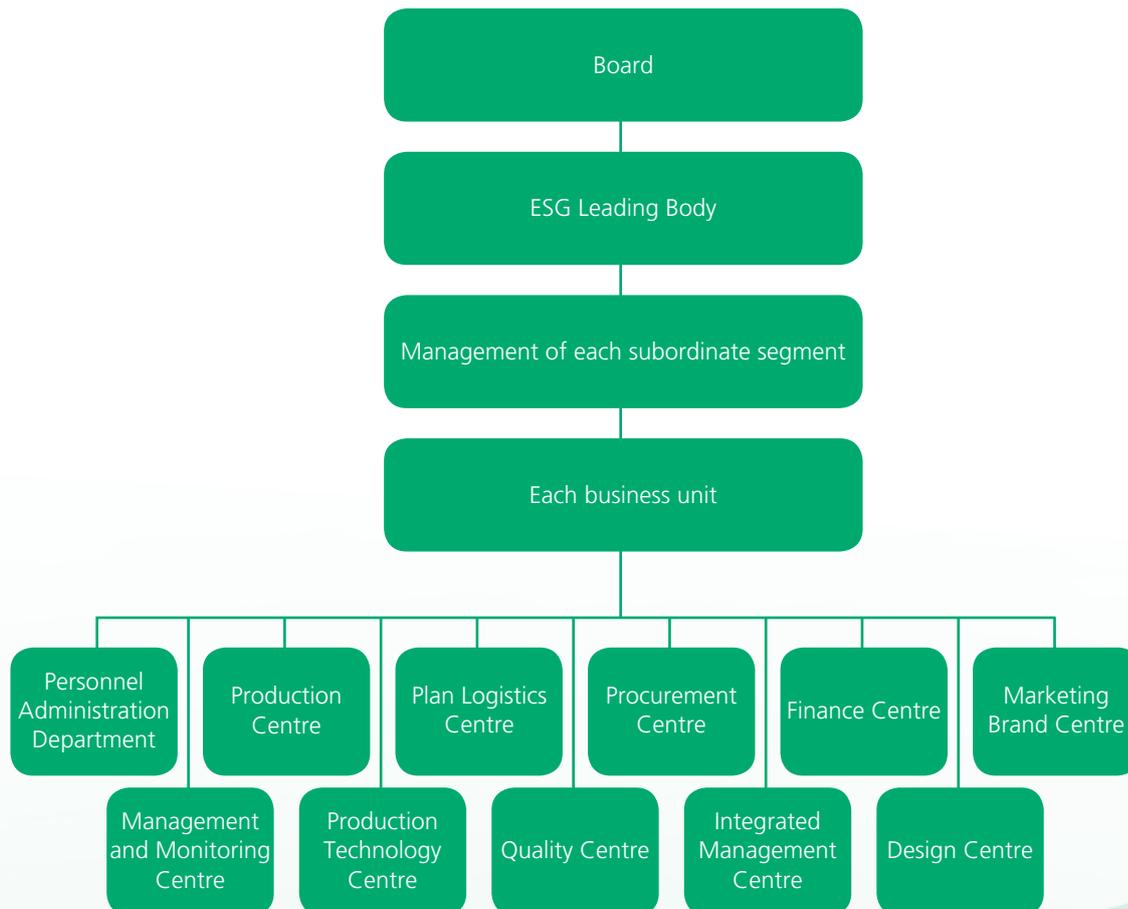
- The Group actively leads the public and launches green travelling services. It explores global new energy solutions based on the practical needs of society, and is committed to building a smart and green urban transportation system to continuously improve the air quality in urban areas and satisfy people’s expectation for a better life.

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Sustainable Development Governance Structure

The Group's corporate governance structure provides a solid safeguard for its sustainable development practices on an organizational level. Through top-down hierarchical planning, the Group is able to implement its sustainable development policies effectively and ensure the integration of performance of environmental and social responsibilities into its management decisions, business operation and corporate culture.

The Group has established an ESG risk management and internal control system. As the highest decision-making body, the board of directors is responsible for the Group's ESG matters, and guides the sustainable development efforts by way of regular monitoring and assessing relevant strategies. The leadership of the Group, headed by the chairman of the board of directors, forms the ESG leading body, and is responsible for reviewing the risks and opportunities in the ESG aspects faced by the Group, and incorporating the relevant identification, analysis, evaluation, response and reporting mechanisms into the management strategy. The Group's management at the headquarters, together with the management of its subordinate segments, forms the coordinating body, and is responsible for designing specific implementation rules, procedures and controls according to relevant management strategies, coordinating various resources and supervising the implementation of various business units in the ESG fields. This leading body assesses the effectiveness of the Group's sustainable development strategy to review its operations and progress towards ESG-related goals and indicators.



Sustainable Development Governance Structure¹

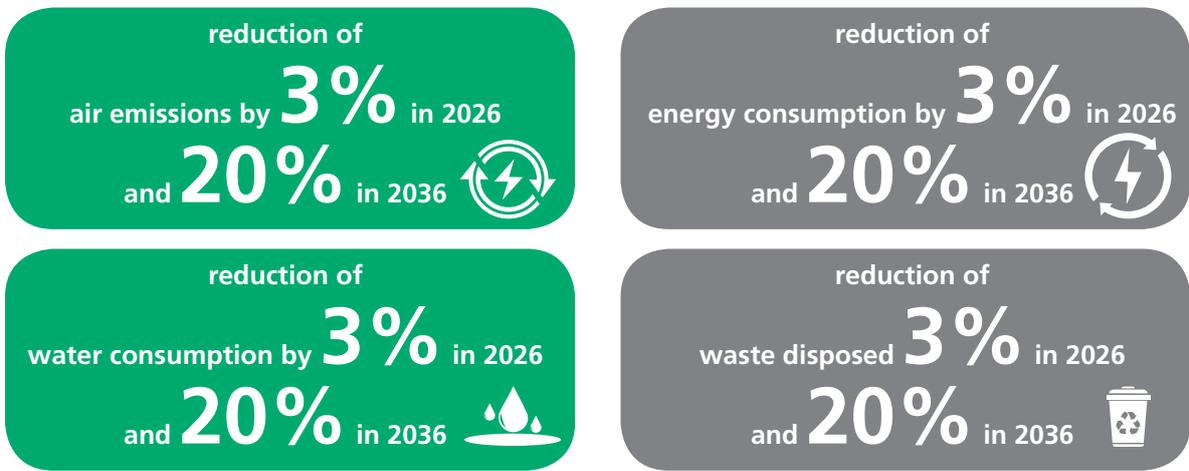
¹ The English name is translated for identification purpose only.

Environmental, Social and Governance Report

With its continuous business expansion, the Group will continue to improve the above risk management and internal control system and deepen the sustainable development strategies in various areas including compliance, environmental protection, labour practices, product responsibility, supply chain sustainability, social investment and brand building, in order to adequately guide its own sustainable development as well as that of its partners, and effectively safeguard the interests of the stakeholders.

Sustainable Development Goals

In order to help achieve sustainable development, the Group advocates reducing carbon emissions to meet the national dual carbon goals, and is committed to achieving sustainable operations. We have set clear emission reduction targets, and we have adopted 2021 as the base year (as this year can reflect the Group’s operation under a normal market condition) to achieve the following targets:



United Nations’ Sustainable Development Goals (UN SDGs)

The Group is a supporter of the United Nations’ SDGs which aim to tackle climate change and address a range of social needs.

As a responsible corporate citizen, we acknowledge the emerging global trends outlined in the SDGs and we are committed to contribute and tackle the sustainability challenges. The Group’s ESG strategy is consistent with the SDGs as follows:



Environmental, Social and Governance Report

Environmental, Social and Governance Strategy

The Group believes in creating long-term sustainable value for stakeholders. To this end, while the Group operates its business, the senior management has made choices that will bring about positive impacts on the community. The Group has adopted policies covering environmental, social and governance issues related to its business, including employment and labour practices, business integrity, data security and privacy, anti-corruption and other areas. The Group is also committed to supporting sustainable environmental standards and ensuring the implementation of environmentally friendly operating practices.

Stakeholder Engagement

The Group highly values the communication and exchange with stakeholders. It has established a normalized communication mechanism, and actively adopts measures to address issues while taking into account stakeholders' concerns and suggestions in setting out direction and strategies for sustainable development.

The Group has established a multi-channel communication mechanism which includes a complaints hotline, an official website and WeChat Official Accounts, and organizes industry seminars, stakeholders' online questionnaire surveys and employee communication activities to understand and respond to the demands and expectations of various stakeholders in a timely manner. A communication system that encourages increasing stakeholders' participation helps the Group regularly review the impact of business operation on the environment and society, reinforces the mutual trust and win-win relationship between the Group and stakeholders, and helps achieve the Group's vision for sustainable development.

Stakeholders	Expectations and demands	Communication and response
Employees	<ul style="list-style-type: none"> • Equal and diversified employment • Employee training and growth • Smooth career development • Remuneration and welfare system • A harmonious working atmosphere 	<ul style="list-style-type: none"> • Ensure employment compliance • Improve training system • Establish a reasonable promotion mechanism • Provide competitive remuneration • Promote corporate culture
Customers	<ul style="list-style-type: none"> • Product quality and safety management • Product R&D and technological innovation • Product service and experience • Information security and privacy protection 	<ul style="list-style-type: none"> • Develop standard quality management processes • Establish an automotive R&D institute global headquarters • Carry out customer communication and research • Implement strict customer information confidentiality regulations
Suppliers	<ul style="list-style-type: none"> • Fair competition • Win-win cooperation 	<ul style="list-style-type: none"> • Standardize tender and bidding process • Improve supplier evaluation and communication mechanism

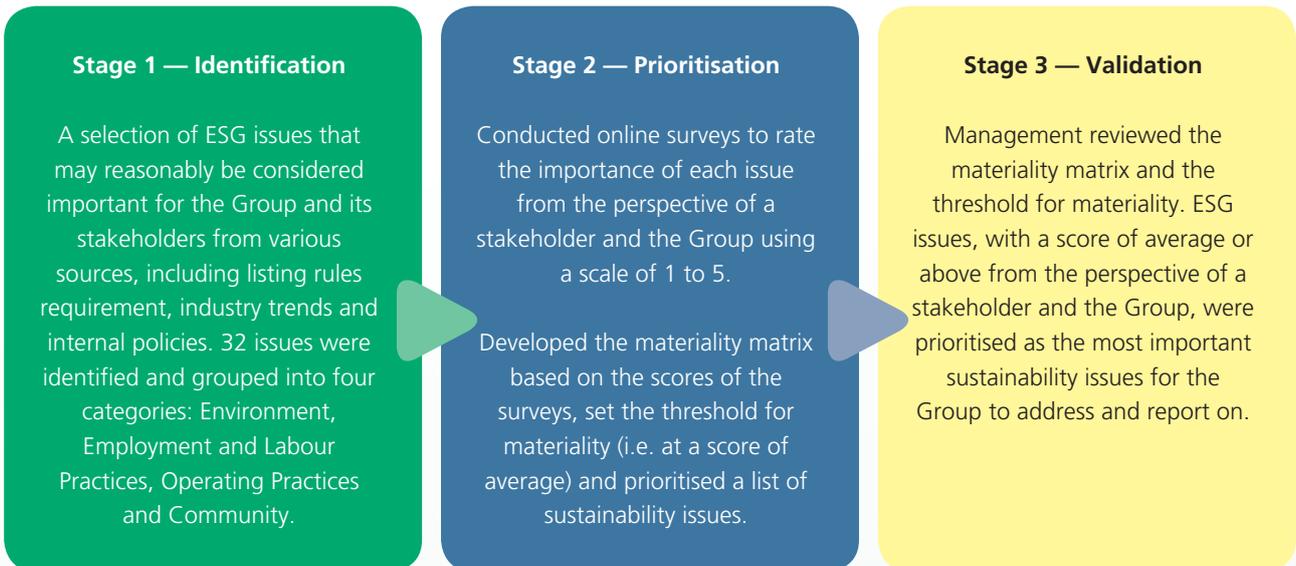
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Stakeholders	Expectations and demands	Communication and response
Industry associations	<ul style="list-style-type: none"> Industry experience exchange Protect intellectual property rights Promote industry advancement 	<ul style="list-style-type: none"> Participate in industry seminars Apply for patent protection Participate in the development of industry standards
Shareholders	<ul style="list-style-type: none"> Protect shareholders' rights Obtain return on investment Disclose important information 	<ul style="list-style-type: none"> Convene general meetings Enhance profitability Publish regular reports
Government	<ul style="list-style-type: none"> Comply with national policies Strengthen the building of a clean and honest organization 	<ul style="list-style-type: none"> Improve compliance management Conduct anti-corruption supervision and training
Communities	<ul style="list-style-type: none"> Participate in social welfare activities Resource saving and recycling Waste disposal Ecological environmental protection 	<ul style="list-style-type: none"> Carry out charity activities Recycle resources Compliant processing of emissions and wastes Smart manufacturing and green building

Materiality Assessment

In preparing the ESG Report, the Group directly engaged with the following stakeholders as part of the materiality assessment process to identify and prioritise the issues to be included in the ESG Report which the Board believes would have significant impact on the Group's business and its stakeholders.

Process

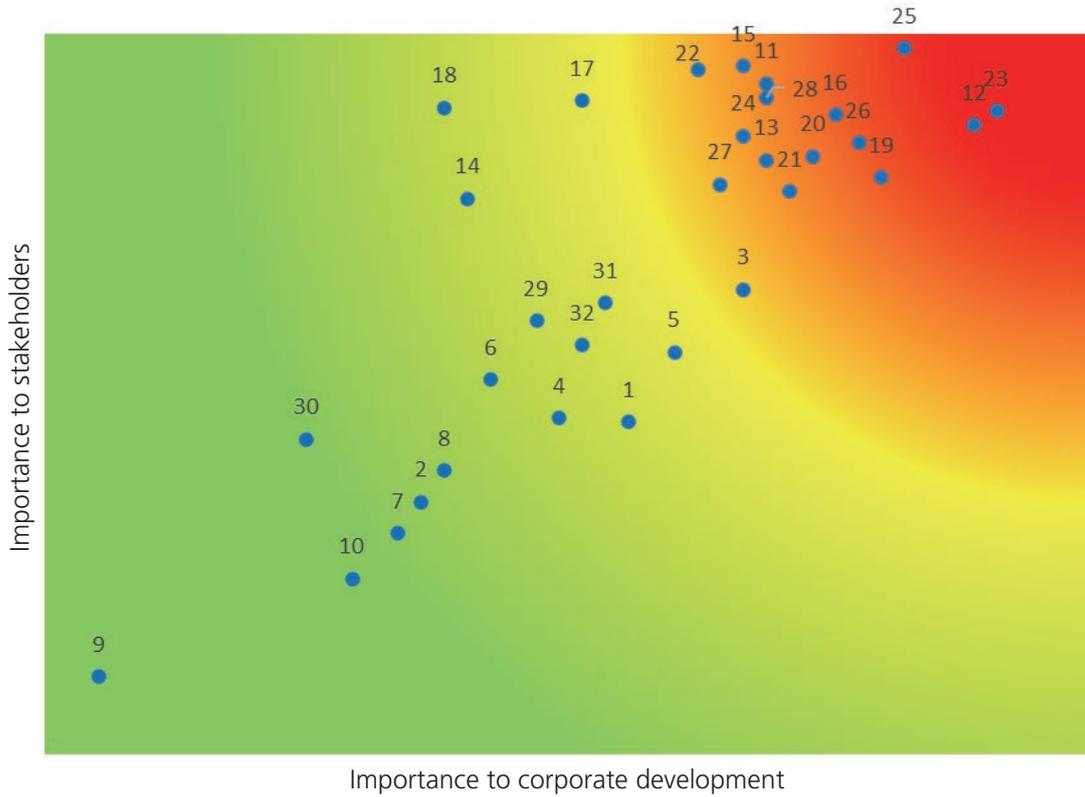


Environmental, Social and Governance Report

Materiality matrix

Based on the materiality matrix, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the following:

Materiality Matrix



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Topics	Name of topics	Responding to the United Nations Sustainable Development Goals
Environmental management	1. Air emissions management	<ul style="list-style-type: none"> • 3. Good health and well-being • 6. Clean water and sanitation • 7. Affordable and clean energy • 11. Sustainable cities and communities • 12. Responsible consumption and production • 13. Climate action • 14. Life below water • 15. Life on land 
	2. Greenhouse gas (“GHG”) emissions management	
	3. Waste management	
	4. Energy management	
	5. Water and effluent management	
	6. Raw materials and packaging materials management	
	7. Use of natural resources	
	8. Green infrastructure research and promotion	
	9. Biodiversity	
	10. Climate change	
Employment management	11. Employment practices	<ul style="list-style-type: none"> • 3. Good health and well-being • 5. Gender equality • 8. Decent work and economic growth • 10. Reduced inequalities 
	12. Talent attraction and retention	
	13. Diversity and equal opportunities	
	14. Anti-discrimination	
	15. Occupational health and safety	
	16. Staff development and training	
	17. Human rights in the workplace	
	18. Prohibition of child labour and forced labour	
	19. Responsible supply chain management	
Compliance operation	20. Operating performance and investor rights	<ul style="list-style-type: none"> • 3. Good health and well-being • 9. Industry, innovation and infrastructure • 11. Sustainable cities and communities • 12. Responsible consumption and production 
	21. Compliance with regulations on marketing, product and service labelling	
	22. Customers’ privacy and confidentiality	
	23. Customer satisfaction	
	24. Intellectual property	
	25. Safety and quality of projects/services/products	
	26. Business ethics	
	27. Anti-unfair competition	
	28. Anti-corruption	

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Topics	Name of topics	Responding to the United Nations Sustainable Development Goals
Social contribution	29. Public policy	<ul style="list-style-type: none"> • 1. No poverty • 2. Zero hunger • 3. Good health and well-being • 4. Quality education • 9. Industry, innovation and infrastructure
	30. Protection of cultural monuments	
	31. Contribution to society	
	32. Communication and connection with local community	
		

The Group conducts stakeholder engagement activities with internal and external stakeholders through online surveys and formulates a materiality assessment matrix based on the results obtained. Materiality assessment and prioritization consider two aspects, including the importance to stakeholders and the Group. The topics on the upper right corner are relatively material to stakeholders and the Group's businesses. In 2022, we included biodiversity, anti-discrimination and human rights in the workplace in the list of ESG material issues.

According to the materiality matrix, the Group believes that topics with high materiality are as follows:

- Employment practices
- Talent attraction and retention
- Diversity and equal opportunities
- Occupational health and safety
- Staff development and training
- Responsible supply chain management
- Operating performance and investor rights
- Compliance with regulations on marketing, product and service labelling
- Customers' privacy and confidentiality
- Customer satisfaction
- Intellectual property
- Safety and quality of projects/services/products
- Business ethics
- Anti-unfair competition
- Anti-corruption

In the subsequent chapters of this report, each topic will be disclosed in detail, and the results of this materiality assessment will be used as a reference and guidance for the 2022 ESG management plan. Looking ahead, the Group will continue to improve its ESG governance and performance in order to respond to the expectations of various stakeholders of the Group.

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5. Environmental Aspect

Combating Climate Change

In order to cooperate with and gradually implement the country's dual-carbon goals (i.e. carbon peaking and carbon neutrality), the market's general demand for electric vehicles is increasing rapidly. In recent years, climate change has aroused widespread concern around the world. With the arrival of high temperature and hot weather and heavy rainfall in summer, disastrous weathers such as thunderstorms, rainstorms, and typhoons become more frequent, and seasonal unsafe factors are likely to cause various safety production accidents. The Group attaches great importance to the management of climate-related risks, as such risks may affect its nature of business to a certain extent. Through formulating emergency mechanism under bad weather, we integrate the management of such risks into our daily operations to ensure that our employees are adequately supported under the impact of extreme weather and to provide guidance on work arrangement in such environments, to provide preventive measures and protect them from occupational hazards under extreme weather conditions. While ensuring operational sustainability, it can also reduce the financial loss caused by extreme weather conditions. The Group formulates and implements "Natural Disaster Emergency Management Measures" (《自然災害應急管理辦法》), sets up extreme weather prevention mechanism and emergency response measures in advance, and actively prevents and controls the security risks brought by climate change.

The Group's business strategy aims to contribute to the realization of SDG 13 related to Climate Action by addressing climate change and sustainable development goals, and aligns with the PRC government's sustainable development and dual-carbon goals.

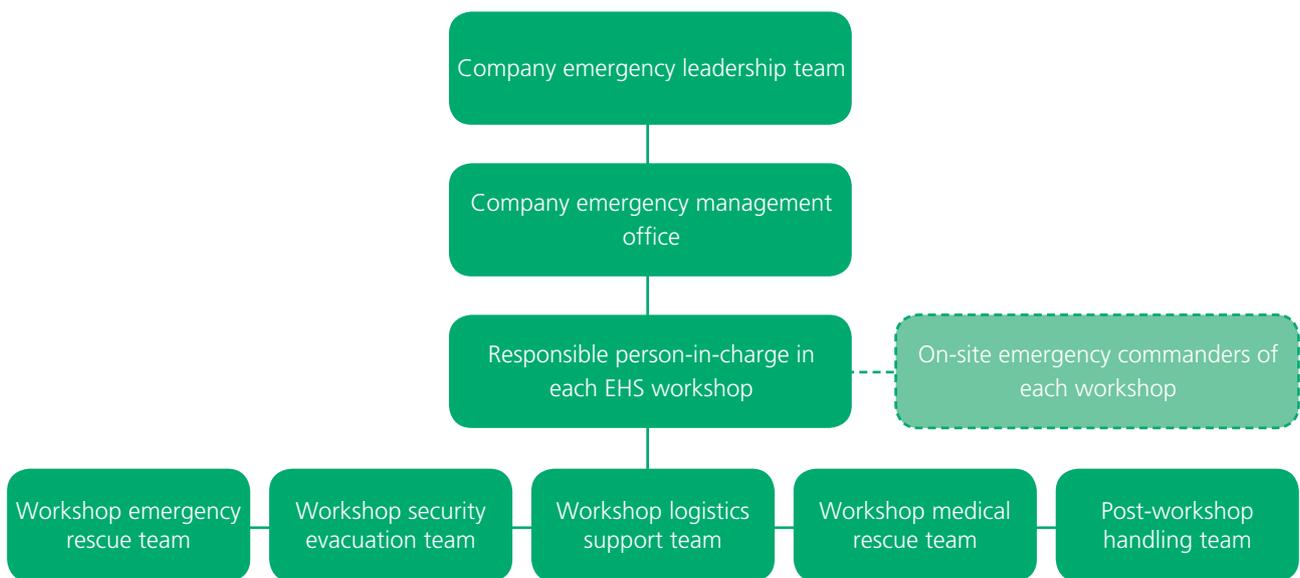


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(1) Extreme Weather Prevention Mechanism

The Group strictly follows the principle of “prevention first” and has set up a special prevention mechanism for extreme weather and natural disasters. Among them, New Energy Vehicle segment published the “Natural Disaster Emergency Management Measures”, to prepare for extreme weather in advance.

Emergency Response Management Framework



Natural Disasters Emergency Response

To respond to natural disasters, the Group’s Environmental Health Safety Department collects meteorological information in a timely manner and communicates to its employees, and regularly promotes knowledge about natural disasters, and the common sense of prevention, risk avoidance, disaster avoidance, self-rescue, mutual rescue, disaster relief to increase employees’ awareness on disaster prevention and mitigation.

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(2) Extreme climate response measures

The Group's flood prevention and rescue work adheres to the guiding principle of "safety first, constant preparedness, focus on prevention, and all-out rescue". We require each project company in different regions to formulate contingency plans for climatic risk events such as flood and waterlogging prevention in the rainy season and heat stroke prevention and cooling in summer to prevent emergencies in extreme weather conditions and to ensure that work at construction sites is carried out in an orderly manner.

Flood and waterlogging prevention in rainy season

- Carry out dredging, repair and reinforcement of the original drainage system, and real-time monitoring of temporary electricity facilities before the rainy season comes, and execute real-time monitoring of electricity consumption safety of temporary electricity-consuming facilities and large-scale machinery and equipment in raining season. Disconnect the power if necessary and use back-up lighting.
- Check the water level of each workshop from time to time in rainy seasons. Once it is found that the water level is too high and water cannot be discharged, immediately organize personnel to carry out rescue of equipment and materials to ensure the safety of equipment and materials.
- Once disasters such as collapse and floods occur in construction sites, immediately evacuate the personnel to safe venues set up in advance. At the same time, organize relevant personnel to carry out emergent self-rescue of people in danger.

Heatstroke prevention and cooling during summer

- Before starting high-temperature operations in summer, conduct comprehensive checks of storage of flammable and explosive dangerous goods and ensure that sunlight shielding and cooling measures have been adopted for openly stored dangerous goods.
- Set up pergolas at construction sites during construction in hot seasons. Tea and water is supplied by specific personnel to ensure the tea and water is hygienic and harmless. Strengthen hygiene management work in living zones to prevent the spread of infectious diseases.
- Set up an emergency plan team to care for the working and living conditions of employees. Make adjustments and improvements once physical or psychological diseases arising from high-temperature or over-load construction are discovered.

Emergency Plan for Extreme Weather

Sponge city and comprehensive utilization of rainwater

The Group has formulated and implemented the "Technical Guidelines for Sponge City Construction" (《海綿城市建設技術指南》) in accordance with national and local government regulations on sponge city construction, requiring project companies in each region to strictly implement the design specification standards for sponge city design and help local governments reduce the pressure of rainwater treatment by recycling the abundant rainwater resources while preventing rain and flooding. The construction method of sponge city is mainly the protection, ecological restoration and restoration of the original ecological system of the city. In order to effectively manage related risks, we have adopted a series of measures, including but not limited to strictly prohibiting the connection of rainwater reuse system water pipelines with domestic and drinking water pipelines, and require areas with high groundwater levels and serious runoff pollution to take effective measures to prevent infiltration of rainwater which could pollute groundwater.

Environmental, Social and Governance Report

Climate-related Risks and Opportunities

The Group understands that climate change may have significant impacts on our operations and present risks to our staff, offices and business.

During the Reporting Period, the Group had identified and assessed the physical and transition risks that may have financial implications for the Group with two-time horizons: medium-term (2030) and long-term (2050). Six suitable scenarios are chosen from the Representative Concentration Pathways (“RCP(s)”) and Shared Socio-Economic Pathways (“SSP(s)”) of the Intergovernmental Panel on Climate Change (“IPCC”), the Global Energy and Climate Model from the International Energy Agency (“IEA”). The details of the scenarios used are as follows:

Aggressive mitigation scenarios

IPCC RCP 2.6

A stringent mitigation scenario which is in line with the Paris Agreement’s target (i.e. warming of less than 2°C by 2100).

IPCC SSP1 — Sustainability

A scenario of the world shifting gradually towards a sustainable path.

IEA Net Zero Emissions by 2050 Scenario

A scenario which sets out a pathway for the global energy sector to achieve net-zero CO₂ emissions by 2050.

Business-as-usual scenarios

IPCC RCP 8.5

A high GHG emission scenario which is consistent with a future with no policy changes to reduce emissions (i.e. warming in excess of 4°C by 2100).

IPCC SSP5 — fossil-fuelled development

A scenario that the world places increasing faith in competitive markets and is coupled with the exploitation of abundant fossil fuel resources.

IEA Stated Policies Scenario

A scenario which reflects current policy settings based on a sector-by-sector and country-by-country assessment of the specific policies that are in place.

According to the calculations of the International Energy Agency, if the “dual carbon” goal is achieved, under the low-carbon emission scenario (global temperature increase of 1.5–2°C), it is assumed that the carbon price of developed economies may reach 30 USD/tonne and 250 USD/tonne by 2030 and 2050 respectively. The Group will gradually increase the use of renewable energy. It is estimated that by 2060, electric vehicles will become the mainstream of global vehicles. In the future, the Group will continue to promote business development, commit to producing sustainable and environmentally friendly automotive products, and provide the market with safe, reliable and environmentally friendly new energy automotive products and services.

Under the high carbon emissions scenario (global temperature increase of more than 4°C), and assuming that the market will not set a carbon price or carbon tax, and the frequency of extreme weather significantly increases, the rise in mean sea level and extreme weather will lead to more frequent flooding. In order to cope with the relevant climate change situations, the Group has assessed the risks associated with the property portfolio.

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Adhering to the recommendations of the TCFD, the Group has identified a series of climate-related risks and opportunities relevant to our assets and services which are significant to us. These transition and physical risks are discussed in the sections below:

	Risks	Opportunities
Short term (0–1 year)	<ul style="list-style-type: none"> Physical risks from extreme weather events Securing the skills and capability required to implement climate strategy 	<ul style="list-style-type: none"> New services or products to help communities decarbonise Technologies to enhance the performance of operation and energy efficiency
Medium term (5 years)	<ul style="list-style-type: none"> Transition risks — Implementation of low-carbon policies for the operation may result in extra cost Transition risks — Supply and demand for certain commodities, products and services may change as climate related risks and opportunities are increasingly taken into account 	<ul style="list-style-type: none"> Attract investors who value the company's performance in transitioning to a low-carbon economy by implementing low-carbon policies in its business processes Transitioning to low carbon economy market to meet government decarbonisation targets
Medium to long term (5+ years)	<ul style="list-style-type: none"> Transition risks — Potential new regulations and policies Transition risks — Development and use of emerging technologies may increase the operational costs, and reduce the Groups' competitiveness Transition risks — As customers or the community's perceptions about the contribution to or detraction from the transition to a lower-carbon economy change, the Group's reputation may be affected 	<ul style="list-style-type: none"> Provide better working environment to workers and review their working hours, with better working conditions to facilitate the recruitment of workers Regularly pays attention to new market regulations and policies and timely improves the business process to align and maintain market competitiveness Transitioning to low carbon economy market to meet government decarbonisation targets To work as a pioneer in the industry and build up the relevant reputations

Emissions Management and Carbon Footprint Reduction

The Group is committed to promoting long-term environmental sustainability and community development, and to the best of its knowledge, has complied with all rules and regulations related to environmental matters in the countries where it operates, including but not limited to the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste" (《中華人民共和國固體廢物污染環境防治法》), "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》) and the "Regulations on the Safety Management of Hazardous Chemicals" (《危險化學品安全管理條例》), and other laws and regional regulations. During the Reporting Period, the Group evaluates and manages the environmental performance of various aspects of its overall operation. The Group formulates and implements policies such as the "Management Measures for Prohibited Substances and Recycling in Automobiles" (《汽車禁用物質及回收利用管理辦法》) and "Management Measures for the Development of In-vehicle Air Quality Performance" (《車內空氣質量性能開發管理辦法》), etc., carefully manages emissions and waste.

In FY2022, the test results of the Group's wastewater and exhaust gas emissions met the standards of the countries and regions where it operates.

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By integrating environmental protection and resource conservation into our business development strategy, our environmental policies and initiatives aim to align with SDG 6 related to Clean Water and Sanitation, SDG 7 related to Affordable and Clean Energy, SDG 11 related to Sustainable Cities and Communities, SDG 12 related to Responsible Consumption and Production and SDG 13 related to Climate Action.



Exhaust Gas Emissions

The Group actively applies new environmentally friendly processes in new plants to carry out green production, striving to meet the country's production standard and energy consumption standard, and is actively carrying out energy saving and environmental protection renovation of old plants to reduce the amount of exhaust gas generated in the production process. Since the source of air pollutants in 2022 newly included emissions from the production equipment of pipeline natural gas, waste emissions have increased significantly compared to previous years.

Emission data of Nitrogen oxides (NO_x), Sulphur oxides (SO_x), and Particulate matter (PM) are set forth in the table below:

Air pollutant ²	Unit	2022	2021	2020
Nitrogen oxides ("NO _x ")	kg	2,672.13	151.08	718.57
Sulphur oxides ("SO _x ")	kg	68.52	5.79	2.25
Particulate matter ("PM")	kg	3.06	3.14	14.85

Environmentally friendly process of the paint workshop of automobile factories

The Group actively applies environmentally friendly highly flexible processes such as thin film process, automatic coating robot, B1B2 water-based compression spraying process, exhaust gas emission reduction process in the paint workshop of new vehicle factories, and uses environmentally-friendly materials such as water-based colour paint and water based anti-corrosion wax so as to reduce the impact of emissions during the production process of new energy vehicles.

² The calculation method of the corresponding air emission assessment figures and the emission factors used in the calculation are based on "How to Prepare an ESG Report" and its attachment "Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong and "Technical Guide for Air Pollutant Emission Inventory for On road Vehicles (Trial Implementation)" issued by the Ministry of Ecology and Environment of People's Republic of China.

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Introduction of environmental protection process in paint workshop

Thin film process

- **Compared with the traditional phosphating process:**
- Energy consumption reduces by about 10%;
- The amount of waste residue reduces by about 90%;
- The wastewater does not contain heavy metal ions such as phosphorous, manganese and nickel.

Automatic coating robots

- 51 robots to carry out 100% coating and automatic spraying
- Make use of coarse sealing and damping materials

B1B2 Water-based compression spraying process

- **Compared with the traditional 3-times coating and 2-times baking process ("3C2B"):**
- Reduce the number of baking
- Energy consumption reduces by about 10%.

Exhaust gas emission reduction process

- Process major exhaust gases from through rotating wheel concentration and incinerator:
- Incineration treatment efficiency $\geq 95\%$;
- Exhaust gas emission and VOCs (Volatile Organic Compounds in exhaust gas) emission concentration $\leq 25\text{mg/m}^3$, leading in the country.



Thin Film Process



Automatic Coating Robot

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Greenhouse Gas Emissions

During the Reporting Period, the Group's greenhouse gas emissions are as follows:

Greenhouse gas emissions	Unit	2022	2021	2020
Greenhouse gas emissions (Scope 1 ³)	tonnes CO ₂ -equivalent	3,890.68	642.91	1,123.67
Greenhouse gas emissions (Scope 2 ⁴)	tonnes CO ₂ -equivalent	36,749.34	59,032.12	29,544.62
Total emissions (Only including Scope 1 and Scope 2)	tonnes CO₂-equivalent	40,640.02	59,675.03	30,668.29
Emission intensity	tonnes CO₂-equivalent/ 1,000 RMB of revenue⁵	0.0106	0.0236	0.0020

The impact of global climate change is a challenge that companies and organizations around the world must face and solve. According to the assessment of greenhouse gas emissions in 2022, direct emissions (Scope 1) only account for 9.6% of total emissions, and the main sources are gasoline used by vehicles and pipeline natural gas. The main source of indirect emissions (Scope 2) is purchased electricity, accounting for around 90.4% of the total emissions and accounts for the largest part of the Group's greenhouse gas emissions. As greenhouse gas emissions in 2022 newly included emissions from production facilities of pipeline natural gas, Scope 1 greenhouse gas emissions are significantly higher than in previous years.

The Group has been ensuring that its emission reduction targets are followed. In order to achieve this goal, the Group aims to continuously reduce energy consumption and enhance employees' awareness of energy conservation through various energy-saving strategies and measures. For details, please refer to the chapter "Use of Resources — Green Operation".

Wastewater

The Group detoxifies production wastewater and transforms it into resourceful substances and achieves zero discharge of production wastewater through setting up sewage treatment station and reclaimed water reuse system. Our wastewater treatment aims to contribute to SDG 6 related to Clean Water and Sanitation and SDG 14 related to Life Below Water by mitigating the impact of our operations on the marine environment.



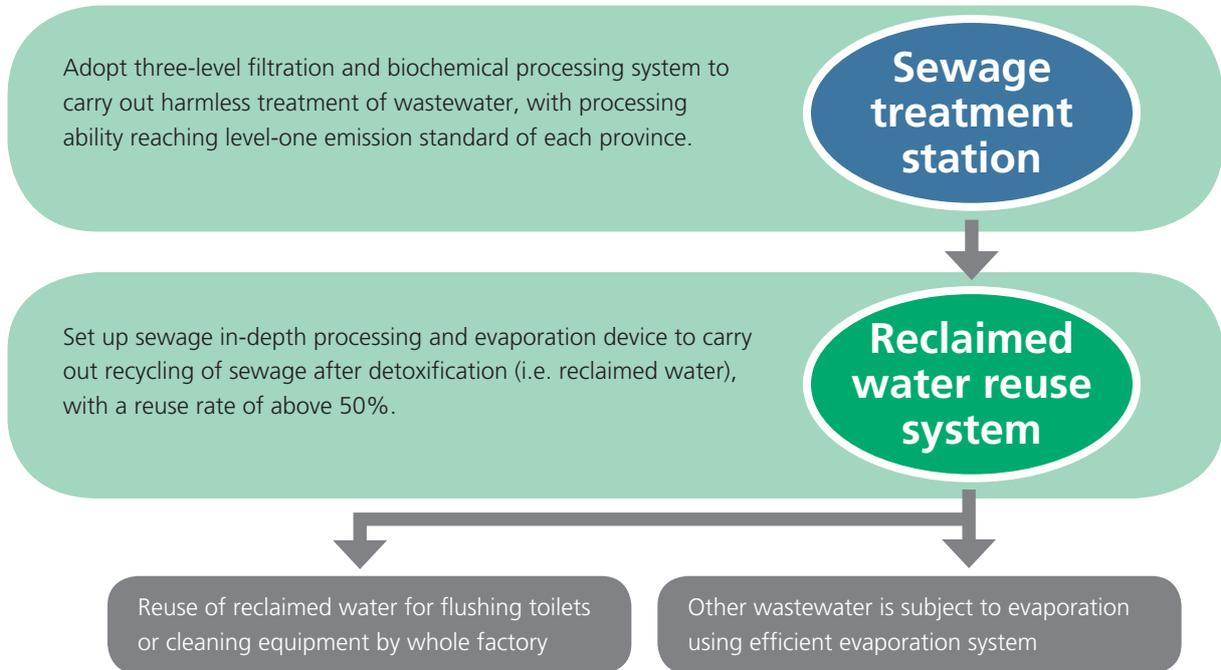
³ The greenhouse gas emissions (Scope 1) come from direct emissions of automobile gasoline, fixed source diesel (such as diesel generators, forklifts, etc.) and pipeline natural gas (used in restaurants and natural gas).

⁴ Greenhouse gas emissions (Scope 2) come from the indirect emissions of greenhouse gases from purchased electricity.

⁵ The Group's total revenue was 15,486,625 thousand RMB, 2,531,219 thousand RMB and 3,822,790 thousand RMB in FY2020, FY2021 and FY2022 respectively. The revenue of FY2022 included the discontinuing operation held for sale.

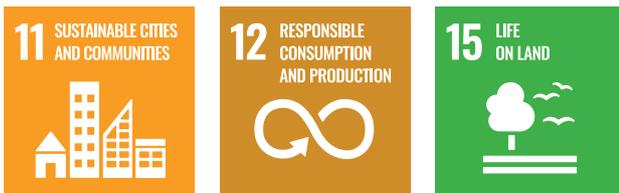
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Process flow of detoxification of production wastewater



Waste Management

The Group's waste management reduces the impact of operations on the surrounding environment by implementing effective countermeasures, aiming to help contribute to SDG 11 related to Sustainable Cities and Communities, SDG 12 related to Responsible Consumption and Production and SDG 15 related to Life on Land.



Due to the restructuring of the Group, during the Reporting Period, we did not produce any hazardous medical waste. The waste emissions of the Group are as follows:

Waste emissions	Unit	2022	2021	2020
Hazardous waste	tonne	0.74 ⁶	3.03 ⁷	2.17 ⁶
Non-hazardous waste ⁸	tonne	614.95	1,110.09	381.14
Total	tonne	615.69	1,113.12	383.31
Intensity	tonne/1,000 RMB of revenue⁹	0.000161	0.000440	0.000025

⁶ Hazardous waste refers to discarded toner cartridges generated in the office.

⁷ Hazardous waste refers to medical wastes generated in the medical operation site and wasted ink cartridges generated in the office.

⁸ Non-hazardous waste included office waste generated by administrative offices and office paper weight.

⁹ The Group's total revenue was 15,486,625 thousand RMB, 2,531,219 thousand RMB and 3,822,790 thousand RMB in FY2020, FY2021 and FY2022 respectively. The revenue of FY2022 included the discontinuing operation held for sale.

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The Group manages the waste generated during production and operation effectively to continuously reduce its negative impact on the environment and resources during the manufacturing of products and production operations.

Harmful wastes

- The vehicle manufacturing production base carries out centralized collection, packaging, labeling of wastes that are harmful to the environment, and regularly commissions professional waste recycling stations or resource recycling companies to collect the harmful wastes.

Production wastes

- Our power battery production base classifies and stores 24 types of production wastes such as positive and negative electrode slurry and copper and aluminum foil. The collected production wastes will be reused after classification and processing, achieving resource recycling.

Non-hazardous wastes

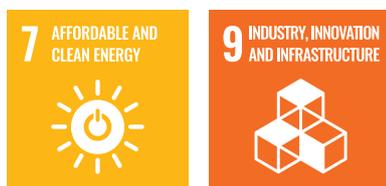
- Promote paperless office, make full use of secondary printing paper and will not print coloured documents unless necessary.

Use of Resources

The Group is committed to improving resource efficiency and gradually transforming into a low-carbon business model. The Group formulates and implements policies such as the "Lightweight Work Management Measures" (《輕量化工作管理辦法》), etc., to monitor energy consumption in real time and effectively improve the efficiency of resource use.

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The Group's practices contribute to sustainable development and align with SDG 7 related to Affordable and Clean Energy and SDG 9 related to Industry, Innovation and Infrastructure.



Energy Consumption

During the Reporting Period, the energy consumption of the Group is as follows:

Energy consumption	Unit	2022	2021	2020
Non-renewable fuel (direct) energy consumption	MWh	1,107.03	2,030.34	4,623.78
Purchased Energy (Indirect) Consumption	MWh	59,898.05	72,572.09	34,506.78
Total energy consumption	MWh	61,005.08	74,602.43	39,130.55
Energy intensity	MWh/1,000 RMB of revenue¹⁰	0.0160	0.0295	0.0025
Electricity consumption	MWh	41,855.04	71,840.00	34,506.78
Total gasoline consumption	Litre	120,092.83	207,353.46	149,521.91
Total diesel consumption	Litre	0.00¹¹	0.00 ¹¹	3,701.45
Pipeline natural gas consumption	m³	1,668,459.79	67,697.38	293,186.10
Liquefied Natural Gas (LNG) consumption	kg	0.00	3,250.00	32,076.51
Liquefied Petroleum Gas (LPG) consumption	kg	0.00	6,174.00	Not disclosed

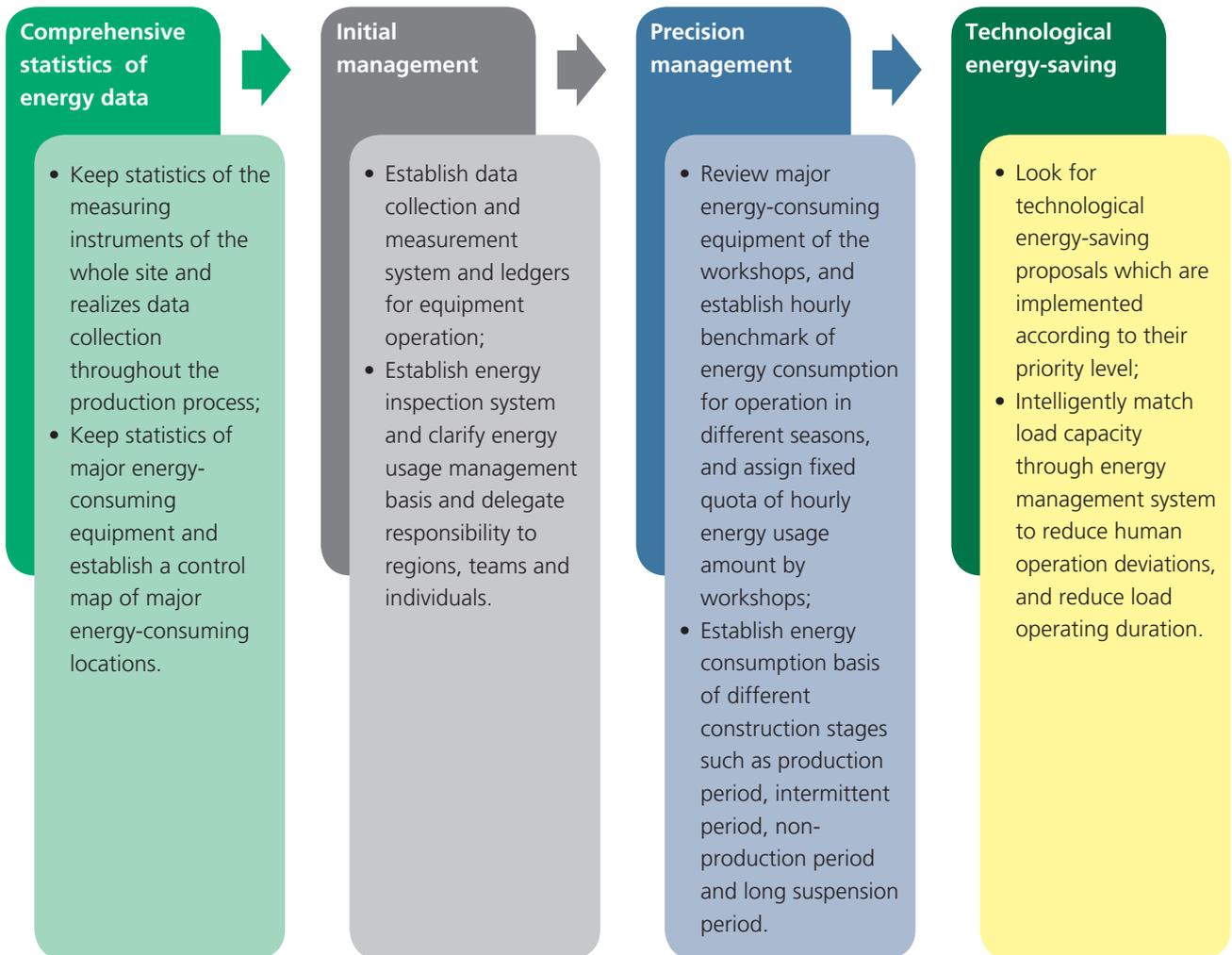
During the Reporting Period, the Group newly included production facilities of pipeline natural gas, therefore pipeline natural gas consumption increased significantly. The Group is committed to building a resource-saving and environment-friendly enterprise, and gradually establishes an energy management system in the new plants of new energy vehicles to monitor energy usage in real time, so as to achieve the purpose of saving resources and improving energy utilization rate to ensure sustainable development of the enterprise.

¹⁰ The Group's total revenue was 15,486,625 thousand RMB, 2,531,219 thousand RMB and 3,822,790 thousand RMB in FY2020, FY2021 and FY2022 respectively. The revenue of FY2022 included the discontinuing operation held for sale.

¹¹ The business related to the use of diesel equipment has been sold in FY2021.

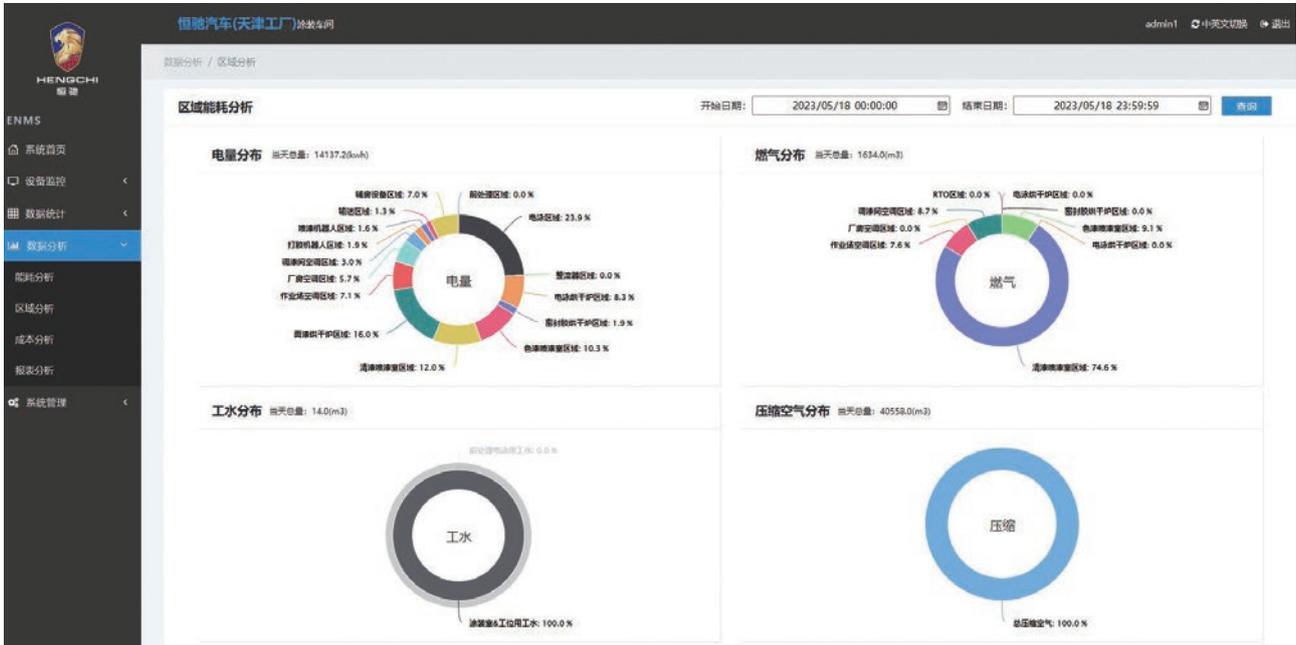
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Energy Management System



On this basis, the Group has built an integrated energy management software platform covering aspects from data collection and processing, modeling, data storage to information dissemination. The platform consists of software module components with different functions, integrating system functions with databases, clients and energy management applications, facilitating real-time control of major energy and production indicators by users at different levels.

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Energy Management System Interface

The Group strictly complies with laws and regulations such as the “Regulations on Environmental Management of Construction Project” (《建设项目环境保护管理条例》) and “Environmental and Hygienic Standards for Construction Sites of Construction Projects” (《建设工程施工现场环境与卫生标准》) as well as building construction codes of the regions where it operates, and has formulated internal management systems such as the “Safe and Civilised Construction Management Standards” (《安全文明施工管理标准》), and supervise the implementation of the construction unit, clearly specifying safety and civilized construction to mitigate the adverse impact on the environment.

Renewable Energy and Green Technology Application

The Group extensively applies renewable energy and environmentally friendly technology in construction and production to enhance its own sustainable development while focusing on alleviating the resource shortage in the course of development faced by society as a whole.

Solar photovoltaic power generation system: The Group installed a solar photovoltaic power generation system in the factory, with a daily power generation of 0.03 kWh. Integrating renewable energy into the power grid in the factory area plays a significant role in energy saving and emissions reduction. Photovoltaic modules are arranged in the joint workshop of the car body, the roof of the assembly workshop, and the sample workshop, and the photoelectric conversion is carried out by using the photovoltaic effect principle of semiconductor devices, so as to convert solar energy into electrical energy for use in the workshop, and the excess electricity is connected to the grid. At the same time, a solar water heating system is installed in the factory dormitory to provide domestic hot water for employees, which effectively saves the energy consumption in the factory.

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Overview of the solar photovoltaic power generation system

BIM technology application: The Group adopts BIM software to carry out 3D modeling of our factories, and uses 3D modelling to optimize the design of construction spaces such as pipeline layout and civil engineering reservation. At the same time, BIM software is used to simulate construction animation, and 5D technology is used to make comprehensive and reasonable planning of project schedule and work processes, and relevant implementation steps are formulated. The use of BIM technology in factory construction not only realizes the economic value of improving design quality, reducing implementation errors and shortening construction cycle, but also effectively saves the resource consumption in the process of plant construction.

Energy-saving technology of cooling by cooling towers and medium temperature chillers: In winter or when the outdoor temperature is low, the Group uses cooling towers and medium temperature chillers for cooling, i.e. the plant does not turn on refrigerating machines but rather uses cooling towers and medium temperature chillers to provide 15-20°C process chilled water to the plant, which effectively reduces the annual energy consumption of the operation of refrigerating machines.

Green construction management mechanism

The Groups requires factory construction workshops to declare green industrial building in accordance with the “Green Industrial Building Evaluation Standards” and requires construction works other than those from workshops to declare green building in accordance with each province’s “Green Building Evaluation Standards”, to improve the management level of safe and civilized construction, and effectively maintain the neat and clean environment of the construction site.

New energy vehicles’ high-standard environmental management plan

New energy vehicles has established an environmental monitoring system and internal control department monitoring system based on environmental and product quality policies and industrial production standards, so as to continuously monitor the entire life cycle of products, with particular attention paid to the degree of reuse, recoverability of the materials used in production process and zero discharge of hazardous wastes, to reduce the adverse impact on the environment.

The production bases of new energy vehicles have established a high-standard environmental management system with lasting effects. In 2022, new energy vehicles continually reduced its energy consumption by measures such as use of LED lighting, repair of heat supply system and optimizing office area layout, and various energy consumption indicators decreased by varying degrees compared with 2021.

Reduction in direct
energy consumption
by 18%

Reduction in water
consumption by 45%

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Green operation

The Group is actively committed to green operation, jointly building a sustainable future by providing green and smart mobility solution and standardizing the environmental requirements of green office, providing unlimited scope for development and opportunities for a better quality of life. In FY2022, the Group did not face any issue in sourcing water that is fit for purpose.

The Group fully promotes the business planning of the new energy vehicle industry to the public, popularizes the concept of energy saving and environmental protection of new energy vehicles, and leads the public to implement green travel services. The hype of new energy vehicles will effectively reduce the concentration of PM2.5 produced by fuel vehicles in urban air. With the application of clean electricity, efficient industrial dust removal and desulfurization technologies in the future, new energy vehicles will bring more significant air pollutant abatement effects and promote the continuous improvement of air quality in urban areas.

The Group's daily operation and management is based on the principle of "green office and energy saving", paying attention to details and starting with minor aspects, and calling on all employees to jointly create a green and energy-saving office environment.

Electronic office

- Realize electronic management of contract approval and issue of relevant documents through an integrated management system and achieves paperless operation;
- Adopt video conferences to replace avoidable business travel, reducing resource consumption and greenhouse gas emission produced by transportation;
- Implement offsite attendance and online working under the epidemic situation.

Electricity usage management

- Require employees to turn off the lights, and arrange daily inspections by the responsible person in the area;
- Set air-conditioning temperature at 26°C, and encourage employees to turn off air-conditioners 15 minutes before close of business;
- Use LED energy-saving lamps and sensor switches and lights at new office areas, with a installation rate of 100%.

Water usage management

- Adopt the principle of use on demand regarding the use of bottled mineral water in daily office and business operation to eliminate wastage;
- Install facilities such as automatic faucets and water economizers at new office areas, and post environmental protection tips to enhance the water-saving awareness of employees.

The Group's green operation aims to reduce the impact of operations on the surrounding environment, which contributes to the achievement of SDG 11 on Sustainable Cities and Communities and SDG 12 on Responsible Consumption and Production.

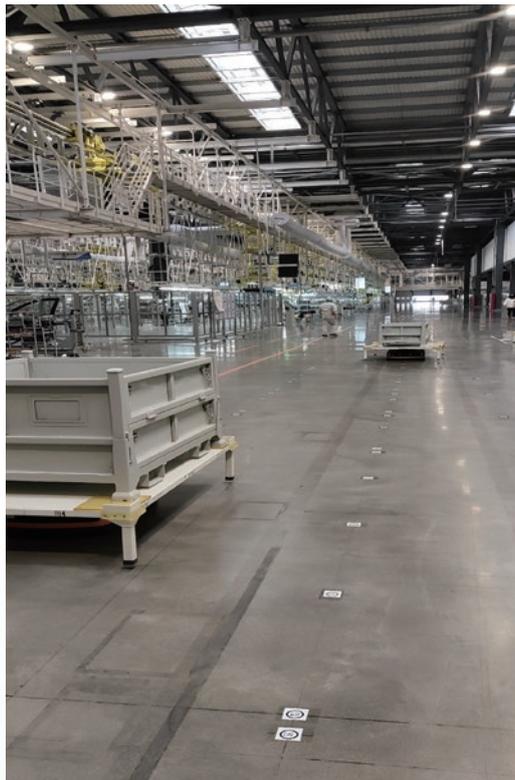


Environmental, Social and Governance Report

Green logistics design

The Group actively promotes green logistics and optimizes the logistics management within the new plant for new energy vehicles in terms of green packaging, green transportation and application of intelligent equipment to reduce the negative impact on the environment during the logistics process.

- Green transportation: The Group's in bound logistics mainly adopts the method of circular pickup of goods to reduce carbon emissions during transportation by shortening the transportation distance, increasing the vehicle loading rate and reducing the number of transportation trips; the planning and layout of in-plant production logistics are based on green requirements, equipped with in-plant storage systems and introducing radio frequency identification systems (RFID) and intelligent terminal devices such as personal digital assistants and LCD screens to achieve paperless logistics production management billboards.
- Application of intelligent equipment: The Group actively builds intelligent, energy-saving and environment-friendly factory logistics based on the production objectives of intelligence, networking and digitization, and optimizes equipment use of conventional lead-acid battery forklifts and tractors through online intelligent dispatching management system and the batch introduction of automated guided vehicles, supporting vehicle batch production while reducing overall energy consumption.



Working scene of automated guided vehicles (AGV)

Packaging materials

Green packaging: The Group has entered into logistics agreements with auto parts suppliers, requiring the packaging of procured auto parts to use green and environmentally friendly materials, eliminating the use of packaging materials that are toxic and harmful to the ecological environment and human health. At the same time, it reduces the use of disposable packaging materials, adopting recyclable and recycled materials as far as possible, and avoids the use of non-environmentally friendly materials such as solid wood and non-biodegradable plastic to meet the requirements of sustainable development of the environment.

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Water Consumption

During the Reporting Period, the Group's water consumption is as follows:

Water consumption	Unit	2022	2021	2020
Total water consumption ¹²	Million m ³	1.10	2.01	2.23
Water consumption intensity	m ³ /1,000 RMB of revenue ¹³	0.29	0.79	0.14

Environment and Natural Resources

The Group adheres to the concept of environmental protection and resource friendly in all its undertakings including construction, production, operation and office, and strictly abides by laws and regulations of the countries and regions where it operates, including the "Environmental Protection Law of the People's Republic of China" (《中華人民共和國環境保護法》), the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》) and the "Soil Pollution Prevention and Control Law of the People's Republic of China" (《中華人民共和國土壤污染防治法》), and is committed to creating a green and sustainable society and making positive changes for the present and the future and realizing a development model of integration and coexistence with the environment.

Oversee safe and civilized construction

The Group undertakes project construction in strict compliance with environmentally friendly requirements, and the construction process has to be carried out in accordance with the goals of "Six 100%" governance of construction sites and "Zero complaints about construction noise". At the same time, the Group has implemented dynamic management of the entire process of project construction and set up inspection teams to monitor the implementation of safe and civilized construction. In FY2022, all of the Group's construction projects complied with the safe and civilized construction requirements of the countries and regions in which it operates.

¹² All water consumption comes from municipal water supply.

¹³ The Group's total revenue was 15,486,625 thousand RMB, 2,531,219 thousand RMB and 3,822,790 thousand RMB in FY2020, FY2021 and FY2022 respectively. The revenue of FY2022 included the discontinuing operation held for sale.

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“Six 100%” governance at construction sites

01 100% fencing of construction sites

- Hard fences are set up to surround construction sites to execute closed management.

02 100% road surface hardening

- Surface of major roads and exit and entry channels of construction sites are subject to hardening treatment.

03 100% covering of sand and earth as well as materials at construction sites

- Earthwork and bulk materials stored in a centralized manner as well as exposed space in construction sites are subject to anti-dust measures such as covering, fixation or greening and exposure is prohibited.

04 100% water sprinkling on dismantle work to reduce dust

- Different methods including fenced spraying and spray dust remover and sprinkler truck are adopted at construction sites to carry out dust reduction by spraying and sprinkler.

05 100% cleaning of wheels and body of vehicles exiting from construction sites

- Set up vehicle cleaning devices at the entrance and exit of construction sites to ensure all vehicles' body are clean, and are allowed to drive out of construction sites only after the mucks are covered up with no spillage.

06 100% coverage or greening of longterm bare soil

- Bare soil arising from construction has to be covered with sand and stones or grow fastgrowing grass in time, to reduce soil erosion.

The Group adopts comprehensive and effective safety and civilized construction control measures, imposing stringent requirements on and control over the generation and disposal of dust, noise, light pollution, water pollution, soil erosion and construction waste etc., to reduce the adverse impact of construction activities on the surrounding environment and to implement green construction standards.

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Control measures for safe and civilized construction

Dust control

- In the phase of earthmoving operation, measures such as sprinkling and coverage are adopted, achieving a height of dust based on visual estimation below 1.5m such that dust does not spread beyond the site.

Light pollution control

- Shielding measures are adopted for Electric Welding operations to prevent arc light from leakage. Lampshades are installed for night time outdoor lighting, so that the direction of light centers on construction area.

Soil protection

- For conditions in which construction leads to high chance of soil erosion via surface runoff, adopt measures such as setting up surface runoff drainage system, stabilizing slopes and covering with vegetation to reduce soil erosion.

Construction refuse control

- Domestic refuse at construction sites are stored in bags and removed in time. Construction refuse is sorted and centrally collected to on-site closed refuse station and then centrally transported out of the construction sites.

Water pollution control

- Set up corresponding treatment facilities at construction sites such as precipitation pool, oil separation tank and septic tank etc.

Noise and vibration control

- Use low-noise and low-vibration machinery and tools and install noise and vibration isolation barrier to avoid or reduce construction noise and vibration.

Environmental, Social and Governance Report

6. Social Aspect

The Group regards employees as the cornerstone of the continuous success of our business and adheres to the growth concept of “people-oriented”. It strictly complies with the “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》) and other laws and regulations of the countries and regions where it operates, and effectively safeguard the growth and development needs of its employees with sound protection of rights, advanced talent management, and a safe working environment to continuously stimulate their internal potential, so as to achieve a virtuous cycle of personal value and corporate development.

Our human resources policies aim to contribute to the achievement SDG 5 related to Gender Equality, SDG 8 related to Decent Work and Economic Growth, SDG 10 related to Reduced Inequalities and SDG 11 related to Sustainable Cities and Communities.



Number of Employees

As at 31 December 2022, compared to FY2021, the Group’s number of employees decreased. This is because the Group underwent structural reorganisation during the Reporting Period. The Group had a total of 4,506 employees in FY2022, with a breakdown by gender, employment type, age group and region as follows:

Number of employees ¹⁴ As at 31 December	2022	2021	2020
By gender			
Male	3,425	4,617	6,711
Female	1,081	1,669	2,085
By age group			
Below 30	1,166	1,665	2,812
30–50	3,257	4,509	5,473
Above 50	83	112	511
By employment type			
Full time	4,506	6,286	8,658
Part time	0	0	126
Contract	0	0	12
By function			
Leadership	52	61	Not disclosed
Management	1,352	1,070	Not disclosed
General staff	3,102	5,155	Not disclosed
By geographical region			
Mainland China	4,480	6,248	7,878
Others	26	38	918
Total	4,506	6,286	8,796

During the Reporting Period, the Group had a total of 1,537 new employees, accounting for around 34% of the total number of employees at the end of the Reporting Period.

¹⁴ Including the total number of all segments of the Group.

Environmental, Social and Governance Report

Build a Diverse Team, Recruit Talents

The Group strictly complies with the laws and regulations of the countries and regions where it operates including the “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Labour Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》) and the “Law of the People’s Republic of China on the Protection of Minors” (《中華人民共和國未成年人保護法》), and has formulated and implemented systems such as the “Recruitment and Entry Management System” (《招聘及入職管理制度》) and the “Labour Discipline Management System” (《勞動紀律管理制度》) to standardize the staff recruitment process and improve the talent selection mechanism.

The Group upholds the principle of “talent is the foundation of hundred decade of business”, and recruits a large number of talents through various channels such as online recruitment, campus recruitment, internal competition recruitment and promotion, actively enlists elite talents from home and abroad, makes every effort to build an international talent team, and takes a series of measures to protect the legitimate rights of employees from any infringement.

Anti-discrimination

- Creates an equal and harmonious employment environment for employees and ensures that employees are not treated differently in light of factors including gender, age, nationality, religious belief, family and health condition;
- No complaint case related to discrimination was received in FY2022.

Elimination of child labour

- Verifies the age of job-seeking candidates with certifying documents including identity cards during recruitment and as for construction project underway, working staff are required to input their respective information via internal system. Employment of child labour is strictly prohibited;
- No case of child labour employment nor case of hiring child labour were discovered in FY2022.

Against forced labour

- Pays statutory overtime wages to employees who work overtime voluntarily, does not encourage any forced labour behaviour and does not allow any overtime work or labour against the will of employees;
- No case of forced labour were discovered in FY2022.

The Group attaches importance to protecting the legitimate rights of migrant workers from infringement, safeguarding their immediate interests, and will readily accept social supervision.

Environmental, Social and Governance Report

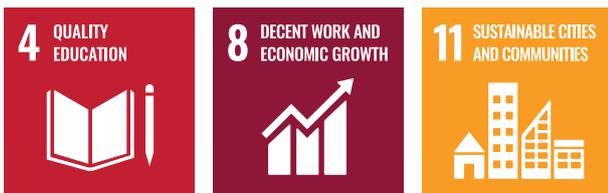
FY2022 Staff Recruitment Activity

The New Energy Vehicle segment recruits automotive professionals according to the needs of business development, and successfully absorbed a large number of high-quality employees. In addition, by setting up link icon “internal recommendation platform” at a visible position on the homepage of the Group’s office system that helps encourage employees to make request for self-referrals or internal recommendations to provide continuous momentum for the development of the new energy vehicle industry.

Development and Training

Due to the COVID-19 epidemic, the local government where the operation is located has implemented city lockdown measures to prevent the spread of the virus, and the Group has implemented online office arrangements and followed the local government’s epidemic prevention policies and measures. While striving to maintain normal business operations, the health and safety of employees are also given priority. The Group deeply focuses on employee development, creates equal and standardized promotion channels from the perspective of employees’ needs, and provides employees with valuable training courses and extensive learning opportunities to promote talent development and to nurture the mutual growth of employees and the Company. The Group uses a combination of internal and external training to target the development needs of employees at different levels and from different business units, and sets up a comprehensive and complete training system to instil a constant growth driver for the career development of employees. In addition, the Group is committed to building an organization driven by learning. While conducting various types of training, the Group also purchases e-book accounts for R&D staff, which allows approximately 160,000 books to be borrowed and read, together with 350 physical books for purchase, laying a solid foundation for building the Group’s core R&D team.

We promote development-oriented policies, supporting production activities and employee training, aimed at contributing to SDG 4 related to Quality Education, SDG 8 related to Decent Work and Economic Growth and SDG 11 related to Sustainable Cities and Communities.



Environmental, Social and Governance Report

Introduction to the talent cultivation system

New Energy Vehicle segment

New employee training project

- Covers aspects including rules and regulations, corporate culture and occupation safety etc., and provides one-to-one mentor tutoring, helping new employees quickly integrate into the team and determine personal development direction.

Professional competence training project

- Professional competence training project is directed by the needs of business departments, it is carried out according to professional paths, including public class on professional knowledge of automobiles and sharing of research and development technology, with the aim of enhancing the professional quality of employees.

General ability training project

- Involves areas such as enhancement of office skills, professionalism and self-management, comprising pre-job training and position promotion training etc., with the aim of enhancing the office and production effectiveness of employees and reserving outstanding management talents.

Industrial Park and Health segment

Quality Talent Program

- Stimulates the management potential of middle and grassroots employees through centralized training, work assessment after training, experience enrichment by taking temporary post, reserving quality talents for healthy operation.

Command Talent Program

- Focuses on aspects such as corporate culture, professional skills, management skills and team expansion, effectively enhancing the business and management ability of senior management personnel.

FY2022 New Employee Orientation Training

In FY2022, the New Energy Vehicle segment of the Group organized 4 induction trainings, each of which was divided into two stages, covering corporate culture and system, professional knowledge of vehicles, project management, system building, etc., to help new employees become familiar with the corporate culture and system and build a highly qualified, efficient and cohesive team. As many as 1,475 employees attended.

Open Class on “Automobile Professional Theme”

In order to implement the national strategy of “strengthening enterprises with talent management”, the Group carried out a total of 4 open classes on “Automobile Professional Theme” in FY2022, course content includes manufacturing, quality, sales, industry trends, opportunities and new challenges of new energy vehicles, etc., a total of 1,330 employees participated the training, which effectively enhanced their knowledge in automotive specialties and laid a solid foundation for the talent building in the new energy vehicle industry.

Environmental, Social and Governance Report



Middle-level or above management cadres training class

The Group's Industrial Park and Health segment held 2 training sessions for middle-level and above management cadres, inviting 140 cadres to carry out intensive trainings. The content of the trainings are a management exchange meeting with the theme of "working hard and striving hard" and a training on the intelligent function and advanced nature of HC5 respectively.

At the same time, the Group encourages employees to share, learn and exchange internally on a regular basis, and strives to build a team of internal trainers, improves the professional level of internal staff and forms a training system of "health, people-orientation, team and responsibility".

In FY2022, due to the epidemic, most of the training activities of the Group were suspended. Looking ahead, if the epidemic is under control, the Group will consider providing more trainings for its employees. During the Reporting Period, the Group's percentage of trained employees are as follows:

Percentage of trained employees ¹⁵	2022	2021
By gender		
Male	78%	84%
Female	61%	75%
By employment type		
Leadership	33%	59%
Management	106% ¹⁶	65%
General staff	60%	85%
Total	74%	82%

¹⁵ Including trained employees of all segments of the Group. Percentage of employees trained = Total number of employees trained during the Reporting Period/Total number of employees at the end of the Reporting Period. The Group's overall trained employees in 2020 was 100%, but various data of breakdown were not disclosed.

¹⁶ During the Reporting Period, the Group has newly recruited management employees, so more than 100% of the management employees have been trained.

Environmental, Social and Governance Report

In FY2022, the average training hours of the Group's employees are as follows:

Employees' average training hours ¹⁷	2022 Hours per employee ¹⁸	2021 Hours per employee ¹⁸	2020 Hours per employee ¹⁹
By gender			
Male	54	1,259	Not disclosed
Female	39	866	Not disclosed
By employment type			
Leadership	18	741	36
Management	58	1,117	21
General staff	48	1,167	49
Total	51	1,155	Not disclosed

Performance Management and Employee Welfare

Based on diversity, equality and reasonable remuneration as its core value, the Group has created a rights protection system for its employees featured with respect, equality and mutual trust.

The Group has formulated and implemented various policies including the "Regulations on Salary Calculation Management" (《薪資計算管理規定》), the "Labour Contract Management Rule" (《勞動合同管理制度》) and the "Management Rule for Social Security and Housing Provident Fund" (《社會保險、住房公積金管理制度》), that puts forward competitive salary plans for employees at different levels and of various business departments, and regularly reviews and evaluates the rationality of remuneration to help employees achieve their ideal remuneration. At the same time, the Group has established a comprehensive employee protection system including insurance schemes, holiday benefits and living benefits to cater for employees' immediate interests.

Insurance schemes

- Acquire social insurance, medical assistance for major illnesses and housing provident fund for employees and supplementary medical insurance for employees;
- Acquire commercial insurance such as employer liability insurance for special staff, e.g. employment of retired staff, part-time staff, etc.

Holiday benefits

- Guarantee employees statutory holiday and adequate rest time, providing paid annual leave, sick leave, marriage leave, maternity leave, paternity leave, etc.;
- Formulate corresponding vacation schemes for special groups such as foreign personnel in line with the policies of their respective countries to enhance sense of belonging among foreign personnel.

Living benefits

- Provide welfare for employees covering food, housing and travel, including low-cost and healthy buffet meal for staff with good quality, festival welfare gifts (such as shopping coupons, book coupons, mooncakes, etc.) and daily benefits (welfare game tickets, fitness clubs, etc.).

¹⁷ Including total training and number of employees across all segments of the Group.

¹⁸ Average training hours of employees = Total training hours during the Reporting Period/Total number of employees at the end of the Reporting Period.

¹⁹ Average training hours of employees = Total training hours of employees during the year ÷ [(number of employees at the beginning of the year + number of employees at the end of the year)/2].

Environmental, Social and Governance Report

During the Reporting Period, the total number of employees who took maternity leave and paternity leave were 38 and 17 respectively. During the Reporting Period, 30 and 17 employees returned to work after taking maternity leave and paternity leave respectively. The number of employees who returned to work after maternity leave and paternity leave and were still employed after 12 months were 28 and 17 respectively. The Return to Work Rate²⁰ and Retention Rates²¹ of employees that took maternity leave were 79% and 74% respectively, the Return to Work Rate²⁰ and Retention Rates²¹ of employees who took paternity leave were both 100%.

Equal promotion opportunities

The Group has formulated and implemented systems such as the "Performance Appraisal Management Measures" (《績效考核管理辦法》), the "Personnel Transfer Management System" (《人事調動管理制度》) and the "Management System for the Selection and Appointment of Leading Cadres" (《領導幹部選拔任用管理制度》), and has constantly optimized the mechanism of employee performance appraisal, incentive and promotion, to guarantee an open and fair promotion of employees and to meet the needs of employees on career development.

"Profession" and "management", twin-pronged development path

- The New Energy Vehicle segment of the Group sets up a "profession" and "management" twin-pronged development path for helping employees with regard to development and promotion as either a professional talent in the "professional field" or a management talent in the "management field" according to their personal attribute and career planning, extending employees' potential to the maximum.

Comprehensive review on duties and talents in key positions

- The Industrial Park and Health segment of the Group comprehensively reviews the qualification for and performance indicators of key positions based on the Company's strategic and management requirements, and timely reserves middle and senior management personnel and high-potential back up candidate with executive talents by ways of regular talent review and provide professional training opportunities for employees etc., building a fair and healthy promotion management system.

²⁰ Return to work rate = (Total number of employees that did return to work after maternity or paternity leave/Total number of employees expected to return to work after taking maternity or paternity leave) × 100%.

²¹ Retention rate = (Total number of employees retained 12 months after returning to work following a period of maternity or paternity leave/Total number of employees returning from maternity or paternity leave in the prior Reporting Period) × 100%.

Environmental, Social and Governance Report

Employee turnover rate

During FY2022, the Group's overall turnover rate is 38.48%. This is because during the Reporting Period, as affected by the epidemic and the Group underwent structural reorganisation. Detailed number and rate of employee turnover are as follows:

Turnover rate ²²	2022	2021
By gender		
Male	39.99%	56.25%
Female	33.19%	43.99%
By age group		
Below 30	45.56%	60.26%
30–50	35.82%	50.98%
Above 50	23.15%	22.22%
By employment type		
Leadership	20.00%	17.57%
Management	29.66%	28.95%
General staff	41.89%	56.87%
By geographical region		
Mainland China	38.48%	53.66%
Other regions	39.53%	20.83%
Total	38.48%	53.55%

Promote Diversity, Equality and Inclusion

While introducing foreign elite talents, the Group also focuses on creating a comfortable working and living environment for them, and has taken a series of initiatives to help them to adapt and merge with the team within the shortest time frame.

Assign escort translators

Assign escort translators to work with foreign experts, to ensure no-barrier communication, as well as to increase work efficiency.

Set up separated dining area

According to the eating habits of employees with special needs, an additional Hui people dining area is set up in the cafeteria to improve the quality of life of employees.

²² Including employees who left from all segments of the Group. Turnover rate = Number of employees who left the Group during the Reporting Period / (Number of employees who left the Group during the Reporting Period + Number of employees at the end of the Reporting Period). The Group has not disclosed the turnover rate for 2020 in the past.

Environmental, Social and Governance Report

We respect ethnic minorities and foreign employees, and take care of their dietary needs and habits. During the Reporting Period, we provided Halal meals in the staff restaurant for Hui employees to choose. Besides, the Group also accepts gender diversity.

Promote Physical and Mental Health of Employees

The Group strives to create a comfortable working and living environment that targets at the actual needs of the employees, as well as to undertake care-directed activities, meeting the latter expectation, including:

Care for pregnant employees

- Deliver care card to pregnant staff; allow expectant mothers to take elevator during peak period and enjoy the privilege to avoid the standing queue during meal break, so as to avoid the crowd and bumping.

Festive gift offer

- Deliver gifts to staff during festivals and host celebration activities, so as to increase sense of happiness among staff.

Team-building activities for employees

- Regularly organizes team-building activities for employees, e.g. monthly staffs birthday parties, tea party for employees etc. to enrich the spiritual and cultural life of employees.

The Group advocates work-life balance, attaches importance to the physical and mental health of employees, and advocates the combination of work and rest by conducting health examinations, setting up staff clubs and organizing sports activities etc. to promote the overall development of employees.

Environmental, Social and Governance Report

Regular physical examination

- The Group organizes physical examination for employees every year, and enables employees to enjoy professional customized guidance through various kinds of medical healthcare consulting and services provided by professional institutions so that they are aware of their health conditions timely and have a healthy and stable career.

Set up staff clubs

- The Group has set up staff clubs and provides employees with facilities such as various fitness equipment, table tennis tables and libraries, so that employees can get relaxed after busy work.

Organize sports activities

- The Group regularly organizes sports events such as badminton, football, table tennis and basketball activities, and encourages employees to strengthen physical exercise during spare time, so as to prevent harm to the body arising from long hours of deskwork.

Employee communication and care

The Group actively listens to its employees through enhanced communication channels. By creating an internal feedback channel, along with employee-related care activities, the Group intends to understand and help resolve various issues arising from career advancement, living, and cultural adaptation. The Group protects the legal rights of its employees, and strives to be a hirer approved by its working staff.

The Group encourages feedback from employees and attends to their needs by creating diverse communication channels, including:

Face-to-face offline communication

- Organize regular seminars for employees recently hired and still in probationary period, and identifies and identify problems they face at work and living to help them acquire a sense of belonging;
- Assign human resources officers for each business department; communicate with and interview department staffs irregularly so as to understand and solve issues raised by employees timely.

Online communication via telephone and Internet

- Establish internal communication facilities including internal communication software and corporate mailbox;
- Publicize whistleblowing mailbox at official website to encourage employees to communicate actively and protect rights.

Feedback from and exchange with terminated employees

- Set up the "Resignation Management System" (《離職管理制度》) to Interview the resigned employees and find out the underlying real reasons for their resignation.

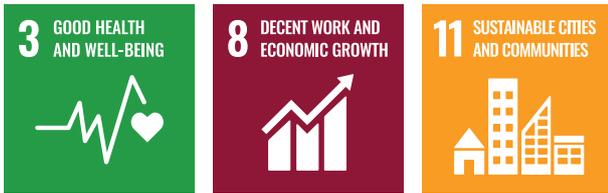
Environmental, Social and Governance Report

Health and Safety

The Group strictly abides by laws and regulations of the countries and regions where it operates, such as the “Occupational Disease Prevention and Control Law of the People’s Republic of China” (《中華人民共和國職業病防治法》), the “Fire Protection Law of the People’s Republic of China” (《中華人民共和國消防法》) and the “Safety Production Law of the People’s Republic of China” (《中華人民共和國安全生產法》), and takes “safe construction, safe production and safe service” as its first principle. It effectively safeguards the physical and psychological health and life security of employees by measures such as improving the working environment of employees, strengthening labour protection and enhancing the safety awareness of employees.

At the beginning of the outbreak of the epidemic, the Group quickly established an epidemic prevention team, which is responsible for personnel control, environmental disinfection, epidemic publicity, and material preparations during the epidemic, and established a normalised mechanism for epidemic management to ensure the health and safety of employees during special periods.

We have always attached great importance to providing a safe and healthy work environment and protecting employees from occupational hazards, aiming to contribute to the achievement of Sustainable Development Goal 3 related to Good Health and Well-Being and Sustainable Development Goal 8 related to Decent Work and Economic Growth and Sustainable Development Goal 11 related to Sustainable Cities and Communities.



Create a safe occupational environment

According to the characteristics of working environment and occupational health risk exposure of various businesses, the Group has separately formulated special policies and work processes to ensure the health and safety of employees in various positions under all working scenarios.

Environmental, Social and Governance Report

Health and safety in the production environment

The life, health and safety of employees are closely related to the sustainable development of the enterprise. The Group has formulated and implemented systems such as the "Safe Production Management System" (《安全生產管理制度》), "Hazardous Chemical Safety Management System" (《危險化學品安全管理制度》) and the "Protection of Migrant Workers' Rights and Interests" (《民工權益保障書》) to regulate the safety management requirements of the production environment and ensure that all aspects of production and construction do not cross the red line.

Control measures for health and safety of production environment

Conduct regular safety inspections

- Establish an on-site comprehensive hidden hazard investigation mechanism, including daily inspections, weekly joint inspections, pre-holiday inspections, and regular management inspections, practically carrying out hidden hazard investigation and management.

Set up a safety management team

- Set up a safety management team and clarify each level's safety duties, which are delineated according to the principle of "the one who manages is responsible", ensuring each area has a direct officer responsible for safety.

Centrally manage hazardous chemicals

- Formulate and strengthen the approval process for dangerous operations, regulate the procurement, storage, use and disposal of hazardous chemicals, and specify temporary ignition safety requirements.

Organize special safety training

- Organize targeted special safety training, regularly select benchmark projects such as "Excellent Project" and "Safe and Civilized Demonstration Project" to ensure that the construction site safety management is carried out in an orderly manner.

The Group actively promotes the construction of a health and safety management system and upholds the national safety policy of "safety first, prevention-oriented and comprehensive management", and has established a safety and environment committee in the new energy vehicle segment as the top organizational body for work on safety and environmental protection, responsible for formulating safety and environmental protection policies, guiding and supervising safety and environmental protection work, and effectively safeguarding the occupational safety of employees. At the same time, New Energy Vehicle segment has obtained the ISO9001:2015 quality management system certification.

In its daily operations, the Group takes a series of measures to safeguard the health and safety of the production environment, mainly including:

- Implementing three-level safety education and training for new employees and organizing various kinds of special safety training related to firefighting and chemicals etc. from time to time. At the same time, it publicizes safety knowledge in obvious areas of construction sites and organizes regular safety and rescue drills to enhance employees' safety awareness and safety operation skills to effectively avoid accidents.

Environmental, Social and Governance Report

- Formulates the "2022 Emergency Drill Plan" to meet the needs of emergency rescue. Through drills to further strengthen coordination between various emergency organizations and teams, and regularly organizes employees to carry out fire emergency drills to improve the staff's emergency disposal ability for sudden safety accidents. At the same time, it is stipulated that each employee must be familiar with the location of fire hydrants and fire extinguishers. After the fire broke out, the time to extract the fire extinguishing equipment should not exceed 1 minute. A fire extinguishing action team and a communication team are set up to use firefighting equipment to extinguish the fire according to the fire situation and keep in touch with the public security fire brigade to ensure that on-site emergency rescue can be carried out as soon as possible.
- Strictly reviewing the qualification of personnel employed for special positions, and implementing "pre-job, on-the job and after-job" medical checkups for employees exposed to occupational hazards such as noise and dust, and transferring employees found to have occupational contraindications to other positions. At the same time, the Group allocates appropriate labour protective equipment for employees, and places dust prevention and noise reduction equipment at construction sites to prevent occupational diseases.

Fire safety training activities in 2022

The Group actively carries out fire safety training, helps employees understand the theoretical knowledge of correct fire alarm reporting, fighting fires at initial stages, fire escape routes in office buildings through theoretical knowledge learning and practical fire drills, and conducts practical drills for employees to simulate flue escape and use fire-fighting equipment to extinguish fires, effectively enhancing the ability of employees to prevent fires and strengthening the fire safety awareness of all employees.

The Group's key performance indicators related to the health and safety of employees in FY2022 are as follows:

	2022	2021	2020
Number of Work Injury Cases ²³	3	6	24
Lost work days due to work injury ²⁴	124	138	795
Work-related fatalities ²⁵	0	1	0

19

Number of fire drills

4,378

Hours of safety training

²³ Including work injury cases from all segments of the Group.

²⁴ Including number of work days lost due to work-related injuries in all segments of the Group.

²⁵ Including work-related fatalities in all segments of the Group.

Environmental, Social and Governance Report

Responding to the Challenges of the COVID-19 Epidemic

Health and safety during the epidemic

The Group strictly implemented the national epidemic prevention and control requirements, actively carried out various prevention and supervision and inspection work, effectively protected the health of employees and maintained normal working order. At the same time, we fully responded to the call of the Party Central Committee and initiated party members to make voluntary donations within the Group to help win the battle of epidemic prevention and control with practical actions, and commended and awarded employees who struggled on the front line of the fight against epidemic to encourage them to do their work with more vigorous spirit.

At the beginning of the epidemic outbreak, the Group quickly set up an epidemic prevention team, specifically responsible for work such as personnel control, environmental disinfection, epidemic publicity and material preparation during the epidemic, and established a regular mechanism for epidemic management to ensure the health and safety of employees' lives during the special period.

Daily control measures for health and safety during the epidemic

Individual profile for each person

- Employees who resumed work normally were required to complete health profiles and provide travel trajectory for past 14 days, health green code, electronic pass, daily health declaration, and personnel from regions of middle and high risk were also required to provide nucleic acid test records;
- Entry staff needed to fill in a letter of commitment, promising that they did not visit high-risk areas 7 days before entrance, had no abnormal physical conditions and had no record of confirmed or suspected case in the community.

Monitor mask wearing and temperature measurement

- During the epidemic, the Group provided disposable medical masks for employees and required employees to wear them throughout working hours every day and whenever they went out;
- Personnel who resumed work had to measure body temperature every day and keep proper record of their body temperature. If their body temperature was above 37.2°C, they had to timely report to the person-in-charge of the units and were subject to quarantine measures.

Migrate to online attendance and office

- The Group independently developed a network video conferencing system and achieved the online management of information dissemination and document approval, establishing effective collaboration system of remote working;
- The Group set up a face recognition system, which was applied to the attendance of employees, effectively reducing the risk of epidemic contact and virus spread and effectively managing internal employees.

Reinforced daily disinfection management

- Spraying disinfection was conducted in areas such as production sites, office areas and staff canteens every day and the above venues were equipped with special sanitizers and medical drugs. Personnel gatherings were reduced and a distance of more than 1 meter in offices and canteens was maintained.
- In line with the local management and control policies, the staff canteen temporarily suspended centralized dine-in meals, and other canteen dining tables had increased interval shieldings.

Environmental, Social and Governance Report

7. Effective Governance

The Group has formulated the “Contract and Performance Management Measures” (《合同及履約管理辦法》) and the “Legal Affairs Management System” (《法律事務管理制度》) to specifically regulate contract review, signing and performance management, effectively avoiding the risks of violating laws and regulations. In addition, by building an online knowledge data base on legal contract, together with introducing legal affairs training, among others, the Group has materialized a mutual sharing platform for contracted legal resource and experience and ensured the compliance of operations.

Corporate Governance

Good corporate governance is critical to achieving sustainable shareholder value. The Group is committed to maintaining a high level of corporate governance to protect shareholders’ interests and enhance corporate value and accountability. For details of the Group’s corporate governance, please refer to the “Corporate Governance Report” in the Group’s FY2022 Annual Report.

In order to promote sustainable development changes in the market and within the Group, the Group established an ESG leadership organization to supervise and guide environmental, social and governance strategies and operations. For more details, please refer to the section “ESG Governance Structure” of this Report.

Business Ethics and Integrity

Anti-bribery and anti-corruption

The Group pays attention to the integrity education of employees, and actively creates an internal culture of integrity, honesty, trustworthiness, and compliance operation. The Group fully implements the concept of “transparent cooperation”, encourages suppliers to actively assume environmental and social responsibilities, and jointly maintain a healthy and transparent business environment. During the Reporting Period, the Group had 2 violations of laws and regulations related to the prevention of bribery, fraud and money laundering. In addition, 1 salesperson was taken criminal coercive measures due to suspected offense and has been prosecuted and awaiting court judgment. The Group has dismissed the person involved.

The Group is committed to enhancing its anti-corruption awareness, building an honest and clean enterprise and business cooperation, aimed at helping to achieve SDG 16 related to Peace, Justice and Strong Institutions.



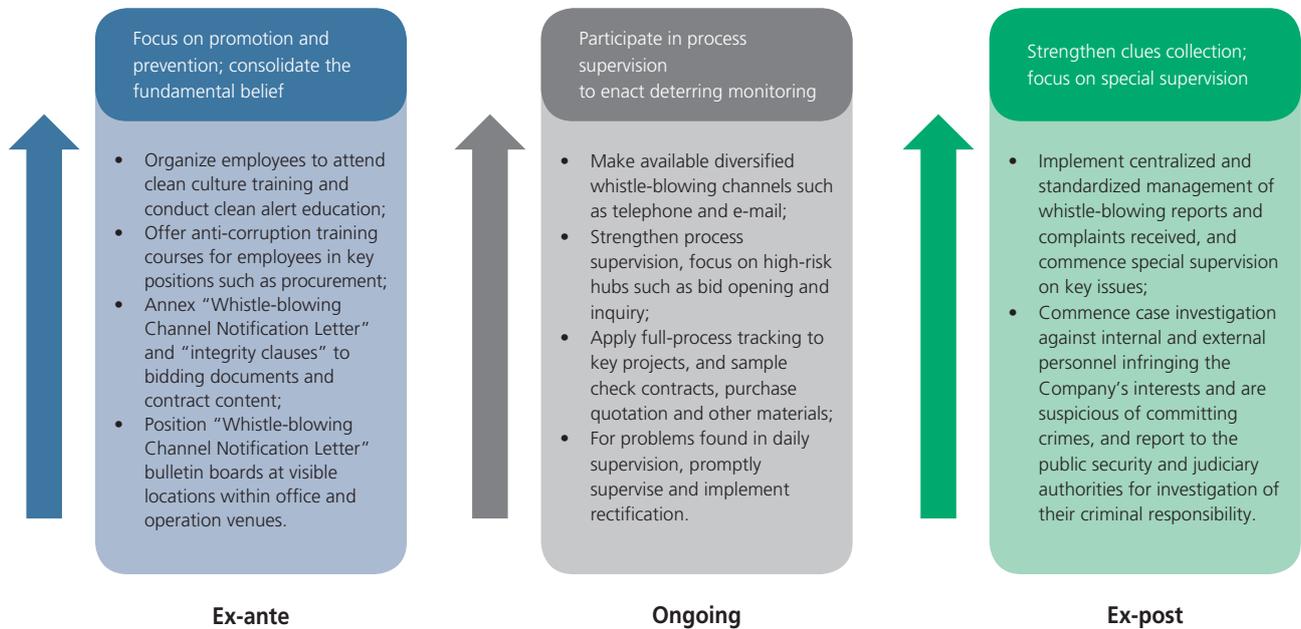
Establish a clean and compliant business atmosphere

The Group strictly complies with laws and regulations of the countries and regions where it operates, including the “Anti-Unfair Competition Law of the People’s Republic of China” (《中華人民共和國反不正當競爭法》) and “Anti-Monopoly Law of the People’s Republic of China” (《中華人民共和國反壟斷法》), and formulated and implemented the “Management Measures for Supervision Against Corruption” and the “Management Measures for Cash Gifts and Gifts” to regulate the procedures of supervision against corruption, and ensure quality and efficient supervision.

The Group has established an anti-corruption management and control system that involves three perspectives, namely, ex-ante, ongoing and ex-post to strengthen its prevention and control for corruption risks. Management loopholes are remedied timely through integrity promotion and training, daily supervision, setting up of reporting channel and careful investigation into reported clues.

Environmental, Social and Governance Report

Anti-corruption management and control system



FY2022 Integrity Education and Training

During the Reporting Period, the Group provided 2 anti-corruption trainings to existing employees and new recruits. Through watching and analysing anti-corruption warning films and in the form of classroom teaching, the culture of integrity is promoted. By sharing the experience after watching the videos, employees' awareness of honesty and integrity can be enhanced, further strengthening the defence line of integrity and self-discipline. Meanwhile, the Group's anti-corruption culture training can enhance managers' understanding of the consequences of corruption, clarifying the red line of incorruptibility, and putting an end to corruption.

Whistleblowing

The Group advocates integrity and avoids unethical business practices. It encourages reporting of suspected violations of regulations, human rights violations and misconduct in the workplace, and provides channels for complaints and reporting, such as through telephone and email. After receiving the complaint, the Group's R&D Quality Supervision Centre must complete the investigation and report back the results within one week.

The Group encourages reporting of any actual or suspected misconduct where appropriate. All reported cases are handled and investigated by experts in the subject matter and are handled in a confidential manner and without the threat of countersuit. Any possible inappropriate matters related to the Group will be reported. During the Reporting Period, the Group received and handled 2 internal reports on criminal offenses, all of which were handled properly.

Product Quality Management

Based on national strategic planning, the Group seizes the development opportunities in the new energy vehicle industry and the industrial park and health industry. With the mission of building a strong national enterprise and contributing to the well-being of mankind, the Group is committed to creating excellent product quality, exploring innovative service models, integrating the construction and sharing of resources, maintaining a transparent business environment and operating with a high sense of responsibility.

Environmental, Social and Governance Report

The Group continues to strengthen the construction of sales, after-sales, property and other services, and gradually enhances the quality of services and projects, aiming to help achieve SDG 9 related to Industry, Innovation and Infrastructure, SDG 11 related to Sustainable Cities and Communities, SDG 12 related to Responsible Consumption and Production and SDG 17 related to Partnerships for the Goals.



Committed to Creating Excellent Product Quality

People's livelihood ranks the top priority. As an experienced entrepreneur in the strategic development of new energy vehicle and health management, both concerning people's livelihood, the Group has an in-depth understanding of the unique importance of quality and safety in people's livelihood, and regards high-quality products as the solid cornerstone for sustainable operation.

(1) *Manufacturing first-class vehicles*

Following the quality directive of "Quality Sets Good Brand; Integrity Builds Great Business" and the quality objective of "product quality must be world-class", the new energy vehicle segment of the Group continuously improves the Group's product quality, service quality and management quality. Focusing on the concept of whole life cycle quality management, the Group conducts quality control throughout every key segment in the new energy vehicle full industry chain.

Global layout to co-build strategic cooperation industrial ecology

Based on the business motif of "Learning from Others, Reaching Far and Beyond", the Group has adopted cutting-edge global resources with wide global perspective engaged and sought for close-tied cooperation with strategic partners, achieving full-industry chain presence, despite being a late bloomer in the industry.

Since entering into the new energy vehicle industry, the Group has rolled out international mergers and acquisitions and strategic cooperation. We joined force with BENTELER Group in Germany to obtain the world's leading intellectual property rights for the 3.0 chassis architecture of new energy vehicles to accelerate the development and manufacturing of new energy vehicles.

Environmental, Social and Governance Report

Merging and sharing of resources

The Group hypes the rational deployment, merging and sharing of high-quality resources at home and abroad, carries out R&D cooperation to help increase the growth contribution rate and achievement conversion rate of technological innovation for the new energy vehicle industry and the industrial park and health industry, contributing to the sustainable development of mankind.

R&D aspects

During the Reporting Period, the Group continued to focus on R&D and had 811 scientific research personnel. By streamlining and integrating R&D institutions, the Vehicle Technology Research Institute (整車研究院) and the Academy of Intelligent Science (智能科學院) were retained to be responsible for product planning, styling and design, engineering development, virtual analysis, trial production testing and major research and development work such as forward-looking technology research including technological exploration and innovation in the fields of intelligent network connection and autonomous driving.

In terms of car launches, the Hengchi 5 model has successfully entered the pilot production phase, focusing on software function iteration and product quality optimisation for full mass production in September 2022. The Group is undertaking the development work on Hengchi 6 and Hengchi 7 to improve product competitiveness.

In terms of Smart Internet and In-Vehicle Software design, in October 2022, the Group successfully completed the mass production of our first model Hengchi 5 developed based on the first-generation electronic and electrical architecture platform, and the performance and functions of various software have met the design indicators. The Group continues to focus on the mass production of other models with the same architecture platform and has started planning for the next generation architecture platform. In terms of developing intelligent cabin and intelligent driving system, the Group completed delivery of H-Smart OS 1.0 system and H-Pilot 1.0 parking system which are embedded in the Hengchi 5 model in the third quarter.



Environmental, Social and Governance Report

Leading core technology

The Group sets up different quality valves for different stages of the new energy vehicle development process, and strictly stipulates the list and standards of valve deliverables to promote the timely and high-quality commissioning of the project. On this basis, the Group has established a Valve Review Mechanism to fully identify and evaluate the quality status of each stage of the vehicle development project and evaluate potential risks to determine whether the next stage of work can be started.

Valve Decision Committee

- Responsible for referring to the expert review suggestion report to decide whether the valve is passed, and approve the rectification plan of the task force.

Valve Review Expert Committee

- Review the valve deliverables submitted by the project team.
- Responsible for assessing the risks and problems in the deliverables, and issuing the review results.
- Provide rectification suggestions for risks and problems in the review results.

Vehicle Technology Research Institute Project Management Department

- Responsible for organizing the review of the G6-G0 valve expert committee, organizing the compilation of report materials for the expert committee meeting, and organizing the compilation of the expert review recommendation report.
- Responsible for organizing the G7-G0 valve decision-making meeting, compiling and publishing the review minutes of the G7-G0 valve decision-making meeting.

Integrated Management Centre

- Support the organization of the G7 valve decision-making meeting.

Group Quality Centre

- Participate in the valve review at each stage, focusing on the product development process, deliverables at each stage of the project, manufacturing process, physical quality, problems and problem closure status, and project quality risks.

Group Product Planning Centre

- Responsible for the preparation of G7 valve review, organize various professional and functional departments to prepare and file deliverables, control the completion progress of deliverables, and coordinate the completion of self-assessment by various professional and functional departments.
- Responsible for the preparation and reporting of the G7 valve project report.
- Responsible for formulating improvement plans and organizing the implementation of the problems found in the G7 valve audit.

Project Team

- The general manager of the project is responsible for organizing the self-assessment of the G6-G0 valve project group, organizing various professional and functional departments to complete the preparation of deliverables, and coordinating the compilation of project self-assessment reports by various professional and functional departments.
- The general manager of the project is responsible for the preparation and reporting of the project report of the G6-G0 valve decision-making meeting.
- The general manager of the project is responsible for formulating improvement plans and organizing the implementation of the problems found in the G6-G0 valve audit.
- The task force is responsible for completing the preparation of deliverables and reporting materials and rectification of problems in accordance with standardized requirements.

Environmental, Social and Governance Report

Whole life cycle quality management

The Group strictly abides by the laws and regulations of the countries and regions where it operates, such as the "Production Safety Law of the People's Republic of China" (《中華人民共和國安全生產法》), "Product Quality Law of the People's Republic of China" (《中華人民共和國產品質量法》), "Management Regulations on the New Energy Vehicle Manufacturing Enterprises and Product Access", and the "Regulations on Responsibilities for Repair, Replacement and Return of Household Automobile Products" (《家用汽車產品修理更換退貨責任規定》) and has formulated and implemented systems such as the "Quality Target Management Measures" (《品質目標管理辦法》) and the "Quality Management System" (《品質管理制度》) etc., which specify the requirements for the formulation of the quality objectives, quality monitoring and quality improvement of new energy vehicles. The Group identifies various risk points and control points in the production process, and adopts appropriate protective measures to achieve the whole life cycle quality management of products covering development, procurement, manufacturing to after-sales.

Whole life cycle quality management

Development process

- Establish product development control process, and specify standards prescribed in laws and regulations and customer quality requirements;
- Formulate quality objectives and quality assurance plans to ensure product delivery quality at all stages throughout the new product development process;
- Collect major quality problems in the industry to circumvent similar risks

Procurement process

- Develop a quality audit system for potential suppliers, and strictly select and recruit suppliers;
- Establish a daily management evaluation mechanism for the supply chain;
- Carry out annual performance appraisal of suppliers, and improve the product and service quality of suppliers in a targeted manner based on the appraisal results.

After-sales process

- Establish a quick response mechanism for after-sales service to handle customer feedback in a timely manner;
- Actively seek for quality improvement solutions: The vehicle manufacturing business implements quality problem analysis and verification through the use of 8D problem solving methods; the power battery business collects quality opinions through customer satisfaction surveys, continuing to optimize product quality.

Manufacturing process

- Before officially putting a new product into production, conduct an overall quality planning for the production process of the new production line;
- Carry out key index assessment management on quality throughout the production process;
- Establish product quality assurance and control procedures and continuously promote quality management standardization;
- Develop a defective product disposal and emergency management mechanism.

Environmental, Social and Governance Report

The Group actively implements the construction of quality management system. The car manufacturing business has obtained the ISO9001:2015 quality management system certification. Meanwhile, the Group has formulated a sound quality management mechanism to enable systematic and standardized quality control.

Quality management mechanism

Establish a quality management committee

- Responsible for the review of the Group's quality policy, quality management system, quality objectives and major quality issues, and improve the operating efficiency and effectiveness of the product quality management system.

Establish an expert team for quality system audit

- Conduct multiple internal audits of the quality management processes, including annual internal audits, rolling system internal audits and process audits, proactively discover quality control issues and make rectifications promptly.

Manufacturing aspect

During the Reporting Period, the manufacturing bases of the Group are located in Tianjin, Shanghai and Guangzhou. In September 2022, the Tianjin manufacturing base commenced mass production of Hengchi 5, and delivery began in October 2022. During the Reporting Period, both the Shanghai manufacturing base and the Guangzhou manufacturing base formulated an equipment management plan based on the downtime management system. The equipment in each workshop should be turned on once every quarter for dynamic test runs and equipment maintenance.

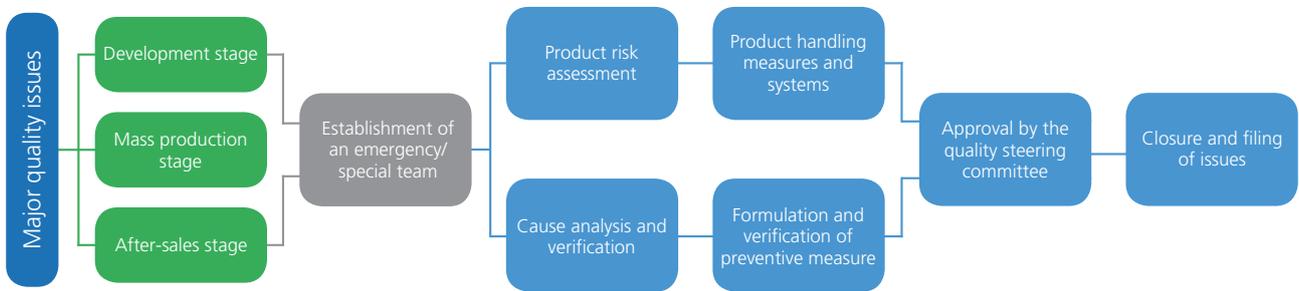


"Hengchi" factory in Tianjin

Environmental, Social and Governance Report

Disposal and Emergency Management of Defective Products

The Group attaches great importance to the quality and safety guarantee of sold products. By formulating the “Vehicle Recall Management Measures” (《整車召回管理辦法》), “Measures for the Administration of Major Market Quality Issues” (《重大市場質量問題管理辦法》) and the “Management Regulations on Product Return and Exchange Procedures” (《退換貨流程管理規定》) and other policies, the Group clearly specifies the reporting level, feedback time and response plan for different quality problems, standardizes the procedures for handling major quality issues in the entire process of product development, mass production, and after-sales, and provides customers with a smooth and efficient product quality solution channel, so as to resolve the problems as fast as possible and mitigate their impact to the greatest extent. Meanwhile, the Group has established a Vehicle Product Recall Leading Group and a special team to follow up and handle vehicle product recalls. In 2022, there were no sold and shipped products of the Group that required recalls subject to safety and health reasons.



Flow chart of handling major quality issues

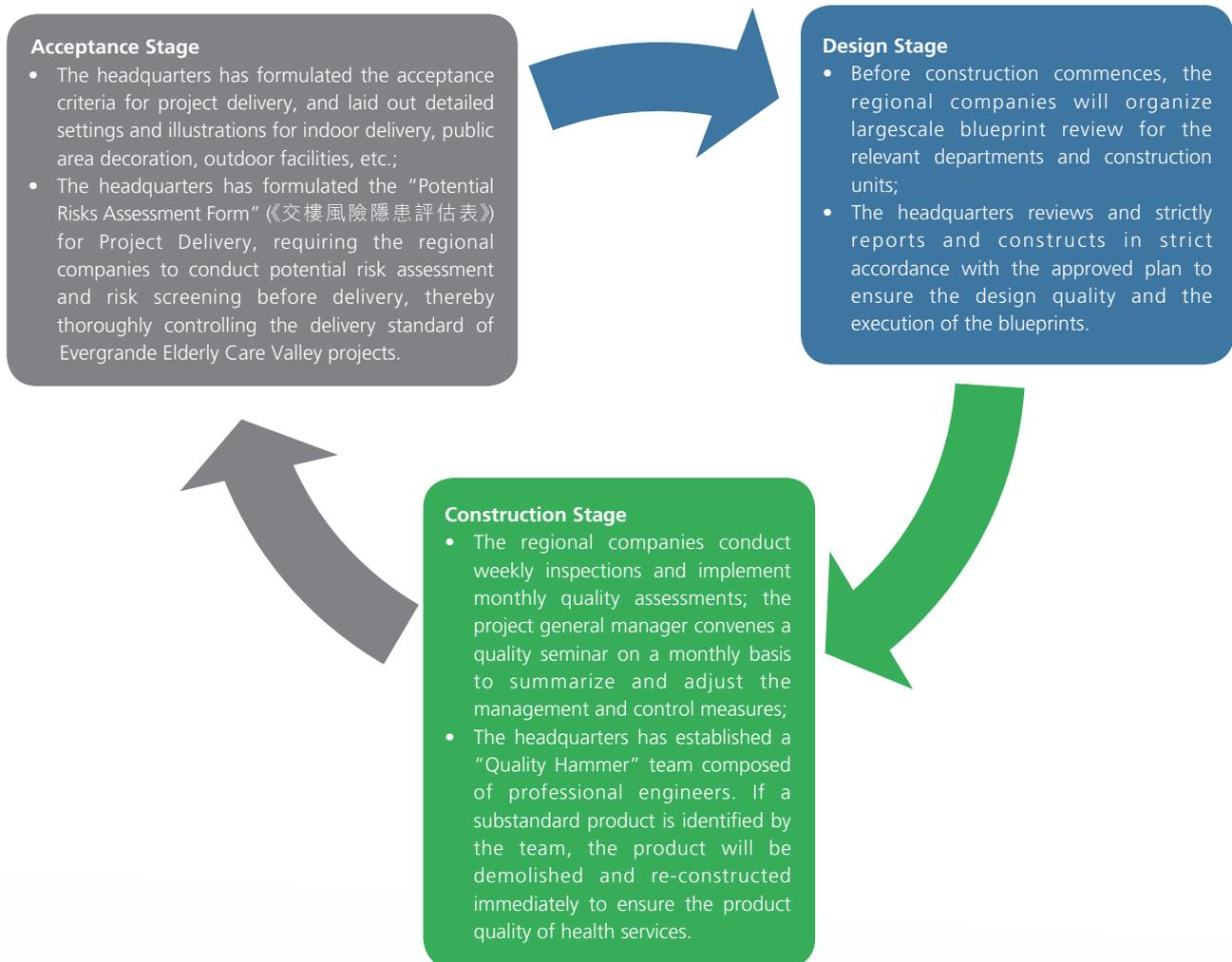
(2) Laying the Cornerstone of High-quality Health Services

The development and construction of the main body of Evergrande Elderly Care Valley represents the key carrier of the Group’s business in the Industrial Park and Health segment. The Group strictly complies with the national and regional laws and regulations of its places of operation, including the “Construction Law of the People’s Republic of China” (《中華人民共和國建築法》) and the “Production Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》). The Group formulated and implemented policies such as the “Quality Management Assessment Measures” (《質量管理考核辦法》) and “Safe and Civilized Construction Management Construction Standards” (《安全文明施工管理施工標準》). The Group continues to standardize the construction quality standards and management mechanism of Evergrande Elderly Care Valley.

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Full-cycle risk management and control

With a sound system and management structure, the Group is able to achieve full-cycle risk management and control of the Evergrande Elderly Care Valley construction projects during the design, construction and acceptance stages, providing a guarantee for the nationwide presence of Evergrande Elderly Care Valley.



At the same time, the Group has responded to the national call to actively implement new technology construction system and prefabricated buildings, ensuring the construction quality of Evergrande Elderly Care Valley while improving construction efficiency.

Environmental, Social and Governance Report

New technology construction system

The four new core construction technologies cover fully cast-in-place concrete exterior wall, aluminium alloy template, intelligent climbing frame and thin plastering of walls. Through measures such as the combination of four construction technologies, alternate processing and refined management, the Group has realized a comprehensive product advantage and construction system that improves the construction quality of Evergrande Elderly Care Valley, shortens construction period and increases the added value of products.

Prefabricated buildings

Prefabricated building refers to onsite assembly and installation of required building components and accessories, including wall panels and stair building blocks, by means of reliable connection technique. The required components and accessories for building will be made in advance in factories. By transferring a massive amount of on-site operation, previously happened in traditional construction method, to factory, the on-site construction efficiency is improved and the overall quality and cost-effectiveness of the buildings of Evergrande Elderly Care Valley is enhanced.

Lean service standards

The Group has formulated and implemented the "Operation Work Guidelines" (《運營工作指引》), "Guidelines for Evergrande Elderly Care Valley's Customer Service Management" (《恒大養生谷對客服務管理工作指引》) and other systems to specify the service standards of Evergrande Elderly Care Valley and provide high level of health management services to customers. The Group's Evergrande Elderly Care Valley in each region has its own methods of maintaining and protecting members, aiming to guide customer service standards.

Promoting intelligent operation

The Group has actively promoted the intelligent transformation of factories and achieved the goals of reducing production costs, improving production efficiency, and optimizing production operations and quality management effects through the application of various intelligent management systems.

Manufacturing Execution System ("MES")

- Optimizes the management of the complete closed-loop manufacturing process from the placing of sales order, material procurement, production of materials, process production, quality control to finished product shipment through information transmission.

Facility Monitoring Control System ("FMCS")

- Performs refined monitoring and management of factory equipment, presenting professional management and operation plans such as planning, comparison, analysis, and decision making.

Quality Management System ("QMS")

- Realizes the digitalization of production and manufacturing process documents, and can also conduct data analysis and information mining, and provides quality managers with detailed trend analysis.

Intelligent management system for factories

Environmental, Social and Governance Report

(3) Listen to Market Voices

In order to respond to customer complaints in a timely manner and improve customer satisfaction, the Group has formulated and implemented the “Service Satisfaction Management Measures” (《服務滿意度管理辦法》) and “Product Quality Satisfaction Survey Management Measures” (《產品質量滿意度調查管理辦法》), establishing the defining standards of complaints of various levels and set out the requirement on return time limit of complaint orders and feedback forms, record time limit and required completion time limit for complaints of various levels.

Each Elderly Care Valley uses WeChat groups, WeChat public accounts, phone calls, information, and interviews as the main communication channels, and has dedicated personnel to manage WeChat groups and public accounts, and publishes event posters every week. After each event, staff and membership consultants will conduct interviews with customers to understand their opinions and make improvements in time. Feedback from WeChat public account customers will be responded within 4 hours.

2022 Customer Satisfaction Survey

During the Reporting Period, the Group conducted interviews with customers through phone calls and video links after selling products, including but not limited to the following: 1. Car experience, 2. Suggestions for subsequent models of the brand, 3. Vehicle driving and operating skills, 4. Function usage frequency and faults, and 5. Function improvement suggestions, etc. Through the satisfaction survey, the Group felt customers’ recognition of product and service quality, obtained customers’ comments and suggestions on product quality, service level, new product development, etc., and provided valuable direction and clues for subsequent new product development and service quality improvement.

During the Reporting Period, the Group received 491 after-sales complaints, including 272 product-related complaints and 219 service-related complaints, all of which have been properly handled.

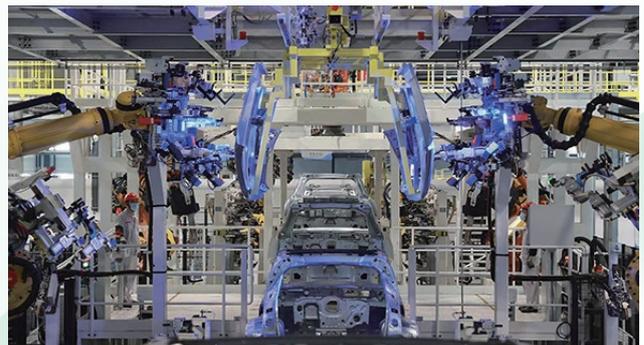
Intellectual Property and Brand Management

The Group strictly abides by the laws and regulations of the countries and regions where it operates, such as the “Trademark Law of the People’s Republic of China” (《中華人民共和國商標法》), the “Copyright Law of the People’s Republic of China” (《中華人民共和國著作權法》), and the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》), and has formulated and implemented systems such as the “Intellectual Property Rights Management System” (《智慧財產權管理制度》) and the “Intellectual Property Management System” (《知識產權管理制度》), etc. to regulate application, registration, filing, change of ownership and related information management of intellectual property rights. Moreover, the Group has implemented relevant regulations through training and promotion and constant monitoring.

In 2022, new energy vehicles began to establish new energy vehicles patent portfolio in strategic areas, including energy management, effective vehicle control and fleet management, and a series of patent technology portfolios that are instrumental to the future travel ecosystem. As of 31 December 2022, the Group had applied for a total of 3,512 patents in similar fields of study worldwide, of which, 2,632 have been granted patents.



Body Workshop



Assembly Workshop

Environmental, Social and Governance Report

At the same time, the Group launched a patent management system to enable the online processing of patent submission, approval, and application document review, promote the standardization of intellectual property management, and regularly carry out training activities on the subject of interpretation of the intellectual property system, project patent planning, and intellectual property rights application process and the writing skill of patent technical disclosure documents to effectively raise the awareness of intellectual property protection among management and R&D personnel.

During the Reporting Period, the Group was not aware of any breach of regulations relating to the provision and use of the Group's products and services (covering product and service information, marketing communications (including advertising, promotion and sponsorship) and property rights (including intellectual property rights)) and voluntary codes that have a significant impact on the Group.

The relevant patents mainly relate to the technologies and designs used in our Group's construction and property. The Group's innovations in production aim to contribute to the achievement of SDG 9 related to Industry, Innovation and Infrastructure.



Compliance marketing and promotion

The Group strictly abides by the "Advertising Law of the People's Republic of China" (《中華人民共和國廣告法》) and other laws and regulations of the countries and regions where it operates, formulates and implements the "Advertising Management Measures" (《廣告投放管理辦法》) and other systems. The Brand Centre of the Group Headquarters strictly reviews the publicly released promotional wordings, materials and sales commitments to prevent inaccurate or exaggerated promotional content.

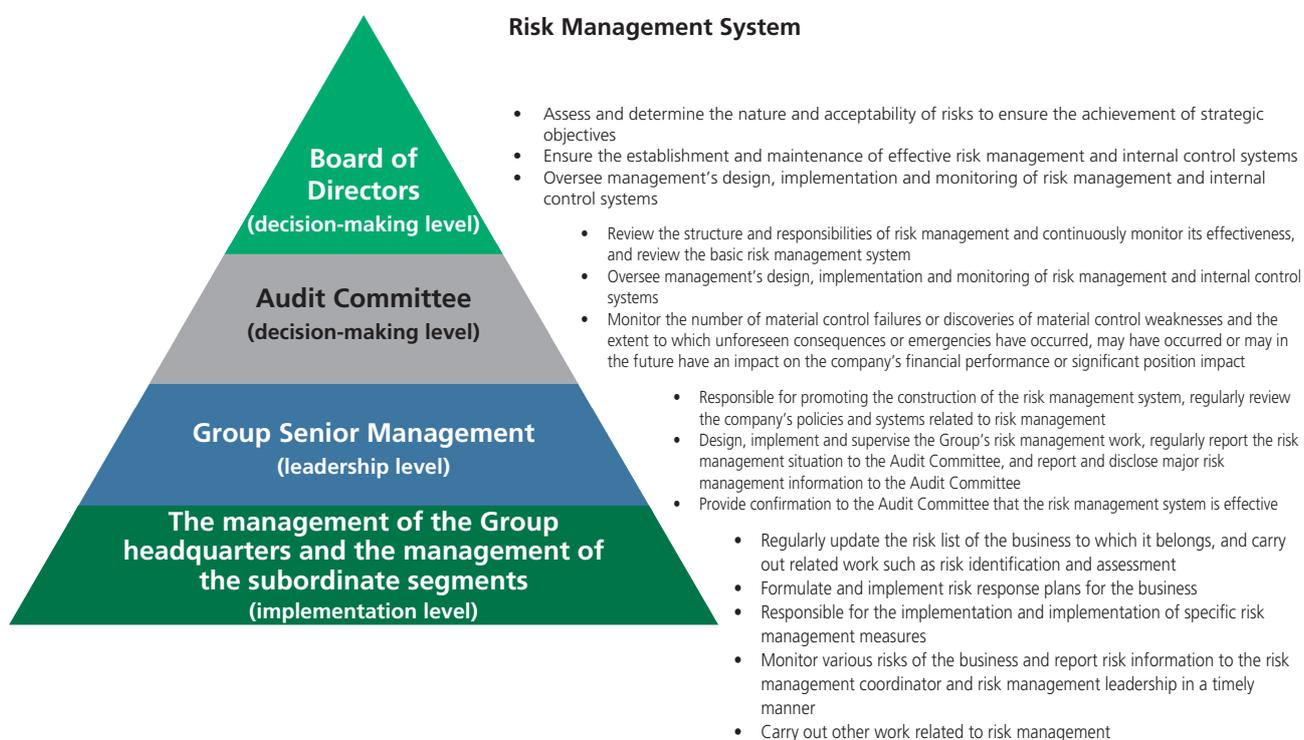
In terms of brand building, the Group has compiled corporate promotion videos, corporate promotion brochures and brand visual image ("VI") manuals, which provide specific guidelines for the overall external promotion of the Group's products and services, and help achieve a unified, standardized management routine for brand on display. The contents will be updated from time to time in line with business development.

Effective Risk Management

Evergrande Auto follows the guidelines on risk management and control in the "Corporate Governance Code" of the Stock Exchange, and regularly completes and discloses the company's annual internal control review report in accordance with the requirements of regulatory agencies and the board of directors. The board of directors is responsible for maintaining effective risk management and internal control systems and regularly reviews the effectiveness of the company's risk management and internal control systems. The company has established a set of procedures for identifying, evaluating and managing the company's significant risks.

A robust risk management framework is the cornerstone of operational excellence, resilience and brand reputation. Therefore, the Group has established a robust risk and governance framework to ensure that all risks are identified, assessed, managed, controlled and monitored. For details, please refer to the "Corporate Governance Report" of the Group.

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The board of directors and senior management regularly review and examine the Group's environmental, social and governance performance, and the board of directors is also responsible for approving the Group's annual ESG report.

Exchange in industry and development

The Group regards the development of the industry and its own growth as a community of destiny, actively participates in industry seminars and exchanges, and gets involved in the drafting of industry standards to promote the long-term development of the industry with the big goal and sense of mission of strengthening the nation. During the Reporting Period, the Group cooperated with 15 world-class automotive styling masters, including former BMW chief designer Anders Warming, former Audi design director Walter De Silva, former Mercedes senior designer Andre Frey, and former Nissan global design director Shiro Nakamura, etc., establishing a modelling design cooperation alliance to ensure that "Hengchi" has world-class quality and styling.

Supply Chain Management

The Group strictly complies with the laws and regulations of the countries and regions where it operates, including the "Law of the People's Republic of China on Bid Invitation and Bidding" (《中華人民共和國招標投標法》) and the "Government Procurement Law of the People's Republic of China" (《中華人民共和國政府採購法》), and has formulated and implemented the "Tendering and Procurement Management System" (《招投標採購管理制度》), "Tendering and Procurement Technical Bid Evaluation Management Rules" (《招標採購技術評標管理細則》), "Supplier Pre-cooperation Business Risk Assessment" (《供應商前期合作商務風險測評》) and other systems, to regulate the selection, assessment and management of suppliers, ensure orderly supply of the Group's production, living materials and services, and achieve a mutual benefit and growth and equal cooperation relationship with suppliers. The Group prioritize to select leading companies in the industry and well-known brands domestically and abroad as its cooperative suppliers, and strictly forbids any personal referral or unit-level self recommendation.

Environmental, Social and Governance Report

As a responsible enterprise, the Group attaches great importance to the sustainable development of the supply chain, and integrating sustainability into core business is one of our missions. In addition to paying attention to the safety and quality of suppliers, it also pays attention to the environmental protection and social responsibilities of suppliers, aiming to help achieve SDG 12 related to Responsible Consumption and Production.



ERP Procurement Supply Chain Management System

The Group has established an ERP procurement supply chain management system, which has full fledged-functionality on material procurement, and can support a set of procurement requirements such as sourcing for procurement suppliers, bidding, contract signing, and approval of capital-sourcing documents.

Environmental and Social Responsibility Requirements of the Supply Chain

During the suppliers' selection process, the Group is not only concerned about suppliers' product quality, but also reviews its quality and environmental management system certification, safety production licenses, labour contracts committed, and the settlement of employee social insurance. Suppliers with good performance in the environmental and social aspect will be given priority.



Environmental requirement for vehicle production material

- By signing the "Commitment for Not Using Prohibited Substances" (《不使用禁用物質承諾書》) with suppliers, the Group requires the suppliers to "comply with BT/SGMWJ 0849 'Requirements for Prohibited Substances in Automobiles' in the control of prohibited substances (lead or its compounds, mercury or its compounds, etc.) used in the supplied parts" to ensure that the materials supplied meet the environmental protection requirements of the country, region and industry.



Environmental requirement for interior decoration material

- Supplement environmental protection design standards for interior decoration materials in the contracts signed with the suppliers, with environmental protection indicators such as waterproofing and formaldehyde emission that are stricter than the national standard requirements.



Recycling requirement for production waste and hazardous waste

- Source for qualified recycling suppliers for waste, hazardous waste, and discarded equipment in automobile R&D and waste from production, and sign technical requirements specifications after on-site visits to ensure that recycling suppliers would properly dispose of waste and avoid environmental pollution.

Environmental, Social and Governance Report

At the same time, signing a contract with the bidding supplier stipulates that the seller, its suppliers and subcontractors, and any products provided by the seller shall comply with the destination and country of origin or with the production, labelling, transportation, import, export, licensing, approval, performance, and recognise all applicable laws, regulations, rules, orders, conventions, regulations and standards of the country relevant to certification, including laws relating to environmental matters, wages, working hours and conditions, selection of subcontractors, discrimination, occupational health and safety, and motor vehicle safety. For products with special environmental protection requirements, we will require product suppliers to sign corresponding contracts, and we will also confirm whether they have been implemented in accordance with the requirements during acceptance check.

Sustainable Supply Chain

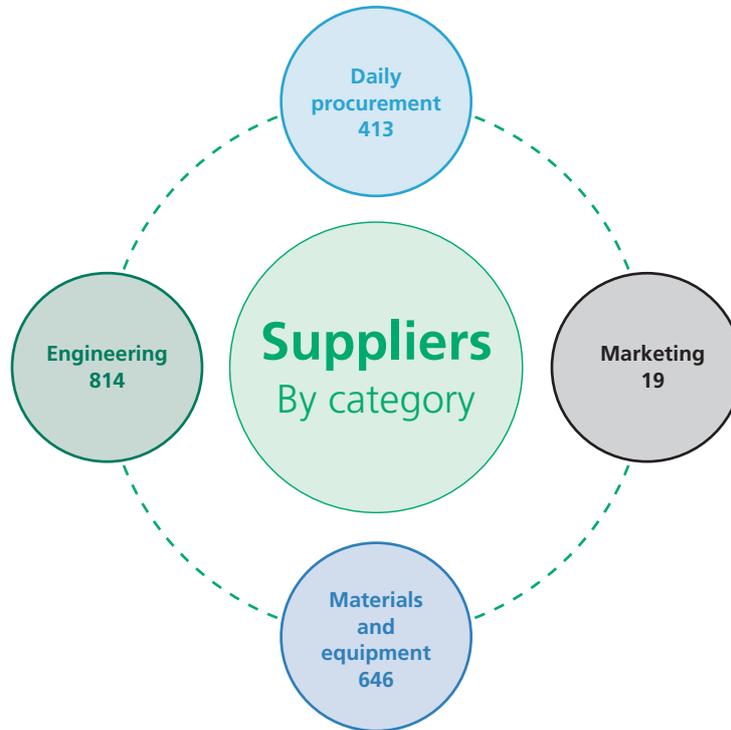
The Group complies with, supports, and implements the “Ten Principles of the United Nations Global Compact” and the “Organization for Economic Cooperation and Development Due Diligence Guideline for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas” that share a global consensus on human rights, labour, environment and anti-corruption, and requires suppliers to:

- uphold human rights as the priority and uphold equal opportunities for and treatment of its employees irrespective of gender, race, colour, religion, age, etc.;
- comply with employment laws and regulations, do not use or accept child labour or forced labour, and ensure reasonable working hours, wages, legally mandated benefits, etc.;
- avoid materials and production behaviours posing environmental and health risks, and act in compliance with the applicable statutory and international standards of environmental protection;
- zero tolerance to corruption, including bribery, illegal or a breach of trust; and
- have a healthy annual operating status, including the sustainability of production factors, good financial status and stable sales performance.

The Group requires its cooperative suppliers to sign the “Guarantee of Rights and Interests of Migrant Workers” (《民工權益保障書》) to resolutely deal with any infringement of the legitimate rights and interests of migrant workers by suppliers. At the same time, it has formulated and implemented the “Letter of Commitment to Complaint Channel for Protection for Migrant Workers’ Rights and Interests” (《民工權益保障投訴管道告知承諾函》), regularly performs a comprehensive inspection of the labour contracts signing and salary payment of the construction units, and assigning the accountability of risk management of the rights and interests of migrant workers to personnel, so as to strengthen the management and supervision of the compliance of the construction units, thus effectively protecting the rights and interests of migrant workers.

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As of 31 December 2022, the Group had 1,892 suppliers²⁶, of which 1,888 and 4 suppliers were based in Mainland China and overseas respectively. They were mainly divided into four major categories: daily procurement, marketing, engineering and materials and equipment. The details are as follows:



The Group was not aware of any major actual or potential negative impacts on business ethics, environmental protection, human rights and labour practices by any major supplier, and there was no incident of non-compliance by any supplier on human rights or environmental matters.

Customer Privacy Protection

The Group attaches great importance to the protection of customer information and privacy, and adopts a prudent and careful attitude to release information to the outside world to ensure that customer personal information will not be leaked or abused. False or illegal propaganda that is inconsistent with the facts is strictly prohibited, and an honest corporate image is established.

²⁶ Including suppliers of all segments of the Group.

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Protection of Customers' Information and Privacy

In order to protect customer information and privacy, the Group has formulated systems such as the "Information Security Management System" (《信息安全管理辦法》) and the "Protection Management Regulations for Delivery and for Delivery to customers" (《向顧客交付及交付的防護管理規定》), etc. At the same time, the Group has strengthened employees' awareness of customer information and privacy protection through information security and privacy policy training, signing of confidentiality agreements, etc., and specified the confidentiality requirements that employees must comply with during and after employment.

Physical Security Measures for Information Security

Set up door guard and access control system

- The Group has set up door guards and access control systems. External visitors need to comply with strict registration and verification, and the entry and exit of articles must be approved by release clause and checked and verified by security.

Hierarchical control of office area

- The Group conducts classified management and control of confidentiality in the office area. All electronic products with camera functions such as mobile phones and computers of personnel entering the confidential area must be sealed and scanned for metal detection.

Information Security Daily Management Measures

Improve management and control system for information security

- The Group installs client-end information security for employees to activate security management and control strategies and face identification; prohibits outgoing channels that do not comply with regulations such as WeChat, QQ, and Netdisk; enables screen watermark and print watermark functions.

Prevent leakage of customers information

- The Group formulates and implements the "Management Measures for Members of Elderly Care Valley" (《養生谷會員管理辦法》), which stipulates that the account access rights of the membership system shall be centrally assigned by the information center at the Group's headquarters. Any unauthorized access is prohibited; at the same time, important information such as customers' ID cards and mobile phone numbers are desensitized in the membership system. If member information and data are found to be leaked or misused, the Group will hold the responsible persons accountable, and those who cause economic losses to the Company will be held accountable.

Environmental, Social and Governance Report

8. Community Investment

The Group is always committed to sharing the fruits of development with society and achieving the common growth of the enterprise and the whole society. In 2022, the Group took advantage of its own platform to actively fight against the epidemic. However, due to the epidemic, many community services were suspended. We are committed to being socially responsible and giving back to the community through our resources. Looking ahead, the Group will continue to understand the needs of the communities where it operates to determine key areas for contribution. In response to the actual situation of the epidemic, we will resume community investment activities in an orderly manner and disclose more relevant detailed information.

The Group is committed to maintaining the sustainable development of its business and the communities in which it operates. In pursuit of social responsibility, the Group expects to give back to the society in areas such as community welfare. Aims at contributing to the achievement of SDG 3 related to Good Health and Well Being.



Work together to fight against the epidemic

During the reporting period, the COVID-19 epidemic raged again, and the fifth wave of the epidemic made the public panic even more. Therefore, we have implemented and strictly adhered to a number of epidemic prevention policies to strengthen the protection of employees, control the risk of infection and prevent the further spread of the epidemic. In order to prevent the spread of the epidemic as early as possible, the Group sprays and disinfects the production site, office space, employee canteen and other areas every day, equipping special disinfectant and medical drugs and reduce the gathering of people. Offices and the canteen need to keep a distance of more than 1 meter, and complying with local management policies, dine-in meals at the canteen were temporarily suspended. During other periods, tables at the canteen had increased barriers. We are more active in encouraging employees to receive vaccinations. During the Reporting Period, we provided employees with alcohol-based hand sanitizers and around 50,000 packs of facemasks, helping to build good body immunity.

Environmental, Social and Governance Report

Appendix 1: Environmental, Social and Governance Reporting Guide Content Index

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) ^(Note 1)		Section/Statement
A. Environmental		
Aspect A1 Emissions		
General Disclosure	Information on: the policies; and 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.	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
KPI A1.1	The types of emissions and respective emissions data.	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	4. POLICIES — ESG Governance Structure
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.	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
Aspect A2 Uses of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	5. ENVIRONMENTAL ASPECT — Use of Resources
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).	5. ENVIRONMENTAL ASPECT — Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	5. ENVIRONMENTAL ASPECT — Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4. POLICIES — ESG Governance Structure
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4. POLICIES — ESG Governance Structure
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	5. ENVIRONMENTAL ASPECT — Use of Resources

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)^(Note 1)

Section/Statement

Aspect A3 The Environment and Natural Resources

General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	5. ENVIRONMENTAL ASPECT — Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	5. ENVIRONMENTAL ASPECT — Environment and Natural Resources

Aspect A4 Climate Change

General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	5. ENVIRONMENTAL ASPECT — Combating Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	5. ENVIRONMENTAL ASPECT — Combating Climate Change

B. Social

Employment and Labour Practices

Aspect B1 Employment

General Disclosure	Information on: the policies; and 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.	6. SOCIAL ASPECT — Performance Management and Employee Welfare, 6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	6. SOCIAL ASPECT — Number of Employees
KPI B1.2	Employee turnover rate by gender, age group and geographical region	

Aspect B2 Health and Safety

General Disclosure	Information on: the policies; and 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.	6. SOCIAL ASPECT — Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	6. SOCIAL ASPECT — Health and Safety
KPI B2.2	Lost days due to work injury.	6. SOCIAL ASPECT — Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	6. SOCIAL ASPECT — Health and Safety

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs)^(Note 1)

Section/Statement

Aspect B3 Development and Training

General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	6. SOCIAL ASPECT — Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	6. SOCIAL ASPECT — Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	6. SOCIAL ASPECT — Development and Training

Aspect B4 Labour Standards

General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	6. SOCIAL ASPECT — Performance Management and Employee Welfare, 6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	6. SOCIAL ASPECT — Performance Management and Employee Welfare, 6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	6. SOCIAL ASPECT — Performance Management and Employee Welfare, 6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents

Operating Practices

Aspect B5 Supply Chain Management

General Disclosure	Policies on managing environmental and social risks of the supply chain.	7. EFFECTIVE GOVERNANCE — Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	7. EFFECTIVE GOVERNANCE — Supply Chain Management
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.	7. EFFECTIVE GOVERNANCE — Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7. EFFECTIVE GOVERNANCE — Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7. EFFECTIVE GOVERNANCE — Supply Chain Management

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (KPIs) ^(Note 1)		Section/Statement
Aspect B6 Product Responsibility		
General Disclosure	Information on: the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7. EFFECTIVE GOVERNANCE — Intellectual Property and Brand Management
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	7. EFFECTIVE GOVERNANCE — Product Quality Management
KPI B6.2	Number of products and service related complaints received and how they are dealt with	7. EFFECTIVE GOVERNANCE — Product Quality Management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	7. EFFECTIVE GOVERNANCE — Product Quality Management
KPI B6.4	Description of quality assurance process and recall procedures.	7. EFFECTIVE GOVERNANCE — Product Quality Management
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	7. EFFECTIVE GOVERNANCE — Customer Privacy Protection
Aspect B7 Anti-corruption		
General Disclosure	Information on the policies; and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
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.	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
Community		
Aspect B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	8. COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	8. COMMUNITY INVESTMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	8. COMMUNITY INVESTMENT

Note 1: All general disclosures and key performance indicators under "Key Area A — Environment" and "Key Area B — Society" are of the "comply or explain" requirements.

Environmental, Social and Governance Report

Appendix 2: GRI Content Index

Statement of use	China Evergrande New Energy Vehicle Group Limited has reported with reference to the GRI Standards for the period starting from 1st January 2022 to 31st December 2022.
GRI 1 used	GRI 1: Foundation 2021

GRI principles	Disclosure items ^(Note 2)	Location/notes
Reporting Principles	Accuracy	The qualitative information is reported according to the available evidence of the Group, the bases for calculations are adequately described which allow replicate measurements and calculations with similar results
	Balance	Positive impacts are not overemphasised and information concerning negative impacts are not omitted
	Clarity	The Report is presented in both English and Chinese with different sections tables of content and consolidated data tables are used which enable most readers to gain easy access to specify sections of the Report
	Comparability	The Report has presented information for the current reporting period and two previous periods with accepted international metrics in consistent manner of calculation and presentation of the information restatements have been disclosed accordingly, where applicable
	Completeness	The Report has presented all its activities and impacts in accordance with the reporting scope as stated in this Report
	Sustainability context	The Report has adopted objective information and authoritative measures on sustainable development to report information about its impacts and report relevant information in relation to sustainable development goals
	Timeliness	Consistent reporting period is used. The information available is collected after the reporting period in a timely manner and meets the requirements under the ESG Guide as set out in Appendix 27 to the Listing Rules of Hong Kong Stock Exchange
	Verifiability	The decision-making process underlying the Group's sustainability reporting which enables the examination of the key decision processes and reliable sources to support calculations have been properly disclosed

Environmental, Social and Governance Report

GRI principles	Disclosure items ^(Note 2)	Location/notes	
General disclosures			
GRI 2: General	2-1	Organisational details	Annual Report
Disclosures 2021	2-2	Entities included in the organisation's sustainability reporting	Annual Report
	2-3	Reporting period, frequency and contact point	Annual Report, 1. ABOUT THIS REPORT
	2-4	Restatements of information	The restated part has been disclosed accordingly (if applicable)
	2-5	External assurance	The Group will consider seeking external assurance for the ESG report in future
	2-6	Activities, value chain and other business relationships	Annual Report, 6. SOCIAL ASPECT — Promote Physical and Mental Health of Employees, 7. EFFECTIVE GOVERNANCE — Effective Risk Management
	2-7	Employees	6. SOCIAL ASPECT — Number of Employees, 6. SOCIAL ASPECT — Promote Physical and Mental
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	Annual Report, Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Corporate Governance Report
	2-11	Chair of the highest governance body	Annual Report, 4. POLICIES — ESG Governance Structure
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Report
	2-13	Delegation of responsibility for managing impacts	Annual Report
	2-14	Role of the highest governance body in sustainability reporting	4. POLICIES — ESG Governance Structure
	2-15	Conflict of interest	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
	2-16	Communication of critical concerns	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity, 7. — Product Quality Management
	2-17	Collective knowledge of the highest governance body	Annual Report, 6. SOCIAL ASPECT — Development and Training
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report

Environmental, Social and Governance Report

GRI principles	Disclosure items ^(Note 2)	Location/notes
	2-19 Remuneration policies	The Group has formulated relevant policies and procedures for salary management- "Evergrande New Energy Automobile Group Salary Calculation Management Regulations" (《恒大新能源汽車集團薪資計算管理規定》). The salary of the company's employees is paid in the form of a fixed monthly salary. The salary structure of employees mainly includes wages and comprehensive approved bonuses
	2-20 Process to determine remuneration	The company's organizational structure, post setting plan, salary structure system and employee annual salary adjustment plan need to be reviewed by the Chairman of the Group and reported to the Chairman of the board of directors for approval before implementation, Corporate Governance Report
	2-21 Annual total compensation ratio	Not applicable: These indicators are influenced by a range of factors, including market trends and inflation rates. The Group offers competitive remuneration against market benchmarks to ensure competitiveness
	2-22 Statement on sustainable development strategy	3. BOARD STATEMENT
	2-23 Policy commitments	Throughout the entire report
	2-24 Embedding policy commitments	Throughout the entire report
	2-25 Processes to remediate negative impacts	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity, 7. EFFECTIVE GOVERNANCE — Product Quality Management
	2-26 Mechanisms for seeking advice and raising concerns	6. SOCIAL ASPECT — Promoting Physical and Mental Health of Employees, 7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity, 7. EFFECTIVE GOVERNANCE — Product Quality Management
	2-27 Compliance with laws and regulations	Throughout the entire report
	2-28 Membership associations	During the Reporting Period, the Group did not have membership association
	2-29 Approach to stakeholder engagement	4. POLICIES — Stakeholder Engagement
	2-30 Collective bargaining agreements	During the Reporting Period, the Group did not have collective bargaining agreement

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GRI principles	Disclosure items ^(Note 2)	Location/notes	
Material topics			
GRI 3: Material topics 2021	3-1	List of material topics	4. POLICIES — Materiality Assessment
	3-2	Process to determine material topics	4. POLICIES — Materiality Assessment
	3-3	Management of material topics	Throughout the entire report
GRI 200 Economic topics			
Anti-corruption			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Not conducted relevant assessment
	205-2	Communication and training about anti-corruption policies and procedures	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
	205-3	Confirmed incidents of corruption and actions taken	7. EFFECTIVE GOVERNANCE — Business Ethics and Integrity
GRI 300 Environmental topics			
Water and effluents			
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	303-2	Management of water discharge-related impacts	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	303-3	Water withdrawal	The amount of water withdrawal of the Group is consistent with the amount of water consumption
	303-4	Water discharge	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	303-5	Water consumption	5. ENVIRONMENTAL ASPECT — Use of Resources
Waste			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	306-2	Management of significant waste-related impacts	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	306-3	Waste generated	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	306-4	Waste diverted from disposal	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	306-5	Waste directed to disposal	5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction

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GRI principles	Disclosure items ^(Note 2)	Location/notes	
GRI 400 Social topics			
Employment			
GRI 401:	401-1	New employee hires and employee turnover	6. SOCIAL ASPECT — Number of Employees
Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6. SOCIAL ASPECT — Performance Management and Employee Welfare
	401-3	Parental leave	6. SOCIAL ASPECT — Performance Management and Employee Welfare
Occupational Health and Safety			
GRI 403:	403-1	Occupational health and safety management system	6. SOCIAL ASPECT — Health and Safety
Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment and incident investigation	Not conducted relevant assessment, will considering conducting in future
	403-3	Occupational health services	6. SOCIAL ASPECT — Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety	6. SOCIAL ASPECT — Health and Safety, 4. POLICIES — Stakeholder Engagement
	403-5	Worker training on occupational health and safety	6. SOCIAL ASPECT — Health and Safety
	403-6	Promotion of worker health	6. SOCIAL ASPECT — Health and Safety
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6. SOCIAL ASPECT — Health and Safety, 6. SOCIAL ASPECT — Responding to the Challenges of the COVID-19 Epidemic
	403-8	Workers covered by an occupational health and safety management system	6. SOCIAL ASPECT — Health and Safety
	403-9	Work-related injuries	6. SOCIAL ASPECT — Health and Safety
	403-10	Work-related ill health	6. SOCIAL ASPECT — Health and Safety, 6. SOCIAL ASPECT — Responding to the Challenges of the COVID-19 Epidemic
Training and Education			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	6. SOCIAL ASPECT — Development and Training
	404-2	Programs for upgrading employee skills and transition assistance programs	6. SOCIAL ASPECT — Development and Training
	404-3	Percentage of employees receiving regular performance and career development reviews	No relevant data, will consider disclosing relevant data in the future

Environmental, Social and Governance Report

GRI principles	Disclosure items ^(Note 2)	Location/notes
Diversity and Equal Opportunity		
GRI 405: Diversity and Equal Opportunity 2016	405-1 405-2	Diversity of governance bodies and employees Ratio of basic salary and remuneration of women to men
		6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents No relevant data, will consider disclosing relevant data in the future
Non-discrimination		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken
		6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents
Child Labour		
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour
		6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents, 7. EFFECTIVE GOVERNANCE – Supply Chain Management
Forced or Compulsory Labour		
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour
		6. SOCIAL ASPECT — Build a Diverse Team, Recruit Talents, 7. EFFECTIVE GOVERNANCE — Supply Chain Management
Customer Health and Safety		
GRI 416: Customer Health and Safety 2016	416-1 416-2	Assessment of the health and safety impacts of product and service categories Incidents of non-compliance concerning the health and safety impacts of products and services
		7. EFFECTIVE GOVERNANCE — Product Quality Management 7. EFFECTIVE GOVERNANCE — Product Quality Management
Marketing and Labelling		
GRI 417: Marketing and Labelling 2016	417-1 417-2 417-3	Requirements for product and service information and labelling Incidents of non-compliance concerning product and service information and labelling Incidents of non-compliance concerning marketing communications
		7. EFFECTIVE GOVERNANCE — Product Quality Management 7. EFFECTIVE GOVERNANCE — Product Quality Management 7. EFFECTIVE GOVERNANCE — Product Quality Management
Customer Privacy		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
		7. EFFECTIVE GOVERNANCE — Customer Privacy Protection

Note 2: Any sections of omission in the GRI standards are either considered as not material to the Group and stakeholders or they are not relevant to the Group's business.

Environmental, Social and Governance Report

Appendix 3: TCFD Content Index

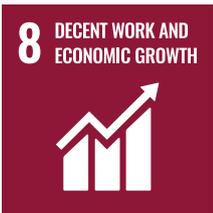
TCFD's core element	Disclosure	Section(s) of the Report
Governance	a) Describe the board's oversight of climate-related risks and opportunities	4. POLICIES — ESG Governance Structure
	b) Describe management's role in assessing and managing climate-related risks and opportunities	4. POLICIES — ESG Governance Structure
Strategy	a) Describe the climate-related risks and opportunities the organisations have identified over the short, medium, and long term	5. ENVIRONMENTAL ASPECT — Combating Climate Change
	b) Describe the impact of climate-related risks and opportunities on the organisations' businesses, strategy, and financial planning	5. ENVIRONMENTAL ASPECT — Combating Climate Change
	c) Describe the resilience of the organisations' strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	5. ENVIRONMENTAL ASPECT — Combating Climate Change
Risk Management	a) Describe the organisations' processes for identifying and assessing climate-related risks	7. EFFECTIVE GOVERNANCE — Effective Risk Management
	b) Describe the organisations' processes for managing climate-related risks	7. EFFECTIVE GOVERNANCE — Effective Risk Management
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisations' overall risk management	7. EFFECTIVE GOVERNANCE — Effective Risk Management
Metrics and Targets	a) Describe the metrics used by the organisations to assess climate-related risks and opportunities in line with its strategy and risk management process	5. ENVIRONMENTAL ASPECT — Combating Climate Change
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	5. ENVIRONMENTAL ASPECT — Combating Climate Change, 5. ENVIRONMENTAL ASPECT — Emissions Management and Carbon Footprint Reduction
	c) Describe the targets used by the organisations to manage climate-related risks and opportunities and performance against targets	4. POLICIES — ESG Governance Structure

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Appendix 4: SDGs Content Index

SDGs	SDG Target	Evergrande Auto's objectives	Evergrande Auto's actions and progress
<p>Good Health and Well-being</p> 	Ensuring healthy lives and promoting well-being for people of all ages	To maintain and promote health and safety awareness	Evergrande Auto has always attached great importance to the health and safety of its employees. During the Reporting Period, the Group promoted the unified, efficient and safe operation of various tasks through a series of management activities. In addition, we also provide employees with appropriate safety training to ensure that employees have sufficient professional safety knowledge to maximize their health and safety when performing their duties. During the Reporting Period, we actively encouraged our employees to get vaccinated and provide employees with alcohol-based hand sanitizers as well as masks.
<p>Quality education</p> 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Provide adequate training to employees to ensure they have sufficient expertise to perform their duties and provide learning opportunities for the community	Evergrande Auto firmly believes that only those with sufficient professional knowledge can show their strengths in their positions and do their best to produce high-quality products. The Group has formulated detailed training policies and regulated employees of different functions to participate in the training required by their duties. For details, please refer to the "Development and Training" section of this report. In addition, we have also conducted recruitment activities on a timely basis, and successfully absorbed high-quality employees.
<p>Gender equality</p> 	Achieve gender equality and empower all women and girls	Continue to uphold and maintain zero tolerance to gender discrimination	Evergrande Automobile's "Recruitment and Entry Management System" (《招聘及入職管理制度》) states that one of the Group's recruitment principles is anti-discrimination. The Group has always provided equal employment opportunities for all applicants, and will never give differential treatment due to factors such as gender. During the Reporting Period, we achieved zero cases of gender discrimination.

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SDGs	SDG Target	Evergrande Auto's objectives	Evergrande Auto's actions and progress
<p>Clean water and sanitation</p> 	Ensure availability and sustainable management of water and sanitation for all	Ensure wastewater is properly treated before discharge and pursue zero non-compliance cases on laws and regulations relating to wastewater management	Evergrande Auto has formulated relevant policies on sewage treatment to regulate the Group's sewage treatment operations. The Group conducts harmless and resourceful treatment of production wastewater, and realizes zero discharge of production wastewater by setting up sewage treatment stations and reclaimed water reuse systems. Our wastewater treatment mitigates the impact of our operations on the marine environment and living things. For details, please refer to the "Emissions Management and Carbon Footprint Reduction" section in this report.
<p>Affordable and clean energy</p> 	Ensure access to affordable, reliable, sustainable and modern energy for all	Strive for the use of renewable energy in its business	Evergrande Auto's main business is the development and production of environmentally friendly new energy vehicles, which help encourage the market to use clean energy. In addition, the Group has set up solar photovoltaic power generation systems in the factory construction, and arranged photovoltaic modules in areas such as the car body joint workshop, the roof of the assembly workshop, and the sample workshop, and used the photovoltaic effect principle of semiconductor devices to perform photoelectric conversion, thereby converting sunshine solar energy into electrical energy for the workshop use, and the excess power is connected to the grid.
<p>Decent work and economic growth</p> 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Pursue zero occupational fatalities and avoid work-related injuries	Evergrande Auto has formulated a series of internal policies related to health and safety, and reviewed and improved the normative content in accordance with applicable laws and regulations. During the Reporting Period, we saw a significant reduction in the number of work-related injuries and lost working days due to work-related injuries. For details, please refer to the "Health and Safety" section of this report.

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SDGs	SDG Target	Evergrande Auto's objectives	Evergrande Auto's actions and progress
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Continue to focus on new product research and development, and pursue to launch more new products that can help treat rare diseases in existing markets and new markets that will be expanded in the future	Evergrande Auto continues to develop new energy vehicles, aiming to provide the market with safe, reliable and environmentally friendly automotive products and services. The Group integrates the concept of environmental protection into its daily operations. We start from the management level of energy use, effectively control resources such as electricity, steam, water, and packaging materials in the production process, improve resource utilization efficiency through equipment transformation, and continue to adopt green packaging to minimize production and operation activities the effect on the environment.
 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries	Ensure candidates from disadvantage groups have equal employment opportunities and maintain zero tolerance to any forms of discrimination	Evergrande Automobile's "Recruitment and Entry Management System" (《招聘及入職管理制度》) states that one of the Group's recruitment principles is anti-discrimination. The Group has always provided equal employment opportunities for all applicants, and will never give differential treatment due to factors such as gender, age, nationality, religious belief, family and health status. During the Reporting Period, we achieved zero case of gender discrimination. During the Reporting Period, we also provided Hui food choices for Hui employees.
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable	Gradually reduce the amount of waste generated by our operations and mitigate the impact on the environment to ensure sustainable living conditions	Evergrande Auto is keen to integrate the concept of sustainable development into its governance policy to maintain its competitiveness. The Group has formulated a series of management policies on waste disposal to regulate the disposal of various wastes generated by operations to ensure that the impact on the environment can be minimized. For details, please refer to the "Emissions Management and Carbon Footprint Reduction" and "Waste Management" sections in this report.

Environmental, Social and Governance Report

SDGs	SDG Target	Evergrande Auto's objectives	Evergrande Auto's actions and progress
<p>Responsible consumption and production</p> 	Ensure sustainable consumption and production patterns	Gradually increase the proportion of environmentally friendly materials purchased	Evergrande Auto has formulated a series of strict related policies on supplier management to standardize the qualifications of suppliers, and has incorporated sustainable elements into them, including but not limited to paying attention to their supply qualifications and certifying their quality and environmental systems, safety production license acquisition, labour contract signing, employee social security payment and other aspects are reviewed. Suppliers with good environmental and social performance are given priority. For details, please refer to the section "Supply Chain Management" in this report.
<p>Climate action</p> 	Take urgent action to combat climate change and its impacts	In addressing climate change and its impacts, we seek to minimize greenhouse gas emissions and reduce carbon emissions in our activities with higher efficiency and more environmentally friendly and clean	Evergrande Auto's main business is the research and development and production of environmentally friendly new energy vehicles, which contribute to the reduction of emissions. In order to cope with the increasingly severe climate change situation, Evergrande Auto has set corresponding targets for dealing with climate change issues. We will regularly review relevant internal policies and review the progress of target implementation to ensure that the emission reduction measures formulated by the Group can effectively assist the practice of the established targets, and will continue to actively develop environmentally friendly new energy vehicles. For details, please refer to the section "Combating Climate Change" section in this report.

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<p>Life below water</p> 	<p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>Avoid water pollution caused by our operations to help preserving the natural habitat of the ocean</p>	<p>Evergrande Auto has formulated relevant policies on sewage treatment to regulate the Group's sewage treatment operations. The Group conducts harmless and resourceful treatment of production wastewater, and realizes zero discharge of production wastewater by setting up sewage treatment stations and reclaimed water reuse systems. Our wastewater treatment mitigates the impact of our operations on the marine environment, water bodies and living things. For details, please refer to the section "Emissions Management and Carbon Footprint Reduction" in this report.</p>
<p>Life on land</p> 	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>Avoid land pollution caused by our operations to preserve natural habitat</p>	<p>Evergrande Auto has formulated a series of strict environmental protection-related policies and measures. By striving to reduce the noise generated in the operation process, classifying waste and hiring and supervising qualified contractors to deal with waste, it strives to eliminate noise and waste. The pollution to the environment is minimized, so as to achieve the purpose of protecting the terrestrial ecology. For details, please refer to "Emissions Management and Carbon Footprint Reduction" and "Waste Management" sections in this report.</p>
<p>Peace, justice and strong institutions</p> 	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>Promote the sense of anti-corruption in terms of personal conduct as well as business practices and pursue zero occurrence of corruption cases</p>	<p>Evergrande Auto has formulated a strict anti-corruption policy, which clearly defines corruption and anti-corruption responsibilities. In addition, it also clearly defines reporting channels, remedial measures and penalties for corruption. The Group hopes to improve employees' awareness of anti-corruption in their personal conduct and performance of duties by providing clear guidelines on details related to anti-corruption management. For details, please refer to the "Business Ethics and Integrity" section in this report.</p>

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Partnerships for the goals 	Strengthening the means of implementation and revitalizing the global partnership for sustainable development	Committed to maintaining support for the industry to which the Group belongs, and striving to advance towards the goal of sustainable development	Evergrande Auto actively cooperates with the industry and suppliers, and participates in industry seminars and exchanges, leading the industry to develop towards quality and meeting consumers' demand for new energy vehicles. Looking forward to the future, if relevant new standards are implemented, Evergrande Auto will definitely actively participate in the relevant work. For details, please refer to "Effective Risk Management" and "Supply Chain Management" sections in this report.