



# China MeiDong Auto Holdings Limited 中國美東汽車控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1268

# 2023

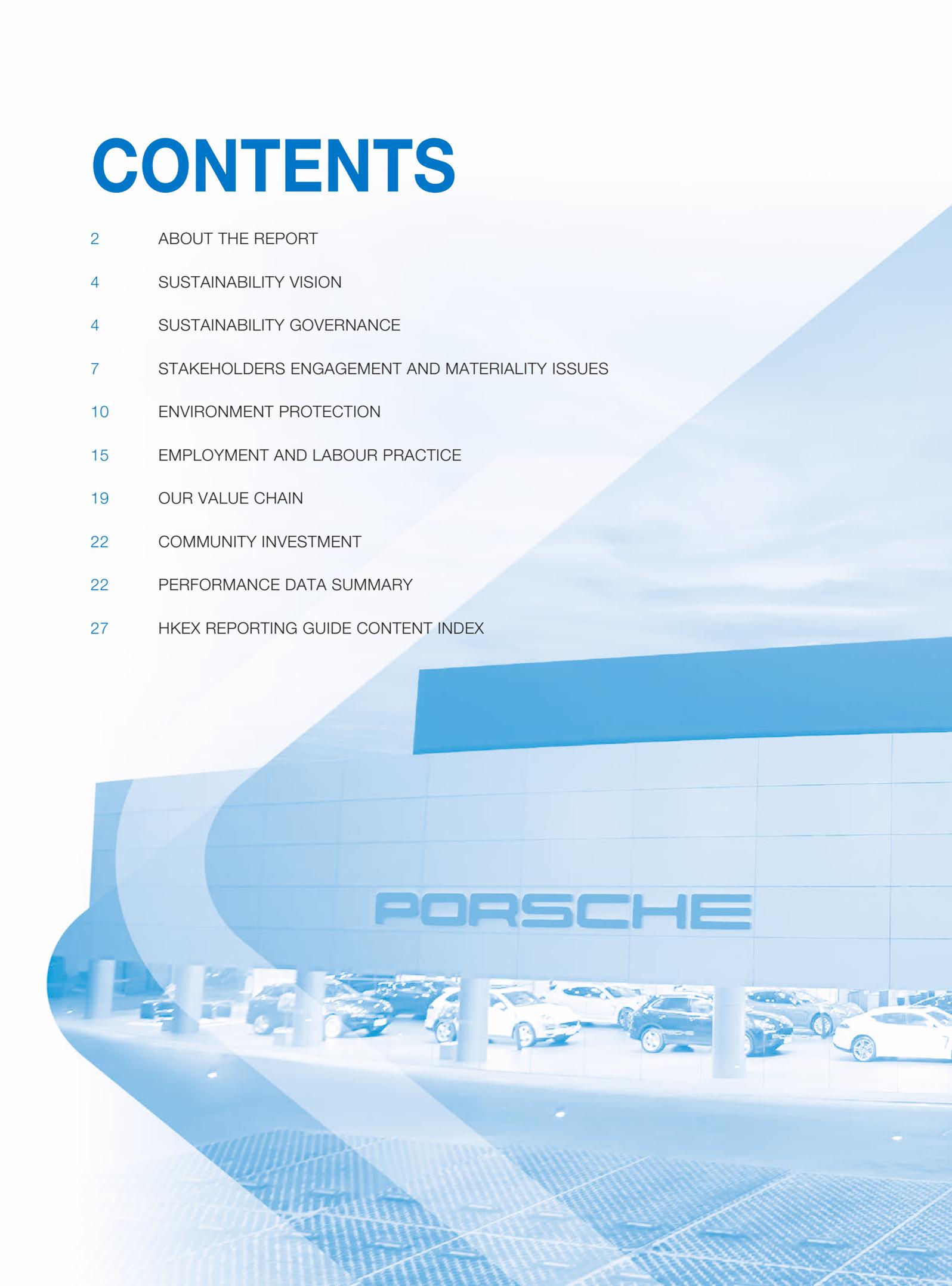
Environmental, Social  
and Governance Report

A photograph of a modern Porsche dealership building at night. The building has a large, illuminated "PORSCHE" sign in red letters on its facade. The interior of the dealership is visible through the glass, showing several cars on display. The sky above is a mix of blue and orange, suggesting a sunset or sunrise. The foreground shows a green, textured surface, possibly a roof or a wall, with a grid pattern.

**PORSCHE**

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PORSCHÉ

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE REPORT

We are delighted to introduce the annual Environmental, Social, and Governance (“**ESG**”) report of China MeiDong Auto Holdings Limited (referred to as the “**Company**” or the “**Group**”) and its subsidiaries. This report serves as a testament to our unwavering dedication to corporate social responsibility and showcases our commitment to sustainable practices.

This report provides an analysis of the sustainability performance and initiatives of the Group, focusing on its 4S dealership business in the People’s Republic of China (referred to as the “**PRC**”). Throughout the Reporting Period (as defined below), the Group has identified and highlighted several key performance indicators (“**KPIs**”) that are deemed significant. The Group remains committed to enhancing the disclosure of KPIs and will continue to strive for optimization and improvement in this regard.

The Board has granted approval for this Report on 27 March 2024, following confirmation by the Company’s management. The Report is prepared in both Chinese and English languages. In the event of any inconsistencies between the Chinese and English versions of the ESG Report, the English version shall take precedence.

## Reporting Standards

In compliance with the “Comply or Explain” provisions outlined in the Environmental, Social, and Governance Reporting Guide (referred to as the “**ESG Reporting Guide**”) in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**HKEx**”), this report has been prepared.

The primary focus of this Report is on the Group’s investment holding operations. It presents an overview of our key ESG performance in areas such as environmental protection, employment and labor practices, operating practices, and community investment.

The reporting period for this Report spans from 1 January 2023 to 31 December 2023 (referred to as the “**reporting period**” or “**the Year**”). The reporting scope remains unchanged from the previous reporting period.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Reporting Principles

This report has followed the Reporting Principles as set out in the HKEx ESG Reporting Guide to define the report content and to ensure the quality of information presented, including:

#### Materiality

Material topics are identified, assessed, reviewed and confirmed by senior management to ensure their significance.

#### Quantitative

Quantitative data are presented with calculation methods and relevant terms are defined.

#### Balance

The ESG performance data is disclosed on an unbiased basis with a full picture of both our accomplishments for the reporting period and potential for enhancement in the future.

#### Consistency

The data is calculated using consistent methodologies to allow effective year-over-year comparisons.

### Reporting Scope and Boundary

We adhere to the “Operational Principle” by disclosing the significant environmental and social impacts resulting from our operations in the PRC. This report specifically highlights the 4S dealership shop in the PRC, which represents the largest operation within the Group. In 2023, our reporting scope continued to encompass all (100%) of the dealership shops in China that fall within the defined scope, reflecting our ongoing expansion efforts and emphasis on electric vehicles. With the installation of additional charging stations, there has been an increase in electricity consumption by the dealership shops. Expanding the inclusion of more entities in our ESG database will enhance its accountability and reliability. For further details, please refer to the relevant sections of the Group’s 2023 Annual Report.

### Access and Response to the Report

The Chinese and English versions of this report can be downloaded from the website of the Stock Exchange at <http://www.hkexnews.hk>. This Report shall be published both in Chinese and English. Should there be any discrepancy between the Chinese and the English versions, the English version shall prevail.

We welcome and value the feedback from our stakeholders to continuously improve our ESG management and performance. Please feel free to share your views and thoughts with us at [yijian@dadong.cc](mailto:yijian@dadong.cc).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### SUSTAINABILITY VISION

Over the years, we have consistently worked towards our sustainability vision. Since 2016, the Group has embraced the values of cherishing the environment and promoting ecological awareness, as well as adhering to the principles of observing laws, regulations, and maintaining integrity in our environmental and social performance. The continuous improvement in our employees' awareness has played a significant role in enhancing our environmental and social responsibilities. Within our operations, we have made a commitment to reduce emissions, conserve energy, and protect natural resources. We also prioritize the growth and development of our employees, as part of our social responsibility. By maintaining open communication with our stakeholders, including shareholders, customers, employees, and the community, we strive to create value for all. We are dedicated to upholding our values and continuously refining and exploring new ways to achieve our sustainability goals.

In 2023, we remained focused on a sales model that prioritizes the reduction of carbon emissions. In 2023, the Group maintained its strong trend in the new energy vehicle market, achieving significant sales figures. The sales proportion of new energy vehicle models exhibited a consistent increase, reflecting a positive and steady growth trend. Meanwhile, traditional fuel-powered vehicle sales remained high but saw a decline in proportion. This resulted in an approximate reduction of 4,879 tons of carbon emissions annually<sup>1</sup>. Looking ahead, the Group plans to introduce more hybrid and new energy vehicle models, with a goal of reducing carbon emissions by an estimated 14,575 tons per year in 2024<sup>1</sup>.

### SUSTAINABILITY GOVERNANCE

#### Corporate Governance

The Board of Directors recognizes the significance of effective sustainability practices and actively incorporates ESG systems into key business decisions at the Board level. They hold the ultimate responsibility for formulating and overseeing our ESG strategy, reporting, and management approach to monitor ESG issues. To establish a strong governance structure, various department heads and top management collaborate with the Board to monitor the Group's sustainable development and implement sustainability-related strategies. Regular evaluation and determination of ESG-related risks fall under the Board's purview, ensuring the implementation of effective and appropriate ESG risk management and internal control systems throughout the organization. The Board conducts frequent meetings and discussions to assess the effectiveness of these systems and track progress towards relevant ESG goals and targets. By establishing a robust and effective ESG governance framework, the Group aims to foster long-term business sustainability and meet the expectations of its stakeholders.

<sup>1</sup> Estimated annual emission reductions are provided by automobile manufacturers by comparing traditional models to newer models, which are not included in our scope 1 or scope 2 emissions from dealership shop operations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is dedicated to minimizing energy consumption, greenhouse gas emissions (“**GHG**”), and water usage. To achieve this, the Group intends to transition from fuel energy to electricity energy, prioritize the use of electric vehicles (“**EVs**”), upgrade office equipment to more energy-efficient options like LED lighting, and implement power-saving air conditioning systems. Moreover, the Group emphasizes employee training to enhance awareness about the significance of energy conservation and environmental protection.

### Anti-corruption and Business Ethics

In order to meet the requirements of increasingly stringent environmental laws and regulations, the group develops strategies and policies promptly. We have enhanced our policies regarding internal monitoring processes and provide comprehensive training to our staff to keep them updated on regulations. Our policies clearly outline the expected standards of behaviour for all employees, ensuring a responsible work environment. To promote ethical conduct among our staff, including Directors and employees, we conduct anti-corruption and business ethics trainings. Furthermore, we will expand our product offerings by introducing a wider range of hybrid and new energy vehicles. Additionally, we aim to establish an environmentally friendly inventory selection to minimize carbon emissions.

To ensure a robust anti-corruption framework, we have implemented internal policies, such as a confidential feedback channel accessible only to the audit and human resources departments with dedicated cybersecurity measures in place. Additionally, employee communication via enterprise-level messaging tool is heavily protected by internal firewalls, ensuring secure and confidential exchanges of information and documents. Regular anti-corruption training is conducted for all staff and management including the Directors of the Board. These measures further strengthen our commitment to maintaining integrity and preventing corruption within the organization.

### Risk Management

Through ongoing enhancements to our risk management and governance structure, we have developed a more proficient ability to monitor corporate risks, including climate-related risks. The Board members play a vital role in implementing and overseeing internal control systems and risk management functions, which are deemed crucial by the Company.

The Board assumes responsibility for supervising the Company’s risk management and internal control systems, regularly assessing their effectiveness. The Group’s senior management and internal audit department conduct periodic evaluations to gauge the efficacy of these systems. The Audit Committee conducts comprehensive reviews of the findings and recommendations put forth by the internal audit department and senior management, reporting these outcomes to the Board at least twice a year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Sustainability Governance

The Board holds the overall responsibility for overseeing the Group's ESG strategy and reporting. Several ESG-related duties have been delegated to the senior management team, consisting of Executive Directors and heads of business units, with close supervision from the Chief Executive Officer. A working group provides timely reports to the Board on the review of the Group's ESG performance, as well as various risk management and internal control systems, raising any pertinent issues for further action. The management committee ensures that the Group's practices comply with all relevant laws and regulations.

The heads and managers of business units bear the responsibility for implementing ESG risk management processes and mitigation plans. Recognizing the increasing importance of ESG-related and climate-related risks, the Group incorporates these factors into risk assessments and analyses. The adoption of a risk map format for the Enterprise Risk Inventory facilitates a clearer and more precise presentation of our risk factors.

Additionally, the management and board of directors continually monitor and evaluate the adequacy and effectiveness of the internal control system. They provide recommendations to management for improvement when significant risks or impacts to our business are identified. Throughout the year, we have emphasized the importance of ESG to our employees, demonstrating the Group's commitment and investment in creating a sustainable future.

To establish effective oversight and accountability for ESG-related issues, the Group established an ESG committee in February 2022. This committee comprises the CEO and a senior operations manager, with the CEO serving as the committee's chairman. The primary objective of the committee is to provide guidance to the board and oversee management in ensuring the Group's sustainable operations and growth. This involves maintaining and enhancing the Group's economic, environmental, social, and people impact in the long term, as well as assessing sustainability risks.

The ESG committee holds the responsibility of reviewing, endorsing, and reporting on the Group's sustainability standards and goals to the Board. They also oversee the development of Group-level strategies, policies, and practices concerning sustainability matters, aiming to achieve the established standards and goals.

The Group is diligent in keeping up with the latest updates of the Environmental, Social, and Governance Reporting Guide ("**ESG Reporting Guide**") published by the Hong Kong Stock Exchange. It will review existing procedures to ensure compliance with all relevant requirements outlined in the guide.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### STAKEHOLDERS ENGAGEMENT AND MATERIALITY ISSUES

Understanding and meeting the needs and expectations of stakeholders is a core driving force for the Group. Sustainability management is actively integrated into all aspects of the Group's operations and management. Throughout the year, we engage in regular dialogues with a diverse range of stakeholder groups, including regulators, government authorities, investors, suppliers, customers, and employees. These engagements aim to identify relevant sustainability issues that are material to the Group or align with the interests and expectations of our stakeholders. In this process, we consider factors such as megatrend development, regulatory requirements, and the expectations of rating agencies.

The content of this report reflects the outcomes of our stakeholder engagement and materiality assessment. We have established stakeholder communication and engagement procedures, as outlined in the table below. We are committed to further enhancing regular stakeholder communication to involve stakeholders in reviewing the Group's sustainable development status. This includes identifying the risks and opportunities we may encounter during our development process, such as climate risk management and target setting. We will take effective measures to address the expectations and demands of our stakeholders. The invaluable opinions gathered from stakeholders are carefully considered in defining our sustainability directions, strategies, and reporting priorities. This ensures that every business decision we make is well-informed and based on mutual trust.

Stakeholder Groups	Areas of ESG Concerns	Engagement Channels
Government	<ul style="list-style-type: none"> <li>• Response to national policy</li> <li>• Compliance operation</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in discussions and share corporate experiences when formulating relevant policies</li> <li>• Actively guide and influence public policy</li> <li>• Government-enterprise seminars</li> <li>• Accept supervision and check-ups</li> <li>• Telecommunications</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>• Corporate strategy and financial performance</li> <li>• Protection of shareholders' interest</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual and Interim reports</li> <li>• Email and telecommunication</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Benefits and rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Townhall meeting</li> <li>• Employee training</li> <li>• Group communication platform</li> <li>• Team building activities</li> <li>• Group press release</li> <li>• Enterprise WeChat workgroup</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stakeholder Groups	Areas of ESG Concerns	Engagement Channels
Customers	<ul style="list-style-type: none"> <li>• Immediate service</li> <li>• Information security and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Announcement of the Group</li> <li>• Communicate in the service delivery process</li> <li>• Conduct regular customer satisfaction and feedback surveys</li> <li>• Complaint hotline</li> <li>• Telecommunications</li> <li>• Enterprise WeChat platform (clients communication)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Comply with business ethics and national laws and regulations</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Publication of supplier management rules</li> <li>• Contract negotiation</li> <li>• Daily business communication</li> <li>• Enhance information disclosures</li> <li>• Telecommunication, WeChat, or emails</li> </ul>

We acknowledge the significance of identifying and addressing sustainable development concerns. By engaging in stakeholder communications and conducting thorough investigations, we gather valuable insights and feedback from shareholders, governments, employees, customers, and other stakeholders. This process allows us to identify and prioritize important ESG issues. In this report, we disclose the most material topics that have been identified, and we remain committed to continuously improving our sustainable management practices.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Following evaluations by management and considering the feedback received from stakeholders, the Group has identified the following material topics as focal points for our efforts.

Pillar	Material Topics	Definition
Environmental	Opportunities for Clean Technology	The Group's strategy for clean technology innovation capacity, strategic development initiatives, and revenue generated from clean energy and technologies.
	Product Carbon Footprint	The Group's strategy over carbon intensity of their products and their ability to reduce the carbon footprint in their supply chains or in the use of their products and services.
	Use of Resources	The Group's management approach for energy (including fuel and electricity) and resources (water and packaging materials) consumed during maintenance and shipping.
Social	Labor Management	The Group's policy and control in terms of relationship between management and labor, the strength of worker protections, and their employee engagement efforts.
	Customer service	The Group's policy and control in terms of customer service such as after-sales service, response to complaints and customer satisfaction.
	Privacy and Data Security	The Group's policy and control in terms of data protection, information system security and compliance to latest regulation of personal information.
	Supply chain management	The Group's policy and control in terms of green and responsible supply chain management.
	Health and safety	The Group's policy and control in terms of occupational health and safety of working environment
Governance	Corporate Governance	The Group's policy and control in terms of governance of ESG related issue and anti-corruption risk.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Taking into account the evolving megatrends, regulatory landscape, and the expectations set by rating agencies, we have identified specific material topics for the year. These include Opportunities for Clean Tech, Product Carbon Footprint, and Labor Management. These additions reflect our commitment to addressing emerging trends, meeting regulatory obligations, and meeting the expectations of relevant stakeholders.

### ENVIRONMENT PROTECTION

#### Our Environmental Management Approaches

Our dedication to environmental stewardship is exemplified through our Sustainability Policy, which guides us in developing a more sustainable business model. This involves actively managing our environmental impact, optimizing resource utilization, and decarbonizing our daily operations to minimize our ecological footprint. We recognize the importance of complying with local environmental legislation and take responsibility for minimizing any adverse effects our operations may have on the environment.

To ensure effective environmental protection, the Group has established and implemented policies and systems. These include the Management Policy on GHG Emission, which governs gas emissions, and the Bidding Management Policy, which supports procurement from local suppliers. In line with society's growing conservation and waste reduction needs, we have developed policies and regulations for green office management, energy conservation, hazardous waste reduction, and other measures. These regulations outline the responsibilities of each department and promote environmental protection throughout our organization.

Our commitment to environmental protection and carbon footprint reduction is demonstrated through our efforts to conserve natural resources, decrease energy consumption, minimize waste, and promote recycling. We prioritize maintaining the quality of our products and services while implementing management measures to achieve these goals. These measures encompass various areas, including electric lamps and electrical equipment, ventilation systems, air conditioners, water conservation, waste reduction, recycling of office supplies, and enhancements to the office work environment.

Throughout the reported period, we have diligently ensured compliance with applicable environmental laws and regulations. As of now, we are not aware of any significant instances of non-compliance that could have a material impact on the Group.

#### Our Environmental Commitments

The Group places a strong emphasis on monitoring the progress and performance of our environmental initiatives as a key aspect of our sustainability efforts. In response to the critical issue of climate change, the ESG Committee is actively developing strategies and policies to address this challenge. This includes conducting thorough reviews of associated risks and opportunities, implementing assigned tasks related to climate change, and closely monitoring our progress and performance in dealing with this issue.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, we are committed to actively pursuing the adoption of renewable energy in our operations and production processes. We understand the importance of selecting relevant indicators that align with the sustainable development of our business and our response to climate-related risks. Based on this, we establish corresponding targets and regularly evaluate our progress in achieving those targets. This approach enables us to effectively utilize resources, reduce greenhouse gas emissions, and proactively respond to climate change. By doing so, we aim to accelerate our transition toward a low-carbon economy.

Our commitments include:

- In response to climate change and to reduce the environmental impact of the Group's operations, the Group has set new environmental targets including minimising GHG emission.
- Enhancing energy efficiency by further upgrading the lightings and air-cooled chillers.
- Expanding the generation and use of renewable energy such as solar energy.
- Increase percentage of Group revenue attributable to the sale of electric vehicles.
- Increasing employee's awareness for energy saving and environmental protection.

### Environmental Protection And Emission Reduction

Environmental protection and emission reduction are significant global concerns both present and future, and the Group remains steadfast in prioritizing these aspects of development. The Group recognizes that a substantial portion of its greenhouse gas emissions originate from energy consumption. Thus, measures focused on enhancing energy efficiency, reducing carbon emissions, and minimizing overall emissions have been implemented at the group level. Additionally, each store is mandated to work towards the goals of carbon reduction and emission reduction.

To effectively decrease GHG emissions, we have established guidelines for the use of air conditioning, lighting, and office equipment. We have also implemented waste reduction and recycling practices while actively avoiding the use of chlorofluorocarbons (“CFCs”).

In the year 2023, the Group did not encounter any instances of confirmed non-compliance with environmental protection laws and regulations that had an adverse impact on the Group.

### Energy Consumption

Throughout the development of the Green Manufacturing Management Requirements, our company has been dedicated to reducing the intensity of our energy consumption. This commitment has led us to explore alternative methods, incorporate renewable energy sources, and actively promote energy conservation practices.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We strictly adhere to relevant laws and regulations concerning energy consumption, such as the Environmental Protection Law and the Energy Conservation Law of the People's Republic of China. When implementing green packaging and utilizing green materials, we prioritize the use of recyclable materials as a guiding principle. We also strive for simplification in automobile packaging to minimize waste, environmental pollution, and discarded materials.

The promotion of the “Green Concept” extends to our offices and workshops, where we encourage employees to save electricity, water, and paper. Furthermore, we continuously enhance our environmental management practices and take measures to reduce energy consumption in our daily operations. This includes implementing energy-efficient measures at our facilities and offices, such as adopting LED lighting that is more energy-efficient. We have also installed a central air conditioner monitoring system to adjust room temperature based on seasonal changes. In common areas and workstations, we have displayed signage to remind staff to save energy. Additionally, we emphasize the timely shutdown of idle computers, copiers, printers, and other electrical equipment to minimize electricity wastage. During non-working hours, electronic displays and public televisions are turned off to conserve energy.

### Water Consumption

The Group is dedicated to optimizing water management practices by implementing various measures to conserve water throughout its operations. Each business unit and department is responsible for regularly monitoring the onsite water supply system and promptly addressing any detected leaks. To regulate water usage in our daily operations, we have established a water conservation management system. The administration department, as part of its responsibilities, oversees the planning, organization, implementation, and supervision of water conservation management networks in each department and work team. This initiative aims to raise staff awareness of water conservation and foster a positive water-saving environment.

In addition, we actively promote the reasonable and recycled use of water resources among employees in the Group to maximize the utilization rate of this valuable resource. Moving forward, we will continue to implement measures to conserve water and explore further opportunities for water conservation.

### Waste Management

Effective waste management is an essential component of our environmental impact management practices. We have strict controls in place to prevent the improper disposal of both hazardous and non-hazardous solid waste. Our waste management strategy aligns with local regulations and guidelines, enabling us to safely and responsibly recycle or dispose of waste.

To enhance waste reduction efforts and minimize our environmental impact, the Group has implemented a waste management control procedure that encompasses all business units. This system ensures the efficient identification, segregation, and management of various types of waste. Whether it is hazardous waste like engine oil or non-hazardous waste such as office garbage, we prioritize proper sorting and appropriate treatment methods. Detailed records are meticulously maintained to ensure traceability.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, the Group is committed to addressing environmental concerns related to our after-sales service and maintenance processes. We conduct annual monitoring of wastewater, exhaust emissions, and noise levels, specifically focusing on each store's emissions. These assessments are accompanied by detailed monitoring reports to assess and mitigate any potential environmental pollutants resulted from our operations.

Our waste composition encompasses both non-hazardous and hazardous wastes generated throughout our value chain. We encourage stakeholders to segregate waste at the source, allowing us to explore resource utilization opportunities before disposal. For non-hazardous waste, the administration department is responsible for establishing waste collection sites within the Group. These sites are appropriately marked with waste classification signs, and designated personnel manage the collection points. Each department establishes waste collection points or containers based on recyclable and non-recyclable waste, and employees are educated on proper waste separation.

Regarding hazardous waste, we have designated specific containers for its storage. Eye-catching signs are displayed to differentiate types of toxic and hazardous wastes, and we ensure that the storage locations are protected from sunlight and rain. All hazardous waste undergoes proper handling by licensed contractors for appropriate disposal, minimizing negative environmental impacts. Standardized systems govern the production, temporary storage, transportation, and disposal of hazardous waste.

### Climate Change

The impacts of climate change are evident in the form of altered weather patterns, extreme weather events, and the depletion of various resources. Human activities have contributed to climate change, which is expected to result in a rise in extreme weather events like severe typhoons, seasonal storms, and abnormal precipitation. We are fully committed to supporting the national goal of peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, in line with the objectives of the Paris Agreement. As a responsible entity, we prioritize building resilience against climate-related risks and align ourselves with the national call for energy conservation and emission reductions.

The Group consistently evaluates the potential impacts of climate change on our operations and takes appropriate measures to enhance our preparedness in the face of extreme weather events or disruptions. We recognize that climate change presents both risks and opportunities, and our Board continuously monitors these factors to strengthen our business's resilience to climate-related challenges. We are dedicated to implementing precautionary measures and ensuring that our business can adapt to the effects of climate change.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Outlined below are climate-related risks that have the potential to significantly impact our business:

Risk Type	Risk Driver	Implications
Physical Risk	Extreme Weather Events	As a result of flooding, extreme winds and other events caused by extreme weather, our operating shops can be damaged as well as our business disrupted, which can affect profitability and increase maintenance costs.
Transition Risk	Customer Behaviour Change	Changing customer behaviour can cause revenue loss for the Group if it does not capture the needs of environmentally conscious customers.
	Policy And Regulatory Actions	Environmental laws and regulations in the jurisdictions in which the Group operates can cause it to suffer losses if it fails to comply with them.

The Group acknowledges that climate change poses a significant global challenge, and we are continuously striving to enhance our business's ability to withstand climate-related risks and minimize their adverse impacts.

### Opportunity in Clean Technology

In line with the government's commitment to clean energy, we actively collaborate with our suppliers to drive the promotion and sales of battery, electric, and hybrid vehicles. As a result, our Group strategy continuously adapts to remain resilient in response to changes in the product mix. We strictly adhere to the Renewable Energy Law of the People's Republic of China ("《中華人民共和國可再生能源法》") and align our business operations with the state's strategic direction.

The electric vehicle holds great potential to revolutionize the future of transportation by offering an environmentally friendly and energy-efficient mode of travel. Our Group is committed to advancing the development of electric vehicles, not only to promote eco-friendly mobility but also to contribute to the transition of the traditional automobile industry towards a more environmentally sustainable and low-carbon future. In the fiscal year 2023, our Group achieved a twofold increase in electric vehicle sales, and going forward, we will place even greater emphasis on environmentally friendly products.

The electric vehicle is anticipated to revolutionize the future of mobility, as it represents an eco-friendlier and energy efficient form of transportation. The Group aims to promote the development of electric vehicles as a means of promoting eco-friendly travel as well as facilitating the transition of the traditional automobile industry to one that is more environmentally friendly and low carbon in nature. In FY2023, the Group has doubled the sales of electric vehicles and we will focus more on the environmentally friendly products in the future.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Promoting Environmental Awareness

In order to cultivate a sense of environmental consciousness among our employees and exert influence on our stakeholders, it is crucial to drive behavioral change. We mandate all employees to actively raise awareness about environmental issues and actively engage in environmental protection initiatives. The Group has established regulations for the management of environmental education and has provided comprehensive training on environmental conservation. As part of our continuous efforts to shift our employees' mindset towards integrating sustainable practices into our daily operations, we strongly encourage them to embrace environmentally friendly lifestyles. It is expected that all employees adhere to the company's rules and regulations regarding environmental protection, particularly the "Three Wastes" management regulation. To develop a strong habit of environmental protection, we must apply our knowledge of environmental preservation to our daily practices.

As a testament to our dedication to environmental protection, we have also implemented the Green Procurement Management Policy as a direct response to our environmental responsibilities. Since 2016, the Group has taken numerous initiatives aimed at safeguarding the environment and promoting ecological preservation, including:

- Encourage employees to drive their own cars less but take public transport carriers, or go on foot or ride bicycles for short distances to reduce gasoline consumption and exhaust emissions;
- Establish green supply chains involves taking into account a wider range of environmental protection factors such as product design, purchasing, production, packaging, logistics, sales, service, recycling and reuse and other links. by collaborating with upstream and downstream companies, we can fulfil our social responsibilities for environmental protection, energy conservation, emission reduction, and other social obligations; and
- Educate employees to practice the concept of environmental protection and resource conservation in their daily lives and work.

## EMPLOYMENT AND LABOUR PRACTICE

### Talent Attraction and Retention

To attract and retain top talent, the Group has been collaborating with the university network and dedicated our recruitment platform to establish an internal talent pool. Our evaluation process primarily focuses on performance rankings, alignment with the company's corporate culture, and customer satisfaction. Outstanding individuals are regularly identified and included in the internal talent pool on a monthly or quarterly basis.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, the Group places great importance on maintaining a fair and inclusive work environment. Our employment policies and work regulations document, featured in the Employee Manual, clearly outline the internal standards that govern various aspects of employment. These include recruitment procedures, disciplinary measures, compensation structures, working hours, and dismissal protocols, among others. We are committed to fostering a harmonious partnership between the enterprise and its employees, ensuring equal employment opportunities for all individuals, irrespective of age, gender, physical characteristics, or ethnicity. The Employee Manual also provides channels for employees to voice their concerns or grievances. When making recruitment and promotion decisions, we take into account an individual's experience, qualifications, and past work performance.

### Employee Training and Development

The Group places significant importance on attracting and nurturing talent, with a strong focus on the growth and advancement of its employees. We offer a diverse range of opportunities for continuous professional development, equipping our employees with essential technical and soft skills. To ensure that their vocational development is well-coordinated and sustainable, we collaborate with the Group to identify their career aspirations while formulating tailored vocational development plans.

Moreover, we provide dedicated mentors to guide employees in their career progression and oversee training, performance evaluations, and promotion-related matters. This comprehensive support enables employees to develop steadily and build a solid foundation for their professional growth.

Regularly conducted training programs, including workshops, are specifically designed to meet the needs of our staff. These programs can take place either in person or through online platforms, enhancing their understanding of the Group's objectives, targets, and future roadmap. These tailored training initiatives serve as valuable opportunities for our employees to deepen their knowledge and skills.

### Employee Benefits and welfare

The Group has implemented a standardized performance evaluation and promotion system. Alongside ensuring a fair and transparent remuneration and benefits structure for all employees, the Group maintains an environment of equitable competition. To inspire all employees to strive for higher goals, the Group announces the top sales achievers for each region and dealership shop on a monthly basis.

All employees are entitled to the same and fair benefits system provided by the Group. In accordance with the law, employees receive paid annual leave, social security insurance, and provident funds. Moreover, various training programs are offered to enhance their qualifications and skills.

Each business unit sets strategic objectives and develops corresponding action plans on an annual basis. During the assessment of individual development and goal achievements, the heads of each business unit engage in discussions with their employees. The findings are then presented to senior management for further evaluation. Throughout this process, two-way communication is encouraged, with employee input highly valued.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To foster an engaging and inclusive work environment, the Group has implemented the following initiatives and staff benefit campaigns:

- Outstanding staff commendation
- Training for leisure e.g., makeup workshop, health seminar and floral workshop
- Celebration of traditional festival such as Women's Day, Chinese New Year and Mid-autumn festival
- Provision of staff meal and staff quarter for employee in needs

### Employee Engagement

To foster a harmonious workplace and demonstrate our commitment to employee well-being, the Group consistently administers surveys to gauge employee satisfaction and engagement. Recognizing the direct impact of employee satisfaction on the quality of our services, the Group has established a biennial employee satisfaction survey cycle. In FY2023, we received encouraging feedback from our employees, which further motivates us to address their needs and concerns. For instance, we actively utilize survey insights to facilitate stress management initiatives and encourage enhanced communication between supervisors and staff.

### Occupational Health and Safety

At our company, the well-being and safety of our employees in the workplace are of utmost importance. We prioritize adhering to the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, the Regulations of the People's Republic of China on Occupational Health in the Workplace, and other relevant laws and regulations to ensure a safe working environment. Throughout the reporting period, we remained fully compliant with these laws and regulations concerning health and safety.

To further ensure the safety of our employees, we engaged a professional party to conduct assessments of occupational hazards and diseases in our shops. This comprehensive evaluation encompassed factors such as air conditioning and air quality, lighting, provision of protective gear, fire prevention measures, and the control of dust, chemicals, and Toluene levels. We are committed to implementing any recommended improvements to enhance the safety of our working environment. Additionally, employees working in high-risk areas, such as painting warehouses, receive regular health checks to mitigate potential risks.

We provide our employees with safety training to enhance their awareness of occupational health and safety issues related to their job responsibilities and working environment. This includes fire safety training, drills, and first aid training. As part of our safety program, personal protective equipment is provided to employees in our workshops. We have also appointed a safety representative to monitor employee safety performance. Our employees receive detailed instructions on the proper operation of equipment to prevent workplace injuries. Importantly, no work-related fatalities occurred during the reporting year.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### Respect for Human Rights and Labour Practice

Our employees are the most valuable asset of our company, forming the foundation of our growth. In our employment practices, we strictly adhere to relevant laws and regulations, such as the Employment Ordinance of Hong Kong and the Labour Contract Law. We continuously monitor developments in labour and human rights laws to ensure our labour policies are up to date and in compliance. Throughout the reporting year, no significant incidents of non-compliance with labour practice-related laws and regulations occurred within the Group.

Our aim is to provide our employees with an inclusive and pleasant working environment, where they can enjoy comprehensive welfare benefits and find opportunities for personal and professional growth. As a responsible employer, we uphold high standards of fairness to eliminate discrimination and mistreatment within our organization. We are committed to treating all employees with respect and fairness, regardless of their gender, age, ethnicity, family status, sexual orientation, disability, race, religion, or any other personal differences. We have a zero-tolerance policy towards workplace discrimination and issues related to human trafficking. The Group has implemented various employment policies, such as the Human Resource Policy, Employee Welfare and Incentive Policy, and Labour Contract, which provide detailed information on our labour practices, including compensation, dismissal, recruitment, promotion, work hours, rest periods, equal opportunity, diversity, anti-discrimination measures, and other forms of welfare. In FY23, we have employed 20 individuals with disabilities and contribute to the National Disability Insurance Fund to support their employment rights. We are committed to creating an inclusive work environment where each employee can fully utilize their abilities and talents.

Furthermore, we provide environmental awareness activities for our employees within our dealership shops. We recognize the importance of environmental protection and promotes individual efforts among our shops to contribute to the cause as a whole. We aim to enhance employees' awareness of environmental issues and encourage them to take sustainable environmental actions in their daily work and lives. This includes promoting resource conservation, waste reduction, and energy efficiency practices.

In line with our commitment to upholding human rights, we strictly prohibit the use of child labour and forced labour within our operations. We have informed our employees about the importance of labour rules through email and notifications. Additionally, we have established suggestion boxes and implemented a whistle-blowing mechanism. We have a dedicated email address for reporting any suspected misconduct directly to the Chairman of the Audit Committee, and we ensure the confidentiality of whistle-blower information. During the reporting period, no instances of such practices were discovered within our operations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### OUR VALUE CHAIN

#### Supplier Chain Management and Monitoring

In order to foster the collaborative development of the industry's value chain and achieve synergies, the Group maintains robust partnerships with its collaborators, aiming to cultivate long-term and amicable relationships. Throughout the reporting year, the Group engaged with a significant number of key suppliers, totalling 57 in the procurement of components, all of which are based in mainland China.

In our procurement practices, we adhere to all relevant laws and regulations, ensuring a fair and equitable procurement process for all our suppliers. To effectively manage our supplier relationships, we have implemented several internal policies, including Supplier Selection and Management Measures, Procurement Control Process, and Compliance Management. These policies facilitate compliance, continuous improvement, and adherence to environmental protection, quality, and social responsibility requirements. We have established a comprehensive review mechanism for our suppliers and regularly assess their performance to maintain high standards.

Our procurement process prioritizes minimizing adverse impacts on the environment and human health by procuring environmentally preferable products and services. We conduct thorough supplier assessments encompassing quality, price, and environmental and social considerations. Long-term monitoring of supplier quality and regular reviews are integral to our approach. Additionally, all newly arrived automobiles undergo rigorous inspections before being sold to customers to ensure their quality and meet our stringent standards.

#### Customer data privacy

In an increasingly digitalized world, the significance of data privacy and cybersecurity cannot be overstated. Our utmost priority is to comprehend and honour our customers' concerns regarding the privacy of their personal information. Given the importance of data privacy and cybersecurity in today's digital landscape, we deeply understand and respect our customers' apprehensions. To ensure the confidentiality of personal information and data, we have established a comprehensive Privacy Policy and Information Security Policy and Standards ("**Privacy Policy**") within the Group. These policies outline our practices regarding the collection, use, protection, and sharing of personal information. Privacy and data security matters are regularly reviewed and discussed by the board and management, ensuring constant vigilance in safeguarding customer, supplier, and employee privacy.

We collect only the information necessary to provide optimal service to our customers, and access to customer information on the Group's internal network is restricted to authorized personnel. Customers, suppliers, and employees are well-informed about our privacy policy concerning data. Furthermore, our privacy policy aligns with relevant laws and regulations such as the Civil Code of the People's Republic of China, Criminal Law of the People's Republic of China, Cybersecurity Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and Personal Information Protection Law ("**PIPL**").

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

All collected information is securely stored on protected servers, utilizing a highly secure information management system built to industry standards. Our network environment, including store infrastructures, is constructed using the Multiple Spanning Tree Protocol (“**MSTP**”) dedicated line, ensuring system security and low latency. Adherence to the Privacy Policy is the responsibility of all employees, contractors, consultants, temporary workers, and other personnel. Violations may result in disciplinary action, including termination. Regular training on data security and privacy is provided to staff members to ensure their awareness and compliance.

The Group has diligently complied with all applicable laws and regulations concerning data protection and security in the People’s Republic of China. We closely monitor evolving laws in China to ensure compliance with relevant standards and requirements, promptly implementing any new requirements and updating our policies accordingly. Following a comprehensive analysis of the Personal Information Protection Law’s requirements, we have taken measures to enhance our management of customers’ personal information and consistently update our policies to reflect the latest best practices.

### Product quality management

Ensuring product quality is of utmost importance to the Group. We have developed comprehensive management policies and procedures. In terms of product quality and safety supervision, we strictly adhere to product conformity requirements and mandate safety testing for all products. Our compliance extends to relevant laws and regulations, including the Regulation concerning the Management of Compulsory Product Certification, the Product Quality Law of China (2018), and the reference table for HS code 2014.

In addition, we insist that all products must possess technical certification for quality control and 3C certification for safety before they can be sold. The dissemination of information is conducted in a fair and unbiased manner. Our sales representatives are obligated to provide customers with accurate and truthful information when selling goods. As part of our Pre-Delivery Inspection (“**PDI**”) process, we ensure that all vehicles are thoroughly checked and in proper working order before delivery. Skilled maintenance technicians conduct detailed inspections according to each brand’s specifications, including computer diagnosis and basic maintenance.

Regarding after-sales services, we have established an interactive and open communication channel with customers through regular visits. Based on the terms of the sales contract, products may undergo maintenance during the warranty period. We encourage customers to inquire about product details and provide feedback, enabling us to address any concerns about nonconforming products promptly. Customers can provide feedback through various channels provided by the Group, including our 24/7 customer service hotline and our business WeChat account, where we provide instant responses. When receiving customer feedback, shop managers promptly contact customers, attentively listen to their complaints, and work towards swift resolutions. The Group collects and analyses all customer feedback on a monthly basis at the Group level, enabling consistent actions and improvements across all shops. Customer satisfaction is paramount, and we strive to address feedback comprehensively. Complaints are expected to be resolved within 48 hours, and in the fiscal year 2023, the Group received a total of 2,250 complaints, with a timely resolution rate of 99%. Among these, there were 1,318 complaints related to products and 932 complaints related to services, of which no complaints were unsolved.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As the Group's primary business involves the sale of vehicles, we do not initiate product recalls. However, if the manufacturer announces a recall for a specific batch of vehicles or products due to safety concerns, we individually contact each customer to explain the situation and guide them through the recall process. Our dealerships thoroughly examine the returned vehicles following the manufacturer's instructions. In the fiscal year 2023, all product recalls were successfully resolved, and customer satisfaction was achieved.

During the Reporting Period, the Group demonstrated a strong commitment to product liability, resulting in no violations of laws and regulations regarding service responsibility. Our effective enforcement of relevant policies ensures compliance and upholds our dedication to product quality. When creating marketing materials, we prioritize adhering to relevant standards and protocols while safeguarding our use of materials through intellectual property rights protection.

### Integrity maintenance

During the reporting period, the Group demonstrated strict adherence to laws and regulations concerning bribery, extortion, fraud, and money laundering, including the Law of The People's Republic of China against Unfair Competition. Upholding the highest standards of business ethics, we have a zero-tolerance policy towards bribery, extortion, fraud, and corruption in all our business operations. To combat these issues effectively, we have implemented robust bribery and fraud prevention policies, open tender policies, whistle-blowing policies, and policies on independent financial audits. Access to all these policies is easily available through our internal system.

In our effort to prevent conflicts of interest, employees are required to provide declarations regarding potential conflicts. We provide regular training to employees who are identified as having a higher probability of conflicts of interest to ensure they are updated on any relevant cases within the Group. Internal policies and controls are firmly established to promote proper management practices and prevent unethical behavior. We provide comprehensive training to employees, covering topics such as business ethics codes, anti-money laundering laws, discrimination ordinances, and personal data protection, to enhance their understanding of anti-corruption practices. The management and the Board conduct regular reviews and enhancements of our internal policies and the effectiveness of internal controls.

To ensure integrity in our supply chain, we have implemented Supplier Integrity Agreements with our suppliers, emphasizing the importance of honesty and trustworthiness. By strictly complying with laws and regulations related to anti-corruption, we maintain a strong commitment to ethical conduct throughout our operations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### COMMUNITY INVESTMENT

#### Caring about community

The Group places great importance on community welfare and actively engages in initiatives organized by local environmental protection groups to address greenhouse gas (“GHG”) emissions. To encourage environmentally conscious behaviour, our employees were encouraged to reduce their reliance on private vehicles and instead utilize eco-friendly and low-carbon modes of transportation such as bicycles, electric cars, or public transportation. This initiative not only promotes sustainable transport practices but also contributes to the overall environmental well-being of the community.

2023  
HKD

#### Amount of money donated

Labour Benefits	341,150
Total	341,150

### PERFORMANCE DATA SUMMARY

#### Environmental performance

##### AIR EMISSIONS FROM GASEOUS FUEL CONSUMPTION

#### KPI A1.1 The types of emissions and respective emissions data

Type of Air Pollutants	Unit	2022	2023
Sulphur Dioxide	Kg	0.64	0.75
Nitrogen Oxides	Kg	0.04	0.02
Particulate Matter	Kg	0.05	0.02

*Note:* Air pollutants emission is mainly due to the gradually switching of petrol cars to hybrid cars during the Reporting Period resulting the decrease in both fuel consumed and kilometre travelled by vehicles.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### ENERGY AND CARBON EMISSION

#### KPI A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity

#### KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity

Type of GHG emissions	Unit	2022	2023
Scope 1 Direct emission	Tonne	1,875.97	<b>1,518.56</b>
Scope 2 Indirect emission	Tonne	29,570.09	<b>25,400.96</b>
Total Emission	Tonne	29,605.59	<b>26,919.52</b>
Emission Intensity	Tonne/Revenue – RMB'000	0.0010	<b>0.0009</b>

*Note:*

1. The calculation of the GHG is based on the “Corporate Accounting and Reporting Standard” from GHG protocol and the latest emission factors from International Energy Agency (“IEA”)
2. Scope 1: Direct emission from fuel sources of dealership shops that are under the operations of the Group
3. Scope 2: Indirect emission from the generation of purchased electricity and heating consumed by the dealership shops that are under the operations of the Group
4. Emission figures have been restated where better quality, or more complete, data have been identified

Type of energy source	Unit	2022	2023
Fuel	kWh	6,953,834.74	<b>5,528,408.46</b>
Purchased heating	kWh	1,667.00	<b>4,800.00</b>
Purchased electricity	kWh	36,054,599.53	<b>31,418,087.84</b>
Liquefied petroleum gas	kWh	61,390.69	<b>179,629.49</b>
Total Energy Consumption	kWh	43,071,491.96	<b>37,130,925.78</b>
Energy Intensity	kWh/Revenue – RMB'000	1.26	<b>1.30</b>

### WASTE

#### KPI A1.3 Total hazardous waste produced and intensity

#### KPI A1.4 Total non-hazardous waste produced and intensity

Type of Wastes	Unit	2022	2023
Total hazardous waste	Tonnes	1,184.48	<b>1,512.47</b>
Total non-hazardous waste	Tonnes	399.42	<b>451.32</b>
Total Waste	Tonnes	1,583.90	<b>1,963.79</b>
Waste Intensity	Tonne/Revenue RMB'000	0.0001	<b>0.0001</b>
Total Packaging Material	Tonnes	12.90	<b>5.35</b>
Packaging Material Intensity	Tonne/Revenue RMB'000	0.0000	<b>0.0000</b>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### WATER

#### KPI A2.2 Water consumption in total and intensity

CATEGORIES	Unit	2022	2023
Total Water consumption	m <sup>3</sup>	415,495.16*	275,598.82
Water intensity	m <sup>3</sup> /Revenue – RMB'000	0.015	0.010

*Note:* Due to frequent outbreaks of the pandemic in 2022, the Group placed significant emphasis on the health and well-being of both employees and customers. As a result, the frequency of cleaning and the amount of water consumed during each cleaning session significantly increased, hence the increased water usage in 2022, which is significantly decreased in 2023.

### Social Performance

#### WORKFORCE PROFILE

#### KPI B1.1 Total workforce by gender, employment type, age group and geographical region

	2022 Number of staff	% of total	2023 Number of staff	% of total
Total workforce	4,693	–	3,884	–
<b>Total workforce by employment type</b>				
Full time	4,693	100	3,884	–
Part time	0	0	0	0
<b>Total workforce by gender</b>				
Male	2,661	57	2,271	58
Female	2,032	43	1,613	42
<b>Total workforce by age group</b>				
25 or below	1,844	39	1,154	30
25–30	2,464	53	2,296	59
31–40	324	7	388	10
41 or above	61	1	46	1
<b>Total workforce by employment category</b>				
General staff	3,732	80	3,275	84
Supervisor	425	9	214	6
Middle management	444	9	318	8
Senior management	92	2	77	2
<b>Total workforce by geographic Region</b>				
Eastern and Central China regions	2,149	46	1,798	46
Southern and Northern China regions	2,344	50	1,928	50
Southwestern and North-western mainland regions	200	4	158	4
Hong Kong	0	0	0	0

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### STAFF TURNOVER

#### KPI B1.2 Employee turnover rate by gender, age group and geographical region

	2022	2023
Total employee turnover rate	68%	38%
<b>Employee turnover rate by gender</b>		
Male	51%	51%
Female	68%	49%
<b>Employee turnover rate by age group</b>		
25 or below	13%	43%
25–30	34%	50%
31–40	44%	6%
41 or above	9%	1%
<b>Employee turnover rate by geographic region</b>		
Eastern and Central China regions	42%	44%
Southern and Northern China regions	55%	51%
Southwestern and North-western mainland regions	3%	5%
Hong Kong	–	0%

### 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 period

#### KPI B2.2 Lost days due to work injury

Occupational Health and Safety	2021	2022	2023
Work-related fatalities	–	–	–
Lost day due to work injury	–	–	–

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### EMPLOYEE TRAINING

**KPI B3.1 The percentage of employees trained by gender and employee category**

**KPI B3.2 The average training hours completed per employee by gender and employee category**

<b>% of Employees Trained</b>	2022	2023
<b>Employee trained by gender</b>		
Male	100%	100%
Female	100%	100%
<b>Employee trained by employee category</b>		
General staff	100%	100%
Supervisor	100%	100%
Middle management	100%	100%
Senior management	100%	100%
<b>Average Training Hours</b>		
	2022	2023
<b>Employee trained by gender</b>		
Male	28	30
Female	28	29
<b>Employee trained by employee category</b>		
General staff	25	25
Supervisor	25	25
Middle management	54	54
Senior management	54	54

### SUPPLY CHAIN

**KPI B5.1 Number of suppliers by geographical region**

<b>Number of suppliers by geographic location</b>	2022	2023
Northern China region	5	5
Eastern China region	7	7
North-eastern China region	1	1
Central China region	3	3
Southern China region	42	42
Total	58	57

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

### HKEX REPORTING GUIDE CONTENT INDEX

General Disclosure and KPIs		Reference/Remarks
<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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste		ENVIRONMENT PROTECTION
KPI A1.1	The types of emissions and respective emissions data.	PERFORMANCE DATA SUMMARY
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.	Environmental Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	
KPI A1.5	Description of emission target(s) set, and steps taken to achieve them.	ENVIRONMENT PROTECTION Our Environmental Targets
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.	ENVIRONMENT PROTECTION 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		ENVIRONMENT PROTECTION
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000 s) and intensity.	PERFORMANCE DATA SUMMARY
KPI A2.2	Water consumption in total and intensity.	Environmental Performance
KPI A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	
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.	ENVIRONMENT PROTECTION Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	PERFORMANCE DATA SUMMARY Environmental performance

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosure and KPIs		Reference/Remarks
<b>Aspect A3 – The Environmental and Natural Resources</b>		
General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.		ENVIRONMENT PROTECTION
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENT PROTECTION
<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		ENVIRONMENT PROTECTION
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.	ENVIRONMENT PROTECTION Climate Change
<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.		EMPLOYMENT AND LABOUR PRACTICE
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	PERFORMANCE DATA SUMMARY
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance
<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.		EMPLOYMENT AND LABOUR PRACTICE
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting period.	PERFORMANCE DATA SUMMARY Social Performance
KPI B2.2	Lost days due to work injury.	
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	EMPLOYMENT AND LABOUR PRACTICE Occupational Health and Safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosure and KPIs		Reference/Remarks
<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.		EMPLOYMENT AND LABOUR PRACTICE
KPI B3.1	The percentage of employees trained by gender and employee category.	PERFORMANCE DATA SUMMARY
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance
<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.		EMPLOYMENT AND LABOUR PRACTICE
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYMENT AND LABOUR PRACTICE
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Respect for Human Rights and Labour Practice
<b>Aspect B5 – Supply Chain Management</b>		
General Disclosure Policies on managing environmental and social risks of the supply chain.		OUR VALUE CHAIN
KPI B5.1	Number of suppliers by geographical region.	PERFORMANCE DATA SUMMARY Social Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	OUR VALUE CHAIN Supplier Chain Management and Monitoring
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosure and KPIs		Reference/Remarks
<b>Aspect B6 – Product Responsibility</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 health and safety, advertising, labelling, and privacy matters relating to products and services provided and methods of redress		OUR VALUE CHAIN
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Since the Group's primary business is the sale of vehicles, it does not recall products.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	OUR VALUE CHAIN Product quality management
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	This is not considered material to the Group.
KPI B6.4	Description of quality assurance process and recall procedures.	OUR VALUE CHAIN Product quality management
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	OUR VALUE CHAIN Customer data privacy
<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.		SUSTAINABILITY GOVERNANCE
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.	PERFORMANCE DATA SUMMARY Social Performance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

General Disclosure and KPIs		Reference/Remarks
<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.		COMMUNITY INVESTMENT
KPI B8.1	Focus areas of contribution.	COMMUNITY INVESTMENT Caring about community
KPI B8.2	Resources contributed to the focus area.	Supporting Information – Data Tables