

**Qingling Motors Co., Ltd.**  
**2023 Environmental, Social and**  
**Governance(“ESG”) Report**

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## ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “**Report**”) provides information of Qingling Motors Co., Ltd. (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) on its full-scale implementation of environmental, social and sustainable development concepts, and measures and performance in relation thereto in 2023. The Report is to be read in conjunction with the Corporate Governance Report contained in the 2023 Annual Report of the Group so as to have an overall understanding of the environmental, social and governance performance of the Group.

### Scope of the Report

The Report covers the businesses which the Group has control over and has significant influence in their environmental and social aspects, and discloses the main measures and activities conducted by the Group during the period from 1 January 2023 to 31 December 2023 (the “**Reporting Period**”). The scope of the Report includes the Company and its subsidiaries.

### Basis of Preparation

The Report is prepared by the Group in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Report has complied with the mandatory disclosure requirements and “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide, and has been prepared in accordance with the reporting principles of materiality, quantitative, balance and consistency.

During the preparation of the Report, the Group applied the above reporting principles as follows:

**Materiality:** The Group adopts a materiality assessment approach to identify material issues during the Reporting Period. For details, please refer to the section headed “Identification and Analysis of Material Issues”;

**Quantitative:** The Group discloses the standards, methods, assumptions or calculation tools used in quantitative indicators where feasible;

**Balance:** The Report should provide an unbiased picture of the Group’s performance during the Reporting Period. It should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader; and

**Consistency:** The preparation method of the Report is basically consistent with that of the previous year, and explanations are made on the changes in the disclosure calculation method or key performance indicators.

### Language of the Report

The Report is published in two versions, Traditional Chinese and English. If there is any inconsistency between the Traditional Chinese version and English version, the Traditional Chinese version shall prevail.

## **Stakeholder Engagement**

Thanks to the participation and support contributed by the internal stakeholders in preparation of this Report, the Group is able to have a clearer understanding of its progress in environmental and social aspects. You may access electronic version of this report by clicking “Investor Relations” at the official website of the Company (<http://www.qingling.com.cn>) or the website of the HKEX HKEXnews (<http://www.hkex.com.hk>).

## **Feedbacks**

The Group looks forward to receiving any valuable comments from the readers and please send the comments to the Company by the following means:

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# 1 About Us

The Group is principally engaged in the production of Isuzu light, medium and heavy-duty commercial trucks with international advanced technology and quality standards, six series of diesel and petrol engines with power ranging from 100 hp to 520 hp and traditional fuel and new energy commercial trucks under the brand of Qingling, etc.

The Group was established by Qingling Motors (Group) Company Limited and Japan Isuzu in 1985. The Company was the first Sino-foreign joint venture in Chongqing since the city's reform and opening-up. The Company issued H shares in HKEx in 1994 and issued convertible bonds abroad in 1997.

The Group has products for middle and high-end mainstream customers of both domestic and foreign market. Domestic market: firstly, customers of key industries such as oil, post, communication, finance, electricity, tobacco and so on; secondly, customers of modified vehicles with high value added; thirdly, other customers such as municipal-service, sanitation, fire-fighting, cold storage, airport services and so on. Foreign market: key customers are famous multinational corporations from Japan, Europe, and America.

Productivity per worker, per capita sales, and per capita profit of the Group is greater than other national automobile enterprises. The Group won the National Quality-Benefit Enterprise and the special award for National Advanced Quality-Benefit Enterprise for three consecutive years from 1999 to 2001. The Group won the first Chongqing Mayor Quality Management Award in 2009 and the Jiulongpo District Head Quality Management Award of Chongqing in 2018. It has been awarded as one of the Top 50 Industrial Enterprises of Chongqing for 16 years including 8 years at top of the list. It was awarded the title of "Top 20 Chinese Automotive Industry Vehicles in 2020" in 2020; was awarded the title of "Management Progress Demonstration Enterprise" by the China Machinery Industry Enterprise Management Association in 2021; and was selected as the "Top 500 Machinery Enterprises in the PRC" in 2022.

## **2 Statement of the Board of Directors**

The Group deeply recognizes the regulatory responsibility of the board of directors in identifying, evaluating, and managing environmental, social, and governance (ESG) matters, as well as the importance of excellent corporate governance for sustainable development.

The board of directors is committed to integrating this concept into the overall strategy and business planning of the Group. This concept not only reflects the Group's emphasis on environmental protection and social responsibility while pursuing economic benefits, but also demonstrates the Group's long-term consideration for future development. To this end, the Group has established a comprehensive ESG management framework system and established an ESG working group whose main responsibilities include developing ESG management strategies and related systems and processes, identifying, evaluating, prioritizing and managing important ESG related matters, etc., so as to assist the board of directors in managing and supervising the Group's ESG related affairs from top to bottom. During the Reporting Period, the board of directors supervised and approved the Group's ESG management strategy and guidelines based on the sound operation of the ESG working group and the stable implementation of ESG management policies, and comprehensively evaluated important ESG matters and their priorities, as well as the management process of potential risks and opportunities brought about by these matters to the Group's business.

In addition, the Group firmly implemented risk management and internal monitoring measures to ensure the establishment of appropriate and effective ESG risk management and internal monitoring systems so as to evaluate and determine ESG related risks. From the perspective of risk management and opportunity review, it also considered and approved the Group's ESG related goals, and evaluated and reviewed the progress of achieving these goals. The Group will continue to improve the ESG management system, consciously integrate the concept of sustainable development into ESG management and information disclosure work, and continuously improve the ability and level of risk prevention and control of the Group.

## **3 Corporate Governance**

### **3.1 ESG Governance**

The Group has established a comprehensive corporate governance framework, which includes the board of directors and its subordinate ESG working group. The board of directors, as the highest decision-making body for the Group's ESG work, is responsible for supervising and approving the Group's ESG strategy and management policies, identifying, evaluating, prioritizing, and managing important ESG related matters, and evaluating and determining ESG related risks, and ensuring that the Group establishes appropriate and effective ESG risk management and internal monitoring systems. The board of directors is also responsible for approving the ESG related goals of the Group and reviewing the progress of achieving these goals. The ESG working group, as a working group under the board of directors, assists the board of directors in managing the Group's ESG related matters from top to bottom. The ESG working group is mainly composed of functional department heads from the Company and its subsidiaries, and its main responsibilities include developing the Group's ESG management strategy and related systems and processes, identifying, evaluating, prioritizing, and managing important ESG related matters, analyzing the potential risks and opportunities of ESG related matters on the development of the Group's business, as well as related impacts, and establishing appropriate and effective ESG risk management and internal monitoring systems.

The Group has taken comprehensive and systematic measures in implementing ESG strategy to ensure the coordinated promotion of environmental, social, and corporate governance. The annual focus of ESG management in the Group covers multiple aspects, including safe production, occupational health, product quality, after-sales service, investor relations, consumer rights protection, compliance management, employee rights protection and promotion channels, and environmental protection. By comprehensively promoting these key tasks, the Group is committed to improving ESG performance to ensure the smooth achievement of ESG goals. In terms of environmental governance, the Group has established a complete set of environmental protection management systems, strictly implementing standard specifications, formulating environmental protection work plans, and ensuring the effective implementation of environmental protection work in various departments. In terms of supplier management, the Group has established systems such as the "Management Measures for Procurement, Trial Production, and Test Evaluation of New Social Supporting Parts" and the "Supplier Performance Evaluation Management Measures" to implement strict processes in the screening, admission, auditing, and exit of suppliers. At the same time, when selecting suppliers, the Group takes into account social and environmental factors, such as the supplier's environmental protection measures and business ethics. In addition, the Group actively promotes digitalization of logistics, improves logistics efficiency, and reduces greenhouse gas emissions from logistics.

In addition, in order to enhance the professional ability and knowledge level of the board of directors in the ESG field, the Group has improved the board of directors' ability to identify and evaluate ESG risks and opportunities through enhancing the training of ESG related knowledge, and ensured that the board of directors can effectively consider and approve ESG related goals and annual ESG reports. Meanwhile, with the collaborative efforts of the ESG working group, the board of directors is able to manage ESG related affairs more efficiently.

### **3.2 Compliance and Business Ethics**

The Group strictly complies with the provisions of the Anti-Money Laundering Law of the People's Republic of China, the Criminal Law of the People's Republic of China, as well as relevant laws and regulations such as the Company Law of the People's Republic of China, the Tendering and Bidding Law of the People's Republic of China, the Anti Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Prohibiting Commercial Bribery in preventing money laundering.

At the same time, the Group has formulated a series of policies and regulations, such as the "Bidding Management Measures", "Interim Measures for Performance Benefits and Business Expenditure Management", and "Provisions on Reiterating the Discipline of Clean and Honest Work of Leading Cadres", so as to ensure that all business activities are legal and compliant.

In order to further strengthen the construction of clean governance, the Group has established the tip-off procedures, and specific measures are as follows:

1. formulated the Rules for Handling Accusing and Charges by Disciplinary and Supervisory Authorities, built a whistle-blowing platform, utilised Internet technology and information technology to ensure the smooth channels and regulated handling of accusing and charges.
2. signed the Transparent Procurement Agreement with suppliers, which specifies that both parties shall comply with national laws and provisions regarding honest working, and conduct fair, just and open procurement and prohibit any violation of law or discipline. For suppliers who violate their commitments, corresponding punishment measures will be implemented based on the severity of the violation, including paying fines, blacklisting suppliers, and losing supplier qualifications.
3. established complaint and tip-off channels, such as complaint phone numbers and email addresses, to facilitate timely receipt of complaints and tip-off concerning corruption, bribery, extortion, fraud and money laundering.

As the agencies responsible for supervision, discipline enforcement and accountability, the disciplinary committee and the ombudsman's office of the Group have continuously strengthened the deterrent against corruption through serious investigations and handling of cases, and continuous improvement in the construction of working style; checked the omissions and changed the way of supervision and comprehensively and firmly perform of the system in which no one can be corrupted through special inspections focusing on key processes in key areas and daily supervision and inspections, etc.; cultivated the awareness of not thinking of being corrupted through strengthening warning education, and eradicating pre-developed and small-scale corruptions by giving conversations related to warning in a timely manner, etc., through which, they have built a mechanism of not daring to be corrupted, incapable of being corrupted and not thinking of being corrupted. The employees have been maintaining integrity at all times and established a line of defense against corruption.

The Group has taken multiple measures to prevent bribery and ensure the integrity and compliance of its business activities:

1. Supplier Integrity Commitment Letter: the Group requires suppliers to sign an Integrity Commitment Letter, promising to strictly abide by national laws and regulations as well as the provisions of integrity in business dealings, and never harm the interests of the country or the Company. The commitment letter specifically stipulates that no gifts shall be given to the Company's employees, no banquets or entertainment activities shall be provided, and no full-time or part-time work shall be arranged for the Company's employees. If the supplier violates the commitment, they will face corresponding penalties.
2. Anti-corruption training: the Group organized anti-corruption training sessions in a regular basis to strengthen the integrity awareness of directors and employees. For example, such as "Pre-Festival Integrity Requirement Training" for the management of key positions before statutory holidays, organizing the management and staff of key positions to watch integrity education warning films and holding anti-corruption working sessions. During the Reporting Period, the Group conducted a total of 145 anti-corruption training sessions.
3. Internal Audit Regulation: the Group formulated the Internal Audit Regulation and Measures for Implementation of Internal Audit, and the Audit Department audits and supervises the Group's headquarters, departments, subsidiaries and relevant personnel independently and objectively at

regular intervals. Anyone who violates national laws and regulations or regulations of the Company will be punished according to relevant regulations, and they will be transferred to judicial authorities if they are suspected of crime.

During the Reporting Period, the Group did not have any corruption litigation cases.

**Case: Construction of the Party Conduct and Anti-Corruption Working Meeting**

In February 2023, the Group held the 2023 Party conduct and anti-corruption working meeting, with 105 attendees including members of the Group's Party committee, the Group's general legal advisor, members of the Chinese management team of the joint-stock company, secretaries of grassroots Party organizations, and disciplinary inspection commissioners. During the meeting, all attendees watched the warning educational film "Self-revolution is always on the road" together. The meeting called for strengthening work style and discipline construction, deepening treatment of both symptoms and root causes, promoting the construction of Party conduct and clean government and the fight against corruption, and providing strong guarantees for the high-quality development of state-owned capital and enterprises. All attendees realized the importance of anti-corruption through this meeting.



### 3.3 Identification and Analysis of Material Issues

The Group deeply recognizes that as an enterprise, maintaining good communication and interaction with various stakeholders is the key to the sustainable and healthy development of the Group. Therefore, the Group actively identifies and responds to the needs of various stakeholders, and is committed to achieving a mutually beneficial and win-win development situation.

Firstly, the Group has identified its stakeholders, including the government, shareholders, customers, employees, partners, communities, and society. In order to meet their different demands, the Group has adopted a diversified communication strategy to ensure that the expectations of all parties are fully addressed and responded to.

In response to the demands of stakeholders, the Group attaches great importance to in-depth research on important issues. For this purpose, the Group has developed a thorough research plan to comprehensively grasp the attention and expectations of various stakeholders on issues such as safe production, occupational health, product quality, after-sales service, investor relations, consumer rights protection, employee rights protection, promotion channels, compliance management, and environmental protection through means such as symposiums, questionnaires, and data analysis.

Through detailed analysis of research data, the Group has identified the above-mentioned topics as material during the Reporting Period, and will respond to the expectations of stakeholders regarding these topics through this report. At the same time, the Group closely monitors the annual changes in these topics in order to timely adjust the Group's strategy and operational plans, ensuring the sustainable and healthy development of the Group.

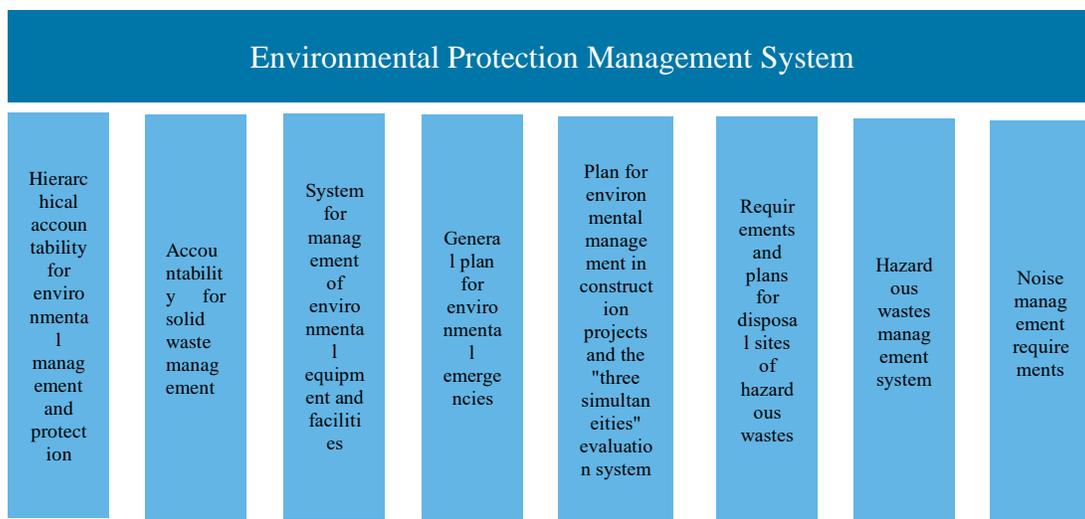
**Table 1 Communication mechanism and expectations of the stakeholders**

Stakeholder	Communication mechanism	Expectations of the stakeholders
Government	<ul style="list-style-type: none"> <li>• Daily management</li> <li>• Meetings</li> <li>• Monitoring and inspections</li> <li>• Monthly report to the SASAC (workreport)</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws</li> <li>• Paying taxes according to the law</li> <li>• Emissions management</li> <li>• Support local development</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Information disclosure</li> <li>• Activities promoting investor relations</li> </ul>	<ul style="list-style-type: none"> <li>• Continued development and return to shareholders</li> <li>• Information disclosure and investor relations</li> <li>• Corporate governance and risk control</li> <li>• Compliant operations</li> </ul>
Clients	<ul style="list-style-type: none"> <li>• Call center</li> <li>• After-sales services</li> <li>• Repair station</li> </ul>	<ul style="list-style-type: none"> <li>• High-quality products</li> <li>• High-quality services before and after sales</li> <li>• Consumer communication channels</li> <li>• Protecting the rights and interests of the clients</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Staff trainings</li> <li>• Staff activities and staff care</li> <li>• Monthly digest</li> <li>• Conversation with the disciplinary inspection commission</li> <li>• Corruption reporting procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Guarantee of salaries and welfare</li> <li>• Favorable working environment and development platform</li> <li>• Equal opportunities for promotion and development</li> <li>• Occupational Health and Safety</li> <li>• Smooth communication channels</li> </ul>
Partners	<ul style="list-style-type: none"> <li>• Project negotiations</li> <li>• Assessment and inquiry</li> <li>• Communications in the course of cooperation</li> <li>• Supplier assessment and evaluations</li> <li>• Open bidding and tendering</li> <li>• Information-based construction</li> <li>• Tip-off procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Keeping promises</li> <li>• Equal, open and fair procurement</li> <li>• Transparent procurement agreement</li> <li>• Development with mutual benefits</li> </ul>
Community and society	<ul style="list-style-type: none"> <li>• Charitable domination</li> </ul>	<ul style="list-style-type: none"> <li>• Promoting urban development</li> <li>• Raising public awareness</li> <li>• Promoting community harmony</li> </ul>

## 4 Environmental Protection

### 4.1 Environmental Protection

The Group always regards the balance between environmental protection and economic benefits as the core and key of our operations, and is committed to achieving sustainable development of the environment and economy by focusing on environmental protection work. The Group strictly complies with national and local environmental protection laws and regulations, including the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China, to ensure that all environmental protection related work is carried out in accordance with laws and regulations. The Group has established various environmental protection management systems, and supervises to ensure the strict implementation of environmental protection work by all departments.



In order to improve environmental protection standards and reduce pollutant emissions, the Group continues to invest special funds to upgrade and transform the environmental protection facilities of the production lines, and adopts advanced environmental protection technologies and equipment. All construction projects of the Group have been implemented in strict accordance with the principle of "three simultaneousities", i.e., simultaneous design, construction and putting to operation of the environmental facilities and the main construction facilities.

While paying attention to environmental issues, the Group actively fulfills its social responsibility and contributes to society and the environment through environmental protection work and sustainable development practices. Based on these concepts and principles, the Group has taken specific measures in environmental management system construction, climate change, energy management, exhaust emissions, waste management, water resource management, and other aspects. Through these measures, the Group has achieved significant results, and secured a win-win situation of environmental protection and economic benefits, laying a solid foundation for our long-term sustainable development.

### 4.2 Environmental Management System

The Group always adheres to national and local environmental protection laws and regulations, including but not limited to: the Environmental Protection Law of the People's Republic of China, the Environmental Impact Assessment Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Chongqing Comprehensive Emission Standards

for Air Pollutants updated by the Chongqing Ecological Environment Bureau (formerly known as the Chongqing Environmental Protection Bureau) and the Chongqing Quality and Technical Supervision Bureau in 2016, the implementation plan of the Chongqing “Blue Sky Action”, the Emission Standards for Air Pollutants from Automotive Manufacturing Surface Coating (DB50/577-2015) issued by Chongqing in 2015, the Emission Standards for Air Pollutants from Industrial Furnaces and Kilns (DB50/659-2016) issued by Chongqing in 2016, as well as the emission standards specified in the pollution discharge permit. In addition, the Group has completed the relevant work of carbon emission quota verification, carbon emission rights purchase, environmental protection tax payment, etc. in accordance with the law and regulations, and has not violated any major laws and regulations related to exhaust gas and greenhouse gas emissions, water and land pollution discharge, and hazardous and harmless waste generation.

The Group complies with various laws and regulations in protecting biodiversity, responds to international initiatives such as the Global Biodiversity Framework, the United Nations Sustainable Development Goals, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The Group promises not to cause persistent damage to species, habitats, and biodiversity.

The environmental management policy system of the Group covers various levels of environmental management and protection responsibility system, solid waste management responsibility system, environmental protection equipment and facility management system, and overall plan for environmental protection emergencies. These policies constitute the cornerstone of the Group's environmental protection work, ensuring that the Group can effectively fulfill corporate social responsibility while pursuing economic benefits. The Group focuses on the impact of production activities on the environment, and disposes of hazardous waste and general solid waste in accordance with the law to ensure compliance with discharge standards. In terms of exhaust emissions, the Group strictly complies with relevant laws and regulations, and significantly reduces the emissions of atmospheric pollutants through the implementation of coal-fired boiler clean energy ("coal to gas") projects. The Group is equipped with vehicle body painting, axle coating, frame painting, gearbox paint repair, welding fumes dust removal, boiler low-nitrogen combustion and other treatment equipment to ensure the emission to meet the relevant standard limits of Chongqing city. In terms of resource utilization targets, the Group has set specific energy efficiency and emission targets. For example, the 2023 combustion indicators set by the Group include specific quantitative indicators for single vehicle production electricity consumption, single vehicle production gas consumption, and single vehicle water consumption.

### **4.3 Exhaust Emissions**

The Group always strictly complies with national and local environmental protection laws and regulations, including the Air Pollution Prevention and Control Law of the People's Republic of China and the Chongqing Comprehensive Emission Standards for Air Pollutants, and actively cooperates with the implementation plan of the Chongqing “Blue Sky Action” to promote the improvement of regional environmental quality. At the same time, the Group continues to optimize its internal management system for exhaust emissions, implements strict supervision and management of exhaust emissions, continuously strengthens the construction of environmental protection facilities, adheres to environmental standards, and steadfastly pursues the path of environmental development.

The types of exhaust emissions of the Group include smoke, nitrogen oxides (NO), sulfur dioxide (SO), volatile organic compounds (VOCs), etc. To meet the exhaust emission standards, the Group has taken multiple measures, including but not limited to:

- Successfully implemented the coal-fired boilers clean energy ("coal to gas") project through replacing coal-fired boilers with newly built gas boilers, significantly reducing the emissions of

- atmospheric pollutants such as smoke, nitrogen oxides (NO), and sulfur dioxide (SO);
- equipped with advanced treatment facilities, such as vehicle body painting, axle coating, frame painting, gearbox paint repair, welding fumes dust removal, boiler low-nitrogen combustion and others to reduce exhaust gas concentration and emissions and ensure emissions to meet relevant standard limits;
- installed a purging system to effectively collect and dispose of the smoke and exhausts, realizing standard emission;
- improved the environment of the welding workshop, strengthened removal and treatment of welding fume and dust in the car-frame workshop and maintained continuous and stable compliance emission of welding fume;
- in accordance with the emission standards set out in the national pollutant discharge license, the Group has installed the volatile organic compounds (VOCs) treatment equipment of the coating and manufacturing department, the VOCs treatment equipment of the axle assembly workshop, the VOCs treatment equipment of the frame workshop, and the VOCs treatment equipment of the gearbox manufacturing department to ensure that the annual VOCs emission does not exceed the limit;
- performed low-NO<sub>x</sub> renovation on gas boilers to ensure that their emissions fully comply with the requirements of the Boiler Air Pollutant Emission Standards (DB50/658-2016) and related modification orders;
- adopted energy-saving and technological transformation measures to reduce energy consumption and greenhouse gas emissions. The Group adheres to environmental protection measures and is committed to creating a green production model to contribute to sustainable development.

The Group's exhaust emission monitoring system adopts strict monitoring procedures, including regular emission monitoring and environmental assessment. Every year, the Group actively invites environmental supervision departments to monitor legally regulated emissions and engages independent third-party institution to conduct environmental evaluations so as to ensure that the Group's emission activities comply with legal and regulatory requirements. If any problems are found during the monitoring or evaluation process, the Group will immediately take corresponding measures to address the emission issues in a timely manner for the purpose of meeting the standards of relevant laws and regulations.

#### **4.4 Climate Change**

The Group adheres to relevant national and local laws and regulations in greenhouse gas emission management, including the Air Pollution Prevention and Control Law of the People's Republic of China, the Comprehensive Emission Standards of Air Pollutants in Chongqing, and the Interim Measures for the Management of Carbon Emission Rights Trading in Chongqing. The Group actively implements the implementation plan of Chongqing "Blue Sky Action", and strictly implements relevant environmental regulations to ensure compliance by all departments and eliminate any violations.

In order to ensure effective control and supervision of greenhouse gas emissions, the Group has formulated and implemented corresponding policies and systems. These policies and systems include actively cooperating with government authorities to promote environmental protection work, carrying out energy-saving renovation projects, and implementing energy-saving policies to reduce energy consumption, and thereby reducing greenhouse gas emissions.

The Group has set goals in greenhouse gas emission management, committed to controlling and reducing direct greenhouse gas emissions, as well as reducing indirect greenhouse gas emissions of energy. To achieve these goals, the Group has implemented a series of measures, including but not limited to optimizing process flow, improving equipment efficiency, introducing energy-saving equipment, retrofitting boilers, and adopting more environmentally friendly process technologies. In addition, the Group actively promotes energy-saving technology transformation, such as improving

production efficiency, reducing standby electricity consumption, and strengthening equipment management. At the same time, through organizing energy-saving publicity exhibitions and distributing energy-saving proposals, the Group is committed to enhancing the energy-saving awareness of employees and encourages them to practice energy-saving concepts in their families, in order to promote the formation of an energy-saving and low-carbon social trend.

During the Reporting Period, the Group's direct (Scope 1) greenhouse gas emissions were 12,768.12 tons of carbon dioxide equivalent, and indirect (Scope 2) greenhouse gas emissions were 19,711.60 tons of carbon dioxide equivalent.

The Group is committed to reducing greenhouse gas emissions, promoting the use of clean energy, reducing the carbon emission intensity of operations and value chains, identifying and addressing physical and transformation risks, actively participating in carbon emission trading, and providing solid support for achieving emission reduction goals, in response to the call for sustainable development.

In addition, the Group focuses on the global trend of climate change and incorporates climate change mitigation and regulation into our ESG management system. In 2023, the Group actively promoted climate resilience construction, evaluated potential risks related to sudden atmospheric and water environmental events, identified high-risk disaster projects, and carried out training, monitoring, and emergency management action plans and implementation. In order to effectively manage the potential threats and opportunities brought about by climate change, the Group conducted industry comparative analysis and absorbed expert suggestions, and identified and evaluated the changes in climate change risks and opportunities related to the Group's operations and their potential impacts on the Group during the Reporting Period. The measures taken to address climate risks and opportunities include: setting resource use management goals, strengthening energy conservation, collecting greenhouse gas data and conducting annual evaluations, and strengthening climate change information disclosure through ESG or sustainable development reports.

## **4.5 Energy Management**

The Group strictly adheres to national laws and regulations, such as the Energy Conservation Law of the People's Republic of China, and is committed to energy conservation, emission reduction, and comprehensive resource utilization. In terms of energy management, the Group has always adhered to the purpose of improving energy efficiency, reducing energy consumption, and mitigating environmental impact, and have taken a series of effective measures.

The Group has set up a Utilities Management Department and a special energy management position, and formulated internal policies including the Measures for Management of Energy Conservation and the Equipment Utilities Management and Assessment System for uniform management of energy conservation of the Group and further strengthening the control of greenhouse gas emissions. The Group has also formulated the Energy Statistics Reporting System, Measurement Management Measures, Measures for Assessment of Electricity Consumption for Manufacturing Department and Workshops of the Company, Interim Measures for Management of the Usage of Lighting on Top of Plant and the Detailed Rules on Assessment so as to ensure regular supervision and inspection of energy conservation of each department and subsidiary, and has formulated corresponding energy conservation measures.

The Group has taken various energy-saving measures aimed at improving comprehensive energy efficiency. For example, the Group has set clear energy-saving targets and ensures the achievement of energy-saving goals by actively promoting energy-saving behaviors, replacing with energy-saving equipment, coordinating peak electricity consumption, and conducting regular energy-saving supervision and inspection work. In addition, the Group has developed detailed implementation plans for each energy-saving technology and tested the energy consumption status after implementation to evaluate the energy-saving effect and economic benefits. Every year, the Group also conducts a

comprehensive inspection of energy-saving projects to confirm the energy-saving effect. At the same time, the Group advocates for the awareness of energy conservation among all employees, sets the goal of improving their awareness of energy conservation, implementing various energy-saving measures, and establishing a mechanism for checking and assessing energy conservation among all employees.

In terms of specific energy efficiency goals, the Group has set specific targets for the electricity and gas consumption of single vehicle production, and achieved these goals through streamlining production organization, strengthening equipment management, and improving energy-saving awareness.

During the Reporting Period, the Group consumed 34,563.56 MWh of purchased electricity.

## **4.6 Waste Management**

The Group strictly complies with relevant national and local laws and regulations in the management of harmless/hazardous waste. The Group adheres to the Solid Waste Pollution Prevention and Control Law of the People's Republic of China and the Chongqing Environmental Protection Regulations, and has formulated internal policies such as the Regulations on the Management of Hazardous Waste Storage Sites and the Hazardous Waste Management System to ensure the proper storage and professional treatment of hazardous waste.

The Group has set clear targets for reducing waste emissions. In the process of waste disposal, the Group entrusts the recyclable part of solid waste to qualified enterprises for recycling and utilization; for other waste that cannot be recycled, it assigns special personnel to manage by internal accounts so as to ensure that the waste is classified, collected, and properly stored in a fixed location. Ultimately, these wastes will be entrusted by the logistics department to the municipal sanitation department for unified collection and treatment.

The Group stored hazardous wastes in a special storage site, and engaged a qualified professional company to treat the hazardous wastes. In addition, the Group has standardized the disposal of oily metal scraps in accordance with relevant regulations and standards, and has renovated the storage site by adding filtering and blocking machines to improve processing efficiency.

## **4.7 Packaging Management**

The Group adopts a cautious attitude towards the use of packaging materials, chooses sustainable materials and strictly controls the total amount and unit consumption to achieve sustainable development goals. The Group uses various materials, including wooden boxes, cardboard boxes, and iron boxes. During the Reporting Period, the total amount of wooden packaging materials was 392 cubic meters; the total amount of paper packaging materials is 35,148 square meters; the total number of iron boxes is 21.

## **4.8 Water Resource Management**

### **4.8.1 Water conservation**

In terms of water resource management, the Group adheres to the provisions of the Water Law of the People's Republic of China and other relevant laws and regulations. The Group actively seeks external cooperation and collaborates with various manufacturing units to develop a series of water-saving measures for water resource management, aiming to improve the efficiency of water resource utilization. In order to protect water resources, the Group continuously optimizes water resource management strategies and assists each water use place in improving water efficiency.

The Group has set clear water efficiency goals: to strengthen the awareness of water conservation among all staff, and ensure that the growth rate of water consumption does not exceed the growth rate of the

Group's annual task completion. To achieve this goal, the Group has taken the following measures: firstly, posting energy-saving reminders at each water use place, etc., to enhance the awareness of water conservation among all employees and cultivate good habits of saving every drop of water; secondly, regularly conducting statistical analysis on water consumption, promptly identifying and handling abnormal situations, developing measures for rational water utilization, and ensuring the implementation of relevant work. In addition, the Group also regularly inspects each water use place and main and auxiliary water pipeline to timely address the problem of "leaks" and improve water efficiency. At the same time, the Group will integrate water-saving promotion and education into our daily work. Through organizing energy-saving promotion exhibitions, distributing proposal letters and other forms, we encourage employees to spread water-saving concepts in their families, enhance their water-saving awareness, and jointly create a water-saving social trend.

In terms of annual water consumption and unit water consumption management, the Group has set special economic responsibility goals for 2023 and decomposed the specific goals of water conservation and consumption reduction into responsibility indicators for each workshop manufacturing department, implementing regular evaluation mechanisms. The Group closely monitors the progress of water conservation in various manufacturing units and has established specialized management regulations to ensure the effective implementation of water conservation measures. During the Reporting Period, the Group purchased 467,709 tonnes of water, representing a decrease of approximately 12% from the corresponding period of last year.

#### **4.8.2 Waste water discharge**

Waste water of the Group mainly includes production waste water and domestic waste water. In accordance with the Law of the People's Republic of China on Prevention and Control of Water Pollution, Water Quality Standards for Sewage to be Discharged into Municipal Sewers and other national and local sewage discharge standards, the Group has formulated internal regulations and systems, including the Environmental Protection Regulation, the Environmental Protection Equipment Management Regulation and the environmental protection management responsibility system at all levels, to ensure that the Group's sewage discharge is in line with laws and regulations.

The Group has 3 waste water treatment stations in the plant area, one of which is used to treat domestic waste water, the other two are used to treat coating waste water. Treated waste water which has reached discharge standards will be discharged into natural water bodies. The Group also has a biochemical pool for domestic sewage to treat domestic sewage and discharge it into the municipal sewers. The Group has completed the upgrading and transformation of the coating waste water treatment station, optimized the waste water treatment process, and installed an on-line monitoring device to monitor the waste water produced in the production process in real time, so as to ensure the stable up-to-standard discharge. The Group continuously carried out the wastewater treatment and rectification work, including the cleaning and structural optimization of the wastewater treatment stations and the maintenance of relevant equipment, so as to ensure that all wastewater discharge meets the Class I discharge standard of the "Integrated Wastewater Discharge Standard".

## **5 Human Resources Management**

### **5.1 Employment and Rights Protection**

The Group strictly abides by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, Social Insurance Law of the People's Republic of China, and other relevant laws and regulations on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversification and anti-discrimination and others related to workers. It adheres to the principle of fairness and impartiality, and respects and protects the legal rights and interests of employees to ensure that their legal rights are fully respected and protected, and provides superior working conditions and development opportunities. The Group opposes various forms of discrimination and is committed to creating a highly-efficient, inclusive, diversified and equal working environment.

During the recruitment process, in accordance with the law, the Group resolutely implements the policy of preventing child and forced labor by adopting a series of stringent measures, including strict examination of job applicants' proof of identity and proof of academic qualifications, resolutely eliminates the use of child and forced labor, and ensures that all employees have signed an Labor Contract. Once such practice is discovered during the recruitment process, the Group will take immediate action to terminate the labor contracts with the staff concerned and ensure that all illegal labor practices cease immediately. At the same time, it will conduct a thorough investigation and severely deal with the responsible persons involved. The Group also strengthens communication with suppliers and partners to ensure that they comply with relevant laws and regulations and prohibit the use of child and forced labor. In addition, the Group will strengthen internal training to enhance staff awareness of laws and regulations to prevent similar incidents from happening.

The Group attaches great importance to the protection of rights and interests of staff and is committed to providing staff with a healthy, safe and comfortable working environment. At the same time, it strictly abides by the work system and standard working hours stipulated by the State to protect the legal rights and interests of staff. In case of overtime time, it pays overtime wages or provides compensatory leave in accordance with relevant regulations. In terms of remuneration and welfare, the Group provides market-competitive salary packages and has established a sound welfare system, including health insurance, paid holidays, etc. The Group has also established a sound employee complaint mechanism to enable staff to provide timely feedback on any issues. In addition, the Group regularly holds staff representative meetings to actively listen to staff's advices and strive to help them solve doubts and difficulties.

### **5.2 Compensation and Benefits**

In terms of the management of compensation and benefits, the Group always adheres to the framework of relevant national laws and regulations and is committed to ensuring that the rights and interests of staff are protected to the maximum extent. In order to achieve this purpose, the Group has formulated the Post System Management Measures, Remuneration System Management Measures, and the Implementation Rules for Training, Examination and Promotion of Operation/Supporting Sequences, etc., aiming to ensure the fairness and justice of staff in terms of post promotion and remuneration adjustment, and at the same time resolutely oppose any form of discrimination.

In the formulation of welfare policies, taking into account the needs of staff and the regulations of the State, the Group has formulated a series of comprehensive welfare policies. The Group's welfare system covers all social insurance programs, including work-related injury insurance, unemployment insurance, medical insurance, pension insurance, maternity insurance, housing provident fund and enterprise annuity as required by the state regulations. In addition, the Group provides staff with subsidized canteen,

staff dormitory and other welfare in order to improve their quality of life and enhance their job satisfaction and loyalty.

In order to protect the staff physical and mental health, the Group actively carries out staff care activities. The Group is committed to protecting the legal rights and interests of the staff, providing them with a favorable and comfortable working environment, and continuously improving the system related to staff health and safety. Through the meticulous planning of the Party and Mass Work Department, the Group has organized a series of diversified activities to enrich the spare time life of the staff and promote a harmonious balance between work and life. During the Reporting Period, the Group's trade unions organized a series of activities, including a special lecture on staff stress and emotion management, a series of activities to celebrate the "International Working Women's Day of State-owned Enterprises", a staff sports meeting, to pay attention to mental and physical health of the staff, and protect their rights and interests.

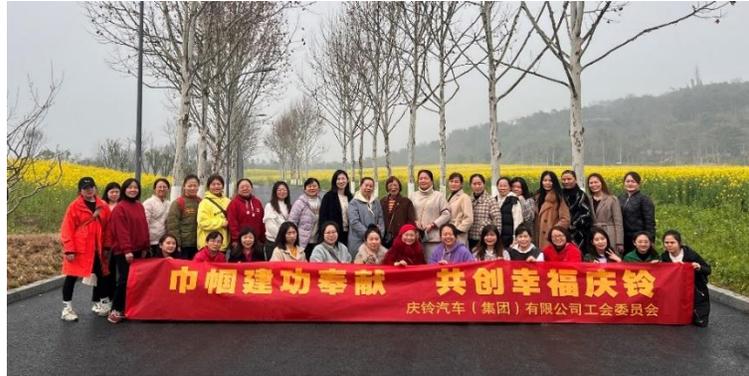
Case: 2023 Staff Sporting Meeting

On 16 May, in response to President Xi Jinping's call to extensively carry out national fitness activities, promote the comprehensive development of mass sports and competitive sports, accelerate the construction of a sports power", and further consolidate the strong joint force of all the cadres and workers in their work and entrepreneurship, the Group held a staff sports meeting under the theme of "Chinese Dream & Labor Beauty – Firmly Follow the Party, Unite and Strive for a New Journey".



#### Case: A Series of Activities to Celebrate the International Working Women's Day

On 3 March, more than 40 people, including female members of the Group's Workers' Committee, heads of trade unions of branches and subsidiaries, and representatives of female workers, went to Guangyang Island in Nanan District of Chongqing Municipality to profoundly learn Xi Jinping's thought on ecological civilization and practice the development concept of "lucid waters and lush mountains are invaluable assets". The female staff visited ecological restoration demonstration sites such as peak terraced fields, rapeseed flower fields, Shengli Ranch, Yanziping and Guangyangying, experienced the "ecological classroom" of the community of life of mountains, water, forests, fields, lakes and grasses, and appreciated the beautiful scenery of the modern version of the Chongqing-style painting of Dwelling in Fuchun Mountains.



### 5.3 Training and Development

The Group provides regular occupational training opportunities for employees to help improve their skills and knowledge and promote their personal career growth. In order to ensure that staff career development and promotion opportunities are fully protected, the Group has formulated the Implementation Measures for Training, Examination and Promotion of Operation/Supporting Sequences, which provides the staff with a clear and definite career development path. Based on the institutional system, the Group actively promotes diversified training programs, including safety and post training for new employees and those who changed jobs, training for production line team leaders and team management, training for technical staff on special topics and new technologies, and training for operational staff on post skills, aiming to comprehensively enhance the occupational skills of the staff. By continuously improving staff's occupational skills and comprehensive quality, care their physical and mental health, and ensuring the fairness and impartiality of their promotion, the Group is able to effectively improve their job satisfaction and loyalty, and lay a solid foundation of human resources for the long-term development of the enterprise.

In terms of training methods, the Group adopts a strategy of combining internal training and online theoretical learning, and selects outstanding staff for offline face-to-face teaching to enhance theoretical

knowledge and practical ability of the staff. In addition, the Group carries out skill upgrading training and examination for high-skilled personnel. Combing the requirements for national occupational skills with its training and fostering objectives for skilled personnel, the Group has conducted training through multiple forms such as “cooperation between enterprises and universities” to further improve skill levels of the staff. For special equipment and operation personnel of special types of work, the Group has implemented regular professional training, and conducted special training for automated welding lines for car bodies and new technologies, and other business lines. The Group attaches great importance to fire safety and regularly conducts fire protection publicity, education and training, as well as fire extinguishing and emergency evacuation drills to enhance staff’ safety awareness and emergency response capabilities.

The characteristic courses of staff training cover team leader training, skill improvement training for high-skilled personnel, training on basic instructions for NC programming and 2D contour compilation methods, as well as operational analysis and explanation of mold design. Team leader training includes internal courses such as corporate culture, product knowledge, team safety and environmental protection management and occupational disease protection, IM and 5S management/on-site improvement, team equipment management, team quality management, team cost management, etc., and external courses such as team leader’s ideological quality, team leader’s responsibilities and role positioning, team basic management, competency, communication skills, team member training and fostering, office software, etc. As for the skill improvement training for high-skilled personnel, the Group has carried out theoretical training and skill training for 20 types of skilled work according to the professional requirements of different types of work. The training on basic instructions for NC programming and 2D contour compilation methods focuses on key technologies such as NC programming operation and basic contour compilation. The operational analysis and explanation of mold design, to address the problems of post-machining and fitter feedback on the site, is carried out in a centralized manner, aiming to reduce or avoid the recurrence of similar design problem points, make up for the gaps in technology, and promote technological progress.

**Case: Team Leader Training**

The training adopts a combination of internal and external methods. The internal training focuses on characteristics of the Group, covering corporate culture, product knowledge, team management and other aspects, with a total of 9 training topics carried out. The external training focuses on the general knowledge of team management, including team leader quality, responsibility positioning, basic management, and other contents. In 2023, a total of 98 people participated in the training, of which 31 people attended offline face-to-face teaching, all of whom are production line workers.



**Case: Skill Upgrading Training and Examination for High-skilled Personnel**

In 2023, combining the requirements for national occupational skills with its training and fostering objectives for skilled personnel, the Group conducted theoretical and skill training for 20 skilled occupations. The training adopts “cooperation between enterprises and universities” through multiple forms such as going out (sending staff to vocational colleges for training), inviting in (hiring professional teachers to teach in the Group), and internal accumulation. A total of 373 people participated in this training, including 11 technicians, 76 senior workers, 244 intermediate workers and 42 junior workers. After the training, the Group organized senior technical personnel to conduct a skill evaluation for all the personnel participating in the training. Upon evaluation, 155 people received skill level upgrades, including 6 technicians, 38 seniors, 73 intermediates and 38 juniors.



## **6 Work Safety**

### **6.1 Work Safety**

The Group always adheres to the work safety management principle of "safety first, prevention at the core" and prioritizes the protection of staff life safety and health. The Group has built a sound organizational structure and responsibility system, and established a clear work safety responsibility system to ensure that the safety responsibilities of each post are effectively fulfilled.

The Group regularly conducts emergency training and drills to ensure that all the staff master the necessary emergency skills and knowledge and enhance their safety awareness. In terms of material and equipment management, the Group has supplemented and equipped itself with necessary emergency relief materials, such as warning signs, sandbags, fire shovels, etc., and carried out regular inspection and maintenance of important equipment. In addition, the Group has strengthened the use and maintenance of occupational health protection equipment, regularly distributed occupational health and labor protection articles, conducted occupational health education and training, and organized occupational health check-ups to effectively prevent the occurrence of occupational diseases.

In terms of safety education and cultural construction, the Group provides safety training for new and transferred employees, conducts spot checks on the safety operation of frontline posts, completes certification training for special operation personnel, ensures that management personnel are certified for onboarding, and strengthens education on safety and environmental protection awareness. The Group also promotes standardization construction in depth, incorporates safety standardization content in daily safety inspections, and carries out hidden danger rectification with high standards and strict requirements.

On the front of operation and maintenance of environmental protection facilities, the Group strengthens the operation and maintenance management of environmental protection facilities to ensure that the equipment operates reliably and meets emission standards, standardizes the treatment of solid wastes, raises legal awareness, and standardizes environmental management processes. Through these measures, the Group has achieved remarkable results, not only protecting staff safety and health, but also improving production efficiency and creating enormous value.

### **6.2 Work Safety Management System**

In the work safety field, the Group always adheres to national laws and regulations, industry standards and norms, observes the principle of the rule of law, and ensures that all production activities comply with legal provisions.

In the spirit of the Work Safety Law and other relevant laws and regulations, the Group has formulated a series of stringent work safety policies and regulations and established a work safety committee comprising senior leaders from the Management Department and the Safety and Environmental Protection Department, which is responsible for organizing and promoting the rolling out of work safety, ensuring the integrity of the production system and planning, and supervising implementation efforts by all departments.

In establishing a work safety management and supervision system, the Group adopts a comprehensive and strict management model. The system covers many aspects such as organizational structure, responsibility system, management system, education and training, supervision and inspection, rectification implementation, and equipment and facilities. In its daily safety inspection, the Group strictly implements the requirements for safety standardization, adheres to the pursuit of high standards and strict requirements on systems, standards and on-site rectification, and promotes its subsidiaries to

move forward steadily in the standardization construction. The Group also regularly conducts all-round supervision and inspection of the status of all equipment, system implementation, staff responsibility fulfillment, ledger standardization and monitoring data, etc., to ensure that the key problems and difficulties in the work can be identified and solved in a timely manner.

The Group has established and improved 25 safety and environmental protection rules and regulations to strengthen safety control over key links. At the same time, the Group has further strengthened the work safety management system in accordance with the requirements of the Three-Year Action Plan for National Work Safety Special Rectification and Three-year Action Plan for Chongqing Work Safety Special Rectification. The Group attaches great importance to staff safety and health. For the sake of assessing the risks of the working environment, the Group held a total of 390 regular meetings and special meetings on safety and environmental protection during the Reporting Period, and completed the statutory periodic evaluations such as the status assessment of occupational disease hazards and the risk assessment of environmental emergencies on schedule. In terms of investment, the Group invested approximately RMB35.15 million during the Reporting Period for work safety, occupational hygiene and environmental rectification.

In the process of building a work safety management system, the Group is committed to improving the level of safety management and promoting the standardized and scientific practice of work safety in a comprehensive manner. The Group has clarified the responsibilities of various personnel at different levels for safety and environmental protection work, implemented the responsibility principle of “whoever manages is responsible, whoever works is responsible and whoever organizes is responsible”, and requires all levels of management to sign a “Work Safety Target Responsibility Letter”. In addition, the management of the Group is also required to fulfill “one post with two responsibilities” to further strength the work safety management.

With regard to the inspection and management of hidden dangers, the Group has implemented a “daily, weekly and monthly” system of hidden danger inspection and remediation, carried out comprehensive and systematic inspections without leaving any blind spots, and conducted special inspections according to factors such as time and location, climate change, production situation and accident rules. Meanwhile, the Group has also completed statutory periodic evaluations such as those on the status of occupational disease hazards and the risk of environmental emergencies, and made every effort to promote the continuous optimization and improvement of the work safety management system.

In preparation for environmental emergencies, the Group has formulated a set of well-conceived emergency plans and established a well-structured emergency rescue team. The Group persistently conducts regular emergency response exercises and drills to ensure that in the event of an emergency, we are able to respond quickly and effectively to minimize potential losses.

The Group is profoundly aware of the importance of staff safety awareness and operational skills, so it has specially developed a systematic training program, which contains a wealth of content related to national work safety laws and regulations and the Group’s safety and environmental protection system, and also covers operating procedures and work instructions for each post, and other essential knowledge points. In particular, the Group has implemented continuous professional training for operational staff of special equipment and special types of work to ensure that every employee has the appropriate safety knowledge and operational skills.

During the Reporting Period, there were no lost days due to work-related injuries at the Group.

### **6.3 Work Safety Measures**

In order to ensure the safety of production, the Group has adopted a series of thorough work safety management measures. First of all, the Group has built a sound organizational system, established a

leading group for flood control work and a professional emergency rescue team, and clarified the responsibilities of work safety at all levels. Secondly, the Group has established an effective early warning mechanism, capable of timely forwarding the early warning information of extreme weather and taking preventive measures in advance. The Group also cleaned up the debris, gutters and downspouts on the roofs of its plants, and repaired the leaks to ensure the structural safety of the buildings. Before the thunderstorm season, the Group has also inspected the leakage of rain above important equipment and the integrity of grounding facilities to prevent equipment failures due to weather conditions.

In terms of hidden danger management, the Group has formulated the 2023 Action Plan for Special Investigation and Rectification of Major Accidents and Hidden Dangers and Work List for Special Investigation and Rectification of Major Accidents and Hidden Dangers, refining the investigation contents, including 6 aspects, 23 major items and 60 small items. The Group has gradually consolidated work safety responsibilities at all levels to ensure that responsibility implementation, capital investment, basic management, education and training are in place. The Group has also conducted inspections at different levels and specialties in accordance with the standards, identified a total of 162 problems, and clarified the rectification measures, persons responsible for rectification, and persons who complete the rectification to ensure that the rectification measures are effectively implemented.

#### **6.4 Occupational Health and Safety**

The Group has always abided by relevant national laws and regulations and is committed to protecting occupational health and safety of the staff. In terms of occupational health and safety protection, the Group has formulated a series of policies and systems to strengthen the management of the use, maintenance and upkeep of occupational health protection equipment, ensure the issuance of occupational hygiene and labor protection articles as per the standards, conducted regular occupational health check-ups, and strengthened occupational hygiene education and training.

In terms of occupational health and safety management measures, the Group lays stress on maintaining the work-life balance of its employees, providing a safe working environment and ensuring that staff health and safety is maximally protected. We have taken a series of effective measures, including repairing roof leaks of our plants, organizing targeted inspections to rectify the problems of rainwater leakage and steel beam corrosion in the heat treatment debris room, as well as carrying out emergency training and drills. In terms of occupational health and safety supervision methods, the Group mainly conducts occupational health check-ups on a regular basis, strengthens the management of the use, maintenance and upkeep of occupational health protection equipment, issues occupational hygiene and labor protection articles in accordance with the standards.

In terms of protection of staff mental and physical health, the Group has held a special lecture on “Stress and Emotion Management”, providing various types of training to protect the legal rights and interests of employees, paying attention to their urgent needs, and organizing various forms of activities. Through these measures, the Group has successfully created a safe, healthy, and harmonious working environment, and continuously improved the occupational health and safety level of all its employees.

#### **6.5 Fostering of Safety Culture**

The Group has implemented regular work safety and occupational health management training for managerial staff and frontline operational staff to ensure that they have the necessary occupational safety awareness to prevent accidents. In order to enhance the safety awareness and operational skills of employees, the Group implemented a comprehensive safety education and training program during the Reporting Period, ensuring that 884 special operational personnel completed the certification training and met the requirement of being 100% certified for onboarding. The implementation of these trainings has significantly improved safety awareness and operational skills of the staff.

On emergency management front, the Group has formulated a comprehensive emergency training and drill program. During the Reporting Period, the Group held a total of 63 emergency training sessions, involving 21,232 person-times, and conducted 68 emergency drills, involving 2,909 person-times.

**Case: Fire Safety Publicity and Education Training**

On 25 April 2023, the Group organized a fire-fighting skills training for the staff of the parts and components logistics department, the materials procurement department and the battery assembly stations in the final assembly workshop. The focus of this training was to teach the staff how to inspect and use fire extinguishers. The Group also conducted a practical exercise, i.e. using fire extinguishers to extinguish an oil basin fire. After this training, the staff effectively mastered the basic operation of fire-fighting equipment and enhanced their emergency response capabilities to deal with initial fires.



**Case: Fire and Emergency Evacuation Drill**

On 12 May 2023, a fire and emergency evacuation drill was held in the dormitory area for unmarried workers led by the Security Office in conjunction with the Logistics Department, the Clinic, the Safety and Environmental Protection Department and the Traffic Safety Office. The drill simulated the emergency response procedures such as alarm, evacuation of people, extinguishing of initial fire, rescuing the injured and on-site vigilance after a fire. The whole drill process was orderly, the division of responsibilities was clear, the action was executed in place, and the drill was successfully completed after rapid and effective rescue.



## **7 Product Responsibility**

### **7.1 Scientific and Technological Innovation**

The Group has always complied with the relevant provisions of the Intellectual Property Law of the People's Republic of China, the Trademark Law of the People's Republic of China, the Detailed Rules on Implementation of the Trademark Law, the Patent Law of the People's Republic of China and the Detailed Rules on Implementation of the Patent Law, as well as the concrete provision of Chongqing city in carrying out the design and filing of trademarks and patents. The Group is committed not only to protecting its own intellectual property rights, but also to taking proactive measures to respect and protect the trademarks and patent rights of other stakeholders. To this end, the Group has formulated the Measures for the Management of Patents to perform overall planning and unified management and ensure the effective protection and rational use of intellectual property rights.

During the Reporting Period, the Group acquired a total of 260 intellectual property rights, of which 258 patents have been granted.

### **7.2 Product Quality and Safety**

In constructing the product quality management system, the Group observes the Product Quality Law of the People's Republic of China to ensure the performance, safety and quality of its products. It observes the ISO 9001, a globally recognized standard for quality management, in building a sound automotive quality management system. In accordance with IATF 16949, which is the quality management system standard specifically designed for the global automotive industry, the Group has clarified its benchmarks, regularly reviewed relevant systems, and improved operational efficiency. It also observes GB3847, GB7258, JT/1178 and other national standards in implementing corresponding and quality inspection control. The Company observes the Regulation on the Administration of Recall of Defective Automotive Products in formulating clear guidelines for the procedures of recalling relevant products to ensure product quality and compliance. In accordance with the national environmental protection and emission standards, it has completed the environmental protection and emission upgrading of the whole series of vehicle models half a year to one year ahead of schedule, with the emission results superior to the national standards of the current period, to ensure that vehicle emissions are legally compliant.

In view of the crucial importance of product quality, the Group has comprehensively optimized and upgraded its product quality management system, aiming to identify and resolve product quality problems more effectively, so as to continuously improve product quality. To this end, the Group has established the Physical Quality Compliance Program to ensure the continuous improvement of the performance, safety and quality of products by strengthening the monitoring of the production process. In terms of product recall procedures, it has developed the Measures for Recall of Defective Automobiles.

The Group ensures the stability and reliability of product quality through meticulous quality control processes, as well as regular comprehensive inspections and road tests of vehicles. In addition, it has implemented the Product Identification and Traceability Control Procedures to ensure that every product delivered to customers can be traced back to the entire manufacturing process, thereby ensuring product transparency and traceability.

To ensure product quality, the Group has also formulated the Customer Satisfaction Survey Process to collect customer feedback by telephone, questionnaire or verbally, surveys, and conduct in-depth analysis of the survey results so as to further improve the quality of products and services. The Group's unremitting efforts in quality management reflect our high sense of responsibility for product quality

and our firm commitment to consumers' rights and interests. The Group firmly believes that through continuous quality enhancement and excellent customer service, we are able to win market recognition and bring consumers a better product experience.

During the Reporting Period, the Group had no products sold or shipped subject to recall for safety and health reasons.

### **7.3 Customer Service**

In order to better serve customers, ensure the security of users' privacy, and protect the safety, health, convenience and comfort of consumers, the Group has implemented a comprehensive customer service system and an online service strategy. First of all, the Group has set up a round-the-clock nationwide service hotline to facilitate the receipt and handling of customers' inquiries, complaints and other service needs. Secondly, the Group has formulated the Customer Satisfaction Survey Process, which conducts in-depth surveys on customer satisfaction from multiple dimensions such as product quality, service quality, product appearance and value by telephone, questionnaire and interviewing verbally, and makes detailed analysis of survey results, with a view to continuously improving the quality of the Group's products and services. In addition, the Group has also formulated the Customer File Management Measures to strictly protect and manage customer privacy and prevent any forms of data leakage.

In terms of handling customer complaints, the Group has always been proactive and cooperative, dispatching professional staff to the site or remotely to coordinate and resolve problems. During the Reporting Period, the Group received a total of 31 complaints about products and services. To ensure that every complaint can be properly resolved, the Group has taken effective measures. As of the end of the Reporting Period, all complaints have been properly handled.

In addition, the Group also attaches importance to quality improvement of services of offline entities. The Group's workers receive regular professional training to enhance their professional skills and service levels. They answer customers' questions with enthusiasm and patience and provide an exceptional service experience to ensure that consumers can enjoy shopping in a safe, healthy, convenient and comfortable environment.

## **8 Partners**

### **8.1 Supply Chain Management**

In the practice of supply chain management, the Group strictly observes the requirements of national laws and regulations and its internal policies and systems. Through the Basic Contract for Parts and Components Procurement and the Transparent Procurement Agreement signed with suppliers, the Group has ensured fairness, impartiality and transparency in its procurement activities, and at the same time built a high-quality, efficient, transparent and win-win supply chain. The Group requires both parties to strictly abide by national laws and regulations and the principle of honesty and integrity in doing business, so as to standardize the basic matters and integrity requirements of both parties in the process of procurement transactions, restrain business dealings, and ensure a fair, just, open, and transparent procurement.

In terms of the employment process of suppliers, the Group has developed the Management Regulations on Purchase and Assessment of Trial Producing and Testing for New Components to strictly manage the selection and access of suppliers. In this process, a facilitation team, whose members are professionals from multiple departments, has been established. The team is responsible for the work in of entire process, including target part selection, technical exchange, bidding, negotiation, pricing and supplier-fixing, trial production of parts, and experimental evaluation. The Group requires and reviews the

practices of suppliers in terms of employee employment, safety and health, environmental protection, etc., to ensure that they comply with labor laws, health and safety regulations, and environmental protection provisions. The Group has also implemented the Measures for the Management of Supplier Performance Evaluation. It evaluates suppliers annually in three key aspects: quality, supply assurance and commerce, so as to ensure the continuous optimization of the supplier system and the improvement of the overall level. For suppliers who voluntarily propose to exit from the supporting system, the Group has formulated a clear Supplier Exit Management Process as an instruction manual to ensure a smooth and compliant process.

By regional distribution of suppliers, during the Reporting Period, there were a total of 613 suppliers normally providing parts and components within the Group's supporting system, including 611 domestic ones and 2 overseas ones.

In order to enhance the capabilities of its suppliers, the Group adheres to the principle of "making due and quick payment for payables" for the accounts payable of small and medium-sized enterprises, and eliminates the abuse of its dominant position in the market to maliciously default on accounts through systems, mechanisms, processes and information technology control. At the same time, through digital means, the Group has established and improved the SRM logistics information system to digitally manage procurement and logistics work, improving management efficiency and accuracy. In addition, the Group urges supplying units to use hydrogen fuel vehicles instead of fuel vehicles for delivery when changing vehicles to reduce greenhouse gas emissions.

## 9 Community Investment

### 9.1 Social Welfare Activities

The Group firmly believes that community investment is not only about economic interests, but also a manifestation of corporate social responsibility. In implementing the community investment strategy, the Group has always taken meeting the needs of the community and promoting the interests of the community as its core objectives. Through the formulation of the Measures for Management of Charity and Public Benefit Campaigns, the Group has made detailed provisions on funds source, funds management, main forms of campaigns, campaign summary and publicity, and activity evaluation of charitable and public benefit campaigns, ensuring the standardization and effectiveness of the campaigns. At the same time, the Group has strengthened the standardised management of charitable and public benefit campaigns, made every effort to promote the progress of social welfare undertakings, and continued to deepen community investment. This initiative has significantly enhanced the efficiency of the Group's charitable and philanthropic activities, accelerated the pace of the development of social welfare, successfully shaped a positive corporate image, and continuously enhanced the sense of corporate social responsibility.

The Group's community investment philosophy is reflected in three levels below:

1. Actively participate in community campaigns and public benefit undertakings, and gain a deep understanding of the needs and visions of community residents and organizations through close communication and cooperation, so as to ensure that the Group's business decisions can fully reflect the interests of the community.
2. Attach importance to environmental protection, participate in the implementation of environmental protection projects, strive to reduce environmental pollution, advocate the concept of sustainable development, and enhance the public's awareness of environmental protection.
3. Strengthen staff training and education to enhance their sense of social responsibility and public benefit participation. The Group has established a close partnership with the community to jointly promote the development of public benefit campaigns and community investment projects.

In the field of community investment, the Group actively participates in a variety of social public campaigns, including rural revitalization, demonstrating its firm determination and strong strength in community investment and public benefit and charity work. At the same time, the Group continues to update the content of its campaigns to ensure better feedback to the society and continuously improve the overall level of community investment and public benefit and charity. During the Reporting Period, the Group donated RMB3.098 million to public benefit.

### Case: Public Benefit Campaigns in the Community

In 2023, the secretary of the Party committee, Chairman of the Board of Directors, and other leaders of the Group conducted a survey on the development of multiple cultural and tourism projects such as Chang Pu Gai Grassland in Huatian Township, Hejiayan Village, etc., to promote the integrated development of the cultural and tourism industries. Chairman of the Board of Directors conducted in-depth exchanges on the integration of party building, enterprise management experience, agricultural product marketing and rural revitalization, the development of agriculture and rural areas and farmers, the construction of the beautiful countryside, and other aspects. At the same time, earnestly fulfilling its responsibilities as a state-owned enterprise, Qingling Group donated a refrigerated truck to Pianbai Township, improved local transportation conditions to help boost the development of local industries.



## 9.2 Staff Voluntary Campaigns

The Group actively organizes employees to participate in social welfare campaigns such as rural revitalization, gives back to society with practical actions, and enhances sense of social responsibility and team cohesion of employees through participating in voluntary campaigns, providing them with a platform to give full play to their personal abilities and realize their self-worth.

Staff voluntary campaigns of the Group mainly focus on the field of rural revitalization. Our staff went to Huatian Township and Hejiayan Village in Youyang County to conduct a survey on rural revitalization, focusing on the construction of the integrated development project of agriculture, culture and tourism, and the development of characteristic planting and breeding industries, so as to fulfill the responsibilities of a state-owned enterprise with practical actions to help boost rural revitalization.

## 10. Performance Data

The data calculation methods used for this Report are stated where appropriate. Unless otherwise specified, the data in this chapter includes the production-related data of the Group.

### Use of Resources

Use of Resources	Unit	2023	2022
Energy, water and material consumption			
Indirect energy			
Purchased electricity	mWh	34,563.56	36,322.45
	mWh/per vehicle produced	1.14	1.13
Direct energy			
Pipeline natural gas	mWh	50,317.84	43,711.51
	mWh/per vehicle produced	1.66	1.36
Gasoline	mWh	686.25	925.77
	mWh/per vehicle produced	0.02	0.03
Diesel	mWh	6,752.54	8,558.84
	mWh/per vehicle produced	0.22	0.27
Raw material			
Steel products	Tonnes	10,541.15	10,794.95
	tonnes/per vehicle produced	0.35	0.34
Water resource			
Purchased freshwater	Tonnes	467,709.00	533,510.00
	tonnes/per vehicle produced	15.45	16.64
Packing materials consumption			
Wooden products	m <sup>3</sup>	392	421.01
	m <sup>3</sup> /per vehicle produced	0.01	0.01
Paper products	m <sup>2</sup>	35,148.00	41,618.71
	m <sup>2</sup> /per vehicle produced	1.16	1.30
Iron cases	Pieces	21	61
	Piece/per vehicle produced	0.69×10 <sup>-3</sup>	1.9×10 <sup>-3</sup>

### Emissions and disposed wastes

Emissions and disposed wastes	Unit	2023	2022
Production of wastes			
Domestic wastes	Tonnes	2,722.00	2,706.00
	tonnes/per vehicle produced	0.09	0.08
Wood	Tonnes	350.00	352.00

Emissions and disposed wastes	Unit	2023	2022
	tonnes/per vehicle produced	0.01	0.01
Hazardous wastes	Tonnes	509.47	493.00
	tonnes/per vehicle produced	0.02	0.02
Emission of air pollutants <sup>1</sup>			
Nitrogen oxides (NO)	Tonnes	0.83	0.72
	tonnes/per vehicle produced	$2.74 \times 10^{-5}$	$2.23 \times 10^{-5}$
Sulfur dioxide (SO)	Tonnes	0	0
	tonnes/per vehicle produced	0	0
Particles (PM)	Tonnes	6.11	8.41
	tonnes/per vehicle produced	$2.02 \times 10^{-4}$	$2.62 \times 10^{-4}$
Volatile organic compounds (“VOCs”)	Tonnes	8.746	18.49
	tonnes/per vehicle produced	$2.89 \times 10^{-4}$	$5.76 \times 10^{-4}$
GHG emissions <sup>2</sup>			
Total GHG emissions (Scope 1 and Scope 2)	Tonnes CO2e	32,479.72	31,917.22
	tonnes/per vehicle produced	1.07	1.00
Scope 1 Direct Emissions (Use of stationary sources and vehicles)	Tonnes CO2e	12,768.12	11,202.52
	tonnes/per vehicle produced	0.42	0.35
Scope 2 Indirect Emissions (Purchased electricity)	Tonnes CO2e	19,711.60	20,714.69
	tonnes/per vehicle produced	0.65	0.65
Waste water emissions			
Waste water	Tonnes	61,930	55,639
	tonnes/per vehicle produced	2.05	1.73

### Employees

Employment	Unit	2023	2022
Number of employees	Persons	2,844	2,846
Number of employees by gender			
Male	Persons	2,202	2,219
Female	Persons	642	627
Number of employees by employment type			

<sup>1</sup> The Group's air pollutant emissions are calculated based on the Group's test data and the amount of taxable pollutants discharged.

<sup>2</sup> The GHG emission information for the Reporting Period was calculated by the Group itself with reference to the relevant statistical methods. Scope 1 direct emissions were calculated with reference to the Guidelines for Calculation Methods and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industries (Trial) issued by the National Development and Reform Commission of the People's Republic of China; Scope 2 indirect emissions were calculated with reference to the Guidelines for Notice on the Management of Greenhouse Gas Emission Report of Power Generation Enterprises in 2023-2025 issued by the Ministry of Ecology and Environment of the People's Republic of China (the calculation factors adopted the national grid average emission factor in 2022).

Employment	Unit	2023	2022
Full-time	Persons	2,844	2,846
Part-time	Persons	0	0
<b>Number of employees by age group</b>			
Below 30 years old	Persons	557	547
30 to 50 years old	Persons	1,594	1,605
Over 50 years old	Persons	693	694
<b>Number of employees by geographical region</b>			
Chongqing	Persons	2,317	2,372
Other cities in the country	Persons	527	474
<b>Employee turnover rate by gender</b>			
Male	Percentages	5.7%	5.9%
Female	Percentages	1.4%	3.2%
<b>Employee turnover rate by age group</b>			
Below 30 years old	Percentages	3.4%	21.2%
30 to 50 years old	Percentages	3.0%	1.9%
Over 50 years old	Percentages	0.9%	0.7%
<b>Employee turnover rate by geographical region</b>			
Chongqing	Percentages	11.9%	4.6%
Other cities in the country	Percentages	3.2%	8.6%

#### Health and Safety

Health and safety of employees	Unit	2023	2022
Number of work-related fatalities	Persons	0	0
Lost days due to work-related injury	Persons	0	0

#### Training

Personnel training	Unit	2023	2022
Number of employees who received training	Persons	1,872	1,823
<b>Percentage of employees trained by gender<sup>3</sup></b>			
Male	Percentages	73.34%	87.3%
Female	Percentages	26.66%	12.7%
<b>Percentage of employees trained by employment type</b>			
New employees	Percentages	10.0%	4.5%
Transferred employees	Percentages	7.2%	6.6%
Middle-level employees	Percentages	11.8%	6.7%
Others	Percentages	71.1%	82.2%

<sup>3</sup> The percentage of staff trained in each category is calculated according to this formula: percentage of staff trained in a particular category = number of staff trained in a particular category / total number of staff trained \* 100%.

Personnel training	Unit	2023	2022
Average training hours completed per employee by gender <sup>4</sup>			
Male	Hours	11.90	2.95
Female	Hours	5.05	1.70
Average training hours completed per employee by employment type			
New employees	Hours	35.23	15.43
Transferred employees	Hours	15.08	5.73
Middle-level employees	Hours	6.03	6.73
Others	Hours	9.26	1.92

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<sup>4</sup> The average number of hours of training completed per staff member in each category is calculated according to this formula: average number of hours trained in a particular category = total number of hours trained in a particular category / number of staff in a particular category.

## 11. HKEx ESG Reporting Guide Index

Mandatory Disclosure Requirements	Description	Relevant Chapter(s) or Explanation of the Report
Governance Structure	A statement issued by the Board of Directors which contains the following: (i) A disclosure of the oversight from the Board of Directors of ESG issues; (ii) The ESG management approach and strategy of the Board of Directors, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) How the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	2. Statement of the Board of Director
Reporting Principles	Describe or explain how the reporting principles have been applied in preparing ESG reports: materiality, quantitative, consistency.	About this report
Reporting Scope	Explain the reporting scope of the ESG report and describe the process for selecting which entities or businesses to include in the ESG report. If the reporting scope changes, the issuer should explain the difference and the reasons for the change.	About this report

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to waste air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.2 Environmental Management System 4.3 Exhaust Emissions 4.4 Climate Change 4.5 Energy Management 4.6 Waste Management
KPI A1.1	The types of emissions and respective emissions data	10 Performance Data
KPI A1.2	Direct (Scope 1) and energy indirect	10. Performance

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	(Scope 2) greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	Data
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	10. Performance Data
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	10. Performance Data
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	4.2 Environmental Management System 4.3 Exhaust Emissions 4.4 Climate Change 4.5 Energy Management 4.6 Waste Management
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	4.6 Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4.5 Energy Management 4.8 Water Resource Management
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)	10. Performance Data
KPI A2. 2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	10. Performance Data
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4.5 Energy Management
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	4.8 Water Resource Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	10. Performance Data
<b>Aspect A3: Environment and Natural Resources</b>		

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources	4.2 Environmental Management System
KPI A3.1	Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them	4.2 Environmental Management System
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	4.4 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	4.4 Climate Change
<b>Social</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	5.1 Employment and Rights Protection 5.2 Compensation and Benefits
KPI B1.1	Total workforce by gender, employment type (for example, full- time or part-time), age group and geographical region	10. Performance Data
KPI B1.2	Employee turnover rate by gender, age group and geographical region	10. Performance Data
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	6.1 Work Safety 6.2 Work Safety Management System 6.3 Work Safety Measures 6.4 Occupational 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	10. Performance Data
KPI B2.2	Lost days due to work injury	10. Performance Data
KPI B2.3	Description of occupational health and	6.3 Work Safety

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	safety measures adopted, how they are implemented and monitored	Measures 6.4 Occupational Health and Safety
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.3 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	10. Performance Data
KPI B3.2	The average training hours completed per employee by gender and employee category	10. Performance Data
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	5.1 Employment and Rights Protection
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.1 Employment and Rights Protection
KPI B4.2	Description of steps taken to eliminate such practices when discovered	5.1 Employment and Rights Protection
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain	8.1 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	8.1 Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	8.1 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	8.1 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	8.1 Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and	7.2 Product Quality and Safety 7.3 Customer

General Disclosures and KPIs	Description	Relevant Chapter(s) or Explanation of the Report
	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	Service
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	7.2 Product Quality and Safety
KPI B6.2	Number of products and service related complaints received and how they are dealt with	7.3 Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	7.1 Scientific and Technological Innovation
KPI B6.4	Description of quality assurance process and recall procedures	7.2 Product Quality and Safety
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	7.3 Customer Service
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	3.2 Compliance and Business Ethics
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	3.2 Compliance and Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	3.2 Compliance and Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff	3.2 Compliance and Business Ethics
<b>Aspect B8: Community Investment</b>		
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	9.1 Social Welfare Activities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	9.1 Social Welfare Activities 9.2 Staff Voluntary Campaigns
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	9.1 Social Welfare Activities

## 12. Feedback Form

Thank you for reading the Qingling Motors Co., Ltd 2023 ESG Report. In order to provide more valuable information to the stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any advice or suggestions you might have about this report.

You can send this form to any of the following:

E-mail address: [hk1122@qingling.com.cn](mailto:hk1122@qingling.com.cn)

Mailing address: No.1 Xiexingcun, Zhongliangshan Jiulongpo District, Chongqing, China

1. How would you rate your overall opinion of the Qingling Motors ESG Report?

Very High     High     Neutral     Low     Very Low

2. How would you rate your opinion of the economic, social and environmental responsibilities of Qingling Motors?

Economic responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Social responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Environmental responsibility	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

3. Please rate the effectiveness of this Report in reflecting the economic, social and environmental impact on Qingling Motors brought about through its social responsibility practices?

Excellent     Good     Fair     Poor     Terrible

4. How would you rate your opinion of the clarity, accuracy and completeness of the information, data and indicators this Report has disclosed?

Clarity	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Accuracy	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low
Completeness	<input type="checkbox"/> Very High	<input type="checkbox"/> High	<input type="checkbox"/> Neutral	<input type="checkbox"/> Low	<input type="checkbox"/> Very Low

5. Do you find this Report in easy-to-read contents and formatting?

Yes     Neutral     No

6. Feel free to share any comments or suggestions you may have on Qingling Motors and this report:

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Thank you very much for your gracious gesture and valuable time!